



Healthcare. We Care.



Communication
on Progress Report

2022



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

Group Chief Executive's statement

Aspen's commitment to the United Nations Global Compact ("UN Global Compact")

Aspen has been a participant of the UN Global Compact since July 2013. I am pleased to reaffirm our support of the 10 principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption.

These principles are embedded in our sustainability commitments and integral to our contribution towards the delivery of the United Nations Sustainable Development Goals ("SDGs").

Regional Ethics & Compliance Officers, who are appointed for each business unit in terms of our ethics management programme, are required to annually verify and report on the application of these 10 principles in their regions, serving as a monitoring resource to ensure these principles are thoroughly and consistently applied as part of the Ethics and Compliance Programme. The RECOs also engage with the key business leaders in their relevant businesses to ensure that they understand these principles and recommendations, and implement the processes and controls necessary to support them. The Group Executive: Governance & Communications (Company Secretary), with oversight by the Social & Ethics Committee, ensures the implementation of an annual Ethical Business Conduct programme, which includes reporting on the application of the 10 principles throughout the Group.

In our capacity as a participant to the UN Global Compact, we look forward to building on our existing reputation for respecting basic human rights, engaging in fair labour practices, being environmentally responsible and having a zero-tolerance approach to bribery, corruption and all other forms of dishonesty.

The Social & Ethics Committee has been instrumental in providing guidance on the implementation of policies and procedures applicable to the Group as a whole in respect of the application of the letter and the spirit of the 10 principles, and monitoring the Group's performance in respect of this application.

This Communication on Progress Report describes our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Our approach to sustainability

We are committed to creating value for our stakeholders in a manner that is responsible, transparent, and that respects the rights of all. We recognise that to achieve long-term success, we need to deliver our business strategy in a way that not only creates value for Aspen and our shareholders, but also in a manner which demonstrates our responsibility to society and the planet.

Our sustainability commitments

We believe that doing business in a sustainable and responsible manner is integral to our purpose, our values and our philosophy "*Healthcare. We Care*". Our sustainability commitments are integrated into the Group's strategic objectives and underpin the way we do business. Our sustainability commitments are determined with consideration to the following key aspects:

UN Global Compact

We are a UN Global Compact participant and have aligned our sustainability commitments with the principles outlined in the UN Global Compact, which cover human rights, labour, environment and anti-corruption and bribery. Our Communication on Progress report, available online, sets out our approach to the application of these principles.

SDGs

Launched in September 2015, the United Nations 2030 Agenda for Sustainable Development is a global action plan for people, planet and prosperity. The 17 SDGs aim to tackle the world's most pressing challenges through the promotion of sustainable development. As a multinational pharmaceutical company, we play an important role in contributing to the delivery of the SDGs. While all of the SDGs are essential, we have identified eight goals where we believe we are able to have the greatest impact and we have linked these to our sustainability themes and material sustainability topics.

Material sustainability topics

Our sustainability strategy is guided by a sustainability materiality assessment. The business environment in which we operate and the expectations from our stakeholders continuously evolve. Our sustainability materiality assessment is used to identify which environmental, social and governance ("ESG") issues are of the greatest interest to our stakeholders and have the greatest impact on the business. It allows us to identify opportunities and prioritise our efforts to address the issues of significance. This analysis informs our sustainability strategies, allows us to establish meaningful metrics to evaluate our sustainability performance and informs the content on our reporting. We align our identification of material sustainability topics with the Global Reporting Initiative ("GRI") standards, UN Global Compact, the FTSE/JSE Responsible Investor Index assessment criteria and consider information relating to the pharmaceutical sector, our regulatory requirements and matters raised during engagements with our people and our external stakeholders.

While sustainability materiality assessments have been performed in the past, in FY2021 we further enhanced the assessment by formalising the definition of sustainability topics and engaging more broadly within the Group on the identification and prioritisation of ESG topics. This year, we updated our materiality assessment to consider the rapidly changing external context and Aspen's strategic positioning. Key changes to our material sustainability topics included the inclusion of two new topics: "Health security" and "Responsible advocacy and lobbying". The rating of the material topic "Workforce development" was elevated to reflect the increasing impact of human capital on strategy execution. The updated sustainability materiality matrix was debated by the Executive Sustainability Forum, approved by the Group Executive Committee and reviewed by the Social & Ethics Committee. Our intention is to further enhance this process through engaging more broadly with our internal and external stakeholders in future periods.



Communication on Progress Report in respect of Aspen's application of the United Nations Global Compact's 10 Principles for 2022 continued





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Section 1 – Human rights principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: Make sure that they are not complicit in human rights abuses.

Assessment, policy and goals

Our adherence to fundamental human rights is enshrined in our Code of Conduct, available online, which confirms, "Aspen supports and respects the protection of internationally proclaimed human and employment rights". It further confirms our commitment to respecting fundamental human rights and treating all employees and others with fairness, equality and respect to foster an open, transparent, and trusting environment, which is free from prejudice, discrimination, bias, harassment and/or violation.

Implementation

The Aspen Code of Conduct, which requires the formal acceptance by every new Aspen employee, further provides that all employees are responsible for ensuring that Aspen upholds its commitments in respect of human rights.

All our suppliers and service providers are required to agree to, or acknowledge the Aspen Code of Conduct for Suppliers and Service Providers when entering into new commercial agreements with us, thereby ensuring that human rights are respected throughout our value chain.

Measurement of outcomes

We encourage employees and external stakeholders to report any breaches or suspected breaches of our Code of Conduct, including any possible human rights abuses or infringements in terms of the Aspen Whistleblowing Policy. As such, Aspen provides access to the Deloitte's Tip-Offs Anonymous Hotline, which is an independently monitored whistle-blowing hotline (including facilities to email anonymous tip-offs reports or log them online). This facility ensures that tip-offs are brought to management's attention and are investigated. All reported incidents are formally recorded and reported to the Social & Ethics Committee for consideration.

Our Ethics & Compliance programme requires each Aspen business to assess risks associated with violating human rights, child labour, as well as slave or compulsory behaviour. No businesses in the Group identified heightened risks in this regard during the year, and there have been no reports of human rights abuses or infringements during the past year (2021: nil).

There are a number of other human resource and ethics-related policy documents, procedures and statements applicable throughout the Group, which confirm our commitment to and enable accountability for protecting basic human rights. These include, among others, the applicable grievance procedures, the Group's Whistleblowing Policy and respective recruitment and selection policies.

Refer to page 92 of Aspen's Integrated Report for the 2022 financial year for further information regarding our commitment to respecting human rights and promoting equality.

Section 2 – Labour principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: The elimination of all forms of forced and compulsory labour;
Principle 5: The effective abolition of child labour; and
Principle 6: The elimination of discrimination in respect of employment and occupation.

Assessment, policy and goals

The use of child labour, forced labour and/or compulsory labour is strictly prohibited by the Aspen Code of Conduct. The Aspen Group Modern Slavery Statement, updated and published annually, further supports our commitment to address the requirements of the UK Modern Slavery Act, the Australian Modern Slavery Act and equivalent legislation in the jurisdictions in which we operate. The Aspen Code of Conduct also specifically confirms our commitment to eliminating discrimination in respect of employment policies and practices. Freedom of association and the effective recognition of the right to collective bargaining are also assured in terms of this Code.

Implementation

The Aspen Code of Conduct, which requires the formal acceptance of every new Aspen employee, provides that all employees are specifically responsible for ensuring that we uphold:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced and compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment policies and practices.

All Aspen suppliers and service providers are required to agree to, or acknowledge the Aspen Code of Conduct for Suppliers and Service Providers when entering into new commercial agreements with the Group. In terms of this Code, each Aspen supplier or service provider warrants, to the best of its knowledge, that in relation to the performance of its obligations to Aspen that:

- it does not employ, engage or otherwise use any child labour;
- it does not use forced labour in any form (prison, indentured, bonded or otherwise) and its employees are not required to lodge papers or deposits on starting work;
- it provides a safe and healthy workplace, presenting no hazards to its employees. Any housing provided by the supplier to its employees is safe for habitation. The supplier provides access to proper sanitation, clean water, food, and emergency healthcare to its employees in the event of accidents or incidents at the supplier's workplace;
- it does not discriminate against any employees on any ground (including race, sexual orientation, religion, disability or gender);



Communication on Progress Report in respect of Aspen's application of the United Nations Global Compact's 10 Principles for 2022 continued

- it does not engage in or support the use of corporal punishment, mental, physical, sexual or verbal abuse and does not use cruel or abusive disciplinary practices in the workplace;
- it pays each employee at least the minimum wage, or a fair representation of the prevailing industry wage (whichever is the higher) and provides each employee with all legally mandated benefits;
- it complies with the laws on working hours and employment rights in the countries in which it operates; and
- it is respectful of its employees' right to join and form independent trade unions and freedom of association.

All employees are free to belong to trade unions. Relationships with trade union representatives, considered key stakeholders, are managed in a proactive and responsible manner by the business unit's human capital function. Formal processes are in place to foster a culture of transparency and constructive engagement with trade union representatives in each territory.

Measurement of outcomes

We encourage our employees and external stakeholders to report any breaches or suspected breaches of our Code of Conduct, including any possible human rights abuses or infringements in terms of Aspen's Whistleblowing Policy. An independently managed anonymous tip-offs hotline is also operated to ensure that these incidents are brought to management's attention and investigated. All reported incidents are formally recorded and reported to the Social & Ethics Committee for consideration.

During the year, no substantiated incidents of unfair discrimination were identified in the Group (2021: nil) and no incidents of forced labour or compulsory labour were found to exist in the Group (2021: nil). These aspects are monitored in respect of all business units. In addition, there were no reported incidents in the Group where the rights of indigenous people were violated. Furthermore, no businesses in the Group have been considered to be at risk of violating human rights which protect against child labour, forced or compulsory labour.

Employees across the Group are free to exercise their rights to belong to trade unions and collective bargaining councils. At year-end, approximately 11% of the Group's employees were members of a trade union and approximately 21% were represented by collective bargaining or works councils.

Refer to page 83 of Aspen's Integrated Report for the 2022 financial year for further information regarding the Group's commitment to respecting employee rights. Also refer to page 86 for further information on our efforts around employee health, wellness and safety.

Section 3 – Environmental principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Assessment, policy and goals

Consistent with our commitment as a responsible corporate citizen to contribute to sustainable development, Aspen's Code of Conduct confirms that we exercise a systematic approach to health, safety, quality and environmental management in order to achieve continuous performance improvement and compliance to relevant legislation, regulations and guidelines.

We recognise the importance of supporting global initiatives aimed at protecting the environment and conserving natural resources. Our Group environmental policy, available online, advocates the containment of the carbon footprint across the supply chain in a technically and economically feasible manner. This is further promoted in the Group's responsible corporate citizenship philosophy, available online.

Our environmental management protocol and Group environmental policy also acknowledge that the responsible management of the environment is an integral part of the sustainability of our operations and confirms that environmental management, protection and conservation will be incorporated into our value chain and be promoted by the following principles:

- ensuring compliance with relevant environmental regulations and legislation governing the responsible manufacture and supply of our products;
- carrying out environmental risk assessments to identify actual and potential environmental impacts emanating from our operations;
- conducting environmental risk assessments and/or audits to evaluate the level of environmental compliance and the effectiveness of the applied environmental management system;
- promoting the efficient use of resources such as energy, water, paper and production materials with due regard to the scarcity of natural resources and the environmental impact resulting from the utilisation and application of such resources in conducting our business activities;
- containment and/or reduction of our carbon footprint in our operations and in the broader supply chain in a technically and economically feasible manner through structured systems of environmental monitoring, reporting and management;
- monitoring and measuring the quality of air emissions and wastewater discharge against benchmarked standards and legal requirements through accurate and effective systems of measuring, reporting and controls;
- the engagement of external experts or consultants to seek independent assurance on the levels of environmental compliance and/or for value-added advice on technically complex matters pertaining to environmental management;
- responsible management of waste through the selection of effective and feasible methods of waste disposal which are aligned to the waste hierarchy;
- implementing robust waste management control systems to safeguard raw materials, packaging materials and finished goods against unauthorised use and to ensure that these waste products are disposed of in accordance with required specifications in a controlled manner;
- promoting extended producer responsibility in a pragmatic manner and ensuring compliant waste management principles and practices are implemented throughout the supply chain until the final disposal of waste material by an approved and accredited waste management service provider; and
- enhancing environmental training and awareness for our employees and contractors to encourage responsible environmental practices in the workplace, which, in turn, support the preservation of the broader environment within which the Company operates.



Communication on Progress Report in respect of Aspen's application of the United Nations Global Compact's 10 Principles for 2022 continued

Implementation

Aspen's Board monitors the status of environmental risks through review of material environmental management performance indicators at scheduled intervals. The Social & Ethics Committee assists the Board in monitoring the adequacy of environmental management systems in the Group and the extent to which these comply with relevant legislation.

Designated Aspen business executives are responsible for ensuring compliance with all relevant environmental legislation and implementation of our environmental management philosophy, as appropriate. Under the direction of a Group Chief Corporate Services Officer, the Group Risk & Sustainability function develops and promotes our environmental management principles and standards, with the Group S&E Operations function monitoring the alignment of business units' environmental management systems with the Group's standards. In addition to this, an Executive Sustainability Forum was established in August 2022 to oversee the development of the Group's sustainability strategy and ensure integration and alignment of the sustainability objectives with business priorities. This forum, which is chaired by the Group Chief Operations Officer, comprises members of the Group Executive and other senior managers, and it has executive oversight of the Group sustainability performance.

The Aspen Code of Conduct for Suppliers and Service Providers also requires that our suppliers and service providers undertake responsibility for conducting business in compliance with applicable environmental laws and regulations when performing their obligations to Aspen and ensuring that they conduct their business in an environmentally conscious manner and, insofar as is feasible, from renewable resources, while minimising the resources used and waste generated by them.

Measurement of outcomes

Refer to the Aspen Integrated Report, specifically pages 98 to 101, for the full details in respect of the Group's efforts to protect the environment and to conserve natural resources.

Section 4 – Anti-corruption principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, policy and goals

We have a zero-tolerance approach to unethical behaviour and are committed to ensuring that the Group, our employees and third parties conduct business ethically and in compliance with applicable laws. The Group Code of Conduct confirms the standards of ethical business conduct expected of all employees throughout the Group. This Code, together with Aspen's Anti-bribery & Anti-corruption Policy, aligns with the Organisation for Economic Cooperation and Development recommendations regarding corruption.

We foster honesty, integrity and fairness in all aspects of our business and expect the same in our relationships with all those with whom we do business.

We are committed to the fight against bribery. As a result, it is prohibited for any employee or agent of Aspen to directly or indirectly offer, pay, solicit or accept bribes in any form.

Implementation

In addition to our Ethical Business Conduct programme which broadly covers adherence to the Aspen Code of Conduct, a focused Anti-bribery & Anti-corruption compliance programme is also being implemented across the Group. This programme is managed by the Group Head: Ethics & Compliance under the direction of the Social & Ethics Committee, and it includes management commitment, risk assessment, policies, procedures, other internal controls, training, and monitoring. The programme assists the:

- Audit & Risk Committee and the Social & Ethics Committee in assessing the Group's ethics profile, risks and opportunities; and
- Social & Ethics Committee to monitor implementation and compliance with the Group's policies, which guide expected ethical behaviour.

Our induction programme educates new employees on the ethics, values and business philosophy of the Group. All new employees are given a copy of, and are required to sign an acceptance of the Code of Conduct on commencement of their employment with the Group. The Code of Conduct is available to all employees on the Group's intranet and is also contained in the employee handbook.

We conduct our business in a highly regulated environment, however, one in which the potential for unethical marketing and promotional practices remains inherent. Our Group Policy on Product Promotion & Scientific Engagement aims to ensure that any promotional activities and interactions with healthcare professionals, other healthcare staff, government officials, regulatory officials, patient groups, media and the general public are carried out in a responsible, ethical, professional and legal manner, consistent with applicable laws and industry codes.

Our stance on bribery and corruption, as outlined in our Code of Conduct, is underpinned by our Anti-bribery and Anti-corruption Policy, which is applicable to all our employees. This policy is aligned to the OECD's recommendations on corruption. It prohibits any employee or agent of Aspen from directly or indirectly offering, paying, soliciting or accepting bribes in any form. Read with our Gifts and Hospitality Policy, it also prohibits the acceptance or giving of gifts or hospitality that are not of a nominal value, or participating in events sponsored by current or prospective customers or suppliers. Any employee who receives a gift or other benefit exceeding the local currency equivalent of USD100 is required to disclose this in writing to the Group Executive: Governance & Communications (Company Secretary). Some types of gifts, benefits or entertainment are prohibited even if the value falls below this threshold. To ensure transparency, each Aspen business is required to maintain a gifts & hospitality register which is submitted to the Group Head Ethics & Compliance at agreed upon intervals, and is available for inspection by the Board or its Committees.

We prohibit payments or other contributions to political parties, organisations or their representatives or participation in party politics. Employees are free to participate in the political process in their private capacity provided it does not constitute a breach of the principles set out in the Code of Conduct and/or the relevant employee's obligations to Aspen under contracts of employment and does not negatively influence their productivity or the credibility of the Group.



Communication on Progress Report in respect of Aspen's application of the United Nations Global Compact's 10 Principles for 2022 continued

Bribery or corruption risks associated with charitable donations are mitigated in accordance with the Aspen Socio-Economic Development Policy. The Policy requires due diligence to be conducted on recipients, and clear commitments, and transparency, regarding the use of funds or items donated by Aspen.

The Aspen Anti-bribery & Anti-corruption Policy requires that risk-based due diligence is conducted on Aspen's third parties. The tools available to Aspen businesses include a subscription to screening software *World Check One*. Further, Aspen's Code of Conduct for Suppliers & Service Providers is incorporated into contracts with relevant third parties. The Code requires that Aspen's third parties conduct their business for or with Aspen according to standards of ethical business conduct which are consistent with the Aspen Code of Conduct. In addition, we have in place standard compliance terms for inclusion in Aspen's contracts with third parties, which include, among other areas of compliance, appropriate representations, warranties, and indemnities regarding compliance with anti-bribery and anti-corruption provisions.

We endeavour to promote a culture of openness and transparency throughout the Group. Employees and other stakeholders are encouraged to report unethical conduct and other transgressions of which they become aware.

An independently monitored whistle-blowing service, Deloitte's Tip-Offs Anonymous Hotline, has been made available to employees across the Group's businesses, whereby employees can report suspected fraud and/or activities that are considered to be transgressions of the Group's Code of Conduct. Tip-offs training and awareness sessions are conducted periodically to promote utilisation of the facility where necessary. The tip-offs service has also been extended to key customers and suppliers. Details in respect of this hotline are available on our website.

The Board has adopted a formal policy to regulate conflicts of interest and trading in the Company's securities.

Measurement of outcomes

All logged tip-off calls and internal reports regarding possible incidents of fraud, theft and corruption are reported to the responsible functionaries within Aspen. Corrective action is implemented where necessary to improve controls and to prevent the recurrence of any incidents found to be in breach of our stated action policies and Code of Conduct.

Quarterly reports detailing the tip-offs received, how these tip-offs have been investigated, and the corrective measures taken, are submitted to the Audit & Risk Committee and Social & Ethics Committee as appropriate. No material incidents of fraud, theft or corruption were reported during the year.

Refer to pages 90 and 92 of the Aspen's Integrated Report for more information on the Group's approach to unethical conduct, including corruption, and the Group's ethics management programme.



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