



# BBBEE Report

## Aspen's Broad-Based Black Economic Empowerment ("BBBEE") philosophy

Aspen's heritage is firmly rooted in South Africa and the South African business remains a material contributor to the Group. As such, Aspen is acutely aware of the need for transformation in South African society in order to overcome the consequences of previous discrimination and to create an equitable society in which all individuals have equal opportunities, free from prejudice. By so doing, South Africa will benefit from the social reparation of past injustices and the added economic contribution of inclusive and unrestricted participation by all citizens.

To this end, Aspen is fully supportive of constructive measures introduced by government to facilitate effective transformation in South Africa. Aspen has embraced the Department of Trade and Industry's BBBEE ("BBBEE Codes") and, through transformation, Aspen seeks to harness the strength and power of its diversity, respecting each person for his/her individuality. Aspen has embarked on a transformation process and has made meaningful progress in this regard.

## Implementation of the revised BBBEE Codes

The revised BBBEE Codes, which came into effect on 1 May 2015, have reduced the number of BBBEE elements which companies are rated on from seven to five. The reduced number of elements, increased targets and higher BBBEE recognition levels introduced by the revised codes has resulted in Aspen achieving a Level 4 (2015: Level 4).

Based on the verification recently completed by Empowerdex, the Group scored 82,5 (2015: 82,3) points (100% procurement recognition level). Aspen has been verified as an A-rated empowering (BBBEE contributor status) supplier, thus enabling its customers to recognise their procurement from Aspen in terms of the revised codes. An overview of the Group's progress towards compliance is outlined below:

2016 Element	Progress	Target under revised codes	Verified score (Sept 2016)	Verified score (Sept 2015)
Ownership	Full ownership points were achieved due to BBBEE equity holding in Aspen and benefits retained on prior year disposals of Aspen shares	25,0	25,0	25,0
Management control	Increased score achieved due to stability in numbers of top and senior black management	15,0 plus 4 bonus points	8,9	8,5
Skills development	Level of skills spend maintained in the 2016 financial year. A significant number of learnerships were completed during the year, while bursaries were advanced to external interns	20,0 plus 5 bonus points	13,1	13,4
Enterprise and supplier development	Score maintained due to the continued focus in the black-owned and black women-owned categories. Aspen has implemented an enterprise supplier development plan in terms of which loans to the value of R47,5 million were advanced to selected enterprise development beneficiaries	40,0 plus 4 bonus points	30,5	30,4
Socio-economic development ("SED")	Increased spend on SED projects which focus on the upgrading of clinics, improving access to healthcare and combating HIV/AIDS maintained. Continued contribution to the South African Public Healthcare Enhancement Fund made during the year	5,0	5,0	5,0
<b>Overall score</b>		<b>118,0</b>	<b>82,5</b>	<b>82,3</b>

The Group's efforts in respect of employment equity, skills development, preferential procurement and SED are more fully dealt with in the Integrated Report. During the year, in terms of the BBBEE Codes, the Group invested 89,9% (2015: 88,7%) of its total measured procurement spend in South Africa on BBBEE-recognised locally based suppliers.

Aspen continues to implement measures it believes will assist in ensuring improved outcomes under the revised codes. These measures are specifically focused on the areas of skills development as well as the enterprise and supplier development elements.