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
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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	Material matters engaged on since the previous report	Reference to value created for stakeholder
• 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	• 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	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	Material matters engaged on since the previous report	Reference to value created for stakeholder
• 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	• 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	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