aspen
HOLDINGS

Healthcare. We Care.

Integrated Report 2022

Navigation

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

Other navigation icons

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

This icon directs you to further information **in this report.**

The Integrated Report and Supplementary Documents are available online.

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

Contents

Who we are

In this section:

Introducing our Integrated Report

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

We are pleased to present our Integrated Report for the financial year ended 30 June 2022. This is our primary report to our stakeholders in which we aim to provide a balanced and accurate reflection of our strategy and business model, risks and opportunities, our performance as well as Aspen's future outlook in relation to material financial, economic, social and governance issues.

Our vision

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

Our purpose

To improve the health and quality of life of patients.

Delivering value through our purpose

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

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

We support the World Health Organization's ("WHO's") promotion of Universal Health Coverage and are committed to advancing the goals and outcomes of the UN SDG3 of "ensuring healthy lives and promoting well-being for all at all ages".

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

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

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

Our values

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

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

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

Commitment
We go the extra mile, seeking to exceed expectations.

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

Integrity
Our integrity is not negotiable.

Our commitment to sustainability

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

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

Our approach to reporting

Report boundary and scope

This report covers the activities of Aspen and its operating subsidiaries. Financial and non-financial data from our subsidiaries are fully consolidated.

Financial reporting boundary
Aspen Pharmacare Holdings Limited
("the Company")
and its
subsidiaries
("the Group")

Strategy, Risks, Opportunities and Outcomes
which could have a significant influence on our ability to create and sustain value

Stakeholders
material issues attributable to, or associated with the material interests of relevant stakeholders

The Integrated Report and Supplementary Documents are available online.

www.aspenpharma.com

Materiality

We determine the information to include in this report through a materiality determination process. In assessing the matters that materially impact value creation, preservation or erosion over time, we have applied the concept of double materiality, looking beyond the financial reporting boundary to include matters that could materially impact our stakeholders and the environment, and to address the significant risks, opportunities and impacts associated with our activities over the short term (less than 12 months), medium term (one to three years) and long term (beyond three years). Since our material matters influence our strategy, our response to them are integrated into our business and resource planning, our risk and opportunity management and performance management processes. The Group Executive Committee review and approve these material matters as part of our strategic oversight and governance processes. In determining the information to include in this report, our overarching consideration is our responsibility to provide relevant and transparent reporting. In determining disclosure, we have applied our judgement to ensure that we do not disclose information that could place us at a disadvantage.

We have grouped our material matters into seven themes that link to our five strategic objectives. More details on our materiality determination process can be found on page 21.

Reporting frameworks

Our reporting process has been guided by the principles and requirements contained in the International Financial Reporting Standards ("IFRS"), the IFRS Foundation International <IR> Framework, the King IV Report on Corporate Governance™ ("King IV"), the JSE Listings Requirements, the South African Companies Act, No 71 of 2008 (as amended) ("the Companies Act") and the Global Reporting Initiative's ("GRIs") Sustainability Reporting Standards.

Our reporting is further informed by the IFRS Foundation's Sustainability Accounting Standards Board ("SASB"), the Task Force on Climate-Related Financial Disclosures ("TCFD") reporting requirements, the JSE's Sustainability Disclosure Guidance and the United Nations Global Compact ("UN Global Compact") Communication on Progress reporting requirements.

Our reporting suite

We produce a suite of publications designed to meet the information requirements of our stakeholders:

Integrated Report

Our primary report to our stakeholders in which we aim to provide a balanced and accurate reflection of our strategy and business model, risks and opportunities, our performance for the financial year ended 30 June 2022 as well as our future outlook.

Annual Financial Statements

The Group's and the Company's audited statutory accounts (released on 4 October 2022). The Annual Financial Statements include the Statement of responsibility by the Board of Directors and the Directors' Report.

Board Committee Reports

The reports of the Audit & Risk Committee and the Social & Ethics Committee are published as separate reports. The Remuneration & Nomination Committee's report is included in this report (refer to page 109).

Sustainability and Environmental, Social and Corporate Governance ("ESG") Data Supplement

This supplement is designed to provide our stakeholders with more data related to our sustainability and ESG performance and includes indices of disclosures against the GRI, SASB, TCFD, JSE Sustainability Disclosure Guidance, the UN Global Compact Principles and the UN SDGs.

Notice of Annual General Meeting

This notice includes relevant shareholder information, notice of the annual general meeting to be held on 8 December 2022 and the proxy voting form.

Our approach to reporting continued

Reporting notes

The following aspects are highlighted with regard to financial information included in the Integrated Report:

- Commercial responsibility for Israel has been moved to Africa Middle East from Europe CIS, and consequently the business segments which make up the Pharmaceutical segment have been revised and the prior year numbers restated; and
- Due to the impact of relative movements in the exchange rate, the Group reports at constant exchange rates ("CER"), where appropriate.

Refer to the basis of accounting set out in the Annual Financial Statements for further reporting notes relating to financial information included in this report.

Integrated risk management and combined assurance

We believe that an effective risk governance model contains checks and balances to support appropriate consideration of risk and opportunity management throughout the Group. We consider integrated risk management practices, supplemented by the combined assurance model, to be the optimal approach in facilitating a coordinated approach to risk management and governance. This model provides assurance that there are clearly defined risk ownership responsibilities with functionally independent levels of oversight and independent assurance. It further provides assurance over the integrity of both internal and external information. The Audit & Risk Committee provides oversight on the combined assurance model and outcome of assurance activities. No significant areas of overlap or assurance gaps have been identified and the levels of assurance were considered to be appropriate. The following assurance has been provided on specific disclosures in the Integrated Report and Supplementary Documents:

Assurance provider	Assurance provided
Ernst & Young Inc ("EY")	• Unmodified opinion on the Group and Company Annual Financial Statements (refer to page 9 of the Annual Financial Statements) • Agreed-upon procedures on selected financial key performance indicators ("KPIs") (page 30) • Reporting Accountant's Report on Illustrative CER
Group Internal Audit function ("Internal Audit") assisted by external expert service providers, where appropriate	Assurance provided over: • Risk governance • Ethics governance • Information Technology ("IT") governance • Material business systems of internal control • Material financial systems of internal control • Selected KPIs (page 30)
IBIS Environmental Social Governance Consulting Africa (Pty) Ltd ("IBIS")	• Assurance provided in accordance with AccountAbility's AA1000 Assurance Standard v3 (2020) (AA1000AS) – Type II moderate level requirements on whether Aspen adheres, in all material respects, to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact • Selected KPIs (page 30)
Empowerdex	• Broad-Based Black Economic Empowerment ("B-BBEE") scorecard

Forward looking statements

This report contains certain forward looking statements with respect to our future performance and prospects. While these statements represent our judgements and future expectations at the time of preparing this report, a number of emerging risks, uncertainties and other important factors could cause actual results to differ materially from our expectations. These include factors that could adversely affect our business and financial performance. Forward looking information is not audited. Refer to our disclaimer on page 147.

Feedback and contact

We value feedback from our stakeholders and use it to ensure that we are reporting appropriately on the issues that are most relevant to them. Please use the online contact form on our website https://www.aspenpharma.com/contact-form/ to provide us with any feedback you may have.

Board approval

The Board acknowledges its responsibility in ensuring the integrity of this Integrated Report. It has applied its collective mind to the preparation and presentation of this report. It has critically assessed the assurance obtained from Aspen's combined assurance model. It is satisfied that the model enables an effective internal control environment, which supports the integrity of the information used for internal decision-making by management, the Board and its Committees, as well as the integrity of the Integrated Report. The Board has also considered materiality for the purposes of the Integrated Report and the effect that the presence or absence of an item of information might have on the accuracy or validity of a statement in the Integrated Report, or on a stakeholder. Our overall objective with this Integrated Report is to provide information that could materially impact Aspen's creation, preservation and erosion of value over the short, medium and long term. The Board is of the view that, to the best of its knowledge and belief, our Integrated Report addresses matters material to our stakeholders' decision-making by explaining the impact of Aspen's value creation process over time and meets the principles outlined in the IFRS Foundation International <IR> Framework. It also takes into consideration the Group's impact on its stakeholders and the environment in which it operates.

This report was approved by the Board of Directors on 28 October 2022.

Sean Capazorio
Executive Director,
Group Chief Financial Officer

Ben Kruger
Lead independent non-executive

Yvonne Muthien
Independent non-executive

Linda de Beer
Independent non-executive

Themba Mkhwanazi
Independent non-executive

Babalwa Ngonyama
Independent non-executive

Kuseni Dlamini
Independent non-executive,
Chairman

Chris Mortimer
Non-executive

David Redfern
Non-executive

Stephen Saad
Executive Director,
Group Chief Executive

About Aspen

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

Our business segments

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

Commercial Pharmaceuticals

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

45% of total revenue

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

27% of total revenue

Manufacturing

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

28% of total revenue

Total revenue
R38,6 billion
from continuing operations

Our people

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

More than
9 000
employees in 69 offices in some 50 countries and territories

48% Women

52% Men

65% of Commercial Pharmaceuticals revenue is from emerging markets

Our global presence

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

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

Our manufacturing capabilities

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

23 Facilities

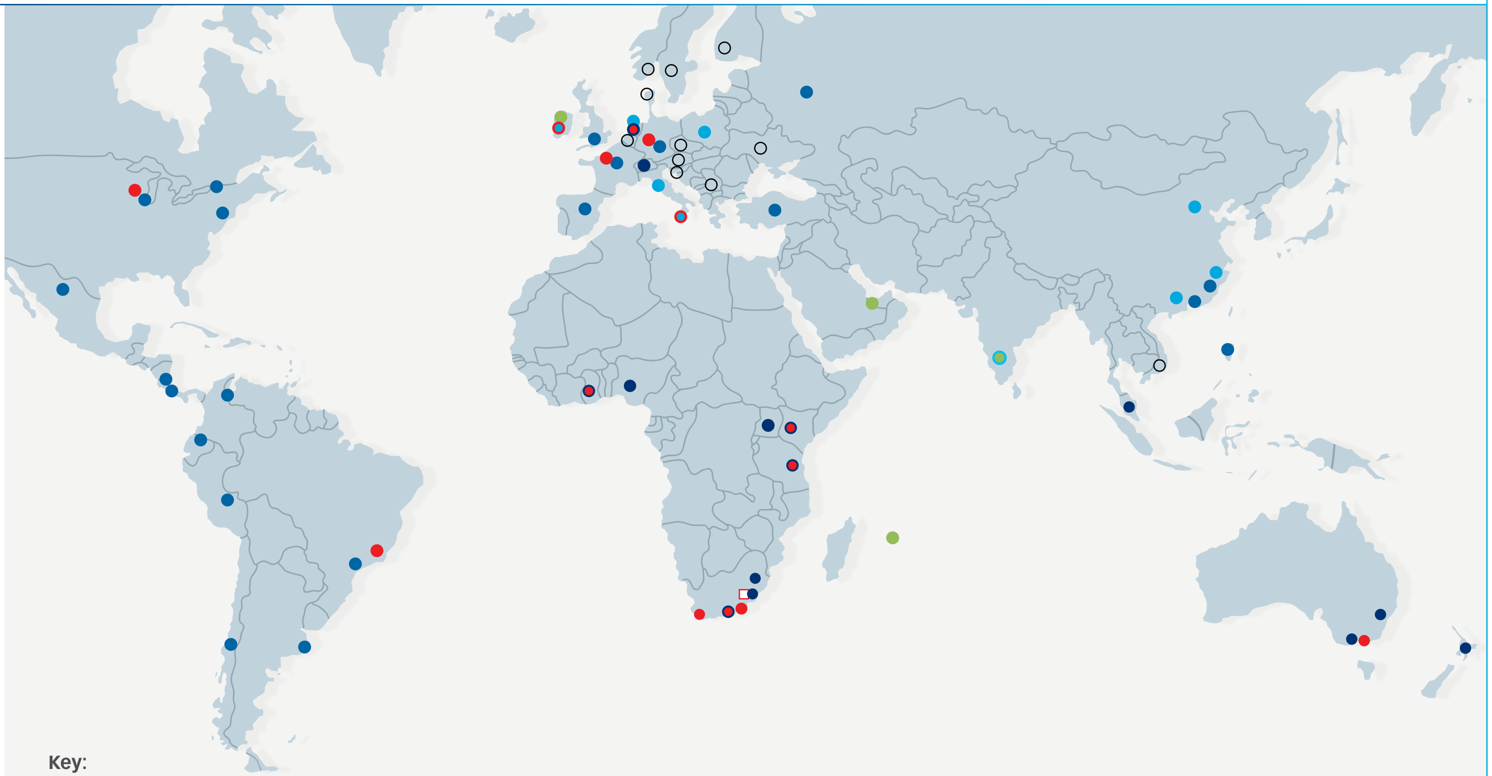
7 Active pharmaceutical ingredient facilities

16 Finished dose form facilities

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

Our global presence

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

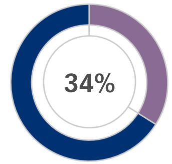


Key:
- Group headquarters
- Combined sales, marketing, distribution and manufacturing centres
- Sales, marketing and distribution centres
- Marketing centres
- Branch representative offices
- Manufacturing sites
- Sales, marketing, distribution and support centres
- Support centre
- New product development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

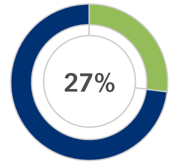
Specific location details are provided online
www.aspenpharma.com/global-presence

Contribution to Revenue

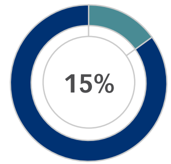
Europe CIS**
R13 105 million
(2021 (CER): R12 714)
2 192
permanent employees*



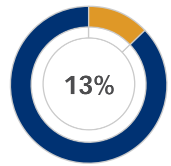
Africa Middle East
R10 275 million
(2021 (CER): R9 560)
3 945
permanent employees*



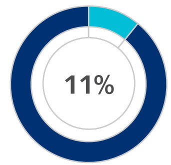
Australasia
R5 703 million
(2021 (CER): R5 212)
563
permanent employees*



Asia
R5 228 million
(2021 (CER): R5 202)
1 166
permanent employees*



Americas
R4 295 million
(2021 (CER): R4 036)
714
permanent employees*



* *Permanent employees excludes 587 temporary employees (2021: 525).*
** *The Commonwealth of Independent States, comprising Russia and the former Soviet Republics.*

Our performance at a glance

Our Four Sustainability Pillars

Patients

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

Manufactured **more than 225 million doses** of the Johnson & Johnson COVID-19 vaccine

Donated Anaesthetics for **more than 400 000** surgical interventions in response to health crises in Ukraine and Lebanon

56 products launched in **26** countries and territories

Our People

R50,3 million
invested in training our employees

Zero
occupational fatalities since 2013

Women in top management roles in the Group increased to **34%**

43% of value created distributed to our more than 9 000 employees

Society

Strengthened our Group Ethics and Compliance programme

Supported **355 socio-economic development (“SED”) projects** in 30 countries

Evacuated **25** South African students impacted by the conflict in Ukraine

Aspen’s 2021 Integrated Report **ranked 9th** in the EY Excellence in Integrated Reporting Awards

Environment

“B- Management” performance rating for 2021 Carbon Disclosure Project for Climate Change (“CDP-CC”) and “B Management” Carbon Disclosure Project for Water Security (“CDP-WS”)

80% of waste generated recycled

10% and **22%** reductions in Scope 1 and Scope 2 emissions respectively

5% reduction in water withdrawn

Revenue from continuing operations increased by
2% (5% CER) to
R38 606 million

Normalised EBITDA* from continuing operations increased by
11% (13% CER) to
R11 012 million

Normalised headline earnings per share (“NHEPS”) from continuing operations increased by
24% (26% CER) to
1 627,6 cents

Share buy-back of
2% of issued share capital for
R1 800 million

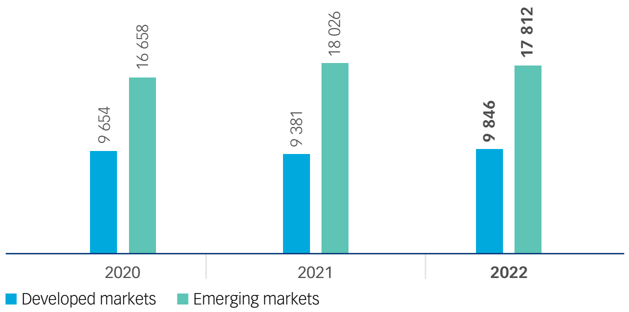
Dividend declared to shareholders increased by
24% to
326 cents per ordinary share

* *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.*

Our investment case

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

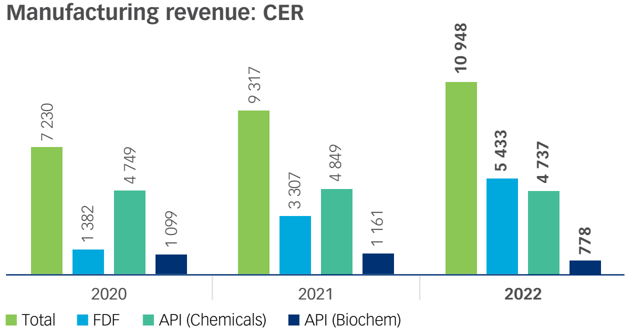
Commercial Pharmaceuticals revenue: CER



Emerging market growth > Developed market growth on a three-year compound annual growth rate ("CAGR")

Strategically relevant and in-demand manufacturing capabilities

Manufacturing revenue: CER



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

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

- Commercial Pharmaceuticals branded OTC portfolio covering **174** different product categories
- Commercial Pharmaceuticals branded prescription ("Rx") portfolio covering **184** different product categories
- **2 088** Commercial and sales employees in Emerging markets
- **304** Commercial and sales employees in Developed markets

Strong financial position following the reshaping of the business

- Lowest net debt/EBITDA in five years, creates headroom for value accretive acquisitions
- The highest NHEPS in Aspen's history (FY2022)
- Strategic investments in sterile capacity will support increased return on invested capital ("ROIC")

Committed management team aligned with shareholder interests

- Decentralised in-country structures enable local teams to operate with entrepreneurial flair; creating value by applying local expertise
- **17%** Shareholding by executive management

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

- Manufactured **225 million** doses of COVID-19 vaccines and signed a 10-year agreement with Serum Institute promoting access to vaccines in Africa
- Supplied **180** medicines appearing on the Essential Medicines List to 60 low- and middle-income countries
- Consistent inclusion in the **FTSE/JSE Responsible Investment index** since 2016 and member of the FTSE4Good Index

Our leadership

In this section:

Chairman's review

Kuseni Dlamini
Chairman

At Aspen, we are committed to making a meaningful contribution to the global goals of increasing access to high quality, affordable medicines and reducing patient inequality, while delivering sustained long-term value for our stakeholders. As we continue to consolidate our position as a global pharmaceutical company, with a strong manufacturing base in South Africa and elsewhere in the world, we have worked to achieve our purpose of improving the health and quality of life of patients around the world.

A purpose-driven strategy

While the COVID-19 pandemic brought into sharp focus the deep inequality between developed and developing nations in their economic and health system responses, it also created a platform for increased collaboration between nations, industry, non-profit organisations and other role players to progress initiatives to strengthen healthcare systems and address health security for developing nations. We are proud of the role we have played in the international dialogue to find sustainable solutions for increasing access to medicines and to have delivered on our commitment to manufacture COVID-19 vaccines for Africa.

We believe that we make a meaningful contribution to patients' access to medicines and to their quality of life through our reliable supply of medicines. Aspen's broad portfolio of products offers high quality, affordable treatment options to healthcare professionals and patients across more than 115 countries. We have strengthened our position to deliver on our purpose through our strategic investment in sterile manufacturing capacity, including biologicals, in Africa and Europe. The important milestone of securing the licensing agreement for Aspenovax, our own branded COVID-19 vaccine, followed by the agreements reached with Serum Institute for a further four vaccines, all to be manufactured out of our Gqeberha manufacturing site in South Africa, have demonstrated our commitment to contribute to health security for the continent, not just in respect of the COVID-19 pandemic, but also as part of the continent's broader primary healthcare programmes. We are looking forward to the opportunity to work with organisations such as the Bill and Melinda Gates Foundation and CEPI in these important endeavours.

Chairman's review continued

Besides our response to the global pandemic, we also responded rapidly to the humanitarian crises facing Ukrainian and other civilians, during the conflict with Russia, through the donation of life-saving medicines required for emergency surgeries. Our efforts also included arranging the safe repatriation of South African medical students who were studying in Ukraine. We also assisted the Lebanese population with donations of critical care medicines as they continue to deal with the aftermath of the non-nuclear explosion which occurred in Beirut in late 2020.

By delivering on our purpose, Aspen makes a meaningful and lasting contribution to the UN Sustainable Development Goal of "ensuring healthy lives and promoting well-being for all, at all ages".

Group performance and shareholder returns

While the global economy witnessed some recovery following the COVID-19 pandemic, the Russia/Ukraine conflict and the turmoil that followed presented the Group with renewed challenges. The unprecedented inflation rates in Europe, supply shortages and the unfolding energy crisis, to name a few, tested our agility and resilience. The Group was able to deliver solid results in 2022, with revenue growth, an expanding operating margin and increased earnings all tracking well against our stated objectives. Normalised headline earnings per share grew by 24% (+26% CER) to the highest level in our history. The strengthened balance sheet and reduced debt levels enabled the execution of a notable R1,8 billion share buy-back. On the back of this performance and reflecting the confidence in our prospects for future growth and cash generation, the Board also approved a 24% increase in the dividend declared to shareholders to 326 cents per share, which resulted in R1 454 million of retained income flowing to shareholders in September 2022.

Achieving impact through our sustainability commitments

The Group has made steady progress in delivering on our sustainability commitments during the year under review and has continued to develop a more deliberate sustainability strategy. This has included strengthening the governance over sustainability through the establishment of an Executive Sustainability Forum and implementing enhanced oversight by the Social & Ethics Committee. The Group remains firm in its commitment to uphold the principles of the United Nations Global Compact. I am proud of the role we are playing in contributing to the SDGs through our four sustainability pillars: Patients, Our People, Society and Environment. We are increasingly engaging with our investors, funders, customers and other stakeholders on ESG issues. We continue to work towards achieving improved transparency in our engagement and disclosures. This year has, for example, seen us mapping our disclosures against the JSE's Sustainability Disclosure Guidance and we have also improved our disclosures in line with the recommendations made by the TCFD. We have retained our position in the Top 30 of the FTSE/JSE Responsible Investment Index and we remain a constituent of the FTSE4Good Index. Aspen's 2021 Integrated Report was rated as "Excellent" and achieved 9th place in this year's EY Integrated Reporting Awards.

As a signatory of the United Nations Women's Empowerment Principles ("WEP"), we are committed to furthering equity, diversity and inclusion. This commitment continues to receive focus, and the increase in representation of women in our more senior roles is indicative of progress being made. It was an immense honour to have our efforts recognised in the inaugural South African WEP Awards, which acknowledges companies taking action for gender equality aligned to the WEP. We were honoured to win the Transparency and Reporting Award and to be announced as a finalist in the Inclusive Workplace category.

A focus on the health, safety and well-being of our people

At Aspen, the health, safety and well-being of our employees has always been a priority and the increased focus on workplace measures to minimise the risk to employees of contracting COVID-19 while at work were maintained, as appropriate during this period. As we shift to a post-pandemic world, we will draw on the lessons which enabled us to maintain high levels of resilience and operational efficiency, while continuing to position Aspen as an employer of choice in a changing work environment. In this regard, the Board was pleased that the Group undertook a global employee engagement survey and, while recognising the areas of strength, we are executing oversight of those areas requiring specific attention.

We were very concerned as to the safety and well-being of our employees based in Ukraine at the onset of the conflict. Swift action was taken by regional management, with support from Group executives where required, to ensure that colleagues were provided with the required resources and support to secure their safety and that of their families.

Through a continued focus on our strong safety culture, we have maintained our record of no occupational fatalities for nine consecutive years. Health and safety incident rates continue to remain within tolerance levels.

Ethical leadership and governance

Aspen is committed to ethical conduct and good governance. During this year, the Board has driven progress in corporate responsibility, while ensuring that we maintain a rigorous and robust approach to corporate governance. The Group's ethics programme, endorsed by the Group Chief Executive, receives the close oversight of both the Social & Ethics and the Audit & Risk Committees and we are pleased with the continued strengthening of the Group's ethics and compliance programmes across its operations.

The Board, supported by the Remuneration & Nomination Committee, has continued to focus on establishing a senior executive team positioned to drive the performance of the Group, ensuring succession planning for key executive roles. As reported last year, Gus Attridge retired as Deputy Group Chief Executive, Financial Director and member of the Board, effective 31 December 2021, but has remained employed by Aspen in the role of Group Chief Advisor and he continues to serve as a member of the Group Executive Committee in this capacity. This has proven to be a most valuable arrangement as Gus provides ongoing mentorship and counsel to colleagues and we are grateful to him for his continued contributions to Aspen in this role. Sean Capazorio was appointed as an executive director and the Group Chief Financial Officer with effect from 1 January 2022. The Board's confidence in Sean has proven to be well-placed, considering his successful transition to this new role.

Another key focus for the year has been to further progress our remuneration philosophy and practices to ensure that they are aligned to best practice, taking into account feedback received through our engagement with investors. We are pleased that our efforts to incorporate the insights received, resulted in a 95,90% shareholder vote in favour of our remuneration policy and 94,80% in favour of our implementation report at our December 2021 AGM. We continue to work on improving our disclosures and have implemented further changes in our reporting this year. Work also continues in reviewing the structure of our executive remuneration packages to achieve an appropriate variable component that is subject to personal performance measures, aligned with corporate financial, operational and ESG performance.

Chairman's review continued

Board evolution

Diversity and experience of the Board is vital to support the delivery of our strategy and creation of value. Our Board is diverse in its skills, thinking and composition, which assists in balanced decision-making, combined with the ability to add value to the strategic direction of the Group. We are committed to having the right competencies to meet future challenges. In furtherance hereof, directors are invited to attend a series of structured business review and training sessions throughout the year, covering a variety of pertinent topics and providing non-executive directors with an opportunity to delve into specific areas of the business or certain topical aspects. This year, these sessions have covered areas such as ESG, cybersecurity, integrated reporting developments, pharmaceutical industry trends, Aspen's sterile capacity strategy, as well as an update on anti-bribery and anti-corruption best practice trends.

Following the retirement of Sindi Zilwa as a non-executive director, effective 9 December 2021, the Board was pleased to welcome Dr Yvonne Muthien as an independent non-executive director with effect from 10 December 2021. Yvonne brings to Aspen her in-depth business, financial, reporting and governance knowledge, as well as significant leadership experience. Yvonne also serves as a member of the Social & Ethics Committee (effective 8 March 2022).

Confidence in our prospects for future growth

While many challenges remain, we have built a strong foundation and the Board remains fully confident in Aspen's agility and resilience to adapt to the changing global operating context and to deliver long-term sustainable growth. We are confident that Aspen, under the direction of Stephen and the senior executive team, is well-positioned to achieve its growth strategy and deliver sustainable returns to its shareholders and benefits to its stakeholders. We are proud of the collective efforts of the people of Aspen in ensuring the delivery of medicines to so many patients who need them, and of our broader contribution to society and the planet.

I wish to thank Stephen and the executives as well as all our Aspen people around the world for their ongoing commitment to our mission and values. I also wish to thank my fellow directors for their wise counsel and support, and acknowledge the substantial additional time and effort they have spent attending to key issues during these challenging times. We are also grateful to our shareholders and other stakeholders for their ongoing engagement and support.

Kuseni Dlamini
Chairman

Key Board outcomes

- Oversight of Group's overall strategic performance
- Conclusion of Aspenovax licensing agreement
- Approval of long-term agreement with Serum Institute
- Approval of further capital expansion at Gqeberha site
- Approval of share buy-back and approval of dividends
- Additional focus on ESG
- Succession planning for key executives

(page 103)

Board of Directors

Executive directors

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

Sean Capazorio (57)
Group Chief Financial Officer
Qualification: CA(SA)
Appointed: January 2022
Classification: Executive director

Non-executive directors

Kuseni Dlamini (54) ●●
Qualifications: MPhil (Oxon), BSocSci (Hons) (Natal), Global Leadership for the 21st Century Programme (Harvard), Foundations for Leadership in the 21st Century (Yale)
Appointed: April 2012
Classification: Independent non-executive, Chairman

Linda de Beer (53) ●●
Qualifications: CA(SA), MCom (Tax), CD(SA)
Appointed: July 2018
Classification: Independent non-executive

Ben Kruger (63) ●●
Qualifications: BCom (Hons), CA(SA), Advanced Programme in Management (Harvard Business School)
Appointed: April 2019
Classification: Lead independent non-executive

Committee diagram key:

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

Full CVs available online

Board of Directors continued

Non-executive directors

Themba Mkhwanazi (52)

Qualification: B.Eng (Hons)

Appointed: April 2019

Classification: Independent non-executive

Chris Mortimer (61)

Qualifications: BA, LLB

Appointed: January 1999

Classification: Non-executive

Yvonne Muthien (65)

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

Appointed: December 2021

Classification: Independent non-executive

Babalwa Ngonyama (48)

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

Appointed: April 2016

Classification: Independent non-executive

David Redfern (56)*

Qualifications: BSc (Hons), CA

Appointed: February 2015

Classification: Non-executive

** British*

Company Secretary

Riaan Verster (46)

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

Appointed: December 2011

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

Committee diagram key:

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

Full CVs available online

Group Chief Executive's review

Stephen Saad
Group Chief Executive

The Aspen business model was tested by a challenging macro environment, including both supply and inflationary headwinds. The results produced are testimony to the strength and resilience of the business as it is now structured. Organic growth has been sustained, margins improved and an impressive growth in earnings achieved, all supported by a strong balance sheet. That said, the highlight of the year that made us most proud was the manufacture of vaccines to support Africa's response to the COVID-19 pandemic. This achievement, and demonstration of capability, was central to enabling us to conclude a licensing agreement with Serum Institute for a further four vaccines for Africa. The successes realised in the past year clearly display our capability to make a meaningful contribution to access to medicines globally through our relevant product portfolio and broad geographic presence.

Strengthening vaccine access for Africa

The COVID-19 pandemic exposed significant inequities in vaccine availability and underscored the need for the capacitation of Africa, in terms of both technical infrastructure and know-how, to meet the growing healthcare needs of the continent while ensuring health security for its people.

The successful production of the COVID-19 vaccine for Johnson & Johnson at our manufacturing site in Gqeberha, South Africa, and subsequent licensing of our own branded COVID-19 vaccine, Aspenovax, was an important step in our endeavours to be part of a sustainable solution to increase access to medicines, in Africa and globally.

Group Chief Executive's review continued

While the current decrease in demand for the COVID-19 vaccine presents an uncertain future trajectory in terms of volumes, both COVAX and AVATT have committed to Aspen in respect of future COVID-19 vaccine demands.

We have followed this success with the conclusion of a long-term license agreement with Serum Institute, the largest producer of vaccines globally, to manufacture, market and distribute four Aspen-branded vaccines for both the public and private sector markets in Africa. The vaccines – Pneumococcal, Rotavirus, Polyvalent Meningococcal and Hexavalent – are essential to paediatric immunisation programmes in Africa and those of GAVI. We will seek to fast-track the registration process and are hopeful to complete the technical transfers within a 12 to 24-month period.

We also anticipate receiving grant funding from both the Bill & Melinda Gates Foundation and CEPI to support African regional manufacturing capacity for an affordable supply of vaccines to, among others, African countries and GAVI/UNICEF, as well as contributing to pandemic preparedness through a share of Aspen's vaccine manufacturing capacity over a period of 10 years.

We are committed to working with various stakeholders in addressing the challenge of achieving improved access and medicine security for vaccine, biological and sterile medicines for those most in need. Our entry into the vaccine market is a significant step forward for Aspen and underlines our strategic intent to secure more sustainable volumes as we explore several other long-term agreements with various multinational partners. Our ambition is to secure further long-term contracts by the end of FY2023. The call from the African Union for agencies responsible for bulk purchasing of vaccines to procure at least 30% of all vaccines from African manufacturers is a strong endorsement of our strategic capital investment.

Delivering a strong financial performance amid a challenging macro environment

The Group has delivered a strong financial performance, despite the challenging macro environment, achieving the highest ever NHEPS, lowest net borrowings in five years and establishing a positive trend in return metrics. Salient features of our performance, as detailed further in the Group Chief Financial Officer's review on page 54, and further expanded in the Business segment overviews on pages 67 to 71 include:

- Revenue growth from continuing operations of 2% (+5% CER) to R38,6 billion.
- Commercial Pharma's resilience through product and geographic diversity displayed, despite geopolitical uncertainties and China's lockdown, with revenue declining 1% (+1% CER).
- Strong performance from Manufacturing, which posted an 11% increase (+18% CER) in revenue, boosted by the COVID-19 vaccine sales.
- Normalised EBITDA is 11% higher (+13% CER), achieved through improved margins as a result of disciplined cost management.
- Normalised headline earning per share increased 24% (+26% CER) benefiting from significantly reduced finance costs.
- Share buy-back of R1,8 billion and 24% increase in dividend declared to 326 cents per share.
- Robust balance sheet and significant headroom for future value-enhancing investments.

Progress on strategy

Since 2018, we have been pursuing a strategy of consolidating our position and building a foundation for future growth. In this financial year, we have maintained our focus on optimising our product portfolio, building our strategic manufacturing platform and strengthening our balance sheet.

Our strategic journey

FY2013
R5,9 billion*
R11,1 billion^

Acquisitive growth phase

Reshaped
From commodity generics to specialty pharma
From regional player to global multinational
Debt funded

FY2018
R12,0 billion*
R46,8 billion^

Consolidation phase

Refined
Product portfolios stratified and trimmed
Material investment in sterile manufacturing
Debt reduced, balance sheet strengthened

FY2022
R11,0 billion*
R16,1 billion^

Optimisation phase

Ready
Organic and acquisitive growth
Leverage manufacturing capacities
Return on investment, strong cash flows

FY2023+

** Normalised EBITDA.*
^ Net borrowings.

Group Chief Executive's review continued

Commercial focus on delivering organic growth maintained

Building on the actions taken to focus our Commercial Pharmaceuticals business in territories where we have demonstrated capabilities and a strong performance record, we have continued to work on optimising our global portfolio of relevant, trusted and affordable medicines and building effective commercial platforms. We continually review and refresh our portfolio through our own new product developments, bolt-on acquisitions and, where appropriate, divestments. In this year, activities have included the acquisition of ENT Technologies (Pty) Ltd to further strengthen our Australian business with the addition of value enhancing sterile and OTC products from this business. The divestment of a basket of products to Acino by our South African business will further assist in ensuring focus on a branded portfolio. We continue to steadily build our business in China, following the stabilisation of our base in this country and are focused on sustaining strategic momentum following the COVID-19-related disruptions. We are actively focused on building a diverse product portfolio to counter exposure to volume-based procurement in China. Our Commercial Pharmaceuticals business is well-positioned to deliver sustainable positive momentum and to generate strong cash flows to support future growth.

Manufacturing capability as a strategic advantage

We have continued to focus on our long-term sustainability and success by investing in our manufacturing capability and capacity. In addition to the multi-year capital projects at our Gqeberha, Notre Dame De Bondeville and Bad Oldesloe sites initiated as part of our strategic build in the 2020 financial year, capital projects for a further R2 billion (commenced in the 2022 financial year and expected to be complete in 2024) are being implemented to further increase our sterile vial manufacturing capacity at our Gqeberha site to accommodate vaccine and other biological manufacturing opportunities.

Our strategy remains to transfer anaesthetic production into our own facilities, which will deliver margin benefit, increased competitiveness and improved security of supply. Some inevitable disruption to the completion of these projects has been experienced due to ongoing COVID-19 restrictions in certain regions and increased absenteeism at sites. We were also required to repriortise our efforts as we turned our focus to the introduction of COVID-19 vaccines on the vial lines. In addition to the vaccine and other sterile opportunities at our Gqeberha site, we continue to pursue opportunities to secure additional contract manufacturing volumes for the prefilled syringe capacity at our Notre Dame de Bondeville site. Our API chemicals business continues to offer a solid contribution to the Group. As a niche, robust business, it is a key contributor to profitability.

Achieving improved earnings

We are working to achieve a leaner, more efficient operation and deliver cost of goods reductions and operational expense savings across our operations. This has become a business imperative as we face heightened inflationary pressures across the geographies of our operations, while having to operate in a price restrictive environment. We remain intensely focused on improving our supply chain performance supported by integrated business planning processes across our value chain. While the macro-economic environment continues to be challenging, our efforts are showing results as we improve bottom line returns, driving an accelerated earnings per share performance.

Cash generation supports future growth

Our business model remains cash generative, which is a critical contributor to providing us with the capacity for future investments. In this financial year, investments in inventory to mitigate supply risk have reduced cash generation to below expected levels, but there is a potential for unwinding these inventory levels when supply risks stabilise. The strengthening of our balance sheet provides capacity for future value-enhancing investments.

A focus on our people

Aspen's success is attributable to the combined skills, talent and energy of our diverse teams across our 69 established offices. Their commitment and relentless efforts are what carry Aspen through challenging times, and I extend my sincerest gratitude to each and every employee for their contributions.

We must ensure that we have a diverse and truly inclusive culture, with an engaged and motivated workforce if we are to deliver on our value-creating strategy. We continue to progress the implementation of our global human capital strategy focused on developing and retaining a talented, agile and diverse workforce, inspired to achieve operational excellence. Following the exceptionally challenging circumstances brought about by the COVID-19 pandemic and the resulting global shift in workforce expectations, we undertook a global employee engagement survey to better understand the current level of engagement of our employees. The Group-wide employee experience survey, which was translated into eight languages and had a response rate of 68%, provided valuable insights into the level of employee engagement across our businesses. While we take comfort from the many positive areas identified through the survey, the outcomes do indicate areas where we could do better. These are receiving the focus and attention of Group executives.

Enablers for strategy execution

In our pursuit of operational excellence, we continue to refine our operating model aimed at enabling an entrepreneurial structure and ensuring the Group's flexibility in responding to the diverse and changing business context across our operations. This has included initiatives to streamline our business processes and projects aimed at reducing operating costs. A key focus has been to improve synergies across our end-to-end value chain through the implementation of an Integrated Business Planning Model which, *inter alia*, focuses on aligning demand and supply planning. Digital technologies are seen as a key enabler to our strategy execution, and we have designed a multi-year digital transformation strategy to ensure a cohesive and deliberate approach to modernising our digital capabilities.

Embedding sustainability in the way we do business

At Aspen, we recognise that sustainability is a critical component of our long-term strategy, and we remain cognisant of its increasing importance to our stakeholders. We are committed to operating responsibly and building trust-based relationships with our various stakeholders. We have continued our work on revisiting the Group's overall approach to sustainability and focusing our efforts on where we can have the most impact. As work continues across all the pillars of our sustainability strategy, priority has been given to the development of an access to medicines position for the Group, which is at the forefront of our delivery on our purpose. This priority area, which is also linked to our long-term incentive scheme, aims to galvanise our efforts to make a meaningful contribution to enhancing access to medicines through the development of deliberate strategies and targets.

Group Chief Executive's review continued

A solid foundation for future sustainable growth

We anticipate that the 2023 financial year will have similar challenges to those faced in 2022. Inflationary pressures will impact margins negatively with some offset as we improve the cost of goods through the insourcing of manufacture. The current upward trajectory in global interest rates is, however, expected to weigh on financing costs.

We anticipate another strong year in Manufacturing revenue, but declining demand from Johnson & Johnson will have an unfavourable impact on gross margins due to high-related fixed costs in the production area, unless substituted by orders from Aspenovax. Our sterile manufacturing capacity, both in Africa and Europe, together with our demonstrated ability to deliver, has cemented our position as an attractive partner to multinationals and other international organisations. We are intently progressing our capacity fill strategy, with the objective of securing further sterile manufacturing opportunities by the end of the 2023 financial year, with commercial benefits to be realised from financial year 2024 onwards. Our reshaped Commercial Pharmaceuticals business is positioned to deliver organic growth, as we continue to refine our product portfolios to ensure our offering remains relevant to dynamic market conditions. The global spread of our business and the diversity of our product portfolio affords protection against localised risks while our strong balance sheet provides scope to pursue strategic acquisitive opportunities.

We are well positioned to achieve our medium-term targets as communicated in our investor presentation in December 2020, and are poised to embark on the optimisation phase of our journey where we will seek to further boost organic and acquisitive growth within our commercial business, leverage our manufacturing capacities, and in so doing deliver enhanced returns on investment.

I thank the Board for its strategic leadership, my executive team for their steadfast commitment, and our employees who have remained dedicated to the sustained success of the Group. It is through their efforts, together with the collaboration and support of our shareholders and our many partners, that we can achieve our purpose of improving the health and quality of life of patients.

Stephen Saad
Group Chief Executive

Performance expectations for FY2023

- Revenue to grow by between 3% and 7% CER
- Gross margin diluted by shift in mix and ongoing inflationary pressures
- Inflationary effect on operating expenses to be contained
- Rising finance charges
- Strong cash flows to continue, provided global supply constraints normalise
- On target to achieve Commercial Pharma organic growth targets
- Secure sterile capacity fill opportunities by the end of FY2023

Group Executive Committee

Stephen Saad (58)

Group Chief Executive

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

Appointed: January 1999

Gus Attridge (61)

Group Chief Advisor

Qualification: CA(SA)

Appointed: January 1999

Sean Capazorio (57)

Group Chief Financial Officer

Qualification: CA(SA)

Appointed: January 1999

Richelle Crots (59)

Regional Chief Executive Officer, SA Commercial

Qualification: BCom (Human Resources)

Appointed: August 2017

Reginald Haman (48)

Group Chief Corporate Services Officer

Qualifications: MBA, PGDBA, Graduate Diploma in Company Direction

Appointed: May 2020

Lorraine Hill (59)

Group Chief Operations Officer and Responsible Pharmacist

Qualification: BPharm

Appointed: January 1999

Samer Kassem (47)

Chief Executive Officer, Aspen Global Inc

Qualifications: CMA, CFM, CBM, MBA

Appointed: May 2008

Zizipho Mmango (37)

Group Chief Strategic Development Officer

Qualifications: CA(SA), CFA

Appointed: May 2020

Stavros Nicolaou (57)

Senior Executive Strategic Trade

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

Appointed: January 1999

Trevor Ziman (51)

Regional Chief Executive Officer, Asia Pacific

Qualification: CA(SA)

Appointed: May 2001

Additional information available online

Creating sustainable value

In this section:

Our material matters

Our material matters are factors that have the potential to impact, both positively and negatively, our ability to create and preserve value in the short, medium and long term. Managing our material matters could support or hinder our ability to execute our strategy and impact the quality of our relationships with our stakeholders.

Identifying our material matters is a Group-wide responsibility and all business units provide an assessment of key risks and opportunities in the environment in which we operate as well as feedback on the key matters arising from their interactions with our various stakeholders. In addition, certain formal processes within the Group are implemented to identify and assess potential material matters. These matters influence our strategy and are integrated into our business and resource planning, risk and opportunity management and performance management processes. Our Group Executive Committee, supported by the work performed in its various sub-committees, assesses and prioritises these matters and ensures appropriate action is taken to respond to them. This could include adjustments to strategy, as well as resource and capital allocation. Governance oversight of material matters and our response thereto is provided by the Board of Directors, most usually through its relevant Committees.

Managing and responding to our material matters

Identify

Analysing:

- Global research and peer reports
- The needs of our stakeholders
- Our external operating context
- Key business risks and opportunities
- The availability and quality of our capitals
- Our material sustainability topics
- Strategic plans, budgets and business performance reviews

Prioritise

Assessing:

- Materiality of the matter to impact our ability to deliver our strategy and potential impact on society and the environment
- Review and approval of key material matters and prioritisation through executive oversight and appropriate governance structures

Respond

Implementing:

- Align to risk appetite and tolerance
- Strategies and actions to exploit opportunities and mitigate risk
- Allocation of capitals and management of trade-offs
- Performance management
- Agile and adaptive approach to key matters arising

Monitor

Accountability and oversight through:

- Senior Leadership and Board strategy sessions
- Business strategy and performance reviews
- Reporting to Board and its Committees
- Reporting to key stakeholders

Our material matters continued

Our material matters determination process identified seven key material matters. All these matters are material to the business and the numbering does not reflect the relative importance of each matter. We discuss our response to these matters throughout this report and have provided linkages to the relevant risks and opportunities, sustainability material topics, stakeholders and capitals as well as the related strategic objective where more information can be found.

1 Patient focus

We believe that Aspen's long-term sustainability and success will be delivered through a strategy that puts our purpose at its centre – to improve the health and quality of life of patients. During the COVID-19 pandemic, this sense of purpose was brought into sharp focus as we responded to increased demand for certain of our products, maintained reliable supply despite operational disruptions and fast-tracked technical transfer to manufacture COVID-19 vaccines. This has successfully positioned Aspen to play an important role in addressing health security needs for Africa. A strong sense of purpose unites us and we work toward a common goal in everything we do – to promote access to medicines through a differentiated portfolio of high quality, affordable medicines to the patients that need them.

Related risks and opportunities page 46

- Continuity of supply
- Delivery of pipeline and new products
- Execution of our business strategies
- Patient safety and product quality

Related sustainability material topics page 76

- Access to medicines
- Patient safety
- Reliable supply of high quality products
- Responsible product portfolio

Related stakeholders

Related capitals

Related strategic objectives

2 Manufacturing capabilities

The continued investment in our API facilities and FDF manufacturing capabilities, aimed at delivering flexible and scalable manufacturing and enhanced operational synergies, is a key enabler in supporting our purpose of improving the health and quality of life of patients. We have made significant strategic investments in our manufacturing capacity, and optimally filling this capacity is a key lever for earnings growth and enhanced returns on invested capital.

Related risks and opportunities page 46

- Continuity of supply
- Execution of our business strategies
- Patient safety and product quality

Related sustainability material topics page 76

- Reliable supply of high quality products

Related stakeholders

Related capitals

Related strategic objectives

Our material matters continued

3 Engaged people

Delivery of our strategy is dependent on appropriately skilled and motivated people. We need to foster a culture that supports adaptability and innovation as well as leveraging the strength of diversification and inclusion. We compete to attract and retain top skills and diverse talent. The dynamics of the evolving world of work in terms of flexible work models and increased digitisation are issues we are navigating as we create a workforce for the future.

Related risks and opportunities page 46

- Attraction, development, well-being and retention of skills

Related sustainability material topics page 81

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

Related stakeholder

Related capitals

Related strategic objective

5 Business process optimisation and digital transformation

In an increasingly interconnected and data-driven world, we are compelled to continually review the effectiveness of our operating model, our business process efficiency and the optimisation of digital capability. We are compelled to continually invest in transformative initiatives to remain relevant and compete on a global stage.

Related risks and opportunities page 46

- Digital transformation and information security

Related sustainability material topics page 89

- Data privacy and information security

Related stakeholders

Related capitals

Related strategic objectives

4 Organic growth and value-accretive acquisitions

Achieving organic growth in our core business underpins our business model and is fundamental to providing sustainable returns for our shareholders, funders, business partners and employees. Enabled by our reshaped product portfolio, our presence in territories with strong demographic growth and our focus on cost and working capital optimisation, we generate sustainable cash flows to fund future growth.

Related risks and opportunities page 46

- Execution of our business strategies
- External macro factors
- Realising expected benefits from acquisitions and divestments

Related sustainability material topics page 89

- Economic value generated and distributed

Related stakeholders

Related capitals

Related strategic objective

6 Building trust

We recognise that there are inseparable linkages between our sustainable growth, our relationships with our key stakeholders and our contribution to society in the broader context. Being a responsible corporate citizen is more than a compliance requirement. The Group's sustainability commitments remain a cornerstone of our business strategy and our delivery on these are fundamental to building credibility and trust, underpinning our social licence to operate.

Related risks and opportunities page 46

- Environmental sustainability and protection, including climate action
- Ethical conduct and stakeholder relationships
- Legislation, regulation and compliance

Related sustainability material topics page 76, 81, 89 and 98

- All

Related stakeholders

Related capitals

Related strategic objectives

Our material matters continued

7 Agility and resilience

Our operating environment is changing rapidly and we are subject to external shocks that can be difficult to predict. Thriving in an uncertain and volatile operating environment requires agile decision-making and a focus on building resilience in our people and in our business.

Related risks and opportunities page 46

- Continuity of supply
- Digital transformation and information security
- Environmental sustainability including climate action
- Execution of our business strategies
- External macro factors
- Legislation, regulation and compliance

Related sustainability material topics page 76, 81, 89 and 98

- Reliable supply of high quality products
- Employee health and safety
- Responsible supply chain management
- Climate change and GHG emissions

Related stakeholders

Related capitals

Related strategic objectives

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

External operating context

page 38

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

Stakeholder relationships, needs and expectations

page 42

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

Risks and opportunities

page 46

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

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

- Identify
- Prioritise
- Respond
- Monitor

page 21

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

Performance management

Business strategy

Our business strategy outlines our plan of action to achieve short-, medium-, and long-term goals

page 30

Business model

Our differentiated business model and globally integrated value chain allows us to respond to the changing business context

page 26

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 37

Resource allocation and trade-offs

Review and adapt

An ethical culture | **Sustainable value creation** | **Effective control and accountability** | **Trust and legitimacy**

The value we create

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

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

Communities in which we operate
- Contribution to society through engagement with civil society and investment in SED
- Responsible management of our impact on the environment

Our investors and funders
- Sustainable returns to shareholders
- Servicing and repayment of debt

Our suppliers, service providers, consultants and business partners
- Economic stimulus through procurement of goods and services
- Collaboration and partnering opportunities

Our material contract manufacturing customers
- Reliable supply of products manufactured to required quality and regulatory standards
- Responsible and ethical business practices

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 business model

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

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

Inputs

Intellectual
- Trusted Aspen brand
- Targeted and efficient product portfolio renewal
- Strong presence in emerging markets
- Digital platform enabling strategy execution

Product portfolio of more than **700 brands**

Intangible assets of **R53,7 billion**

Manufactured
- Complex manufacturing expertise
- Vertical integration advantages
- Globally competitive, scalable and widely accredited manufacturing facilities
- Reliable external supply contract manufacturing network

7 API and **16 FDF** manufacturing facilities worldwide

Property, plant and equipment ("PPE") of **R15,9 billion**

Human
- Diverse Board
- Strong leadership team
- High-performance and innovative culture
- Empowered local management
- Industry-specific specialist skills

Workforce of more than **9 000** people

R50,3 million in training and development spend

Social and relationship
- Strong stakeholder relationships and corporate reputation
- Robust corporate governance framework
- Support of local communities

Engagement with key stakeholders

Social licence to operate

Natural
- Focus on environmental protection
- Initiatives to reduce consumption of scarce natural resources

1 039 megalitres of water withdrawn

1 071 532 GJ energy used

Financial
- Planned prioritisation of capital allocation
- Diverse and enduring support from funders
- Strong operating cash flow generation

R 70,9 billion equity

R16,1 billion net borrowings

R62,2 billion market capitalisation

Value chain activities

Product portfolio management

Patient/consumer needs

Product development, acquisition and registration

Investment in a product portfolio of niche, specialty medicines that present opportunities for sustainable revenue growth through our Product portfolio management model (page 29)

Portfolio Management Review

Manufacturing and supply chain operations

Procurement

Manufacturing:
- API
- FDF

Distribution

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

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

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

Supply Management Review

Commercialisation

Marketing and sales

HCP engagement and support

Patient/consumer use

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

Demand Management Review

Management Business Review

Integrated Business Planning ("IBP")

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

Capital generated through our business model is allocated according to our capital allocation model (page 29)

Our business model continued

Outputs

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

Commercial Pharmaceuticals

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

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

Manufacturing

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

Emissions and waste

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

Total GHG emissions:
151 263 tCo_2e
Total waste:
74 277 tonnes

Outcomes

Increasing, preserving or eroding value in capital stocks

Intellectual

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

56 new products launched

R734 million invested in Intellectual Property ("IP")

Vaccine technical know-how developed

No significant product recalls

Manufactured

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

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

No adverse outcomes from regulatory inspections at sites

Human

15% staff turnover

R8 billion paid in salaries and benefits

48% of workforce are women

1,13 TRIFR

Zero occupational fatalities

Social and relationship

R27,9 million SED investment through 355 projects

Constructive engagements with key stakeholders

Maintained Level 4 B-BBEE contribution

R1,6 billion in taxes paid to governments

Natural

80% of waste recycled

19% decrease in total GHG emissions

Zero significant environmental incidents

Financial

R18,6 billion wealth created

9,6% ROIC

Leverage ratio **1,91 times**

Free cashflow of **R3,2 billion**

Dividend of **326 cents** declared

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

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

Intellectual: page 61
Business segment overviews page 67
Patients page 76

Manufactured: page 62
Manufacturing operational overview page 72

Human: page 63
Our People page 81

Social and relationship: page 64
Society page 89

Natural: page 64
Environment page 98

Financial: page 65
Group Chief Financial Officer's review page 54

Value created > Achieving outcomes that create long-term value for our stakeholders page 25

Our trade-offs

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. In developing our strategy, and transforming our stocks of capitals, we consider the trade-offs between the capitals and seek to maximise positive outcomes and limit negative impacts.

Building a world-class sterile manufacturing platform

Building a world-class sterile manufacturing platform is a cornerstone of our organic growth strategy. Building production capacity for the future has required us to make material investments in multi-year capital build and expansion projects. These material capital investments negatively impact financial returns during the period of construction and validation, but create opportunity for improved financial performance once the manufacturing capacity is fully commercialised.

Undertaking organisational design to achieve a fit-for-purpose business

A series of organisational restructuring projects are ongoing throughout the Group. While organisational redesign projects result in increased effectiveness, improved operational efficiency and an enhanced culture of ownership and accountability, they inevitably bring anxiety and uncertainty for all of those engaged in the process, and could result in increases or decreases in employee numbers or an adjustment in grading. While organisational change is complex, it is necessary to build a modern, efficient and agile organisation positioned to deliver on strategic objectives and goals.

Achieving digital transformation

The rapid shifts in digital technology and increased cyber threats require us to make significant investments in transforming our digital landscape to be a strategic enabler to support the Group's business strategy. The significant shift to a more digital landscape requires financial capital in the shorter term, but increases operational efficiency and effectiveness, benefits our human capital and enhances our interactions with our stakeholders.

Ensuring reliable supply

Following the disruptions to global supply chains in the wake of the COVID-19 pandemic, we took the decision to build up strategic stock to reduce the risk of disruptions in supply. This increase in inventory has reduced available financial capital and cash flows in this financial period, but was necessary to protect our operations from disruption and avoid the consequent impact on patients who rely on our medicines.

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

Drivers of portfolio strategy

Patients' needs | Market conditions | Group capability | Return on investment expectations

Build portfolio

Acquire	Develop	Collaborate
Proactively seek value enhancement opportunities	Leverage intellectual and manufacturing advantage	Strategic relationships with multinational companies
Complementary to existing operations	Product development lifecycle management	

Maximise portfolio returns

Sales and Marketing | Manufacturing | Supply Chain

- Leverage sales and distribution network
- Achieve manufacturing synergies
- Optimise supply chain
- Integrate acquisitions into existing business

Available capital

- **Generation of sustainable cash flows**
- **Realisation of proceeds from sale of assets**

Reshape portfolio

Revitalise	Collaborate	Divest
Evaluate opportunity to extract further value, e.g. line extensions and new regional launches	Seek partnerships that will unlock further value	Check alignment to portfolio strategy and divest non-core assets

Aspen portfolio

Balance between focus and diversification across regions and therapies

Leading specialty and regional brands | Off-patent, niche specialty brands

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.

Priority 1

PPE capex and IP development

Objective:
Ensure business sustainability and efficiency

Capital allocated in 2022

R2,697 million invested

Priority 2

Bolt-on acquisitions and disposals of IP and businesses*

Objective:
Inherent to renewal of product portfolio

Capital allocated in 2022

R371 million net inflow

Priority 3

Dividends and share buy-back

Objective:
Provide returns to shareholders

Capital allocated in 2022

R2,996 million in dividends and share buy-back

Priority 4

Larger acquisitions and disposals

Objective:
Merger & Acquisition transactions that are value accretive

Capital allocated in 2022

No significant outflow

Subject to a leverage cap of 3,0 times

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

Our business strategy

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

Strategic positioning

Our strategic positioning supports delivery of our vision

We seek to achieve this by building a differentiated portfolio of relevant 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 26).

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 61).

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

Strategic objective	Our focus areas	KPI
To promote access to medicines through a differentiated portfolio of high quality, affordable medicines	• Develop and implement an access to medicines strategy^Δ^ • Build and strengthen pipeline and accelerate product launches • Focus on expanding our emerging country portfolios by establishing a meaningful presence in countries with high growth potential • Implement initiatives to achieve security of supply • Explore opportunities to reshape, optimise and revitalise our product portfolio • Realise opportunities to play a greater role in vaccine supply to Africa	**KPI** • Number of product recalls ▲
To optimise the strategic advantage of our integrated value chain	• Optimise operations, drive efficiencies and reduce cost of goods • Achieve the transfer of the manufacture of complex, sterile products to Aspen sites • Focus on supply performance and optimise carrying levels of inventory • Partner with multinationals to leverage available manufacturing capacity in niche specialty sterile manufacturing, including vaccines • Advance digital transformation across our value chain (refer to our digital transformation strategy on page 33)	**KPI** • Gross profit ●
To develop and retain a talented, agile and diverse workforce inspired to achieve operational excellence	• Build a culture of operational excellence and cross-functional collaboration • Strengthen leadership capacity across the Group • Harness the benefits of equity, diversity and inclusion • Focus on the development and retention of required skills • Maintain a strong health and safety culture across our operations • Align organisational design to position the Group for success Refer to our human capital strategy on page 31	**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 ▲ • Total recordable incident frequency rate ("TRIFR") ◆
To be a good corporate citizen by conducting our business in a responsible, inclusive and sustainable way	• Maintain high governance and ethical standards • Enhance relationships and reputation with our various stakeholders • Recalibrate sustainability strategy and align ESG priorities (refer to our approach to sustainability on page 35) • 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	• Drive organic growth through the realisation of the potential of existing portfolios and territories • Optimise value contribution from our investment in manufacturing assets • Increase operating margins and generate strong free cash flows • Remain alert to acquisition, disposal and collaboration opportunities which present strategic value • Optimise the allocation of available capital • Deliver economic benefits to suppliers, employees, governments, communities and shareholders	**KPI** • Revenue growth ● • NHEPS growth ●^Δ^ • Normalised EBITDA growth ●^Δ^ • Normalised EBITDA margin percentage ● • Operating cash flow per share ● • ROIC ●^Δ^ • Free cash flow ●^Δ^ • Leverage ratio ●

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

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

Assurance on our KPIs

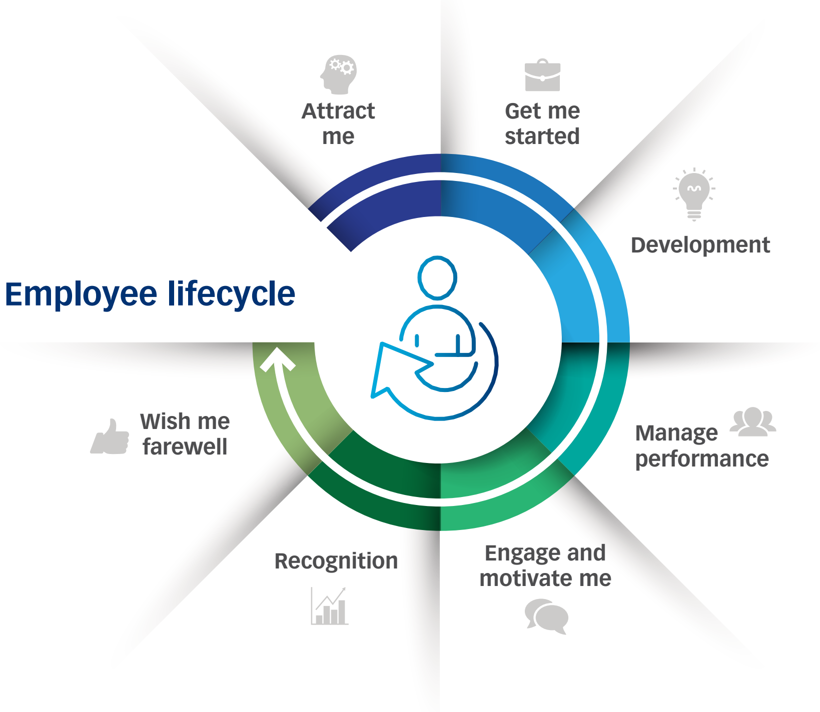
We obtain assurance on these reported KPIs through a combined assurance approach: IBIS ◆ Empowerdex ■ EY ● Internal Audit ▲

Further discussion on combined assurance is included on page 46

Our human capital strategy

Our strategic intent is to develop and retain a talented, agile and diverse workforce inspired to achieve operational excellence through providing a compelling employee experience

Our human capital strategy has been developed to achieve a sustained culture of high performance, to realise every opportunity to unlock the potential of our diverse talent and to optimally acquire, develop, retain and deploy our people. Additionally, we are focused on creating a compelling employee experience in the moments that matter throughout the employee lifecycle, through providing an environment that appreciates and respects diversity, makes every voice heard and is supported by equitable policies and procedures to ensure everyone thrives.



We seek to achieve this through an integrated talent management approach focused around the 3 Cs talent formula, supported by our key ways of working: collaboration; business centric yet people focused; being agile and responsive; and decision-making through effective data utilisation and analytics.

Commitment – Willing to do the work: Create greater employee emotional response to work as seen in engagement and commitment and in doing so create career fulfilment, recognition and retention.

Competence – Ability to do the work: Identify and bring the right talent into the organisation and continually build fit-for-future competence.

Contribution – Finding meaning from work: Employees to feel part of a global community, and actively participate in our purpose.

Our values are at the core of how we operate and are underpinned by our six people beliefs:

Belief 1
All people have inherent talent and have the potential to **grow and develop**; and while we want to enable **career progression for all**, we focus on **top talent** (potential and performance).

Belief 2
The quality of our people leaders is key to success. Developing trusting and empowered managers who **motivate, engage and coach** their people makes the difference.

Belief 3
To attract and retain a diverse talent pool and enable an **inclusive environment,** we need to be aware of creating awareness around barriers to inclusion, development and retention.

Belief 4
We believe in **pay for performance** and to continue to differentiate our reward principles in line with talent performance and potential.

Belief 5
Within the performance management framework, we seek to identify opportunities to **enhance performance and support colleagues** to improve, while working timeously to have crucial conversations around underperformance.

Belief 6
We believe that all employees take **responsibilities for their career growth, workplace opportunities and their continuous learning** and to update their skills and competence to "stay current" and therefore improve their career fulfilment.

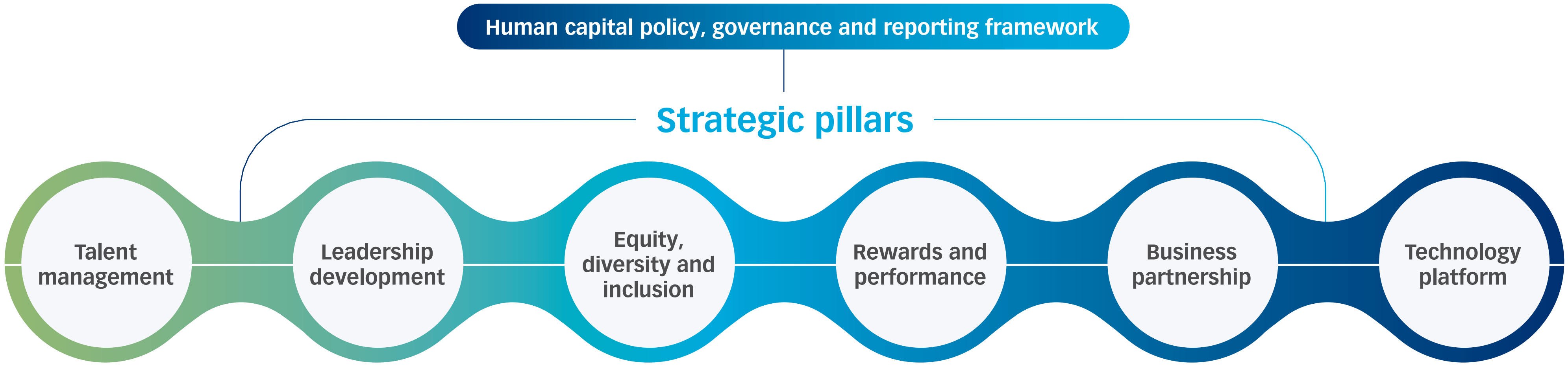
Our human capital strategy continued

Our human capital strategy leverages six strategic pillars grounded in our human capital policies, governance and reporting frameworks. We have recently established a Global Human Capital Leadership Council comprising the Group Human Capital Centre of Excellence ("COE") leads and heads of human capital across our business units to drive the consistent implementation of our strategic initiatives and ways of work.

The Social & Ethics Committee provides oversight of our human capital strategy and performance, while the Remuneration & Nomination Committee oversees our rewards and performance strategies and succession planning for key roles.

More information on our human capital performance can be found on pages 63 and 81.

Our human capital strategic pillars



Dynamic enterprise view of talent that is diverse, future fit and able to drive the organisation to the next level. Ensuring we have the right talent, at the right time, with the right skill sets.

Trusted and empathic leaders who coach teams and create environments that support and guide performance excellence and encourage and recognise a collaborative growth mindset.

With our belief that all employees should have fair treatment and equal access to opportunities (equity), are uniquely talented and should be celebrated and valued (diversity), and to work in environments which are collaborative, supportive and respectful of all (inclusion).

Rewards and performance that recognise and enable excellence by providing clear and measurable strategically aligned objectives, structures for continuous performance improvement and differentiated rewards to drive the right behaviours.

Trusted business adviser and partner of choice to lead, guide and support human capital initiatives that drive value to the business, while ensuring human capital activities are strategically aligned with line priorities.

Evolving to "e-human capital" with integrated, innovative cloud solution that enables human capital transformation by equipping human capital and business leaders with decision-making tools to meet business objectives.

Our digital transformation strategy

Digital technologies are a key enabler in driving our strategic objectives forward and supporting sustainable operations. Our digital transformation activities are aimed at developing digital solutions to improve our ways of working, increase compliance, reduce inefficiencies, facilitate collaboration and enhance our interactions with our many stakeholders.

The digital roadmap defines our multi-year digital journey and was developed to ensure our approach is aligned to our strategic objectives and is cohesive across the Group. Key elements of this roadmap include significant investments in building our digital capabilities and modernising our enterprise resource planning ("ERP"), regulatory, taxation and compliance systems, manufacturing execution systems and collaboration tools.

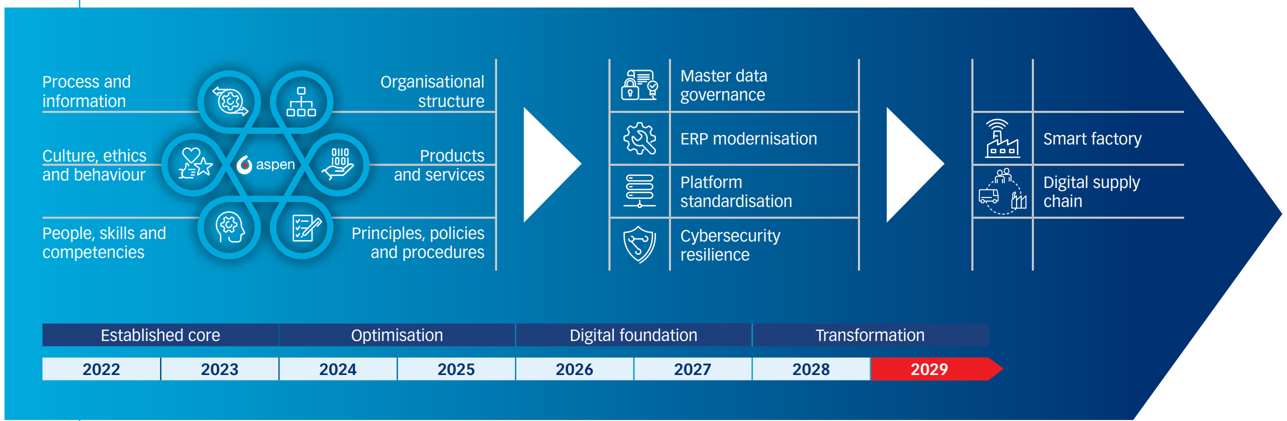
Our digital transformation strategy at a glance

Five strategic digital imperatives

- **Improve the contribution margin**
- **Enable accurate and predictive real-time supply chain data**
- **Provide secure access and digitally enabled solutions to all employees**
- **Simplify and facilitate daily activities using digital investments**
- **Enable new sources of digital value for all stakeholders**

Value drivers and success measures:

- Reduced inefficiencies
- Enhanced collaboration
- Reduced digital cost
- Increased compliance
- Increased digital value
- Improved security
- Enhanced governance
- Improved ways of working



Our digital vision:

Contributing positively to making high quality, affordable medicines through digital innovation that will allow our global internal customers to reach and care for patients.

When we reach 2024:

We would have transformed significantly in all dimensions, including digitally. How we Think, how we Speak and how we Do business. Information will be easy to access and mostly follow our people. The value of any digital investment will be easy to measure through quantitative benefit cases. Through digitalisation, we will be leaner and more efficient.

Our strategic objectives

Our digital transformation strategy continued

Last year our transformational focus was aimed at continuing the enhancement of processes across the Group to optimise current technology investments. This year's focus in our multi-year journey was on the consolidation and optimisation of our investments and resources and to effectively plan for the future. Extending data into meaningful information continued to increase in our factories, with improved decision-making and improvement on business results becoming more evident. With continued investments being made, equal focus is placed on reconfiguring, extending, or reducing technology areas to ensure better leverage of Aspen's scale, without compromising business responsiveness to changing market conditions. The Group has made significant progress in identifying opportunities and has converted a number of these opportunities into operational cost savings, reduction in risk and the simplification of complex systems and technology environments, while increasing the value delivered to our stakeholders. Since the lifting of the COVID-19 restrictions, many of our staff have returned to our offices and continue to make use of the collaboration tools and automation technologies introduced during the lockdown period.

We continue to explore opportunities to build, consolidate and enhance our digital capabilities and to further drive efficiencies across the business, from supply chain management and manufacturing to our commercial operations.

Information security

The threat landscape in respect of information security continues to rapidly evolve and grow. Protecting our information and confidential data against security breaches and ensuring continuity of business operations are critical elements of focus in our broader Information & Technology ("I&T") governance project. Our Cybersecurity COE continues to deliver on the agreed strategic roadmap to improve maturity, advancing as planned in each of the three security pillars: Govern, Deliver and Operate. As part of the 'Govern' pillar, the Cybersecurity COE has continued to build our Information Security Management Systems. To further improve our training initiatives, we continue to make use of specialist vendors in this field to deliver Group-wide cybersecurity awareness training.

Maturing I&T governance

As digital technologies increase in strategic importance, the importance of effectively governing both I&T systems increases. A decision was taken to exercise strategic control over all digital technologies from a Group level. We continue to implement and refine our I&T governance model in accordance with good practice and our digital roadmap. Utilising the strategic control model, this framework allows us to better evaluate, direct and monitor our I&T assets, as well as align IT services with our current and future business needs. The Centres of Excellence that have been established as part of our fit-for-purpose I&T governance model are aligned to business capabilities and are gaining good traction.

The Audit & Risk Committee, together with our multi-disciplinary I&T Strategic Committee, provides oversight and direction of the Group's I&T strategies and policies as well as the related risk and control environment.

Our approach to sustainability

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.

United Nations Sustainable Development Goals

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 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.

Enhanced governance over sustainability

Demonstrating our commitment to sustainability, the Group has undertaken several steps to enhance Executive and Board oversight of the Group's sustainability strategy, related opportunities and risks and overall sustainability performance. In FY2022, the Group Senior Leadership Conference endorsed a high-level roadmap for the development of a Group-wide sustainability strategy, indicating support at the most senior Executive and Board levels for a more deliberate integration of sustainability commitments into the Group strategy, a process that is currently underway. We developed a Group Sustainability Management Framework and established an Executive Sustainability Forum (effective August 2022), chaired by the Group Chief Operations Officer, to oversee the sustainability strategy development and monitor its implementation. We also enhanced the reporting on sustainability-related issues to the Social & Ethics Committee and this will be further strengthened through regular reporting by the Executive Sustainability Forum on their activities going forward.

A link to performance and remuneration

Aligned to our remuneration philosophy, we have incorporated sustainability (ESG) KPIs into our performance and incentive schemes. We have achieved this through the inclusion of sustainability-related KPIs (aligned with Group objectives) within the business unit scorecards, the inclusion of specific ESG-related priorities in the annual key performance areas or assessments ("KPAs") of Executive Directors as well as the inclusion of an ESG measure relating to our key sustainability focus "access to medicines" in the management long-term incentive scheme (refer to page 113 for more information).

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 commitment to transparency in reporting

We are continuously developing our sustainability and ESG reporting to enhance our ability to respond to the increasing disclosure expectations of our stakeholders, including our investors. In addition to our current reporting commitments to the UN Global Compact and CDP, we continue to take further steps to strengthen our reporting in line with global best practice. Building on our GRI, SASB and TCFD disclosure indices that we introduced last year, we have included reporting against the JSE Sustainability Disclosure Guidance, which was published in June 2022. These indices can be found in our Sustainability and ESG Data Supplement, available online. We have retained our listing in the Top 30 FTSE/JSE Responsible Investment Index Series and we are a constituent of the FTSE4Good Index.

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 governance, social and environmental 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 GRI standards, UN Global Compact, the FTSE/JSE Responsible Investor Index assessment criteria as well as considering information relating to the pharmaceutical sector, our regulatory requirements and matters raised during engagements with our people and our external stakeholders.

Our approach to sustainability continued

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 environmental, social and governance 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.

Our sustainability materiality assessment process

Identify the sustainability issues

Identification of numerous sustainability issues relevant to Aspen by performing an external and internal context assessment using several source references. These included:

- Desktop-based research on key sustainability issues including sustainability reporting frameworks (such as GRI; SASB and TCFD); global body frameworks (such as the UN Global Compact and SDGs); regulator reporting requirements; ESG rating agency questionnaires; global market and industry-specific trends;
- Assessment of industry leaders and peers;
- Media scans and reputational risk research;
- Interviews with executives, functional heads and subject matter experts across the Group; and
- Analysis of key risks and sustainability issues identified in risk registers, stakeholder engagement reports and other key business documents.

Consolidate and categorise

The list of sustainability issues was consolidated into defined sustainability topics and categorised into four sustainability pillars:

- Patients
- Our People
- Society
- Environment

Prioritise and validate

The identified sustainability topics were then prioritised based on the level of importance to our stakeholders and the impact of the issues from a financial, operational and/or reputational perspective on our business. This was achieved through engaging with the Board, Group executives and business leaders across the Group through a survey and interviews. The final sustainability materiality matrix was approved by the Group Executive Committee and reviewed by the Social & Ethics Committee and Audit & Risk Committee.

Increasing importance to stakeholders

		Climate change and GHG emissions Data privacy and information security Economic value generated and distributed Labour rights	Access to medicines Compliance Corporate governance Ethical business culture Health security Human rights Patient safety Reliable supply of quality products
Air emissions (other than GHG)		Employee health and safety Employee well-being Energy efficiency Fair compensation Fair taxation Responsible marketing Responsible product portfolio SED and investment in communities Transformation and economic inclusion (B-BBEE in South Africa) Waste Water and effluent	Diversity, equity and inclusion Responsible advocacy and lobbying Responsible supply chain management Workforce development
Biodiversity and abundance	Health system strengthening Pharmaceuticals in the environment Product environmental stewardship		
Clinical trial conduct			

Increasing impact on Aspen

Sustainability themes

Patients Society Environment Our People

Our approach to sustainability continued

Patients

Strategic objectives **Capitals**

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

Material topics
Access to medicines (page 77)
Health security (page 77)
Patient safety (page 79)
Reliable supply of quality products (page 80)
Responsible advocacy and lobbying (page 79)
Responsible marketing (page 79)
Responsible product portfolio (page 78)

Our People

Strategic objective **Capital**

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.

Material topics
Diversity, equity and inclusion (page 84)
Employee health and safety (page 86)
Employee well-being (page 86)
Fair compensation (page 86)
Labour rights (page 83)
Workforce development (page 83)

Our sustainability pillars

We group our sustainability commitments into four key pillars

Society

Strategic objectives **Capitals**

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.

Material topics
Human rights (page 92)
Ethical business culture (page 90)
Compliance (page 90)
Corporate governance (page 90)
Transformation and economic inclusion (B-BBEE in South Africa) (page 94)
SED and investment in communities (page 92)
Economic value generated and distributed (page 95)
Fair taxation (page 96)
Responsible supply chain management (page 92)
Data privacy and information security (page 91)

Environment

Strategic objective **Capital**

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.

Material topics
Climate change and greenhouse gas emissions (page 99)
Energy efficiency (page 100)
Water and effluent (page 100)
Waste (page 100)

Our external operating context

We operate in a highly regulated industry across multiple geographies. This complex and dynamic environment presents us with opportunities to increase our value contributed through an innovative and agile strategic approach, coupled with effective risk management.

We identify our emerging threats and opportunities based on an ongoing assessment of those global trends likely to have a material bearing on the Group's operating environment and business model. Early identification of these trends enables us to leverage opportunities or to proactively mitigate the possible resultant negative impacts.

Summary of trends
(presented in no particular order)

- Access to healthcare and changing patient needs
- Continued economic pressure
- Climate change effects
- Future of work impacting workforce management
- Rapid digitalisation
- Pharmaceutical industry trends

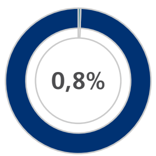
Trends	Key factors	Our response
Access to healthcare and changing patient needs		

8,5 billion
projected world population by **2030**, ~**9,7 billion** by **2050** and peaking at ~**10,4 billion** by **2080**

Source: United Nations, July 2022

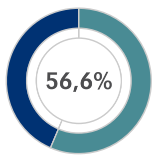
COVID–19 vaccine inequity

High income countries have to increase their healthcare spending by



on average to cover cost of vaccinating 70% of the population.

Low income countries have to increase their healthcare spending by



on average to cover cost of vaccinating 70% of the population.

Source: United Nations Development Programme, September 2022

Key factors

- Demographic shifts
- Developing countries have dramatically lower access to medicine
- Economic pressures
- Improved life expectancy
- Ineffective and/or inefficient healthcare systems
- Inequitable access to medicines
- Patients prioritising essentials
- Population growth
- Rise in non-communicable diseases
- Supply chain disruptions
- Increased focus on health security

Our response

Access to healthcare is one of the biggest challenges facing society. Our contribution, as a manufacturer and distributor of pharmaceuticals, is to endeavour to ensure there is an available supply of our high quality, affordable medicines which are accessible to patients who need them while ensuring the ongoing sustainability of our business.

Our product portfolio is comprised mainly of established, post-patent medicines and generics. We have made significant investments to not only meet modern regulatory requirements, but also to meet the changing needs of patients and provide value-for-money alternatives to new more expensive innovative medicines. Our products are competitively priced and have demonstrated clinical value.

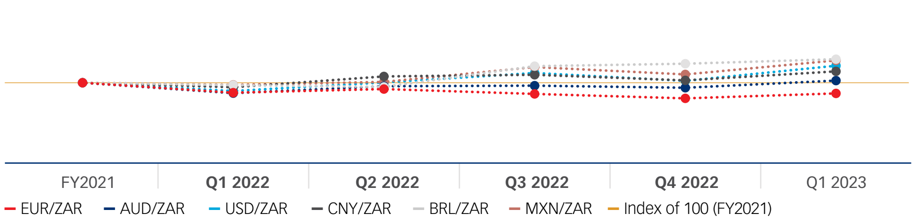
We have continued to invest in our manufacturing capacity and have expanded our capability in manufacturing niche products, including APIs and sterile FDF manufacturing. This includes adapting and enhancing our existing sterile manufacturing facilities to facilitate vaccine and other biological production. Following our production of over 225 million doses of COVID-19 vaccines for use on the African continent, we have concluded a collaboration agreement with Serum Institute to manufacture and make available certain vaccines to Africa. Our manufacturing facilities in Africa are positioned to support a solution of resolving Africa's dependency on pharmaceutical imports.

Our external operating context continued

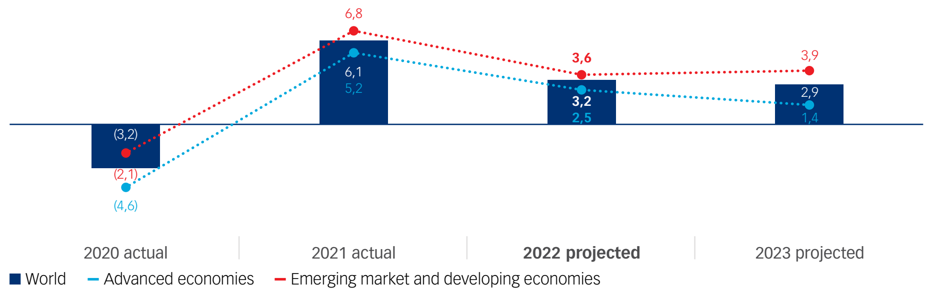
Trends	Key factors	Our response

Continued economic pressure

Average exchange rates for top six currencies by revenue contribution indexed to 100 (FY2021 = 100)



World economic outlook growth projections (growth rate)



Source: IMF World Economic Outlook Update, July 2022

Global inflation is forecast to reach

7,9%

in **2022**, and towards **5,0%** in **2023**, compared with **2001 – 2019 average** annual global inflation of **3,8%**

Source: Euromonitor, Quarter 2 2022

- Energy crisis affecting many regions
- Exchange rate volatility
- Increased pressure on healthcare systems
- Inflationary pressures
- Patients prioritising essentials
- Socio-political conflict
- Growing inequality in several countries

While the pharmaceutical industry is fairly defensive, our diverse product portfolios comprise a number of essential and critical medicines which further reduce the impact of economic downturns on demand for our medicines. While we observe the inflationary effects, we have implemented strong cost management controls and our products are competitively priced, demonstrating clinical value. Also refer to the Group Chief Financial Officer's review on page 54.

We have an adaptable distribution network supplying medicines to more than 115 countries and territories, reducing our exposure to market risks in any one country or risk to one currency. This is enabled by an effective supply chain model, supported by in-country distribution aimed at maximising the reliable supply to many geographies. We also hold a diversified portfolio of products from niche medicines to Anaesthetics, Thrombosis therapies, over the counter ("OTC"), consumer, branded and generic prescription products.

We continuously manage our net borrowings to ensure an optimal level of borrowings and manage the tenor and mix of our indebtedness to minimise the exposure to volatility against any one of the major currencies.

Our external operating context continued

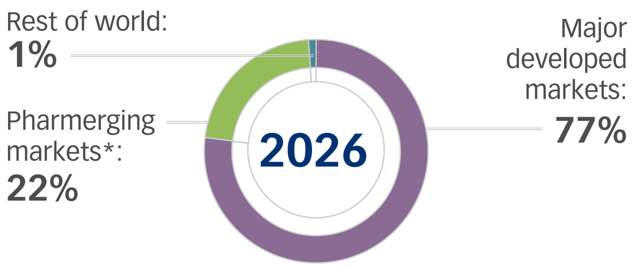
Trends	Key factors	Our response
Climate change effects		
50% chance of average global temperature temporarily reaching **1,5°C** global warming threshold in next five years *Source: World Meteorological Organization, May 2022*	Climate change impacts (including the effects on human health and disease profile changes) Ecological changes Increased stakeholder focus on sustainable development and ESG Natural disasters Urbanisation	Responsible corporate citizenship and sustainability objectives underpin our strategy. We are in the process of developing a Sustainability and ESG strategy while re-evaluating our response to climate change risk. Our investment in our products ensures that they remain relevant and offer value to our patients. Disaster recovery and continuity plans have been developed and will be invoked should a catastrophe impact our ability to supply medicines.
Future of work impacting workforce management		
72% of employees consider work-life balance to be very important when looking for a new job *Source: Ergonomic Trends , July 2022*	Employees re-evaluating priorities Increased desire for work-life balance and flexibility Scarcity in high demand skills High recruitment and training costs	We have several ongoing organisational projects designed to position the Group to meet the dynamic environment. These include reviews of our operating models, structures and human resource management to design an organisation that is fit for purpose.
Rapid digitalisation		
38% of patients received virtual care during **2022** *Source: mHealth Intelligence, July 2022*	Increased cyberattacks Digitalisation of business processes Tele-medicine and digital medical tracking solutions Remote virtual care Viral false news	We are making significant investments in our digital resources and platforms to provide agile, world-class operating environments across our businesses. We continually advance our digital strategy, observe developments in this ever-evolving landscape and are flexible in our responses. A particular area of focus has been to strengthen the Group's cybersecurity posture.

Our external operating context continued

Trends	Key factors	Our response

Pharmaceutical industry trends

Predicted market share by 2026



* *IQVIA defines pharmerging markets as those with per capital income below USD30 000 and a five-year aggregate pharmaceutical growth over USD1 billion.*

Source: Global Medicine Spending and Usage Trends, Outlook to 2026, IQVIA Institute, April 2022

5,2%
forecast CAGR of global pharmaceutical sales to **2027**

Source: Statista, August 2022

Key factors

- Consumer shifts
- Diagnosis of autoimmune disorders on the rise
- Medicine pricing pressures
- Slow growth as health systems gradually recover from COVID-19 impacts
- Value of medicines under increased scrutiny by patients, governments and other funders of healthcare

Our response

We understand that high ethical standards, strong corporate governance and a stakeholder-inclusive approach are essential to maintaining our reputation and successfully navigating the complex, dynamic and uncertain global environment in which we operate. A key issue for the pharmaceutical industry is to retain the trust of its stakeholders, including governments, regulators, patients and society at large. Through our various engagements with these stakeholders, we seek to improve on the credibility and rapport we have already established and look to find innovative solutions to the legitimate concerns they may raise with us. Refer to Engaging with our stakeholders on page 42.

Through our investment in manufacturing capabilities and capacity, we have increased manufacturing volumes and achieved optimisation of our operating model as well as focus on manufacturing efficiencies to provide for enhanced synergies, thereby unlocking value creation in the restrictive price environment. Pricing decisions are overseen by the Group's Pricing Committee, established to ensure an appropriate balance of responsible pricing and business sustainability.

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	Material matters engaged on since the previous report	Reference to value created for stakeholder
• High quality, affordable medicines • Patient safety and pharmacovigilance • Consistent, reliable and on-time supply of products • Continued manufacturing capacity and ability to supply critical medicines • Impact of product recalls and/or any quality and/or efficacy concerns which may arise	• Ensuring continued supply of critical medicines, considering ongoing lockdown measures and resultant sourcing and distribution challenges • Product recalls and pharmacovigilance engagements • Supply shortages in respect of certain of our products • Explaining the benefits of products in the Aspen portfolio • Detailing of patient benefits from new product launches	See page 25 See page 76

How we engage

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

Capitals	Relationship indicator
	◉◉◉◉

Engaging with our stakeholders continued

Governments, competition authorities and pharmaceutical regulatory bodies

Aspen considerations

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

Stakeholder interests

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

Material matters engaged on since the previous report

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

Reference to value created for stakeholder

See page 25
See page 76
See page 89

How we engage

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

Capitals

Relationship indicator

Employees and organised labour organisations

Aspen considerations

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

Stakeholder interests

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

Material matters engaged on since the previous report

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

Reference to value created for stakeholder

See page 25
See page 81

How we engage

- Involvement in government programmes aimed at creating jobs and uplifting disadvantaged communities
- Direct engagements by supervisors and business management
- Internal communication measures such as the Group intranet, announcements and digital posts
- Conferences
- Digital and in-person town hall meetings for businesses and the Group
- Onboarding and internal training
- Employee surveys
- Meetings and other interactions with works councils, trade unions, and trade union representatives
- Employee wellness campaigns
- Exit and stay interviews
- Active encouragement of employees to participate in Nelson Mandela International Day ("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	Material matters engaged on since the previous report	Reference to value created for stakeholder
• Fair engagement terms and timely settlement • Ongoing communication about our expectations and service levels provided • Fair tender and selection processes	• Supply chain constraints mainly due to ongoing COVID-19 complications • Suppliers' ability to ensure continuity of supply and impact on Aspen's own ability to ensure continued supply • Negotiation of contract terms and extensions	See page 25 See page 89

How we engage

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

Capitals	Relationship indicator

Investors and funders

Aspen considerations

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

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
• Strategy and business model • Growth in revenue, EBITDA and return on invested capital • Appropriate management of capital expenditure, working capital and expenses • Capital allocation • Gearing, solvency and liquidity • Returns to shareholders • Security over assets, ethical stewardship of investments and good corporate governance • Implementation of business continuity measures • Fair executive remuneration and incentivisation • Aspen's standing in terms of ESG	• Strategic review and prospects • Manufacturing capacity and how this positions Aspen to manufacture sterile and biological products • Impact of trading environment on operational performance and progress against guidance • Ongoing mitigation of funding and gearing risks • Enhancing shareholder value through recommencement of dividends in FY2021, dividend declaration in FY2022 and initiatives like share buy-backs • Key terms of material transactions and the rationale for undertaking these • Fair remuneration outcomes, with a focus on the fixed and variable incentives of executives and performance measurement in respect of these incentives • Engagements on ESG aspects, including carbon emissions and related disclosures • Product pipeline and development • Group senior executive succession planning	See page 25 See page 54 See page 35

How we engage

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

Capitals	Relationship indicator

Engaging with our stakeholders continued

Communities in which we operate

Aspen considerations

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

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
• 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	• Assistance to relief efforts in Ukraine and the repatriation of South African students stranded in Ukraine • Funding of tertiary students in South Africa to allow them to complete studies in chosen fields such as engineering, pharmacy and commerce • Procurement from local suppliers and service providers • Systematic reduction of the environmental risk posed by our manufacturing operations • Supporting education/training for HCPs in local communities • Initiatives to assist in building healthcare infrastructure • COVID-19 specific assistance in response to community requests	See page 25 See page 89 See page 98

How we engage

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

Capitals	Relationship indicator
	●●●●

Material contract manufacturing customers

Aspen considerations

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

Stakeholder interests	Material matters engaged on since the previous report	Reference to value created for stakeholder
• Aspen's ability to ensure continuity of supply of the products we have been contracted to produce • Aspen's application of quality management systems and GMP, including aspects such as sourcing, employment, environmental and safety practices • Aspen's standing in terms of ESG matters and its reputation as a good corporate citizen • Maintenance of regulatory approvals in respect of manufacturing sites used for third-party manufacturing	• Ensuring continuity of contracted manufacturing supply and the resolution of supply constraints, many of which were brought about due to the ongoing impact of COVID-19 • Partnership with Johnson & Johnson to manufacture COVID-19 vaccine at Aspen's Gqeberha site • Negotiations on new contracts and extension to existing contracts	See page 25 See page 76

How we engage

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

Capitals	Relationship indicator
	●●●●

Our risks and opportunities

Risks are inherent to our business. Our operating environment is complex, highly regulated and uncertain. Identifying, analysing and responding appropriately to these business risks is vital to us attaining our strategic objectives, protecting the interests of stakeholders and meeting legal requirements. Our success depends not only on our ability to minimise downside impacts, but also on our ability to capitalise on the potential opportunities for value creation presented in an uncertain future.

An integrated approach to risk management

The identification and management of risks are processes central to achieving our strategic objectives. These processes protect us against potential negative impacts, enables us to take risk for strategic reward and improve our resilience against emerging risks. To this end, we have an integrated approach to risk management, giving due consideration to economic, environmental and social factors which impact Aspen and our stakeholders. Both the opportunities and threats underlying each identified risk are considered to ensure a balanced outcome between risk and reward for the sustainability of the Group as a whole.

Risk management activities occur at all levels in the organisation. We strive to embed sound risk management in our strategy, planning, budgeting and performance management processes. Senior executives are accountable for performing effective risk management within their areas of responsibility and for promoting a culture of risk awareness throughout the organisation. The Group Risk Management Policy and the Risk Management Framework provide structure for these activities to be embedded into our key decision-making processes and day-to-day activities which achieves alignment with the Group's risk appetite and tolerance levels. On a quarterly basis, the Group Risk function coordinates the completion and consolidation of risk assessments across the Group and undertakes activities to identify new emerging risks and opportunities. We consider opportunities identified which demonstrate the value that our initiatives and strategies could yield to the growth and sustainability of the Group. Our value creation process (page 25), business model (page 26) and business strategy (page 30) elaborate on how we leverage opportunities to ultimately create value. The Group's different risk profiles are discussed and reviewed regularly by the Executive Risk Forum (comprising senior Group Executives) and are assimilated into a Group Risk Report for consideration by the Audit & Risk Committee and the Board.

Risk governance

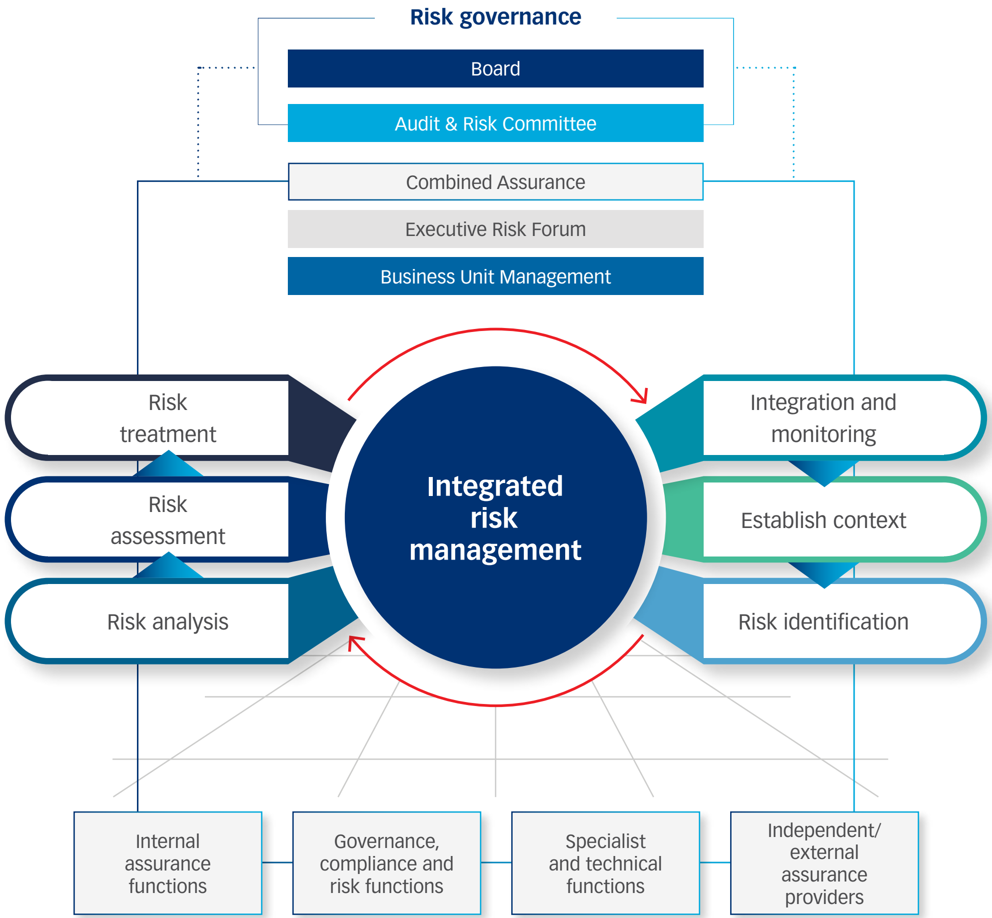
The Board is ultimately responsible for the Group's approach to risk management and internal controls. It defines the Group's risk appetite, enabling the Group to determine the level of risk it is prepared to take in achieving the Group's strategic objectives. It has delegated oversight of the implementation of risk management to the Audit & Risk Committee. The Audit & Risk Committee reviews the material risks facing the Group and obtains assurance of the effectiveness of the risk management process and risk responses through the implementation of a combined assurance approach.

Risk landscape

Two years since the onset of the COVID-19 pandemic creating uncertainty and challenges for people and companies across the globe, our business model has proven to be resilient and enabled us to contribute towards the global management of this and other diseases by supplying vaccines and critical medicines used in the treatment of patients.

During this financial year, our resilience continued to be tested as we faced disruption associated with the Russia/Ukraine conflict and the contagion effect on energy and inflation. During this challenging time, our priority has been to minimise impacts on patients who rely on our products and safeguard our impacted employees. While we continue to be exposed to significant uncertainty, including COVID-19 related impacts, macro-economic volatility and logistical constraints, we have embedded the management of these impacts into our risk management approach and have appropriately adapted our responses. Emerging risks are monitored by executives, under the direction of the Board (also refer to "Our external operating context" on page 38).

The key risks and opportunities that could have a material impact on our ability to achieve our strategic objectives and create value are outlined in the table overleaf.



Our risks and opportunities continued

Summary of key risks and opportunities

(presented in alphabetical order)

Risk

- A Attraction, development, well-being and retention of skills
- B Continuity of supply
- C Delivery of pipeline and new products
- D Digital transformation and information security
- E Environmental sustainability, including climate action
- F Ethical conduct and stakeholder relationships
- G Execution of our business strategies
- H External macro factors
- I Legislation, regulation and compliance
- J Patient safety and product quality
- K Realising expected benefits from acquisitions and divestments

Attraction, development, well-being and retention of skills

Risk context

We need a diverse, skilled and committed pool of talented employees to execute the Group's strategy in an increasingly complex environment. There is strong competition for the best talent, especially in certain technical and/or specialist fields within the regions in which we operate. Increased flexibility and new ways of working are key value drivers in attracting top talent. Employee engagement and retention can be impacted by organisational change and the resultant uncertainty. Health and safety of our personnel is a key priority, which is supported by compliance with health and safety laws, as well as the alignment of our systems, processes and procedures with in-territory regulations.

Opportunity for value creation

Through the development of a compelling employee value proposition, the Group seeks to position itself as an employer of choice in the competitive landscape. Maintaining a safe and healthy working environment further enables a motivated and productive workforce with a high-performance culture, innovation and alignment to strategic goals.

Our response

Talent management is a key focus area in our human capital strategy and initiatives are being introduced to enhance the definition and understanding of our talent supply and demand requirements. Targeted programmes have been implemented to increase diversity and gender representation, strategically accelerate development of high potential employees and increase employee succession pool through focused skills development and enhanced behavioural awareness programmes. Various support programmes and initiatives are available within the business to nurture employee well-being. Change management initiatives are implemented in business units impacted by organisational changes. Our health and safety management systems are aligned to global standards and performance is monitored through the Social & Ethics Committee.

Strategic objectives	Capital	Risk trend
		↑

Our risks and opportunities continued

Continuity of supply

Risk context

Our end-to-end value chains may be impacted by unplanned external interruptions, including unavailability of essential raw materials, utilities, manufacturing components and services, or closure of our manufacturing sites as a result of natural disasters, civil unrest, regulatory interventions, fire and pandemics. The technical and regulated nature of the manufacturing and supply of pharmaceuticals has an inherent heightened risk of quality failures, which may result in batch rejection or product recalls (refer to Patient safety and product quality risk page 52). We have a key reliance on certain specialised raw material suppliers and third-party manufacturers to provide products within specification and required time frames. We continue to be engaged in multiple projects to transfer certain products to new manufacturing lines. These technical transfers achieve more cost-effective and/or reliable manufacturing, but can pose execution risk. Also refer to Our external operating context on page 38.

Opportunity for value creation

We strive to maintain a reliable supply of medicines to our customers and to the patients who depend on them. Our ability to effectively manage the risks within our complex supply chain and to effectively respond when disruptions do occur, is a key value driver which supports our reputation as a responsible and reliable pharmaceutical company. Consistent availability of supply also allows us to take advantage of supply disruptions which may be experienced in respect of other products. More cost-effective manufacturing will also allow for greater affordability, increasing access to medicines.

Our response

We build strong long-term relationships with API suppliers and third-party manufacturers to ensure continuity and security of supply. Where appropriate, we manufacture our own API. Our strategy to invest in our sterile manufacturing capability to in-source the manufacturing of Anaesthetics further increases our ability to manage our supply chain. Skilled and experienced teams are involved in technical transfer projects and there is oversight by the Group operations division to ensure progress is monitored and required milestones are achieved. Safety stock of raw materials and finished product is generally held to provide a buffer in the event of supply disruption. We are continually strengthening our systems and processes, as well as our business continuity plans, to allow for a coordinated response to supply disruptions. Appropriate insurance coverage is held for high-impact events.

Strategic objectives	Capital	Risk trend
		↔

Delivery of pipeline and new products

Risk context

The identification, development and commercialisation of new products is both time-consuming and costly, involving a high degree of business risk. A project may fail or be delayed at any stage of the process due to several factors. As a result of the lengthy time frames associated with new product development projects, the assumptions made at the initiation of these projects could change, impacting the planned return on investment. New products may not be accepted by the health regulator, may not perform as expected or may face greater-than-anticipated competition. Timing of new product launches is dependent on the speed of processing the necessary registrations by the regulatory authorities in each country.

Opportunity for value creation

Successfully launched products from the pipeline represent opportunities to expand access to treatment options for healthcare providers and patients. A healthy pipeline is a key driver in our sustainable growth strategy, representing opportunities to leverage our investment in IP and manufacturing capability.

Our response

Our product portfolio management strategy focuses on the identification of opportunities that align with our business strategy. This leverages our intellectual and manufacturing advantage and aligns with the local market conditions in a broad geographic footprint. Through the implementation of product development lifecycle management, our regional business and Group product portfolio development teams continuously review and refine our pipeline, increasing the focus on molecules with confirmed commercial feasibility and enhanced value creation potential.

Strategic objectives	Capitals	Risk trend
		↔

Our risks and opportunities continued

Digital transformation and information security

Risk context

Digital technologies continue to revolutionise the way companies conduct business and operate. Keeping pace with the speed of digital transformation is imperative to remaining competitive and relevant, while keeping employees abreast of digital developments (refer to Attraction, development, well-being and retention of skills risk page 47). Patients and HCPs are increasingly becoming accustomed to the convenience of digital and remote healthcare. This requires pharmaceutical companies to adopt innovative technologies to engage with their stakeholders (also refer to Our external operating context on page 38). This also requires the adoption of an agile digital strategy, enabled by an investment in IT infrastructure, systems and capabilities. Large-scale IT projects are exposed to implementation risk. With the growing incidents of cyberattacks, there is an increasing need to ensure secure and reliable IT systems and infrastructure as well as the careful management of the information that is in our possession to ensure data privacy. Failure to adequately protect critical and sensitive systems and information may affect our ongoing business operations, resulting in the loss of commercial or strategic advantage or in breach of data privacy regulations.

Opportunity for value creation

Digital technologies are an enabler in driving our strategic objectives forward and supporting sustainable operations. Increased digitalisation provides opportunities for efficiency gains, development of employees' digital skills, improved collaboration internally and with our key partners, as well as for information-driven decision-making.

Our response

Our digital transformation has received increased focus, with an emphasis being placed on foundational areas that will position us for growth and optimisation, including governance, cybersecurity and risk management. We have continued to make a considerable investment in modernising our ERP, regulatory and compliance systems and manufacturing execution systems, while digital platforms are being increasingly used to enhance communication and collaboration with our various stakeholders. Our data privacy policies ensure that we collect, transfer and store electronic and hard copy personal data appropriately. The Audit & Risk Committee provides oversight of I&T.

Strategic objectives	Capital	Risk trend
		↑

Environmental sustainability, including climate action

Risk context

Our operations are reliant on the consumption of scarce natural resources and result in negative impacts on the environment such as carbon emissions and waste. Inherent to our industry is an elevated risk of environmental contamination. There is an increasing global focus from regulators, investors, HCPs, customers and the broader society for companies to implement measures needed to transition to a low-carbon economy. These transitional risks could include changes in regulations in countries or territories in which we operate, including mechanisms implemented by governments to accelerate climate action, such as carbon taxes. Our customers and business partners may place an increasing weight on our environmental sustainability performance, and that of our value chain, in their purchasing decisions. Physical impacts from climate change could pose business continuity threats to our own operations and across the entire value chain.

Opportunity for value creation

Addressing the risks relating to environmental sustainability and our environmental impact creates opportunities to reduce our carbon footprint while achieving increased efficiencies in using scarce natural resources. It also builds resilience against physical impacts. Contributing to the broader issue of environmental stewardship creates the opportunity to further support our commitment to being a responsible corporate citizen and contributing towards healthier communities

Our response

We have implemented the Group's safety, health and environment ("SHE") programme and embarked on a process to better understand the potential impact of climate change on our business. We are committed to developing a climate action plan with related targets. We are equally committed to reducing our waste generation and water consumption. This will build on the environmental and resource efficiency initiatives that we have already implemented to reduce our reliance on scarce resources and our impact on the environment. We support the Taskforce on Climate-related Financial Disclosures and aim to develop our disclosures in line with its recommendations (refer to page 101).

Strategic objective	Capitals	Risk trend
		↑

Our risks and opportunities continued

Ethical conduct and stakeholder relationships

Risk context

We understand that to be successful, we must conduct our operations ethically and in a manner which meets the expectations of our stakeholders. Poor ethical behaviour or a failure to subscribe to our values and our Code of Conduct could result in the loss of confidence by stakeholders and reputational damage.

Opportunity for value creation

Maintaining a corporate culture which is underpinned by ethical conduct is fundamental to building trust with our various stakeholders and enhancing our corporate reputation.

Our response

We have a zero-tolerance approach to unethical behaviour. Our Code of Conduct is a values-based code aimed at governing the conduct of our employees. Employee understanding of our Code of Conduct is reviewed on an annual basis. A formalised ethics management programme has been implemented and the effectiveness of this programme is overseen by the Social & Ethics Committee. Our approach to stakeholder relationship management entails identifying and engaging transparently on issues that may impact our commitment to practising good corporate citizenship.

Strategic objectives	Capital	Risk trend
		↔

Execution of our business strategies

Risk context

There are several risks that could impact the development and execution of our business strategies. Increased competition, the global challenge of affordable healthcare, fluctuations in demand due to pandemics, changes in healthcare policies, the introduction of new pricing policies and programmes, legislated pricing cuts, volatile market environments, commercial team performance and availability of supply are just some of the factors that could impact the achievement of expected performance. If the execution of our business strategies does not succeed as anticipated, increased pressure is placed on financial sustainability. Sustained deterioration in the commercial performance of specific products may result in an impairment in IP, while underutilised manufacturing capacity could negatively impact returns on invested capital. Also refer to Our external operating context on page 38.

Opportunity for value creation

The ability to achieve our business performance expectations underpins the strategy of the Group to create sustainable long-term value for all our stakeholders. Through implementing responsible pricing strategies, we aim to achieve the appropriate balance between making our products affordable, while achieving reasonable returns on investments made. We have proven manufacturing capability and continue to expand our capacities, creating access and sustainability collaboration opportunities for multinationals.

Our response

We continue to reshape our product portfolio to achieve an appropriately balanced and diversified basket of Sterile Focus and Regional Brands, with a focus on niche specialty brands where we perceive opportunities to be better. We continually invest in our commercial team structures, manufacturing capabilities, processes and skills as well as seek mutually beneficial collaboration arrangements to source sustainable third-party volumes. Through actively engaging with regulatory authorities and other key stakeholders, each country or territory can monitor and adjust their approach to manage pricing pressures. Our strategy to transfer the production of certain products into our own facilities is expected to deliver margin benefit, increased competitiveness and improved security of supply. We focus on achieving efficiencies, cost reductions and synergies in this challenging and regulated pricing environment. We are actively engaged with a number of potential business partners regarding opportunities to productively utilise the additional manufacturing capacity we have and are building.

Strategic objectives	Capitals	Risk trend
		↔

Our risks and opportunities continued

External macro factors

Risk context

We are a multinational Group and therefore exposed to various geopolitical, social and economic risks that may potentially impact our operations. These risks are complex and constantly evolving, creating an uncertain environment in which to do business. While many territories present opportunities, these macro factors can hinder growth and include but are not limited to policy uncertainty, restrictions on access to funds, currency volatility, rising interest rates, social unrest and increased inflationary effects. Also refer to Our external operating context on page 38.

Opportunity for value creation

The ability to effectively navigate the dynamic and uncertain market environments creates opportunity to achieve growth, enhanced returns and further diversification.

Our response

Our diverse geographical footprint provides partial mitigation to localised macro factors. We continuously monitor socio-economic trends and geopolitical events in countries where we operate. Strategic responses are implemented where required, including strict management of our operating expenses.

Strategic objectives	Capitals	Risk trend
		↔

Legislation, regulation and compliance

Risk context

The pharmaceutical industry is subject to intricate, costly and evolving regulations governing the approval, manufacturing, labelling, marketing and sale of pharmaceutical products. These regulations vary by region and country or territory and are rigorously monitored and enforced. All other aspects of our business are subject to extensive legislation and regulation, which increases in complexity due to the multinational nature of our business operations. Changes in these laws and regulations can significantly impact our operations or increase the risk of non-compliance.

Opportunity for value creation

Maintaining compliance and being well-informed with relevant laws, regulations and standards forms an essential part of our licence to operate and is fundamental to our commitment to being a responsible corporate citizen.

Our response

Our business behaviour is strengthened by our ethical drive and a commitment to comply with our legislative compliance management processes. A robust regulatory and compliance management framework is in place across the Group's operations. Legislative and regulatory developments are monitored on an ongoing basis. Internal communication and training on the ethics standards expected from each employee is performed while the key regulatory and compliance requirements are assessed on a regular basis. Legal and regulatory compliance is monitored by Group executives and the Board.

Strategic objectives	Capitals	Risk trend
		↔

Our risks and opportunities continued

Patient safety and product quality

Risk context

Our products, most of which are prescription medicines, are used by a multitude of patients in a vast number of countries. We have the responsibility to implement appropriate pharmacovigilance procedures and systems to identify, investigate and resolve any potential safety concern relating to these products. The quality requirements for pharmaceuticals are rigorous across the entire supply chain and include standards that are applicable to suppliers, manufacturing and distribution. The intricate technical manufacturing processes associated with our products increase the inherent risk of quality deviations and batch rejection.

Opportunity for value creation

Our overriding responsibility is to the patients who use our products, the HCPs who prescribe them and the regulators who protect public health. Our ability to provide a reliable supply of high quality, affordable medicines, and effectively respond to safety or quality incidents as and when they occur, underpins the trust these stakeholders have in the Aspen brand.

Our response

Our Group Pharmacovigilance function, supported by local business units globally, is responsible for monitoring and managing the safety of all our products throughout the product lifecycle using robust systems and processes to monitor manufacturing quality standards, compliance with current GMP and other regulatory requirements. Our Quality Assurance department conducts audits to support the achievement of our high quality standards. Our responsibility to our patients and consumers is monitored by the Social & Ethics Committee. The Group holds the appropriate product liability insurance.

Strategic objectives	Capitals	Risk trend
		↔

Realising expected benefits from acquisitions and divestments

Risk context

An integral component of our strategy is achieved through acquisition, licensing, collaboration and divestment transactions. The risk in respect of acquisitions is that the Group may fail to identify suitable acquisition opportunities or realise the expected benefits of the acquisitions, or may incur unexpected risks and obligations because of the transaction. The success of the Group's acquisition strategy is dependent, among other things, on the successful incorporation of the technologies, products and businesses it acquires, and their subsequent successful incorporation and growth. The Group may decide to dispose of assets that are no longer deemed core. When disposing of assets, the Group may not be able to complete the disposal on acceptable terms and may be required to give guarantees and warranties, or may expose itself to claims from purchasers, as well as creditors of the transferred business.

Opportunity for value creation

Through successful portfolio management, we are able to meet the medical needs of patients, build focused therapeutic portfolios, achieve a desired geographical footprint and leverage our manufacturing and supply chain capabilities. Acquisition and disposal transactions are key to our Portfolio Management Model to provide the opportunity to accelerate strategy and to achieve accretive growth in the overall economic value of the Group as well as to reshape and renew our product offering in response to changes in our operating environment.

Our response

We perform extensive due diligence to strategically identify, value and execute transactions. External specialists are involved where required. Transactions are negotiated by experienced and highly skilled professionals. We have an established approvals framework and proposed transactions are critically reviewed by executive management, and where required, approved by the Board. We have dedicated integration teams to execute defined transition agreements to ensure a successful transfer of processes and product distribution. Post-acquisition performance is monitored closely to ensure integration and delivery on business plans.

Strategic objective	Capitals	Risk trend
		↔

Our performance

In this section:

Group Chief Financial Officer's review

Sean Capazorio
Group Chief Financial Officer

Key features of 2022

Double-digit organic growth in normalised EBITDA

Normalised EBITDA increased 11% (+13% CER) to R11,0 billion largely due to the leverage provided by lower operating expenses.

Solid earnings growth

NHEPS, at the highest level ever, increased 24% (+26% CER) to 1 627,6 cents, bolstered by reduced net financing costs.

Leverage ratio comfortably below target levels

Net borrowings of R16,1 billion at the lowest level in five years, creating significant headroom and providing capacity for value enhancing investments.

Increased dividend declared as well as share buy-back

Dividends of 326,0 cents (gross) per ordinary share declared, up 24% from 262,0 cents per share in the prior year. Share buy-back of R1,8 billion equating to 2,2% of issued shares.

Purpose-driven growth

In this my first report since being appointed to the position of Group Chief Financial Officer, I am pleased to be able to present a strong set of results for the year ended 30 June 2022, despite the challenging trading environment. These results are testament to the ongoing efforts of our employees across Aspen, who are dedicated to maintaining a reliable supply of our high quality medicines and products to patients globally. Supported by robust financial discipline, the Aspen business model has proven to be resilient against the unprecedented challenges presented during the COVID-19 pandemic period, followed by further business and economic impacts in the wake of the Russia/Ukraine conflict. As a global pharmaceutical company, we play an important role in contributing to the health and well-being of people while creating economic value for our key stakeholders. While the provision of high quality, affordable medicines and products benefits patients and consumers directly, a focus on building a profitable and sustainable business model generates economic value for our varied stakeholder groups. Our activities this year have created R18 617 million in wealth, distributed to our employees (43%), the providers of capital (10%) and to the fiscus (8%), with the remainder (39%) reinvested to sustain the business (refer to page 95).

The Group has delivered double-digit organic growth in normalised EBITDA, operating profit and earnings, demonstrating the Group's resilience against the backdrop of a challenging trading environment and inflationary cost pressures. As we deliver on our strategic plan, we continue to improve our return metrics and are making good progress in delivering on our medium-term financial targets.

Group Chief Financial Officer's review continued

Financial performance highlights

Revenue increased by 2% (+5% CER) to R38,6 billion and normalised EBITDA increased 11% (+13% CER) to R11,0 billion. Commercial Pharmaceuticals revenue declined 1% (+1% CER) to R27,7 billion, reflecting the difficult trading conditions. A strong performance from Manufacturing with revenue growth of 11% (+18% CER) was boosted by the fill and finish production of the Johnson & Johnson COVID-19 vaccine. NHEPS increased by 24% (+26% CER) to 1 627,6 cents, favourably impacted by lower financing costs.

Operating cash flow was impacted as a consequence of increased inventory investment by the Manufacturing segment in key input materials to mitigate future supply constraint risks which may arise from continued global supply chain disruptions. The cash conversion rate dropped to below our targeted level of 100% to 81%. Net borrowings declined R0,3 billion to R16,1 billion. The leverage ratio of 1,91 times was well below the covenant threshold of 3,5 times and is inclusive of funding a share buy-back of R1,8 billion and dividend payments of R1,2 billion.

Our reported results are impacted by the rate of exchange prevailing during the period. The table which follows compares performance in the prior comparable period at previously reported exchange rates and then at CER. The CER results for the 12 months ended 30 June 2021 restate the performance for that period using the average exchange rates for the 12 months ended 30 June 2022. While fluctuations in exchange rates have been experienced over the reporting period, the overall strengthening of the ZAR against the majority of the currencies in which Aspen trades has had a slightly unfavourable impact on our reported results.

	2022 R'million	2021 R'million	Change %	2021 (CER) R'million	Change (CER) %
Revenue	**38 606**	37 766	2	36 724	5
Normalised EBITDA	**11 012**	9 945	11	9 767	13
NHEPS (cents)	**1 627,6**	1 309,7	24	1 296,4	26

Business segment performance

Product and geographic diversification sustain Commercial Pharmaceuticals performance while a strong performance from Manufacturing contributes to an increase in revenue

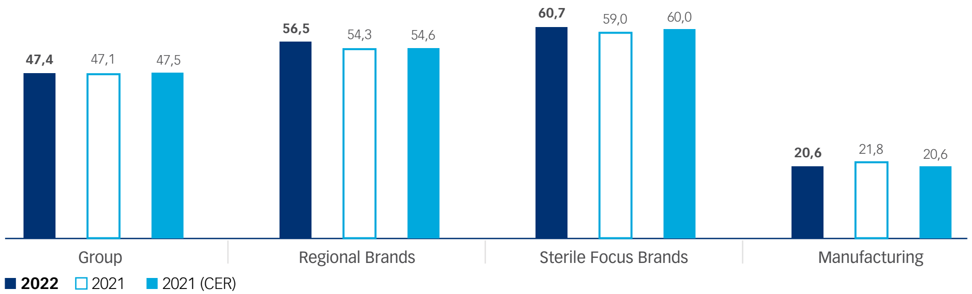
Revenue increased by 2% (+5% CER) to R38,6 billion. The revenue generated by the Commercial Pharmaceuticals business, comprising Regional Brands and Sterile Focus Brands, decreased by 1% (+1% CER) to R27,7 billion. Regional Brands delivered a sound performance, increasing revenue by 1% (+3% CER) to R17,4 billion, notwithstanding the divestment of certain products and supply constraints in Africa Middle East. The Sterile Focus Brands segment posted a decline in revenue of 4% (2% CER) to R10,3 billion, affected by challenges faced in our Chinese business, including volume-based procurement and COVID-19-related lockdowns, as well as the impact of the geopolitical situation on our businesses in Russia and Ukraine. Manufacturing delivered a strong performance, increasing revenue by 11% (+18% CER) to R10,9 billion, supported mainly by the production of the FDF Johnson & Johnson COVID-19 vaccines.

	2022 R'million	2021 R'million	Change %	2021 (CER) R'million	Change (CER) %
Commercial Pharmaceuticals	**27 658**	27 874	(1)	27 407	1
Regional Brands	**17 405**	17 183	1	16 895	3
Sterile Focus Brands	**10 253**	10 691	(4)	10 512	(2)
Manufacturing	**10 948**	9 892	11	9 317	18
API (Chemicals)	**4 737**	5 154	(8)	4 849	(2)
API (Biochemicals)	**778**	1 243	(37)	1 161	(33)
FDF	**5 433**	3 495	55	3 307	64
Group revenue	**38 606**	37 766	2	36 724	5

Improvements in gross profit offset by increase in Manufacturing revenue mix

Gross profit growth of 3% (+5% CER) slightly exceeded revenue growth with the underlying segmental margins all showing improvement. The increased contribution from the lower margin Manufacturing segment diluted the overall gross margin performance resulting in a gross profit margin of 47,4% compared to the prior year of 47,5% (CER). Commercial Pharmaceuticals achieved a 3% increase in gross profit to R16,1 billion (58,0% gross profit margin), supported by improved margins in both Regional and Sterile Focus Brands, despite the inflationary and freight cost headwinds experienced, particularly in the second half of the financial year. Manufacturing gross profit at 20,6% was consistent with the prior year (CER).

Gross profit by business segment (%)



Group Chief Financial Officer’s review continued

Reduction in operating expenses levers growth in normalised EBITDA and a higher normalised EBITDA margin percentage

Normalised EBITDA rose 11% (+13% CER) to R11,0 billion, achieved through strict management of our operating expenses. Normalised EBITDA margin increased by 2,2 percentage points to 28,5%.

	2022 R’million	% of revenue	2021 R’million	% of revenue	Change %	2021 (CER) R’million	% of revenue	Change (CER) %
Revenue	**38 606**	100,0	37 766	100,0	2	36 724	100,0	5
Gross profit*	**18 306**	47,4	17 789	47,1	3	17 462	47,5	5
Operating expenses	**(8 539)**	(22,1)	(9 124)	(24,2)	(6)	(8 931)	(24,3)	(4)
Net other operating income	**78**	0,2	237	0,6	(67)	225	0,6	(65)
Depreciation	**1 167**	3,0	1 043	2,8	12	1 011	2,8	15
Normalised EBITDA	**11 012**	28,5	9 945	26,3	11	9 767	26,6	13

* *Gross profit is after the deduction of depreciation.*

Earnings growth positively impacted by growth in EBITDA and reduction in net funding costs

Normalised headline earnings, which adjusts for specific non-trade items as set out in our accounting policies, is the primary measure management uses to assess our underlying financial performance. Normalised headline earnings of R7,4 billion was 23% (+25% CER) higher than the R6,0 billion achieved in the prior year, positively impacted by the increase in EBITDA and a further reduction in normalised net funding costs.

With the reduction in share capital following the share buy-back effected during the year, NHEPS increased by 24% (+26% CER) to 1 627,6 cents per share.

Set out below is a reconciliation of earnings per share at the basic, headline and normalised headline levels (continued operations).

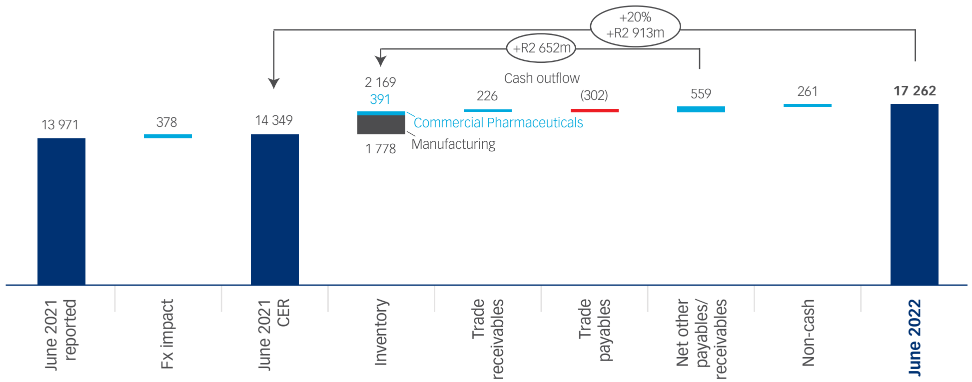
	2022 Cents	2021 Cents	Change %	2021 (CER) Cents	Change (CER) %
Basic earnings per share (EPS)	**1 432,3**	1 051,1	36	1 050,0	36
Impairment of PPE	**1,9**	29,1		28,2	
Impairment of right-of-use assets	**3,2**	—		—	
Impairment of intangible assets	**327,3**	274,8		257,6	
Impairment of goodwill	**2,4**	27,8		26,2	
Reversal of impairment of intangible assets	**(79,6)**	(90,2)		(84,2)	
Reversal of impairment of PPE	**(2,5)**	(59,5)		(55,6)	
Profit on sale of assets classified as held-for-sale	**(252,6)**	—		—	
Loss/(profit) on sale of tangible and intangible assets	**39,8**	(28,8)		(28,7)	
Insurance compensation on assets	**(11,0)**	—		—	
Headline earnings per share (HEPS)	**1 461,2**	1 204,3	21	1 193,5	22
Restructuring costs	**29,7**	63,7		62,7	
Transactions costs	**124,1**	49,2		47,2	
Product litigation costs	**16,6**	9,1		8,5	
Reversal of deferred consideration no longer payable	**(3,3)**	—		—	
Foreign exchange gain relating to transactions	**(0,7)**	(16,6)		(15,5)	—
Normalised HEPS	**1 627,6**	1 309,7	24	1 296,4	26

Group Chief Financial Officer's review continued

Strategic investment in inventory to mitigate supply risks elevates net working capital investment

A strategic investment in Manufacturing inventory to mitigate the risk of stock-outs, following global supply disruptions, and inflation risk has negatively impacted our efforts to reduce our investment in net working capital. Net working capital levels increased by +20% CER over the prior year, increasing the investment in working capital to 45% of revenue from 37% reported in the prior year. Our working capital levels are influenced by the long working capital cycle associated with our Oss API business, and excluding this business, working capital reduces to 38% of revenue compared to 31% in June 2021.

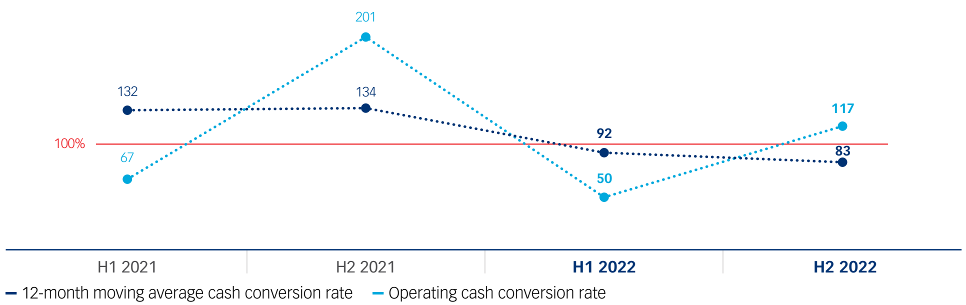
Net working capital bridge (R'million)



Operating cash flow and cash conversion rate falls below target but necessary to protect supply

Operating cash flows were negatively impacted by the increase in working capital offsetting the benefits of lower net finance costs. Cash generated from operating activities of R5,4 billion represents operating cash flow per share of 1 186,2 and an 81% conversion of headline earnings to cash.

Operating cash conversion cycle (%)



Non-current asset optimisation

Strategic investment in our manufacturing capabilities underpins our growth strategy

The capital expenditure programmes at our Gqeberha and Notre Dame de Bondeville sites for the in-house production of our Anaesthetic portfolio have continued, with the restrictions imposed by COVID-19 resulting in some unavoidable delays. We have continued to invest in the expansion of our sterile manufacturing capacity in Gqeberha to be used for vaccines and other steriles including biological products. The expansion project value of R2 billion will be spread over the financial years 2022 to 2024, with R0,5 billion being expended in the June 2022 financial year. Commercial manufacture for certain products at our Gqeberha and Bad Oldesloe sites will continue to ramp up over the next two years. We have also incurred capital expenditure in the rehabilitation of the Alphamed site in India which was damaged in a fire in June 2021. Total PPE capex for FY2022 was R2,0 billion.

Based on our approved capital expenditure projects, including the sterile expansion projects, expenditure on PPE is expected to increase to approximately R2,3 billion in FY2023 and R2,4 billion in the following year.

Acquisitions and disposals enhance our product portfolio offering

Aligned to our strategic intent to continually reshape and focus our product portfolio, two significant transactions were effected during the year. In the first, a basket of six products was sold by the South African business to Acino Pharma AG for a consideration of R1,8 billion, plus cost of the related inventory effective 1 March 2022. The second was the acquisition of 100% of ENTT by the Australian business for a consideration of R386 million. This business has a portfolio of market-leading products that treat a range of common ear, nose and throat problems, and present an opportunity to further strengthen the Australian business' product offering. After taking into account transactions relating to prior period business transactions, net proceeds on acquisition and divestment activity amounted to R371 million.

	2022 R'million
Proceeds from sale to Acino	1 800
Proceeds on disposal of intangible assets	325
Proceeds on disposal of European Thrombosis business	146
Net payment of deferred consideration in relation to prior year business acquisitions	(1 539)
Acquisition of ENTT	(361)
Net inflow from bolt-on disposals and acquisitions	**371**

Impairment to intangible assets and goodwill

We classify certain of our intangible assets as being of indefinite life. Each year, the carrying values of the intangible assets and goodwill are rigorously tested for impairment and carrying values are written down where there has been a reduction in value. Intangible assets which are no longer assessed as indefinite life are reclassified as definite life assets. This year, net impairments of intangible assets and goodwill were R1,2 billion on a total combined net book value of R58,7 billion at financial year-end.

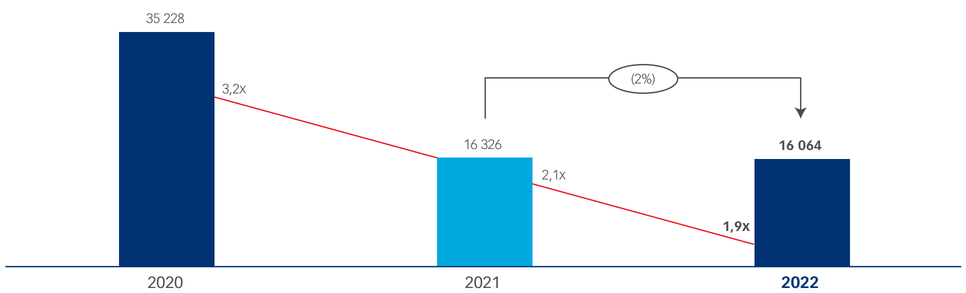
Group Chief Financial Officer's review continued

Funding and debt profile

Significant headroom on covenant leverage ratio

The cash flows from operating activities together with the net proceeds from business transactions have been substantially offset by capital outflows in respect of dividend payments, share buy-backs and capex. Further aided by favourable forex movement, the level of net borrowings has reduced R0,3 billion to R16,1 billion. The leverage ratio of 1,91 times is well within the covenant level of 3,5 times and below our internal limit of 3,0 times.

Net borrowings (R'million) **and leverage ratios** (x)*



* *Calculated based on the revised methodology per recent IFC and upcoming bank syndicate loan agreements expected to be finalised in the refinancing programme scheduled for completion in November 2022.*

Accolade

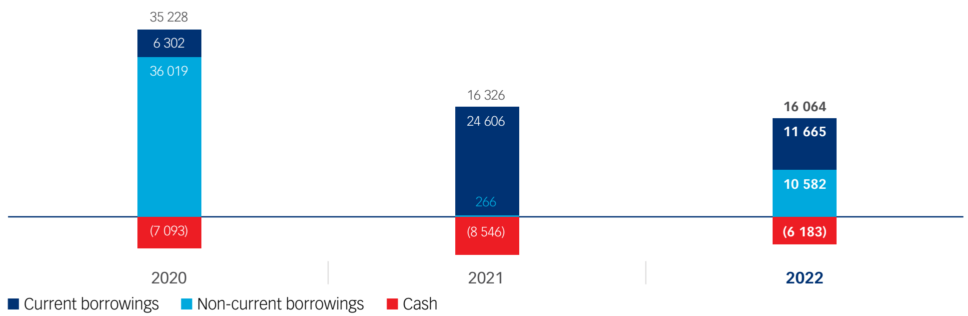
Aspen's 2021 loan from the International Finance Corporation ("IFC") (and consortium of other development finance institutions ("DFIs")) was selected by the Global Trade Review as one of their Best Deals for 2021.

Restructuring of debt maturity profile

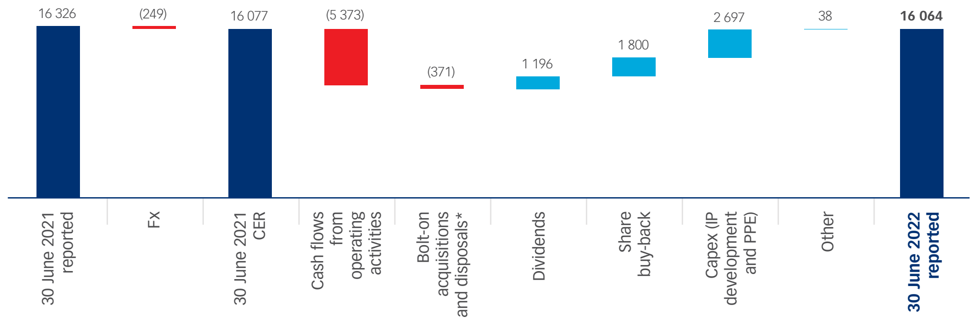
As reported in the prior year, we were successful in securing a joint refinancing package from the IFC and a consortium of DFIs related to the IFC. The debt financing package is for an aggregate of EUR600 million and is structured as an amortising loan, with a two-year grace period and with the final loan instalment being due up to seven years after its effective date. The further funding terms are substantially similar to our existing EUR-denominated syndicated debt facilities agreement. The proceeds from this funding were used to refinance a portion of our existing EUR-denominated syndicated debt facilities, thereby increasing our loan tenor and further diversifying our debt funder base. Repayment on this financing package will commence bi-annually from March 2024 onwards.

The maturity date for the major portion of the Group's syndicated term debt facilities was successfully extended to 30 June 2023 from June 2022. A refinancing programme for these facilities has commenced and is expected to be completed in November 2022. Included in current borrowings is syndicated debt to the value of R8,4 billion which will form part of the refinancing programme.

Net borrowings in (R'million)



Net borrowings bridge (R'million)



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

Group Chief Financial Officer's review continued

A significant reduction in net financing costs contributes to NHEPS growth

The lower net borrowings and lower effective interest rates have contributed to a 50% reduction in net financing costs.

	2022 R million	2021 R million	Change %
Net interest paid	**(468)**	(854)	
Effective interest rate for the period*	**2,92%**	3,39%	
Foreign exchange gains/(losses)	**184**	(49)	
Notional interest on financial instruments	**(192)**	(211)	
Normalised net funding costs	**(476)**	(1 114)	(57)
Debt raising fees on acquisitions	**(64)**	(47)	
Foreign exchange gains on acquisitions	**3**	78	
Reported net financing costs	**(537)**	(1 083)	(50)

* *Excluding amortisation of capital raising fees.*

Capital returns to shareholders aligned to prioritisation model

In accordance with the Board-approval capital allocation prioritisation model and taking into account earnings and cash flow performance for FY2022 and the leverage ratio well below the limit of no more than 3,0 times, a share buy-back of R1,8 billion (2,2% of issued shares) was completed during the year. In addition, the Board declared a gross dividend of 326 cents per ordinary share which was paid to shareholders registered in the share register as at 23 September 2022. Refer to page 29 for more information on our capital allocation model.

Maintenance of financial health

To sustain our business model and to generate accretive value for investors, we have a fiduciary duty to our stakeholders to manage our financial capital in a responsible manner. Robust financial controls and treasury management systems are in place to mitigate currency, interest rate and credit risks as far as reasonably possible. The Audit & Risk Committee assists the Board in discharging its duties in respect of the safeguarding of assets, accounting systems and practices, internal control processes and the preparation of the Group and Company Annual Financial Statements.

Internal financial controls

The key internal financial controls in operation for all significant operating businesses within the Group are documented in formalised financial internal control frameworks, and these frameworks are maintained and updated by financial management during the course of the year or as part of the year-end process. The documented key internal financial controls are audited by Group Internal Audit on an annual basis. This process provides support for the positively worded statement corroborating that there are no material breakdowns in the internal controls underpinning the financial results.

The Group also undertakes a rigorous self-assessment process, with the scope including all subsidiaries. The self-assessment review is formally signed off by the financial head of each subsidiary and is also reviewed and approved by the Group finance team. The self-assessment includes financial and disclosure controls, internal financial and operating controls, business performance-related representations and a detailed fraud assessment review. The positive assurance outcome provides strong support for meeting the requirements of section 3.84(k) of the JSE Listings Requirements.

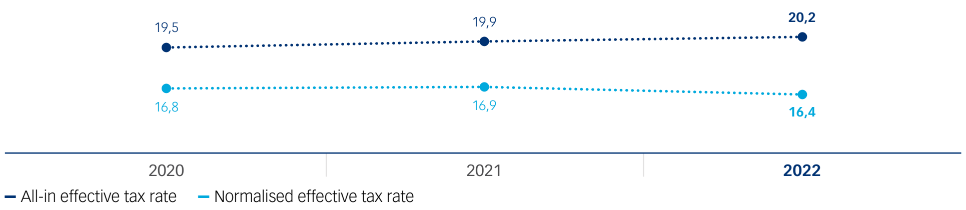
Funding and treasury risk management

The Group Treasury Committee is charged with monitoring the Group's performance in managing the risks (including liquidity, foreign exchange, covenant compliance, counterparty and interest rate) identified in the Group treasury policy. Local management is empowered, within the relevant approvals frameworks and the limitations set out in the Group treasury policy, to make decisions regarding how to manage these risks and to take ownership for implementation of any related actions. The Group Treasury Committee is also responsible for overseeing, reviewing and challenging the recommendations made and actions taken by Group Treasury in terms of its duties under the Group treasury policy, as well as with respect to centralisation, automation and optimisation of the Group's operational treasury activities and the appropriateness of the Group's debt funding portfolio (including related intra-group guarantees and funding arrangements).

A responsible approach to taxation

As a Group that has a substantial presence in many countries, we understand our responsibility to pay an appropriate amount of tax. We comply with tax laws in the countries in which we operate and seek to maintain open and positive relationships with tax authorities. The Group Tax Committee oversees the Group's tax strategy and risk management and ensures that our tax affairs are proactively managed. Our approach to taxation is more fully explained on page 96.

Group effective tax rate (%)



Continued improvement in financial and tax reporting systems

During the year, we further progressed our digitalisation strategy and continued to invest in ERP systems and advanced technology. These projects remain integral to our objective of achieving significant improvement in the quality, timeliness and depth of financial and tax reporting available to the Group.

Group Chief Financial Officer's review continued

Looking ahead

Our performance for the year ended 30 June 2022 provides a solid foundation for future sustainable growth. In the context of an uncertain global environment, our focus remains firmly on pursuing our strategic plan and delivering on the FY2024 financial guidance provided.

The targeted reshaping of our Commercial business over the past few years, together with our ongoing focus on developing and evolving our product portfolio, is expected to continue to yield results, notwithstanding the challenging trading environment. Our Manufacturing performance in FY2023 will be impacted by the declining demand for COVID-19 vaccines from Johnson & Johnson, while replacement volumes from Aspenovax are uncertain. We expect to deliver organic CER revenue growth from between 3% and 7% (excluding potential Aspenovax orders), with sales heavily weighted towards the second half of the year.

Despite the benefit of ongoing cost of goods savings initiatives, the potential lower contribution from vaccines and ongoing inflationary pressures are expected to dilute our gross margin percentage. We will maintain strong control of our operating expenses, and expect these to continue to track below the percentage growth in revenue. The current upward trajectory in global interest rates is, however, expected to weigh on financing costs in the 2023 financial year. We will continue to focus on generating positive free cash flows and we anticipate achieving our operating cash conversion target of at least 100%, provided that the global supply chain landscape returns to normalised levels.

The signature of the long-term agreement with Serum Institute, coupled with the anticipated endorsements and grant funding to be received from each of the Bill & Melinda Gates Foundation and CEPI, provides a solid foundation for Aspen's sterile capacity fill strategy with sustainable benefits expected to be realised from FY2024 onwards.

Financial metrics on track to meet financial medium-term guidance to FY2024

Target		Achieved
Increase from rebased FY2020 EBITDA margin of 25,8%	→	28,5% EBITDA margin
EBITDA growth > Revenue growth	→	EBITDA growth of 13% > Revenue growth of 5%
NHEPS > EBITDA growth	→	NHEPS growth of 26% greater than EBITDA growth of 13%
Leverage ratio no greater than 3x	→	Significant headroom providing capacity for value-enhancing investments
Improving free cash flow	→	Lower FCF in FY2022 impacted by increased strategic inventory investment which should normalise in FY2023
Recommence dividends	→	Recommenced from FY2021 and declared for FY2022

Closing remarks

It has been both a challenging and deeply rewarding year for me as I have transitioned into the role of Group Chief Financial Officer. I am grateful for the support received from my colleagues at Aspen and the Board, and especially the continued guidance and mentorship from Gus Attridge, who I have worked with closely over my 26-year career at Aspen. I have been warmly received by our investors, funders and business partners and look forward to their continued support of Aspen. I would like to extend a sincere thanks to the finance team members across our operations who have worked diligently throughout the financial year to achieve strong financial discipline and meaningful financial reporting.

Sean Capazorio
Group Chief Financial Officer

Our strategic business performance

Strategic objective:

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

A high-level overview of our performance over the past year and the outlook for each of our strategic objectives are set out in the pages that follow.

Performance highlights

Maintained a reliable supply of medicines across the geographies of our operations.

Developed an Access to Medicines position paper with related milestones to galvanise the Group's efforts to achieve its commitments to promote access to medicines.

Continued to contribute to the global response to the COVID-19 pandemic through the supply of life-saving medicines and treatments.

Successfully manufactured 225 million doses of the Johnson & Johnson COVID-19 vaccine, contributing to the global response in ensuring vaccine accessibility.

Concluded the Aspenovax licensing agreement with Johnson & Johnson.

Expanded product portfolio of sterile and OTC products in Australia through the acquisition of ENTT.

Continued the targeted approach to product development and licensing initiatives creating a product pipeline aligned with the Group's future growth plans, successfully launching a total of 56 products in 26 countries and territories, broadening access to high quality, affordable medicines and products.

Maintained a strong quality culture achieving positive results from inspections undertaken by regulators and audits conducted by customers.

Maintained a low level of product recalls.

Donated life-saving medicines to alleviate health crises in Ukraine and Lebanon.

Challenges experienced

- The renewed lockdown in China negatively impacted the demand for some of our products in this country.
- The geopolitical situation in Russia/Ukraine has had an unfavourable impact on our business there.
- Instances of supply delays and disruptions, some COVID-19 related, but also as a result of a fire at our Alphamed facility, and other supply challenges, required careful stock allocation and prioritisation to minimise the impact of supply shortages.
- The timing of new product launches is dependent on meeting regulatory requirements and the speed of processing the necessary registrations by the regulatory authorities in each country.
- Increasing complexity of regulatory requirements and product regulations, requiring additional resources to maintain and upgrade our IP.

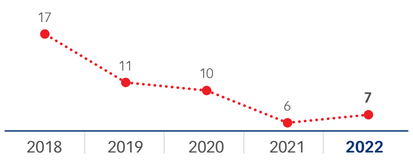
Near to medium-term outlook

- The execution of our agreement with Serum Institute will provide the opportunity to expand our supply of vaccines to Africa and further strengthen the continent's pandemic readiness.
- Leveraging the expected grant funding from each of the Bill & Melinda Gates Foundation and CEPI to further enhance our vaccine manufacturing capacity positions us well to collaborate with, among others, African countries and Gavi/UNICEF to further support enhanced access to medicines.
- Further delivery against Commercial Pharmaceuticals organic growth objectives.
- Development and refinement of the product pipeline in line with the Group's targeted therapeutic categories for each region is being pursued in order to build on the areas of expertise which we have developed and reduce exposure to pricing risks.
- Sales structures will be assessed on an ongoing basis to ensure that we are delivering the appropriate services to meet the demands of healthcare providers.
- Ongoing consideration of acquisition, collaboration and partnering opportunities to achieve enhanced distribution capability in territories where we lack sufficient critical mass.

Key risks and opportunities

- Continuity of supply.
- Delivery of pipeline and new products.
- Digital transformation and information security.
- Execution of our business strategies.
- External macro factors.
- Legislation, regulation and compliance.
- Patient safety and product quality.

KPI: Number of product recalls (number)



→ The number of product recalls has been maintained at a relatively low level following the marked increase experienced in FY2018, where we transitioned the Anaesthetics supply chain. All recalls were limited to batch-specific issues requiring recall of the affected batches only.

↑ Positive performance
→ Performance maintained
↓ Negative performance

Our strategic business performance continued

Strategic objective:

To optimise the strategic advantage of our integrated value chain.

Performance highlights

Maintained a consistent and reliable supply of medicines and products globally, despite the ongoing disruption caused by COVID-19.

Successfully produced COVID-19 vaccines for Johnson & Johnson at our Gqeberha manufacturing site in South Africa.

Further progressed the significant capital projects at the Gqeberha site in South Africa, the Notre Dame de Bondeville site in France and the Bad Oldesloe site in Germany, aimed at increasing capacity and capability for the transition of the manufacture of a significant portion of our Anaesthetics portfolio to our own facilities over the next three years, and providing capacity for further sterile manufacturing opportunities, including vaccines and other biologicals.

Cost of goods reductions achieved through site transfers.

Continued to implement changes required to meet serialisation regulations at our manufacturing sites.

Completed projects designed to mitigate the electricity and water availability risks at our South African manufacturing sites.

Progressed the strategic project to optimise our end-to-end value chain through an integrated business planning process.

Continued investment in ERP systems and processes to enhance the integration of manufacturing and finance processes and systems, achieving increased efficiency and the ability to manage risks across the complex supply chain more effectively.

Continued transformational organisational design and process improvement initiatives aimed at increased efficiency and cost reduction across our value chain.

Challenges experienced

- As COVID-19 waves were experienced in the various territories in which we operate, a challenging operating environment continued as we managed the health and safety of employees, experienced periods of employee absenteeism, faced constrained supply of certain materials as well as disruptions to logistics. Certain capital projects were similarly disrupted and delayed as a result.
- The lower-than-expected demand for COVID-19 vaccines resulted in ready and committed, but unutilised, capacity at our Gqeberha site.
- High worldwide inflation has resulted in significant cost pressures.
- The pharmaceutical supply chain is complex, and optimally matching supply with demand in multiple territories remains a focus area for the Group.

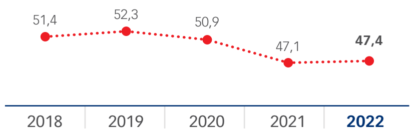
Near to medium-term outlook

- The consolidation of Anaesthetics manufacturing into Aspen sites will further increase our control over the supply chain, enhancing security of supply and thereby allowing better access to these essential medicines. It will also lead to lower cost of goods, allowing access to more competitively priced commercial opportunities.
- While the volumes for production of the Aspenovax COVID-19 vaccines at our Gqeberha site in South Africa is uncertain, the potential for increased production volumes following the transaction with Serum Institute, together with other opportunities being explored, will contribute positively to the utilisation of sterile manufacturing capacity at this site.
- Our successful delivery of COVID-19 vaccines has demonstrated our capability and the conversion of existing vial capacity to include vaccine capabilities provides further opportunities for supporting vaccine and other steriles demand in Africa.
- The strategy to source sustainable third-party volumes to utilise surplus capacity within our manufacturing facilities is expected to have incremental commercial benefits, with the additional potential to unlock further partnership opportunities with multinationals.
- The process improvement initiatives underway at some of our key sites are expected to yield further efficiency gains.
- Despite the expected continuation of inflationary pressures, further reductions in cost of goods are expected to cushion the impact.
- Our integrated supply chain and niche manufacturing capabilities, matched with our global distribution capabilities, place us in a position to enter into value-creating partnerships.
- The significant investment in digital transformation initiatives is expected to increase overall value chain efficiency.

Key risks and opportunities

- Continuity of supply.
- Digital transformation and information security.
- External macro factors.
- Legislation, regulation and compliance.
- Patient safety and product quality.

KPI: Gross profit percentage (%)



The improved gross profit percentage is driven predominantly by portfolio optimisation strategies and site transfer savings, which have cushioned the effect of pricing and inflationary pressures. A higher proportion of Manufacturing sales to total Group sales at a lower gross profit percentage negatively impacts gross profit.

Positive performance
Performance maintained
Negative performance

Our strategic business performance continued

Strategic objective:

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

Performance highlights

Prioritised the health, safety and wellness of our employees while remaining productive and engaged throughout the COVID-19 disruption and the transition back to the office.

Further progressed the implementation of our Group human capital strategy, with the global talent management and equity, diversity and inclusion frameworks receiving heightened strategic focus.

Global Human Capital Leadership Council established to drive consistent implementation of the Group Human Capital strategy.

Conducted a Group-wide employee engagement survey to gauge employee satisfaction aspects, understand areas of concern and to measure net promoter scores.

Focused on succession planning for both the Executive Committee and senior management.

Completed further organisational redesign projects to improve operational effectiveness.

Continued efforts aimed at the targeted restructuring of the workforce in selected operations to achieve required operational efficiency.

Further enhanced the Group universal incentive scheme aimed at achieving alignment between the Group, business units and individuals in setting, measuring and achieving performance objectives.

Improved disclosure and enhanced engagement with shareholders on our remuneration and rewards strategy, resulting in a substantial increase in the approval rate on the non-binding advisory vote at the annual general meeting.

Maintained our historically high safety standards with zero incidents of occupational fatalities and a TRIFR lower than the tolerance level.

Challenges experienced

- The ability to attract, retain and develop the diverse talent and specialist technical skills required to support the increasing complexity of the Group remains a focus area.
- The implementation of certain training and development interventions was negatively impacted by COVID-19.
- Maintaining the health, safety and general well-being of our employees during the COVID-19 pandemic and the adjustments required to facilitate the transition back to the office where applicable.
- The inherent health and safety risks relating to the pharmaceutical and chemical industry require an unwavering focus on maintaining a strong occupational health and safety culture across all our operations.

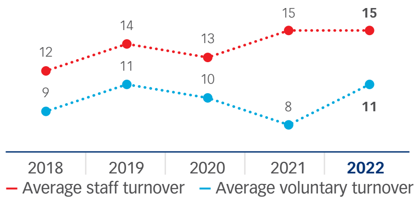
Near to medium-term outlook

- The continued implementation of the Group human capital strategy will further progress our objective to create an engaging, enabling and inclusive environment for all our employees.
- Key initiatives to further improve employee engagement and the employee value proposition will be implemented using the outcomes of the employee engagement survey.
- Further organisational redesign projects will be performed where required to position the Group for increased effectiveness.
- The drive to improve the representation of women and, in South Africa specifically, racial diversity in key management levels remains a focus in the medium term.
- Initiatives to further enhance the occupational health and safety culture across our operations continue to receive attention.

Key risks and opportunities

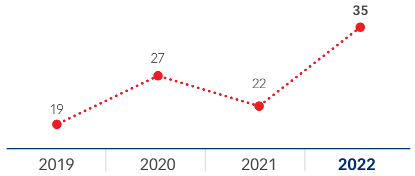
- Attraction, development, well-being and retention of skills.
- Digital transformation and information security.
- Ethical conduct and stakeholder relationships.
- Legislation, regulation and compliance.

KPI: Average staff turnover (%)



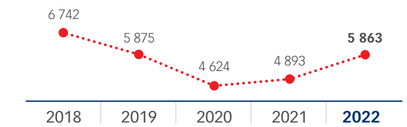
Overall staff turnover has remained flat; however, we have experienced an increase in average voluntary turnover. This is primarily driven by a highly competitive market in China, as well as voluntary departures as part of organisational redesign projects in certain business units.

KPI: Percentage of black employees in top management roles in South Africa (%)*



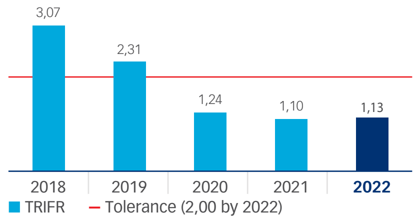
The percentage of black employees in the top management roles in South Africa has improved to 35% as we remain focused on improving representation in our senior management levels.

KPI: Average training spend per employee (Rand per employee)



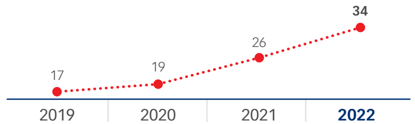
Training spend has gained further momentum in FY2022, following the negative impact as a result of restrictions in travel and face-to-face gatherings imposed during COVID-19.

KPI: Total recordable incident frequency rate (ratio)



The TRIFR, while showing a slight increase, remains below the tolerance level indicating a sound health and safety culture. No occupational fatalities were recorded. The investigation, analysis and remediation of all incidents remains a focal point in order to prevent recurrence.

KPI: Percentage of female employees in top management roles in the Group (%)*



The representation of women in the senior positions in the Group has increased to 34% as efforts continue to advance women within the organisational structure.

* *These KPIs were only measured from 2019 and therefore no prior comparatives are available.*

Positive performance
Performance maintained
Negative performance

Our strategic business performance continued

Strategic objective:

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

Performance highlights

Strengthened governance and accountability for our sustainability performance through the establishment of an Executive Sustainability Forum and enhanced reporting to the Social & Ethics Committee.

Retained our inclusion in the Top 30 FTSE/JSE Responsible Investment Index Series and FTSE4Good Index Series.

Maintained our support of the UN Global Compact, the CDP-CC and CDP-WS initiatives.

Enhanced our reporting on climate-related risks aligned with the recommendation of the TCFD.

Strengthened the Group's Ethics and Compliance function, confirming it as an assurance function.

Continued to focus on targeted transformation initiatives in the South African business and the achievement of B-BBEE objectives.

Continued our support of SED projects contributing to the well-being of the communities in which we do business.

Reduced total carbon emissions, water withdrawn and electricity used.

Integrated sustainability/ESG KPIs in business unit scorecards and long-term incentive scheme.

Challenges experienced

- Increased waste generated by the fire at Alphamed and subsequent construction activities.
- Stakeholder expectations, reporting and disclosure requirements in respect of our corporate citizenship and sustainability commitments continue to increase and require ongoing attention to ensure we continue meeting these in a balanced and responsible manner.
- Our operations span multiple territories, with complex regulatory frameworks requiring ongoing vigilance to reduce the risk of non-compliance.

Near to medium-term outlook

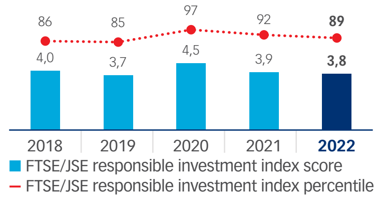
- Ongoing emphasis will be placed on ensuring an ethical and values-driven culture throughout the Group.
- Continued investment in appropriate skills development and enterprise development initiatives as well as a focus on preferential procurement to further improve our B-BBEE performance.
- In line with our Group SED policy, projects aligned to specific objectives will be continued in the countries in which we do business.
- A climate change strategy is being developed for the Group aimed at addressing climate change risks.
- The recalibration of our sustainability strategy and alignment of our ESG priorities is underway to meet changing expectations of our various stakeholders.

Key risks and opportunities

- Environmental sustainability, including climate action.
- Ethical conduct and stakeholder relationships.
- Legislation, regulation and compliance.

↑ Positive performance
→ Performance maintained
↓ Negative performance

KPI: FTSE/JSE responsible investment index score (ratio)



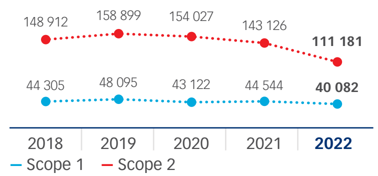
→ Our score on the FTSE/JSE Responsible Investment Index reduced marginally to 3,8, placing us at the 89th percentile in the Health Care sector peer group. We have retained our inclusion in the Top 30 FTSE/JSE Responsible Investment Index and FTSE4Good Index.

KPI: B-BBEE accreditation in South Africa

	2018	2019	2020	2021	2022
Contributor level	4	4	4	4	**4**

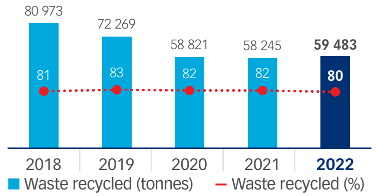
→ Through executing a focused B-BBEE strategy, we have retained our contributor level at Level 4.

KPI: Carbon emissions (tCO_2e)



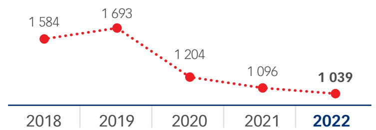
↑ Total carbon emissions have decreased substantially, with Scope 1 emissions reducing by 10% and Scope 2 by 22%. The reductions are as a result of operational factors coupled with the implementation of energy saving and renewable energy projects.

KPI: Waste recycled



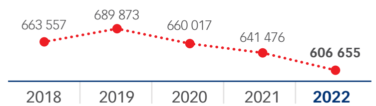
↓ Total waste generated increased by 5%, largely influenced by the varying animal raw material supplied to Sioux City and high volumes of construction waste generated following the fire and subsequent rebuild of the Alphamed site. Non-recyclable debris following the Alphamed fire negatively impacted our waste recycled percentage and increased the percentage of our waste generated diverted to landfill to 5%.

KPI: Water withdrawn (megalitres)



↑ There has been a further 5% reduction in the volume of water withdrawn due to operational reasons, further boosted by water conservation projects.

KPI: Electricity used (gigajoules)



↑ Electricity consumption decreased by a further 5% due to operational reasons as well as through energy improvement projects implemented at sites.

Our strategic business performance continued

Strategic objective:

To create sustainable economic value for our stakeholders.

Performance highlights

Created R18 617 million in value, with R8 038 million being paid to employees, R1 553 million in revenue being generated for governments, R22 044 million in payments being made to providers of goods and services and R28 million to support various SED initiatives.

Value returned to shareholders through the implementation of a share buy-back of 2,2% of issued share capital and an increase in dividend to 326 cents per share.

Achieved double-digit EBITDA growth of 13% (+11% CER) driven by an increase in gross profit and lower operating expenses.

Divested a portfolio of products to Acino Pharma for a consideration of R1,8 billion, plus the cost of related inventory.

Tight controls implemented over operating expenses contributed positively to EBITDA margins.

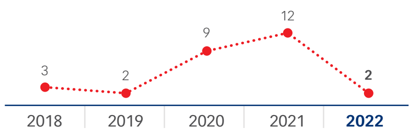
Increased investment in working capital to mitigate stock out risks resulted in lower than expected operating cash flows and a cash flow conversion ratio of 81%.

Despite lower operating cash flows, net proceeds on divestments and reduced net financing costs resulted in a further reduction in net borrowings, achieving a leverage ratio of 1,91 times at financial year end, comfortably within our internal limit of 3,0 times.

Challenges experienced

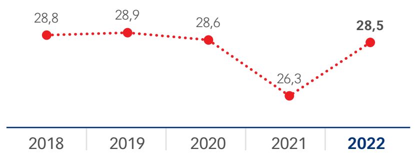
- Supply challenges in Africa Middle East.
- Fire at our Alphamed facility further impacted supply of certain products.
- Sales in certain product segments negatively impacted by COVID-19, notably the renewed lockdown in China.
- Geopolitical situation in Russia and Ukraine impacted our business in these countries.
- Lower-than-expected demand for the Johnson & Johnson COVID-19 vaccine.
- Ongoing downward pressure on selling prices.
- Inflationary cost pressures.
- Evolving pharmaceutical regulations and application of increasingly stringent quality standards leading to raised costs of compliance across all territories. The high cost of doing business in this complex regulatory environment places pressure on achieving satisfactory returns on investment.

KPI: Revenue growth (%)



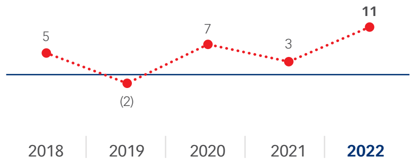
Reported revenue grew by 2% to R38 606 million with Commercial Pharmaceuticals revenue declining 1% and Manufacturing revenue increasing 11%. Solid underlying volume growth in Commercial Pharmaceuticals was impacted, primarily by the divestment of certain products in South Africa, challenges faced by our Chinese business, including volume-based procurement and COVID-19 related lockdowns, as well as the impact of the geopolitical situation in Russia and Ukraine. Manufacturing revenue was boosted by fill and finish production of the Johnson & Johnson COVID-19 vaccine.

KPI: Normalised EBITDA margin (%)



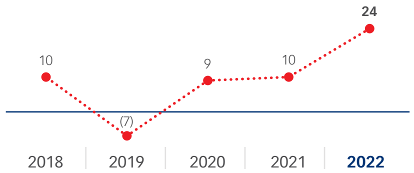
The normalised EBITDA margin percentage has improved due to the leverage provided by the lower operating expenses.

KPI: Normalised EBITDA growth (%)



The reported growth in normalised EBITDA of 11% is driven by the increase in gross profit and lower operating expenses.

KPI: NHEPS growth (%)



Reported NHEPS has been bolstered by the 48% reduction in net financing costs in the current year.

Positive performance
Performance maintained
Negative performance

Our strategic business performance continued

Strategic objective continued:

To create sustainable economic value for our stakeholders.

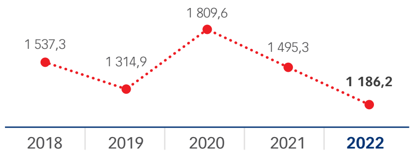
Near to medium-term outlook

- With the completion of the strategic reviews of our Commercial businesses, we are well positioned to deliver results.
- Product launches and opportunities from our focused product pipeline provide further potential for growth.
- Continued focus on initiatives aimed at reducing operating costs and driving production efficiency.
- The transition of Anaesthetics production to our own facilities is expected to generate reductions in costs of goods.
- Demand for Johnson & Johnson COVID-19 vaccine remains uncertain but could provide significant upside should orders for Aspenovax materialise.
- The agreement reached with Serum Institute is expected to deliver commercial benefit from FY2024, once technical transfers take place.
- Opportunities for further revenue generation through deployment of additional Sterile Manufacturing capacity that will come on line from FY2024 are being explored.
- Our favourable relationships with many multinational pharmaceutical companies position us to engage with them regarding collaborations and mutually beneficial transactions.
- Continued downward pressure on selling prices, a period of high inflation and increasing global interest rates are expected to weigh on gross profit and earnings performance.
- The gearing capacity that has been created provides headroom to pursue any new strategic investment opportunities which are identified as value-enhancing for the Group.
- Overall, the business is well positioned to continue positive FY2022 momentum and deliver organic CER revenue growth of between 3% and 7%.

Key risks and opportunities

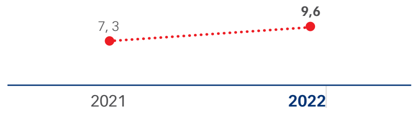
- Delivery of pipeline and new products.
- Digital transformation and information security.
- Execution of our business strategies.
- External macro factors.
- Legislation, regulation and compliance.
- Realising the expected benefits from acquisitions and divestments.

KPI: Operating cash flow per share (cents)



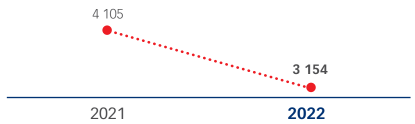
Operating cash flow was impacted as a consequence of increased inventory investment by the Manufacturing segment in key input materials to mitigate future supply constraint risks which may arise from continued global supply chain disruptions.

KPI: Return on invested capital (%)*



The increase in the return on investment reflects the improved operating profit margins achieved.

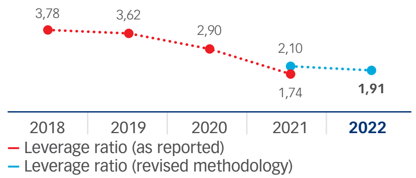
KPI: Free cash flow (R'million)*



Free cash flow was negatively impacted by the elevated working capital levels, principally inventory.

* *These KPIs were only measured from 2021 and therefore no prior comparatives are available.*

KPI: Leverage ratio (%)



A further reduction in net borrowings, resulted in a leverage ratio comfortably within the covenant level of 3,5 times and below management's maximum level of 3,0 times. As from 31 December 2021, pursuant to the execution of the loan agreement governing the EUR600 million loan from IFC (and other DFIs), the methodology for the calculation of the Group's leverage ratio was changed. A comparative calculation of the leverage ratio on this revised methodology is reflected above.

- Positive performance
- Performance maintained
- Negative performance

Business segment overview*

Sterile Focus Brands

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

27% of Group revenue

34% of Group gross profit

	2022 R'million	2021 (CER) R'million	Change %
Revenue	**10 253**	10 512	(2)
Gross profit percentage	**60,7%**	60,0%	

Key brands

Brand	Description
Diprivan	General anaesthetic
Emla	Local anaesthetic
Fraxiparine	Low molecular weight heparin
Marcaine	Regional and spinal anaesthetic
Ultiva	Opioid analgesic
Xylocaine	Regional anaesthetic

Performance

The Sterile Focus Brands portfolio showed resilient performance amidst headwinds in Asia and Europe CIS, withstanding global challenges. Revenue decreased by 2% to R10 253 million for the 12 months ended June 2022 as compared to the prior year. The prior year was positively impacted by COVID-19 vaccine demand showing an increase of 9%. Lower second half sales in Europe CIS and China negatively affected year-on-year growth. The geopolitical situation in Russia and Ukraine lowered sales performance in Europe CIS. Flat sales growth in Asia was maintained, despite the adverse effects of volume-based procurement ("VBP") and the recent COVID-19 lockdowns in China. Although China has started to reopen, the hospital volumes have not returned to pre-lockdown levels and are approximately at 60-80% of volume levels. A higher gross profit of 60,7% (FY2021: 60,0%) benefited from cost of goods savings through site transfers from third-party to in-house manufacture of anaesthetics, was partially offset by the impact of VBP and higher logistical costs.

Prospects

Sterile Focus Brands are expected to deliver solid single-digit growth in the coming financial year. Aspen's guidance is informed by an expected post-lockdown recovery in China and steady growth in Europe CIS notwithstanding the annualised impact of lower sales to Russia. In the medium term VBP in China will continue to remain a potential risk and Aspen has initiated several strategic plans to diversify, grow and de-risk the portfolio to ensure sustainable long-term growth.

The plan for the transfer of manufacture of a large proportion of our anaesthetic portfolio from FDF third-party contractor sites to Aspen-owned facilities in South Africa, France and Germany has commenced. This will result in steady gross margin benefits earned from Sterile Focus Brands in the medium term. Although we have made good progress in Germany, there have been delays in South Africa and France due to the reprioritisation of vaccines and COVID-19 disruptions, respectively. These delays will extend the completion date beyond the previously communicated timeline that all transfers would be completed by the end of the 2024 financial year by at least 18 to 24 months.

* *All commentary in the Business segment overview reflects CER performance.*

Business segment overview* continued

Regional Brands

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

45% of Group revenue

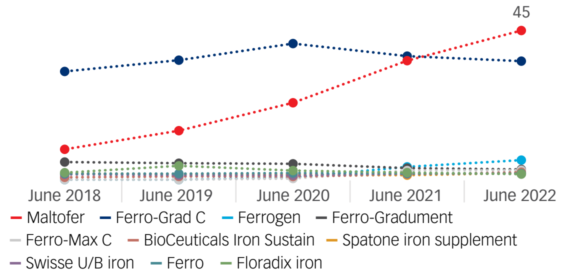
54% of Group gross profit

	2022 R'million	2021 (CER) R'million	Change %
Revenue	**17 405**	16 895	3
Gross profit percentage	**56,5%**	54,6%	

Key brands

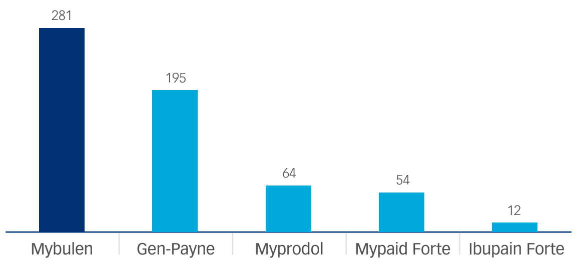
Brand	Therapeutic category
Circadin	Sleeping aid
Eltroxin	Thyroid hormone
Imuran	Immunosuppressant
Maltofer	Iron supplement
Mybulen	Analgesic anti-inflammatory
Ovestin	Hormone replacement therapy

Australia: OTC iron deficiency market, Maltofer vs competitors (MAT^ values, AUD'million)



^ Moving annual total ("MAT")
Source: IQVIA June 2022

South Africa: Mybulen vs competitors
(MAT^ values, R'million)



^ Moving annual total ("MAT")
Source: IQVIA June 2022

** All commentary in the Business segment overview reflects CER performance.*

Business segment overview* continued

Performance

Regional Brands revenue increased by 3% to R17 405 million, with 13% growth from Australasia and 8% from the Americas, being the major contributors and benefiting from having strong OTC portfolio performances. Severe supply constraints, including a fire at Aspen's Alphamed site in India, and product portfolio divestments impacted the performance in South Africa, with Africa Middle East down 3%. The final impact of the mandated European oncology price cuts reduced the strong base revenue growth in Europe CIS from 11% to 1% as confidence begins to build in the restructured Europe CIS team. Excluding the annualised impact of the product divestments in South Africa and the oncology price cuts, Regional Brands grew 5%. Gross profit percentage was up at 56,5% (FY2021: 54,3%), driven by cost of goods savings and portfolio optimisation, combined with a favourable product mix.

Prospects

In the coming financial year, we anticipate the current organic growth momentum to be sustained, supported by a strong recovery in Africa Middle East through new product launches and stable product supply following a year of severe supply constraints.

The Australian region will be negatively impacted by the regulated price decreases, with an estimated impact of AUD10 million. However, the region will continue to focus its efforts on growing its OTC prescription (OTX) portfolio that has shown strong double-digit performance and that is not exposed to regulated price reductions. This includes the benefit of incremental revenue from the recent acquisition of OTC products from ENTT. We will continue to evaluate bolt-on acquisition opportunities in line with our capital allocation and portfolio management models with a strong preference for emerging markets and OTC products.

* *All commentary in the Business segment overview reflects CER performance.*

Business segment overview* continued

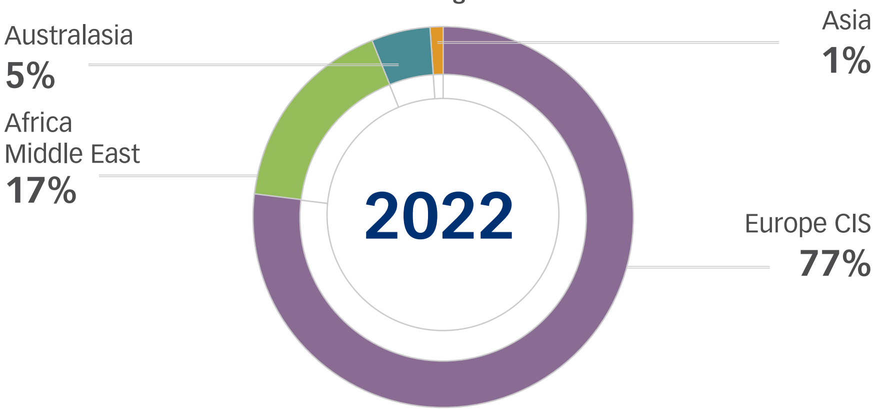
Manufacturing

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

28% of Group revenue

12% of Group gross profit

Manufacturing revenue^



^ *Based on source of manufacture.*

	2022 R'million	2021 (CER) R'million	Change %
Revenue			
API	**4 737**	4 849	(2)
API (Biochem)	**778**	1 161	(33)
FDF	**5 433**	3 307	64
Total	**10 948**	9 317	18
Gross profit percentage	**20,6%**	20,6%	

Performance

Performance in the Manufacturing segment was sustained as revenue increased 18% to R10 948 million, led by FDF growth of 64%. This included R1,4 billion in revenue from the fill and finish production of the Johnson & Johnson COVID-19 vaccine at the Gqeberha sterile manufacturing facility. This growth was partly diluted by the API business. Manufacturing in general was negatively impacted by supply-related constraints imposed by COVID-19 in the first half of the financial year and enjoyed a strong second half recovery, growing sales by 14% compared to the first half.

Gross profit at 20,6% was consistent with the prior year, even after dilution for the annualised impact of the supply agreements at low/no margin, related to disposal transactions. Excluding the impact of these disposal transaction-related supply agreements, gross margin increased in all segments. These improvements were achieved despite numerous operational and supply chain related challenges, as well as notable inflationary increases in operating and supply chain costs.

Prospects

Aspen has manufactured over 225 million doses of COVID-19 vaccine, predominantly for Africa. The decline in demand from Johnson & Johnson will have an unfavourable impact on Manufacturing performance in FY2023. We anticipate that any future COVID-19 doses in Africa will be pivoted to Aspenovax, in line with the regional procurement pronouncement and as committed by the African Union, COVAX and AVATT, but the extent of this demand is uncertain. Strong second half weighted revenue growth in FDF from our French facility is expected to more than compensate for the loss of revenue from the Johnson & Johnson COVID-19 vaccine and single-digit revenue growth is anticipated.

Aspen has continued to invest in the expansion of its sterile manufacturing capacity in Gqeberha to be used for vaccines and other steriles, including biological products. The commitment to an additional capital investment of R2 billion will be spread over financial years 2022 to 2024. The statement from the African Union, which called for support to achieve at least a 30% offtake of all

* *All commentary in the Business segment overview reflects CER performance.*

Business segment overview* continued

vaccines from African manufacturers is a strong endorsement supporting this ongoing strategic capital investment. The signature of a long-term agreement with Serum Institute for Aspen to manufacture, market and distribute four Aspen-branded vaccines in Africa is an important milestone as Aspen seeks to optimise its sterile manufacturing capacity in Gqeberha.

Several other potential long-term opportunities are being explored with various multinational partners and Aspen's ambition is to secure these by the end of the 2023 financial year. The contribution from the manufacture of the Johnson & Johnson COVID-19 vaccine enhanced operating performance in the current year, but declining demand from Johnson & Johnson will have an unfavourable impact on Manufacturing performance in the 2023 financial year, unless substituted by orders for Aspenovax. Due to the technology transfer timelines, other sustainable long-term contracts and commercial manufacturing opportunities will only be realised from financial year 2024 onwards.

The four routine paediatric vaccines, Pneumococcal, Rotavirus, Polyvalent Meningococcal and Hexavalent vaccines, represent some of the most important vaccines to Africa and Gavi. Aspen will register its own marketing authorisation and Serum Institute will supply the drug substance to Aspen. It is anticipated that the registration process may be fast-tracked with transfers possibly from 12 to 24 months.

In addition to the agreement with Serum Institute, Aspen also anticipates receiving grant funding from each of the Bill & Melinda Gates Foundation and CEPI to support African regional manufacturing capacity for an affordable supply of vaccines to, among others, African countries and Gavi/UNICEF, as well as contributing to pandemic preparedness, through a share of Aspen's vaccine manufacturing capacity over a period of 10 years. These are both important endorsements of Aspen's sterile manufacturing capabilities and efforts to achieve enhanced access to medicines which is at the forefront of Aspen's ESG strategy.

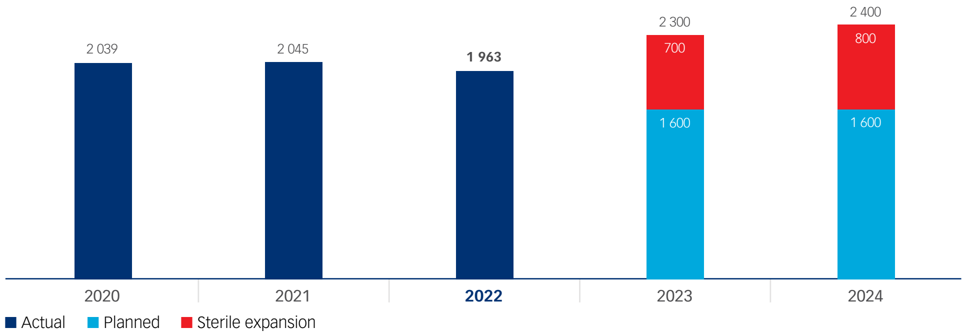
* *All commentary in the Business segment overview reflects CER performance.*

Manufacturing operational overview

Our strategic objective of supplying high quality, affordable medicines is underpinned by our own manufacturing capabilities and the vertical integration of certain aspects of our supply chain. Our 23 manufacturing facilities provide a range of production capabilities and capacities, assisting us in the achievement of our current and future commercial objectives. These include steriles, oral solid, semi-solid, liquids, biologicals, vaccines and API manufacturing. Our niche and complex production capabilities provide a strategic advantage in an increasingly commoditised environment. Our sterile capacity and capability is a strategic advantage when considering the increased demand for vaccines and other steriles, including biological products.

During the last year, our strategic manufacturing projects continued to focus on the alignment of our facilities with our manufacturing and commercial strategies, enhancing technology as well as our quality and compliance standards, policies and procedures. Ongoing investment in the upgrading of our world-class manufacturing facilities, in addition to the implementation of state-of-the-art electronic systems and IT capability, support our ability to supply quality products, ensure ongoing compliance with GMP and create increased manufacturing capacity to meet both current and future operational requirements. Capital expenditure on the replacement and expansion of property, plant and equipment amounted to R1 963 million (2021: R2 045 million), with a further R2 300 million planned for FY2023 driven by the additional sterile manufacturing capacity to be used for vaccines and other steriles including biological products. The level of capital expenditure on these strategic projects is expected to reduce from FY2025.

Property, plant and equipment capital expenditure (R'million)*



* *Capital expenditure excludes interest on the cost of funding capitalised to the projects.*

Following the transactions with AstraZeneca AB and AstraZeneca UK, and GlaxoSmithKline Plc, which resulted in the acquisition of our Anaesthetics portfolio, we are transitioning supply from their manufacturing sites to our own sites and supply chain network, providing us with a strategic opportunity to pursue synergies. Significant capital projects are in progress at the Gqeberha, Notre Dame de Bondeville and Bad Oldesloe sites in order to effect these manufacturing transfers. First commercial production of these products at the Gqeberha and Bad Oldesloe sites has commenced, with production and subsequent commercialisation planned for FY2024 at the Notre Dame de Bondeville site.

Oral solid dose manufacturing

We remain focused on increasing the complex manufacturing capability at the Gqeberha site. This site has the ability to provide flexible high-volume manufacturing and packing capabilities for a variety of oral solids doses to several countries through the different regulatory approvals held by the respective units. Continuous improvement projects in respect of these sites are progressing well and delays due to the COVID-19 pandemic are in the process of being recovered, with key projects being:

Gqeberha, South Africa

- The Manufacturing Execution System implementation is progressing on schedule in facilities that require implementation prior to SAP go-live which is planned for March 2023.
- The implementation of the Laboratory Information System is on schedule for completion in all South African Operations laboratories by December 2022.
- The organisational redesign in the Quality Control laboratories is 90% completed and is yielding the required results. Further optimisation is performed as and when required.
- There is increased focus on initiatives to enhance competence at all levels across the site to ensure sustainable performance in the long term. Projects aimed at self-sufficiency in terms of water are completed. Projects aimed at self-sustainability in electricity supply have progressed to the point of readiness to conclude Power Purchase Agreements within the first quarter of the 2023 financial year with construction completed by January 2024. In the interim sufficient back-up power supply is available on a rental contract.

Semi-solid and liquid dose manufacturing

Bad Oldesloe, Germany

- The extension of the manufacturing and packing lines to accommodate the transfer of anaesthetic liquids, creams and ointments is almost complete. Two lines are already producing product for market supply and the process validation on another line is nearly completed.
- The project to install a new blow-fill seal line has been initiated. Construction of the building and the installation of all production machines have been completed and qualification has started. Remaining activities will be completed by early 2023. This line will provide competitive advantages and a production capacity of 120 million sterile single-dose poly ampoules per annum.

Manufacturing operational overview continued

Sterile manufacturing

Our facilities at the Gqeberha and Notre Dame de Bondeville sites provide us with extensive sterile manufacturing capability. Capacity expansion plans in respect of these sites have progressed well in the past year:

Gqeberha, South Africa

- Activities to introduce Anaesthetics production have commenced, a significant step in the evolution of this site. Phases 1 to 3 of the new infrastructure build component are complete and equipment is being installed and commissioned. The equipment that has already been installed is undergoing site acceptance testing. The first commercial batches were manufactured in March 2021. Validation batches for the balance of the products are underway, with completion of validation estimated for January 2023. The introduction of these new products is expected to see the export volume for the total South African Operations business move from 20% to over 50%, with more than 700 additional SKUs being added to the existing portfolio during the ramp-up phase over the next four years.
- The facility received a vaccine manufacturing licence from the South African Health Products Regulatory Authority in February 2021 and dedicated production of the Johnson & Johnson COVID-19 vaccine has been ongoing since first commercialisation in March 2021. Plans for expansion of the facility's vaccine manufacturing as well as lyophilization capacity has been approved and procurement of equipment is at an advanced stage. Construction of the required civil infrastructure is due to commence in FY2023. This includes the required support services such as packaging, cold storage and laboratories.

Notre Dame de Bondeville, France

- The new suite to manufacture anaesthetic dosage forms comprising polybags and poly ampoules is complete. Validation has started on the first line and the completion of the validation for the third line is targeted for the end of 2023.
- The new high-speed prefilled syringe filling line (60 000 syringes/hour) is ramping up with commercial production resulting in additional capacity for third-party business.
- The technical transfer for a further 80 000 prefilled syringes has commenced and commercial production is expected to commence in FY2024
- Installation of a new automatic visual inspection line for prefilled syringes is progressing with qualification and validation to commence commercial production in the third quarter FY2023.
- New autoclave investment for terminal sterilisation capabilities has been initiated to handle the growth of the diluent business at this site. Autoclaves will be installed and commissioned in FY2023.
- An extension of the warehouse with a cold chamber (approximately 1500 pallets) has been initiated to deal with the special requirements of vaccines storage. These works will be completed in FY2024.

API manufacturing

Our API network comprises seven owned sites; three located in the Netherlands (two in Oss and one in Boxtel), one in the USA (Sioux City), two in France (Notre Dame de Bondeville) and one in South Africa (Cape Town). In addition, we have two API manufacturing blocks situated at Laurus Labs in India. These sites provide Aspen with specialised API capabilities in respect of both our own as well as third-party commercial opportunities. The combination of the Oss and Sioux City sites with the Notre Dame de Bondeville site provides a fully integrated biochemical supply chain to support some of our Thrombosis portfolio of products. Initiatives to enhance our capacity and improve sustainability at the API sites have continued to receive focus as follows:

Oss, the Netherlands

- At the De Geer site, an automation upgrade is being prepared for all vessels to further reduce manual operator tasks.
- The upgrade of the process automation system in all the Moleneind site installations has been completed and preparative work for the Manufacturing Execution System implementation (both at the Moleneind and De Geer sites) is ongoing.
- At Moleneind, a new fire extinguishing installation has been installed in one of the production buildings, while three more buildings are in preparation. This mitigates business risk and reduces the size of the mandatory company fire brigade.
- A new storage location for stability samples and reference standards has been realised utilising existing space in one of the laboratory buildings.
- At the Moleneind site, several older facilities were demolished and obsolete installations removed.
- In the Biochem division, an investment in filter drier capacity provides support for a second-generation heparin process.
- At Moleneind, the partial automation of several vessels is planned to eliminate the possibility of a spill.
- An active footprint reduction programme aimed at concentrating activities in core buildings is ongoing at the different sites in the Netherlands as part of the transformation plan.

FCC in Cape Town, South Africa

- Additional steps have been taken to achieve further integration over the chemical supply chain. Additional production steps of intermediates in the rocuronium bromide synthesis have now been transferred from Oss to FCC as synergies across these two sites begin to be harnessed.
- FCC has been onboarded on the Oss SAP infrastructure. This was a major IT investment with impact on FCC's ways of working, but constituted a substantial step towards a further integrated API network/supply chain.
- The full-scale commercial manufacture of API was initiated in the newly validated high containment/high efficiency production block C2, in support of backward integration projects.
- The final validation of the recently installed high containment milling and micronising process centre was effected.
- The development and optimisation of an anaesthetic API, which will also support backward integration into the Aspen portfolio of products, was concluded.
- A new water treatment plant for the use of alternate underground water supply during times of constrained local municipal supply was commissioned and validated.
- A new hazardous aqueous waste treatment plant and a solvent recovery unit are being finalised, with both being installed and commissioned in the current financial year, resulting in significant long-term cost savings.
- The upgrade and expansion of fire prevention and control systems in line with regulatory requirements has continued.

More details of our manufacturing capabilities are available online

Manufacturing operational overview continued

External supply manufacturing network

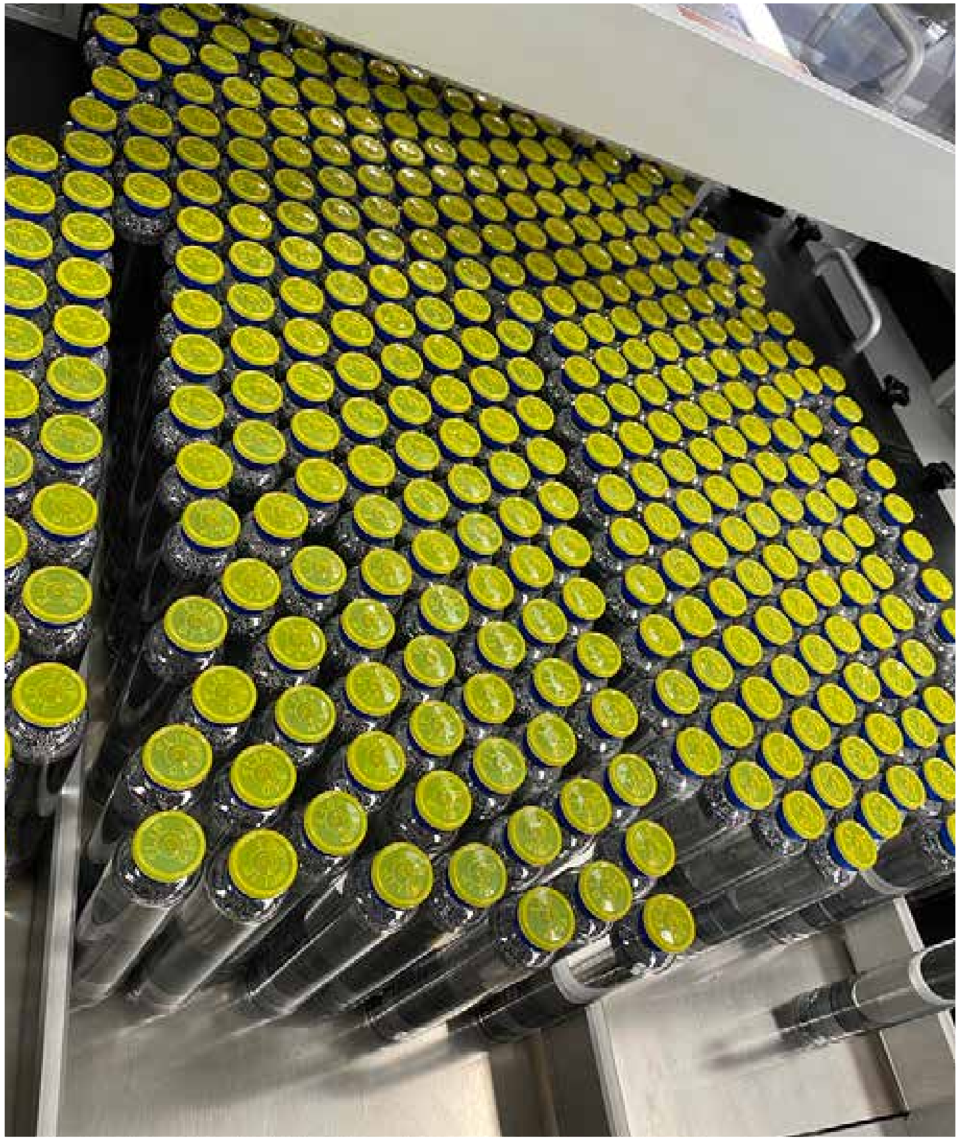
Our FDF manufacturing network also comprises supply from numerous contract manufacturing organisations situated globally, several of which are located in Europe. A number of the products manufactured in the external network have been earmarked for transfer to our own manufacturing sites over the next five years. This move will enhance ongoing supply sustainability. We have an internal team of supply chain and quality experts who ensure that all the requisite controls are in place to facilitate supply, on time and in full, and in compliance with our required quality standards.

Cost containment and increased efficiencies

We have a strong focus on continuous improvement initiatives and savings plans to enhance production efficiencies and optimise economies of scale across the Group. Comprehensive, detailed, multi-year savings plans, covering all aspects of the operations, are progressing to plan and the improvements to the South African Operations, the Oss and the Notre Dame de Bondeville sites are poised to deliver important future cost savings to the Group.

The cost-reduction initiatives fall into two distinct categories: procurement and organisational design. The savings plans have a phased implementation and should be complete by the end of the next calendar year. In addition to the procurement and organisational changes, structural process efficiency initiatives are ongoing and will have both an economical and an ecological improvement, supporting the Group's sustainability goals.

The progress made in achieving these plans across the Group Operations is monitored on a regular basis. By owning our strategically important manufacturing capital, we are able to better manage our product quality, production efficiencies and cost competitiveness to ensure responsive management of the supply chain. This, in turn, supports the maintenance of Group margins.



Achieving impact through our sustainability pillars

In this section:

Patients

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

Strategic objectives

Stakeholders

Capitals

Our commitment

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

Our impact

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

225 million
doses of COVID-19 vaccines manufactured

180 medicines
on the WHO Essential Medicines List

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

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

Our material sustainability topics

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

Our contribution to the SDGs

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

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

3 GOOD HEALTH AND WELL BEING

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Additional information available online:

Aspen Sustainability and ESG Data Supplement

Aspen Code of Conduct

Patients continued

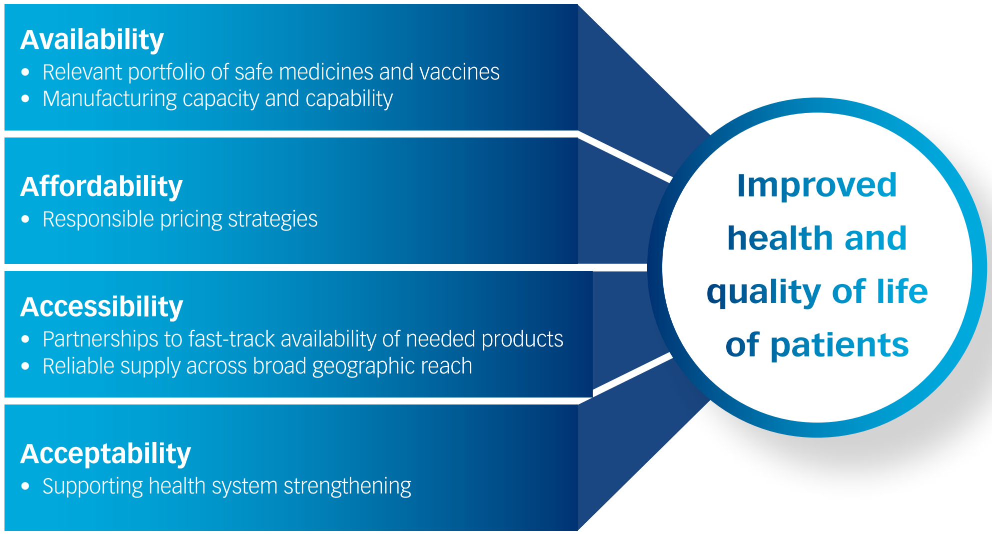
Access to high quality, affordable medicines

Access to affordable healthcare is a global priority. We support the WHO's promotion of Universal Health Coverage and are committed to advancing the goals and outcomes of the UN SDG3 of "ensuring healthy lives and promoting well-being for all at all ages". We believe that our market position as a global pharmaceutical company with a relevant portfolio of medicines and vaccines is the most fundamental way in which we contribute to increasing access to medicines and furthering the global goal of universal access to healthcare. The medicines we manufacture and distribute improve health, enhance the quality of life of patients globally and contribute to creating economic benefit through healthier, more productive populations. We continue to focus on developing a product portfolio that leverages our intellectual and manufacturing advantage, including investment in effective older specialty medicines that provide viable treatment options compared to expensive new innovative drugs. Effective treatments contribute to lower healthcare costs and prevent more costly treatment requirements. Through our extensive global presence, and a strong presence in developing regions, we extend the availability of our medicines and products to new patient populations.

We are intently committed to making our increased sterile manufacturing capacity available to ensure equitable access to vaccines for less developed countries, with a particular emphasis on African countries. We have demonstrated our ability to produce vaccines and are well positioned to make a meaningful contribution to strengthening health security and achieving enhanced access to high quality, affordable medicines. We look forward to our partnership with the Bill & Melinda Gates Foundation and CEPI through which we will receive grant funding to support African regional manufacturing capacity for an affordable supply of vaccines to, among others, African countries and Gavi/UNICEF, as well as contributing to pandemic preparedness through a share of our manufacturing capacity over a period of 10 years.

We share the responsibility to build resilient and sustainable healthcare systems with governments and private stakeholders, such as healthcare professionals, NGOs and other private sector participants.

During this year, we have worked on developing an access to medicines position paper to galvanise our efforts to contribute toward the achievement of this goal which is at the forefront of our sustainability strategy. Under the direction of the Executive Sustainability Forum, and oversight of the Social & Ethics Committee, we are crafting our access to medicines strategy focusing on the following key elements:



Essential medicines

Our diverse product portfolio in targeted therapeutic areas and unique trusted brands provides effective treatment options for patients. 180 of our products are included in the WHO Essential Medicines List (issued 2021).

Product reach

Our medicines are accessible to patients in over 115 countries and regions, including patients in emerging economies. In the 2022 financial year, we supplied medicines to more than 60 low- and middle-income countries (and 48 of the 106 countries identified in the Access to Medicines Index as countries where better access to medicines is most needed).

Affordability and pricing

Our product portfolio mainly comprises established, post-patent medicines and generics. Our product portfolio is not protected by patent exclusivity and is therefore subject to market and regulatory mechanisms aimed at achieving affordable access to medicines. Pricing decisions are overseen by the Group's Pricing Committee, established to ensure an appropriate balance of responsible pricing and business sustainability.

Our response to COVID-19

The reliable supply of life-saving medicines used to treat COVID-19 in patients, many of whom receive this treatment in intensive care units, has been of paramount importance during the period of this pandemic. Certain of our anaesthetic products are used in the tracheal intubation of

Patients continued

patients, while anticoagulants are used to counter the increased risk of thrombotic complications in patients who have suffered from COVID-19. Aspen's dexamethasone, in particular, has also been widely used as a treatment option for hospitalised COVID-19 patients. In response to the global demand for these and other essential medicines, we established a supply chain task force to coordinate our efforts in ensuring the continued supply of products where they were needed most.

We are proud to have been selected by Johnson & Johnson to manufacture its COVID-19 vaccine at our Gqeberha manufacturing site and to have successfully delivered more than 225 million doses of the vaccine. We further concluded the agreement with Johnson & Johnson for the manufacture and sale of an Aspen-branded COVID-19 vaccine, Aspenovax, to public sector markets in Africa through transactions with designated multilateral organisations and with national governments of member states of the African Union. We are ready to supply COVID-19 vaccines to Africa under a regional procurement pronouncement and as committed by the African Union, COVAX and AVATT.

Collaboration to manufacture, market and distribute four Aspen-branded vaccines in Africa

Our collaboration agreement with Serum Institute to manufacture, market and distribute four vaccines – the pneumococcal vaccine, the rotavirus vaccine, the polyvalent meningococcal vaccine and the hexavalent vaccine – provides the opportunity for Aspen to support African nations with their Expanded Programs on Immunisation.

Product portfolio

Our medicines fall into the following business segments:

Regional Brands

(page 68)

Our diverse regional portfolios provide patients and consumers with a broad range of treatments across a number of therapeutic categories in the hospital, prescription and OTC areas. This segment includes our high potency and cytotoxic medicines, which are often used in life-saving medical interventions, and due to their potency and toxicity are manufactured under specialist conditions. Included in the high potency and cytotoxics range are products designed to treat underactive thyroid conditions, immunosuppressants, oncological products, female hormonal replacement therapies, anabolic steroids, glucocorticoids and oestrogens.

Sterile Focus Brands

(page 67)

Our Sterile Focus Brands segment comprises our specialty brands in two therapeutic-focused portfolios, Anaesthetics and Thrombosis.

Anaesthetics portfolio

Patients require anaesthesia during major surgery, local surgical procedures, and for more minor pain control situations. Our portfolio offers the most comprehensive range of anaesthetic treatments available from any one company. It includes products indicated for the induction and maintenance of general anaesthesia; opioids used during induction, maintenance and recovery; as well as neuro-muscular blocking agents used to facilitate intubation and to relax the muscles for surgical procedures. Our regional and local anaesthetic products include both injectables and topical agents such as ointments, gels, sprays, creams and patches.

Thrombosis portfolio

Thrombosis occurs as a result of the body's haemostatic pathway being activated inappropriately, leading to the formation of blood clots. This condition is life-threatening and, if not appropriately treated, may lead to a stroke, myocardial infarction, ischemia and other complications. Our basket of Thrombosis products fits into the injectable anticoagulant category, aimed at the prevention and treatment of thrombotic diseases including deep vein thrombosis, pulmonary embolism and acute coronary syndrome. Our focus in this portfolio is on the low molecular weight heparin, Xa inhibitors and heparin derivatives.

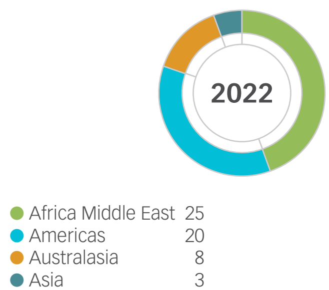
Product pipeline

Intellectual property, in the form of developed, licensed and acquired product molecule dossiers, is the key driver for organic growth in the pharmaceutical industry. Our product pipeline largely represents opportunities related to acquired and internally developed product dossiers, planned product line extensions to leverage existing brands within and across territories and targeted branded product acquisitions. Our internal product development takes place under the direction of our highly skilled scientists, both in our own laboratories as well as in collaboration with other global pharmaceutical companies and research facilities.

Products in the pipeline are aimed at therapeutic categories relevant to disease profiles in each territory. The pipeline continually undergoes technical and commercial feasibility testing for the territories where they are aimed to be launched. Acquisitive growth, in the form of corporate acquisitions and product distribution arrangements, largely entered into with leading multinational pharmaceutical companies, supplements our organic growth strategy and strengthens our ability to respond to identified healthcare needs.

During the year, we continued to launch new products and grow our pipeline, with 56 products launched in 26 countries and territories.

Number of launches per region (56 in total)



Patients continued

Responsible marketing and promotion of products

We are committed to providing accurate and balanced information about our products by ensuring that we promote them responsibly across our commercial operations. The Group's position on responsible marketing and promotion of our products is described in our Group Policy on Product Promotion and Scientific Engagement, which is aligned with the International Federation of Pharmaceutical Manufacturers & Associations' Code of Practice. Compliance with this policy will form part of the Group's overall ethics and compliance processes, and certification training on this new Group policy is currently underway. An amended version of the existing Group Code of Marketing Practice is now an annexure to the policy and is aimed at ensuring that any promotional activities and interactions with HCPs, 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. We are also committed to complying with other relevant regulations and legislation in respect of matters relating to consumer relationships, including advertising standards and consumer engagement protection laws. Compliance by Aspen's businesses is monitored through the Group quality audit schedule, This is a new initiative that started in Q4 2022. There were no instances of non-compliance with regulations related to marketing and promotion identified during the year.

Our Aspen Learning Academy provides training to our qualified medical representatives across the Group, ensuring that they have specialist product knowledge to support and guide HCPs whom they interact with. This includes competency training for all trainers within the organisation responsible for disease and product knowledge training. We have further initiated continuous improvement projects for the standardisation of learning materials for brands shared across our learning management systems to support certification.

We also conduct product awareness training for employees and for customers, as appropriate. Since we do not deliver products directly to the end-customer or consumer, we ensure that only accredited third-party distributors are used to provide logistics services and, in certain countries, wholesaling services. Our suppliers and service providers are bound by the Aspen Supplier and Service Provider Code of Conduct and are required to uphold prescribed ethical and human rights standards across the supply chain.

Patient safety

The Group Pharmacovigilance team, supported by the local business units, is responsible for monitoring and managing the safety of all our products globally. Pharmacovigilance covers the activities relating to the detection, assessment, understanding and prevention of adverse effects or any other drug-related problems, and is core to our patient responsibility.

As part of our product lifecycle management process, we continuously assess the risk/benefit relationship of our products. In collaboration with health regulatory authorities, we endeavour to provide all HCPs and patients with comprehensive up-to-date safety information, which allows for the safe use of our products. In line with best practice, we have continued to invest in digital tools to enhance our surveillance of product safety information from multiple global sources and ensure the effective consolidation and review of this data. We use this information to enhance our product safety information, which is made available through the required channels. The Social & Ethics Committee provides oversight of consumer relationships as this relates to product quality and adverse drug reaction incidents reported globally.

Our sustainability commitments in action

Applying the brakes to slow down myopia in children

Myopia, also known as near-sightedness, is a condition in which someone can see objects nearby clearly, but objects farther away are blurry. Myopia is a growing public health concern worldwide and increasingly it is an issue for children. Childhood myopia is critically important to address as it can progress to the more severe version called high myopia, which can lead to an increased risk of sight-threatening eye disease in the years to come.

With the combination of younger children spending more time on devices than ever before, less time spent outdoors, COVID-19-related lockdowns, remote learning and isolation, there are increasing numbers of children being diagnosed with myopia in Australia and other parts of the world, and this is being called a 'crisis of myopia'.

In response to a patient unmet need that was identified by a local paediatric ophthalmologist and opinion leader, four years ago Aspen Australia initiated the development process that has subsequently led to the launch of Eikance (0,01% atropine sulfate) eye drops in 2022. Eikance is a prescription medicine used to treat children with myopia who are aged 4 to 14 years old by slowing down the progression of myopia.

As part of the launch activities, a consumer media project was developed to inform and educate families about myopia and raise awareness of the availability of Eikance, reaching over 4,3 million Australians.

Patients continued

Clinical trials

We have limited involvement in clinical trials. Clinical studies are conducted to fulfil regulatory authority obligations or are limited to post-marketing studies. Clinical activities are therefore limited to well-known and established medicines, involve a small number of patients and do not pose a risk to patient safety. Market research studies that are conducted involve gathering marketing-related information by means of a patient or HCP questionnaire, or they involve a retrospective data review, which means these are non-interventional studies with no risk to the patient. In order to obtain registration of our products in certain markets, like China, it is a requirement to submit clinical data relevant to the local population. Therefore, we are planning to conduct two studies in China to fulfil the regulatory requirements for two of our well-established products.

Before and while conducting a clinical trial (be it a clinical study, a post-marketing study or a bioequivalence study), it is mandatory to secure the required regulatory and ethics approvals. We have several policies that govern the standards and processes utilised during the process of conducting a clinical trial. These policies describe the role of the sponsor and mandate that the sponsor oversight should always be evident. Detailed project plans with milestones are in place for each trial, with performance measures to ensure completion of studies.

Animal testing

To date, we have not undertaken pre-clinical research, but on very rare occasions, we have been required by regulatory authorities to conduct animal testing as part of new drug development or to determine the safety of manufactured APIs. Where animal testing has been required by regulatory authorities, we have outsourced only to partners who adhere to our high ethical standards. Considering that, in future we may need to undertake pre-clinical research in respect of vaccine development, regulatory validation and quality release testing using animals, we have adopted a formal policy on animal research. This policy espouses our commitment to the three Rs: reducing the number of laboratory animals required by improving existing methods of testing; refining existing methods; and finding alternative methods (replacement).

Product safety and quality

Since patient safety is of primary importance, we have a zero-defect approach to managing product quality. We recognise that we are accountable for the responsible manufacture and supply of products in accordance with applicable pharmaceutical regulations, legislation and guidelines. This underpins the trust in the Aspen brand. Stringent compliance procedures are in place across the supply chain to maintain and grow customer confidence. Regulated in-process and supply chain quality management controls are in place and adhered to. Raw materials and packaging materials are purchased from accredited and authorised suppliers who meet the necessary quality, regulatory and Aspen-specified requirements.

Products are manufactured at our own manufacturing sites or sourced from reputable third-party suppliers. Manufacturing sites are required to comply with GMP, which governs the manufacture of products in the pharmaceutical industry, and to uphold the status of pharmaceutical regulatory approvals applicable to the supplied territories. The Aspen Quality Assurance Department as well as various regulatory agencies conduct audits of potential and existing suppliers to support the high quality objectives and compliance with GMP across the supply chain. All inspection findings are closely managed through to close-out, with critical findings receiving executive management oversight. Only products that meet the prescribed quality and regulatory standards are released for sale and regulated quality compliance controls are in place. The quality and efficacy of supplied products are monitored throughout the product lifecycle using systems approved and monitored by regulatory authorities. As the owner and/or holder of the marketing authorisation, we are responsible for the quality of our own products across all territories.

During the year, our sites were subject to various regulatory inspections. No warnings or notices were issued pursuant to these inspections.

Seven product recalls were initiated during the year, marginally increasing from six in the prior year. These product recalls were mostly because of incorrect packaging, labelling and health authority requests for affected batches only. All product recalls are thoroughly investigated and appropriate corrective action taken to minimise the risk of reoccurrence.

Measures to combat counterfeit medicines

In line with global trends to combat counterfeit medicinal products, we are committed to compliance with all medicine serialisation requirements implemented globally. These measures require a comprehensive system to track-and-trace medicines through the entire supply chain to the end user, the patient. This allows us to identify every product by a unique serial number in addition to the origin, shelf life and batch number for that product. We have implemented serialisation in European, Asian and Middle Eastern markets where required.

Markets in scope for implementation going forward are Indonesia (October 2022), United Arab Emirates (aggregation – December 2022), Argentina (serialisation at site – January 2023) and USA (aggregation – November 2023). Currently Brazil, Canada and Australia are not in scope.

Reliable supply of quality products

We have commenced a strategic transformation project, referred to as IBP, to create a modern, agile and integrated end-to-end supply chain. The improvement in the links between commercial forecasting and manufacturing, coupled with improved visibility and shared accountability for end-to-end supply chain performance, will result in the overall improvement of delivery of quality medicines to patients who need them. This robust process, which will be underpinned by new technology and data tools, improves delivery to patients, reduces service costs, and reduces the risk of stock-outs and inventory write-offs.

Our People

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

Strategic objective

Stakeholder

Capital

Our commitment

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

Our impact

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

R8 billion
in salaries and benefits paid to our more than 9 000 employees

R50,3 million
invested in training and development initiatives

34%
female representation in senior roles

Zero occupational fatalities

Additional information available online:

Aspen Sustainability and ESG Data Supplement

Aspen Code of Conduct

Our material sustainability topics

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

Our contribution to the SDGs

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

SDG 5 Achieve gender equality and empower all women and girls

5 GENDER EQUALITY

5.1 End all forms of discrimination against all women and girls everywhere

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

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

8 DECENT WORK AND ECONOMIC GROWTH

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

Our People continued

Diverse, global teams, focused on delivering results

On the back of unprecedented times and massive global and business disruptions caused by COVID-19, our diverse team of skilled, accountable and engaged employees have stayed focused on delivering our strategic objectives. This has required us to not only reset and refocus our human capital priorities to respond to the future world of work, but also provide for a connected, enabling, supportive and safe environment for our employees. How employees are treated, how they show up in the workplace and how they thrive were front and centre of our focus. While more business units implemented hybrid arrangements or full return-to-the-office programmes, we continued to prioritise keeping our employees engaged, connected and well-informed. We adapted leave policies and placed an increased focus on providing employee well-being and mental health support initiatives as employees navigated post COVID-19 realities. We enhanced our leader support and development to provide our executives and managers with effective tools and skills to enable inclusive leadership and foster collaboration within their teams. We have taken the opportunity to progress our policies, procedures and practices to help us continue to create an enabling environment that respects and nurtures the diversity within our business, despite the location of individuals. Maintaining an inclusive culture was at the centre of our approach, underpinning our overarching duty of care for our employees' wellness and safety.

Building a fit-for-future organisation

As the Group evolves, the human capital function continues to adapt to provide more integrated and relevant solutions. The strategy was reset to guide all human capital priorities supporting the business in responding to a challenging environment of increasing competition, cost pressures, organisational changes, digital transformation and regulatory compliance. During the year, the Group human capital operating model was embedded. The model supports the evolution of the human capital function from human resources management to employee experience, and from a support function operating in a federated business model to one that shapes and enables a hybrid business model. This model is necessary for our employee value proposition to attract, retain and develop the talent needed to stay competitive through centres of excellence, communities of practice and a human capital shared service. While aligning to the Group human capital strategy, policies and procedures, our decentralised human capital structures customise their policies to ensure local relevance and compliance with applicable labour legislation. The strategy also aims to create an environment where future-fit human capital solutions have a global focus, while maintaining localised relevancy. It has, at its core, the objectives of fully integrated talent management, enhancing the employee experience by providing interesting, challenging and meaningful work: creating meaningful career growth opportunities; offering competitive and differentiated remuneration; and ensuring an overall positive work environment. Our strategy also drives collaboration and synergy between our commercial, manufacturing and support business segments.

Our human capital information system strategy and our equity, diversity and inclusion framework received heightened strategic focus during the year. Key to our human capital strategy was the implementation of new job architecture principles, new job evaluation and governance systems and new job design processes. We also crafted our new Group integrated Talent Management strategy and Succession Planning framework, coupled with policies that support these frameworks.

To ensure we have a workforce that feels included, can have compelling careers and has a strong sense of belonging, we sought to understand the current group climate around the employee experience. We did this by conducting a Group-wide employee experience survey. The survey, designed around 40 questions and clustered into eight dimensions, provided valuable data around the employee experience. To ensure the survey was inclusive, it was translated into eight languages and made available both electronically and in paper form. We had a response rate of 68%, which gave us valuable data around how our employees experience leadership, rewards, culture and the working environment. Based on the list of questions that were selected, the outputs contributed significantly towards the Thriving theme, with the results indicating our Thriving level is at 69%. Favourable feedback was received in respect of our values, our ethics and the understanding of our strategic objectives, while some work needs to be done in the areas of career management, continuous learning and creating a culture of inclusion.

The survey results were communicated to all employees through a Group town hall and also at individual business unit level. Action plans are currently being crafted to address the focus areas for action, with human capital, leadership and employee groups working collaboratively to ensure Aspen is an environment where employees can thrive.

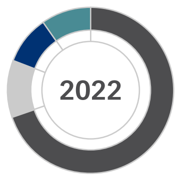
A key contributor to employee engagement is to ensure clear role profiles and the articulation of expected deliverables. Our enhanced Group performance management framework continued to provide a standardised approach to performance management while respecting the local dynamics of managing high-performing teams, ensuring that pay for performance underpins our remuneration strategy. The framework also encourages 360-degree feedback, alignment of Group, business unit and individual objectives and continuous performance dialogues.

We operate in labour markets where talent is discerning, agile and where skills and experience are in demand. We must ensure we optimally acquire and deploy our talent, through processes and technology that can effectively meet the dynamic needs of our business. To this end, we

Total employees (9 167 employees) (%)

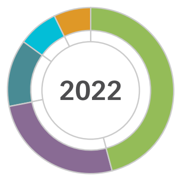
- Permanent employees 94
- Temporary employees 6

Employee categories (9 167 employees) (%)



- Factory employees 59
- Support staff 15
- Commercial employees 13
- Sales representatives 13

Total employees by region (9 167 employees) (%)



- Africa Middle East 46
- Europe CIS 26
- Australasia 13
- Americas 8
- Asia 7

Our People continued

have focused more on data-driven insights within an assessment framework to predict which internal and external talent has the experience and potential for current and future roles in the organisation, while using hiring automation to reduce time to fill. We have also looked at more inclusive hiring processes to build more diverse talent pools and create more equitable outcomes through fair, cost efficient and consistently applied processes for current and future hiring needs. To ensure that we retain talent, we have strengthened our retention activities such as stay interviews, dynamic induction processes for new staff members, career and performance discussions as well as remuneration reviews to ensure internal equity in pay scales. We are focused on creating development plans intended to equip our employees to succeed in their current roles and develop capability for future roles.

Our global human capital system, implemented in 2017, serves as a Group platform for core employee data and is a strategic enabler for the implementation of the Group's human capital strategy and related processes. The further automation of a wider range of human capital processes is underway, with the intent being to move to a digital employee experience. To support our goal of people-centred analytics, the global Learning Management System has been expanded to more business units across the Group.

In total, 1 758 permanent and temporary employees were recruited to support business expansion requirements and to replace vacancies or fill new roles in FY2022, with 55 employees retiring due to either non-work-related ill health or having reached normal retirement age (less than 1% of the staff complement). No occupational fatalities occurred during the year (2021: none), but we regret to report the non-work-related deaths of 14 employees.

We embarked on several projects to align our organisational structure to operational requirements. This resulted in restructuring in the South African and Irish commercial businesses. In implementing these restructuring processes, detailed consultation plans were prepared to ensure that the appropriate engagements were held with affected employees and with the relevant labour organisations, such as unions and works councils. Despite us seeing an improvement over the 2021 reporting period, a highly competitive environment in China has contributed to a higher voluntary attrition rate in this business unit. The Group's overall employee turnover rate (voluntary and involuntary) has remained at 15% (2021:15%).

Respecting employee rights

As a participant of the UN Global Compact and WEP, we are committed to upholding the labour principles included therein and the advancement and protection of women's rights. Our working environments are free of prejudice, bias, harassment and/or violation. Aligned to our new job architecture and job evaluation process, we have structured role profiles and grades in place, allowing for fairness and equity. Our Code of Conduct entrenches the rights of all employees to be treated with fairness, equality and respect. Aspen is committed to providing a working environment free from discrimination, harassment, violence and bullying, and ensuring that all employees are treated, and treat others, with dignity and respect.

Discrimination of employees on the basis of age, nationality, gender, race, physical health, sexual orientation, individual belief systems and/or any other prejudicial grounds is prohibited and further entrenched in our Equity, Diversity and Inclusion Framework, Sexual Harassment policy and new Anti-Harassment and Anti-Bullying policy. Our policies further denounce the use of child labour and unfair labour practices. Human capital, industrial relations and legal compliance frameworks are in place to uphold employee rights and ensure compliance with labour legislation. During the year, no substantiated incidents of unfair discrimination were identified in the Group (2021: Nil).

As an organisation, we have a responsibility to support any employee who is subjected to violence, harassment and discrimination and to protect employees who may be subjected to gender-based harassment at work or in their communities. Domestic violence and sexual harassment negatively impact the full and equal participation of women in the workforce as they impair employees' physical and mental health and well-being, leading to stress, anxiety, loss of self-esteem, motivation, and even job loss. These forms of abuse contribute to the gender pay gap and affect women's opportunities for advancement, career progression, business productivity and reputation. Recognising the high prevalence of gender-based violence in certain of our operating geographies, we ran global campaigns around the UN's 16 Days of Activism against Gender-Based Violence and International Women's Day #BreakTheBias. The campaigns aimed to create awareness around these topical issues while making a call to action against bias, stereotypes and discrimination.

We have policies and procedures in place that encourage a productive employee relations environment, underpinned by proactive and constructive working relationships with unions and works councils. Employees across the Group are free to exercise their rights to belong to trade unions and collective bargaining councils. Relationships with trade union representatives – considered key stakeholders – are managed in a proactive and responsible manner by local human capital managers. Formal processes are in place to foster a culture of transparency and constructive engagement with trade union representatives in each territory. During 2022, 11% of the Group's employees belonged to a trade union, while 21% were represented by collective bargaining or works councils.

Material operational changes are communicated to the employee trade unions, as necessary, within legislated time frames. Formal grievance procedures are in place and are communicated to employees at each business unit. Another mechanism to address employees' concerns over confidential matters is the use of the whistleblowing Tip-offs Anonymous Hotline. This independently operated reporting system provides employees with a channel to anonymously raise concerns in respect of matters related to unethical conduct, corruption and fraudulent activities. Our Whistleblowing Policy and standard operating procedure provides guidance to prospective whistle-blowers and details the protections available to them, including protection against occupational detriment.

The Social & Ethics Committee provides oversight of the Group's activities with regard to labour and employment, including the Group's standing in terms of the International Labour Organization protocol on decent work and working conditions. It further monitors Aspen's relationships with its employees and reviews the effectiveness of skills development programmes across the Group.

Shaping our workforce through continual upskilling and reskilling

Our dynamic environment requires our employees to be adequately upskilled and reskilled in technical, behavioural and leadership skills for a sustainable and competitively viable organisation. Our employees need to be adaptable, results-driven, self-motivated, decisive and responsive team players. All employees are provided with equal opportunities for development, advancement and promotion on merit and without prejudice. Our learning and development strategic focus has been on leadership development and building fit-for-purpose competency. This strategy is centred around learner-focused and inclusive training programmes with digital learning experiences for all. We have appreciated and been committed to developing employees, which boosts talent retention and increases productivity. Individual learning discussions are centred around the blended learning approach, with 70% of learning by doing, 20% of learning by engaging with others and 10% learning through formal programmes.

Our People continued

Building talent to drive performance excellence

To support our new operating model, we implemented some key performance initiatives, namely the new job evaluation process and new group performance management framework. The intention is for us to have an integrated approach that aligns our employees' performance objectives and contributions with key business objectives, while interlinking components of planning, cultivation and accountability related to our performance culture. Enabling this high-performing culture is a performance management process that is in place across the business. The performance reviews are based on functional and business unit strategic objectives. During the year, performance appraisals were completed for 99% of permanent employees across the Group through formal one-on-one meetings between employees and responsible managers. Performance incentives and annual salary increases for assessed staff are determined with reference to the completed appraisals.

We also implemented our new Group succession planning framework across our operations, which allows for a standardised, coordinated and integrated approach to identifying talent so that we can build succession plans for mission-critical and key person roles in our business. This structured and agile process will focus on identification of critical roles, talent identification, calibration and development planning. The adequacy of these succession plans and the Group's talent planning landscape are monitored by senior executives, while the Remuneration & Nomination Committee monitors the adequacy of succession plans for the Group's executive directors and senior executives.

Business unit managers are responsible for the implementation of effective training programmes to address identified skills development needs with the support of human capital departments. The Group human capital function supports business unit management teams to this end and monitors the adequacy of implemented training plans. During the year we have had to pivot between in-person and virtual learning, all in the aim of supporting self-directed learning using e-learning platforms. We worked on moving beyond the event-based model of learning to one of continuous training, combining aspects such as collaboration with peers and practice sessions, to emerge the micro learning concept.

The global Learning Management System supported the implementation of our training plans and enhanced learning with curated learning paths for wellness and diversity and inclusion.

Technical and leadership skills have been identified as critical and these areas have continued to receive focus. We continued to provide fit-for-purpose programmes to build leadership and functional capacity and capability. Our Leadership Competency Matrix and Leadership Framework formed the foundation for all flagship programmes, building each individual's ability to lead self, lead teams and understand business. Various leadership development initiatives were offered to employees, aimed at building core competencies, building team alignment and coaching teams for excellence. Training interventions across the Group have included short course training, internal training programmes, management and leadership development programmes as well as executive coaching programmes. We were also able to use our capability agenda to upskill and reskill women across the Group, with the aim of building diverse succession and promotion pools. To further our Group Equity, Diversity and Inclusion ("EDI") Framework, we also upskilled line managers and employees on living and leading with an inclusive mindset. Learning concepts around inclusive leadership were also built into our leadership programmes. We also ran a diversity series around themes of equity, diversity and inclusion at work: belonging; understanding race and racism; and LGBTQ+ communities. In total, 6 919 (2021: 6 754) employees underwent training at an average cost of R5 863 (2021: R4 893) per employee. The total investment in training increased by 16% to R50,3 million (2021: R43,2 million). Reversing the trend observed during COVID-19, we are now seeing a shift from internal to external training.

Skills development programmes in South Africa

Aligned to our business strategy and talent management focus to "build our own timber", driving capability building has been key for us. In South Africa, 1 909 employees attended learning and development interventions (88% of this spend was on Employment Equity ("EE") employees). The development of female employees remains a focus for us, with 52% of total training spend in South Africa being spent on women.

Some of the key initiatives implemented during the year include the following:

- South African Operations have implemented pipeline initiatives comprising learnerships and internships for qualifications critical to the business, such as mechatronics and engineering disciplines.
- The South Africa Commercial Learning Academy offered a National Certificate in Pharmaceutical Sales Representation.
- At Aspen Holdings, the focus was on developing females on our gender identity programme, and design thinking.
- The Advanced Certificate in Management Programme was delivered through Milpark Business School, a bridging programme focused on providing an accredited qualification to line managers (NQF 6) and giving them a holistic view of management.
- A management programme was conducted through Gordon Institute of Business Science.
- Diversity and inclusion as well as employee financial, emotional and mental wellness sessions were held through ICAS (our wellness partner).
- A range of ethics and compliance-related training was delivered.

In total, 180 learners were provided with funding and 44 internships were implemented in the business in the year. A total of 123 internships and learnerships continue to be provided to employed and unemployed individuals. Financial assistance in the form of bursaries was awarded to 60 of our employees, with a further 46 bursaries being awarded to external students in South Africa. Our external bursary scheme, with a total spend of R3,5 million, is directed towards the maintenance of a supply of relevant qualifications and skills to the industry in the future, while also contributing towards the education of our youth.

Respecting employee diversity, promoting equality in the workplace and creating an inclusive culture

Our success is entrenched in our values, our people, beliefs and our ability to adapt to the diversity of the global environment in which we operate. We are committed to building an organisation that is reflective of the demographics of the countries and communities in which we operate to harness strength from the many diverse talents and cultures in the Group. As at 30 June 2022, Aspen's team represented over 50 different nationalities across six continents.

Leveraged through a diverse workforce that reflects the world we operate in, and an inclusive culture where employees feel valued, can show up authentically and feel appreciated, our EDI framework underpins the principles outlined in our Group Code of Conduct that all employees – regardless of race, gender, sexual orientation, ethnic origin, nationality, religious beliefs, disability, marital status, age, political beliefs, or socio-economic status – are treated with respect, dignity and fairness at all times. The framework formalises our commitment to promoting and supporting EDI at all levels of the organisation to maintain our high-performance culture and ensure that programmes, policies, strategies and practices are executed to create and sustain a diverse, equitable, and inclusive

Our People continued

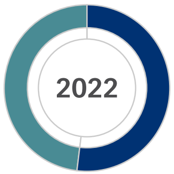
workplace. These principles are carried through to our talent attraction and development practices, ensuring that we implement fair and equitable recruitment practices and give suitably qualified individuals the opportunity to grow and move into roles that meet their career needs. The business units across the Group have embraced the principles and philosophy around equity, diversity and inclusion, embarking on their individually unique journeys to build diverse and inclusive teams. Some key initiatives implemented in the year were:

- the extension of working-from-home policies to provide further flexibility to employees;
- the management of various diversity training and International Women's Day celebrations;
- the provision of enhanced paternity and adoptive leave benefits;
- the development of more inclusive onboarding programmes;
- the introduction of conscious inclusion in all leadership development programmes;
- the development of more inclusive wording in recruitment;
- the implementation of diversity questions in our Group Employee Experience survey; and
- focused actions to address areas of concern around inclusion.

As a participant of the WEP, the attraction, retention and development of female employees is a priority for the Group and gender diversity is a KPI monitored by the Social & Ethics Committee. We recognise that the advancement of women within our organisational structures is an important element in addressing gender equity. The percentage of women in the top management roles in the Group indicates that women represent 34% (2021: 26%) of our leadership teams and 48% (2021:48%) of our total workforce. To empower our female employees, women's forums have been established in our respective South African businesses, providing a platform for women to engage, connect and enable transformation in the gender space. We consider having an external perspective on gender as critical and have strengthened our partnership with the South African chapter of the 30% Club during the year. The 30% Club is a non-profit organisation that campaigns for the greater representation of women on the boards of FTSE100 companies as well as for the empowerment of women in senior positions within organisations. Over 100 of our employees, both men and women, have been exposed to networking sessions hosted by the 30% Club where issues of transformation and gender equality were debated. Our Group Chief Operations Officer and Group Head: Talent Management are members of the 30% Club Steering Committee, and the UN WEP South Africa Steering Committee, demonstrating our commitment to this important issue.

We have also implemented specific interventions to create an inclusive working environment for people living with disabilities. This is an important element in our transformation journey in South Africa, where we have targets and plans to attract, develop and retain people living with disabilities in our business. In 2022, we ran learnerships for 80 people with disabilities. In our South African business, people living with disabilities represent 1,9% of our workforce.

Employee gender diversity in the Group (%)



- Male 52
- Female 48

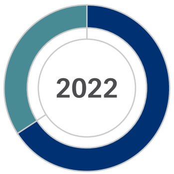
Empowering historically disadvantaged individuals in South Africa

At Aspen, we are intent on developing and maintaining an integrated approach to EE, where transformation is seen as a strategic business, moral and social imperative, which all team members are collectively responsible for achieving.

EE is firmly anchored within the business and our human capital strategic objectives which are underpinned by key initiatives within learning and development, performance management, talent acquisition, succession planning, retention, rewards, recognition and employee wellness. Progress against objectives is monitored quarterly by the Social & Ethics Committee which continues to provide strategic guidance to the business on the transformation agenda.

In line with our EE and talent management policies in South Africa, we have crafted and implemented the fifth year of our five-year EE Plan. This plan was developed in conjunction with our South African businesses in accordance with the Employment Equity Act and the Department of Trade, Industry and Competition's B-BBEE Codes of Good Practice ("B-BBEE Codes") to promote the advancement of historically disadvantaged individuals. Targets were set by taking into consideration staff turnover, growth and transformation rates after having consulted with the respective EE committees. Each business unit in South Africa has a transformation plan in place and EE committees meet regularly to drive delivery against agreed EE priorities.

Gender diversity in top management roles in the Group (%)



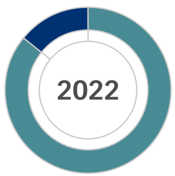
- Male 66
- Female 34

As we close out the final year of our five-year EE Plan, there has been steady progress to achieve the objectives outlined in the plan (ending 31 August 2022) and for the period ended 30 June 2022. The South African Group affiliates have achieved an overall representativity across occupational levels of 86% (2021: 83%) against a target of 86%. A key focus is to improve representation at the senior management level. During the reporting period, we had movement within the top management level, with changes in structure, terminations and new engagements, resulting in our black employee representation at top management improving to 35% from 22%. Representation of female employees in the South African workforce increased to 54%, while women hold 34% of the top management roles (up from 26%).

Accelerated activity has taken place over the year in review to co-create the new five-year EE Plan which will be updated to include mandatory sector targets once released by the Department of Employment and Labour. The processes adopted to understand the barriers to transformation were inclusive and encompassed feedback from all team members. Transformation objectives are also owned and monitored at business unit level where EE committees meet regularly to drive delivery against the agreed priorities.

Our People continued

Employee race diversity in South Africa (%)



Black employees 86
Other employees 14

Black employees in top management roles in South Africa (%)

Other employees 65
Black employees 35

Supporting South African employees in the identification and management of HIV/AIDS

We are committed to promoting HIV/AIDS awareness and offering HIV/AIDS-positive employees with the required counselling and support. Each year, we participate in World Aids Day on 1 December and World Tuberculosis Day on 24 March. Employee awareness of these diseases is created through the dissemination of information booklets and posters and making relevant information available electronically to staff. Our HIV/AIDS policy complies with legal guidelines and prescribes confidentiality of the employee's status. Free condom dispensers are installed in accessible areas across the South African and Kenyan sites. In South Africa, our HIV/AIDS management programme is administered by an independent health risk management company. HIV/AIDS-positive employees have access to the disease management programmes through their healthcare insurance schemes, which subsidise the provision of anti-retrovirals as well as voluntary counselling and support programmes. Peer educators provide staff with necessary HIV/AIDS prevention and disease management training and, where required, this is also offered to family members of affected employees. In South Africa, 230 employees participated in the voluntary HIV/AIDS testing and 40 participated in the voluntary counselling programme.

Fair remuneration

Employees are protected by local labour legislation and internal policies and practices to ensure appropriate hours of work and the management of overtime. Employee wage rates across the Group comply with legislated wage rates in the relevant jurisdictions and, where applicable, employees are paid in accordance with rates agreed upon with trade unions and/or collective bargaining councils. Salaries are benchmarked against industry standards in each territory to ensure that high-performing employees are offered competitive remuneration packages that promote retention objectives. Our remuneration philosophy is detailed on page 109. Initiatives are also in place to provide formal and informal recognition to employees. Our global employee recognition programme celebrates employee excellence in the business.

Supporting the well-being of our employees

Belonging, equity and wellness are synonymous with the employee experience and we have expanded our duty of care to span across all practices, processes and policies that ensure employees are working in safe and healthy environments. Mental well-being has taken centre stage in the wellness focus, and we are finalising our new Group well-being framework, which covers holistic well-being. Employee health, wellness and fitness for work are fundamental to enable the effective execution of designated responsibilities and implementation of value-adding initiatives for the business. Employee benefit arrangements include subsidisation of tailored healthcare insurance plans for employees and their direct dependants, where this is required. We supported our employees with paid leave to accommodate mental health and family responsibility where warranted. Core to well-being is also communication, and we have ramped up employee communication with global town halls, a virtual employee magazine, and by encouraging cross-functional collaborative teams. A wellness series was run in the business to address topical wellness topics like mental health, emotional intelligence, and physical health. Leaders are also being equipped with skills and tools to be more emphatic leaders. Employees at selected sites have access to on-site clinics, employee assistance programmes and wellness support programmes. Detailed wellness programmes are implemented in South Africa and across various business units, with a focus on financial planning, stress management, mental wellness and COVID-19 vaccination awareness and support.

Providing a safe working environment

Our employees are entitled to a safe and healthy working environment and we are committed to ensuring the safety and security of all our employees and third parties visiting our facilities.

Our commitment to safety and security management

Our commitment to our employees is outlined in the Aspen Code of Conduct. The Aspen Code of Conduct for Suppliers and Service Providers echoes this commitment, detailing the expectations and requirements in terms of adhering to our safety standards both in their own workplace and when operating at one of our facilities. The Aspen Group Standard for Contractor Management further supports the identification, evaluation and control of risks associated with on-site contractor and sub-contractor activities.

SHE compliance is monitored and managed on a day-to-day basis and SHE KPIs form part of site management reporting processes. The relevant Group functions develop and promote Aspen's SHE policies and standards and monitor the compliance and effectiveness of certified SHE management systems across the business units. Independent SHE legal compliance audits are conducted biannually across all manufacturing facilities. The Group Compliance function, in consultation with the Group Health & Safety function, reviews the audit findings to establish trends and focus areas and tracks the status of corrective action plans. The Board monitors material SHE KPIs on a quarterly basis and, through the Social & Ethics Committee, monitors the effectiveness and compliance of SHE management systems across the Group.

The prevention of work-related injuries, permanent disabling injuries and occupational diseases is a key focus area for site management teams, particularly at the manufacturing sites where the inherent risks of health and safety incidents, including chemical exposure, are high. Health and safety baseline and issue-based risk assessments are conducted to identify and evaluate the magnitude of our health and safety risks through a dynamic, formal and structured process. Risk assessments are the foundation for

Our People continued

the establishment, implementation and maintenance of our SHE management systems across the Group, and the selection and mitigation influence of required control measures is determined by the principle of the hierarchy of controls. Issue-based risk assessments are conducted for the management of changes and any new projects prior to the design phase to ensure that all health and safety risks are considered and mitigated. New operations acquired are systematically incorporated into the Aspen Group SHE programme.

Due to the nature of pharmaceutical and chemical products, compliance control measures are in place across the supply chain to address the safe and compliant handling and transport of all materials and products. All SHE training needs are essentially identified through applicable legal requirements and risk assessments and formally managed through internal and external training programmes. Competent registered or approved training service providers are appointed through a procurement and selection process.

SHE awareness and competency training programmes are conducted to promote the effective implementation and maintenance of SHE policies and procedures at no cost to personnel working for, or on behalf of, the organisation. Employee competency and the effectiveness of training is generally measured through formal assessment questionnaires, job observations or the performance review process. Formal SHE representation and management structures are established at all manufacturing sites to create a platform of consultation and participation on the development of key system elements such as risk assessments, operational work instructions and incident investigations. These health and safety workforce forums also provide a mechanism for discussion and resolution of any SHE matters and sharing of pertinent health and safety information. Regional regulatory requirements dictate the operation of health and safety workplace forums in terms of frequency, membership, responsibilities and authority for decision-making.

Practices that penalise participation in the reporting of incidents, hazards, risks and opportunities are discouraged by addressing identified obstacles and barriers, and employees who wish to remain anonymous are protected against reprisals through the Tip-Offs and Whistleblowing Policy.

Ensuring employee security

In the interest of employee safety and asset security, access controls and security systems are in place across all manufacturing and commercial sites to prevent unauthorised entry. Additional measures are implemented by local management teams to ensure employee safety in countries where the risk of social and/or political unrest is high.

Managing health and safety compliance

We align our health and safety management systems to global standards and 83% of our manufacturing facilities are ISO 45001 certified, covering 90% of employees within manufacturing operations. Due to the limited scale of their operations, the Sioux City and Ghana sites are not earmarked for certification. The ISO 45001 certificates and SHE policies for all internationally certified facilities are displayed across the manufacturing sites and are available online. Maintenance of an internationally recognised health and safety management system enables our sites to keep abreast of all applicable health and safety legal requirements, maintain a programme for evaluation of compliance and manage instances of non-conformance.

In an effort to formally extend the scope of SHE management to Aspen's Commercial businesses, a Commercial SHE programme has been developed for systematic roll-out commencing with our material commercial and support hubs in 2023. The programme enables a formal approach to manage SHE risks and opportunities for continual improvement to ultimately maintain legal compliance and prevent harm to employees and the environment, as aligned with our Group SHE policies.

Our sustainability commitments in action

Resilience in the face of adversity

When the news broke of a conflict situation in Ukraine, our first concern was to ensure the safety of our Ukrainian colleagues. Emergency assistance was provided to the team to make sure that they, and their families, could move to areas of safety and their immediate needs could be taken care of. Following the initial days, regional executives maintained almost daily communication with each member to ensure their continued well-being.

What struck us, was the resilience and a pioneering spirit demonstrated by the team despite the humanitarian crisis unfolding in their home country and the significant personal stress they were facing. The team persisted and explored new ways of working to ensure that patients in Ukraine have access to medication while continuing to deliver on their own business objectives. Together with our global supply chain teams, new logistical routes for importing and distributing medication to Ukraine were established, and sales and marketing activities continued through amended working solutions. These efforts were supplemented by humanitarian assistance provided through the donation of Anaesthetics to facilitate 62 000 surgeries.

The team continues to demonstrate its resilience, engagement and dedication to our business as the conflict in Ukraine continues. We are proud of their unwavering commitment to our purpose of improving the health and quality of life of patients and our credo "*Healthcare. We Care*."

Our People continued

Measuring SHE performance

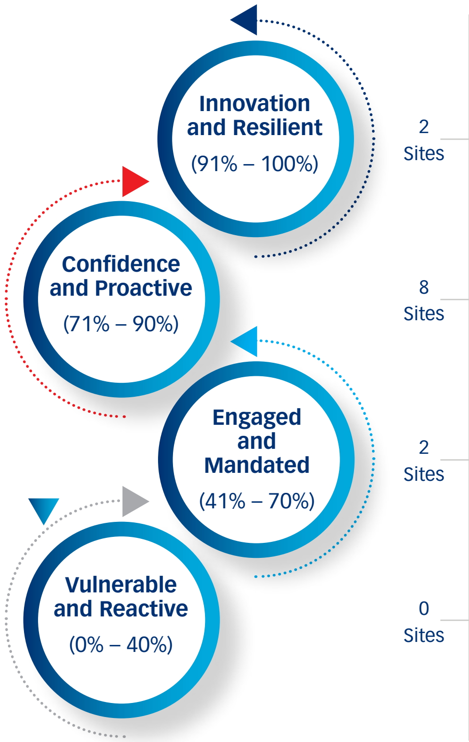
Independent SHE compliance audits were performed at 22 of the Group's manufacturing business units in 2022. One exceptional health and safety legal compliance finding regarding water pressure for fire protection was noted at the Boxtel site in the Netherlands. As an interim measure, an agreement for emergency support from the local fire brigade in the event of an industrial fire has been established. All legal findings are managed by each facility through a formal corrective and preventive action system, and the Group Compliance function monitors the compliance status and reports thereon to the Social & Ethics Committee. No fines were paid in respect of health and safety non-compliances this year.

As aligned with the GRI, TRIFR and high consequence incident frequency rate ("HCIFR") are used to measure health and safety performance. These KPIs provide a good reflection of our health and safety profile and approach to incident prevention through disclosure of a holistic TRIFR and refined HCIFR view of our health and safety performance. Greater insight into causal factors and hotspots are also obtained through the identification of emerging health and safety risks on minor medical cases.

The TRIFR reflects the percentage of employees who experienced reportable incidents, which include minor medical cases other than first aid treatment, over the 12 months ended 30 June 2022. The TRIFR tolerance was set at 2,00 for 2022 and a rate of 1,13 was achieved. The HCIFR indicates the percentage of employees who experienced a work-related injury or ill health, over the 12 months ended 30 June 2022, where the worker could not, did not or was not expected to recover fully to pre-incident health status within six months. The HCIFR tolerance, set at 0,05 by 2025, was achieved (0,01), although one serious shoulder injury case due to a slip and fall incident occurred at our Dandenong site in Australia. The tolerance levels are reviewed and approved by the Social & Ethics Committee on a two-yearly cycle.

During the year, 76 (2021:76) reportable incidents were recorded across the Group's manufacturing facilities. It is pleasing to report that no occupational fatalities related to our own workers and external contractors were experienced during the year. No fatalities have been reported over the last nine years and there is ongoing focus to ensure Aspen maintains this record. Formal systems are in place to ensure that incidents are recorded, investigated and analysed in a structured and timely manner in order to identify root causes and prevent their recurrence.

Slips, trips and falls remain the highest contributor to our total reportable case rates. Ergonomic cases and contact with hazardous energy sources also contribute significantly to our incident rates. With the objectives to improve our SHE culture, enhance H&S performance and leverage health and safety capability across our manufacturing sites, a Health and Safety COE was established in 2022. This COE, chaired by the Group Operations Health & Safety Manager, meets monthly for collaboration and alignment on our health and safety goals and frameworks and to improve efficiencies in Health & Safety Management. The "*We Care*" SHE culture survey was launched in 2021 in an effort to promote a positive SHE culture within the Aspen Group. The survey aims to provide insight into what all levels of employees should stop, start and continue doing in order to create a culture of care and a mindset of "beyond compliance" to enable excellent SHE performance and continual improvement. Baseline assessments for our manufacturing sites are now 92% complete and the majority (67%) of the participating sites are at the "Confident and Proactive" level. Although progress on SHE culture is assessed and disclosed every two years, a notable increase in near miss and hazard reporting has been recognised at several of our manufacturing sites.



Following the outcome of our 2021 motor vehicle accident ("MVA") survey within our commercial business, a dedicated reporting and investigation mechanism for the monitoring of MVA statistics was implemented in 2022. A total of 63 MVA incidents were recorded in 2022, of which 61 (97%) resulted in only vehicle damage. Two MVA cases reported in South Africa resulted in driver injury requiring one night hospitalisation (two days lost time) and medical treatment (no lost time). Both accidents were caused by a third party.

Ensuring commitment to continual improvement

We are committed to the continual improvement of health and safety management and performance through reasonably practicable measures. Audit results, survey outcomes and incident statistics are utilised as inputs for the identification of improvement opportunities. Continual improvement is demonstrated by the establishment of measurable health and safety objectives, which are regularly monitored to ensure achievement thereof. The status of the various continual improvement programmes is also discussed at employee health and safety workforce meetings.

Accolades

AGI was awarded the Top Employer Award for Mauritius for the third consecutive year.

Aspen Holdings won the Transparency and Reporting Leadership category and was a finalist in the Gender Inclusive Workplace category in the WEP Awards (South Africa).

Beta Healthcare International Ltd (Kenya) was awarded one of two trophies in the Social Impact/CSR awards 2021 by Digital Events Limited for Best in Health & Safety Initiatives, recognising the site's efforts in ensuring a safe working environment for its employees.

Society

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

Strategic objective

Stakeholders

Capitals

Our commitment

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

Our impact

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

Strong corporate governance
aligned with King IV principles

355 SED projects
implemented across 30 countries

R3 237 million
spent with empowered suppliers in South Africa

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

Our material sustainability topics

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

Our contribution to the SDGs

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

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

17 PARTNERSHIPS FOR THE GOALS

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

UN Global Compact Participant

WE SUPPORT UN GLOBAL COMPACT

Additional information available online:

Aspen Sustainability and ESG Data Supplement

Aspen Code of Conduct

Aspen Code of Conduct for Suppliers

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

Ethics and Compliance Management

Corporate Governance and Risk Management

Society continued

Conducting business in a responsible manner

Our responsible corporate citizenship philosophy encapsulates our commitment to conducting business ethically, with integrity and with commercial wisdom. We strive to enhance the economic and social well-being of our patients, consumers, investors, employees, customers and business partners.

Engaging stakeholders

We are committed to adopting a stakeholder-inclusive governance approach and sustaining strong relationships with our stakeholders through transparency and effective communication. The Board takes overall responsibility for ensuring a stakeholder-inclusive governance approach and ensuring that a Group stakeholder engagement policy is in place. During the year, we have had a wide range of structured and *ad hoc* engagements with our broad stakeholder base. Our approach to stakeholder engagement and a summary of the most material stakeholder engagements that we have undertaken are set out on pages 42 to 45 of this report.

Corporate governance

Led by an effective Board and long-serving, experienced executives, we operate on an established foundation of strong corporate governance. The King IV Report on Corporate Governance is implemented throughout the Group. More can be read about this in our approach to governance (refer to page 104) and our governance overview on www.aspenpharma.com/corporate-governance-and-risk-management/ where we also report on our application of the King IV principles.

Legislative compliance

Lawful compliance and respect for the rule of law underpins an ordered and effective society. We are committed to complying with the applicable legal and regulatory requirements wherever we do business. The Group Executive: Governance & Communications, who is also the Company Secretary, is responsible for the implementation of an effective legislative compliance framework and provides the Board with assurance in respect of the Group's compliance with applicable laws and regulations. He is supported by the Group Head: Ethics & Compliance in fulfilling this mandate.

There were no significant incidents of legislative infringements recorded during the year under review, reflecting the Group's effective compliance management and governance processes.

Ethics and compliance management

Approach

Aspen is committed to maintaining a culture of ethics and compliance throughout the Group. Our employees, directors and officers must comply with our Code of Conduct and supporting policies, as well as applicable laws and regulations, regardless of location. To support this requirement, the Aspen Group Ethics & Compliance programmes include risk assessments, policies, procedures, training and monitoring. These are developed based on internal experience as well as guidance from advisers, relevant authorities and international organisations to ensure that we are aligned with international best practices.

As a participant of the UN Global Compact, we promote and integrate the Compact's 10 principles into our business practices, as demonstrated in our Code of Conduct and supporting framework of policies.

Aspen takes a breach of its Code of Conduct and related policies seriously, and those who are found to be in breach may face disciplinary action, including dismissal.

Board and senior management oversight

The Board and its Committees play a critical role in overseeing and assessing Aspen's culture of ethics and compliance, and ensuring policies and procedures align with the Code of Conduct and Aspen's core value of integrity. The Board oversees and approves the programmes focused on compliance with material laws governing our business, including our sanctions and export controls compliance programme. The Social & Ethics Committee of the Board oversees and approves the Ethical Business Conduct programme, Safety, Health & Environmental compliance assurance programme, and other compliance programmes which are relevant to the legislative mandate of the Committee. The Committee also receives quarterly updates on any reported ethics breaches, including anonymous tip-offs received, and on ongoing investigations in respect of these reports. Training is provided to the Board and its committees, emphasising the role that members play in ethics and compliance oversight.

The Group Executive Committee (comprising executive directors and prescribed officers) also supports the implementation of our Ethics & Compliance programme. In this respect, the Group Executive Committee, is supported by the Ethics Committee, which reviews transactions or relationships that could give rise to ethical, compliance or reputational concerns. The Ethics Committee also oversees the operation of our Tip-Offs Anonymous programme and how we conduct investigations, ensuring recommendations and sanctions are applied consistently across the Group.

Structure

The Ethics & Compliance function supports the implementation of our Ethics & Compliance programme and is comprised of a full-time Group Ethics & Compliance function and Regional Ethics & Compliance Officers ("RECOs") who have ethics and compliance responsibilities in addition to their primary business roles. The Group functional team is responsible for designing, monitoring and continuously improving the Ethics & Compliance programme. The RECOs are responsible for the implementation of the programme in their allocated businesses and geographical regions. They also support the business for which they are appointed in day-to-day business considerations particularly those seeking advice on ethical and lawful behaviour or on the implementation of Aspen's policies.

Ethical business culture

Our Ethical Business Conduct programme comprises the implementation of the following policies throughout the Group:

- **Code of Conduct:** Aspen's Code of Conduct describes the standards of honest, ethical and lawful conduct expected of all employees, officers and directors of the Company, who are required to be familiar with the Code, comply with its provisions and follow Aspen's procedures to report any suspected violations. Employees and directors are required to sign a Code of Conduct Declaration upon commencement of their employment/appointment, and on an annual basis thereafter.
- **Conflicts of Interest Policy:** Our Conflicts of Interest Policy prohibits all employees, officers and directors of Aspen from using their position within Aspen, or Aspen's relationship with its customers, suppliers, contractors and other business partners for private gain, or to obtain benefits for themselves or their family members. Employees and directors are required to sign a Conflict of Interest Declaration upon commencement of their employment/appointment, and on an annual basis thereafter. Conflicting interests that are disclosed are reviewed by the Ethics Committee and are either disallowed or approved based on an agreed mitigation plan. Each business unit maintains a Conflicts of Interest Register, which is submitted to the Group Head: Ethics & Compliance on a quarterly basis.

Society continued

- **Gifts and Hospitality Policy:** Our Gifts and Hospitality Policy requires that where employees, officers and directors exchange gifts and hospitality with suppliers, service providers or customers, they must ensure that it is not intended or might be seen to influence business decisions, that there is a legitimate business interest for giving or accepting the gift or hospitality and that it remains once-off or irregular in nature. In addition, any prior approvals based on value thresholds must be strictly adhered to. Each Aspen business maintains a Gifts & Hospitality Register which is submitted to the Group Head: Ethics & Compliance on a quarterly basis.

Compliance programme

The Compliance Programme comprises the enforcement, implementation and monitoring of compliance to the following policies throughout the business:

- **Anti-bribery and Anti-corruption Policy:** Our Anti-bribery and Anti-corruption Policy prohibits the offering, providing, authorising, requesting or receiving of bribes, and we do not make political donations or facilitation payments. We do engage in policy debate (lobbying) on subjects of legitimate concern to our business, however, all officers and employees must, in doing so, comply with all applicable laws and regulations, and our Anti-bribery and Anti-corruption Policy. We do not make charitable contributions or community investments in order to disguise a bribe, or to gain an improper business advantage. We ensure that when we make charitable contributions or community investments we conduct risk-based due diligence on the recipient and monitor the use of the funds to ensure these are used for the purposes agreed upon. We only give and accept reasonable, appropriate and lawful gifts and hospitality that are consistent with our Gifts and Hospitality Policy and we do not employ individuals in exchange for obtaining or retaining business.
- **Sanctions and Export Controls Policy:** Our Sanctions and Export Controls Policy sets out our commitment to complying with applicable international trade controls. To manage our sanctions risk exposure and ensure compliance, we implement a range of controls and processes. These include screening our counterparties using a risk-based approach to determine whether they are a sanctions target or otherwise attract sanctions risk, and assessing whether our products are controlled for purposes of export to certain end users or destinations.
- **Competition Law Compliance Policy:** Our Competition Law Compliance Policy sets out our commitment to complying with applicable competition laws. To manage our competition risk exposure and ensure compliance, we implement a range of controls and processes. These include measures to assess the pricing of our products and to manage the risks associated with participating in trade association meetings and industry gatherings.
- **Data Protection Policy:** Our Data Protection Policy sets out our commitment to complying with all applicable privacy laws. To manage our risk exposure and ensure compliance, we implement a range of controls and processes. These include privacy notices for our data subjects, personal data breach procedures, and procedures to allow data subjects to exercise their rights. Aspen also has a procedure for including appropriate data processing terms in the contracts it concludes with its data processors.

Whistleblowing

We promote a culture of openness and transparency throughout the Group and, as such, employees and other stakeholders such as our suppliers and service providers are encouraged to speak up when they have a reasonable belief or suspicion of unethical or unlawful conduct concerning Aspen's business. We do not tolerate retaliation against anyone who reports ethical concerns in accordance with the Aspen Whistleblowing Policy.

An independently monitored whistleblowing hotline (including facilities to email anonymous tip-offs reports or log them online) – Deloitte's Tip-Offs Anonymous Hotline – remains available to all our employees and allows other stakeholders to report suspected fraud and/or activities which are considered to be transgressions of our Code of Conduct. Our policy and standard operating procedure provides guidance to prospective whistle-blowers and details the protections available to them, including protection against occupational detriment. Training and awareness sessions are conducted periodically to promote the use of this facility for its intended purpose. Key customers, service providers and suppliers are periodically informed of the availability of this line.

All reports from this hotline or from other whistleblowing sources received during the year were logged and, where appropriate, reported to the relevant managers timeously after consideration by the Aspen Ethics Committee. Disciplinary action was taken in instances where employees were found to have transgressed, with corrective actions implemented where necessary to improve controls and to prevent recurrence of the incident. All instances of misconduct, which may also constitute criminal conduct, are reported to local prosecution authorities as may be appropriate. 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 on a quarterly basis.

Society continued

The table below provides a breakdown of the tip-offs received via the Tip-Offs Anonymous Hotline and other whistleblowing sources from across the Group during the year. None of the tip-offs that were substantiated were considered to be of any material concern.

Type of allegation	Allegation raised	Number
Fraud	Falsification of records	2
	Inaccurate timekeeping / recording of working hours	2
	Misrepresentation	3[1]
	Misappropriation of funds	2
Human Capital	Gender discrimination	1
	Racial discrimination	2
	Conflict of interest	2
	Unfair dismissal	3[2]
	Bullying	1
	Breach of recruitment procedure	1
	Grievance about negative workplace culture	10[3]
	Grievance about pay and benefits	3
	Grievance about resumption of office-based work after COVID-19 lockdown	1
Procurement	Misrepresentation by potential service provider	1
Health and Safety	Breach of COVID-19 safety protocols	2
Other	Breach of confidentiality	2

Political contributions

Our Code of Conduct precludes us from making payments or other contributions to political parties, organisations or their representatives or taking part in party politics.

Responsible supply chain management

We work with a large number of suppliers and service providers, who provide goods and services that support us in delivering a reliable supply of high quality, safe products for our patients and consumers. We acknowledge that we have a responsibility to ensure that we work with suppliers and partners whose ethical, social and environmental standards are aligned to our own. Our service providers and suppliers are required to provide appropriate contractual commitments and adhere to the Aspen Code of Conduct for Suppliers and Service Providers. These grant Aspen audit rights and the ability to terminate the contracts based on a breach of the commitments contained in those documents.

In order to enhance our engagement with our key service providers and suppliers, we are in the process of developing a Group-wide supplier sustainability risk assessment and due diligence programme for implementation in FY2023. This Responsible Supply Chain programme will allow us to monitor sustainability performance on a routine basis through reliable sustainability assessments and engage with suppliers to achieve continual improvement and advancement of supplier performance on relevant sustainability aspects. We have recently joined the Pharmaceutical Supply Chain Initiative ("PSCI") with the aim of aligning our programme with the PSCI principles and further access tools and collaborative platforms and resources to assist us towards better understanding and management of our sustainability risk exposure within our supply chain.

Respecting human rights

As a participant of the UN Global Compact, we are committed to upholding the principles of respecting and protecting internationally proclaimed human rights, as well as ensuring that we are not complicit in human rights abuses. The Aspen Code of Conduct details our commitment to fundamental human rights, and the Social & Ethics Committee monitors the effectiveness of ethics management in the Group. The Aspen Group statement on modern slavery 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. All our suppliers and business partners are required to confirm acceptance of the standards contained in the Aspen Code of Conduct for Suppliers and Service Providers in order to provide assurance that human rights and good ethical standards are upheld within the supply chain.

Our Ethics & Compliance programme requires each business unit 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 and during the year, no substantiated incidents of discrimination, slave labour or compulsory labour were reported within the Group (2021: Nil). As part of our commitment to good corporate citizenship, we support the United Nations Declaration on the Rights of Indigenous Peoples as adopted on 13 September 2007 and respect the rights of indigenous people in the countries and territories in which we operate. There were no reported incidents where the rights of indigenous people were violated (2021: Nil). These aspects are monitored in respect of all business units.

The Social & Ethics Committee provides oversight of the Group's human rights performance.

SED and investment in communities

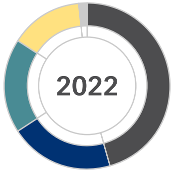
Our SED programmes are implemented at a local level through the business units, thereby channelling contributions to areas of greatest impact in the particular local context. Our Group SED Policy is aimed at aligning the Group's SED contributions with its SED strategy and ensuring compliance with the Aspen Code of Conduct. The Group SED Committee monitors and reviews the implementation of this policy and approves SED investments in excess of certain thresholds.

During the year, we supported a total of 355 SED projects in 30 countries, valued at R27,9 million.

[1] *All relate to the same factual circumstance.*
[2] *Two relate to the same factual circumstance.*
[3] *Nine relate to the same factual circumstance.*

Society continued

SED projects by type across the Group (355 projects)



Healthcare	162
Education and training	72
Community upliftment	65
Mandela Day	51
Clinics	5

Number of SED projects supported per region, valued at R27,9 million

Africa Middle East	279
Europe CIS	37
Americas	15
Asia	15
Australasia	9

Our SED purpose and key focus areas

Aspen's SED purpose is to have a transformative and sustainable impact through our work, partnerships and actions. We are committed to delivering a lasting, positive contribution to the communities we operate in. This starts with understanding and timeously and effectively responding to the needs of these communities.

We recognise that being a responsible corporate citizen is linked to our sustainable growth, our relationships with our key stakeholders and our contribution to society in the broader context. Our SED priority areas are therefore consistent and fully aligned to the businesses core values and include:

- social and community development;
- health infrastructure report;
- promoting healthy lifestyles;
- humanitarian relief; and
- human capital and skills development.

A force for good in healthcare

The realities of Africa's healthcare systems are complex and underpinned by limited infrastructure, workforce constraints, and frequent shortages of essential medical goods and services that have led to relatively poor healthcare outcomes across the continent. As Africa strives to recover from the effects of the COVID-19 pandemic, a paradigm shift is required to help the continent achieve its health targets and secure the health and well-being of its people.

Our sustainability commitments in action

Reducing period poverty

Seven million women in South Africa suffer from period poverty. Period poverty, defined as a lack of access to menstrual products, hygiene facilities, waste management and education, affects many women globally causing physical, mental and emotional challenges.

The stigma that shrouds periods further prevents individuals from talking about it and is also one of the leading causes of absenteeism in school-going female learners mostly in rural and township communities. Aspen recently made a public pledge to donate 50 000 sanitary pads to Noordgesig Secondary School in Soweto, South Africa and handed these over to the young women. This school has been previously announced as a top achieving school with an 85% pass rate. The sanitary pads donated will assist in alleviating period poverty in the lives of the 655 girls at Noordgesig Secondary School for 12 months.

The public pledge was made on a special broadcast on the national broadcaster, SABC, focusing on the scourge of period poverty, which has subsequently won an international award which will be conferred to the SABC at the end of the United Nations General Assembly.

Additionally, Aspen in collaboration with the Siyakunakekela Foundation – a non-profit organisation that focuses on ensuring young women in township and rural areas have access to feminine and hygiene products – have donated sanitary pads to over 900 girls from Minerva Secondary School in Alexandra, South Africa, which will assist them for a year.

Society continued

The ongoing global threat of COVID-19, the water shortage crisis in Gqeberha and the recent unrest and flooding caused by the torrential rains in KwaZulu-Natal have all continued to dominate our responses throughout this fiscal year. A major part of our work in this area was dedicated to the response to the pandemic, pharmaceutical localisation and building local capacities, sustainability of supply of vaccines and other medicines and ongoing support in these areas. Health security and biotech sovereignty on the continent remain areas of concern.

Our SED focus has been geared towards:

- building back better post-pandemic as well as ensuring pandemic preparedness for the African continent. This includes ongoing efforts in rebuilding the economy, empowering communities negatively affected by the pandemic and ongoing conversations on establishing and sustaining the supply of medicines for Africa;
- assisting communities with relief from the recent floods in KwaZulu-Natal, we partnered with various organisations including the Nelson Mandela Foundation, Pharmed and more in providing humanitarian relief to those displaced by the devastating floods;
- focusing on the devastation facing citizens of Ukraine during the conflict with Russia and assisting the Lebanese population with critical care medicines as they continue to deal with the aftermath of the largest non-nuclear explosion in Beirut in late 2020. Aspen was also able to assist in evacuating 25 stranded South African medical students studying in Ukraine;
- assisting South Africa with economic recovery and building social cohesion and resilience, particularly in the communities in which we operate, very often combining this with sporting and other community building exercises; and
- partnering with the Nelson Mandela Bay Business Chamber's "Adopt a leak" initiative in Gqeberha to resolve water leaks at schools, providing safe drinking water for the learners and educators. Our employees also assisted in the repair of ablution facilities to enhance good hygiene education.

Our geographical focus includes areas that our team is able to visit personally for purposes of conducting due diligence of proposed projects and monitoring approved projects on an ongoing basis. All material SED investments require the review and approval of the Group's SED Committee, which is an executive committee established to ensure that the relevant due diligence processes, SED policy and related governance processes are complied with.

SED spend on projects in South Africa

	R'million	%
Basic health and HIV/AIDS*	3,2	15
Education and training	8,2	38
Sport and the promotion of healthy lifestyles	0,1	–
Other (including Mandela Day and community upliftment)	10,0	47
Total	**21,5**	100

** Includes spend on clinics, HIV/AIDS and healthcare.*

Our global Mandela Day campaign

Aspen has participated in Mandela Day since 2011 and we continue to endorse the campaign which this year called on people across the world to "Do what you can, with what you have, where you are". Across the geographies of our operations, our employees have shown their humanitarian spirit celebrating Mandela Day despite the limitations imposed by the COVID-19 pandemic. Aspen's Mandela Day projects cover a wide spectrum of initiatives that include healthcare, nutrition, education, social enhancement and development, infrastructural improvements, animal well-being, preserving the environment, and providing employees with the opportunity to show kindness to citizens of all ages from all walks of life. Since initiating our annual Mandela Day Campaign in 2011, Aspen has impacted the lives of some 880 000 beneficiaries through more than 810 projects hosted across 40 countries.

Transformation and economic inclusion in South Africa

As a proudly South African-based group, we support the country's transformation objectives aimed at empowering historically disadvantaged groups in South Africa and we subscribe to the notion that, through the legislated economic empowerment initiatives, South Africa will benefit from the social reparation of past injustices and from the added economic contribution of inclusive and unrestricted participation by all citizens.

We have developed transformation objectives and programmes, and aligned our employee management policies in South Africa to the Employment Equity Act and the B-BBEE Codes of Good Practice to promote the advancement of historically disadvantaged individuals and women. In light of the significance we place on achieving progress in this regard, the performance against our EE Plan is monitored by the Social & Ethics Committee, while our transformation KPIs are reported to the Board. Refer to page 85 for further information on our initiatives to empower historically disadvantaged individuals in South Africa.

Based on the verification recently completed by Empowerdex, the Group scored 87,5 (2021: 84,5) points (100% procurement recognition level). Aspen achieved a Level 4 rating and was verified as an A-rated empowering supplier, thus enabling its customers to recognise their procurement from Aspen in terms of the revised codes.

Enterprise and supplier development programmes and preferential procurement objectives and targets are in place to support the emergence of black-owned and black women-owned South African businesses. The Group spent R3 237 million (2021: R3 366 million), with B-BBEE-recognised locally based suppliers representing 72,1% (2021: 82,0%) of total measured procurement spend. Our spend with black women-owned businesses decreased marginally from 14,9% to 14,5% of total measured procurement spend. Our efforts to procure from black-owned businesses continue with 25,0% of total measured spend coming from these suppliers. We continue to focus on procurement from designated groups and spent R61,7 million (1,4% of total measured procurement spend) with designated groups, falling short of the target of 2,0%.

Through our enterprise development and supplier development programmes, we continue to support our selected beneficiaries and this has included the conversion of our Enterprise Development loans to grants. The balance of the Supplier Development loans as at 30 June 2022 is R21,6 million.

Society continued

This year saw continued spend on SED projects which contribute towards the development and sustainability of the communities in which we operate. For further information regarding our SED contributions, refer to page 92.

A summary review of the performance against the full B-BBEE Codes of Good Practice scorecard is provided in the Sustainability and ESG Data Supplement. The 2022 certificate can also be accessed online.

Adding economic value to stakeholders

As a global pharmaceutical company, we play an important role in contributing to the health and well-being of people while creating economic value for our key stakeholders. While the provision of high quality, affordable medicines and products benefits patients and consumers directly, a focus on building a profitable and sustainable business model generates economic value for our varied stakeholder groups. The Group Chief Financial Officer's Review, set out on pages 54 to 60, provides an overview of our financial performance for the year.

Our activities this year have created R18 617 million in wealth. This is calculated after taking into account R22 044 million spent on purchasing materials and services, which contributed to the sustainability of our suppliers in the various economies in which we operate.

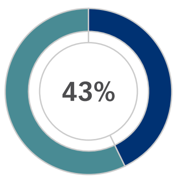
Our employees receive the largest share of the total value distribution (43%) while a significant portion (39%) is reinvested in the Group to fund growth and expansion. Our gross economic contribution in the form of direct tax, paid to central and local governments in the countries in which we operate, amounted to R1 553 million. The Group value added statement is published in the Sustainability and ESG Data Supplement online.

Financial value distributed

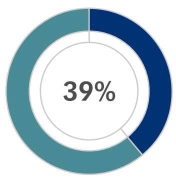
Revenue **R38 606 million** – Purchased materials and services **R22 044 million** + Investment and other operating income **R2 055 million** = Wealth created and value distributed **R18 617 million**

Financial value distributed

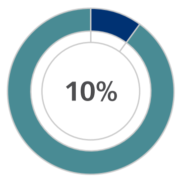
Employees



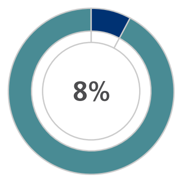
Reinvested



Providers of capital



Governments



Society continued

Fair taxation and enhanced transparency

As a Group that has a substantial presence in many countries, we understand our responsibility to pay an appropriate amount of tax. We comply with tax laws in the countries in which we operate and seek to maintain open and positive relationships with tax authorities. The taxes we pay make a positive contribution to the societies in which we operate.

Approach to taxation

We have subsidiaries, branches, permanent establishments and joint venture arrangements in over 50 countries around the world, predominantly in emerging markets. These entities are subject to the tax legislation of the countries in which they are domiciled. In addition, the countries in which the Group operates have all committed to implementing the Organisation for Economic Cooperation and Development's ("OECD") Base Erosion and Profit Shifting ("BEPS") recommendations, as they have all become members of the OECD's Inclusive Framework for BEPS. These recommendations include certain indirect taxes, international tax, domestic anti-avoidance provisions, transfer pricing and Pillar II. Domestic tax laws, including those dealing with international taxation, transfer pricing laws and enhanced transfer pricing documentation standards, have been amended to incorporate the outcome of the BEPS project. In addition, Aspen has seen an increase in value added tax ("VAT") reporting obligations as more countries implement real-time reporting of transactions that are subject to VAT (collectively, "Domestic Law").

Our tax team is also required to:
- proactively monitor changes in Domestic Law and regulations published to interpret that law;
- ensure that the Group operates within these Domestic Law provisions and regulations;
- provide proactive advice to management and ensure that risks are identified in advance; and
- issue the new transfer pricing documentation reflecting both the OECD and the domestic tax law requirements, with the support of management of each entity.

The tax team undertakes this work under the guidance of the Group Executive: Tax, who reports those activities to the Group Tax Committee, which comprises the Group Chief Advisor, the Group Chief Financial Officer, the Group Strategic Development Officer, the Group Finance Executive: International Regions, the Group Finance Executive: Manufacturing, the Chief Financial Officer for Aspen Global and at least one representative of Aspen's chosen tax adviser.

The Group Executive: Tax is also charged with the responsibility of designing, implementing and maintaining a tax risk management framework for the Group which is aligned to Aspen's overall strategy and risk appetite. The tax risk management framework is based on the philosophy that the Group applies a risk-based approach to tax matters and that all of its tax affairs are proactively managed.

The Group Executive: Tax is a standing attendee at the Audit & Risk Committee meetings and reports on the Group's affairs to that Committee. In addition, reports are issued to the Board as decided upon by the Tax Committee or as requested by the Board.

Our tax strategy

Our strategic approach to taxes is to:
- implement systems and policies that provide for sustainable tax positions for each Group entity and that are compliant with the tax laws of the country in which each Group entity operates;
- engage with tax authorities with honesty and integrity in the spirit of cooperative compliance;
- identify and manage tax risks, ensuring that appropriate provisions are raised in relation to identified risks;
- ensure that the business objectives are met in a tax compliant manner;
- remain up to date with taxation laws, regulations and trends to ensure that the Group's business objectives remain tax-compliant; and
- act responsibly with regard to tax positions taken, ensuring that the Group's reputation is not negatively impacted by those positions.

Our tax risk appetite

Decisions on where our businesses are to be located are based on the Group's strategy and the commercial viability of doing so, taking into consideration the Group's need to support our customer base, the location of our investments in specialised manufacturing facilities and the availability of appropriately skilled people who contribute to the overall value chain. Although certain of the Group's entities are located in low tax jurisdictions (as defined by the OECD), these principles are applied consistently and without consideration of the potential tax benefit that may accrue to the Group. When we enter into transactions, the tax laws that affect that transaction are strictly applied within the context of the commercial requirements.

We are particularly risk aware in relation to our transfer pricing strategy. Our strategy is aligned to the OECD Transfer Pricing Guidelines and follows the arm's length principle, unless another principle has precedence under Domestic Law. For example, Brazil does not follow the arm's length principle but follows a formulary approach to determine the transfer price for transactions. The Group follows the Brazilian method in relation to transactions that are entered into between its Brazilian operations and other members of the Group. This is balanced against the arm's length principle that is applied by the Company that is a counterparty to the transaction. The Group continues monitoring developments in Brazil as the country simplifies and aligns its tax system to OECD guidelines.

We are conservative in determining transfer prices by applying margins that are aligned to those expected by tax authorities in relation to both parties to the transaction. In addition, we do not hold any IP in companies that do not actively participate in the value chain. Transfer pricing principles are implemented in a consistent manner by all Group companies.

Our tax compliance

We strive to submit all tax returns and other relevant forms and documents as they fall due, fully disclosing all necessary information that would be required by a tax authority to make an informed decision in relation to the tax positions that are taken in the tax return.

The Group is regularly subject to review by tax authorities and we are fully cooperative with the tax authorities conducting such reviews. These reviews are generally concluded without further taxes becoming payable under the law. Where the reviews do result in additional taxes becoming payable under the law, we determine whether or not we should defend the positions that were reflected in the returns and the information submitted to the tax authority. If a decision is made to defend the positions taken, the appropriate legislative processes are followed.

In addition to assessing whether or not the positions should be defended, we consider the likelihood of success and raise provisions based on this assessment. In addition, we consider how material the assessment is (including extrapolating that assessment to future years) and determine whether or not additional disclosures are required. Those provisions are reviewed by our external auditors. who are satisfied that adequate provisions have been raised for potential exposures.

During the year, the Group was exposed to increased tax reviews, but these did not result in any material additional taxes becoming payable under the law.

Society continued

Commitment to transparency in reporting

We appreciate that our stakeholders expect us to report on a broad range of ESG aspects in a consistent and transparent way. We perform a review of material sustainability topics to understand the expectations of our stakeholders (refer to page 36). Since the implementation of the FTSE/JSE Responsible Investment Index in 2015, we have worked at improving our overall score. In 2022 we maintained our inclusion in the Top 30 FTSE/JSE Responsible Investment Index Series and in the FTSE4Good Index Series for the third consecutive year, which recognises companies with strong ESG practices measured against global standards. In the most recent assessment, however, our score decreased to 3,8 (2021: 3,9) out of a possible 5,0 due to a reduction in the social pillar. The governance pillar remained the highest performing pillar with an improved score of 5 (previously 4.5). The 2022 score placed Aspen in the 89th percentile in our industry sub-group on the index.

FTSE4Good Index scorecard

Pillar/theme	Exposure	Aspen	Sub-sector average: Pharmaceuticals	Country average: South Africa
Environment		**3,2**		
Climate change	Medium	**2**	1,2	2
Water security	High	**4**	1,3	2
Social		**3,3**		
Customer responsibility	High	**3**	1,6	2
Human rights and community	Medium	**3**	2,4	3,3
Labour standards	Low	**5**	2,4	3,1
Governance		**5**		
Anti-corruption	Medium	**5**	2,9	3,8
Corporate governance	Medium	**5**	4	4,9
ESG rating score out of 5		**3,8**		

In order to further enhance our transparency in reporting, we have provided an initial mapping of our disclosures to the GRI standards and SASB standards as well as the JSE Sustainability Disclosure Guidance. We have also commenced aligning our disclosures with those recommended by the TCFD. These indexes can be found in our Sustainability and ESG Data Supplement.

Accolades

Aspen was presented with the 2022 Economic Diplomacy (Global) Ubuntu Award by the Department of International Relations and Cooperation in recognition of distinguished service and contribution toward promoting the country's national interests and values across the world.

Aspen Pharmacare (South Africa) was placed first in the BP Students' Choice Awards as the Top Graduate Employer for the Pharmaceutical Sector.

Aspen received the PMR.Africa Diamond Award in recognition of the Company demonstrating exceptional managerial and corporate governance qualities and placed first overall as the company doing the most in stimulating economic growth and development in the Eastern Cape province.

Shelys Pharmaceuticals Ltd was awarded the first position in the President's Manufacturer of the Year Award 2020 in the category of Large-Scale Pharmaceuticals and Medical Equipment Manufacturers on 8 October 2021, recognising the industrial sector's important role in Tanzania's economic development process.

Beta Healthcare International Ltd (Kenya) was awarded one of two trophies under Social Impact/CSR awards 2021 by Digital Events Limited for Best on Corporate Sustainability Initiatives, demonstrating outstanding leadership and commitment to corporate social responsibility and sustainability.

Aspen New Zealand won the Marketing Excellence Award in the Healthcare/ Beauty marketing strategy category in the TVNZ NZ Marketing Awards 2022.

Aspen's Integrated Report for FY2021 was ranked 9th in the EY Excellence in Reporting awards.

Aspen achieved top in sector position in the Integrated Reporting & Assurance Services Highest Transparency in ESG Reporting awards.

Environment

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

Strategic objective

Stakeholders

Capitals

Our commitment

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

Our material sustainability topics

- Climate change and greenhouse gas ("GHG") emissions
- Energy efficiency
- Waste
- Water and effluent

Our impact

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

22%
reduction on Scope 1 and Scope 2 emissions over the past five years

34%
reduction in water withdrawn over the past five years

80%
waste recycled and only 5% to landfill

CDP-CC and CDP-WS performance improved
to "B- Management Level" and "B Management Level", respectively

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

Our contribution to the SDGs

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

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

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemical and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity

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

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

SDG12 Ensure sustainable consumption and production patterns

12.2 Achieve the sustainable management and efficient use of natural resources

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

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

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

Environment continued

Approach to environmental stewardship

We are committed to practising responsible environmental stewardship, seeking to minimise any negative impact our operations may have on the environment and to comply with applicable laws, regulations and other environmental management requirements. We promote the efficient use of resources such as energy, water, packaging 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. We are a participant of the UN Global Compact and fully support global initiatives aimed at protecting the environment and conserving natural resources.

This year we joined the National Business Initiative in South Africa as well as the World Wide Fund for Nature Inc. as corporate members. Through these partnerships we intend to engage in collaborative thought leadership, collective action and knowledge sharing on climate and other related topics.

The implementation of our Group Environmental Policy (incorporating the Group's environmental management principles) and compliance with all applicable legislation are the responsibility of designated business unit executives.

Our Board monitors the status of environmental risks through the review of material environmental management performance indicators at scheduled intervals. In addition, any significant environmental risks are escalated through the Group risk management process. The Social & Ethics Committee assists the Board in monitoring compliance with the relevant environmental legislation and monitoring the adequacy of environmental management systems. 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 SHE 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 (chaired by the Group Chief Operations Officer) comprises members of the Group executive and other senior managers, and has executive oversight of the Group sustainability performance.

Our environmental management systems are aligned with global standards. Environmental certification covers 83% of our manufacturing sites with all of our fully commercialised primary finished dose form manufacturing sites and all, but one, of our API manufacturing sites currently complying with ISO 14001:2015. The Sioux City and Ghana sites have been excluded from certification due to the limited scale of their operations.

During the year, a number of environmental training interventions were conducted across the manufacturing sites to ensure the consistent application of environmental principles, standard operating procedures and compliance with legislative requirements, and to create awareness of new developments. The Group participates in a number of industry platforms in order to keep abreast of initiatives and technological developments focused on the efficient use of scarce natural resources. Awareness campaigns were rolled out across the Group in celebration of World Water Day and World Environment Day. A platform for the sharing of best practice on manufacturing-related environmental topics was established this year. This manufacturing sustainability COE comprises small and medium enterprises from across the Group and has enabled knowledge sharing on various environmental themes.

The Aspen Code of Conduct for Suppliers and Service Providers requires our vendors to conduct their business in an environmentally conscious manner and to ensure compliance with the applicable environmental legislation.

Material environmental issues

There are no material environmental issues to report.

An external environmental legal assurance process was conducted in 2022 and no exceptional legal environmental findings were noted. No fines were paid in respect of environmental non-compliances this year.

Climate change and GHG emissions

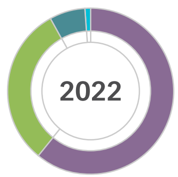
Managing emissions

Climate change is one of the greatest challenges facing the world and we are cognisant of its effects on our health, livelihoods, natural habitats and ecosystems, as well as extreme changing weather patterns. We recognise the potential environmental, social, political and economic implications of climate change as a significant issue. Our environmental management principles promote the climate resilience and containment and reduction of our carbon footprint both within our operations and in the broader supply chain in a technically and economically feasible manner. We pursue this objective through investment in energy-efficient equipment and the utilisation of green energy technologies where feasible. In addition to this, we have taken a strategic decision to implement bolder initiatives towards climate change. The strategy includes the drafting of a climate position paper, identifying longer-term climate-related risks and opportunities through a climate scenario analysis, and the completion of a company-wide climate risk assessment. The results of the climate scenario analysis together with the work being conducted by collaborative cross-functional teams will inform the formalisation of company-wide targets and the development of a position paper and strategies to achieve these targets. Progress on these initiatives is monitored through structured systems, reporting and management.

Scope 2 emissions, comprising purchased steam and purchased electricity, represent our largest source of emissions. The main sources of our Scope 1 emissions are from fugitive refrigerants and the consumption of fuel and natural gas used primarily in our stationary combustion equipment, such as boilers and standby generators, and the operation of Aspen-owned vehicles.

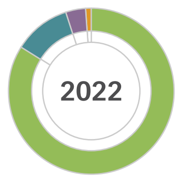
A significant reduction in emissions for Scope 1 (10%) and Scope 2 (22%) was achieved for the year. Reductions in Scope 1 emissions are mainly attributed to favourable ambient temperatures enabling better fuel efficiency for steam production at our sites in Europe. Successful energy savings projects implemented at Gqeberha as well as the use of renewable energy at the South African Operations and Oss contributed

Scope 1 emissions (40 082tCO_2e) (%)



Europe CIS	61
Africa Middle East	31
Australasia	7
Americas	1
Asia	0

Scope 2 emissions (111 181tCO_2e) (%)



Africa Middle East	84
Australasia	11
Europe CIS	4
Asia	1
Americas	0

Environment continued

significantly to the reduction in Scope 2 emissions. Energy demand at FCC was lower during 2022 due to reduced operations in certain production centres which resulted in a reduction in both Scope 1 and Scope 2 emissions.

Over the past five years, a decrease of 22% (41 954 tCO_2e) in combined Scope 1 and Scope 2 emissions for the Group has been realised. The operations in South Africa contribute 67% to our carbon footprint, followed by the Oss site (12%). Although the divestment of the Nutritionals business at the end of 2019 and Mexico Vallejo at the end of 2021 resulted in a significant reduction in emissions for the Group, the use of renewable energy combined with lower energy consumption from the closure of several plants at Oss, including a solvent recovery unit, contributed largely to the reduction in Scope 1 and Scope 2 emissions. A notable reduction in Scope 2 emissions was also achieved through equipment optimisation at Oss, which included upgrading of the boiler house, installation of variable frequency drive refrigeration compressors and LED lighting, and the replacement of a demineralised water installation. Despite the increase in energy required for expansion at the Gqeberha facility over the past few years, several installations relating to solar energy, LED lighting, hot water heat pumps, chiller plants, as well as modifications to heating, ventilation and air conditioning ("HVAC") and air change rates, were successfully implemented or optimised.

We continue to participate in the CDP-CC and we improved our rating to "B- Management Level" in 2021, which recognises structured management of climate issues and the associated impacts. We are striving to improve our rating even further through the setting of company-wide carbon emission reduction targets and conducting climate change risk assessments which include a climate scenario analysis.

In accordance with GMP regulations, we have technically advanced air handling systems and exhaust filtration systems at all relevant facilities to maintain the correct environmental conditions and minimise the risk of the release of harmful substances into the atmosphere. Through the implementation of periodic stack emission tests, we have established that the systems implemented have minimised harmful air emissions to immaterial levels.

Energy

Electricity is a critical resource utilised in our manufacturing processes and is becoming an increasingly expensive commodity. In South Africa, there continues to be a risk of supply interruptions at times of excessive load on the national electricity grid and load shedding is still implemented intermittently by Eskom, the public power utility. While our Gqeberha and East London sites were not subject to load shedding, FCC did make use of generators to provide electricity requirements at times of load shedding. The Group's annual electricity usage for 2022 has decreased by 5% (34 821 gigajoules) in comparison to the prior year. This reduction was attributed mainly to energy conservation projects realised at the Moleneind site and production at FCC being concentrated to only a few production facilities, which greatly reduced energy demand during 2022.

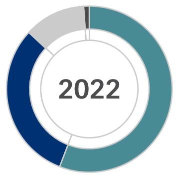
Through the efficient use and conscious conservation of electricity, we are committed to reducing the impact of increased electricity prices on production costs, and will ensure that critical energy resources are conserved.

Additional energy sources utilised by Aspen are fuel, liquid petroleum gas, purchased steam and natural gas.

Waste

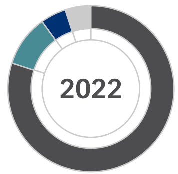
As part of the pharmaceutical and chemical industries, a fair portion (26%) of our waste is classified as hazardous. Specific systems and processes are in place to manage both our hazardous and non-hazardous waste in compliance with the waste management legislation applicable in each territory. We use specialised licensed waste management service providers to manage the transportation, treatment

Energy used by source type (1 071 532 GJ) (%)



Electricity	56
Natural gas	31
Fuel	12
Purchased steam	1

Waste generated by disposal method (74 277 tonnes) (%)



Recycled	80
Incineration	10
Landfill	5
Treatment	5

and disposal of waste in accordance with contracted terms and relevant legislation.

The volume of waste generated by the Group increased by 5% in 2022. This variance is largely influenced by the varying animal raw material form supplied to the Sioux City site and the high volumes of construction waste generated at the Alphamed site. The percentage of waste recycled (80%) was negatively affected by non-recyclable building debris landfilled from the fire (which took place in June 2021) and subsequent construction at the Alphamed site. Only 5% of total waste generated is landfilled.

Spills and soil contamination/ground pollution

With our continued focus placed on implementing necessary corrective and preventive actions to curb incidents of spillages, we managed to curb the total number of significant spills to a reasonably acceptable level. A total of two significant spillages were recorded in 2022, with only a negligible portion of the total volume of reported spillages not fully contained.

Water and effluent

Water

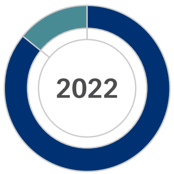
We use water extensively in our manufacturing processes, in the cleaning of our equipment and facilities, for employee hygiene, in steam generation and to maintain the required manufacturing environmental conditions. Municipal water is the primary source of water across the Group, although groundwater is also used at the manufacturing sites in Notre Dame de Bondeville, Oss, Dar es Salaam, Nairobi and our facilities in Gqeberha. Water scarcity and water supply are global risks that are increasing in impact and probability. In addition to climate change-related risks, sustainable water supply is further exacerbated by increased urbanisation and the ageing municipal infrastructure in certain areas.

As a scarce resource, we recognise that initiatives aimed at conserving and harvesting water will contribute to more sustainable water availability. We are committed to ensuring responsible water management at all our manufacturing facilities as per our Group environmental policy. We conduct an annual review of our water risk and water stress assessments for all manufacturing sites using a web-based tool in order to better understand our exposure to these risks and inform our future sustainable water management and water stewardship initiatives.

For the assessment and quantification of water stress, we use the World Resource Institute's Aqueduct Water Risk Atlas, which indicates water risk trends of what can be reasonably expected based on historical data. The assessment tool allows us to understand current water risks and

Environment continued

Water withdrawal (1 039 megalitres) (%)



● Municipal water 86
● Ground water 14

anticipate future risk based on the measured ratio of total water withdrawals to available renewable surface and groundwater supplies in the respective water basins. Our sites in Cape Town and Hyderabad are situated in extremely high water-stressed areas. The Aqueduct Water Risk Atlas does not currently classify Gqeberha as a high water stress location. However, considering surface water availability in the region, we have included this site in the top water risk category. The water withdrawn from these sites (23% of the total number of manufacturing sites in the Group) represents 29% of total water withdrawn for the Group.

Our manufacturing sites in East London, Dar es Salaam, Accra, Sioux City, Vitoria and Notre Dame de Bondeville are considered to be situated in low water-stressed locations. Future projections show that our manufacturing sites in Gqeberha, East London, Cape Town, Hyderabad as well as Dandenong will be extremely water stressed in the next five to 10 years.

We participated in the annual Water Security Disclosure Project in 2021 and had an improved performance score of "B Management Level". Our B rating is within the "Management" band, which recognises companies that are assessed as taking actions associated with good water management.

Effluent

The quality of effluent discharge is monitored and controlled across all sites, in accordance with local municipal by-laws. Water treatment plants are in operation where required to ensure legal compliance. In the event that there is a deviation from the required standards, a thorough root cause analysis is conducted and corrective action plans are implemented.

Biodiversity

As at year-end, none of the Group's business units were located in conservation areas or areas of high biodiversity.

TCFD

We acknowledge the increasing expectations for greater transparency in reporting around the impacts, risks and opportunities of climate change. We are progressively reviewing and aligning our management and reporting approach with the recommendations of the Financial Stability Board's TCFD. The majority of requirements are addressed in our annual CDP-CC submission available online. A table summarising our current reporting in terms of the TCFD's recommendations is included in our Sustainability and ESG Data Supplement online.

		Extremely high water stressed	High to medium-high water stressed	Medium-low to low water stressed	Total
Water withdrawn	Mℓ	302	449	288	1 039
Water discharged	Mℓ	206	427	201	834
Water consumed	Mℓ	96	22	87	205
Water withdrawn	%	29	43	28	100
Water discharged	%	25	51	24	100
Water consumed	%	47	11	42	100

Water withdrawn has decreased by 5% (57 megalitres) for the year. A notable water reduction was achieved for the Moleneind site, attributable to the successful implementation of various water efficiency projects. In addition, water demand at FCC was lower during 2022 due to reduced operations in certain production centres.

Over the past five years, water withdrawal has reduced significantly by 34% (545 megalitres) within the Group. The Oss and Gqeberha sites contribute to more than 50% of the volume of water consumed by our manufacturing operations. Although the divestment of the Nutritionals business at the end of 2019 and Mexico Vallejo at the end of 2021 resulted in a notable water reduction for the Group, the Oss site played the most significant role in realising the positive downward trend, with a water reduction of 344 megalitres from 2018 to 2022. This was attributed largely to the decommissioning of a water purification plant in De Geer, cooling towers and a chemical plant at Moleneind, the disposal of the operation at Corellistraat, and the use of efficient closed water-based cooling systems all based in the Netherlands.

Our sustainability commitments in action

A focus on water stewardship by our API sites

We recognise the importance of producing medicines in the most sustainable manner. Sustainable production means we also need to consider our responsibility to preserve the environment, for instance, through water stewardship.

We are actively reducing our water consumption such as at our API site, Fine Chemicals Corporation in South Africa, which is located in a water-scarce region. By implementing various water-saving projects over the past few years, the site has reduced its municipal water intake by 52%.

This effort also benefits the local communities that share the same water resources. Besides reducing consumption, we are also looking for ways of treating and recovering water on-site for utility systems. Instead of using freshwater, we use recycled water in the cooling system.

We continuously improve our processes and use environmentally friendly chemicals. Moreover, we eliminate toxic chemicals from our water effluent before entering the environment. Our chemical production plants in the Netherlands, including containment pits, have been disconnected from the main sewage system, preventing the discharges of potentially harmful materials into the surrounding environment. Process water collected at the Moleneind site is evaporated and then condensated at a specialised water treatment facility before being discharged to the sewage system. API material is removed from the effluent during the condensation process because APIs are non-volatile. The remaining API material is discarded as hazardous waste and incinerated.

Since 2011, our De Geer site has reduced 98% of estrogen discharges to wastewater. Aspen API aims to achieve zero-emission of aquatic hazard substances by 2030.

Governance

In this section:

Our approach to governance

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

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

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

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

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

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

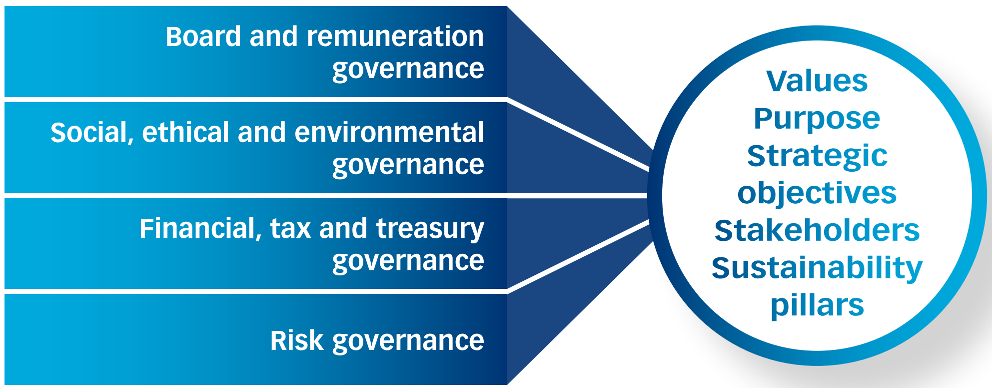
In line with the philosophy that good corporate governance is an evolving discipline, governance structures, practices and processes are actively monitored and revised from time to time to reflect best practice.

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

- Progressing the Group's achievement of its five strategic objectives which provide the foundation for us to deliver on our overall strategy of creating long-term value for our stakeholders;
- A long-term agreement was concluded with Serum Institute for Aspen to manufacture, market and distribute four Aspen-branded vaccines in Africa – an important milestone as Aspen seeks to optimise its sterile manufacturing capacity in Gqeberha;
- Continued investment in the expansion of its sterile manufacturing capacity in Gqeberha to produce vaccines and other steriles, including biological products;
- Unlocking value for shareholders by entering into a share buy-back programme which resulted in 10,2 million shares being acquired and cancelled, as well as the resumption of dividend payments to shareholders with the declaration of a dividend of 326 cents per ordinary share in September 2022;
- Additional focus on ESG, including the establishment of an Executive Sustainability Forum aimed at enhancing Aspen's approach to these aspects and ensuring that ESG performance measures are included in Group-wide executive incentive structures;
- Material business acquisition and disposal transactions, including the divestment of a portfolio of six South African products to Acino Pharma for a consideration of approximately R1,8 billion, and the acquisition of ENTT, an Australian company with a portfolio of products that treat a range of common ear, nose and throat problems, for a consideration of R386 million;
- Concerted succession planning activities resulted in cultivating a strong executive bench, including the appointment of Sean Capazorio as an executive director and Group Chief Financial Officer with effect from 1 January 2022; and
- Adoption of the Group's Information Security Policy and monitoring additional enhancements in the Group's cybersecurity resilience.

Further reading

- Aspen governance overview, including an explanation of the Board's mandate, its composition and other material governance practices, as well as a detailed King IV application register available online https://www.aspenpharma.com/corporate-governance-and-risk-management/
- Pages 105 to 107 of this 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:

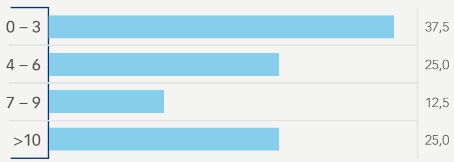
Leadership	80%
Pharmaceuticals	40%
Information and technology governance	40%
Governance and compliance	70%
Sales and marketing management	40%
Accounting, finance and tax	60%
Risk and opportunity management	70%
Environment, health and safety	30%
Human resources	40%
Manufacturing	20%

Succession and diversity of tenure

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

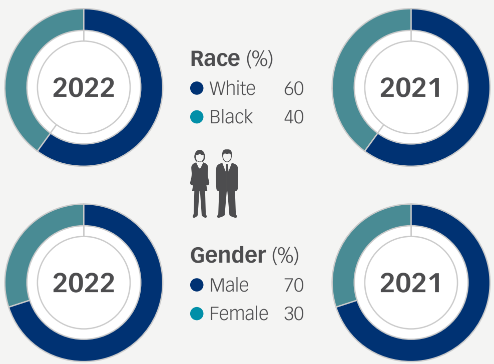
Succession planning makes provision for the identification, mentorship and development of future members.

Succession and diversity of tenure (%)



Gender and racial diversity

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



Board size

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

Diversity of age

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

Average age:
56
years

Independence

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

Board composition by classification (%)

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

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

Board meeting attendance

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

\# *Membership of the Audit & Risk Committee.*
∞ *Membership of the Remuneration & Nomination Committee.*
¤ *Membership of the Social & Ethics Committee.*
* *Appointed 1 January 2022.*
** *Retired 31 December 2021.*
*** *Appointed 10 December 2021.*
**** *Retired 9 December 2021.*

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

Governance supporting our strategy

Audit & Risk Committee

Members

Babalwa Ngonyama (Chair)
Linda de Beer
Ben Kruger

Relevant stakeholders considered

Capitals

Further reading

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

Available online

Focus areas and outcomes for the year

- Providing oversight and direction of the Group's I&T strategies and policies, as well as the related risk and control environment;
- Mitigation of infrastructure technology security risks and oversight of the mitigation plans introduced to address the risk of material operational and disruptive incidents, by means of a number of digital initiatives including the establishment of a Cybersecurity COE and the implementation of the Group's Information Security Policy;
- Providing oversight in respect of digital strategy mapping out of the Group's five-year digital journey, developed to ensure our approach is aligned to our strategic objectives and cohesive across the Group. Key elements of this roadmap include significant investments in building our digital capabilities and modernising our ERPs, regulatory and compliance systems, manufacturing execution systems and collaboration tool;
- Ensuring the effectiveness, competency, capacity and independence of the Internal Audit function, as well as the expertise and experience of the Chief Audit Executive. Specific attention was given to the implementation of digitalised internal auditing initiatives, including the use of data mining and analysis;
- Reviewed the material risks facing the Group, obtaining assurance of the effectiveness of the risk management process and risk responses through the implementation of a combined assurance approach;
- Recommended the reappointment of EY as external auditor, and Derek Engelbrecht as the designated auditor, having satisfied itself of the capacity and independence of this firm and the designated auditor;
- Reviewed the Group's Integrated Report and the sustainability information as disclosed therein to evaluate the integrity of reported information and for consistency with the Annual Financial Statements; and
- Satisfied itself of the expertise and experience of the:
  - Group Chief Financial Officer, who performs the duties of the Company's Financial Director; and
  - Group's finance function and the senior members of management responsible for the Group's finance function.

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

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

100%

Governance supporting our strategy continued

Remuneration & Nomination Committee

Members

Linda de Beer (Chair)
Kuseni Dlamini
Themba Mkhwanazi

Relevant stakeholders considered

Capitals

Further reading

- Committee mandate, role and responsibilities available online
- Remuneration review as published on pages 109 to 135 of this report

Focus areas and outcomes for the year

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

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

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

91,6%

Governance supporting our strategy continued

Social & Ethics Committee

Members

Ben Kruger (Chair)
Kuseni Dlamini
Reginald Haman
Yvonne Muthien

Relevant stakeholders considered

Capitals

Further reading

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

Available online

Focus areas and outcomes for the year

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

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

* Mr Kruger was appointed as Chair of the Committee with effect from 9 December 2021.
** Ms Muthien was appointed as a member of the Committee with effect from 8 March 2022.
*** Ms Zilwa stepped down as a Chair and member of the Committee with effect from 9 December 2021.

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

100%

Remuneration review

Remuneration review

Introduction

The Remuneration & Nomination Committee was pleased that our efforts to incorporate insights received from the investor engagements we held following our 2020 AGM, resulted in a 95,90% shareholder vote in favour of our remuneration policy and 94,80% in favour of the implementation report at our December 2021 AGM. We are, however, committed to continuing to improve our remuneration communication and disclosure and, therefore, we have made further changes to our reporting in this review, which we hope will achieve our objective of continued improvement. We look forward to additional feedback from stakeholders in this regard.

Progress with continuing to align our remuneration practices with shareholder expectations and market best practice

- Aligning executive incentives with longer term sustainable value creation
- Executive incentives clear, transparent and aligned with strategic objectives, actions and business performance measurements
- Amendments to remuneration philosophy and policy
- Amendments to how we measure and disclose
- Improved communication regarding governance processes
- Review current remuneration mix of executives to ensure competitive and aligned with latest trends in benchmarks
- Aligning executives with Group strategy through a greater portion of committed mandatory shareholding in Aspen
- Addressing with shareholders the matter of it not always being in the best interests of the Company and its shareholders to disclose price sensitive information in a highly regulated and competitive market

Legend: Achieved Good progress made Work in progress

Nomination & Remuneration Committee focus on executive remuneration, succession and board strength

During the year under review the Committee:

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

Our remuneration philosophy and policy

Aspen's philosophy regarding remuneration is structured around:

- incentivising a performance culture in the Group;
- aligning remuneration and incentives with our strategic objectives, actions, business performance measurements, best practice and stakeholder feedback;
- the combined agreed actions from our annual strategy conference forming the basis of our strategic targets;
- measuring short-term incentives mainly in terms of near-term goals;
- measuring long-term incentives in respect of measures that support the achievement of the longer-term focus areas of our strategy; and
- the need to retain our competitive advantage in the local and global pharmaceutical industry by:
  - attracting and retaining high calibre individuals with the required technical qualifications and experience; and
  - the ethical and behavioural traits that fit our entrepreneurial and dynamic culture.

The Committee's role in the setting of short-term incentives ("STIs") and long-term incentives ("LTIs"):

- Considers the strategy, as well as input from executive directors, investors and other stakeholders when identifying appropriate key themes and KPIs for recommendation to the Board.
- Reviews and approves Group performance measures.
- Reviews and approves the Business Unit performance achievements against predetermined performance measures.
- Assesses the performance of executives and makes incentive awards in line with performance against predetermined measures.
- Exercises its discretion regarding increased or decreased adjustments to incentive awards and payments to mitigate unintended consequences due to circumstances and factors outside of management's control (as disclosed in this review).
- Considers the appropriate pay mixture between variable and fixed pay.
- The separate *ad hoc* senior executive deferred retention components, which allow for additional share settled awards over three, five, seven and ten year periods are specifically approved by the Committee, subject to the performance conditions set by this Committee.
- Approves the rules in respect of STIs and LTIs and any changes in respect of these rules.

Remuneration review continued

The remuneration objectives guiding our remuneration policy

1
Establishing an appropriate balance between fair, responsible and competitive remuneration and reward, which makes it possible to attract and retain employees of the highest quality, while at the same time addressing affordability

+

2
Driving a high-performance culture through remuneration packages directly linked to individual and business performance, and predetermined targets set for each performance measure

=

3
Employee rewards aligned with the value delivered to the Group and its shareholders

Remuneration structure and design

Fair and responsible remuneration

We make every effort to set out remuneration packages at levels which are fair to all our employees, competitive and market related. To achieve this, we refer to independent surveys, benchmarks, publicly available economic data and local and international marketplace intelligence.

Employee wage rates across the Group comply with legislated wage rates in the jurisdictions in which we operate and, where applicable, our employees are paid in accordance with rates agreed upon with trade unions and/or collective bargaining councils.

We continue to adopt guidelines, both in respect of the determination of base pay and our universal incentive structure, that ensure general alignment across the Aspen businesses, including the achievement of an overall Group performance objective.

During the year under review Aspen engaged the services of Deloitte and Remchannel to perform benchmark reviews of the remuneration practices and levels of pay for our South African executives, while the services of Willis Towers Watson were used to benchmark the remuneration practices and levels of pay for certain of our material offshore businesses.

Retaining a competitive advantage

The remuneration of our employees is inextricably linked to our ability to attract, develop and retain talent in an environment where there is increased competition for critical skills.

Annual salary increases

When awarding annual salary increases, primary consideration is given to an employee's performance and achievement of his or her predetermined individual key performance areas ("KPAs"), with some consideration also being given to aspects such as:

- predetermined performance measures adopted in respect of the Aspen business unit where the employee is employed; and
- predetermined universal global performance measures for Group performance.

Executive director remuneration

Our executive directors are contracted as full-time, permanent employees and receive no additional remuneration as directors of the Company. Restraint of trade provisions are included in the service agreement with the Group Chief Executive, and notice periods of six months' written notice apply to both executive directors. Shorter notice periods may apply in the event of termination due to disciplinary procedures being instituted.

Bonus payments and the vesting of long-term incentives that are in place at the time of an individual's termination of service are subject to the rules of the relevant scheme and include malus and clawback provisions.

The principles in terms of which the remuneration packages of the executive directors are determined are like those applicable to the Group's management. The financial and non-financial performance measures in respect of the executive directors' incentive bonuses are considered and approved by the Committee annually.

Remuneration review continued

Shareholder voting on remuneration matters

Our engagement with investors regarding Aspen's remuneration has provided us with very helpful insights which have helped us improve the disclosure we provide in our remuneration review. We are committed to continue engaging with investors and taking feedback into consideration in our efforts to continually improve our reporting.

Our remuneration policy and implementation report are subject to two separate non-binding advisory votes by shareholders at Aspen's annual general meeting, while a special resolution approving the fees of the non-executive directors is also submitted for approval at this meeting of shareholders.

The results of the voting in respect of the non-binding advisory votes were as follows:

Remuneration policy	For	Against	Abstain	Total
Remuneration policy				
2021	95,90%	4,10%	0,09%	100,00%
2020	73,92%	26,08%	0,12%	100,00%
Remuneration implementation report	**For**	**Against**	**Abstain**	**Total**
2021	94,80%	5,20%	0,09%	100,00%
2020	59,75%	40,25%	0,15%	100,00%

The current remuneration policy and implementation report will be tabled for separate non-binding advisory votes at the Company's 2022 annual general meeting, scheduled for 8 December 2022. Any material shareholder concerns about either of these two documents, specifically in instances where these are voted against by 25% or more of the voting rights exercised, will be considered and addressed by means of constructive engagement with the relevant shareholder or shareholders. The nature and outcomes of these engagements will be reported on in our Integrated Report of the following financial year.

Our focus areas in 2023

The Committee's focus areas in FY2023 will be on:

- moving towards a greater variable incentive portion for executives;
- ensuring that executives are aligned with shareholders through the holding of Aspen shares; and
- further enhancing our KPIs, policy and disclosure in response to market practice and shareholder expectations.

Our remuneration philosophy, structures and their implementation

To assist investors with connecting our remuneration structures and their implementation, we have adopted a different approach to this section of our remuneration review for FY2022. Instead of first discussing our remuneration structures and then reporting on their implementation, we are combining the remuneration structure section of our remuneration review with the Implementation report. By doing so we can provide a view of the structures driving our remuneration alongside the implementation of these structures.

Remuneration review continued

Variable Pay

Current STI scheme applicable to FY2022

Performance-based, measured against predetermined objectives, aligned to grade and the specific role of each participant.

- STI schemes allow for annual cash settled awards aimed at creating a high-performance culture through a cash bonus that rewards employees for achieving predetermined:
  - individual KPAs;
  - enterprise or business unit performance measures based on a balanced scorecard;
  - Group targets as measured against a balanced scorecard.
- Eligible for STIs: Permanent employees from middle to senior and executive management, including executive directors.
- Clawback and malus provisions allow for incentive awards (partially or in their entirety, depending on the circumstances) to be cancelled and/or recovered from an employee found to be guilty of dishonesty, misconduct, incompetence, negligence or causing harm to Aspen's reputation. These provisions apply in equal measure to all participants of the relevant schemes.
- Business unit stretch performance measures are based on the primary financial measure only, for Commercial business units. In respect of Operations business units/functional areas/service hubs, the most appropriate measure(s) which allow for objective outperformance measures are considered and approved by the Group Adjudication Committee.

STI and LTI layer one Group KPIs for FY2022

KPIs used to measure the Group's performance during the year under review:

Key performance indicator	Weighting
Targeted organic growth achieved in normalised EBITDA from continuing operations – measured in constant exchange rates ("CER")	70%
Targeted measured free cash flow ("FCF")	30%

- The Remuneration & Nomination Committee's role in respect to STIs is to:
  - approve the rules and any changes to rules in respect of the STIs;
  - review and approve the individual business unit KPIs and Group performance measures to be applied for the following year; and
  - assess the performance of the executive directors and make incentive awards in line with their performance against predetermined performance measures.

Current LTI schemes applicable to FY2022

LTI schemes

The Group operates two LTI schemes: **the South African Management Deferred Incentive Bonus Scheme ("SAMDIBS")** for senior managers and executives (including executive directors), which is share settled; and the **International Phantom Share Scheme ("IPSS")** for senior managers and executives not based in South Africa, which is settled in cash on a phantom share basis.

Except for the difference in settlement methods, the terms and conditions of both schemes are similar in all material respects with both schemes being designed to acknowledge and reward individual performance and the performance of the employee's business unit.

In 2020 a **South African Phantom Share Scheme** was introduced with the intention of, under exceptional circumstances, compensating employees for medium or long-term incentives, which were held at previous employers, but forfeited when the employee accepted a position at Aspen. This was an important mechanism required to attract the right calibre of skills and experience in a key competitive talent market. Operating as phantom shares, the value of the award is referenced to the Aspen share price. Settlement can be by means of a cash payment or a purchase of shares following an agreed vesting period.

Participation in the schemes is dependent on the seniority of the executive or manager and is determined with caps in place, which vary according to the level of seniority.

LTI Layer one Group KPIs are calculated on the same basis as the STIs, capped at current LTI maximum before the application of the stretch principle and are not forfeitable. The total performance measure is based on a weighted average of the weighting assigned to each KPI applied to the percentage outcome from the STI Participation Levels table.

LTI Layer two Group KPIs introduce a layer of forfeitable awards conditional upon sustained three-year performance against predetermined Group KPIs.

LTI Layer two stretch introduces an additional layer of forfeitable stretch awards conditional on sustained three-year outperformance against predetermined Group KPIs.

Each **KPI in Layer two is separately measured** and the award for each KPI is **independent of the performance achieved in the other two KPIs.**

Various measures to determine the final adjusted award for the **second layer stretch award** over the three-year vesting period are **approved annually** and are set out on page 113).

50% of the conditional LTI shares that vest will only be released for trade in year four (25%) and year five (25%), which introduces an extended minimum shareholding period.

Shares acquired for the purpose of **SAMDIBS share settlements are acquired on-market by an intermediary.** No shares are issued by Aspen and the scheme does not have a dilutive effect.

Unvested awards are forfeited if employees resign or are dismissed. In the case of no-fault termination of employment such as retrenchment, retirement or medical incapacity, vesting of awards is accelerated to fall due on the date of such termination.

Both schemes have separate senior executive deferred retention components, which allow for additional share-settled awards over periods of three, five, seven and 10 years. These are made to a limited number of key South African and offshore employees on an *ad hoc* basis.

Remuneration review continued

Variable pay performance measures for FY2023

STI and LTI layer one Group KPIs for FY2023

Key performance indicator	Weighting
Targeted organic growth achieved in normalised EBITDA from continuing operations – measured in CER	70%
Targeted measured FCF	30%

Total performance measure is based on a weighted average of the weighting assigned to each KPI applied to the percentage outcome from the STI Participation Levels table. The EBITDA KPI must exceed 100% for the stretch to apply for the Group component of the STI.

Conditional LTI layer two Group KPIs for FY2023 – on target

Key performance indicator	On target weighting
ROIC (refer to schedule of formulas) relative to weighted average cost of capital ("WACC"), where WACC is within the independent range determined by the auditors for impairment testing; target = WACC +1%	30%
Three-year CAGR in CER NHEPS from continuing operations; target = 5%	50%
ESG project: Achieve the milestones as per the approved strategic position paper on improving access to medicines; target = identified milestones	20%

Conditional LTI layer two Group KPIs for FY2023 – Stretch

Key performance indicator	Weighting
ROIC (refer to schedule of formulas) relative to WACC, where WACC is within the independent range determined by the auditors for impairment testing Stretch target 1 = WACC + 2% – <3% Stretch target 2 = WACC + 3% or greater	Weighting dependent on achievement against performance indicators*
Three-year CAGR in CER NHEPS from continuing operations; Stretch target 1 = 7,5% – <10% Stretch target 2 = 10% or greater	
Develop and implement a strategic position paper on improving access to medicines; target = identified milestone	

* *If ESG project target is achieved, awarded stretch allocation based on 40% of ROIC stretch participation level and 60% of NHEPS stretch participation level – where no stretch achieved for one of either ROIC or NHEPS, the target weighting is applied and the ESG project weighting is determined by the balance out of 100%. If no stretch achieved for both, then the ESG target level achievement is applied.*

Aspen's approach to incorporating an LTI ESG KPI

The WHO has described health as a human right, requiring access to timely, acceptable quality and affordable healthcare and the provision of the underlying determinants of health, including safe drinking water, sanitation, food, housing and health education. Access to medicines is an integral part of the right to health as supported by International Law since 1946. However, access to healthcare remains a global challenge with at least half of the world's population not receiving the healthcare they need.

We have identified Access to Medicines as a material topic under the Patient pillar of our sustainability strategy and it has been included as the key ESG performance measure in our Group's KPAs, as well as being incorporated into our Executives' LTI KPIs. During FY2022 a position paper on Access to Medicines was completed, which included developing our strategic ambition and aligning it with our corporate strategy. In FY2023 we will be aligning our objectives with business unit strategies, budgets and KPIs, and obtaining Board approval of our roadmaps, as well as Group and Executive KPIs. We will also be implementing monitoring and reporting processes to measure both the Group's overall progress and our Executive team's performance against their KPIs in this regard.

Each KPI in the second layer is separately measured and the award for each KPI is independent of the performance achieved in the other two KPIs.

Remuneration review continued

Remuneration outcomes for the Group Chief Executive

Guaranteed remuneration

The total guaranteed package ("TGP") is cash settled reflecting the market value of each role.

1

Philosophy regarding guaranteed remuneration

Designed to attract and retain high calibre employees with the requisite:

- technical skills and experience;
- ethics; and
- behavioural traits that fit our entrepreneurial and dynamic culture.

Basic salary and benefits received annually based on the achievement of:

- Predetermined individual KPAs based on performance throughout the financial year;
- Business performance measures;
- Inflationary considerations; and
- Industry and regional benchmarking.

3

Implementation report

Implementation of guaranteed remuneration philosophy and structures to Group Chief Executive's guaranteed pay

Adjustment in annual guaranteed pay

Guaranteed pay FY2022 R	Approved adjustment %	Guaranteed pay FY2023 R
10 195 788	5,0	10 705 577

2

Application of our remuneration philosophy and structures to our Group Chief Executive's remuneration

Group Chief Executive's annual guaranteed pay

Personal KPA achievement for FY2022
Strategy: Presentation and approval by the Board at the Strategic Board meeting of an updated strategy for the Group for the next four years with measurable milestones. Evidence of satisfactory progress on implementation of the growth strategy by financial year-end.
Succession: A report documenting emergency and long-term succession plans for the Group Chief Executive and each direct report, as approved by the Remuneration & Nomination Committee.
Ethics/culture: The assessment of the Chair of the Social & Ethics Committee of activities undertaken to promote sound business ethics and a positive culture balancing Aspen's values while promoting diversity and inclusion considering all feedback received at the Social & Ethics Committee.
ESG Approval of a positioning paper by the Board on leading Aspen's initiatives to improve access to medicines.
Leadership Evidence of Aspen's positioning as a meaningful contributor to the fight against COVID-19 in South Africa and Africa.
Achievement = 25% out of 25%

Remuneration review continued

Variable pay

Short-term incentives (STIs)

Annual cash settled awards bonus for performance against predetermined performance measures and aligned to grade and specific role.

1

Philosophy regarding STI remuneration

- Ensure KPIs are aligned with strategic objectives and business performance measurements
- Measurement of STIs is mostly in terms of earnings growth and cash related KPIs, however, some of the focus areas and performance measures run over several years
- The Group Chief Executive's and Deputy Group Chief Executive's performance measurements do not include business unit measures
- Clawback and malus provisions allow for recovery of partial or entire incentive awards from employees found guilty of dishonesty, misconduct, incompetence, negligence or causing harm to Aspen's reputation
- Activities and projects not included in overall Group KPIs can be included in personal KPAs
- Performance on focused projects is measured against Board-approved project milestones

2

STI implementation for Group Chief Executive for FY2022

Implementation of STI remuneration philosophy and structures to Group Chief Executive's variable pay

STI Group KPIs	Target	Achievement %	STI stretch targets
Organic growth achieved in normalised EBITDA from continuing operations measured in CER – **70% of weighting**	R11 264 million	100,0[1]	The EBITDA KPI must exceed 100% for the stretch to apply for the Group component of the STI
Measured FCF – **30% of weighting**	R3 951 million	96,0[2]	
Total moderated achievement against Group KPIs		99,1[3]	

Total performance measure is based on a weighted average of the weighting assigned to each KPI applied to the percentage outcome from the STI scoring table.

3

STI remuneration structures

Eligibility: Permanent employees in middle to top management must achieve a minimum score of 75% on their individual KPAs and an 85% score for business unit KPIs to be eligible for an incentive. A score of 100% individual KPA is required to qualify for a stretch incentive.

The award principles in respect of the STIs to be awarded to the Group Chief Executive have been confirmed as:

Individual KPA	25% x 100% = 25%
Business unit KPI	Not applicable
Group KPI	75% x 95%# = 71,3%
Total	**25% + 71,3% = 96,3% achievement of all-inclusive package out of a possible 150% (STI cap for Group Chief Executive)**

Group Chief Executive's personal KPAs: The Group Chief Executive's performance in this regard, which is detailed under his guaranteed pay, is 25% out of 25% for all his KPAs.

Group performance determines 75% of the award (with the additional stretch awards up to 50%).

Stretch targets: Cap varies depending on grade. Up to a maximum total award of 150% is possible for the Group Chief Executive where there has been outperformance against Group KPIs.

[1] *The Remuneration & Nomination Committee exercised its discretion to adjust the achievement of this measure (organic growth achieved in normalised EBITDA from continuing operations) from an achievement of 98% to 100% considering the uncontrollable impacts of the China lockdown, and impact of the severe supply constraints on the South African Commercial Pharma Business which flowed from both the impact of the fire at Alphamed and the municipal water quality issues experienced at the Group's East London manufacturing site.*

[2] *The Remuneration & Nomination Committee exercised its discretion to adjust the achievement of this measure (measured free cash flow as measured against budget) from an achievement of 82% to 96% which related to the build-up of surplus COVID-19 vaccine component inventory following the lower forecast demand and offtake from Johnson & Johnson in the financial year.*
While not formally factored into the above adjustments, the Committee also considered the following uncontrollable factors:
– Notable inflationary and freight increases.
– General supply disruptions affecting the Group as a whole; and
– Pressure on inventory values arising from elevated inflationary increases.

[3] *A 99,1% achievement results in a score of 95% for the Group component, using the agreed STI scoring table.*

Remuneration review continued

Variable pay

Long-term incentive (LTIs)

1

Philosophy regarding LTI remuneration

- Support achievement of longer-term strategic objectives
- Based on selection of suitable long-term KPIs
- Annual universal Group measurement set that carries sizeable weighting in each executive's performance measurement
- The Group Chief Executive's and Deputy Group Chief Executive's performance measurements do not include business unit measures
- Clawback and malus provisions allow for recovery of partial or entire incentive awards from employees found guilty of dishonesty, misconduct, incompetence, negligence or causing harm to Aspen's reputation
- Pertinent ESG-related projects to be introduced into long-term incentive KPIs in FY2023

2

Group Chief Executive's LTI KPIs

Layer one Group KPIs	Target	Achievement %	LTI Layer two Group KPIs – Targets (forfeitable)	Performance	LTI Layer two – Stretch Group KPIs (forfeitable)	Performance
Organic growth achieved in normalised EBITDA from continuing operations measured in CER – **70% of weighting***	R11 264 million	100,0*	ROIC relative to WACC where WACC is within the independent range determined by the auditors for impairment testing: target WACC +1% – 30% weighting	9,6% vs WACC of 8,6% – target of WACC + 1% achieved	ROIC relative to WACC, where WACC is within the independent range determined by the auditors for impairment testing • Stretch target 1 = WACC + 2% – <3% • Stretch target 2 = WACC + 3% or greater	Not achieved
Measured FCF per share – **30% of weighting**	R3 951 million	96,0*	Three-year CAGR of 5% in NHEPS (CER) from continuing operations – 50% of weighting	12,6% vs CAGR of 5%- target of >5% achieved	Three-year CAGR in CER NHEPS from continuing operations • Stretch target 1 = 7,5% – <10% • Stretch target 2 = 10% or greater	12,6% vs CAGR of 5%- target of >10% achieved i.e. stretch 2 achieved
			Appropriate ESG measure approved by the Board with identified milestones as target – 20% of weighting	Achieved	• Excluded from stretch targets • If ESG project target is achieved, awarded stretch allocation based on 40% of ROIC stretch participation level and 60% of NHEPS stretch participation level – where no stretch achieved for one of either ROIC or NHEPS, the target weighting is applied and the ESG project weighting is determined by the balance out of 100%. If no stretch achieved for both, then the ESG target level achievement is applied.	

* *An explanation on how the Remuneration & Nomination Committee exercised its discretion in respect of the adjustment of the achievement of these measures is set out in the notes to the table setting out the STI Implementation for the Group Chief Executive for 2022 on page 115.*

Remuneration review continued

LTI implementation for Group Chief Executive for FY2022

This component constitutes a maximum of 41,25% of TGP. An additional 41,25% of TGP awarded on the achievement of agreed stretch targets to a maximum of 82,5%.

LTI Measure (Layer one)	Target*	Weighting	Achievement %
Measure 1 – Organic growth in normalised EBITDA			
Organic growth achieved in normalised EBITDA from continuing operations measured in CER	R11 264 million	70%	100,00
Measure 2 – Free cash flow			
Measured FCF	R3 951 million	30%	96,00
Total		**100%**	**99,10**
Layer one = 41,25% x 96,3%**			**39,72**

* An explanation on how the Remuneration & Nomination Committee exercised its discretion in respect of the adjustment of the achievement of these measures is set out in the notes to the table setting out the STI Implementation for the Group Chief Executive for 2022 on page 115.
** 96,3% as calculated on page 115 under STI remuneration structures.

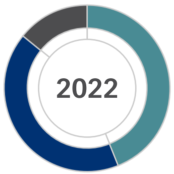
Each KPI in the second layer is separately measured and the award for each KPI is independent of the performance achieved in the other two KPIs.

If the ESG project target is achieved, it is awarded stretch allocation based on 40% of ROIC stretch participation level and 60% of NHEPS stretch participation level; where no stretch is achieved for one or either of ROIC and NHEPS, the target weighting is applied and the ESG project weighting is determined by the balance out of 100%. If no stretch achieved for both, then the ESG target level achievement is applied.

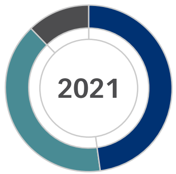
LTI Measure (Layer two) conditional	Performance outcomes	Weighting applied	Participation level %	Outcomes – (weighting x participation level) %
Measure 1 – ROIC				
ROIC relative to WACC, where WACC is within the independent range determined by the auditors for impairment testing	Achieved	30% (no stretch)	15	4,5
Measure 2 – CER NHEPS				
Three-year CAGR in CER NHEPS from continuing operations	Stretch 2	60% (stretch 2)	41,25	24,75
Measure 3 – ESG				
ESG project: Develop and implement a strategic position paper on improving access to medicines	Achieved	100% – (60% (i.e. stretch 2 for CAGR) + 30% (i.e. no stretch for ROIC)) = 10%	15	1,5
Layer two				**30,75**
Total Layer one plus Layer two = 70,5%				
Total achieved = 70,5% out of a possible 82,5%				

Remuneration review continued

Remuneration composition (%)



● Guaranteed pay 44
● Incentive bonus 42
● Deferred bonus 14



● Incentive bonus 48
● Guaranteed pay 40
● Deferred bonus 12

Executive Director	Base pay R	Retirement and medical aid benefits R	Total remuneration R	Performance Bonus (paid Sept) R	Share-based payment expense R	Total remuneration R
Stephen Saad						
2022	**8 738 907**	**1 456 881**	**10 195 788**	**9 813 446**	**3 346 440**	**23 355 674**

Executive Director	Base pay R	Retirement and medical aid benefits R	Total remuneration R	Performance Bonus (paid Sept) R	Share-based payment expense R	Total remuneration R
Stephen Saad						
2021	8 404 603	1 399 035	9 803 638	11 764 366	2 844 778	24 412 782

Vesting of long-term incentives during 2022

Awards made to the Group Chief Executive, in terms of the SAMDIBS, vested as follows during the year:

	Date of award	Number of shares awarded	Value at date of award R	Distri-butions/ dividends received R	Dividends reinvested as shares (number of shares)	Total value of award at vesting R
2020	October 2017	7 665	2 339 321	N/A	172	921 902
2021*	October 2018	14 197	2 341 921	N/A	155	2 634 597

* *Awards vested in October 2021, but the shares were only delivered after the closed period ended on 9 March 2022.*

Interests in Aspen shares

Shares allocated in terms of the SAMDIBS as at the beginning of the year and those offered to and accepted by the Group Chief Executive during the year were as follows:

Grant price R	Expiry date	Shares outstanding on 30 June 2021	Awarded during the year	Dividends reinvested as shares	Released during the year	Shares outstanding on 30 June 2022
164,96	Oct 2021	14 197	**–**	**155**	**14 352**	**–**
105,11	Oct 2022	11 461	**–**	**–**	**–**	**11 461**
108,98	Oct 2023	35 173	**–**	**–**	**–**	**35 173**
194,44	Aug 2024	–	**20 798**	**–**	**–**	**20 798**
		60 831	**20 798**	**155**	**14 352**	**67 432**

Remuneration review continued

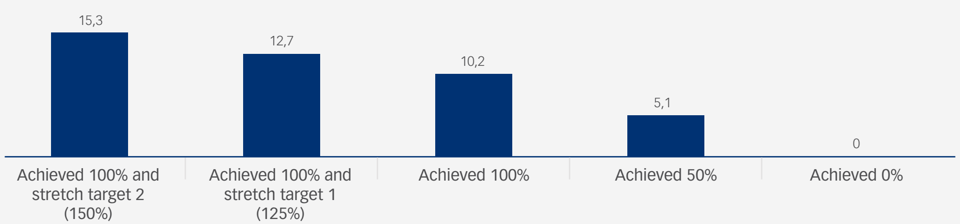
Performance scenarios – Group Chief Executive

This data is used to illustrate the short- and long-term incentives payable to the Group Chief Executive with the 2023 performance metrics applied to data from the 2022 financial year. Possible performance outcomes against the 2023 performance metrics could be: to achieve all performance targets as well as stretch targets; achieving all performance targets; achieving 50% of performance targets; or not achieving performance targets at all.

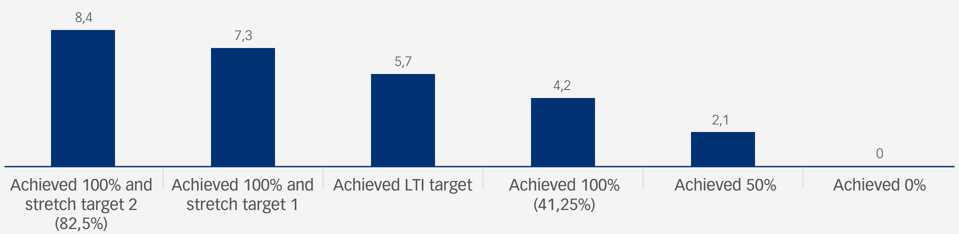
Based on FY2022 TGP – July 2021 to June 2022	R	R	R	R	R	R
Short-term incentive		150%	125%	100%	50%	0%
	FY2022 TGP (July 2021 to June 2022)	Achieve 100% and Stretch 2 target	Achieve 100% and Stretch 1 target	Achieve 100%	Achieve 50%	Achieve 0%
Stephen Saad	10 195 788	15 293 682	12 744 735	10 195 788	5 097 894	–

Based on FY2022 TGP – July 2021 to June 2022	R	R	R	R	R	R	R
Long-term incentive		82,50%	71,25%	56,25%	41,25%	20,63%	0%
	FY2022 TGP (July 2021 to June 2022)	Achieve 100% and Stretch 2	Achieve 100% and Stretch 1	Achieve LTI layer two target	Achieve 100% of LTI layer one target	Achieve 50%	Achieve 0%
Stephen Saad	10 195 788	8 411 525	7 264 499	5 735 131	4 205 763	2 102 881	–

Short-term incentive (R'millions)



Long-term incentive (R'millions)



Remuneration review continued

Remuneration outcomes for Deputy Group Chief Executive

Guaranteed remuneration

The TGP is cash settled reflecting the market value of each role.

Gus Attridge was the Deputy Group Chief Executive and an executive director until 31 December 2021, when he retired from these roles and became the Group Chief Advisor, remaining a prescribed officer in this capacity.

1

Philosophy regarding guaranteed remuneration

Designed to attract and retain high calibre employees with the requisite:
- technical skills and experience;
- ethics; and
- behavioural traits that fit our entrepreneurial and dynamic culture.

Basic salary and benefits received annually based on the achievement of:
- predetermined individual KPAs based on performance throughout the financial year;
- business performance measures; and
- inflationary considerations.

2

Application of our remuneration philosophy and structures to our Deputy Group Chief Executive's remuneration

Deputy Group Chief Executive's annual guaranteed pay

Personal KPA achievement for FY2022
Strategy: Update the Audit & Risk Committee on progress with ensuring the implementation of the Group's digitalisation strategy is fit-for-purpose and designed to bring the Group's IT spend within industry benchmarks.
Succession: Successful transition plan for the change in role of the Deputy Group Chief Executive.
Ethics/culture: The Chair of the Social & Ethics Committee's assessment of activities undertaken to promote sound business ethics and a positive culture balancing Aspen's values while promoting diversity and inclusion considering all feedback received at the Social & Ethics Committee.
ESG The Chair of the Social & Ethics Committee's assessment of the effectiveness of procedures in place to support the security and wellness of employees through the COVID-19 pandemic.
Leadership Successful rotation of the Group auditors to EY as assessed by the Audit & Risk Committee.
Achievement = 25% out of 25%

Remuneration review continued

Variable pay

Short-term incentives (STIs)

Annual cash-settled awards bonus for performance against predetermined performance measures and aligned to grade and specific role.

1

Philosophy regarding STI remuneration

- Ensure KPIs are aligned with strategic objectives and business performance measurements
- Measurement of STIs is mostly in terms of earnings growth and cash related KPIs, however, some of the focus areas and performance measures run over several years
- The Group Chief Executive's and Deputy Group Chief Executive's performance measurements do not include business unit measures
- Clawback and malus provisions allow for recovery of partial or entire incentive awards from employees found guilty of dishonesty, misconduct, incompetence, negligence or causing harm to Aspen's reputation
- Activities and projects not included in overall Group KPIs can be included in personal KPAs
- Performance on focused projects is measured against Board-approved project milestones

3

STI implementation for Deputy Group Chief Executive for FY2022

Implementation of STI remuneration philosophy and structures to Deputy Group Chief Executive's variable pay

STI Group KPIs	Target	Achievement %	STI stretch targets
Organic growth achieved in normalised EBITDA from continuing operations measured in CER – **70% of weighting**	R11 264 million	100,0*	The EBITDA KPI must exceed 100% for the stretch to apply for the Group component of the STI
Measured FCF per share – **30% of weighting**	R3 951 million	96,0*	
Total achievement against Group KPIs		99,1#	

* *An explanation on how the Remuneration & Nomination Committee exercised its discretion in respect of the adjustment of the achievement of these measures is set out in the notes to the table setting out the STI Implementation for the Group Chief Executive for 2022 on page 115.*

Total performance measure is based on a weighted average of the weighting assigned to each KPI applied to the percentage outcome from the STI scoring table.

A 99,1% achievement results in a score of 95% for the Group component, using the agreed STI scoring table.

2

STI remuneration structures

Eligibility: Permanent employees in middle to top management must achieve a minimum score of 75% on their individual KPAs and an 85% score for business unit KPIs to be eligible for an incentive. A score of 100% individual KPA is required to qualify for a stretch incentive.

The award principles in respect of the STIs to be awarded to the Deputy Group Chief Executive have been confirmed as:

Individual KPA	25% x 100% = 25%
Business unit KPI	Not applicable
Group KPI	75% x 95%# = 71,3%
Total	**25% + 71,3% = 96,3% achievement of all-inclusive package out of a possible 150% (STI cap for Deputy Group Chief Executive)**

Deputy Group Chief Executive's personal KPAs: The Deputy Group Chief Executive's performance in this regard, which is detailed under his guaranteed pay, is 25% out of 25% for all his KPAs.

Group performance determines 75% of the award (with the additional stretch awards up to 50%).

Stretch targets: Cap varies depending on grade. Up to a maximum total award of 150% is possible for the Deputy Group Chief Executive where there has been outperformance against Group KPIs.

Remuneration review continued

Variable pay

Long-term incentive (LTIs)

1 **Philosophy regarding LTI remuneration**

- Support achievement of longer-term strategic objectives
- Based on selection of suitable long-term KPIs
- Annual universal group measurement set that carries sizeable weighting in each executive's performance measurement
- The Group Chief Executive's and Deputy Group Chief Executive's performance measurements do not include business unit measures
- Clawback and malus provisions allow for recovery of partial or entire incentive awards from employees found guilty of dishonesty, misconduct, incompetence, negligence or causing harm to Aspen's reputation
- Pertinent ESG-related projects to be introduced into long-term incentive KPIs in FY2023

2 **Deputy Group Chief Executive's LTI KPIs**

Layer one Group KPIs	Target	Achievement %	LTI Layer two Group KPIs – Targets (forfeitable)	Performance	LTI Layer two – Stretch Group KPIs (forfeitable)	Performance
Organic growth achieved in normalised EBITDA from continuing operations measured in CER – **70% of weighting**	R11 264 million	100,0*	ROIC relative to WACC where WACC is within the independent range determined by the auditors for impairment testing: target WACC +1% – 30% weighting	9,6% vs WACC of 8,6% – target of WACC + 1% achieved	ROIC relative to WACC, where WACC is within the independent range determined by the auditors for impairment testing • Stretch target 1 = WACC + 2% – <3% • Stretch target 2 = WACC + 3% or greater	Not achieved
Measured FCF per share – **30% of weighting**	R3 951 million	96,0*	Three-year CAGR of 5% in NHEPS (CER) from continuing operations – 50% of weighting	12,6% vs CAGR of 5% – target of >5% achieved	Three-year CAGR in CER NHEPS from continuing operations • Stretch target 1 = 7,5% – <10% • Stretch target 2 = 10% or greater	12.6% vs CAGR of 5% – target of >10% achieved i.e. stretch 2 achieved
Total		99,1*	Appropriate ESG measure approved by the Board with identified milestones as target – 20% of weighting	Achieved	• Excluded from stretch targets • If ESG project target is achieved, awarded stretch allocation based on 40% of ROIC stretch participation level and 60% of NHEPS stretch participation level – where no stretch achieved for one or either of ROIC and NHEPS, the target weighting is applied and the ESG project weighting is determined by the balance out of 100%. If no stretch achieved for both, then the ESG target level achievement is applied.	

* *An explanation on how the Remuneration & Nomination Committee exercised its discretion in respect of the adjustment of the achievement of these measures is set out in the notes to the table setting out the STI Implementation for the Group Chief Executive for 2022 on page 115.*

Remuneration review continued

LTI implementation for Deputy Group Chief Executive for FY2022

Deputy Group Chief Executive's LTI calculation for 2022

This component constitutes a maximum of 41,25% of TGP. An additional 41,25% of TGP awarded on the achievement of agreed stretch targets to a maximum of 82,5%.

LTI Measure (Layer one)	Target*	Weighting	Achievement %
Measure 1 – Organic growth in normalised EBITDA			
Organic growth achieved in normalised EBITDA from continuing operations measured in CER	R11 264 million (15%)	70%	100,00
Measure 2 – Free cash flow			
Measured FCF	R3 951 million	30%	96,00
Total		**100%**	**99,10**
Layer one = 41,25% x 96,3%**			**39,72**

* *An explanation on how the Remuneration & Nomination Committee exercised its discretion in respect of the adjustment of the achievement of these measures is set out in the notes to the table setting out the STI Implementation for the Group Chief Executive for 2022 on page 115.*
** *96,3% as calculated on page 115 under STI remuneration structures.*

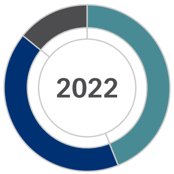
Each KPI in the second layer is separately measured and the award for each KPI is independent of the performance achieved in the other two KPIs.

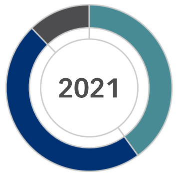
If the ESG project target is achieved, it is awarded stretch allocation based on 40% of ROIC stretch participation level and 60% of NHEPS stretch participation level, where no stretch achieved for one or either of ROIC and NHEPS, the target weighting is applied and the ESG project weighting is determined by the balance out of 100%. If no stretch achieved for both, then the ESG target level achievement is applied.

LTI Measure (Layer two) conditional	Performance outcomes	Weighting applied	Participation level %	Outcomes – (weighting x participation level) %
Measure 1 – ROIC				
ROIC relative to WACC, where WACC is within the independent range determined by the auditors for impairment testing	Achieved	30% (no stretch)	15	4,5
Measure 2 – CER NHEPS				
Three-year CAGR in CER NHEPS from continuing operations	Stretch 2	60% (stretch 2)	41,25	24,75
Measure 3 – ESG				
ESG project: Develop and implement a strategic position paper on improving access to medicines	Achieved	100% - (60% (i.e. stretch 2 for CAGR) + 30% (i.e. no stretch for ROIC)) = 10%	15	1,5
Layer two				**30,75**
Total Layer one plus Layer two = 70,5%				
Total achieved = 70,5% out of a possible 82,5%				

Remuneration review continued

Remuneration composition (%)





	2022	2021
Guaranteed pay	44	40
Incentive bonus	42	48
Deferred bonus	14	12

Executive Director	Base pay R	Retirement and medical aid benefits R	Total remuneration R	Performance bonus (paid Sept 22) R	Share-based payment expense R	Total remuneration R
Gus Attridge						
Jul 21 to Dec 21	**3 594 191**	**620 137**	**4 214 328**	**4 056 291**	**1 383 222**	**9 653 841**

Considering that Gus Attridge retired as executive director on 31 December 2021, no performance scenario illustrations or comparatives have been included.

Vesting of long-term incentives during 2022

Awards made to the Deputy Group Chief Executive, in terms of the SAMDIBS, vested as follows during the year:

	Date of award	Number of shares awarded	Value at date of award R	Distri-butions/ dividends received R	Dividends reinvested as shares (number of shares)	Total value of award at vesting R
2020	October 2017	6 337	1 933 873	N/A	143	761 351
2021*	October 2018	11 736	1 936 022	N/A	128	2 177 874

* *Awards vested in October 2021, but the shares were only delivered after the closed period ended on 9 March 2022.*

Interests in Aspen shares in terms of the SAMDIBS

Shares allocated in terms of the SAMDIBS as at the beginning of the year and those offered to and accepted by executive directors during the year were as follows:

Grant price R	Expiry date	Shares outstanding on 30 June 2021	Awarded during the year	Dividends reinvested as shares	Released during the year	Shares outstanding on 30 June 2022
164,96	Oct 2021	11 736	**–**	**128**	**11 864**	**–**
105,11	Oct 2022	9 475	**–**	**–**	**–**	**9 475**
108,98	Oct 2023	29 077	**–**	**–**	**–**	**29 077**
194,44	Aug 2024	–	**17 193**	**–**	**–**	**17 193**
		50 288	**17 193**	**128**	**11 864**	**55 745**

Remuneration review continued

Remuneration outcomes for the Group Chief Financial Officer

Guaranteed remuneration

The TGP is cash settled reflecting the market value of each role.

Sean Capazorio was appointed Group Chief Financial Officer from 1 January 2022 and as an executive director with effect 1 January 2022.

1 Philosophy regarding guaranteed remuneration

Designed to attract and retain high calibre employees with the requisite:
- technical skills and experience;
- ethics; and
- behavioural traits that fit our entrepreneurial and dynamic culture.

Basic salary and benefits received annually based on the achievement of:
- predetermined individual KPAs based on performance throughout the financial year;
- business performance measures;
- inflationary considerations; and
- industry and regional benchmarking.

3 Implementation report

Implementation of guaranteed remuneration philosophy and structures to Group Chief Financial Officer's guaranteed pay

Adjustment in annual guaranteed pay

Guaranteed pay FY2022 R	Approved adjustment %	Guaranteed pay FY2023 R
7 684 915*	5,5	8 107 585

* *This amount constitutes an annualisation of the relevant executive director remuneration.*

2 Application of our remuneration philosophy and structures to our Group Chief Financial Officer's remuneration

Group Chief Financial Officer's annual guaranteed pay

Personal KPAs achieved for FY2022
Financial reporting and business performance: Report to the Group Chief Executive, Audit & Risk Committee and the Board on progress with the identification of steps to enhance business performance, ensure the strategic direction of the business remains on track and targeted value drivers are delivered.
Capital allocation: Ensure effective adherence to the approved capital allocation model for FY2022 and propose to the Board the capital allocation plan for FY2023.
Capital expenditure projects: Ensure quarterly progress reports to the Group Executive Committee and the Board on capital expenditure projects clearly articulate progress on all key metrics. Conduct post-completion assessments of capital expenditure to track performance against target returns on investment.
Treasury consolidation project: Provide oversight, guidance and direction to the Group Treasury team in the implementation of the treasury consolidation project, ensuring the project obtains the necessary approvals, achieves the agreed milestones, remains within the approved budget and realises at least the value creation/return on investment in the initiating proposal.
Board and committee participation: To fulfil the role of Group Chief Financial Officer to the satisfaction of the Board and the Audit & Risk Committee, providing appropriate information as expected and contributing expertise and insights to Board and Audit & Risk Committee discussions.
Stakeholder relationships: Build an expanded network of key stakeholder relationships appropriate for the Group Chief Financial Officer, particularly with the banking community, investors, analysts and Board members such that these key stakeholders have trust and confidence in the Group Chief Financial Officer.
Leadership of finance function: To ensure the strength of the existing finance structures are at least maintained and, where appropriate, improved and is as evidenced in quality of reporting, internal audit reports, external auditor feedback and the assessment of the Audit & Risk Committee.
Achievement = 25% out of 25%

Remuneration review continued

Variable pay

Short-term incentives (STIs)

Annual cash-settled awards bonus for performance against predetermined performance measures and aligned to grade and specific role.

1

Philosophy regarding STI remuneration

- Ensure KPIs are aligned with strategic objectives and business performance measurements
- Measurement of STIs is mostly in terms of earnings growth and cash related KPIs, however, some of the focus areas and performance measures run over several years
- The Group Chief Financial Officer's performance measurements include business unit measures
- Clawback and malus provisions allow for recovery of partial or entire incentive awards from employees found guilty of dishonesty, misconduct, incompetence, negligence or causing harm to Aspen's reputation
- Activities and projects not included in overall Group KPIs can be included in personal KPAs
- Performance on focused projects is measured against Board-approved project milestones

2

STI implementation for Group Chief Financial Officer for 2022

Implementation of STI remuneration philosophy and structures to Group Chief Financial Officer's variable pay

STI Layer one of Group KPIs	Target	Achievement %	STI stretch targets
Organic growth achieved in normalised EBITDA from continuing operations measured in CER – **70% of weighting**	R11 264 million (15%)	100,0*	Based on the level of outperformance against primary financial KPIs for commercial business units, approved KPIs for all other business units and the EBITDA KPI for the Group component
Measured FCF per share – **30% of weighting**	R3 951 million	96,0*	
Total achievement against Group KPIs		99,1*	

* *An explanation on how the Remuneration & Nomination Committee exercised its discretion in respect of the adjustment of the achievement of these measures is set out in the notes to the table setting out the STI Implementation for the Group Chief Executive for 2022 on page 115.*

Remuneration review continued

3 STI remuneration structures

Eligibility: Permanent employees in middle to top management must achieve a minimum score of 75% on their individual KPAs and an 85% score for business unit KPIs to be eligible for an incentive. A score of 100% individual KPA is required to qualify for a stretch incentive.

The award principles in respect of the STIs to be awarded to the Group Chief Financial Officer have been confirmed as:

Base STI	Score %	Maximum %	Participation level %	Weighting	Outcome %
Individual KPAs	100	100	100	25%	25
Business unit KPIs	103,6	100	100	50%	50
Group KPIs	95	100	95	25%	23,8
Sub total					98,8

Stretch STI	Score %	Maximum %	Participation level %	Weighting	Outcome %	Weighting calculation %
Individual KPAs	100	Pre-minimum achieved	Pre-minimum achieved			
Business unit financial KPIs	103,6	3,6	15,0	66,7%	(weighting x participation level) = 10	Weighting = +50/(50 + 25)
Group KPIs	95	0	0	33,3%	0	Weighting = +25/(50 + 25)
Subtotal					10	
Base + Stretch STI					98,8 + 10 = 108,8 (A)	
STI for band					30 (B)	
Total STI award					32,6 (A*B)	

Group Chief Financial Officer's personal KPAs: The Group Chief Financial Officer's performance in this regard, which is detailed under his guaranteed pay, is 100% for all his KPAs

Group performance determines 25% of the award. Business unit determines 50% of the award and the personal KPA determines 25% of the award

Total performance measure is based on a weighted average of the weighting assigned to each KPI applied to the percentage outcome from the STI scoring table

Stretch targets: Cap varies depending on grade. Up to a maximum total award of 45% is possible for the Group Chief Financial Officer where there has been outperformance against Group KPIs and business unit KPIs

Remuneration review continued

Variable pay

Long-term incentive (LTIs)

1

Philosophy regarding LTI remuneration

- Support achievement longer-term strategic objectives
- Based on selection of suitable long-term KPIs
- Annual universal group measurement set that carries sizeable weighting in each executive's performance measurement
- The Group Chief Financial Officer's performance measurements include business unit measures
- Clawback and malus provisions allow for recovery of partial or entire incentive awards from employees found guilty of dishonesty, misconduct, incompetence, negligence or causing harm to Aspen's reputation
- Pertinent ESG-related projects to be introduced into long-term incentive KPIs in FY2023

2

Group Chief Financial Officer's LTI KPIs

Layer one Group KPIs	Target	Achievement %	LTI Layer two Group KPIs – Targets (forfeitable)	Performance	LTI Layer two – Stretch Group KPIs (forfeitable)	Performance
Organic growth achieved in normalised EBITDA from continuing operations measured in CER – **70% of weighting**	R11 264 million	100,0*	ROIC relative to WACC where WACC is within the independent range determined by the auditors for impairment testing: target WACC +1% – 30% weighting	9,6% vs WACC of 8,6% – target of WACC + 1% achieved	ROIC relative to WACC, where WACC is within the independent range determined by the auditors for impairment testing • Stretch target 1 = WACC + 2% – <3% • Stretch target 2 = WACC + 3% or greater	Not achieved
Measured FCF per share – **30% of weighting**	R3 951 million	96,0*	Three-year CAGR of 5% in NHEPS (CER) from continuing operations – 50% of weighting	12,6% vs CAGR of 5% – target of >5% achieved	Three-year CAGR in CER NHEPS from continuing operations • Stretch target 1 = 7,5% – <10% • Stretch target 2 = 10% or greater	12,6% vs CAGR of 5% – target of >10% achieved i.e. stretch 2 achieved
Total		99,1*	Appropriate ESG measure approved by the Board with identified milestones as target – 20% of weighting	Achieved	• Excluded from stretch targets • If ESG project target is achieved, awarded stretch allocation based on 40% of ROIC stretch participation level and 60% of NHEPS stretch participation level – where no stretch achieved for one or either of ROIC and NHEPS, the target weighting is applied and the ESG project weighting is determined by the balance out of 100%. If no stretch achieved for both, then the ESG target level achievement is applied.	

* *An explanation on how the Remuneration & Nomination Committee exercised its discretion in respect of the adjustment of the achievement of these measures is set out in the notes to the table setting out the STI Implementation for the Group Chief Executive for 2022 on page 115.*

Remuneration review continued

LTI implementation for Group Chief Financial Officer for FY2022

Group Chief Financial Officer's LTI calculation for 2022

This component constitutes a maximum of 33% of total guaranteed pay. An additional 20% of total guaranteed pay awarded on the achievement of agreed stretch targets to a maximum of 53%.

LTI Measure (Layer one)	Target*	Weighting	Achievement %
Measure 1 – Organic growth in normalised EBITDA			
Organic growth achieved in normalised EBITDA from continuing operations measured in CER	R11 264 million	70%	100,00
Measure 2 – Free cash flow			
Measured FCF	R3 951 million	30%	96,00
Total		**100%**	**99,10**
Layer one = 33,0% X 98,8%**			**32,60**

* An explanation on how the Remuneration & Nomination Committee exercised its discretion in respect of the adjustment of the achievement of these measures is set out in the notes to the table setting out the STI Implementation for the Group Chief Executive for 2022 on page 115.
** 98,8% as calculated on page 127 under STI remuneration structures.

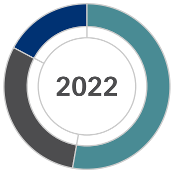
Each KPI in the second layer is separately measured and the award for each KPI is independent of the performance achieved in the other two KPIs.

If the ESG project target is achieved, it is awarded stretch allocation based on 40% of ROIC stretch participation level and 60% of NHEPS stretch participation level; where no stretch is achieved for one or either of ROIC and NHEPS, the target weighting is applied and the ESG project weighting is determined by the balance out of 100%. If no stretch achieved for both, then the ESG target level achievement is applied.

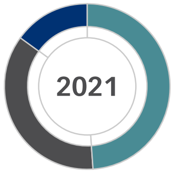
LTI Measure (Layer two) conditional	Performance outcomes	Weighting applied	Participation level %	Outcomes (weighting x participation level) %
Measure 1 - ROIC				
ROIC relative to WACC, where WACC is within the independent range determined by the auditors for impairment testing	Target achieved	30% (no stretch)	7,50	2,25
Measure 2 - CER NHEPS				
Three-year CAGR in CER NHEPS from continuing operations	Stretch 2	60% (stretch 2)	20,00	12,00
Measure 3 – ESG				
ESG project: Develop and implement a strategic position paper on improving access to medicines	Target achieved	10%	7,50	0,75
Layer two				**15,00**
Total achieved is layer one plus layer two = 47,6% out of a possible 53,0%				

Remuneration review continued

Remuneration composition (%)



Guaranteed pay 53
Deferred bonus 30
Incentive bonus 17



Guaranteed pay 49
Deferred bonus 36
Incentive bonus 15

Executive Director	Base pay R	Retirement and medical aid benefits R	Total remuneration R	Performance bonus (paid Sept 22) R	Share-based payment expense R	Total remuneration R
Sean Capazorio Jan 22 to June 22	**3 301 415**	**541 042**	**3 842 457**	**1 253 602**	**2 214 540**	**7 310 599**

Considering that Sean Capazorio was appointed as executive director on 1 January 2022, no comparisons have been included, however performance scenario illustrations are included.

Interests in Aspen shares in terms of the senior executive retention component of the SAMDIBS

Shares allocated in terms of the senior executive retention component of the SAMDIBS (incentive awards vesting in five, seven or 10 years) as offered to and accepted by prescribed officers were as follows:

	Grant price R	Expiry date	Shares outstanding on 30 June 2021	Awarded during the year	Released during the year	Shares outstanding on 30 June 2022
Sean Capazorio	326,70	May 2026*	47 649	–	–	**47 649**
	106,74	May 2024**	33 470	–	–	**33 470**
	106,74	May 2026***	33 470	–	–	**33 470**
			114 589	–	–	**114 589**

Awarded in May 2016 (10-year vesting date).
** *Awarded in May 2019 (five-year vesting date).*
*** *Awarded in May 2019 (seven-year vesting date).*

Vesting of long-term incentives during 2022

Awards made to prescribed officers, in terms of the SAMDIBS, vested as follows during the year:

	Date of award	Number of shares awarded	Value at date of award R	Distri-butions/ dividends received R	Dividends reinvested as shares (number of shares)	Total value of award at vesting R
2020	October 2017	4 849	1 479 876	N/A	109	582 577
2021*	October 2018	6 588	1 086 819	N/A	72	1 222 576

* *Awards vested in October 2021, but the shares were only delivered after the closed period ended on 9 March 2022.*

Interests in Aspen shares in terms of the SAMDIBS

Shares allocated in terms of the SAMDIBS as at the beginning of the year and those offered to and accepted by executive directors during the year were as follows:

Grant price R	Expiry date	Shares outstanding on 30 June 2021	Awarded during the year	Dividends reinvested as shares	Released during the year	Shares outstanding on 30 June 2022
164,96	Oct 2021	6 588	–	**72**	**6 660**	–
105,11	Oct 2022	7 253	–	–	–	**7 253**
108,98	Oct 2023	17 170	–	–	–	**17 170**
194,44	Aug 2024	–	**9 836**	–	–	**9 836**
		31 011	**9 836**	**72**	**6 660**	**34 259**

Remuneration review continued

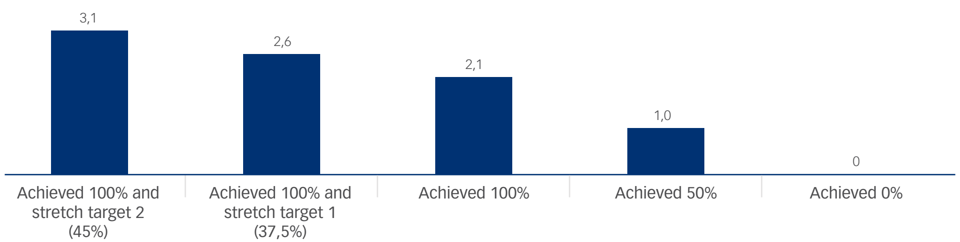
Performance Scenarios – Group Chief Financial Officer

This data is used to illustrate the short- and long-term incentives payable to the Group Chief Financial Officer with the 2023 performance metrics applied to data from the 2022 financial year. Possible performance outcomes against the 2023 performance metrics could be: to achieve all performance targets as well as stretch targets; achieving all performance targets; achieving 50% of performance targets; or not achieving performance targets at all.

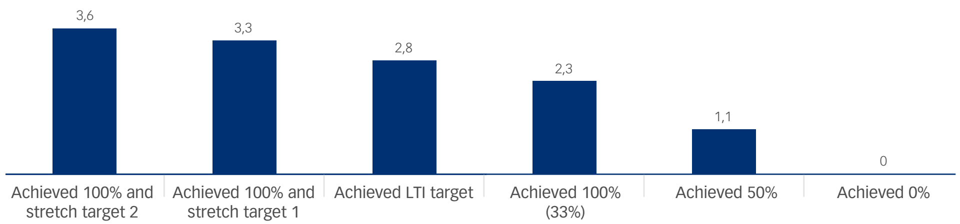
Based on FY2022 annual guaranteed pay – July 2021 to June 2022	R	R	R	R	R	R
Short-term incentive	FY2022 annual guaranteed pay (July 2021 to June 2022)	45% Achieve 100% and Stretch target 2	37,5% Achieve 100% and Stretch target 1	30% Achieve 100%	15% Achieve 50%	0% Achieve 0%
Sean Capazorio	6 856 149	3 085 267	2 571 056	2 056 845	1 028 422	–

Based on FY2022 annual guaranteed pay – July 2021 to June 2022	R	R	R	R	R	R	R
Long-term incentive	FY2022 annual guaranteed pay (July 2021 to June 2022)	53,0% Achieve 100% and Stretch 2	48,0% Achieve 100% and Stretch 1	40,5% Achieve LTI layer two target	33,0% Achieve 100% of layer one target	16,5% Achieve 50%	0% Achieve 0%
Sean Capazorio	6 856 149	3 633 759	3 290 952	2 776 740	2 262 529	1 131 265	–

Short-term incentive (R'million)



Long-term incentive (R'million)



Remuneration review continued

Total remuneration packages paid to executive directors and prescribed officers

The below table provides an overview of the total remuneration packages paid to executive directors and prescribed officers in the 2022 financial year and the various components of these remuneration packages:

2022	Base pay R	Retirement and medical aid benefits R	Performance bonus (paid Sept 22) R	Share-based payment expense R	Total remuneration R
Executive Directors					
Stephen Saad	8 738 907	1 456 881	9 813 446	3 346 440	23 355 674
Gus Attridge (Jul 21 to Dec 21)*	3 594 191	620 137	4 056 291	1 383 222	9 653 841
Sean Capazorio (Jan 22 to Jun 22)**	3 301 415	541 042	1 253 602	2 214 540	7 310 599
	15 634 513	2 618 060	15 123 339	6 944 202	40 320 114
Prescribed Officers					
Lorraine Hill	7 672 745	982 999	2 364 316	5 147 516	16 167 576
Sean Capazorio (Jul 21 to Dec 21)*	2 573 089	440 603	983 217	2 214 540	6 211 449
Reginald Haman	4 556 360	693 640	1 712 813	2 528 246	9 491 059
Zizipho Mmango	4 643 625	606 375	1 660 313	2 122 059	9 032 372
Mark Sardi (from Jan 22)	2 273 813	351 188	908 906	–	3 533 907
Gus Attridge (Jan 22 to Jun 22)**	3 594 191	620 137	4 056 291	1 383 222	9 653 841
	25 313 823	3 694 942	11 685 856	13 395 583	54 090 204

* Gus Attridge stepped down as Executive Director and Deputy Group Chief Executive with effect from 31 December 2021, becoming a prescribed officer on 1 January 2022.
** Sean Capazorio was appointed as Executive Director and Group Chief Financial Officer with effect from 1 January 2022.

2021	Base pay R	Retirement and medical aid benefits R	Performance bonus (paid Sept 21) R	Share-based payment expense R	Total remuneration R
Executive Directors					
Stephen Saad	8 404 603	1 399 035	11 764 366	2 844 778	24 412 782
Gus Attridge	6 914 496	1 189 980	9 725 372	2 351 753	20 181 601
	15 319 099	2 589 015	21 489 738	5 196 531	44 594 383
Prescribed Officers					
Lorraine Hill	7 227 637	1 095 197	2 496 850	4 604 247	15 611 009
Sean Capazorio	4 947 322	848 242	1 738 669	4 224 769	11 721 453
Reginald Haman	4 162 345	637 655	1 431 432	3 097 657	8 147 737
Zizipho Mmango	4 422 504	577 500	1 539 526	2 246 489	7 506 993
	20 759 808	3 158 594	4 654 628	14 414 162	42 987 192

Remuneration review continued

Prescribed officers – interests in shares and vesting of shares

Vesting of long-term incentives during 2022

Awards made to prescribed officers, in terms of the SAMDIBS, vested as follows during the year:

		Date of award	Number of shares awarded	Value at date of award R	Distri-butions/ dividends received R	Dividends reinvested as shares (number of shares)	Total value of award at vesting R
Lorraine Hill	2020	October 2017	6 540	1 995 840	N/A	147	785 740
	2021*	October 2018	9 461	1 560 747	N/A	103	1 755 663

* Awards vested in October 2021, but the shares were only delivered after the closed period ended on 9 March 2022.

Interests in Aspen shares in terms of the SAMDIBS

Shares allocated in terms of the SAMDIBS as at the beginning of the year and those offered to and accepted by prescribed officers during the year were as follows:

	Grant price R	Expiry date	Shares outstanding on 30 June 2021	Awarded during the year	Dividends reinvested as shares	Released during the year	Shares outstanding on 30 June 2022
Reginald Haman	108,98	Oct 2023	15 145	–	–	–	15 145
	194,44	Aug 2024	–	8 098	–	–	8 098
			15 145	8 098	–	–	23 243
Lorraine Hill	164,96	Oct 2021	9 461	–	103	9 564	–
	105,11	Oct 2022	10 416	–	–	–	10 416
	108,98	Oct 2023	24 658	–	–	–	24 658
	194,44	Aug 2024	–	14 125	–	–	14 125
			19 877	14 125	103	9 564	49 199
Zizipho Mmango	108,98	Oct 2023	2 629	–	–	–	2 629
	194,44	Aug 2024	–	8 709	–	–	8 709
			2 629	8 709	–	–	11 338
			37 651	30 932	103	9 564	83 780

Remuneration review continued

Interests in Aspen shares in terms of the South African Phantom Share Scheme

Shares allocated in terms of the South African Phantom Share Scheme as at the beginning of the year and those offered to and accepted by the prescribed officers during the year were as follows:

	Grant price R	Expiry date	Value at date of award R	Shares outstanding on 30 June 2021	Awarded during the year	Released during the year	Total value of award at vesting R*	Shares outstanding on 30 June 2022
Reginald Haman	112,67	Oct 2021	2 200 000	19 527	–	19 527	4 749 943	–
	112,67	Oct 2022	2 200 000	19 527	–	–	–	19 527
			4 400 000	39 054	–	19 527	4 749 943	19 527
Zizipho Mmango	131,00	Oct 2021	1 921 219	14 666	–	14 666	3 567 505	–
	131,00	Oct 2022	2 088 282	15 941	–	–	–	15 941
			4 009 501	30 607	–	14 666	3 567 505	15 941
Mark Sardi	225,49	Sept 2022	952 875	–	4 226	–	–	4 226
	225,49	Sept 2023	1 905 750	–	8 452	–	–	8 452
	225,49	Sept 2024	1 905 750	–	8 452	–	–	8 452
			4 764 375	–	21 130	–	–	21 130
			13 173 876	69 661	21 130	34 193	8 317 448	56 598

* *The share price at vesting date was R243.25 per share.*

Interests in Aspen shares in terms of the senior executive retention component of the SAMDIBS

Shares allocated in terms of the senior executive retention component of the SAMDIBS (incentive awards vesting in five, seven or 10 years) as offered to and accepted by prescribed officers were as follows:

	Grant price R	Expiry date	Shares outstanding on 30 June 2021	Awarded during the year	Released during the year	Shares outstanding on 30 June 2022
Reginald Haman	142,78	Aug 2025#	–	24 000	–	24 000
	142,78	Aug 2027##	–	32 000	–	32 000
	142,78	Aug 2029###	–	44 000	–	44 000
			–	100 000	–	100 000
Lorraine Hill	326,70	May 2026*	47 649	–	–	47 649
	106,74	May 2024**	33 470	–	–	33 470
	106,74	May 2026***	33 470	–	–	33 470
			114 589	–	–	114 589
Zizipho Mmango	142,78	Aug 2025#	–	24 000	–	24 000
	142,78	Aug 2027##	–	32 000	–	32 000
	142,78	Aug 2029###	–	44 000	–	44 000
			–	100 000	–	100 000
			114 589	200 000	–	314 589

Awarded in August 2022 (three-year vesting date).
Awarded in August 2022 (five-year vesting date).
Awarded in August 2022 (seven-year vesting date).
* *Awarded in May 2016 (10-year vesting date).*
** *Awarded in May 2019 (five-year vesting date).*
*** *Awarded in May 2019 (seven-year vesting date).*

Remuneration review continued

Directors' interests in Aspen shares

The direct and indirect beneficial interests of the directors and their associates in the shares of the Company:

	Direct		Indirect	
	2022	2021	**2022**	2021
Kuseni Dlamini	**0**	0	**0**	0
Gus Attridge*	**3 854 815**	3 842 951	**15 169 319**	15 169 319
Sean Capazorio**	**59 125**	55 226	**0**	0
Linda de Beer	**0**	0	**0**	0
Ben Kruger	**13 500**	13 100	**0**	400
Themba Mkhwanazi	**0**	0	**0**	0
Chris Mortimer	**193 068**	193 068	**0**	0
Yvonne Muthien***	**1 800**	0	**0**	0
Babalwa Ngonyama	**0**	0	**0**	0
David Redfern	**0**	0	**4 750**	4 750
Stephen Saad	**4 705 900**	4 691 548	**52 468 261**	52 468 261
Sindi Zilwa****	**0**	0	**0**	0
	8 828 208	8 795 893	**67 642 330**	67 642 730

* *Gus Attridge stepped down as Executive Director and Deputy Group Chief Executive with effect from 31 December 2021, becoming a prescribed officer on 1 January 2022.*
** *Sean Capazorio was appointed as Executive Director and Group Chief Financial Officer with effect from 1 January 2022.*
*** *Yvonne Muthien was appointed to the Board with effect from 10 December 2021.*
**** *Sinda Zilwa retired with effect from 9 December 2021.*

None of the directors held any non-beneficial shares in the Company at 30 June 2022. As disclosed on pages 118, 124 and 130 of this report, the executive directors' long-term incentive shares that were awarded in October 2019, vested in October 2022. There were no changes to the non-executive directors' interests between the end of the financial year and date of approval.

Non-executive directors' remuneration

In line with the requirements of the Companies Act, the fees payable to the non-executive directors for the financial year were approved by a special resolution of Aspen's shareholders at the Company's annual general meeting held on 8 December 2021. The following fees were paid to non-executive directors, either by the holding company or another company in the Group:

Non-executive director	**2022*** **R**	2021* R
Kuseni Dlamini	**1 341 455**	1 289 861
Linda de Beer**	**973 602**	966 881
Ben Kruger	**856 536**	808 896
Themba Mkhwanazi	**453 255**	432 385
Chris Mortimer**	**427 067**	446 230
Yvonne Muthien***	**299 801**	–
Babalwa Ngonyama****	**1 035 499**	1 072 292
David Redfern	**389 994**	382 525
Sindi Zilwa*****	**296 873**	710 281
	6 074 082	6 109 351

* *Fees exclude VAT.*
** *Linda de Beer and Chris Mortimer also receive directors' fees in their capacity as non-executive directors of Aspen Finance (Pty) Limited.*
*** *Yvonne Muthien was appointed to the Board with effect from 10 December 2021.*
**** *Babalwa Ngonyama receives an attendance fee for attendance at meetings of Aspen Finance (Pty) Limited, in her capacity as Chair of the Audit & Risk Committee of Aspen Pharmacare Holdings Limited.*
***** *Sindi Zilwa retired with effect from 9 December 2021.*

Linda de Beer
Remuneration & Nomination Committee Chair

Supplementary information

In this section:

Salient financial information

	Year ended 30 June 2022 R'million	Year ended 30 June 2021 R'million
Group statement of financial position		
Assets		
Non-current assets		
Intangible assets	**53 651**	54 882
Property, plant and equipment	**15 913**	14 826
Goodwill	**5 007**	4 621
Right-of-use assets	**311**	400
Deferred tax assets	**1 252**	1 323
Contingent environmental indemnification assets	**329**	305
Other non-current assets	**351**	622
Total non-current assets	**76 814**	76 979
Current assets		
Inventories	**15 763**	13 409
Receivables and other current assets	**11 948**	10 337
Current tax asset	**667**	351
Cash and cash equivalents	**6 183**	8 546
Total operating current assets	**34 561**	32 643
Assets classified as held-for-sale	**–**	62
Total current assets	**34 561**	32 705
Total assets	**111 375**	109 684

	Year ended 30 June 2022 R'million	Year ended 30 June 2021 R'million
Equity and liabilities		
Total shareholders' equity	**70 942**	65 627
Non-current liabilities		
Borrowings	**10 582**	266
Other non-current financial liabilities	**3 492**	3 732
Unfavourable and onerous contracts	**87**	463
Contingent environmental indemnification liabilities	**329**	305
Deferred tax liabilities	**1 966**	1 810
Retirement and other employee benefits	**582**	730
Total non-current liabilities	**17 038**	7 306
Current liabilities		
Borrowings	**11 665**	24 606
Trade and other payables	**10 060**	9 213
Other current financial liabilities	**711**	1 965
Current tax liabilities	**613**	563
Unfavourable and onerous contracts	**346**	353
Total operating current liabilities	**23 395**	36 700
Liabilities classified as held-for-sale	**–**	51
Total current liabilities	**23 395**	36 751
Total liabilities	**40 433**	44 057
Total equity and liabilities	**111 375**	109 684

This salient financial information is extracted from audited information, but is not itself audited. The annual financial statements have been audited by EY and their unmodified audit report, including key audit matters, is available for inspection at the Company's office. The Audited Annual Financial Statements were approved on 4 October 2022 and are available online.

Salient financial information continued

	Year ended 30 June 2022 R'million	Year ended 30 June 2021 R'million
Group income statement		
Continuing operations		
Revenue	38 606	37 766
Gross profit	18 306	17 789
Normalised EBITDA	11 012	9 945
Total amortisation, depreciation and non-trading adjustments	(2 341)	(2 873)
Operating profit	8 671	7 072
Net financing costs	(537)	(1 083)
Profit before tax	8 134	5 989
Discontinued operations		
Profit from discontinued operations	–	8
Group statement of cash flows		
Cash operating profit	10 023	8 874
Working capital movements	(2 652)	648
Cash generated from operations	7 371	9 522
Net financing costs paid	(306)	(1 067)
Tax paid	(1 691)	(1 630)
Cash generated from operating activities	5 374	6 825
Cash (utilised in)/generated from investing activities	(2 161)	9 763
Cash outflow from financing activities	(4 676)	(15 648)
Translation effects on cash and cash equivalents of foreign operations	479	(602)
Movement in cash and cash equivalents	(984)	338
Cash and cash equivalents at the beginning of the year	5 955	5 617
Cash and cash equivalents at the end of the year	4 971	5 955

		Year ended 30 June 2022	Year ended 30 June 2021
Share performance			
Earnings per share (cents) (basic and diluted)	cents	1 432,3	1 052,9
From continuing operations	cents	1 432,3	1 051,1
From discontinued operations	cents	–	1,8
Headline earnings per share (cents) (basic and diluted)	cents	1 461,2	1 119,1
From continuing operations	cents	1 461,2	1 204,3
From discontinued operations	cents	–	(85,2)
Normalised headline earnings per share (cents) (basic and diluted)	cents	1 627,6	1 295,7
From continuing operations	cents	1 627,6	1 309,7
From discontinued operations	cents	–	(14,0)
Capital distribution/dividend per share	cents	326,0	262,0
Net asset value per share	cents	15 944,0	14 377,6
Operating cash flow per share	cents	1 186,2	1 495,3
Cash conversion rate	%	81,2	133,6
Free cash flow	million	3 154	4 105
Share information			
Number of shares in issue – at the end of the year	million	446,3	456,5
Number of shares in issue (net of treasury shares) – at the end of the year	million	445,0	455,2
Weighted number of shares in issue	million	453,0	456,5
Diluted weighted number of shares in issue	million	453,0	456,5
Market capitalisation at year-end	R'billion	62,2	74,0

Salient financial information continued

		Year ended 30 June 2022	Year ended 30 June 2021
JSE statistics			
Number of shares traded	million	**333,5**	316,5
Number of shares traded as % of weighted average number of shares	%	**73,6**	69,2
Market price per share			
year-end	cents	**13 904**	16 209
highest	cents	**27 446**	17 036
lowest	cents	**13 287**	10 376
Key market performance ratios			
Earnings yield	%	**11,7**	8,0
Price:earnings ratio	times	**8,5**	12,5
Business performance			
Profitability – measures financial performance of the Group			
Return on ordinary shareholders' equity	%	**9,5**	7,1
Return on invested capital	%	**9,6**	7,3
Revenue growth	%	**2**	12
Gross profit	%	**47,4**	47,1
Normalised EBITDA* margin	%	**28,5**	26,3
Effective tax rate	%	**20,2**	19,9

		Year ended 30 June 2022	Year ended 30 June 2021
Liquidity – measures the Group's ability to meet its maturing obligations and unexpected cash needs in the short term			
Current ratio	times	**1,5**	0,9
Quick ratio	times	**0,8**	0,5
Cash ratio	times	**0,3**	0,3
Working capital as % of revenue	%	**45,0**	37,0
Debt indicators – measures the Group's ability to meet capital and interest payments over the long term			
Net borrowings	R'million	**16 064**	16 326
Leverage ratio	times	**1,91**	1,74
Net interest cover	times	**14,3**	8,6
Gearing ratio	%	**18**	20

* *EBITDA represents operating profit from continuing operations before amortisation and depreciation adjusted for specific non-trading items as set out in the segmental analysis contained in the Annual Financial Statements.*

Definitions and formulas

Cash ratio

$$\frac{\text{Cash and cash equivalents}}{\text{Current liabilities (excluding liabilities associated with assets held-for-sale) – bank overdrafts}}$$

Cash conversion rate (%)

$$\frac{\text{Operating cash flow per share}}{\text{Headline earnings per share}}$$

Current ratio

$$\frac{\text{Current assets (excluding assets classified as held-for-sale)}}{\text{Current liabilities (excluding liabilities associated with assets held-for-sale)}}$$

Earnings yield (%)

$$\frac{\text{Normalised headline earnings per share}}{\text{Market price per share at year-end}}$$

Effective tax rate (%)

$$\frac{\text{Tax from continuing operations}}{\text{Profit before tax from continuing operations}}$$

Free cash flow

Cash generated from operating activities – capital expenditure*

* *appropriately adjusted for disposals and acquisitions approved by the Board*

Capital expenditure

Capital expenditure: PPE + Capital expenditure: intangible assets

Gearing ratio (%)

$$\frac{\text{Net borrowings}}{\text{Total shareholders' equity – non-controlling interests + net borrowings}}$$

Gross profit (%)

$$\frac{\text{Gross profit from continuing operations}}{\text{Revenue from continuing operations}}$$

Leverage ratio^

$$\frac{\text{Net debt}^{\wedge}}{\text{Normalised EBITDA}^{\wedge}}$$

^ *Calculated based on revised methodology per recent IFC and upcoming bank syndicate loan agreements expected to be finalised in the refinancing programme scheduled for completion in November 2022.*

Net borrowings

Non-current borrowings + current borrowings – cash and cash equivalents

Net interest cover (times)

$$\frac{\text{Operating profit before amortisation from continuing operations}}{\text{Interest paid from continuing operations – interest received from continuing operations (excluding capital raising fees)}}$$

Normalised EBITDA

Operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the accounting policies of the Group's Annual Financial Statements.

Normalised EBITDA growth (%)

$$\frac{\text{Normalised EBITDA from continuing operations (current year) – Normalised EBITDA from continuing operations (prior year)}}{\text{Normalised EBITDA from continuing operations (prior year)}}$$

Normalised EBITDA margin (%)

$$\frac{\text{EBITDA from continuing operations}}{\text{Revenue from continuing operations}}$$

Normalised headline earnings from continuing operations

Normalised headline earnings from continuing operations are headline earnings from continuing operations adjusted for specific non-trading items, being transaction costs and other acquisition, and disposal-related gains or losses (including any gains or losses arising from the remeasurement of the fair value of liabilities for future contingent and/or milestone payments relating to intangible asset acquisitions accounted for under the cost accumulation method), restructuring costs, settlement of product-related litigation costs, net monetary adjustments and currency devaluations relating to hyperinflationary economies and significant once-off tax provision charges or credits arising from the resolution of prior year tax matters.

Market capitalisation

Year-end market price per share multiplied by number of shares in issue at year-end

Operating cash flow per share (cents)

$$\frac{\text{Cash generated from operating activities}}{\text{Weighted number of shares in issue}}$$

Definitions and formulas continued

Price:earnings ratio

$$\frac{\text{Market price per share at year-end}}{\text{Normalised headline earnings per share}}$$

Return on invested capital (%)

$$\frac{\text{Operating profit * (1- effective tax rate)}}{\text{Weighted average (Total shareholders' equity + net borrowings + deferred acquisition liabilities – deferred acquisition receivables – accumulated currency translation gain/losses)}}$$

Return on ordinary shareholders' equity (%)

$$\frac{\text{Profit attributable to equity holders of the parent}}{\text{Weighted average ordinary shareholders' equity}}$$

Revenue growth (%)

$$\frac{\text{Revenue (current year) from continuing operations – revenue from continuing operations (prior year)}}{\text{Revenue from continuing operations (prior year)}}$$

Quick ratio

$$\frac{\text{Current assets (excluding assets classified as held-for-sale) – inventories}}{\text{Current liabilities (excluding liabilities associated with assets held-for-sale)}}$$

Working capital as % of revenue

$$\frac{\text{Inventories + trade and other receivables – trade and other payables}}{\text{Annualised net revenue from continuing operations}}$$

Shareholders' diary

Financial year-end	30 June 2022
Annual general meeting	8 December 2022

Reports and Group results announcement for the 2023 financial year

Interim results for the six months ended 31 December 2022	March 2023
Provisional results for the year	September 2023
Integrated Report and Annual Financial Statements	October 2023

Unaudited share statistics

Analysis of shareholders at 30 June 2022

	Number of shareholders	% of shareholders	Number of shares	% of total shareholding
Ordinary shares				
Size of holding				
1 – 2 500	41 741	93,3	11 176 060	2,5
2 501 – 12 500	1 828	4,1	9 713 639	2,2
12 501 – 25 000	370	0,8	6 537 456	1,5
25 001 – 50 000	269	0,6	9 711 526	2,2
50 001 and over	542	1,2	409 113 651	91,6
	44 750	100	446 252 332	100,0

Major shareholders

Institutional shareholders

According to the register of shareholders at 30 June 2022, the following are the top 10 registered institutional shareholders:

	Number of shares	% of total shareholding
Institutional shareholder		
Public Investment Corporation	62 048 016	13,9
Coronation Asset Management	31 463 183	7,1
BlackRock	19 325 491	4,3
Sanlam Investment Management	17 968 337	4,0
The Vanguard Group Inc	14 437 021	3,2
Schroders Plc	11 853 027	2,7
Foord Asset Management	10 950 171	2,5
GIC Asset Management Pte Ltd	6 979 306	1,6
State Street Global Advisors Ltd	6 778 151	1,5
Old Mutual Ltd	5 686 297	1,3
	187 489 000	42,1

Top 10 beneficial shareholders

According to the register of shareholders at 30 June 2022, the following are the top 10 registered beneficial shareholders. The shareholdings of all directors are disclosed in the Remuneration review, refer to page 109.

	Number of shares	% of total shareholding
Shareholder		
Government Employees Pension Fund	78 626 296	17,6
Saad, SB	57 174 161	12,8
Attridge, MG	19 024 134	4,3
Ceppwawu Investments (Pty) Ltd	10 053 368	2,3
GIC Asset Management Pte Ltd	6 979 306	1,6
Vanguard Emerging Markets Stock Index Fund	5 256 061	1,2
Vanguard Total International Stock Index	5 228 070	1,2
SAFE Investment Company Ltd	4 951 877	1,1
Foord Balanced Fund	4 860 341	1,1
Old Mutual Life Assurance Co Ltd	4 262 226	1,0
	196 415 840	44,2

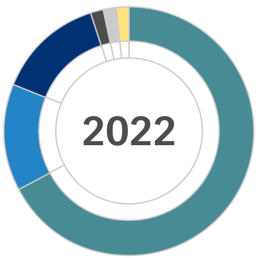
Shareholders' spread

As required by paragraph 8.63 and in terms of paragraph 4.25 of the JSE Listings Requirements, the spread of the ordinary shareholding at close of business 30 June 2022 was as follows:

	Number of shareholders	Number of shares	% of total shareholding
Non-public shareholders	13	156 403 192	35,0
Directors of the Company and directors of material subsidiaries	11	76 470 538	17,1
Government Employees Pension Fund	1	78 626 296	17,6
Employee share trusts – treasury shares	1	1 306 358	0,3
Public shareholders	44 737	289 849 140	65,0
Total shareholding	44 750	446 252 332	100,0
Public shareholders (including the GEPF)	44 738	368 475 436	82,6

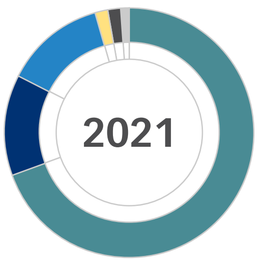
Unaudited share statistics continued

Beneficial shareholders – country (%)



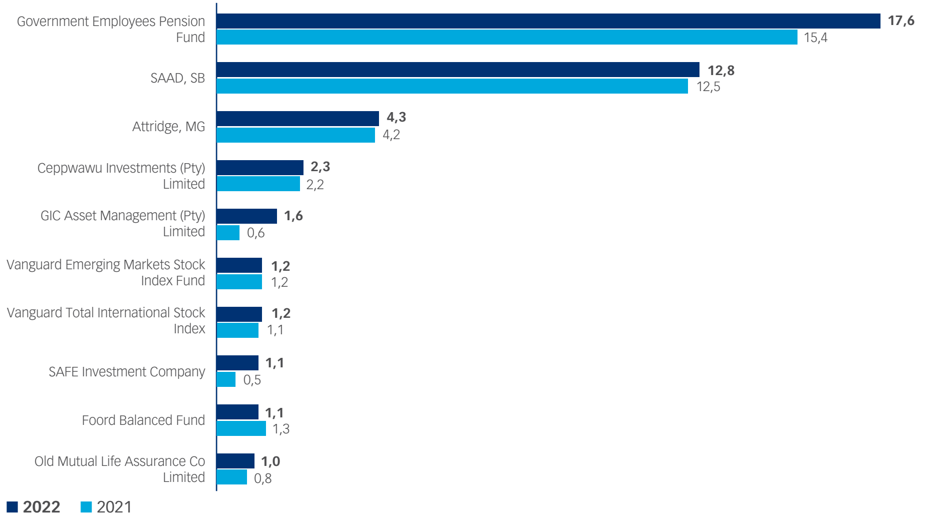
South Africa	67,4
Various other	13,9
USA	13,7
UK	1,8
Singapore	1,6
Ireland	1,6

Beneficial shareholders – country (%)

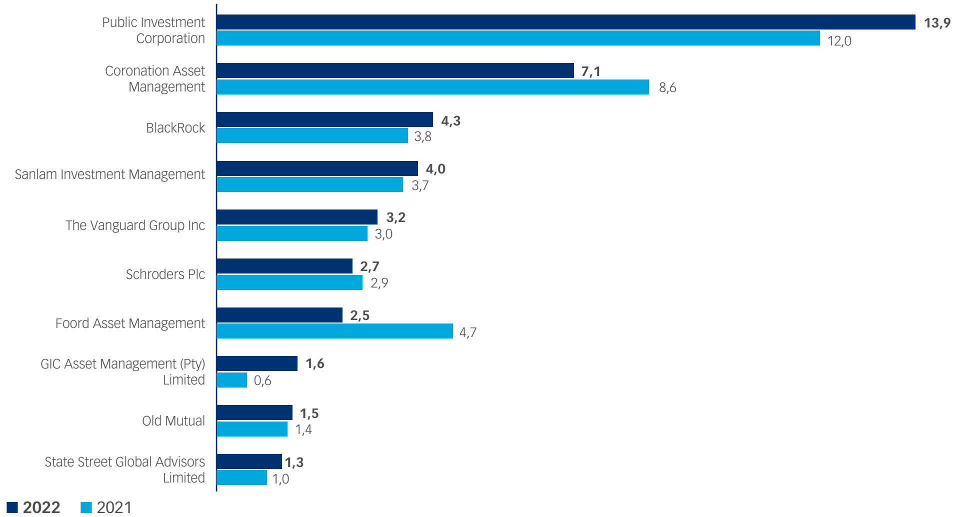


South Africa	69,4
USA	13,2
Various other	12,9
Switzerland	1,7
UK	1,7
Luxembourg	1,1

Top 10 beneficial shareholders (%)



Top 10 institutional shareholders (%)



Percentages for top 10 beneficial shareholders and top 10 institutional shareholders reflected above are as a percentage of the total issued share capital of the Company.

Abbreviations

Abbreviation	Full name
AGI	Aspen Global Incorporated, a subsidiary incorporated in Mauritius
Alphamed	Alphamed Formulations Private Limited
Annual Financial Statements	The Group and Company Annual Financial Statements for the year ended 30 June 2022
APIs	Active pharmaceutical ingredients
Aspen and/or Group	Aspen Pharmacare Holdings Limited and/or its subsidiaries as set out in note 25 to the Company financial statements, as the context demands
Aspen Holdings or the Company	Aspen Pharmacare Holdings Limited
Aspen API	Aspen API Incorporated, a wholly owned subsidiary of AGI incorporated in the United States
Aspen Australia	Aspen Australia comprises Aspen Asia Pacific (Pty) Limited (a wholly owned subsidiary of AGI) and its subsidiaries, including Aspen Pharmacare Australia (Pty) Limited, Aspen Pharma (Pty) Limited, Orphan Holdings (Pty) Limited, Orphan Australia (Pty) Limited, Aspen Lennon (Pty) Limited and Aspen Products (Pty) Limited
Aspen Bad Oldesloe	Aspen Bad Oldesloe GmbH, a wholly owned subsidiary incorporated in Germany
Aspen Brazil	Aspen Pharma – Ind´stria FarmacÍutica Limitada, a wholly owned subsidiary of PharmaLatina Holdings incorporated in Brazil
Aspen Finance	Aspen Finance (Pty) Limited
Aspen France	Aspen France SAS
Aspen Healthcare	Aspen Healthcare FZ LLC
Aspen Health	Aspen Health LLC
Aspen Ireland	Aspen Pharma Ireland Limited
Aspen Japan	Aspen Japan KK, a wholly owned subsidiary of AGI incorporated in Japan
Aspen Mexico	Aspen Mexico comprises Aspen Labs S.A. de C.V, Aspen Pharma Mexicana S. de R.L. C.V, Solara S.A. de C.V., Aspen Servicios S. de R.L. de C.V., PN North America S. de R.L. de C.V., Wyeth Ilaclari S. de R.L. de C.V., Wyeth S. de R.L. de C.V., Marcas WN S.A. de C.V.

Abbreviation	Full name
Aspen Nigeria	Aspen Pharmacare Nigeria Limited, a subsidiary incorporated in Nigeria
Aspen Oss	Aspen Oss B.V., a subsidiary incorporated in the Netherlands
B-BBEE	Broad-based Black Economic Empowerment
B-BBEE Codes	The Department of Trade, Industry and Competition's B-BBEE Codes of Good Practice
BEPS	Base Erosion and Profit Shifting
Beta	Beta Healthcare International Limited
CAGR	Compound annual growth rate
CDP-CC	Carbon Disclosure Project for Climate Change
CDP-WS	Carbon Disclosure Project for Water Security
CEPI	Coalition for Epidemic Preparedness Innovations
CER	Constant exchange rate
CIS	The Commonwealth of Independent States, comprising Russia and the former Soviet Republics
COE	Centre Of Excellence
COVID-19	Coronavirus disease
DFIs	Development Finance Institutions
DIFR	Disabling incident frequency rate
EDI	Group Equity, Diversity and Inclusion Framework
EE	Employment Equity
ENTT	ENT Technologies (Pty) Ltd
ERP	Enterprise resource planning
ESG	Environmental, Social and Corporate Governance
EY	Ernst & Young Inc
FCC	Fine Chemicals Corporation (Pty) Limited
FCFPS	Free cash flow per share
FDF	Finished dose form
GHG	Greenhouse gas

Abbreviations continued

Abbreviation	Full name
GEPF	Government Employees Pension Fund
GMP	Good Manufacturing Practice
GRI	Global Reporting Initiative
HCIFR	High consequence incident frequency rate
HEPS	Headline earnings per share
HCP	Healthcare professional
HVAC	Heating, ventilation and air conditioning
I&T	Information & Technology
IBIS	IBIS Environmental Social Governance Consulting Africa Proprietary Limited
IBP	Integrated Business Planning
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IQVIA	IQVIA Inc, formerly Quintiles and IMS Health, Inc
Internal Audit	The Aspen Group Internal Audit function
IP	Intellectual property
IPSS	International Phantom Share Scheme
ISMS	Information Security Management Systems
ISO	The International Organisation for Standardisation
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
I&T	Information & Technology
Johnson & Johnson COVID-19 vaccine	Janssen Pharmaceuticals Inc. and Janssen Pharmaceuticals NV, two of the Janssen Pharmaceutical Companies of Johnson & Johnson's COVID-19 vaccine.

Abbreviation	Full name
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.
KPA	Key performance area or assessment
KPI	Key performance indicator
LTIs	Long-term incentives
LWDFR	Lost workday frequency rate
Mandela Day	The Nelson Mandela International Day
MAT	Moving annual total
MENA	Middle East and North Africa
MVA	Motor vehicle accidents
NHEPS	Normalised headline earnings per share
Normalised EBITDA	Normalised EBITDA comprises operating profit before depreciation and amortisation adjusted for specific non-trading items defined in accounting policies of the Group's Annual Financial Statements
Notre Dame de Bondeville	Aspen Notre Dame de Bondeville S.A.S., a wholly owned subsidiary incorporated in France
OECD	Organisation for Economic Cooperation and Development
OTC	Over the counter
Pharmacare	Pharmacare Limited
PPE	Property, plant and equipment
PSCI	Pharmaceutical Supply Chain Initiative
RECOs	Region Ethics & Compliance Officers
ROIC	Return on invested capital
SAMDIBS	South African Management Deferred Incentive Bonus Scheme
SASB	Sustainability Accounting Standards Board
SDGs	United Nations Sustainable Development Goals

Abbreviations continued

Abbreviation	Full name
SED	Socio-economic development
Serum Institute	Serum Institute of India Pvt Ltd
SHE	Safety, health and environment
Shelys	Shelys Pharmaceuticals International Limited, incorporated in Tanzania
SKU	Stock keeping unit
SSA	Sub-Saharan Africa
STIs	Short term incentives
Supplementary Documents	The reports of the Audit & Risk and Social & Ethics Committees, the Sustainability and ESG Data Supplement and the Annual Financial Statements
TCFD	Task Force on Climate-Related Financial Disclosures
TCO	Total cost of ownership
TGP	Total guaranteed package
The Companies Act	The South African Companies Act, No 71 of 2008
The Company	Aspen Pharmacare Holdings Limited

Abbreviation	Full name
The Group	Aspen Group subsidiaries
TRIFR	Total recordable incident frequency rate
UN Global Compact	United Nations Global Compact
WEP	United Nations Women's Empowerment Principles
WHO	World Health Organization
USA	United States of America
VAT	Value added tax
VBP	Volume-based procurement
AUD	Australian Dollar
EUR	Euro
GBP	British Pound
R/ZAR	South African Rand
USD	United States Dollar

Administration

Company Secretary
Riaan Verster
BProc, LLB, LLM (Labour Law)

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Registration number
1985/002935/06

Share code
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APN Legal Entity Identifier ("LEI"):
635400ZYSN1IRD5QWQ94

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Sponsors
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