



Healthcare. We Care.

Corporate Brochure

2022

Navigation

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

This corporate brochure refers to the Integrated Report and Supplementary Documents which are available online at

www.aspenpharma.com

Other navigation icons

This icon indicates that further information is **available online**.

This icon directs you to further information **in this brochure or in our 2022 Integrated Report ("IR")**.

Our strategic objectives

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

- To promote access to medicines through a differentiated portfolio of high quality, affordable medicines
- To optimise the strategic advantage of our integrated value chain
- To develop and retain a talented, agile and diverse workforce inspired to achieve operational excellence
- To be a good corporate citizen by conducting our business in a responsible, inclusive and sustainable way
- To create sustainable economic value for our stakeholders

Our capitals

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

- Intellectual
- Manufactured
- Human
- Social and relationship
- Natural
- Financial

Our key stakeholders

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

- Communities in which we operate
- Employees and organised labour organisations
- Governments, competition authorities and pharmaceutical regulatory bodies
- Investors and funders
- Material contract manufacturing customers
- Patients, healthcare professionals and customers
- Suppliers, service providers, consultants and business partners

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About Aspen

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

Our business segments

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

Commercial Pharmaceuticals



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

45%
of total revenue



Sterile Focus Brands – comprising our branded products in Anaesthetics and Thrombosis therapy areas.

27%
of total revenue

Manufacturing

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

28%
of total revenue

Total revenue
R38,6 billion
from continuing operations

Our people

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

More than
9 000

employees in 69 offices in some 50 countries and territories



48%
Women



52%
Men



65%
of Commercial Pharmaceuticals revenue is from emerging markets

Our global presence

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



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

Our manufacturing capabilities

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

23 Facilities

7

Active pharmaceutical ingredient facilities

16

Finished dose form facilities



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

About Aspen continued

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

Our vision

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

Our purpose

To improve the health and quality of life of patients.

Delivering value through our purpose

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

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

We support the World Health Organization's ("WHO") promotion of Universal Health Coverage and are committed to advancing the goals and outcomes of the UN SDG 3 of "ensuring healthy lives and promoting well-being for all at all ages".

We believe that our industry position as a global pharmaceutical company, with a relevant portfolio of medicines and strategic manufacturing capability, is the most fundamental way in which we contribute to increasing access to medicines and furthering the global goal of universal access to healthcare. We have one common goal in everything we do – to deliver high quality, affordable medicines to the patients who need them.

We are proud of our contribution to the global response to COVID-19 through the delivery of life-saving medicines, including the manufacture of the Johnson & Johnson COVID-19 vaccine at our flagship Gqeberha-based manufacturing site in South Africa and we stand ready to supply our branded Aspenovax vaccine to meet Africa's future needs. We are similarly pleased to have concluded the collaboration agreement with Serum Institute of India Pvt. Ltd ("Serum Institute") to manufacture, market and distribute four Aspen-branded vaccines in Africa that are critical to the continent's public health programme. With the support offered by the Bill & Melinda Gates Foundation and the Coalition for Epidemic Preparedness Innovations, we are committed to expanding durable vaccine manufacturing at our Gqeberha site thus furthering the objective of health security for Africa.

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

Our values

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



Teamwork

We optimise our performance by pulling together. Our combined capabilities exceed the sum of each individual.



Innovation

We constantly search for better ways of doing things and are solution oriented.



Commitment

We go the extra mile, seeking to exceed expectations.



Excellence

We strive to be the best we can be and to deliver to the highest standards.



Integrity

Our integrity is not negotiable.

Our commitment to sustainability

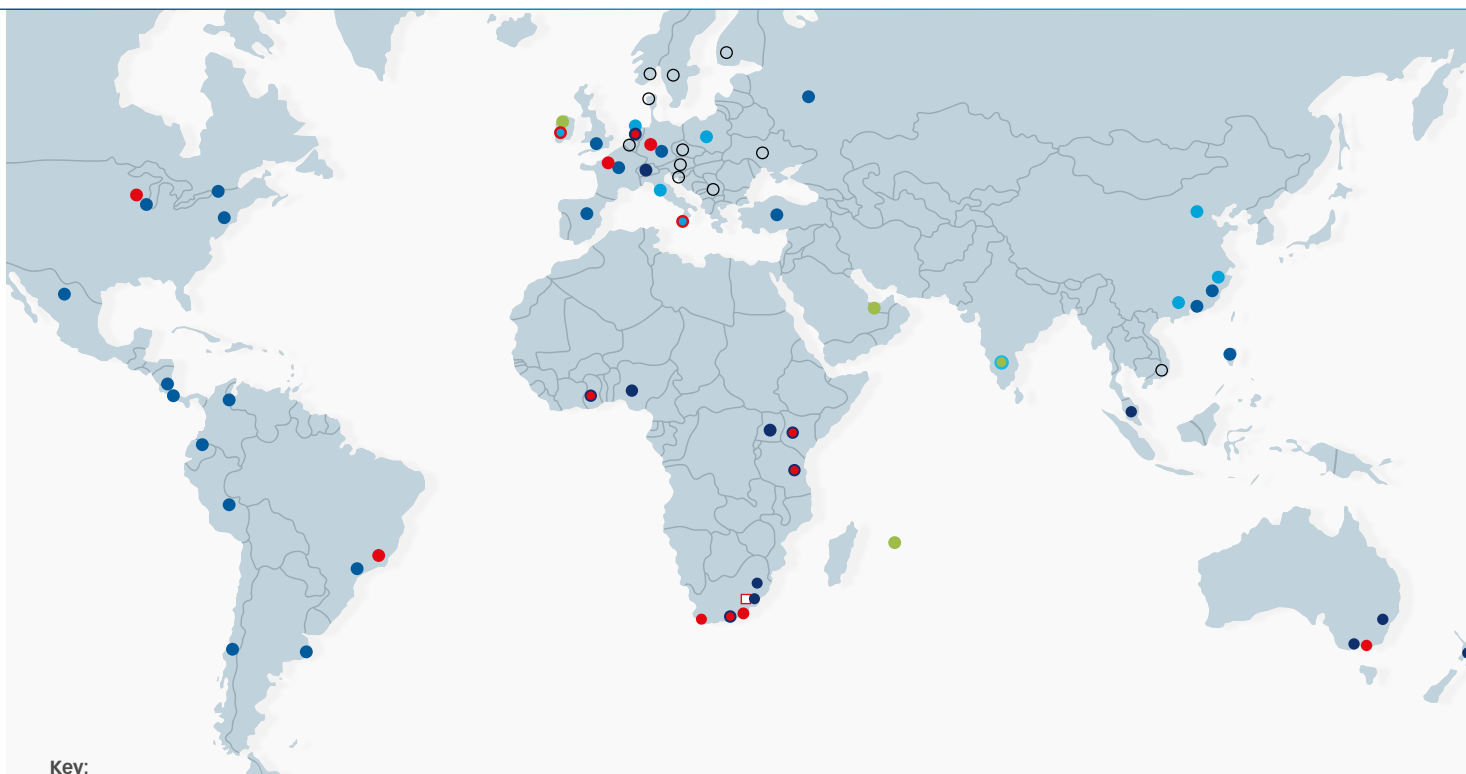
Delivered through our **four sustainability pillars**, our commitment is to create value for our stakeholders in a manner that is responsible, transparent and respects the rights of all.

Our sustainability framework prioritises eight of the 17 United Nations Sustainable Development Goals ("SDGs") for meaningful action we can contribute to



Our global presence

We supply medicines to more than 115 countries through 69 established offices in some 50 countries and territories.



Key:

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



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

Contribution to Revenue

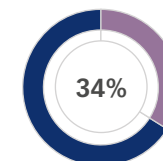
Europe CIS**

R13 105 million

(2021 (CER): R12 714 million)

2 192

permanent employees*



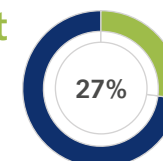
Africa Middle East

R10 275 million

(2021 (CER): R9 560 million)

3 945

permanent employees*



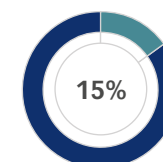
Australasia

R5 703 million

(2021 (CER): R5 212 million)

563

permanent employees*



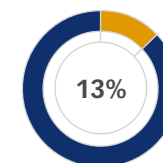
Asia

R5 228 million

(2021 (CER): R5 202 million)

1 166

permanent employees*



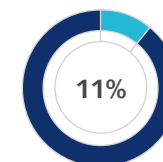
Americas

R4 295 million

(2021 (CER): R4 036 million)

714

permanent employees*



* Permanent employees excludes 587 temporary employees (2021: 525).

** The Commonwealth of Independent States, comprising Russia and the former Soviet Republics.

Our performance at a glance



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

Constant exchange rate ("CER").

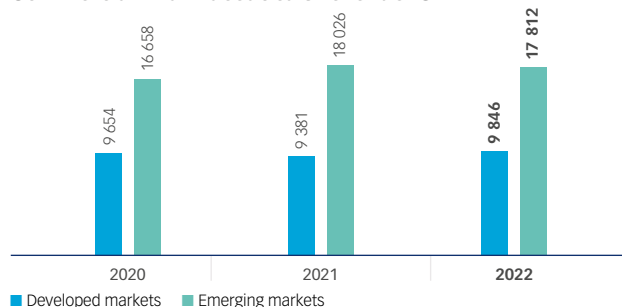
Our investment case

Globally recognised specialty pharma company
with exposure to emerging markets and emerging
market fundamentals

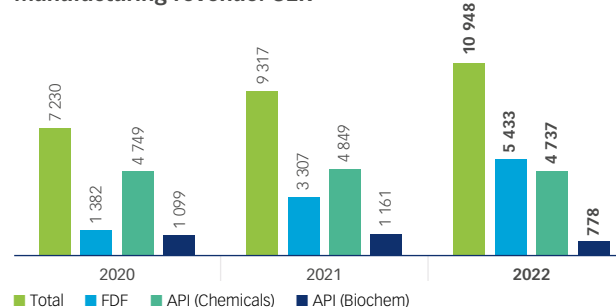
Strategically relevant and in-demand
manufacturing capabilities

Diverse product portfolio with strong brand
equity supported by in-country commercial
and sales employees

Commercial Pharmaceuticals revenue: CER



Manufacturing revenue: CER



Emerging market growth >
Developed market growth
on a three-year compound annual
growth rate



Manufacturing capacities are for internal and
third-party use, enabling us to create value
through the filling of these capacities with
products in much-needed therapeutic areas



Commercial Pharmaceuticals
branded over the counter ("OTC")
portfolio covering **174** different
product categories



Commercial Pharmaceuticals
branded prescription (Rx) portfolio
covering **184** different product
categories



2,088 Commercial and sales
employees in Emerging markets



304 Commercial and sales
employees in Developed markets

Strong financial position following
the reshaping of the business

Committed management team
aligned with shareholder interests

A purpose-driven strategy with the promotion
of access to medicine at its core



Lowest net debt/EBITDA in five
years, creates headroom for value
accretive acquisitions



The highest NHEPS in Aspen's
history (FY2022)



Strategic investments in sterile
capacity will support increased
return on invested capital ("ROIC")



Decentralised in-country structures
enable local teams to operate with
entrepreneurial flair; creating value
by applying local expertise



17% Shareholding by
executive management



Manufactured **225 million** doses of
COVID-19 vaccines and signed a 10-year
agreement with Serum Institute promoting
access to vaccines in Africa



Supplied **180** medicines appearing on the
Essential Medicines List to 60 low- and
middle-income countries



Consistent inclusion in the **FTSE/JSE
Responsible Investment index** since
2016 and member of the FTSE4Good Index

Our business segments



Commercial Pharmaceuticals



Sterile Focus Brands

Aspen's Sterile Focus Brands, used in an acute hospital setting, include a diverse range of sterile pharmaceutical preparations of high quality, niche medicines across the Anaesthetics and Thrombosis therapies.

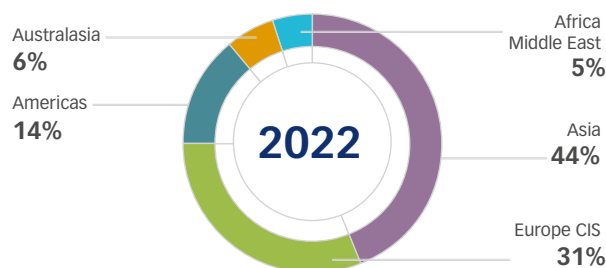
27%

of Group revenue

34%

of Group gross profit

Sterile Focus Brands revenue



Regional Brands

Regional Brands is the largest revenue contributor and comprises a portfolio of global and domestically recognised brands across OTC, consumer, branded and generic prescription products. Across our key territories, experienced in-country marketing and sales teams promote and support the organic growth of these brands.

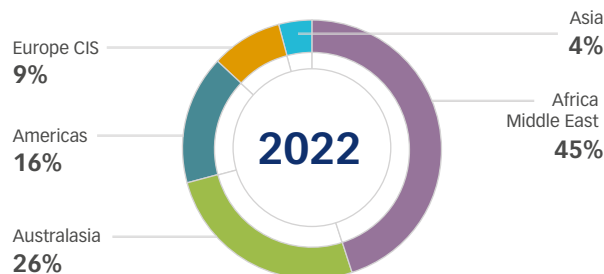
45%

of Group revenue

54%

of Group gross profit

Regional Brands revenue



Manufacturing



Manufacturing

Aspen has 23 manufacturing facilities across 15 sites. Our strategic manufacturing sites are widely accredited, holding international approval from some of the most stringent global regulatory agencies. We manufacture a wide variety of product types including steriles, oral solid dose, liquids, semi-solids, biologicals and APIs.

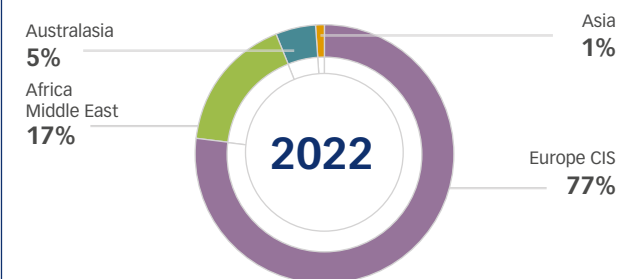
28%

of Group revenue

12%

of Group gross profit

Manufacturing revenue[^]



[^] Based on source of manufacture.

Our manufacturing capabilities

Primary FDF sites

Gqeberha, South Africa

Unit 1 facility

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

Maximum output: 6 billion tablets.

Accreditation: ANVISA, EMA, HPRA, ISO 14001, NDA, ISO 45001, PMPB, PPB, SAHPRA, SAUDI FDA, TGA, US FDA, WHO.

Unit 2 facility

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

Maximum output: 4 billion tablets.

Accreditation: ANVISA, EMA, HPRA, ISO 14001, NDA, ISO 45001, PMPB, PPB, SAHPRA, SAUDI FDA, TGA, US FDA, WHO.

Unit 3 facility

Capability: End state packing for domestic market.

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

Accreditation: ISO 14001, ISO 45001, SAHPRA.

Unit 4 facility

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

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

Accreditation: EMA, ISO 14001, LASD, ISO 45001, SAHPRA, TGA, Turkey MoH, US FDA.

Sterile facility SVP 1:

Multi-product suites A and B

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

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

Suite B: Up to 25 million units of ampoules.

Up to 30 million units of liquid vials.

Accreditation:

Suite A: ISO 14001, ISO 45001, SAHPRA, TGA, US FDA, WHO.

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

Sterile facility SVP 2:

High potency suite

(Commercial production FY2021)

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

Maximum output: Suite C, D and E:

90 million units (container size and bulk batch dependent).

Accreditation: Regulatory inspections pending (project phase).

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

Notre Dame de Bondeville, France

Sterile prefilled syringe manufacturing site

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

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

180 million syringes (Vesuve line).

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

New anaesthetics facility under construction

(Commercial production FY2023).

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

Bad Oldesloe, Germany

Multi-dose form site

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

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

Maximum output: 3.3 billion tablets; 6 240 tonnes of liquids; 1 404 tonnes of topical liquids; 351 tonnes of semi-solids; 60 million units for blow-fill seals.

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

API facilities

Cape Town, South Africa

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

Maximum output: Commercial volume batch sizes ranging from 4kg to 500kg.

Output of 46 000kg per annum.

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

Notre Dame de Bondeville, France

Nadroparin and Certoparin facility

Nadroparin

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

Maximum output: 200 batches of nadroparin.

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

Certoparin

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

Maximum output: 45 batches of certoparin.

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

Fondaparinux facility

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

Maximum output: 34 batches of fondaparinux sodium.

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

Sioux City, United States of America

Capability: Specialist biochemical API – heparin intermediates.

Maximum output: Biologicals – capacity is measured on demand – dependent on product mix.

Accreditation: Re-registration for US FDA.

Oss, The Netherlands

De Geer site

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

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

Accreditation: ANVISA, EMA, ISO 14001, ISO 45001, KFDA, PMDA, Russia MoIT, US FDA.

Moleneind site

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

Maximum output: Installed chemical reactor capacity (small molecule API + peptides): 59m³.

Biochem reactor capacity: 245m³ beside multiple storage capacity.

Accreditation: ANVISA, EMA, ISO 14001, ISO 45001, KFDA, PMDA, Russia MoIT, US FDA.

Boxel site

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

Maximum output: Measured on demand.

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

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

Regional facilities

Melbourne, Australia

Dandenong

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

Maximum output: 3 billion tablets; 90 million sachets; 12 tonnes semi-solids;

2 200 tonnes liquids.

Accreditation: ISO 14001, ISO 45001, TGA.

Vitória, Brazil

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

Maximum output:

Solids: 141.2 million tablets and capsules/year.

Semi-solids: 4.0 million units/year.

Liquids: 4.9 million bottles/year.

Sealing: 22.9 million units/year.

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

Accra, Ghana

Capability: Small-to medium-volume liquids.

Maximum output: 567kℓ of liquids

Accreditation: GFDA

Hyderabad, India

Further to the June 2021 fire accident at Alphamed site, reinstatement of manufacturing and packing capabilities as per below completed, and the facility is ready for operations.

Capability: Small to medium-volume solid oral dosage forms manufacturing for export markets.

Maximum output: 1 020 million tablets; 46 million effervescent tablets; 300 million capsules; 50 tonnes of pellets; 60 million powder-filled sachets.

Accreditation: GMP inspections scheduled during September to December 2022.

Nairobi, Kenya

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

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

Accreditation: AIPR-CI, EFDA, GFDA, ISO 14001, ISO 45001, MCAZ, MoH-DRC, NAFDAC, PMRA-Malawi, PPB – Kenya, TMDA, UNDA, ZAMRA.

East London, South Africa

Oral contraceptive facility

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

Maximum output: 1 billion tablets.

Accreditation: ISO 14001, ISO 45001, SAHPRA.

Multi-product facility

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

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

Accreditation: ISO 14001, ISO 45001, SAHPRA.

Dar es Salaam, Tanzania

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

Maximum output: 1 billion tablets; 60 million capsules; 15 tonnes of semi-solids;

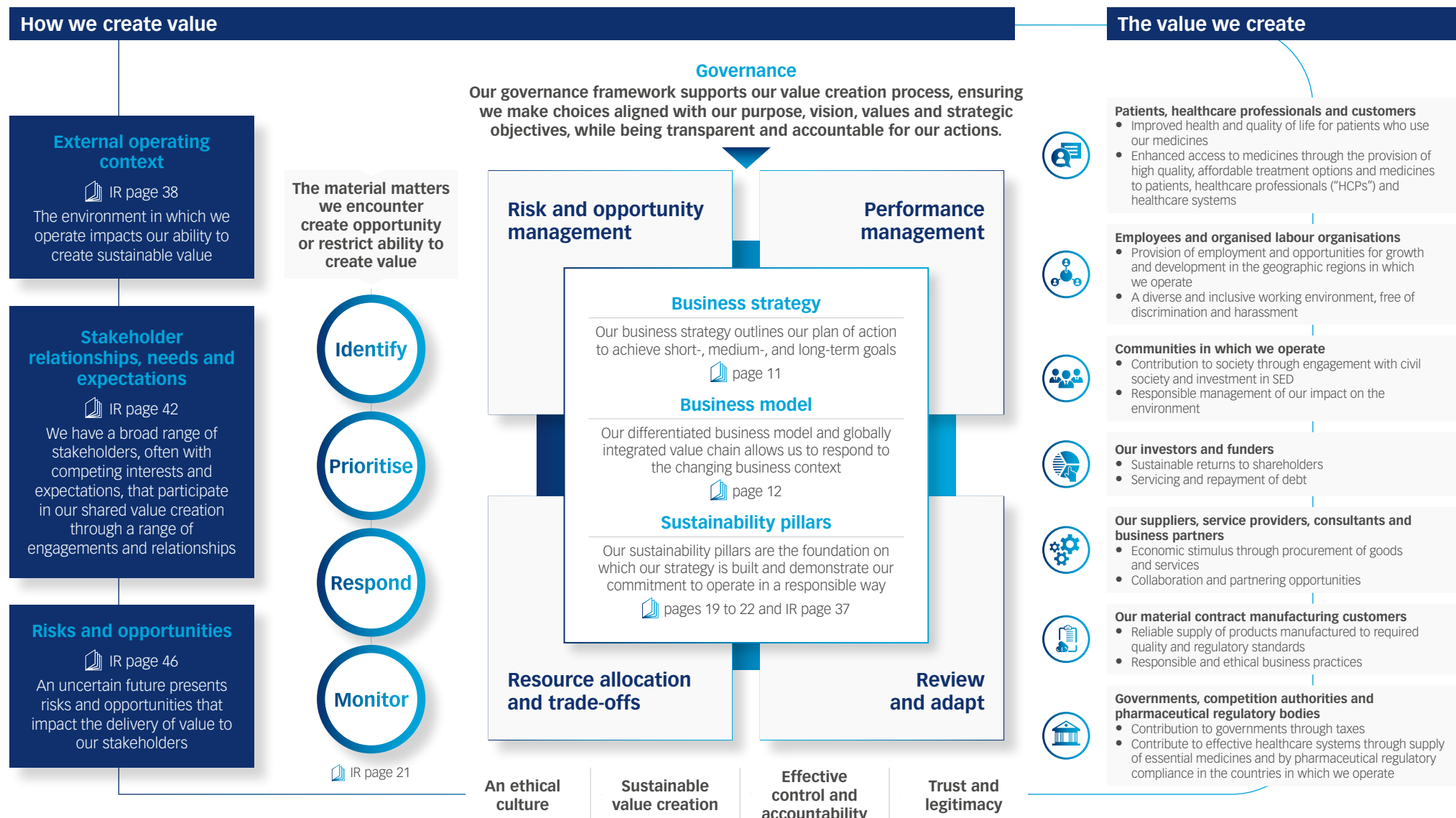
1 500kℓ of liquids; 8 million sachets.

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

Abbreviations of pharmaceutical regulatory authorities and acronyms
<https://www.aspenpharma.com/manufacturing-capabilities/>

Our value creation process

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



Our business strategy

Our business strategy is to create value for our stakeholders by promoting access to medicines through building robust product portfolios that achieve organic growth and by leveraging our world-class manufacturing capacities and capabilities.

Strategic positioning

Our strategic positioning supports delivery of our vision

We seek to achieve this by building a differentiated portfolio of relevant Intellectual Property ("IP"), creating value through our complex manufacturing capabilities and enabling access through our globally integrated supply chain.

Our market positioning is focused on opportunities presented by emerging markets, balanced with presence in more established, stable developed markets.

Through our dynamic portfolio management model, we build, optimise and reshape our basket of products to achieve a global product portfolio of niche, specialty products complemented by leading regional brands, aligned to our manufacturing capability.

We have proven manufacturing capability and capacity, creating access and sustainability collaboration opportunities for multinationals.

Our five strategic objectives

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

Strategy implementation and performance measurement

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

We have identified KPIs designed to provide a defined measure of performance against our strategic objectives. We track our performance by reporting against these KPIs to the Board on a quarterly basis. Certain KPIs (indicated with ^Δ) are linked to incentive schemes. In this way, the performance of executive directors, executives and senior management is aligned to our sustainable business strategy.

Reporting on our performance against our strategic objectives is included in Our strategic business performance (IR page 61).

Reporting on performance against incentives is included in the Remuneration review (IR page 109).



To promote access to medicines through a differentiated portfolio of high quality, affordable medicines

Our focus areas

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

KPI

- Number of product recalls ▲



To optimise the strategic advantage of our integrated value chain

Our focus areas

- Optimise operations, drive efficiencies and reduce cost of goods
- Achieve the transfer of the manufacture of complex, sterile products to Aspen sites
- Focus on supply performance and optimise carrying levels of inventory
- Partner with multinationals to leverage available manufacturing capacity in niche specialty sterile manufacturing, including vaccines
- Advance digital transformation across our value chain (refer to our digital transformation strategy on IR page 33)

KPI

- Gross profit ●



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

Our focus areas

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

Refer to our human capital strategy on IR page 31

KPI^Δ

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



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

Our focus areas

- Maintain high governance and ethical standards
- Enhance relationships and reputation with our various stakeholders
- Recalibrate sustainability strategy and align Environmental, Social and Corporate Governance priorities (refer to our approach to sustainability on IR page 35)
- Explore resource efficiency projects to achieve security of supply and minimise impact on the environment
- Develop a climate change strategy

KPI^Δ

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



To create sustainable economic value for our stakeholders

Our focus areas

- Drive organic growth through the realisation of the potential of existing portfolios and territories
- Optimise value contribution from our investment in manufacturing assets
- Increase operating margins and generate strong free cash flows
- Remain alert to acquisition, disposal and collaboration opportunities which present strategic value
- Optimise the allocation of available capital
- Deliver economic benefits to suppliers, employees, governments, communities and shareholders

KPI

- Revenue growth ●
- NHEPS growth ●^Δ
- Normalised EBITDA growth ●^Δ
- Normalised EBITDA margin percentage ●
- Operating cash flow per share ●
- ROIC ●^Δ
- Free cash flow ●^Δ
- Leverage ratio ●

^Δ KPI definitions are included in the Sustainability and ESG Data Supplement available online.

^Δ Linked to performance and long-term incentive scheme. Further details included on IR page 109.

Assurance on our KPIs

We obtain assurance on these reported KPIs through a combined assurance approach: IBIS ◆ Empowerdex ■ EY ● Internal Audit ▲
Further discussion on combined assurance is included on IR page 46.

Our business model

We deliver on our purpose through our differentiated business model and globally integrated value chain. We transform our stocks of capital through our business activities, seeking to preserve and create value for our stakeholders, and minimise value erosion, in a responsible and sustainable way.

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

Inputs



Product portfolio management

Patient/consumer needs

Product development, acquisition and registration

Investment in a product portfolio of niche, specialty medicines that present opportunities for sustainable revenue growth through our Product portfolio management model (IR page 14)

Portfolio Management Review

Manufacturing and supply chain operations

Procurement

Manufacturing:

- API
- FDF

Distribution

Efficiencies achieved through end-to-end global supply chain management performed by a highly experienced team

Capitalise on our own significant manufacturing capability of both APIs and FDFs as well as our external supply network

Leverage strategic manufacturing opportunities with third parties to fill our sterile manufacturing capacity

Supply Management Review

Commercialisation

Marketing and sales

HCP engagement and support

Patient/consumer use

Generation of organic revenue and profit growth through focused promotion of our products by our teams of dedicated sales representatives

Demand Management Review

Management Business Review

Integrated Business Planning ("IBP")

Our IBP Model achieves alignment across the organisation, enhances strategic planning and unlocks synergies across the end-to-end value chain

Capital generated through our business model is allocated according to our capital allocation model (IR page 14)

Our business model continued



Outputs

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



Commercial Pharmaceuticals



Regional Brands

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



Sterile Focus Brands

Comprising our branded products in Anaesthetics and Thrombosis therapy areas.



Manufacturing

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



Emissions and waste

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

Total GHG emissions:
151 263 tCO₂e
Total waste:
74 277 tonnes

Outcomes

Increasing, preserving or eroding value in capital stocks

Intellectual

Medicines provided to patients in more than **115** countries

56 new products launched

R734 million invested in IP

Vaccine technical know-how developed

No significant product recalls

Manufactured

R2,0 billion invested in property, plant and equipment capex (including R0,5 billion for sterile vial capacity expansion)

Additional **R1,5 billion** to be spent on sterile vial capacity expansion

No adverse outcomes from regulatory inspections at sites

Human

15% staff turnover

R8 billion paid in salaries and benefits

48% of workforce are women

1,13 TRIFR

Zero occupational fatalities

Social and relationship

R27,9 million SED investment through 355 projects

Constructive engagements with key stakeholders

Maintained Level 4 B-BBEE contribution

R1,6 billion in taxes paid to governments

Natural

80% of waste recycled

19% decrease in total greenhouse gas ("GHG") emissions

Zero significant environmental incidents

Financial

R18,6 billion wealth created

9,6% ROIC

Leverage ratio **1,91 times**

Free cashflow of **R3,2 billion**

Dividend of **326 cents** declared

Share buy-back for an amount of **R1,8 billion**

Information on availability, quality and affordability of capitals, and key actions taken to enhance positive outcomes and minimise negative outcomes are incorporated into our commentary on our strategic objectives, business segment overviews, and our sustainability pillars



IR page 61

Business segment overviews
IR page 67
Patients page 19 and
IR page 76



IR page 62

Manufacturing operational
overview
IR page 72



IR page 63

Our People page 20 and
IR page 81



IR page 64

Society page 21 and
IR page 89



IR page 64

Environment page 22
and IR page 98



IR page 65

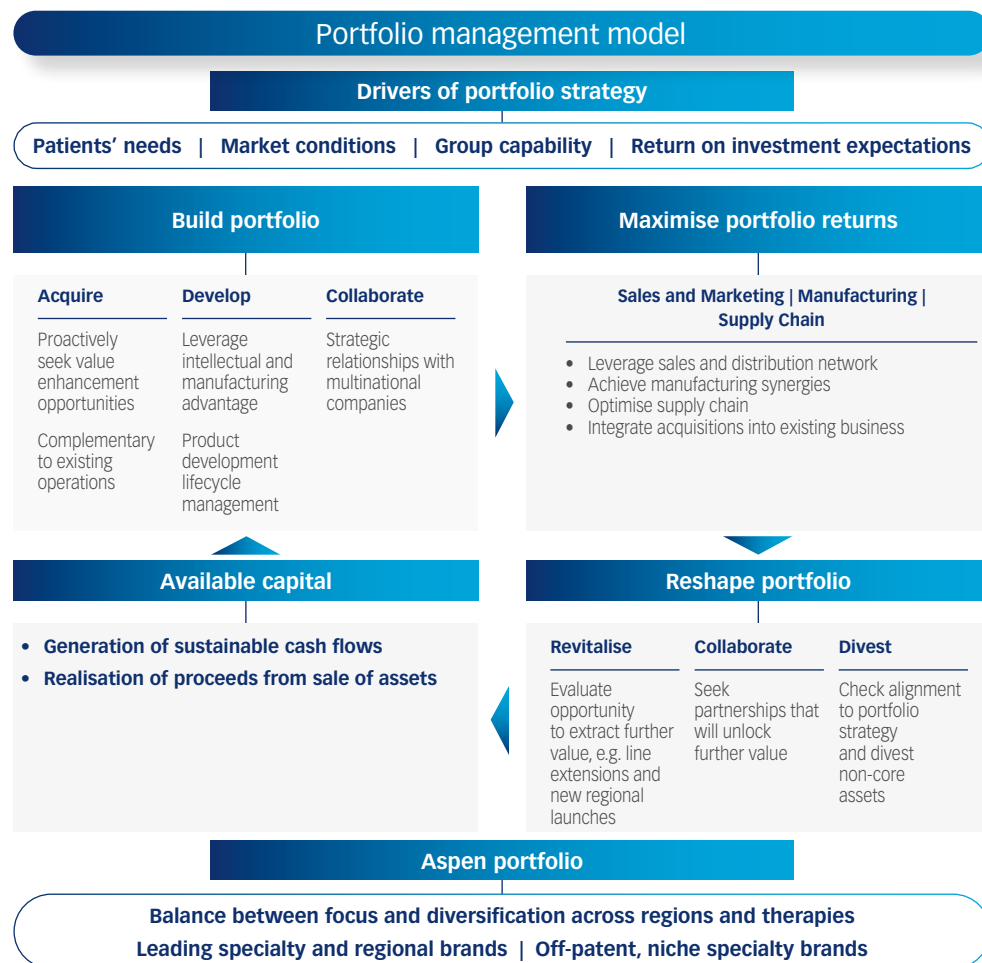
Group Chief Financial
Officer's review IR page 54

Value created > Achieving outcomes that create long-term value for our stakeholders page 10

Our product portfolio management model

Through our dynamic portfolio management model, we build, maximise and reshape our basket of products to achieve a global product portfolio of niche, specialty products complemented by leading Regional Brands, aligned with our manufacturing capability.

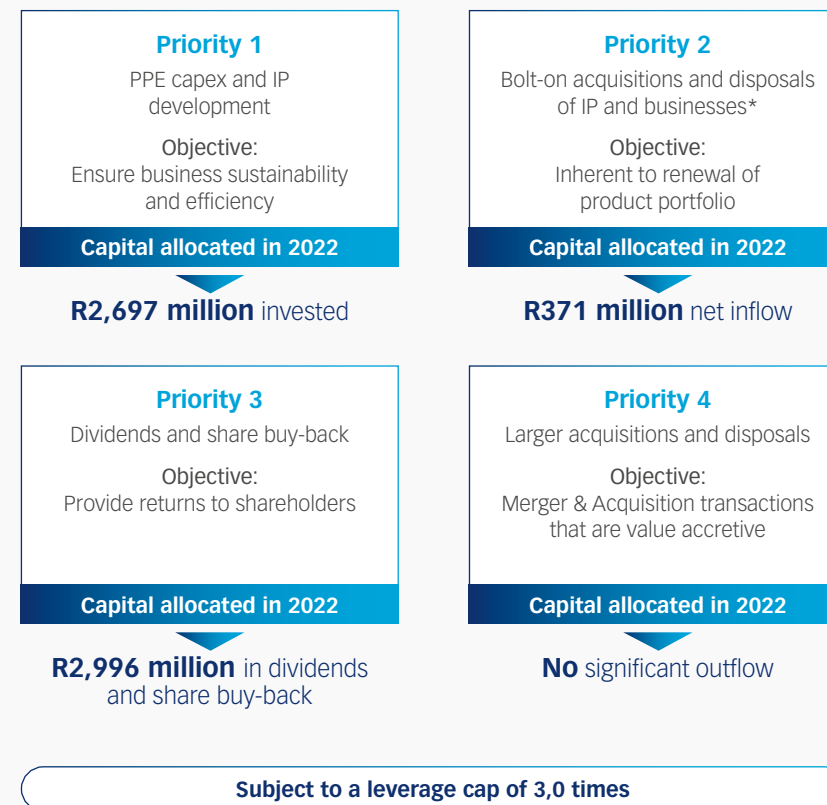
We have made significant investments in upgrading our older medicines to meet modern regulatory requirements, providing value-for-money alternatives to new and more expensive innovative products. The integration of global and regional acquisitions and pipeline launches into our product portfolio while divesting of non-core products, positions us to provide affordable critical medicines with proven efficacy and safety to patients in a sustainable way.



Our capital allocation model

Our capital allocation decisions are integrated into our strategy and budget planning processes, driven by our overall objective of growing shareholder value sustainably.

Key considerations driving our capital allocation include achieving an effective allocation between maintaining our intellectual and manufacturing assets to secure operational returns, protecting the strength of our balance sheet to give us stability and flexibility through business cycles, investing in value-based organic and inorganic growth opportunities and rewarding our shareholders through dividends and/or share buy-back programmes. The Board provides oversight of capital and budget allocations, ensuring the most effective deployment of available capital resources.



* Bolt-on acquisitions and disposals are limited to a net transaction value of R1 billion per annum.

Engaging with our stakeholders

Fostering and maintaining mutually beneficial relationships with our key stakeholders through transparent, sincere and effective engagements is an integral part of our value creation process. We remain intent on continually seeking ways to improve on the credibility and rapport we have already established with our stakeholders and look to find innovative solutions to the legitimate concerns they may raise with us.

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

During the year a wide range of regular, structured and *ad hoc* engagements took place at various levels within the organisation, making use of virtual and digital means of engagement, when necessary.

Our Executive management team submits quarterly stakeholder engagement reports to the Board, which detail notable engagements with the Group's key stakeholders. Any material topics or matters of concern that may arise are considered by the Board at its quarterly meetings.

Management responds to material issues raised by stakeholders, as appropriate, in the ordinary course of business.

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

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

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

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



Patients, HCPs and customers

Aspen considerations

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

Stakeholder interests

- High quality, affordable medicines
- Patient safety and pharmacovigilance
- Consistent, reliable and on-time supply of products
- Continued manufacturing capacity and ability to supply critical medicines
- Impact of product recalls and/or any quality and/or efficacy concerns which may arise

Material matters engaged on since the previous report

- Ensuring continued supply of critical medicines, considering ongoing lockdown measures and resultant sourcing and distribution challenges
- Product recalls and pharmacovigilance engagements
- Supply shortages in respect of certain of our products
- Explaining the benefits of products in the Aspen portfolio
- Detailing of patient benefits from new product launches

Reference to value created for stakeholder

page 10
IR page 76

How we engage

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

Capitals



Relationship indicator



Engaging with our stakeholders continued



Governments, competition authorities and pharmaceutical regulatory bodies

Aspen considerations

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

Stakeholder interests

- Legal and regulatory compliance
- Support for public health initiatives
- Affordable public health outcomes
- Social and environmental impact of operations
- Tax revenues, tax transparency and local investment

Material matters engaged on since the previous report

- Collaboration with governments in a number of countries to support and assist with various initiatives aimed at improving the health of patients
- Engagements with pharmaceutical regulators on the approval of product marketing authorisations and product manufacturing applications
- Product recalls
- Our tax commitments
- SED spend, contribution to healthcare enhancement and equitable access to medicines

Reference to value created for stakeholder

- page 10
- IR page 76
- IR page 89

How we engage

- Audits of manufacturing sites and Marketing Authorisation Holders by regulatory authorities to ensure Good Manufacturing Practice ("GMP") and regulatory compliance
- Registration of products and maintenance of marketing authorisations through submissions and direct engagements with regulatory authorities
- Participation in industry bodies
- Reports and interactions aimed at confirming legislative and regulatory compliance policies and processes
- We have regular meetings with all of these stakeholders to discuss matters of mutual interest and concern
- Compliance with tax laws, appropriate disclosures to tax authorities and engagement with these tax authorities with honesty, integrity and in the spirit of cooperative compliance

Capitals



Relationship indicator



Employees and organised labour organisations

Aspen considerations

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

Stakeholder interests

- Job security, skills development and career planning
- Equitable remuneration packages, performance incentives and benefit structures
- Gender equality, diversity and inclusivity
- Equitable policies, practices and procedures
- Clearly articulated employee value proposition
- Performance management, skills development and career planning
- Reputation as an ethical employer
- Employee health, safety and wellness
- Employee bargaining and organisational rights
- Aspen's constructive engagement with employees through organised labour organisations and forums such as works councils, bargaining units and formalised workplace engagement committees

Material matters engaged on since the previous report

- Employee engagement survey conducted throughout the Group to gauge employee satisfaction aspects, understand areas of concern and to measure net-promoter scores
- Engagement of office-based staff who had worked at home during COVID-19 lockdowns to ensure a smooth transition of these employees back to office-based working, where appropriate
- Bedding down the organisational design and restructuring initiatives undertaken in the prior year to ensure that the intended operational efficiencies are achieved
- Undertaking a number of diversity, inclusion and equity initiatives in order to make these aspects part of the Aspen employee journey
- Internal communications survey to measure the perceived effectiveness of communications with employees
- External South African brand and corporate reputation assessment

Reference to value created for stakeholder

- page 10
- IR page 81

How we engage

- Involvement in government programmes aimed at creating jobs and uplifting disadvantaged communities
- Direct engagements by supervisors and business management
- Internal communication measures such as the Group intranet, announcements and digital posts
- Conferences
- Digital and in-person town hall meetings for businesses and the Group
- Onboarding and internal training
- Employee surveys
- Meetings and other interactions with works councils, trade unions, and trade union representatives
- Employee wellness campaigns
- Exit and stay interviews
- Active encouragement of employees to participate in Nelson Mandela International Day
- Tip-offs Anonymous Whistleblowing hotline

Capitals



Relationship indicator



Engaging with our stakeholders continued



Suppliers, service providers, consultants and business partners

Aspen considerations

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

Stakeholder interests

- Fair engagement terms and timely settlement
- Ongoing communication about our expectations and service levels provided
- Fair tender and selection processes

Material matters engaged on since the previous report

- Supply chain constraints mainly due to ongoing COVID-19 complications
- Suppliers' ability to ensure continuity of supply and impact on Aspen's own ability to ensure continued supply
- Negotiation of contract terms and extensions

Reference to value created for stakeholder

page 10
IR page 89

How we engage

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

Capitals



Relationship indicator



Investors and funders

Aspen considerations

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

Stakeholder interests

- Strategy and business model
- Growth in revenue, EBITDA and return on invested capital
- Appropriate management of capital expenditure, working capital and expenses
- Capital allocation
- Gearing, solvency and liquidity
- Returns to shareholders
- Security over assets, ethical stewardship of investments and good corporate governance
- Implementation of business continuity measures
- Fair executive remuneration and incentivisation
- Aspen's standing in terms of ESG

Material matters engaged on since the previous report

- Strategic review and prospects
- Manufacturing capacity and how this positions Aspen to manufacture sterile and biological products
- Impact of trading environment on operational performance and progress against guidance
- Ongoing mitigation of funding and gearing risks
- Enhancing shareholder value through commencement of dividends in FY2021, dividend declaration in FY2022 and initiatives like share buy-backs
- Key terms of material transactions and the rationale for undertaking these
- Fair remuneration outcomes, with a focus on the fixed and variable incentives of executives and performance measurement in respect of these incentives
- Engagements on ESG aspects, including carbon emissions and related disclosures
- Product pipeline and development
- Group senior executive succession planning

Reference to value created for stakeholder

page 10
IR page 54
IR page 35

How we engage

- In-person and virtual meetings, roadshows and conferences
- JSE SENS announcements, media releases and interim and annual results presentations
- Annual general meeting
- Investor relations section of the Aspen website
- Engagements with the financial media

Capitals



Relationship indicator



Engaging with our stakeholders continued



Communities in which we operate

Aspen considerations

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

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
<ul style="list-style-type: none"> Employment, education and skills development opportunities Socio-economic upliftment Environmental impact in respect of carbon emissions, solid waste disposal, as well as water and effluent management Ethical business conduct Aspen's contribution to local and community healthcare systems 	<ul style="list-style-type: none"> Assistance to relief efforts in Ukraine and the repatriation of South African students stranded in Ukraine Funding of tertiary students in South Africa to allow them to complete studies in chosen fields such as engineering, pharmacy and commerce Procurement from local suppliers and service providers Systematic reduction of the environmental risk posed by our manufacturing operations Supporting education/training for HCPs in local communities Initiatives to assist in building healthcare infrastructure COVID-19 specific assistance in response to community requests 	<ul style="list-style-type: none"> page 10 IR page 89 IR page 98

How we engage

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

Capitals



Relationship indicator



Material contract manufacturing customers

Aspen considerations

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

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
<ul style="list-style-type: none"> Aspen's ability to ensure continuity of supply of the products we have been contracted to produce Aspen's application of quality management systems and GMP, including aspects such as sourcing, employment, environmental and safety practices Aspen's standing in terms of ESG matters and its reputation as a good corporate citizen Maintenance of regulatory approvals in respect of manufacturing sites used for third-party manufacturing 	<ul style="list-style-type: none"> Ensuring continuity of contracted manufacturing supply and the resolution of supply constraints, many of which were brought about due to the ongoing impact of COVID-19 Partnership with Johnson & Johnson to manufacture COVID-19 vaccine at Aspen's Gqeberha site Negotiations on new contracts and extension to existing contracts 	<ul style="list-style-type: none"> page 10 IR page 76

How we engage

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

Capitals



Relationship indicator



Patients



As a pharmaceutical company, and aligned to our purpose of improving the health and quality of life of patients, we have a responsibility, and the opportunity, to make a meaningful contribution to the global challenge of making healthcare available to all.

Strategic objectives



Stakeholders



Capitals



Our commitment

We are committed to promoting access to medicines by providing a reliable supply of high quality, affordable products across the geographies of our operations.



Our impact

- Improved health and quality of life for the patients who use our medicines
- Maintained a reliable supply of quality and affordable treatment options and medicines for HCPs and healthcare systems
- Increased capacity and technical know-how to respond to emerging healthcare crises in Africa, and the world
- Concluded a collaboration agreement to manufacture and make available four Aspen-branded vaccines for Africa

225 million
doses of COVID-19 vaccines manufactured

180 medicines
on the WHO Essential Medicines List

Patients in
more than 60 low- and middle-income countries
treated with our medicines

162 SED initiatives
aimed at strengthening healthcare, including emergency product donations

Our material sustainability topics

- Access to medicines
- Health security
- Patient safety
- Responsible advocacy and lobbying
- Responsible marketing
- Reliable supply of quality products
- Responsible product portfolio



Our contribution to the SDGs

We contribute to the following SDG and targets through our actions aligned to our material sustainability topics:

SDG 3 Ensure healthy lives and promote well-being for all at all ages



- 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
- 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all



Additional information available online:

Aspen Sustainability and ESG Data Supplement
Aspen Code of Conduct

Our People



To deliver on our purpose of improving the health and quality of life of patients, we must attract, develop and retain diverse people who are the best at what they do.

Strategic objective



Stakeholder



Capital



Our commitment

We are committed to creating an inclusive, healthy and safe work environment, where everyone is treated fairly and with respect and is inspired to develop to their full potential.

Our impact

- Provide employment and opportunities for growth and development in the geographic regions in which we operate
- Maintain a diverse and inclusive working environment free of discrimination and harassment
- Increased engagement with employees through a Group-wide employee survey
- Implemented further programmes to support employee health and well-being

R8 billion

in salaries and benefits paid to our more than 9 000 employees

R50,3 million

invested in training and development initiatives

34%

female representation in senior roles

Zero occupational fatalities

Our material sustainability topics

- Diversity, equity and inclusion
- Employee health and safety
- Employee well-being
- Fair compensation
- Labour rights
- Workforce development



Our contribution to the SDGs

We contribute to the following SDGs and targets through our actions aligned to our material sustainability topics:

SDG 5 Achieve gender equality and empower all women and girls



- 5.1 End all forms of discrimination against all women and girls everywhere
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



- 8.8 Protect labour rights and promote safe and secure working environments for all workers



Additional information available online:

Aspen Sustainability and ESG Data Supplement
Aspen Code of Conduct

Society



Our long-term success depends on building and maintaining trust with society. Responsible corporate citizenship is grounded in a commitment to upholding the highest ethical standards in the conduct of our global business operations.

Strategic objective



Stakeholders



Capitals



Our commitment

We are committed to operating an ethical and responsible business underpinned by our shared values and governance structures. We uphold the dignity, fundamental freedoms and human rights of our employees, contractors and the communities in which we live and work, and others affected by our activities.



Our impact

- Adopted a stakeholder-inclusive governance approach and commit to transparency and effective communication
- Implemented responsible and ethical business practices aligned to the UN Global Compact principles
- Contributed to the social and economic upliftment in the communities in which we operate
- Generated economic value for our varied stakeholder groups

Strong corporate governance

aligned with King IV principles

355 SED projects

implemented across 30 countries

R3 237 million

spent with empowered suppliers in South Africa

Constituent of

**FTSE4Good Index and
Top 30 FTSE/JSE
Responsible
Investment Index**

Our material sustainability topics

- Compliance
- Corporate governance
- Data privacy and information security
- Economic value generated and distributed
- Ethical business culture
- Fair taxation
- Human rights
- Responsible supply chain management
- SED and investment in communities
- Transformation and economic inclusion



Our contribution to the SDGs

We contribute to the following SDG and target through our actions aligned to our material sustainability topics:

SDG 17 Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development



17.17 Encourage and promote effective public, public-private and civil society partnerships

UN Global Compact Participant



Additional information available online:

Aspen Sustainability and ESG Data Supplement

Aspen Code of Conduct

Aspen Code of Conduct for Suppliers

Aspen's 2022 Communication on Progress Report in respect of Aspen's application of the UN Global Compact's 10 Principles

Ethics and Compliance Management

Corporate Governance and Risk Management

Environment



Access to a clean, healthy and sustainable environment has been declared a universal human right. To enable a healthier world, we must take steps to reduce the impact we have on the environment as we convert and use natural resources in the manufacture and distribution of our quality medicines and APIs.

Strategic objective



Stakeholders



Capitals



Our commitment

We are committed to practising responsible environmental stewardship seeking to minimise any negative impact our operations have on the environment in compliance with applicable laws, regulations and other environmental management requirements.

Our material sustainability topics

- Climate change and GHG emissions
- Energy efficiency
- Waste
- Water and effluent

Our impact

- Ensured a sustainable supply of energy and water, critical to our ability to operate
- Implemented various initiatives to reduce our consumption of natural resources and carbon emissions
- Responsible management and disposal of hazardous and non-hazardous waste and effluent
- Committed to transparency through CDP and Task Force on Climate-Related Financial Disclosures aligned disclosures

22%

reduction on Scope 1 and Scope 2 emissions over the past five years

34%

reduction in water withdrawn over the past five years

80%

waste recycled and only 5% to landfill

CDP-CC and CDP-WS performance improved

to "B- Management Level" and "B Management Level", respectively



Additional information available online:
Aspen Sustainability and ESG Data Supplement
Aspen Code of Conduct

Our contribution to the SDGs

We contribute to the following SDGs and targets through our actions aligned to our material sustainability topics:

SDG 6 Ensure availability and sustainable management of water and sanitation for all



- 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemical and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity

SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all



- 7.3 By 2030, double the global rate of improvement in energy efficiency

SDG 12 Ensure sustainable consumption and production patterns



- 12.2 Achieve the sustainable management and efficient use of natural resources
- 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
- 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

SDG 13 Take urgent action to combat climate change and its impacts



- 13.2 Integrate climate change measures into national policies, strategies and planning

Our approach to governance

Governance in the Group extends beyond mere legislative and regulatory compliance. We strive to entrench an enterprise-wide culture of good governance aimed at ensuring fair and transparent decision-making within an ethical framework that promotes the responsible consideration of material stakeholders, while also holding decision-makers appropriately accountable.

The Board is the highest decision-making body for those matters that are of significance to the Group as a whole, due to their strategic, financial or reputational implications or consequences. It operates in terms of an approved Board Charter, which regulates the parameters within which the Board operates and ensures the application of the principles of good corporate governance in all its dealings. This charter also sets out the roles and responsibilities of the Board and individual directors, including the composition and relevant procedures of the Board. The charter is aligned to the provisions of all relevant statutory and regulatory requirements, including, among others, the Companies Act, the JSE Listings Requirements, King IV and the Company's Memorandum of Incorporation.

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

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

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

- medium- and long-term consequences of decisions on profit, people and the planet;
- the need to foster the Group's relationships with stakeholders including employees, regulators, suppliers, customers and governments;
- the impact of the Group's operations on communities and the environment; and
- maintaining the Group's reputation for high standards of business conduct and ethical behaviour and the need to act fairly in respect of shareholders and other stakeholders.

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

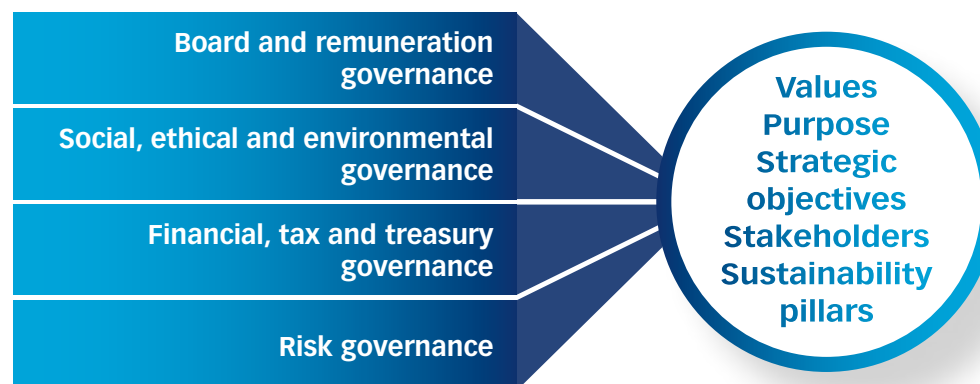
The following were key focus areas and outcomes resulting from the Board's deliberations since our previous Integrated Report:

- Progressing the Group's achievement of its five strategic objectives which provide the foundation for us to deliver on our overall strategy of creating long-term value for our stakeholders;
- A long-term agreement was concluded with Serum Institute for Aspen to manufacture, market and distribute four Aspen-branded vaccines in Africa – an important milestone as Aspen seeks to optimise its sterile manufacturing capacity in Gqeberha;
- Continued investment in the expansion of its sterile manufacturing capacity in Gqeberha to produce vaccines and other steriles, including biological products;
- Unlocking value for shareholders by entering into a share buy-back programme which resulted in 10,2 million shares being acquired and cancelled, as well as the resumption of dividend payments to shareholders with the declaration of a dividend of 326 cents per ordinary share in September 2022;

- Additional focus on ESG, including the establishment of an Executive Sustainability Forum aimed at enhancing Aspen's approach to these aspects and ensuring that ESG performance measures are included in Group-wide executive incentive structures;
- Material business acquisition and disposal transactions, including the divestment of a portfolio of six South African products to Acino Pharma for a consideration of approximately R1,8 billion, and the acquisition of ENT Technologies (Pty) Ltd, an Australian company with a portfolio of products that treat a range of common ear, nose and throat problems, for a consideration of R386 million;
- Concerted succession planning activities resulted in cultivating a strong executive bench, including the appointment of Sean Capazorio as an executive director and Group Chief Financial Officer with effect from 1 January 2022; and
- Adoption of the Group's Information Security Policy and monitoring additional enhancements in the Group's cybersecurity resilience.

Further reading

- Aspen governance overview, including an explanation of the Board's mandate, its composition and other material governance practices, as well as a detailed King IV application register available [online](#)
- [Pages 105 to 107 of the Integrated Report](#) where we report on the key governance focus areas and outcomes for each of the Board's committees during the year under review



Governance outcomes

Ethical leadership | Good performance | Effective control | Trust and legitimacy

Our approach to governance continued

Board composition

Diversity of expertise

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

The following areas of expertise are relevant to Aspen:

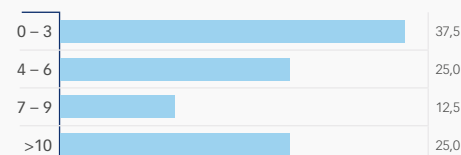


Succession and diversity of tenure

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

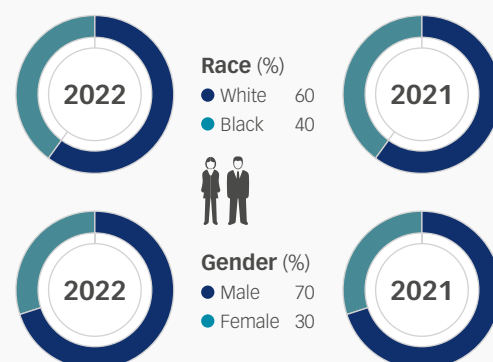
Succession planning makes provision for the identification, mentorship and development of future members.

Succession and diversity of tenure (%)



Gender and racial diversity

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



Board size

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

Diversity of age

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

Average age:
56
years

Independence

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



Board composition by classification (%)

Executive (2)	20
Non-executive (8)*	80

* Of the 8 non-executive directors, 6 are considered to be independent non-executive directors.

Board meeting attendance

	31 August 2021	8 December 2021	9 December 2021	8 March 2022	25 May 2022	24 June 2022
Kuseni Dlamini (Chairman) ^{□∞}	✓	✓	✓	✓	✓	✓
Gus Attridge ^{**}	✓	✓	✓	N/A	N/A	N/A
Sean Capazorio [*]	N/A	N/A	N/A	✓	✓	✓
Linda de Beer ^{□∞}	✓	✓	✓	✓	✓	✓
Ben Kruger [□]	✓	✓	✓	✓	✓	✓
Themba Mkhwanazi [∞]	✓	✓	✓	Apology	✓	✓
Chris Mortimer	✓	✓	✓	✓	✓	Apology
Yvonne Muthien ^{□***}	N/A	N/A	N/A	✓	✓	✓
Babalwa Ngonyama [†]	✓	✓	✓	✓	✓	✓
David Redfern	✓	✓	✓	✓	Apology	✓
Stephen Saad	✓	✓	✓	✓	✓	✓
Sindi Zilwa ^{□****}	✓	✓	N/A	N/A	N/A	N/A

[†] Membership of the Audit & Risk Committee.

[∞] Membership of the Remuneration & Nomination Committee.

[□] Membership of the Social & Ethics Committee.

^{*} Appointed 1 January 2022.

^{**} Retired 31 December 2021.

^{***} Appointed 10 December 2021.

^{****} Retired 9 December 2021.

The average overall attendance rate of the Board meetings for the 2022 financial year was 94,9%.

Governance supporting our strategy

Audit & Risk Committee

Members	Relevant stakeholders considered	Capitals	Further reading
Babalwa Ngonyama (Chair) Linda de Beer Ben Kruger			<ul style="list-style-type: none"> Committee mandate, role and responsibilities Audit & Risk Committee Report Available online

Focus areas and outcomes for the year





- Providing oversight and direction of the Group's Information & Technology strategies and policies, as well as the related risk and control environment;
- Mitigation of infrastructure technology security risks and oversight of the mitigation plans introduced to address the risk of material operational and disruptive incidents, by means of a number of digital initiatives including the establishment of a Cybersecurity Centre of Excellence and the implementation of the Group's Information Security Policy;
- Providing oversight in respect of digital strategy mapping out of the Group's five-year digital journey, developed to ensure our approach is aligned to our strategic objectives and cohesive across the Group. Key elements of this roadmap include significant investments in building our digital capabilities and modernising our enterprise resource planning, regulatory and compliance systems, manufacturing execution systems and collaboration tool;
- Ensuring the effectiveness, competency, capacity and independence of the Internal Audit function, as well as the expertise and experience of the Chief Audit Executive. Specific attention was given to the implementation of digitalised internal auditing initiatives, including the use of data mining and analysis;
- Reviewed the material risks facing the Group, obtaining assurance of the effectiveness of the risk management process and risk responses through the implementation of a combined assurance approach;
- Recommended the reappointment of EY as external auditor, and Derek Engelbrecht as the designated auditor, having satisfied itself of the capacity and independence of this firm and the designated auditor;
- Reviewed the Group's Integrated Report and the sustainability information as disclosed therein to evaluate the integrity of reported information and for consistency with the Annual Financial Statements; and
- Satisfied itself of the expertise and experience of the:
 - Group Chief Financial Officer, who performs the duties of the Company's Financial Director; and
 - Group's finance function and the senior members of management responsible for the Group's finance function.

	17 August 2021	30 August 2021	1 October 2021	21 October 2021	23 November 2021	31 January 2022	25 February 2022	24 May 2022	20 June 2022
Babalwa Ngonyama (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Linda de Beer	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ben Kruger	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

100%

Governance supporting our strategy continued

Remuneration & Nomination Committee	Members	Relevant stakeholders considered	Capitals	Further reading
	Linda de Beer (Chair) Kuseni Dlamini Themba Mkhwanazi			<ul style="list-style-type: none"> Committee mandate, role and responsibilities available  online Remuneration review  IR pages 109 to 135

Focus areas and outcomes for the year

- Appointing a successor for Gus Attridge, with specific reference to his role as Financial Director. To this end Sean Capazorio was appointed the Group Chief Financial Officer and the Finance Director with effect from 1 January 2022. This followed an internal and external recruitment, screening and selection process;
- Ongoing evolution of the Group's remuneration philosophy, policies, practices to align remuneration and incentive practices, in particular measurements with the Group's strategic objectives, with specific reference to achieving the following outcomes in the current year:
 - Ensuring that the performance targets, award conditions and vesting criteria for short- and long-term incentives in respect of executive directors and the rest of the Group executives were aligned to Group's remuneration philosophy and best practice; and
 - Considering the disclosure of our remuneration philosophy, policies, practices and actual performance against pre-set targets to transparently address the information needs expressed by shareholders.
- Succession and capacity of the Group Executive Committee and next layer of management; and
- Assessment of the performance of the Board, its committees, individual directors and the Group Executive: Governance & Communications (Company Secretary), this year conducted through an internal process following an extensive external process in 2021. Areas for improvement that were raised mostly related to the need for more formalised strategy setting processes, a focus on the digitalisation of the Group and ongoing efforts to ensure appropriate executive succession planning.




	12 July 2021	5 August 2021	31 August 2021	8 March 2022
Linda de Beer (Chair)	✓	✓	✓	✓
Kuseni Dlamini	✓	✓	✓	✓
Themba Mkhwanazi	✓	✓	✓	Apology

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

91,6%

Governance supporting our strategy continued

Social & Ethics
Committee

Members	Relevant stakeholders considered	Capitals	Further reading
Ben Kruger (Chair) Kuseni Dlamini Reginald Haman Yvonne Muthien			<ul style="list-style-type: none"> Committee mandate, role and responsibilities Social & Ethics Committee Report Available  online

Focus areas and outcomes for the year

- Reviewed the Group's strategy in approaching ESG, sustainability and corporate citizenship to ensure that the matters falling within the Committee's area of responsibility were appropriately and accurately reported upon, and that the appropriate internal or external assurance over these matters was obtained where necessary;
- Provided oversight and guidance in respect of the employee engagement survey conducted throughout the Group to gauge employee satisfaction aspects, understand areas of concern and to measure net promoter scores;
- Considered the Group's ongoing response to the COVID-19 pandemic from an employee, patient and SED perspective, ensuring that support was directed to initiatives launched to provide assistance in combatting the disease and its impacts;
- Reviewed reports on tip-offs and alleged ethics breaches from other sources received during the year and how these had been dealt with;
- Evaluated and monitored our performance in respect of SED and how we operate in the communities we do business in;
- Monitored progress against B-BBEE targets, the employment equity and skills development plans for our South African businesses, and considered the external verification of our empowerment activities; and
- Obtained internal assurance in respect of the Group's Ethics & Compliance programmes.

	19 August 2021	19 November 2021	17 February 2022	8 June 2022
Ben Kruger (Chair)*	✓	✓	✓	✓
Kuseni Dlamini	✓	✓	✓	✓
Reginald Haman	✓	✓	✓	✓
Yvonne Muthien**	N/A	N/A	N/A	✓
Sindi Zilwa***	✓	✓	N/A	N/A

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

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

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

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

100%

Board of Directors

Executive directors



Stephen Saad (58)

Group Chief Executive

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

Appointed: January 1999

Classification: Executive director



Sean Capazorio (57)

Group Chief Financial Officer

Qualification: CA(SA)

Appointed: January 2022

Classification: Executive director

Non-executive directors



Kuseni Dlamini (54) ●●

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

Appointed: April 2012

Classification: Independent non-executive, Chairman



Linda de Beer (53) ●●

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

Appointed: July 2018

Classification: Independent non-executive



Ben Kruger (63) ●●

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

Appointed: April 2019

Classification: Lead independent non-executive

Committee diagram key:

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

Board of Directors continued

Non-executive directors



Themba Mkhwanazi (52) ●

Qualification: B.Eng (Hons)

Appointed: April 2019

Classification: Independent
non-executive



Chris Mortimer (61)

Qualifications: BA, LLB

Appointed: January 1999

Classification: Non-executive



Yvonne Muthien (65) ●

Qualifications: D.Phil (Oxford),
MA, BA (Hons)

Appointed: December 2021

Classification: Independent
non-executive



Babalwa Ngonyama (48) ●

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

Appointed: April 2016

Classification: Independent
non-executive

Company Secretary

Committee diagram key:

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

Riaan Verster (46)

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

Appointed: December 2011

Classification: Group Executive:
Governance & Communications
(Company Secretary)



David Redfern (56)*

Qualifications: BSc (Hons), CA

Appointed: February 2015

Classification: Non-executive

* *British*

Group Executive Committee



Stephen Saad (58)
Group Chief Executive
Qualifications: CA(SA), PhD
(Commerce) *Honoris Causa*
Appointed: January 1999



Gus Attridge (61)
Group Chief Advisor
Qualification: CA(SA)
Appointed: January 1999



Sean Capazorio (57)
Group Chief Financial Officer
Qualification: CA(SA)
Appointed: January 1999



Richelle Crots (59)
Regional Chief Executive
Officer, SA Commercial
Qualification: BCom
(Human Resources)
Appointed: August 2017



Reginald Haman (48)
Group Chief Corporate
Services Officer
Qualifications: MBA, PGDBA,
Graduate Diploma in Company
Direction
Appointed: May 2020



Lorraine Hill (59)
Group Chief Operations Officer
and Responsible Pharmacist
Qualification: BPharm
Appointed: January 1999



Samer Kassem (47)
Chief Executive Officer,
Aspen Global Inc
Qualifications: CMA, CFM,
CBM, MBA
Appointed: May 2008



Zizipho Mmango (37)
Group Chief Strategic
Development Officer
Qualifications: CA(SA), CFA
Appointed: May 2020



Stavros Nicolaou (57)
Senior Executive Strategic
Trade
Qualifications: B.Pharm,
FPS (SA), PhD (Medicine)
Honoris Causa
Appointed: January 1999



Trevor Ziman (51)
Regional Chief Executive
Officer, Asia Pacific
Qualification: CA(SA)
Appointed: May 2001

Additional information available online

Abbreviations

Abbreviation	Full name
Alphamed	Alphamed Formulations Private Limited
Annual Financial Statements	The Group and Company Annual Financial Statements for the year ended 30 June 2022
APIs	Active pharmaceutical ingredients
Aspen and/or Group	Aspen Pharmacare Holdings Limited and/or its subsidiaries as set out in note 25 to the Company financial statements, as the context demands
Aspen Bad Oldesloe	Aspen Bad Oldesloe GmbH, a wholly owned subsidiary incorporated in Germany
Aspen Brazil	Aspen Pharma – Indústria Farmacêutica Limitada, a wholly owned subsidiary of PharmaLatina Holdings incorporated in Brazil
Aspen Holdings or the Company	Aspen Pharmacare Holdings Limited
Aspen Oss	Aspen Oss B.V., a subsidiary incorporated in the Netherlands
B-BBEE	Broad-based Black Economic Empowerment
CDP-CC	Carbon Disclosure Project for Climate Change
CDP-WS	Carbon Disclosure Project for Water Security
CER	Constant exchange rate
CIS	The Commonwealth of Independent States, comprising Russia and the former Soviet Republics
COVID-19	Coronavirus disease
ESG	Environmental, Social and Corporate Governance
EY	Ernst & Young Inc.
FDF	Finished dose form
GHG	Greenhouse gas
GMP	Good Manufacturing Practice
HCP	Healthcare professional
IBIS	IBIS Environmental Social Governance Consulting Africa Proprietary Limited
IBP	Integrated Business Planning
Internal Audit	The Aspen Group Internal Audit function
IR	Integrated Report
ISO 14001	International standard for environmental management systems
ISO 45001	International standard for occupational health and safety management system
ISO 50001	International standard for energy management systems

Abbreviation	Full name
I&T	Information & Technology
Johnson & Johnson COVID-19 vaccine	Janssen Pharmaceuticals Inc. and Janssen Pharmaceuticals NV, two of the Janssen Pharmaceutical Companies of Johnson & Johnson's COVID-19 vaccine.
JSE	JSE Limited, licensed as an exchange under the Security Services Act, No 36 of 2004
King IV	King IV Report on Corporate Governance™. Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all its rights are reserved.
KPI	Key performance indicator
NHEPS	Normalised headline earnings per share
Normalised EBITDA	Normalised EBITDA comprises operating profit before depreciation and amortisation adjusted for specific non-trading items defined in the accounting policies of the Group's Annual Financial Statements
Notre Dame de Bondeville	Aspen Notre Dame de Bondeville S.A.S., a wholly owned subsidiary incorporated in France
OTC	Over the counter
Pharmacare	Pharmacare Limited
PPE	Property, plant and equipment
ROIC	Return on invested capital
SDGs	United Nations Sustainable Development Goals
SED	Socio-economic development
Serum Institute	Serum Institute of India Pvt Ltd
Supplementary Documents	The reports of the Audit & Risk and Social & Ethics Committees, the Sustainability and ESG Data Supplement and the Annual Financial Statements
TCFD	Task Force on Climate-Related Financial Disclosures
The Companies Act	The South African Companies Act, No 71 of 2008
The Company	Aspen Pharmacare Holdings Limited
The Group	Aspen Group subsidiaries
TRIFR	Total recordable incident frequency rate
UN Global Compact	United Nations Global Compact
WHO	World Health Organization



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