



BBBEE Report 2019

Healthcare. We Care.

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 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 86,5 (2018: 86,7) 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:

2019 Element	Progress	Target under revised codes	Verified score (Oct 2019)	Verified score (Oct 2018)
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	7,5	7,4
Skills development	Level of skills spend maintained in the 2019 financial year. A significant number of learnerships were both entered into and completed during the year, while bursaries were advanced to external interns. A significant number of black people were absorbed by the Group and/or industry on termination of their learnership	20,0 plus 5 bonus points	13,5	14,2
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 R46,6 million were advanced to selected enterprise development beneficiaries in prior years. Procurement sourced from designated black group suppliers has exceeded the target level laid down in the BBBEE Codes	40,0 plus 4 bonus points	35,5	35,1
Socio-economic development ("SED")	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	5,0	5,0
Overall score		118,0	86,5	86,7

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 83,3% (2018: 76,3%) 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.



Aspen Holdings Head Office

Durban, South Africa

Aspen Place, 9 Rydall Vale Park

Douglas Saunders Drive

La Lucia Ridge

Tel: +27 31 580-8600

www.aspenpharma.com