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

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

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

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