



Healthcare. We Care.

25 YEARS
Access to Medicine

Corporate Brochure 2023



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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. The corporate brochure refers to the Integrated Report and Supplementary Documents which are available online at www.aspenpharma.com.

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

Other navigation icons:



This icon indicates that further information is available online at www.aspenpharma.com.



This icon directs you to further information in our Integrated Report which is available online at www.aspenpharma.com



25 years' access to medicine



Healthcare. We Care.

>60 mergers and acquisitions
 >1 600 commercial products
 >R23 billion invested in manufacturing
 115 countries

Over the past 25 years as a JSE Limited ("JSE") listed company, we have strived to increase access to medicine through purpose-driven strategic mergers and acquisitions which have created opportunities for global expansion, an enhanced therapeutic product portfolio and multi-continental state-of-the-art manufacturing facilities.

Mergers and acquisitions

More than **60** agreements with leading pharmaceutical multinational companies to:

- increase product portfolios and therapeutic categories;
- establish a presence in emerging and developed markets;
- enhance manufacturing capabilities;
- increase access to medicines; and
- enhance stakeholder value.

Product portfolio expansion

More than **1 600** commercial products across a broad range of ailments and therapeutic categories, ranging from:

- anti-retrovirals ("ARVs") and tuberculosis;
- acute and chronic generics and branded medicines;
- specialty focused and branded steriles: thrombosis, oncology, anaesthetics;
- to crisis medication; and
- vaccines.

Manufacturing

We have invested more than **R23 billion** globally in state-of-the-art world-class manufacturing facilities in **11** countries with production capabilities in steriles, oral solid dose, liquids, semi-solids, biologicals and active pharmaceutical ingredients ("APIs").

Global expansion

An increased presence across six continents to facilitate portfolio management, promotion, distribution, manufacturing, regulatory and legislative compliance in reaching patient populations in more than **115 countries**.

Corporate

Our employees in **65** locations demonstrate optimal teamwork and tirelessly pursue product and distribution efficiencies through advanced supply chain management processes underpinned by leading-edge digital technology systems, ensuring a reliable supply of medicines to the patients that need them.

Improved quality of life through 25 years' access to medicine



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.

Total revenue
R40,7 billion

Our business segments

We focus on marketing and manufacturing a broad range of post-patent, sterile focus and regional products covering both hospital and consumer channels through our key business segments.

Commercial Pharmaceuticals



72%
of total revenue



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



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

- Sterile focus brands **36%**
- Regional brands **64%**

Manufacturing

28%
of total revenue



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



- Active pharmaceutical ingredients **45%**
- Heparin **30%**
- Finished dose form – steriles **13%**
- Finished form – other **12%**



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.

48%
Women

52%
Men

More than
9 100
employees in
65 offices in some
50 countries
and territories

Our global presence

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

63%
of Commercial Pharmaceuticals
revenue is from emerging 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.

7
Active
pharmaceutical
ingredient facilities

23
Facilities

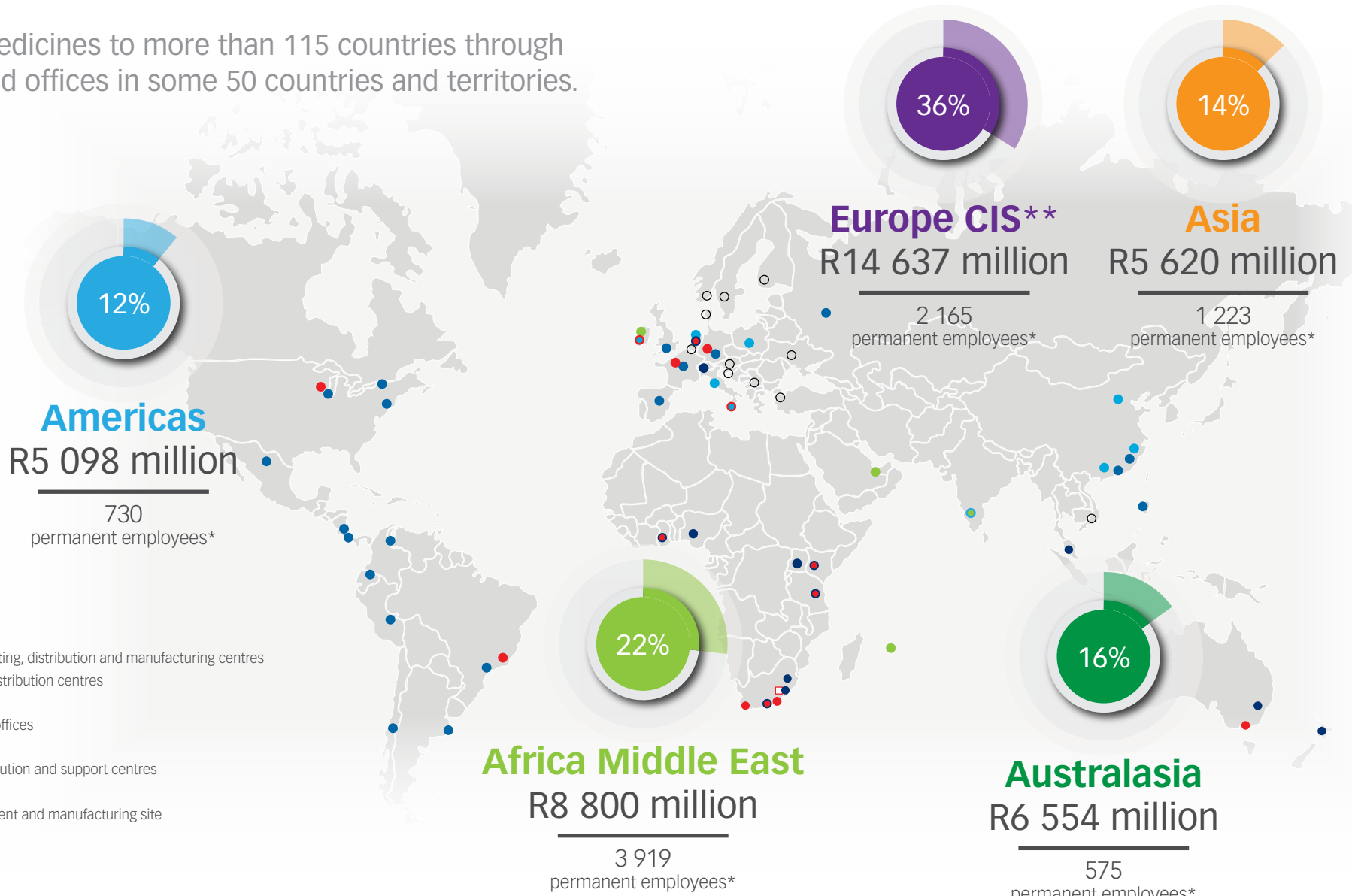
16
Finished
dose form
facilities

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



Our global presence

We supply medicines to more than 115 countries through 65 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 at www.aspenpharma.com/global-presence

* Permanent employees exclude 549 temporary employees (2022:587).

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

Our investment case



Delivering quality affordable medicines while enhancing stakeholder value responsibly

25 YEARS

Committed management team aligned with shareholder interest



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



12,9% Shareholding by executive management

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



Manufactured **225 million** doses of coronavirus disease ("COVID") vaccines and signed a 10-year agreement with the Serum Institute of India Pvt Ltd ("Serum Institute") promoting access to vaccines in Africa



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



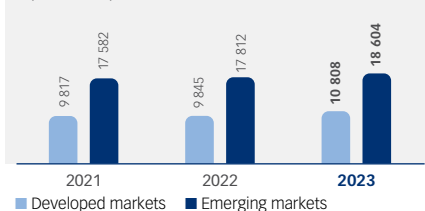
Consistent inclusion in the **FTSE/JSE Responsible Investment Index** since 2016 and member of the FTSE4GoodIndex



Commercial Pharmaceuticals: branded post-patent global and domestic products

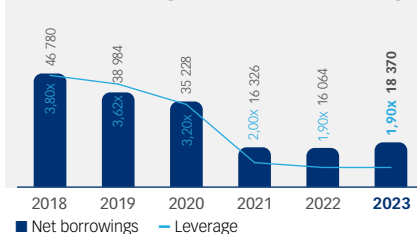
Commercial Pharmaceuticals portfolio supported by a global footprint weighted to emerging markets with emerging market fundamentals

Commercial Pharmaceuticals revenue* (R'million)

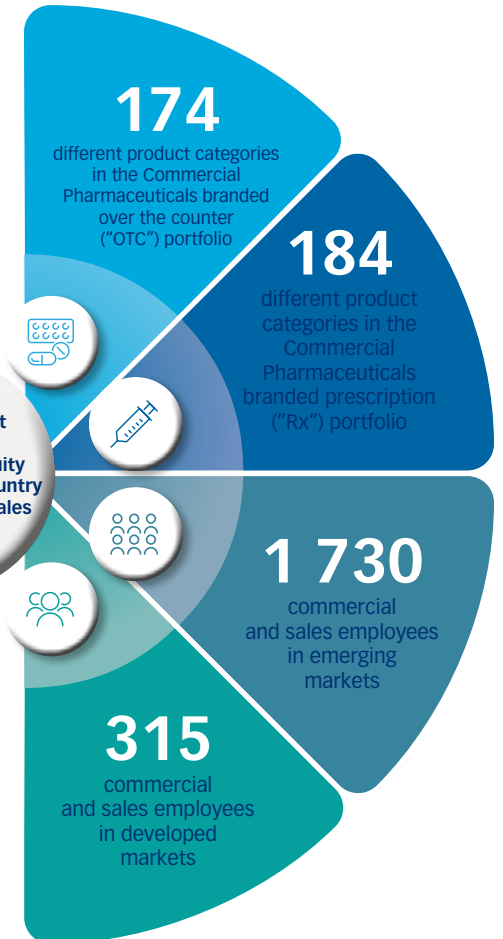


Headroom to invest in the Commercial Pharmaceuticals portfolio, inherent to portfolio growth strategy [page 12](#)

Net borrowings (R'million) and leverage



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



* Commercial Pharmaceuticals revenues in 2022 and 2021 excludes revenues from products divested in South Africa in 2022.

Our investment case continued



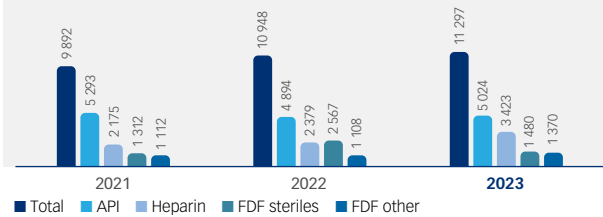
Delivering quality affordable medicines while enhancing stakeholder value responsibly



Manufacturing: Capacities for own and third-party use

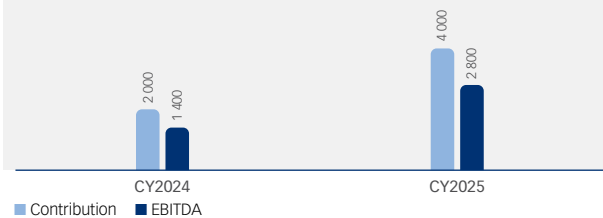
Widely accredited and compliant API and FDF manufacturing capabilities with increasing focus on complex sterile capacities

Manufacturing revenue (R'million)



Increasing returns as sterile manufacturing capacities come online

Medium-term sterile capacity guidance (R'million)



Strategically relevant manufacturing capacities to deliver accelerated growth



Capabilities/dosage forms:

- Ampoules
- Blow-fill seal
- Eye drops
- Lyophilized products
- Prefilled syringes
- Vials

Therapies:

- Anaesthetics
- Diabetes
- Oncology
- Thrombosis
- Vaccines



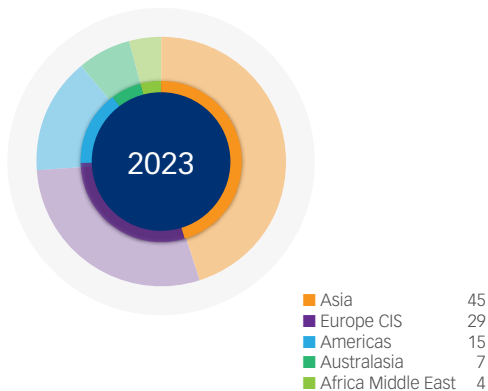
Business segment overviews



Sterile Focus Brands

Aspen's Sterile Focus Brands encompass a diverse range of trusted post-patent pharmaceutical products designed primarily for acute hospital settings. This diverse portfolio places a strong emphasis on sterile preparations and covers critical medical areas such as anaesthetic and thrombosis therapies.

Sterile Focus Brands' revenue (%)



26%
of Group revenue

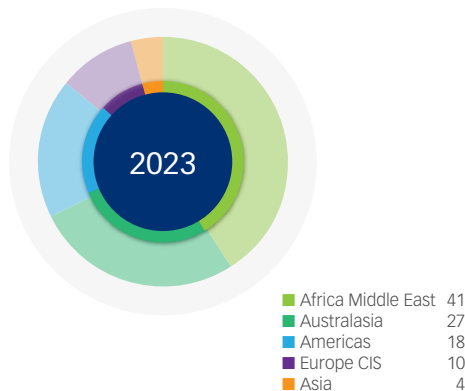
34%
of Group gross profit



Regional Brands

Regional Brands portfolio is the largest revenue contributor and comprises a portfolio of global and domestically recognised brands across OTC, consumer, branded and generic prescription products. Our skilled in-country marketing and sales teams in key regions drive the organic growth of these well-recognised brands, ensuring they meet diverse healthcare needs worldwide.

Regional Brands' revenue (%)



46%
of Group revenue

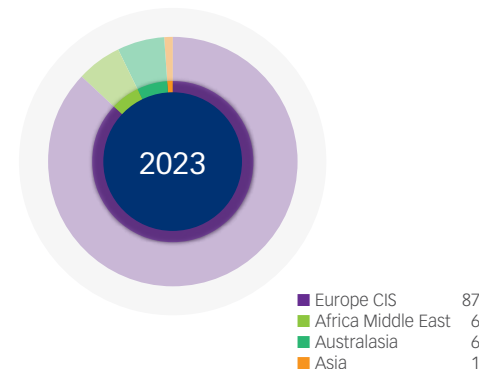
59%
of Group gross profit



Manufacturing

Aspen operates 23 manufacturing facilities across 15 sites. Our strategic manufacturing sites have earned international accreditation from some of the world's most stringent global regulatory agencies. Our manufacturing capabilities encompass a wide range of product types, including steriles, oral solid doses, liquids, semi-solids, biologicals, and APIs.

Manufacturing revenue* (%)



* Based on source of manufacture

28%
of Group revenue

7%
of Group gross profit



Our manufacturing capabilities

Primary FDF sites

Gqeberha, South Africa



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

Maximum output: 6 billion tablets.

Accreditation: ANVISA, EMA, HPRA, ISO 14001, ISO 45001, NDA, PMPB, PPB - Kenya, 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, ISO 45001, NDA, PMPB, PPB - Kenya, 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, ISO 45001, LAsD, 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

Capability: Liquid ampoules, vials and cartridges, emulsion ampoules, lyophilised 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 FY2024)

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 of blow-fill seals.

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

API sites

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 6 000ℓ commercial scale. OEL 1µg/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, KFPA, PMDA, TRA, US FDA.

Sioux City, USA



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/micronisation), central warehouse and solvent recovery by distillation.

Maximum output: Installed reactor capacity: 110m³ with reactor size between 1m³ and 10m³ besides bulk tank storage capability.

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

Moleneind site

Capability: Specialised biochemical, hormonal and chemical APIs. Dedicated biochemical reactors, multipurpose chemical reactors/pilot plant, dedicated solvent recovery unit and quality control laboratories.

Maximum output: Installed chemical reactor capacity (small molecule API and peptides): 59m³ with reactor size between 35ℓ and 2 000ℓ.

Biochem reactor capacity: 245m³ beside multiple storage capacity.

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

Boxtel 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.

Regional sites

Dandenong, Australia



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. Semi-solids: 4,0 million units. Liquids: 4,9 million bottles. Sealing: 22,9 million units.

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

Accra, Ghana



Capability: Small to medium-volume liquids.

Maximum output: 567kℓ of liquids.

Accreditation: GFDA.

Hyderabad, India



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

Maximum output: 1 500 million tablets, 50 million effervescent tablets, 300 million capsules, 50 tons of pellets, 80 million powder-filled sachets.

Accreditation: DCA, GMP, ISO/IEC 17025:2017, ISO 9001:2015, SAHPRA.

Nairobi, Kenya



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

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

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

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

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.

How we create value

The value we create

External operating context

The environment in which we operate impacts our ability to create sustainable value

📄 page 44 of the Integrated Report

Stakeholder relationships, needs and expectations

We have a broad range of stakeholders, often with competing interests and expectations, that participate in our shared value creation through a range of engagements and relationships

📄 page 47 of the Integrated Report

Risks and opportunities

An uncertain future presents risks and opportunities that impact the delivery of value to our stakeholders

📄 page 51 of the Integrated Report

Governance
Our governance framework supports our value creation process, ensuring we make choices aligned with our purpose, vision, values and strategic objectives, while being transparent and accountable for our actions.

Risk and opportunity management

Business Strategy

Our Business Strategy outlines our plan of action to achieve short-, medium-, and long-term goals
📄 page 35 of the Integrated Report

Business model

Our differentiated business model and globally integrated value chain allows us to respond to the changing business context
📄 page 29 of the Integrated Report

Sustainability pillars

Our sustainability pillars are the foundation on which our strategy is built and demonstrate our commitment to operate in a responsible way
📄 page 52 of the Integrated Report

Resource allocation and trade-offs

Performance management

Review and adapt

An ethical culture

Sustainable value creation

Effective control and accountability

Trust and legitimacy

The material matters we encounter create opportunity or restrict ability to create value



📄 page 26 of the Integrated Report



Communities in which we operate

- Contribution to society through engagement with civil society and investment in socio-economic development ("SED")
- Responsible management of our impact on the environment



Employees and organised labour organisations

- Provision of employment and opportunities for growth and development in the geographic regions in which we operate
- A diverse and inclusive working environment, free of discrimination and harassment



Governments, competition authorities and pharmaceutical regulatory bodies

- Contribution to governments through taxes
- Contribute to effective healthcare systems through supply of essential medicines and by pharmaceutical regulatory compliance in the countries in which we operate



Our investors and funders

- Sustainable returns to shareholders
- Servicing and repayment of debt



Our material contract manufacturing customers

- Reliable supply of products manufactured to required quality and regulatory standards
- Responsible and ethical business practices



Patients, healthcare professionals and customers

- Improved health and quality of life for patients who use our medicines
- Enhanced access to medicines through the provision of high quality, affordable treatment options and medicines to patients, healthcare professionals ("HCPs") and healthcare systems



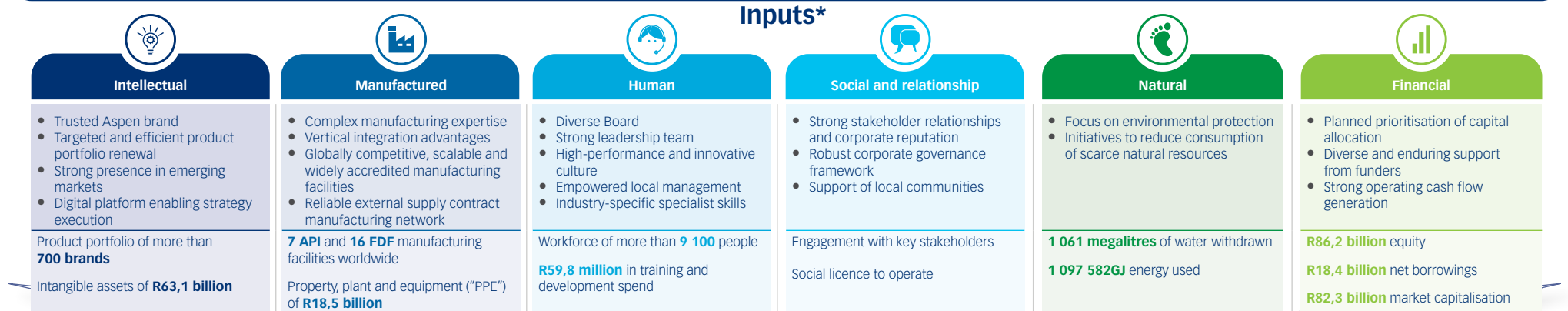
Our suppliers, service providers, consultants and business partners

- Economic stimulus through procurement of goods and services
- Collaboration and partnering opportunities

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



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

Value chain activities



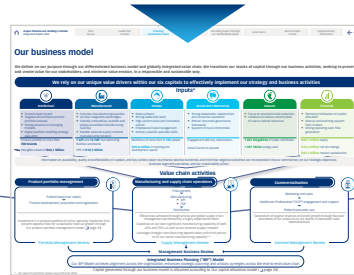
Integrated Business Planning ("IBP") Model

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 (page 34 of the Integrated Report)

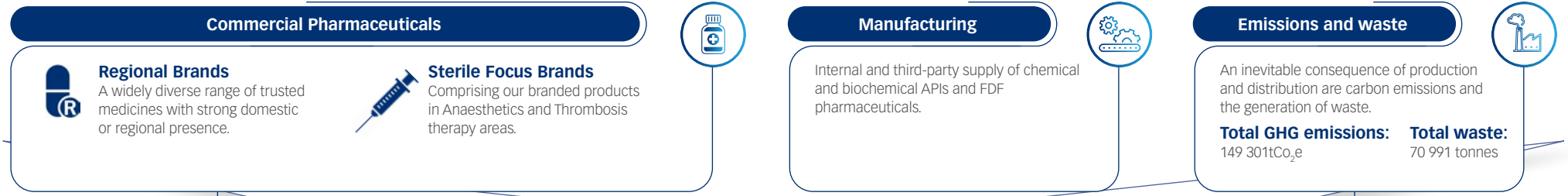
* For ease of reporting, values are at 30 June 2023.
** Not subject to IBP process.

Our business model continued



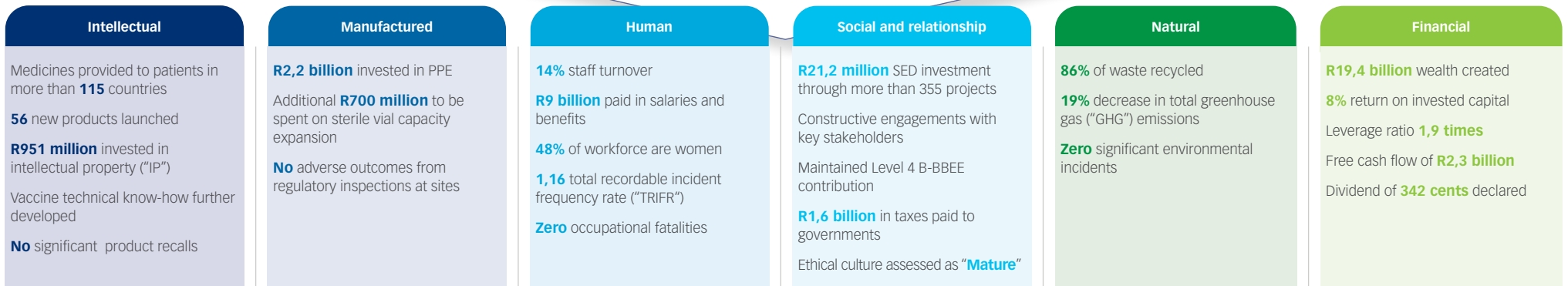
Outputs

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



Outcomes

Increasing, preserving or eroding value in capital stocks



Value created







Achieving outcomes that create long-term value for our stakeholders (page 28 of the Integrated Report)



Making strategic trade-offs and the impact on our capitals

In developing our strategy, we assess the availability, quality and affordability of capital inputs and how our business activities transform our stocks of capitals. Optimising value inevitably involves trade-offs in how and when value is shared between different stakeholder groups, and in how that value is created, transformed or depleted across the capitals. We seek to maximise positive outcomes and limit negative impacts over the short, medium and long term.

The capital constraints we face:

 Intellectual	 Manufactured	 Human	 Social and relationship	 Natural	 Financial
<ul style="list-style-type: none"> A dynamic approach to product portfolio management to ensure remain relevant and value accretive. Our products, many of which are older products, require continual investment to ensure they remain safe and in compliance with the relevant local pharmaceutical regulations. Developing the technical know-how to meet the needs of complex, sterile manufacturing in an increasingly automated environment. The rapid pace of innovation and technological advances requires ongoing investment in our business systems and processes. 	<ul style="list-style-type: none"> Constructing and maintaining pharmaceutical manufacturing facilities requires significant capital outlay to ensure ongoing compliance with regulatory requirements and future-focused manufacturing practices. Disruptions in supply chains, unavailability of utilities (energy and water) and supply constraints of key raw materials can negatively impact continued business operations. 	<ul style="list-style-type: none"> Attracting and retaining the right talent with the necessary skills for now and into the future remains challenging in a highly competitive market. Increasing workforce diversity, inclusivity, engagement and well-being are critical to maintaining productivity. 	<ul style="list-style-type: none"> Increasing expectations of various stakeholders for pharmaceutical companies to contribute to solving global issues, most notably inequitable access to medicines. Increased reputational risks due to conduct of employees as well as contractors and suppliers. 	<ul style="list-style-type: none"> Natural resources are finite and must be managed carefully. Operations in water-stressed areas. Balancing the need for reliable and cost-effective energy that supports economic growth and continuity of supply with the need to transition to a low-carbon economy. 	<ul style="list-style-type: none"> Impact of geopolitical events and market sentiment on key cost drivers, foreign exchange rates and cost of financial capital. There is a need to balance capital allocations between maintaining manufactured capital, building intellectual capital, providing returns to stakeholders while retaining a prudent level of financial capital reserves.

More information on actions taken to enhance positive outcomes and minimise negative outcomes for stakeholders

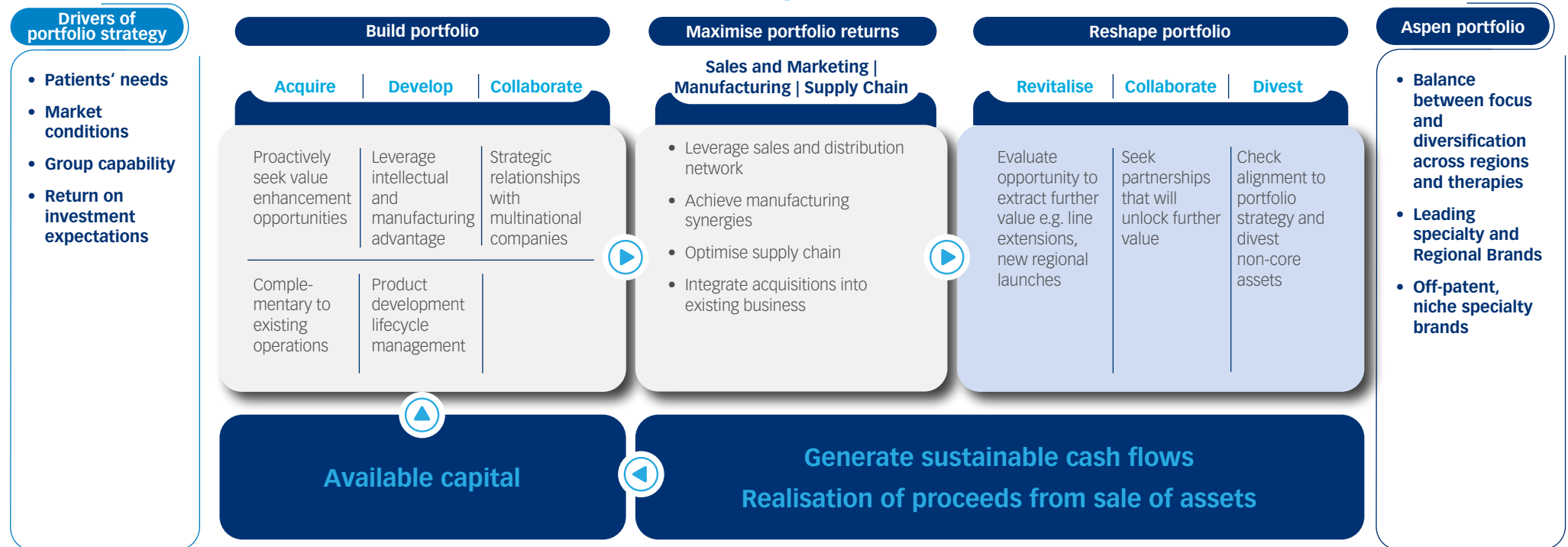
 (page 60 of the Integrated Report) Business segment overviews (pages 66 to 69 of the Integrated Report) Patients (page 74 of the Integrated Report)	 (page 61 of the Integrated Report) Manufacturing operational overview (page 70 of the Integrated Report)	 (page 62 of the Integrated Report) Our People (page 79 of the Integrated Report)	 (page 63 of the Integrated Report) Society (page 89 of the Integrated Report)	 (page 63 of the Integrated Report) Environment (page 98 of the Integrated Report)	 (page 64 of the Integrated Report) Group Chief Financial Officer's review (page 18 of the Integrated Report)
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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.

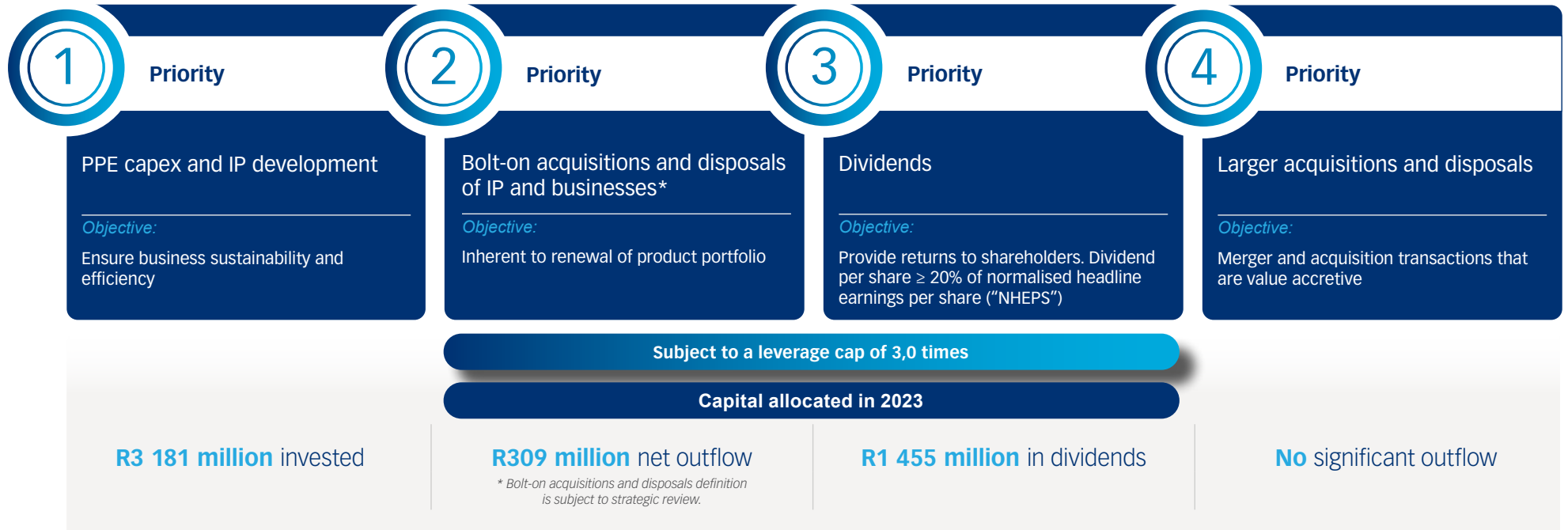
Portfolio management model



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.



Our Business Strategy

Our Business Strategy is to create value for our stakeholders by promoting access to medicines by 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 achieve this by building a differentiated portfolio of relevant 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 [page 29](#) of the Integrated Report.

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 ▲) 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 [page 60](#) of the Integrated Report.

Reporting on performance against incentives is included in the Remuneration review [page 127](#) of the Integrated Report.



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▲
- 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 and drive efficiencies reducing the cost of goods and operational expenses
- Achieve the transfer of the manufacture of complex, sterile products to Aspen sites
- Focus on supply performance and optimise carrying levels of inventory
- Successfully implement partnerships and manufacturing contracts with multinationals to leverage available manufacturing capacity in niche specialty sterile manufacturing, including vaccines
- Restore API business performance to pre-COVID levels
- Advance digital transformation across our value chain (refer to our Digital Transformation Strategy on [page 38](#) of the Integrated Report)

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 attraction, 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 [page 36](#) of the Integrated Report

KPI

- 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* ▲
- 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 ("ESG") priorities (refer to Our approach to sustainability on [page 40](#) of the Integrated Report)
- Explore resource efficiency projects to achieve security of supply and minimise impact on the environment
- Develop a climate change strategy

KPI

- 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
- 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▲
- Normalised EBITDA* growth▲
- Normalised EBITDA margin percentage●
- Operating cash flow per share●
- Return on invested capital ("ROIC")●
- Free cash flow▲
- Leverage ratio●

▲ Key performance indicator ("KPI") definitions are included in the Sustainability and ESG Data Supplement available [online](#).

▲ Linked to performance and long-term incentive scheme. Further details [page 125](#) of the Integrated Report.

* 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 ("EBITDA").

Assurance on our KPIs

We obtain assurance on these reported KPIs through a combined assurance approach: IBIS Environmental Social Governance Consulting Africa Proprietary Limited ◆ Empowerdex ■ Ernst & Young Inc ● Internal Audit ▲.

Further discussion on combined assurance is included on [page 5](#) of the Integrated Report.

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
- Strengthened product portfolio in expanded geographies

Material matters engaged on since the previous report

- Ensuring continued supply of critical medicines
- 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
- Re-establishing relationships post the COVID pandemic

Reference to value created for stakeholder

- See page 28 of the Integrated Report
- See page 74 of the Integrated Report

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
- Product recalls
- Potential business opportunities
- SED spend, contribution to healthcare enhancement and equitable access to medicines
- Engagement with governments and regulatory authorities to enhance localisation of supply of products in Africa

Reference to value created for stakeholder

- [See page 28 of the Integrated Report](#)
- [See page 74 of the Integrated Report](#)
- [See page 89 of the Integrated Report](#)

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

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

- Regular town halls held and internal communications circulated in order to keep employees apprised of business unit performance, strategic goals and key initiatives
- 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

Reference to value created for stakeholder

- [See page 28 of the Integrated Report](#)
- [See page 79 of the Integrated Report](#)

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 work 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 ("Mandela 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
- Suppliers' ability to ensure continuity of supply and impact on Aspen's own ability to ensure continued supply
- Negotiation of contract terms and extensions
- Operational, tactical, and executive review meetings with service providers to ensure alignment to Aspen's strategic intent

Reference to value created for stakeholder

- See page 28 of the Integrated Report
- See page 89 of the Integrated Report

How we engage

- Tender, procurement and "expression of interest" processes
- 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, free cash flow and ROIC
- 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
- Secured sterile manufacturing contracts providing the foundation for Aspen's medium-term sterile capacity fill strategy
- Impact of trading environment on operational performance and progress against guidance
- Further volume-based procurement ("VBP") risk in China and potential acquisitive strategies to mitigate this risk
- In November 2022, we refinanced our syndicated bank debt facilities which has mitigated refinance risk
- Enhancing shareholder value through dividend declarations in FY2022 and FY2023
- Advances made by Commercial Pharmaceuticals in enhancing its product portfolio in emerging markets
- 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 Executive Committee and management level succession planning

Reference to value created for stakeholder

- See page 28 of the Integrated Report
- See page 18 of the Integrated Report
- See page 40 of the Integrated Report

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

- 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
- Several Mandela Day initiatives held, including Aspen's contribution to the improvement of services and infrastructure in Gqeberha

Material matters engaged on since the previous report

- Assistance to relief efforts 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

Reference to value created for stakeholder

-  See page 28 of the Integrated Report
-  See page 89 of the Integrated Report
-  See page 98 of the Integrated Report

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

- 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 practices and reputation as a good corporate citizen
- Maintenance of regulatory approvals in respect of manufacturing sites used for third-party manufacturing

Material matters engaged on since the previous report

- Ensuring continuity of contracted manufacturing supply and the resolution of supply constraints
- Negotiations on new contracts and extension to existing contracts

Reference to value created for stakeholder

-  See page 28 of the Integrated Report
-  See page 74 of the Integrated Report

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 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
- Commenced technical transfer of four Aspen-branded vaccines for Africa

180 medicines

on the World Health Organization (“WHO”) Essential Medicines List

Patients in more than

60 low- and middle-income countries

treated with our medicines

11 SED initiatives

aimed at strengthening healthcare, including emergency product donations

Our material sustainability topics

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



Additional information available online

- Aspen Sustainability and ESG Data Supplement
- Aspen Code of Conduct

Our contribution to United Nations Sustainable Development Goals (“SDGs”)

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



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

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 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 objectives



Stakeholders



Capitals



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
- Implemented further programmes to support employee health and well-being

R9 billion in salaries and benefits paid to our more than 9 100 employees

R59,8 million invested in training and development initiatives

35% 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



Additional information available online

- Aspen Sustainability and ESG Data Supplement
- Aspen Code of Conduct

Our contribution to SDGs

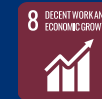
We contribute to the following SDGs and targets through our actions aligned to our material sustainability topics:



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



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

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.



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 objectives



Stakeholders



Capitals



Our impact

- Adopted a stakeholder-inclusive governance approach and committed to transparency and effective communication
- Implemented responsible and ethical business practices aligned with the United Nations Global Compact (“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

218 SED projects implemented across **22** countries

R4 496 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 governance
- 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



Additional information available online

- Aspen Sustainability and ESG Data Supplement
- Aspen Code of Conduct
- Aspen Code of Conduct for Suppliers
- Ethics and Compliance Management
- Corporate Governance and Risk Management

Our contribution to SDGs

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



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

WE SUPPORT



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.



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 objectives



Stakeholders



Capitals



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 Carbon Disclosure Project (“CDP”) and Task Force on Climate-Related Financial Disclosures (“TCFD”) aligned disclosures

28% reduction on Scope 1 and Scope 2 emissions over the past five years

37% reduction in water withdrawn over the past five years

86% waste recycled and only **2%** to landfill

CDP-CC and **CDP-WS** performance rated as “B Management Level” and “B- Management Level”, respectively

Our material sustainability topics

- Climate change and GHG
- Energy efficiency
- Resource use and waste
- Water and effluent



Additional information available online

- Aspen Sustainability and ESG Data Supplement
- Aspen Code of Conduct

Our contribution to SDGs

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



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 chemicals 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



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

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



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 lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment



Take urgent action to combat climate change and its impacts

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

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 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 is of the opinion 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 set of agreements were concluded with the Gates Foundation and the Coalition for Epidemic Preparedness Innovations ("CEPI") for the receipt of funding to support Aspen's capabilities to manufacture lifesaving routine and outbreak vaccines for Africa;
- continued investment in the expansion of its sterile manufacturing capacity in Gqeberha and Aspen Notre Dame de Bondeville to produce vaccines and other steriles, including biological products;
- dividend payments to shareholders with the declaration of a dividend of 342 cents per ordinary share in September 2023;

- aligned to Aspen's purpose of improving the health and quality of life of patients, the establishment of a Global Access to Medicine Committee, the role of which is to provide the mechanism for the Group senior executive direction for the development, implementation and integration of the committee's strategy in the execution of the Group's broader strategy;
- material business acquisition and disposal transactions, including the agreement concluded with Amgen, in terms of which Aspen will exclusively market, distribute, use and sell Amgen's products in South Africa;
- greater focus on building diverse talent and creating a culture of inclusion supported by equitable practices and policies; and
- concerted succession planning activities cascading to all management levels within the organisation.

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 106 to 108](#) 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:



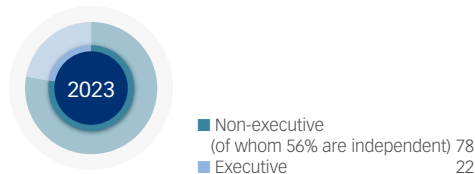
Board size

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.

Independence

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

Independence (%)



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:
58 years

Board attendance

Board	31 August 2022	7 December 2022	8 December 2022	28 February 2023	24 May 2023	22 June 2023
Kuseni Dlamini ^a	✓	✓	✓	✓	✓	✓
Sean Capazorio	✓	✓	✓	✓	✓	✓
Linda de Beer ^{b,c}	✓	✓	✓	✓	✓	✓
Ben Kruger ^{b,c}	✓	✓	✓	✓	✓	✓
Themba Mkhwanazi ^a	✓	✓	✓	✓	Apology	Apology
Chris Mortimer	✓	✓	✓	✓	✓	✓
Yvonne Muthien ^{b,c}	✓	✓	✓	✓	✓	✓
Babalwa Ngonyama ^a	✓	✓	✓	✓	N/A	N/A
David Redfern	✓	✓	✓	✓	✓	Apology
Stephen Saad	✓	✓	✓	✓	Apology	✓

^a Membership of the Audit & Risk Committee.

^b Membership of the Remuneration & Nomination Committee.

^c Membership of the Social & Ethics Committee.

^{*} Resigned with effect from 29 May 2023.

The average overall attendance rate of the Board meetings for the 2023 financial year was 90%.

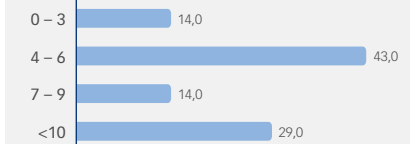
90%

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.

Race (%)



Black 33
White 67

Race (%)



Black 40
White 60

Gender (%)



Male 78
Female 22

Gender (%)



Male 70
Female 30

Governance supporting our strategy

Audit & Risk Committee

Focus areas and outcomes for the year

- Reviewed the Group’s proposed digital roadmap to ensure that the Group’s approach to this discipline was aligned to Aspen’s strategic objectives
- 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
- Oversight of the Group’s insurance programme and establishment of a risk finance vehicle (cell captive)
- Enhancing the Group’s internal audit practices to ensure a systematic, disciplined approach to evaluate and improve the effectiveness of risk management control
- Effectiveness, competency, capacity and independence of the Aspen Group’s Internal Audit (“Internal Audit”) function, as well as the expertise and experience of the Chief Audit Executive confirmed
- Matters concerning the Company and the Group’s accounting policies, financial controls, records and reporting recommended to the Board
- Improving Group Treasury oversight by the restructuring of Aspen Finance (Pty) Limited into Aspen Treasury South Africa (Pty) Limited and Aspen Treasury Ireland Limited
- Performed oversight of the financial, Information Technology (“IT”) and cybersecurity measures and internal controls
- Impairment valuations conducted to ensure the correct valuation of assets
- Enhanced focus on Aspen’s business operations in China and Aspen’s supply chain strategy

Members

Ben Kruger (Chair)
Linda de Beer
Yvonne Muthien

Further reading

- Committee mandate, role and responsibilities
- Audit & Risk Committee report

Available  online

Relevant stakeholders considered



Capitals



	29 August 2022	3 October 2022	20 October 2022	6 December 2022	10 February 2023	23 February 2023	19 June 2023
Ben Kruger (Chair)**	✓	✓	✓	✓	✓	✓	✓
Linda de Beer	✓	✓	✓	✓	✓	✓	✓
Yvonne Muthien***	N/A	N/A	N/A	N/A	N/A	N/A	✓
Babalwa Ngonyama*	✓	✓	✓	✓	✓	✓	N/A

* Babalwa Ngonyama resigned as member of the Committee with effect from 29 May 2023.
 ** Ben Kruger was appointed as Chair of the Committee with effect from 14 June 2023.
 *** Yvonne Muthien was appointed as a member of the Committee with effect from 14 June 2023.

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

100%

Governance supporting our strategy continued

Remuneration & Nomination Committee

Focus areas and outcomes for the year

- Ongoing evolution of the Group’s remuneration philosophy, policies and 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 with the Group’s remuneration philosophy and best practice
 - 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
- Reviewed and adjusted the executive remuneration policy and structures to align with investor feedback and market benchmarks
- Reviewed global remuneration for all employees in consideration of local economic impacts and approved a once-off fixed payment to all employees at Patterson D Band and below, in affected business units
- Formalising the succession plan for the Group Executive Committee and next layer of management
- Assessment of the performance of the Board, its committees and individual directors, this year, conducted through an extensive external process. 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 the appropriate appointment of a director to fill the current vacancy on the Board

Members

Linda de Beer (Chair)
Kuseni Dlamini
Themba Mkhwanazi

Further reading

- Committee mandate, role and responsibilities available [online](#)
- Remuneration review as published on [pages 114 to 134 of the Integrated Report](#)

Relevant stakeholders considered



Capitals



	26 July 2022	30 August 2022	28 February 2023
Linda de Beer (Chair)	✓	✓	✓
Kuseni Dlamini	✓	✓	✓
Themba Mkhwanazi	✓	✓	✓

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

100%

Governance supporting our strategy continued

Social & Ethics Committee


Focus areas and outcomes for the year

- Reviewed aspects relating to ESG, sustainability and corporate citizenship to ensure that the matters falling within the Committee’s area of responsibility were appropriately and accurately reported upon and that the appropriate internal or external assurance over these matters was obtained where necessary
- Monitored the development and application of policies, guidelines and practices in line with our social and ethics policies, King IV, employment equity legislation and related regulations, the Carbon Disclosure Project and the FTSE/JSE Responsible Investment Index
- Considered the outcomes of the global employee engagement survey that was conducted towards the end of FY2022 in order to gauge employee satisfaction aspects, understand areas of concern, and measure net promoter scores, and noted the action plans in place to address these
- Reviewed and approved reporting on our capitals within the ambit of the Committee
- Reviewed and approved the policies, strategies and structures to manage our social and ethics issues, including the application of our Code of Conduct
- Considered regulatory developments as well as practice in the fields of social and ethics management
- Reviewed reports on tip-offs received during the year and how these had been dealt with
- Monitored whether management had allocated adequate resources to comply with social and ethics policies, codes of best practice and regulatory requirements
- Monitored health and safety of Aspen products globally, as well as reports and trends in relation to responsibilities to patients
- Recommended such measures and/or activities which, in the Committee’s opinion, may serve to enhance our overall social and ethics objectives, such as an increased focus on diversity, equity and inclusion, and addressing gender-based violence
- Evaluated and monitored our performance in respect of SED and how we operate in the communities we do business in
- Reviewed the processes in consulting and communicating with internal and external stakeholders with respect to social and ethical issues
- Monitored progress against B-BBEE targets, the employment equity and skills development plans for our South African businesses, and considered the external verification of our empowerment activities
- Reviewed our performance in respect of ESG and sustainability considerations and assessed our performance in respect of social and ethical issues
- Obtained internal assurance in respect of the Group’s Ethics & Compliance programmes

Members

Yvonne Muthien (Chair)
Kuseni Dlamini
Reginald Haman
Ben Kruger

Further reading

- Committee mandate, role and responsibilities
 - Social & Ethics Committee Report
- Available  online

Relevant stakeholders considered



Capitals



	19 August 2022	15 November 2022	20 February 2023	7 June 2023
Yvonne Muthien (Chair)**	✓	✓	✓	✓
Kuseni Dlamini	✓	✓	✓	✓
Reginald Haman	✓	✓	✓	✓
Ben Kruger*	✓	✓	✓	✓

* Ben Kruger stepped down as Chair of the Committee with effect from 14 June 2023, remaining a member of the Committee.
** Yvonne Muthien was appointed as Chair of the Committee with effect from 14 June 2023.

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

100%



Board of Directors

Executive directors

Non-executive directors



Stephen Saad (59)

Group Chief Executive

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

Appointed:
January 1999

Classification:
Executive director



Sean Capazorio (58)

Group Chief Financial Officer

Qualifications:
CA(SA)

Appointed:
January 2022

Classification:
Executive director



Kuseni Dlamini (55)

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, Chair



Linda de Beer (54)

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

Appointed:
July 2018

Classification:
Independent non-executive



Ben Kruger (64)

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

Full CVs available online



Board of Directors continued

Non-executive directors



Themba Mkhwanazi (53)

Qualifications:
B.Eng (Hons)
Appointed:
April 2019
Classification:
Independent non-executive



Chris Mortimer (62)

Qualifications:
BA, LLB
Appointed:
January 1999
Classification:
Non-executive



Yvonne Muthien (67)

Qualifications:
D.Phil (Oxon), MA (Political
Science), BA (Hons)
Appointed:
December 2021
Classification:
Independent non-executive



David Redfern (57)*

Qualifications:
BSc (Hons), CA
Appointed:
February 2015
Classification:
Non-executive

* *British*

Company Secretary

Reginald Haman (49)

Qualifications:
MBA, PGDBA, ND, NHD, Graduate Diploma in Company Direction
Appointed:
March 2023
Classification:
Group Chief Corporate Services Officer

Committee diagram key: ● Audit & Risk Committee ● Remuneration & Nomination Committee ● Social & Ethics Committee

Full CVs available online



Group Executive Committee



Stephen Saad (59)

Group Chief Executive

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

Appointed: January 1999



Sean Capazorio (58)

Group Chief Financial Officer

Qualifications:
CA(SA)

Appointed: January 1999



Gus Attridge (62)

Group Chief Advisor

Qualifications:
CA(SA)

Appointed: January 1999



Reginald Haman (49)

*Group Chief Corporate
Services Officer*

Qualifications:
MBA, PGDBA, ND, NHD,
Graduate Diploma in
Company Direction

Appointed: May 2020



Lorraine Hill (60)

*Group Chief Operations
Officer*

Qualifications:
BPharm

Appointed: January 1999



Samer Kassem (48)

*Chief Executive Officer,
Aspen Global Incorporated*

Qualifications:
CMA, CFM, CBM, MBA

Appointed: May 2008



Zizipho Mmango (38)

*Group Chief Strategic
Development Officer*

Qualifications:
CA(SA), CFA, LLB

Appointed: May 2020



Stavros Nicolaou (57)

*Group Senior Executive
Strategic Trade*

Qualifications:
B.Pharm, FPS (SA), PhD
(Medicine) *Honoris Causa*

Appointed: January 1999



Carnie van der Linde (54)

*Senior Group Executive:
Commercial (International
Regions)*

Qualifications:
Bachelor of Dental Science
(BDS)

Appointed: October 2022



Trevor Ziman (52)

*Regional Chief Executive
Officer, Asia Pacific*

Qualifications:
CA(SA)

Appointed: May 2001



Abbreviations

Abbreviation	Full name
Annual Financial Statements	The Group and Company Annual Financial Statements for the year ended 30 June 2022
APIs	Active pharmaceutical ingredients
ARVs	Anti-retrovirals
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 Brazil	Aspen Pharma - Indústria Farmacéutica Limitada, a wholly owned subsidiary of PharmaLatina Holdings incorporated in Brazil
Aspen Finance	Aspen Finance (Pty) Limited
Aspen Holdings or the Company	Aspen Pharmacare Holdings Limited
B-BBEE	Broad-Based Black Economic Empowerment
CDP-CC	Carbon Disclosure Project for Climate Change
CDP-WS	Carbon Disclosure Project for Water Security
CEPI	Coalition for Epidemic Preparedness Innovations
CIS	The Commonwealth of Independent States, comprising Russia and the former Soviet Republics
COVID	Coronavirus disease
CY	Calendar year
Normalised EBITDA	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
ESG	Environmental, Social and Corporate Governance
FDF	Finished dose form
FY	Financial year
GHG	Greenhouse gas
HCP	Healthcare professional
IBP	Integrated Business Planning
Internal Audit	The Aspen Group Internal Audit function
IP	Intellectual property
ISO	The International Organization for Standardization
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
IT	Information Technology

Abbreviation	Full name
Johnson & Johnson COVID vaccine	Janssen Pharmaceuticals Inc. and Janssen Pharmaceuticals NV, two of the Janssen Pharmaceutical Companies of Johnson & Johnson's COVID vaccine
JSE	JSE Limited, licensed as an exchange under the Security Services Act, No 36 of 2004
King IV	King Code on Corporate Governance 2016™. Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all its rights are reserved.
KPI	Key performance indicator
Mandela Day	The Nelson Mandela International Day
NHEPS	Normalised headline earnings per share
Notre Dame de Bondeville	Aspen Notre Dame de Bondeville S.A.S., a wholly owned subsidiary incorporated in France
OHSAS 18001	Occupational Health and Safety Assessment Series
OTC	Over the counter
Pharmacare	Pharmacare Limited
PPE	Property, plant and equipment
ROIC	Return on invested capital
Rx	Medical prescription
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
SVP	small volume parenteral
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
USA	United States of America
VBP	Volume-based procurement



Abbreviations of pharmaceutical regulatory authorities and acronyms (Manufacturing capabilities)

Abbreviation	Full name
AIRP-CI	Au cœur de l'activité pharmaceutique – Kenya
ANSM	French National Agency for Medicinal and Health Product Safety
ANVISA	Brazilian National Health Surveillance Agency
ASN	Nuclear Safety Authority for E-beam
BfArM	German Federal Institute for Drugs and Medical Devices
DCA	Department of Consumer Affairs
DPML-CI	Directorate of Pharmacy, Medicines and Laboratories – Ivory Coast
EDQM	European Directorate for the Quality of Medicines
EFDA	Ethiopian Food and Drug Administration
EMA	European Medicines Agency
GFDA	Ghanaian Food and Drugs Authority
GMP	Good Manufacturing Practice
GRA	German Regulatory Authority
HPB	Health Protection Branch (Canada)
HPRA	Health Products Regulatory Authority (Ireland)
IRA	Israeli Regulatory Authorities
ISO	International Organization for Standardization
ISO/IEC	International Organization for Standardization/International Electrotechnical Commission
KFDA	Korean Food and Drug Administration
Kℓ	Kilolitre
KvH	Kilo vessel hours

Abbreviation	Full name
LASD	German Local vs Federal Agencies
LRA	Libyan Regulatory Authorities
MCAZ	Medicines Control Agency of Zimbabwe
MOC	Material of construction
MoH – DRC	Ministry of Health – Democratic Republic of Congo
NAFDAC	Nigerian National Agency for Food and Drug Administration and Control
NDA	Uganda National Drug Authority
OEL	Occupational exposure limits
PMDA	Japanese Pharmaceuticals and Medical Devices Agency
PMPB	Malawian Pharmacy, Medicines and Poisons Board
PMRA – Malawi	Malawian Pharmacy and Medicines Regulatory Authority
PPB – Kenya	Kenyan Pharmacy and Poisons Board
Russian MoIT	Ministry of Industry and Trade of the Russian Federation
SAHPRA	South African Health Products Regulatory Authority
Saudi FDA	Saudi Food and Drug Authority
TCFD	Task Force on Climate-Related Financial Disclosures
TGA	Australian Therapeutic Goods Administration
TMDA	Tanzania Medicines and Medical Devices Authority
TRA	Turkish Regulatory Authority
Turkey MoH	Republic of Turkey Ministry of Health
US FDA	United States Food and Drug Administration
WHO	World Health Organization
ZAMRA	Zambia Medicines Regulatory Authority





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