



Independent Assurance Statement to the Board of Directors and Stakeholders of Aspen Pharmacare Holdings Limited (Aspen)

ERM Southern Africa (Pty) Ltd (ERM) was engaged by Aspen to provide assurance in relation to the information set out below and presented in the 2016 Integrated Report and 2016 Sustainability Supplement (the Reports).

Engagement Summary	
Scope:	<ol style="list-style-type: none"> 1. <i>Whether Aspen adheres, in all material respects, to the three AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness.</i> 2. <i>Whether the 2016 data, for the period 01 July 2015 to 30 June 2016, for the following selected performance indicators are fairly presented, in all material respects:</i> <ul style="list-style-type: none"> • <i>Disabling incident frequency ratio;</i> • <i>Lost work day frequency ratio;</i> • <i>Total electricity used (gigajoules);</i> • <i>Total volume of water used (kilolitres);</i> • <i>Total volume of water recycled (kilolitres);</i> • <i>Total amount of waste recycled (tonnes);</i> • <i>Total amount of hazardous waste generated (tonnes); and</i> • <i>Greenhouse gas emissions (Scope 1 and 2) (tonnes CO₂e).</i>
Reporting Criteria:	<i>AA1000 AccountAbility Principles Standard (2008) criteria</i>
Standard Used:	<i>AA1000 Assurance Standard (2008) – Type 2</i>
Assurance Level:	<i>Moderate</i>
Respective responsibilities:	<p><i>Aspen is responsible for preparing the Reports, and for the collection and presentation of the information within them, including the maintenance and integrity of the website.</i></p> <p><i>ERM's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</i></p>

Our conclusions

AA1000APS (2008) Principles

Based on our assurance activities, nothing has come to our attention to indicate that Aspen does not adhere, in all material respects, to the AA1000APS (2008) principles of Inclusivity, Materiality and Responsiveness.

Selected Performance Indicators

Based on our assurance activities, nothing has come to our attention to indicate that the 2016 data for the selected indicators, as listed under the scope above, are not fairly presented, in all material respects, with the reporting criteria.

Registered Office Address
Environmental Resources Management
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Company Registration Number
2003/001404/07

Directors
Urmilla Bob (Non-Executive)
Linda Kumbemba
Tania Swanepoel
Marinda van der Merwe

**A member of the Environmental
Resources Management Group**

Our assurance activities

A multi-disciplinary team of environmental, health and safety, social, governance and assurance specialists with extensive experience in sustainability reporting performed the following activities:

- *A review of external media reporting relating to Aspen, peer company annual reports and industry standards to identify relevant sustainability issues in the reporting period.*
- *Interviews with relevant corporate level staff, and review of selected documentary evidence, to understand Aspen's sustainability strategy, policies and management systems, including stakeholder engagement.*
- *Interviews with relevant staff to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting on the data for the selected indicators.*
- *A review of the suitability of the internal reporting guidelines, including conversion factors used.*
- *Visits to verify source data at the following sites: Vallejo, Mexico and Oss, the Netherlands (also covering data from the Boxtel site).*
- *A virtual review of the API Sioux City, USA site to verify source data.*
- *An analytical review of the year-end data submitted by all sites included in the consolidated 2016 group data for the selected indicators.*
- *Reviewing the presentation of information relevant to the scope of our work in the Integrated Report and Sustainability Supplement, to ensure consistency with our findings.*

Our observations and recommendations

We have provided Aspen with a separate management report. Without affecting the conclusions presented above, we have the following key observations and recommendations:

In relation to the Inclusivity principle:

Aspen has formal and informal stakeholder engagement processes in place which make provision for communication on and consideration of those issues raised by its key stakeholders both at group and operational levels. The company's commitment to being accountable to stakeholders is stated publicly, and included in internal documents such as the Stakeholder Engagement Policy and the Aspen Code of Conduct. Stakeholders are identified and notable stakeholder engagements are reported to the Board quarterly. Issues raised by stakeholders are considered as part of the annual review of Aspen's material issues. Certain engagement processes would benefit from being formalised and additional detail on engagements should be included in Stakeholder Engagement Reports.

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. A rigorous process exists, including the review of internal and external information gained from various sources, including, *inter alia*, through participation in forums to determine material issues. The group's material sustainability issues are translated into sustainability objectives, which are aligned with the group's strategic objectives, and these are approved and monitored by the Board annually. Material issues have largely remained the same over the previous three years.

In relation to the Responsiveness principle:

Aspen has developed appropriate and adequate policies, strategies and plans that are broadly consistent with both stakeholder and organisational interests and expectations. There are numerous mechanisms for stakeholder feedback, including routine and scheduled meetings, participation in forums and conferences, representation on industry bodies, audits, investor presentations, social media, and the publication of an Integrated Report and a Stakeholder Engagement Report summarising the means of engagement with key stakeholders.

Sustainability issues, as raised by Aspen's key stakeholders, are a standing agenda item at Board meetings, influencing how the organisation manages and responds to material issues. At Board level, the Social & Ethics Committee has been tasked with considering and reviewing Safety, Health and Environmental performance, and that in relation to the UN Global Compact. These issues are addressed timeously, although formalisation of the review mechanisms would ensure consistent responses across the organisation. The Social & Ethics Committee should also extend its consideration of such issues to Aspen's activities outside of South Africa, in order to enhance its ability to respond to stakeholders in this respect.

Aspen's intention to align its future reporting with international standards, such as the GRI Standards, is supported by ERM, which should result a reliable representation of Aspen's performance.

In relation to Selected Performance Indicators

Aspen implemented the Credit 360 data management system in 2015 which has facilitated data handling and consolidation processes, particularly at group level.

Strengthening site-level data quality controls and developing site-specific procedures for collecting and handling data, including retention and maintenance, is also recommended at sites where these controls are currently not in place or require improvement. Aspen should consider providing supplementary training to site staff on collecting and reporting on greenhouse gas emissions, hazardous waste generated and waste recycled.

The limitations of our engagement

The evidence gathering procedures for moderate assurance are more restricted than for high assurance and therefore less assurance is obtained with moderate assurance than for high assurance as per AA1000AS 2008. It is important to understand our assurance conclusions in this context. Our independent assurance statement provides no assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the information since it was first published.



Donald Gibson

Partner

3 November 2016

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ERM Southern Africa (Pty) Ltd is a member of the ERM Group and is an AccountAbility Licensed Assurance Provider. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. The ERM staff that have undertaken work on this assurance exercise provide no consultancy related services to Aspen in any respect.