



aspen

H O L D I N G S

BBBEE REPORT 2017



BBBEE report

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

Our heritage is firmly rooted in South Africa and the South African business remains a material contributor to the Group. As such, we are 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, we are fully supportive of constructive measures introduced by government to facilitate effective transformation in South Africa. We have embraced the Department of Trade and Industry's BBBEE Codes ("BBBEE Codes") and, through transformation, seek to harness the strength and power of our diversity, respecting each person's individuality. We have embarked on a transformation process and made meaningful progress in this regard.

Based on the verification recently completed by Empowerdex, the Group scored 83,7 (2016: 82,5) points (100% procurement recognition level). Aspen achieved a Level 4 rating and was 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:

2017 Element	Progress	Target under revised codes	Verified score (Sept 2017)	Verified score (Sept 2016)
Ownership	Full ownership points were achieved due to BBBEE equity holding in Aspen and benefits retained on prior disposals of Aspen shares	25,0	25,0	25,0
Management control	Score materially maintained due to stability in numbers of top and senior black management	15,0 plus 4 bonus points	8,3	8,9
Skills development	Level of skills spend maintained in the 2017 financial year. A significant number of learnerships were both entered into and completed during the year, while bursaries were advanced to external interns	20,0 plus 5 bonus points	13,1	13,1
Enterprise and supplier development	Score increased 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 R49,5 million were advanced to selected enterprise development beneficiaries in current and prior years. Procurement sourced from designated black group suppliers has been recognised	40,0 plus 4 bonus points	32,3	30,5
Socio-economic development ("SED")	Continued 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
Overall score		118,0	83,7	82,5

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 81,0% (2016: 89,9%) of its total measured procurement spend in South Africa on BBBEE-recognised locally based suppliers.

We will continue to implement measures we believe 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.