

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

INTRODUCTION

ERM was appointed by Aspen Pharmacare Holdings Limited (“Aspen”) to conduct an independent moderate assurance engagement in accordance with AA1000AS (2008) in relation to Aspen’s 2014 sustainable development report (“the Report”) for the financial year ending 30th June 2014.

SCOPE AND LEVEL OF 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 2014 Performance Indicators (KPIs) as follows:

- Disabling incident frequency ratio (page 16)
- Lost work day frequency ratio (page 16)
- Electricity used in gigajoules (page 19)
- Volume of water used in kilolitres (page 19)
- Amount of waste recycled in tons (page 18)
- Amount of hazardous waste generated in tonnes (page 52)
- Scope 1 and Scope 2 GHG emissions in tCO₂e (page 18)

C. Global Reporting Initiative (GRI G3) application

Aspen’s self-declared B+ level of GRI-G3.0 application on page 2.

SUMMARY OF WORK PERFORMED

Standards and criteria used

ERM performed its work in accordance with the AA1000 Assurance Standard (AS) 2008 Type 2 requirements and used the following assessment criteria when undertaking the work:

- AA1000 AccountAbility Principles Standard (APS) 2008;
- the Aspen Sustainable Development Data Reporting definitions and the Carbon Disclosure Project (CDP) reporting requirements; and
- the GRI (G3.0) Sustainability Reporting Guidelines.

Engagement Limitations

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. The reliability of the reported sustainability information and data is subject to inherent uncertainty, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our work

A multi-disciplinary team of sustainability and assurance practitioners performed work at corporate level and at a sample of its operating locations. The following operations were included in the data sampling for on-site assessments:

- Port Elizabeth, South Africa;
- Clayville, Johannesburg, South Africa; and
- Dandenong, Melbourne, Australia.

Our work included:

- face-to-face interviews to understand and review the processes in place for reporting on the AA1000 AccountAbility Principles and the key performance indicators (KPIs);
- a review of external media reporting relating to Aspen to identify relevant sustainability issues in the reporting period;
- a review of the internal reporting guidelines, including conversion factors used;
- site visits to Aspen’s production operations to review, on a sample basis, the underlying data for the indicators as well as checking the collection, aggregation and reporting processes in place;
- desktop reviews for the sites Bad Oldesloe, Germany and Beta, Kenya;
- reviewing the consolidation of data at Aspen head office;
- reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings; and
- reviewing selected evidence related to the design, information collection, and production of the Report against the GRI G3 B+ level disclosure requirements.

We planned and performed our work to obtain all the information and explanations that we believe are necessary to provide a basis for our assurance conclusions.

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 assurance conclusions on the agreed engagement scope.

ERM is an Accountability licenced sustainability assurance provider and maintains strict policies related to conflict of interest. We confirm our

impartiality to Aspen in delivering our assurance engagement

ERM'S ASSURANCE CONCLUSION

In our view, based on the work undertaken for moderate assurance:

- A. Aspen has adhered to the AA1000 principles of inclusivity, materiality and responsiveness;
- B. The selected 2014 performance indicators have been prepared in accordance with the defined reporting criteria and are free from material misstatement; and
- C. Aspen's Report has been prepared in accordance with the GRI G3.0 B+ level reporting requirements.

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:

AA1000 AccountAbility Principles

In relation to the Inclusivity Principle

Aspen has formal stakeholder engagement processes in place that are in line with its stakeholder engagement policy. Such engagement activities and their outcomes with media, investors, public events, employees and other third 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 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

Selected performance indicators

ERM found that there remains scope for continual improvement with regard to the alignment of global and site-specific standard operating procedures and the provision of on-site training to fully embed the process of data collection and reporting.

A comprehensive management report detailing specific findings and recommendations for sustainability reporting process improvement has been submitted to Aspen management.

Consideration of GRI-G4 application

It is recommended that Aspen continues to take steps to evaluate GRI 4.0 principles and adopt the required changes to align its sustainability reporting process in accordance with GRI-G4 during 2015.

Simon Clarke

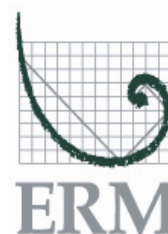
Environmental Resources Management SA (Pty) Ltd (ERM)

Johannesburg, 22 October 2014



AA1000

Licensed Assurance Provider
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