Aspen Pharmacare Holdings Ltd. - Water Security 2022

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Aspen is a pharmaceutical company listed on the Johannesburg Stock Exchange Limited ("JSE"). Aspen employs approximately 9100 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 overall operations and is therefore relevant to Aspen's sustainability objectives. In addition to climate change related risks, sustainable water supply is further exacerbated by increased urbanisation and the ageing municipal infrastructure in certain parts of South Africa. We use water extensively in the manufacture of our products in order to maintain the required manufacturing environmental conditions, for manufacture of our products, especially liquids and injectables, in the cleaning of our equipment and facilities, for employee hygiene and in steam generation. As at 30 June 2021, the Group had 23 manufacturing facilities across 14 sites. The manufacturing sites contribute to the bulk of Aspen's greenhouse gas (GHG) emissions and water usage and therefore, our environmental reporting is focused at a manufacturing site level.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	July 1 2020	June 30 2021

W0.3

(W0.3) 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

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Aspen owned corporate and commercial offices are excluded in our footprint calculations.	Water withdrawn for corporate and commercial offices is negligible in comparison to our manufacturing operations and is therefore excluded. The Aspen-owned corporate office in South Africa is the largest owned commercial office and contributes to less than 1% of our annual water withdrawal within the Group. This is, per our internal substantiality threshold, considered negligible and therefore all Aspen owned corporate and commercial offices are excluded from our reporting boundary.

W0.7

(W0.7) 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

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Direct: Water quality and supply have the potential to impact both Aspen's direct operations and supply chain. Aspen relies on a constant water supply of adequate quality for manufacturing processes and to maintain compliance to quality standards. Disruptions to water supply present a risk to production, and declining water quality will impact the Group's operating costs as additional processing would be required to ensure product quality. This reliance on freshwater will thus make freshwater usage vital to our continued operations. Indirect: Our suppliers are also vulnerable to the impacts of water supply and quality risks, which will impact our supply chain costs, quality of raw materials and security of supply. Aspen sources raw materials from various geographic locations. Intermediates and raw materials sourced from the agricultural sector are specifically vulnerable to changes in climate (changing precipitation regimes and increased frequency and intensity of extreme weather events) and overall water supply and quality. Security and quality of raw materials will be impacted by water-related risks. Thus, we have identified freshwater usage and availability for our value chain continuity as important to our business considerations. Future: Aspen's operations, in particular in South Africa, are anticipated to experience increased water stress as a result of climate change impacts. With decreased water availability, an increase in operating costs is expected and investment in water treatment will be required to meet water demands for production purposes.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Important	Direct: Treated groundwater (brackish) is utilised for direct applications within some of our production process, and now also serves as a primary water source for production at our Gqeberha (South Africa) site. The importance rating for this category was thus escalated to vital, in light of this development. Additionally, a number of Aspen's operations are situated in water management regions which are reliant on the treatment and recycling of return flows to maintain a positive water balance. Since some of our facilities are situated in water-scarce regions, including SA, recycled water and treatment of brackish water is a current and future source of water for our operational continuity. Indirect: Our manufacturing sites continue to benefit from reuse and recycling initiatives that were implemented in prior years, including the reuse of rejected Reverse Osmosis (RO) water in the ablution facilities, cooling towers, garden irrigation and general cleaning activities. In addition, groundwater is also utilised in closed cooling water systems. We therefore identify this water source as important to our indirect operations. Future: Aspen's operations, in particular in South Africa, are anticipated to experience increased water stress as a result of climate change impacts. With decreased water availability, reliance on groundwater within these catchment areas could be crucial to meet or supplement water demands for production purposes. The use of groundwater as a primary source of water in our production processes will require active participation in water stewardship to facilitate collective action in preserving aquifers for responsible consumption.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Water withdrawals are monitored at 100% of our manufacturing sites using a combination of municipal and internal meters. Water withdrawals are monitored monthly as the water supply is extremely important in maintaining operations and represents a growing operational expense.
Water withdrawals – volumes by source	100%	Municipal supply is the main source of water for the majority of our manufacturing facilities, however, facilities in France, Mexico, Tanzania and India make use of groundwater. All sites monitor water withdrawal by source monthly.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	100%	The quality of the water withdrawn is monitored daily at all manufacturing facilities (100%) as the nature of our products requires that the water used meets Aspen's internal quality standards.
Water discharges – total volumes	76-99	The majority of the facilities monitor water discharge monthly as it represents a significant cost to the operations. Wastewater volumes are monitored from municipal accounts where volumes are either measured or calculated in accordance with discharge factors as per permit conditions. The Kama (Ghana) site which contributes 0.09% (1 Ml) of the total volume of water withdrawn for the Group is currently not able to measure water discharge. The Vallejo (Mexico) site which contributes 4% of the total volume of water withdrawn for the Group utilises a ratio to estimate its portion of discharges at a shared manufacturing facility.
Water discharges – volumes by destination	76-99	All manufacturing facilities discharge wastewater into the municipal sewer system; some sites do treat the water onsite before discharge. Water discharge is monitored monthly at the majority of the facilities from municipal accounts where volumes are either measured or calculated. The Kama (Ghana) site which contributes 0.09% (1 Ml) of the total volume of water withdrawn for the Group is currently not able to measure water discharge. The Vallejo (Mexico) site which contributes 4% of the total volume of water withdrawn for the Group utilises a ratio to estimate its portion of discharges at a shared manufacturing facility.
Water discharges – volumes by treatment method	100%	Several of our manufacturing sites treat wastewater before discharge to the municipal sewer. Waste water quality is tested and the volume treated is measured before each discharge to the municipal sewer in accordance with discharge requirements as per permit conditions. Where waste water is not treated on site, discharge quality is tested and the volume calculated monthly, in accordance with discharge requirements as per permit conditions.
Water discharge quality – by standard effluent parameters	100%	All manufacturing facilities monitor and measure standard effluent parameters in accordance with their municipal discharge permit conditions. Pre-treatment of wastewater is conducted and monitored daily at several sites to meet the necessary legal requirements prior to discharge into the municipal sewer. Where waste water is not treated on site, water quality is monitored monthly in accordance with discharge requirements as per permit conditions.
Water discharge quality – temperature	100%	All manufacturing facilities discharge wastewater into the municipal sewer system and have to comply with the municipal temperature standards. Although temperature is not an effluent parameter of concern for Aspen, it is monitored daily where pre-treatment is conducted on-site, and monthly for facilities who do not undertake waste water pre-treatment.
Water consumption – total volume	100%	Water consumption is monitored quarterly for all manufacturing facilities through calculation of the total water withdrawn less the total water discharge volumes.
Water recycled/reused	26-50	We recycle/reuse water at some of our manufacturing sites (4/14) but it is not mandatory for facilities to report on this data as metering is not always present on water reuse/recycling processes.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Ablution facilities are provided at all facilities; however, due to the small volume of water utilized in these ablution facilities, it is not monitored separately from other water sources/ discharge points but included in the total water accounting for the facilities.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	1096	Lower	Water withdrawn has decreased by 9% (108 megalitres) for the year. This is attributable mostly to the decommissioning of cooling towers at Oss (Netherlands), 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 (Cape Town) was lower during 2021 due to reduced operations in certain production centres which resulted in less frequent cleaning activities. Future: Water withdrawn is projected to decrease by a further 51 megalitres (5%) at the end of FY22. In line with production planning requirements at FCC (Cape Town), production was concentrated to only a few production facilities. As such, water use at the site was greatly reduced. A notable water reduction was reported for the Moleneind (Oss) site, attributable to a decrease in steam consumption enabled by favourable ambient temperatures experienced during certain months of 2022. Production at our Alphamed (India) site has not recommenced after an industrial fire that occurred in June 2021 and therefore no water was used for production purposes during 2022.
Total discharges	859	About the same	An immaterial increase of 0.23% water discharge was recorded for 2021. Future: An increase in total discharges is likely to be reported for 2022. This increase is attributed to variances in product mix. Solid dose forms are less water- intensive thus discharges are expected to increase with increased production of solid dose products.
Total consumption	237	Much lower	The total volume of water consumed is determined through calculation of the total water withdrawn less the total water discharged. The total water consumption for the reporting period is reported as 'much lower' (30% or more) in the determination of variances to the previous reporting period (347 ML). The variance is attributed to product mix (solid vs liquid dose forms). Future: Water consumption is projected to decrease even further for 2022, also attributed to previously stated product mix.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	26-50	About the same	WRI Aqueduct	Our sites in Vallejo, Cape Town and Hyderabad are situated in extremely high water-stressed areas. The Aqueduct Water Risk Atlas does not currently classify Gqeberha as a high water stress location. However, considering surface water availability in the region, we have included this site in the top water risk category. The water withdrawn from these sites represents 31% of total water withdrawn for the Group compared to 30% reported for 2020.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	Not applicable to Aspen Manufacturing sites. We do not make use of any fresh surface water for our manufacturing sites, but rather rely on withdrawal from third party and groundwater sources.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	Not applicable to Aspen Manufacturing sites. We do not make use of any brackish surface water or seawater for our manufacturing sites, but rather rely on withdrawal from third party and groundwater sources.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	Not applicable to Aspen Manufacturing sites. We do not make use of any renewable groundwater for our manufacturing sites because the return to the aquifer would require a special permit and treatment of waste water to potable water quality levels. Our on-site waste water treatment plants are not designed to meet this level of treatment.
Groundwater – non-renewable	Relevant	143	Lower	Non-renewable groundwater is considered relevant as this water source is used by our NDB (France), Alphamed (India), Shelys (Tanzania) and Vallejo (Mexico) facilities. A moderate (12%) decrease (19 ML) in groundwater was withdrawn in comparison to the prior year. This decrease is consistent with decrease in total water withdrawn for 2021. An increase in groundwater withdrawal will be reported for future disclosures since treated groundwater now serves as a primary water source for production at our Gqeberha (South Africa) site.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Not applicable to Aspen manufacturing. We do not make use of produced / entrained water for our manufacturing sites, but rather rely on withdrawal from third party and groundwater sources. The use of produced water would place a higher demand on pre-treatment of incoming water as it contains oil and suspended solids.
Third party sources	Relevant	953	Lower	Third party sources are considered relevant as Aspen obtains most of its withdrawn water from municipal sources. Water withdrawn from municipalities decreased by 9% (89 ML). The decrease is mainly due to decommissioning of cooling towers at Oss (Netherlands), 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 2021 due to reduced operations in certain production centres which resulted in less frequent cleaning activities.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	Not applicable to Aspen Manufacturing sites. We do not discharge our waste water to fresh surface water as service level agreements or trade effluent permits are maintained by all facilities for discharge through the municipal sewer.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	Not applicable to Aspen Manufacturing sites. We do not discharge our waste water to brackish surface water / seawater as service level agreements or trade effluent permits are maintained by all facilities for discharge through the municipal sewer.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	Not applicable to Aspen Manufacturing sites. We do not discharge our waste water to groundwater as service level agreements or trade effluent permits are maintained by all facilities for discharge through the municipal sewer. Return to groundwater would require a special permit and treatment of waste water to potable water quality levels. Our on-site waste water treatment plants are not designed to meet this level of treatment.
Third-party destinations	Relevant	859	About the same	All our wastewater is sent to third party (municipal and private) wastewater treatment plants; this destination is thus considered relevant. An immaterial increase of 0.23% water discharge was recorded for 2021.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	13	Much lower	31-40	Four manufacturing sites operate tertiary on-site waste water treatment facilities, prior to discharge to a third party destination (municipalities). Tertiary treatment is applied in order to meet the permit conditions for discharge into the municipal sewer, as stipulated by the local authorities and therefore relevant. A reduction of 97% (much lower) in the tertiary treatment of waste water was reported in comparison to the prior year. This significant variance is due to treatment incorrectly classified as tertiary treatment in our previous disclosure.
Secondary treatment	Relevant	366	This is our first year of measurement	1-10	Combined effluent (process and household) wastewater at our Oss (Netherlands) site is discharged to a waste water treatment plant where primary and secondary treatment is executed. Therefore, this category of waste water treatment is relevant.
Primary treatment only	Relevant	138	Lower	21-30	Four manufacturing sites provide primary on-site waste water treatment prior to discharge to third parties. Primary treatment of aqueous waste is applied at the FCC (South Africa) site to meet the specifications. making this relevant. Primary treatment of waste water is conducted to meet local regulatory requirements for discharge to private and municipal waste treatment facilities for the NDB (France), Dandenong (Australia) and Kama (Ghana) sites. The level of treatment applied at third party water treatment sites has not yet been assessed but is expected to meet national legal requirements for waste water treatment. A 6% reduction (lower) in the primary treatment of waste water was reported in comparison to the prior year. This reduction is fairly consistent with the reduction in total water withdrawn for 2021.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Aspen manufacturing sites do not discharge untreated wastewater to the natural environment, making this destination not relevant.
Discharge to a third party without treatment	Relevant	342	Higher	31-40	Five manufacturing sites discharge waste water directly to the municipal sewer without any on-site pre-treatment. Internal effluent sampling is carried out to ensure compliance with the permit conditions as stipulated by the local authorities. Any non-conformities are formally managed through our sustainability and/or ISO 14001 environmental management system. The level of treatment applied at all municipal waste water treatment sites has not yet been assessed but is expected to meet national legal requirements for waste water treatment. A small volume of waste water (first rinse from high potency products and oral liquids) from the ABO (Germany) is however incinerated. The volume of waste water discharged to third parties for the reporting period increased by 17% comparison to the prior year. This variance is mainly driven by an increase in water discharge from our Gqeberha (South Africa) facility linked to production trials and changes in cleaning regimes.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	No specific unique waste water treatment methods or other destination points are applied at any Aspen manufacturing sites.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	37765714748.45	1096	34457768.9310675	Projected total water withdrawal for 2022 is 1,045 megalitres and projected revenue increase is currently 6%. The projected water efficiency for 2022 is calculated at 38,307,806.35

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

No, not currently but we intend to within two years

W1.4d

(W1.4d) Why do you not engage with any stages of your value chain on water-related issues and what are your plans?

	Primary reason	Please explain
Row 1	We are planning to do so within the next two years	We are in the process of developing a group-wide Responsible Supply Chain Programme to formally assess and effectively manage sustainability risk exposure within our supply chain and govern the engagement process. Application of a globally consistent risk-based approach, using defined criteria, to categorise all Aspen suppliers is intended to focus our efforts on those where significant risk exists.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage
Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed in an environmental risk assessment

Frequency of assessment
Annually

How far into the future are risks considered?
1 to 3 years

Type of tools and methods used
Tools on the market
International methodologies and standards

Tools and methods used
WRI Aqueduct
WWF Water Risk Filter
ISO 14001 Environmental Management Standard

Contextual issues considered
Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment
The World Wildlife Fund (WWF) Water Risk Filter was selected to quantify water risks for Aspen. The Water Risk Filter incorporates material contextual issues related to water risks and these are embedded the risk assessment methodology of the assessment tool. All manufacturing sites were included in the water risk assessment process. Water and production output data for financial year 2021 (FY21) was used in the risk calculator. Company/commodity and basin-related risks were considered in the assessment in order to calculate an overall risk rating per facility. The WRI Aqueduct is used to assess water stress and SHE Risk Assessments are conducted in compliance with the requirements of ISO 45001 and ISO 14001. Results of water risk assessments are used for various public disclosures and is considered an essential input into the sustainability strategy of Aspen. Although Aspen appreciates the importance of ecosystem services in maintaining a sustainable water resource, and vice versa, reliance is placed on water utilities, the water services authorities and Governments to ensure that these ecosystems are appropriately managed, and risks evaluated. All of Aspen's sites are situated in highly modified and built-up areas (i.e., industrial parks); none are located in critical habitat areas or are sufficiently close to these areas, so as to have a significant impact on such habitats. Thus, these considerations are not relevant to our operations. Furthermore, Aspen undertakes direct abstraction of water at sites located in France, Mexico, Tanzania and India. As per our environmental management principles, Aspen is committed to resource conservation initiatives, however, Aspen relies on the water utilities and regulators to manage any ecosystem impacts.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

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, but at least each quarter. Company- wide risks are identified by the HOD: Group Risk & Sustainability and reported to the Executive Risk Forum. The risk assessment is performed in accordance with the approved Group Risk Management Policy and Group Risk Management Framework. The detailed water risk assessment feeds into the enterprise risk management process. The Water Risk Filter, developed by World Wildlife Fund for Nature (WWF) assesses both company risk and basin risk. The process involved uploading all site information into the online tool, including the facility location coordinates. Each site then completed the site specific questionnaire and provided information relating to water quality data, water consumption and the country's legal framework. The online tool utilized online data sets from WWF to map the basin risks. The process assisted in the identification of company and basin risks for each site. The WRI Aqueduct tool is used to determine current and future drought and flood risks. This tool has been utilised to assist in identifying areas of operation that are subject/ prone to water stress and other water-related risks.

The Aspen risk assessment methodology requires the assessment of the identified risks, as identified through the various tools utilised, 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 models 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 are 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 the SHE risk assessments which are conducted using a systematic approach for the identification and assessment of all safety, health and environmental risks, including climate change and water security risks. Parameters such as severity, occurrence and exposure are used to calculate the inherent and residual risks, and then prioritised 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 are reported on a regular basis during the site SHE performance review meetings.

During 2022 we developed formal structures for internal engagement with all manufacturing facilities in the form of Sustainability Working Group that would drive our responses to water risks. The Working Groups will be mandated to set and track measurable and ambitious targets for various sustainability topics including sustainable water use. These targets will be aligned with, and support UN Sustainable Development Goals.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) 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 significantly 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 by the '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. The risk assessment methodology and any need for changes in the threshold indicators for the 4-point scale is reviewed annually.

The metrics / indicators defining the different levels of the 4-point scale for our direct operations are:

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.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	4	26-50	During 2021 we applied the WRI Aqueduct to assess water stress. A total of four (4) sites were identified to be located in areas of water stress. These include, two (2) sites in South Africa, namely FCC in Cape Town and Gqeberha (Port Elizabeth, in previous disclosures), our Vallejo (Mexico) site and Alphamed (India). Note that the Aqueduct Water Risk Atlas does not currently classify Gqeberha as a high water stress location. However, considering surface water availability in the region, we have included this site in the top water risk category. The water withdrawn from these sites represents 31% of total water withdrawn for the Group. The Vallejo (Mexico) and Alphamed (India) sites do not have a substantive financial nor strategic impact on our business and are therefore excluded from facility-level water accounting under section W5.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

South Africa	Mzimvubu-Tsitsikamma

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
11-20

Comment
Water scarcity is a global risk and one that we are increasingly been exposed to due to the severe drought condition experienced, especially in the Eastern Cape of South Africa. Very low dam levels in the Eastern Cape have been reported in the Nelson Mandela Bay Municipality in last few years which led to urgent water restrictions being imposed. To mitigate the risk of water scarcity our Gqeberha site successfully implemented a borehole project, which caters for the majority of production needs. An borehole extraction facility was installed and a water use license has been granted. The Gqeberha site will start reporting on withdrawals from groundwater in FY23. For FY21 the Gqeberha site contributed approximately 18% to the Aspen Group revenue.

Country/Area & River basin

South Africa	Berg-Olifants

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Less than 1%

Comment
Aspen's Fine Chemical Corporation (FCC) is located in Cape Town and the city has experienced erratic intermittent rainfall between 2015 and 2017 resulting in a critical water shortage in 2018. Stringent water restrictions as part of the "Day Zero" campaign were enforced in Cape Town at the time. Seasonal rains during the last few years have however stabilized and improved with the current dam levels in the region measured at ~70%. The Aqueduct Water Risk Atlas does however still classify Cape Town as a high water stress location, and we are therefore still maintaining required contingency measures. The site has identified borehole water as an alternative water source. The borehole project was successfully implemented, and the site will be using groundwater as an alternative to municipal water when required. For FY21 the Cape Town site contributed approximately 0.65% to the Aspen Group revenue. Important to note that the Gqeberha site in Eastern Cape is reliant on the supply of certain active pharmaceutical ingredients produced at the Cape Town site.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

South Africa	Mzimvubu-Tsitsikamma

Type of risk & Primary risk driver

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential impact
Reduction or disruption in production capacity

Company-specific description
Very Low dam levels in the Eastern Cape have been reported in the Nelson Mandela Bay Municipality in last few years which led to urgent water restrictions being imposed. Water scarcity will directly impact our operations leading to a material potential financial loss in production output with special reference to liquid dosage forms, and increased production costs.

Timeframe
Current up to one year

Magnitude of potential impact
Medium-high

Likelihood
Very likely

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

Potential financial impact figure (currency)
18763449

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

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

Explanation of financial impact
The financial impact figure represents the expected average loss in one day of sales for our Gqeberha site in the Eastern Cape, should operations cease due to water scarcity. Water scarcity has a direct impact on the manufacturing process and compliance to quality standards.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
To mitigate the risk of water scarcity our Gqeberha site successfully implemented a borehole project, which caters for the majority of production needs. A borehole extraction facility was installed and a water use license has been granted. The Gqeberha site will start reporting on withdrawals from groundwater in FY23.

Cost of response
50000000

Explanation of cost of response
R50,000,000 has been spent to address this risk. This includes consulting, investigation, plant and equipment, construction, installation, testing and license fees.

Country/Area & River basin

South Africa	Berg-Olifants

Type of risk & Primary risk driver

Chronic physical	Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential impact
Reduction or disruption in production capacity

Company-specific description
The 2021 Aqueduct result for our Cape Town site indicated that the site is located in an 'Extremely High' water stress region, however, seasonal rains during the last few years have however stabilized and improved with the current dam levels in the region measured at ~70%. The site is still maintaining required contingency measures to cater for possible changes in water availability.

Timeframe
1-3 years

Magnitude of potential impact
Medium-low

Likelihood
About as likely as not

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

Potential financial impact figure (currency)
672615

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

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

Explanation of financial impact
The financial impact figure represents the expected average loss in one day of sales for our Cape Town site in South Africa, should operations cease due to water scarcity. Water scarcity has a direct impact on the manufacturing process and compliance to quality standards.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
The site has identified borehole water as an alternative water source. The borehole project was successfully implemented, and the site will be using groundwater as a back up to municipal water when required.

Cost of response
13200000

Explanation of cost of response
The cost to date for the implementation of the borehole water treatment system and aqueous waste treatment plant was R13,200,000. This includes all consulting, investigation, plant and equipment, construction, installation, testing and license fees. Since the seasonal rains have stabilized and improved, no further capital projects related to water management were implemented during FY21.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Not yet evaluated	Water risks in the value chain have not been formally assessed at this stage. Aspen is at the initial stages of establishing the best way to collect environmental information from key suppliers. We are in the process of developing a group-wide Responsible Supply Chain Programme to formally assess and effectively manage sustainability risk exposure within our supply chain and govern the engagement process. Application of a globally consistent risk-based approach, using defined criteria, to categorise all Aspen suppliers is intended to focus our efforts on those where significant risk exists. The company is therefore considering implementing supplier assessments in the next 2 years in order to identify sustainability risks with a substantive financial or strategic impact.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Efficiency

Primary water-related opportunity
Improved water efficiency in operations

Company-specific description & strategy to realize opportunity
At the end of FY21 we reported a decrease in total water withdrawal of 9% (108 megalitres) for the Aspen Group. The most significant water savings project implemented was at our Moleneind (Oss) facility in the Netherlands. Decommissioning of cooling towers contributed to a notable reduction of 24% (88 megalitres) in water withdrawn for the facility. This opportunity is therefore considered strategic for the company as it assists in reducing operating costs with notable impact.

Estimated timeframe for realization
Current - up to 1 year

Magnitude of potential financial impact
Medium

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

Potential financial impact figure (currency)
1010770

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

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

Explanation of financial impact
The decrease in water consumption of 88 ML (based on meter readings) enabled a savings of 58k (EUR). The rand value of this saving is R1,010,770.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)
Gqeberha - South Africa (Port Elizabeth, in previous disclosures)

Country/Area & River basin

South Africa	Mzimvubu-Tsitsikamma

Latitude
-33.9167

Longitude
25.5667

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
225

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
225

Total water discharges at this facility (megaliters/year)
190

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
190

Total water consumption at this facility (megaliters/year)
35

Comparison of total consumption with previous reporting year
Higher

Please explain
Total water withdrawn, discharged and consumed increased by 19%, 18% and 25% for the Gqeberha facility. These variances are attributed to production trials during 2021, changes in cleaning regimes and increased output reported for certain production units. We recognise increases in the range of 10-29% as being 'higher' in the determination of variances to the previous reporting period.

Facility reference number
Facility 2

Facility name (optional)
Cape Town - South Africa

Country/Area & River basin

South Africa	Berg-Olifants

Latitude

-33.9157

Longitude
18.577

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
48

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
48

Total water discharges at this facility (megaliters/year)
24

Comparison of total discharges with previous reporting year
Lower

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
24

Total water consumption at this facility (megaliters/year)
24

Comparison of total consumption with previous reporting year
Lower

Please explain
Total water withdrawn, discharged and consumed all reduced by ~26% compared to the previous reporting period. In line with production planning requirements, production was concentrated to only a few production facilities. As such, water use at the facility was reduced.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified
76-100

Verification standard used
AA1000AS

Please explain
<Not Applicable>

Water withdrawals – volume by source

% verified
76-100

Verification standard used
AA1000AS

Please explain
<Not Applicable>

Water withdrawals – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Quality of water withdrawn is strictly monitored by facility-level quality personnel. This is required to meet GMP specifications and requirements, applicable to the production of pharmaceutical products. We do therefore not include water withdrawal quality in the scope of 3rd party verifications.

Water discharges – total volumes

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
Total volume of water discharged is not included in the scope of 3rd party verification since certain facilities estimate/calculates discharges. This indicator could be considered for 3rd party verification once metering for outgoing water is implemented at all facilities in our scope.

Water discharges – volume by destination

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
For Aspen, only third party (Municipal) destination is applicable to volume discharges by destination. We therefore do not see this category as applicable.

Water discharges – volume by final treatment level

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
The level of treatment applied at all municipal waste water treatment sites has not yet been assessed but is expected to meet national legal requirements for waste water treatment.

Water discharges – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
This indicator was not considered for 3rd party verification since all manufacturing facilities monitor and measure standard effluent parameters in accordance with their municipal discharge permit conditions. Pre-treatment of wastewater is conducted and monitored daily at several sites to meet the necessary legal requirements prior to discharge into the municipal sewer.

Water consumption – total volume

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain
The total volume of water consumed is determined through calculation of the total water withdrawn less the total water discharged. As previously stated, the total volume of water discharged is not included in the scope of 3rd party verification since certain facilities estimate/calculates discharges, which also affects verification of total volume of water consumed.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No, but we plan to develop one within the next 2 years

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	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. With reference to the objective "To practice good corporate citizenship", the Board is responsible for the approval and oversight of performance against this strategic objective by considering both the financial aspects of the business and the impact that the business operations have on the economic, physical and social environments in which Aspen operates. Aspen's Audit and Risk Committee is responsible for the governance of the Group's enterprise risk management (which includes climate and water related risks). The Board also ratifies the Group's KPIs relating to carbon emissions and water withdrawal annually. The Social and Ethics Committee is responsible for the governance of the Group's social, environmental, human rights and ethics responsibilities. The realisation of the Group's strategic objectives is monitored on the basis of these approved KPIs. The Group Chief Executive (GCE) and the Deputy GCE have overall responsibility for performance of the Group. The Deputy GCE is the line manager of the Group Corporate Services Officer who has reporting oversight of the Group Risk and Sustainability function. As a directive from the Chairman of the Board (and endorsed by Aspen Strategic leadership), the business is currently revisiting its sustainability strategy with a focus on climate change. Progress on developing the sustainability strategy is reported to the Board, through its committees, on a quarterly basis. (From 1 January 2022, the Deputy GCE retired from this role and as a Board member. This return aligns to the structures effective for the reporting period under review). A sustainability materiality assessment was conducted in 2020 to engage with the Board, Business Leaders and Functional Executives. The outcome confirmed that both climate change and water security are considered priority sustainability topics.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies	As per W6.2a) 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 Financial Officer, the Group Chief Corporate Services Officer and the Group Chief Strategic Development Officer) presents the top enterprise-wide risks to the Group Audit and 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 and water-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 needed. 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.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

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

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Executive Officer (CEO)

Responsibility
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
The Group CE and the Deputy Group CE are responsible for developing and implementing a sustainable growth strategy aligned to the strategic objectives set by the Board. They are accountable to the Board and report on a quarterly basis on the implementation of the strategy and the performance against the Board KPIs. They are also responsible for ensuring effective risk management and reporting processes are maintained across the Group. While “water withdrawn” is a Board KPI that is reported on a quarterly basis, water risks will only be included in the CE's quarterly reports to the Board should it remain material. The Board would in turn review how the proposed risk mitigation has been considered in the business plan of the impacted business unit/s and approve any major capital expenditure needed to implement the proposed mitigation. An example of a decision made by the Group CE and Deputy Group CE for 2021 was defining a roadmap for water security.

Name of the position(s) and/or committee(s)
Other committee, please specify (Executive Risk Forum)

Responsibility
Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
In respect of enterprise risk management, significant and material risks are reported by the Site Heads to the Executive Risk Forum (comprised of the Deputy Group CE, the GCOO and the GCFO, the Group Chief Corporate Services Officer and the Group Chief Strategic Development Officer) who then 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 the Board pack.

Name of the position(s) and/or committee(s)
Other C-Suite Officer, please specify (Executive Head of Site)

Responsibility
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
More frequently than quarterly

Please explain
The responsibility for climate and water-related issues 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, including climate and water-related risks and for driving performance aligned to the Group’s KPIs. Site Heads report operational aspects through the Group Executives to the Group CE and Deputy Group CE, who ensure strategic alignment across the Group’s operations.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO)	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - direct operations Improvements in efficiency - product-use	Individual KPI short term incentives for the Group CE and Deputy Group CE have been allocated for 2021. This incentive includes defining a roadmap for water scarcity with specific reference to the South African production sites situated in water scarce regions.
Non-monetary reward	No one is entitled to these incentives	<Not Applicable>	None

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Our engagement with policy makers is mostly through our involvement in business associations and forums, i.e., through giving input on draft bills, regulations etc., who in turn engage with policy makers. In some instances, and where necessary, the company engages with the policy makers and law enforcement bodies directly to seek guidance. Where there are specific water risks identified within a region, for example water stressed areas in South Africa, the affected facilities would participate in regional forums (direct activities) and community action groups (indirect activities) established for this particular purpose.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

aspen-ir-2021-new2.pdf

Refer to page 85 of the Integrated Report (2021)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Aligned to the Group's strategic objective "To practice good corporate citizenship" 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 impact our operations have on the environment and to comply with applicable laws, regulations and other environmental management requirements." Water and water related risks are an integral part of these stated business objectives and commitments. This has been mandated through the requirement for the Group CE and Deputy Group CE's to define a roadmap for water security by 2021, with specific reference to the water scarce regions in South Africa. The outcome of the sustainability materiality assessment also confirmed water security as a sustainability priority for the business. It is therefore envisaged that development of a formal water strategy for incorporation in current business objectives and monitoring of performance will be implemented over the short to medium term as part of the development of the Group sustainability strategy.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	The sustainability of our manufacturing plants to support the Group's business objectives are considered in the longer-term capacity planning and the related capital investment planning which is needed to achieve the required capacity. For example, the availability of water to support the expansion and overall sustainability of manufacturing operations at our Gqeberha site is an important factor integrated into the longer-term capacity planning for this site which is situated in a water stressed area.
Financial planning	Yes, water-related issues are integrated	5-10	While the Group's formal financial planning does not generally extend beyond 5 years, the required investment to support manufacturing capacity and business growth (some of which will be related to sustainability of required water supply) are considered and will influence capital allocations. Motivations for capex investments for the installation of boreholes and related water treatment plants were approved with reference to the outcome of the water stress assessments (WRI Aqueduct) which identified the facilities in South Africa as located in water stressed regions.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

The data is not readily available as Aspen currently does not have the mechanism in place to monitor the spend specifically related to water. As a result, there has been no change from last year's response.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	A climate scenario analysis will be conducted in 2022. This will be used as a strategic planning tool to assist the business understand how it might perform in different future states. The identification of potential risks and opportunities as a result of the analysis will enable the business to develop suitable resilience strategies.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Not in place at this stage.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	Currently not in place. However, improving the water use efficiency of our facilities is always a strategic and operational imperative. Continual improvement is also part of our ISO 14001 Management System.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Site/facility specific targets and/or goals	Targets are monitored at the corporate level	Water is a vital resource in our manufacturing processes. Water scarcity is a global risk and one that we have increasingly being exposed to. As a scarce resource, and in line with our Environmental Management Principles, we are committed to using water responsibly by implementing feasible water conservation and recycling projects. All Aspen sites are responsible for measuring and reporting water withdrawn and discharged from the site. This creates a practical base for setting effective SMART (Specific, Measurable, Achievable, Relevant and Time bound) objectives and targets to reduce water usage. Targets for water conservation are established and managed through the sites' ISO 14001 Management System to demonstrate continual improvement. As per our current short to medium term sustainability goals, we are in the process of establishing a Group wide position and target to reduce our water footprint.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Water use efficiency

Level
Site/facility

Primary motivation
Reduced environmental impact

Description of target
The water use efficiency target is based on the implementation of initiatives such as the modification and optimisation of equipment at the NDB (France) facility. This target is based on the decrease in the water withdrawn for use within the facility.

Quantitative metric
% reduction in total water withdrawals

Baseline year
2020

Start year
2020

Target year
2021

% of target achieved
95

Please explain
Projects completed in 2021.

Target reference number
Target 2

Category of target
Water recycling/reuse

Level
Site/facility

Primary motivation
Reduced environmental impact

Description of target
This target is based on an increase in water recirculation and reuse has been implemented at the Shelys' facility. This was achieved via the implementation of a closed loop circulation system for chilled water and reutilization of water in the washroom facilities.

Quantitative metric
% increase in water use met through recycling/reuse

Baseline year
2020

Start year
2020

Target year
2021

% of target achieved
100

Please explain
Project completed in 2021.

Target reference number
Target 3

Category of target
Water use efficiency

Level
Site/facility

Primary motivation
Reduced environmental impact

Description of target
To achieve this facility-level target the Gqeberha site implemented various water efficiency projects including the reduction of supply pressure, review of HVAC Logic, automation of wash cycles etc.

Quantitative metric
% reduction in total water withdrawals

Baseline year
2020

Start year
2020

Target year
2022

% of target achieved
14

Please explain
Due to a delay in the initiation of some of the planned projects, only 14% of the target was achieved in year one of this initiative. It is anticipated that the overall target will be achieved the 2022 financial year.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
No, we do not currently verify any other water information reported in our CDP disclosure

W10. Sign off

W-FI

(W-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.

No additional information

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

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

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].
Yes

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	37765714748.45

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No, CDP supply chain members do not buy goods or services from facilities listed in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Yes, for some facilities	Walmart Mexico is the only requesting CDP supply chain member. The Vallejo facility in Mexico is the only Aspen facility that supplies Walmart Mexico.

SW1.2a

(SW1.2a) Please provide all available geolocation data for your facilities.

Identifier	Latitude	Longitude	Comment
Aspen Vallejo (Mexico)	19.5018	-99.1674	The Vallejo facility in Mexico is the only Aspen facility that supplies Walmart Mexico.

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

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