



*Healthcare. We Care.*



BBBEE report 2020

# 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 of Good Practice (“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 84,5% (2019: 86,5%) 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 our 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:

2020 Element	Progress	Target under revised codes	Verified score (Oct 2020)	Verified score (Oct 2019)
<b>Ownership</b>	Full ownership points were achieved due to BBBEE equity holding in Aspen and benefits retained on prior disposals of Aspen shares	25,0	<b>25,0</b>	25,0
<b>Management control</b>	Score improved mainly due to employment of black executive management	19,0	<b>8,4</b>	7,5
<b>Skills development</b>	Level of skills percentage spend on black people increased in the 2020 financial year, but is still below the target of 3,5%. Learnerships were both entered into and completed during the year, while the investment advanced to external bursars increased over the period. The new definition of absorption in terms of the amended BBBEE legislation has added some challenges	20,0 plus 5 bonus points	<b>11,3</b>	13,5
<b>Preferential procurement and enterprise and supplier development</b>	Score maintained due to the continued focus in the black-owned and black women-owned categories. Aspen continues to operate an enterprise supplier development plan implemented in prior years. Loans to the value of R44,9 million which were advanced to selected enterprise development beneficiaries in prior years remain outstanding at 30 June 2020. Procurement sourced from designated black group suppliers has exceeded the target level laid down in the BBBEE Codes	42,0 plus 4 bonus points	<b>34,8</b>	35,5
<b>Socio-economic development (“SED”)</b>	Continued spend on SED projects which contribute towards the development and sustainability of the communities in which we operate. Aspen is committed to supporting initiatives that address South Africa’s underdeveloped healthcare infrastructure and combat the long-term consequences of HIV/AIDS	5,0	<b>5,0</b>	5,0
<b>Overall score</b>		120,0	<b>84,5</b>	86,5

The Group’s efforts in respect of employment equity, skills development, preferential procurement and SED are dealt with in more detail in the Integrated Report.

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.



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