

# Independent Assurance Report to the management and stakeholders of Aspen Pharmacare Holdings Limited

## INTRODUCTION

We have been appointed by Aspen Pharmacare Holdings Limited (“Aspen”) to conduct an independent assurance engagement in Accordance with AA1000AS (2008) on selected information related to Aspen’s sustainable development report (“the Report”) for the financial year ended June 2013.

## SCOPE AND SUBJECT MATTER SELECTED FOR ASSURANCE

The identified subject matter in the assurance scope as agreed with Aspen, for a *moderate* level of assurance, are as follows:

- A. AA1000 AccountAbility Principles**  
Aspen’s adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness
- B. Selected 2013 Performance Indicators (KPIs) as follows:**
  - Disabling incident frequency ratio (page 33)
  - Lost work day frequency rate (page 33)
  - Volume of electricity used in gigajoules (page 38)
  - Reduction in electricity used in gigajoules (page 39)
  - Volume of water consumed in kilolitres (page 39)
  - Volume of water recycled in kilolitres (page 39)
  - Volume of waste recycled in tonnes (page 38)
  - Volume of hazardous waste generated in tonnes (page 38)
  - Scope1 and Scope 2 emissions in tCO<sub>2</sub>e (page 37)
- C. Global Reporting Initiative (GRI G3) application**  
Aspen’s self-declared B+ level of GRI-G3 application on page 4.

## STANDARDS AND CRITERIA USED

We performed our assurance engagement in accordance with the AccountAbility AA1000AS (2008) Type 2 requirements. We used the following assessment criteria when undertaking our work on the identified subject matter, hereafter referred to as the defined reporting criteria:

- A. AA1000APS 2008 (AccountAbility Principles Standard – 2008) requirements in terms of inclusivity, materiality and responsiveness,

- B. Aspen’s Sustainable Development Data Reporting definitions and the Carbon Disclosure Project (CDP) reporting requirements, and
- C. GRI G3 standard disclosures required for a B+ application level.

## LEVEL OF ASSURANCE AND ENGAGEMENT LIMITATIONS

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions as to whether the reported information set out under *Scope and Subject matter* was free from material misstatement for a *moderate* assurance level in accordance with AA1000AS 2008.

## WORK PERFORMED BY ERM

Our assurance activities included:

- Interviews with relevant Group executives and managers and regional functional managers at the tested sites to understand and test the processes in place for adherence to the AA1000APS principles and the underlying data management systems for the KPIs;
- Site visits to selected material sites, which involved testing, on a sample basis, the measurement, collection, aggregation and reporting processes in place;
- Reporting our assurance findings to management as they arose to provide an opportunity for corrective action prior to completion of the audit processes;
- Assessing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings; and
- Assessing the content of the Report against the GRI G3 B+ level disclosure requirements.

## RESPECTIVE RESPONSIBILITIES AND ERM’S INDEPENDENCE

Aspen is responsible for preparing the report and for the collection and presentation of information within it. ERM’s responsibility is to express an assurance conclusion on the agreed subject matter.

ERM maintains strict policies related to conflict of interest and we have confirmed our impartiality to Aspen in delivering our assurance engagement.

## ERM'S ASSURANCE CONCLUSION

In our opinion, based on the work undertaken as described, we conclude that the subject matters in the scope of this assurance engagement have been prepared in accordance with the defined reporting criteria and are free from material misstatement in respect of:

- A. Aspen's adherence to the AA1000 Principles of Inclusivity, Materiality and Responsiveness;
- B. The selected KPIs as identified and presented throughout the Report, and
- C. Aspen's self-declared B+ level of GRI-G3 application.

## OUR KEY OBSERVATIONS AND RECOMMENDATIONS

Based on our work set out above, and without affecting our assurance conclusions above, our key observations and recommendations for improvement are:

### A. AA1000 AccountAbility Principles

#### *In relation to the Inclusivity Principle*

Aspen has formal stakeholder engagement processes in place in line with its internal communication policies regarding stakeholder engagement activities. Such engagement activities and their outcomes with media, investors, public events, employees and other 3<sup>rd</sup> party engagements have been reported to the board on a regular basis.

#### *In relation to the Materiality Principle*

Aspen has applied due process in determining and reporting on its material issues in a transparent and balanced manner. Material issues have been considered at board level and are linked to the sustainability themes that are relevant to the strategic objectives of the business and which appropriately address matters considered to be relevant and meaningful to key stakeholder groups.

#### *In relation to the Responsiveness Principle*

Aspen's responses to stakeholder issues reviewed are considered to be appropriate. Approved communication and stakeholder processes are in place and have been adhered to consistently throughout the Group. Stakeholder engagement processes were conducted timeously and in a transparent manner, inclusive of relevant stakeholder groups. Matters addressed are directly related to the stakeholder issues which were to be addressed and conducted in an appropriate manner without prejudice to any one stakeholder group.

### B. Selected performance indicators

ERM found that, although some sustainability reporting guidelines, support structures and training programmes are in place, the development of a more comprehensive standard operating procedure for sustainability reporting at both a group and business unit level will enhance the consistency with which key performance indicators are measured and reported across all business units throughout the reporting period. A comprehensive management report detailing specific findings and recommendations for sustainability reporting process improvement has been submitted to Aspen management.

### C. GRI-G3 application

It is recommended that Aspen evaluates its readiness and required changes needed for moving towards reporting in accordance with GRI-G4 by 2015.



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**Environmental Resources Management SA (Pty) Ltd (ERM)**

**Johannesburg, 21 October 2013**



**AA1000**

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