



BBEE Report 2021

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, Industry and Competition'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 84,5 (2020: 84,5) 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:

| 2021 Element | Progress | Target under revised codes | Verified score (Oct 2021) | Verified score (Oct 2020) |
|---|---|----------------------------|---------------------------|---------------------------|
| Ownership | Ownership points were marginally reduced due to an increase in the contribution of South African generated earnings in relation to total Group earnings. BBBEE equity holding in Aspen and benefits on prior disposals of Aspen shares were retained. | 25,0 | 24,4 | 25,0 |
| Management control | Score improved reflecting our efforts to increase representation of black employees in senior and middle management positions in line with the Group's transformation objectives. | 19,0 | 8,8 | 8,4 |
| Skills development | Despite a continued focus on skills development initiatives, our total spend on these initiatives has been impacted by COVID-19 related restrictions on travel and face-to-face training activities. This, together with an increase in our leviable amount due to once-off restructuring costs, resulted in a reduction in our score. | 20,0 plus 5 bonus points | 10,8 | 11,3 |
| Preferential procurement and enterprise and supplier development | A slight improvement in the score is 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 R39 million were outstanding as at 30 June 2021. | 42,0 plus 4 bonus points | 35,5 | 34,8 |
| 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 under-developed healthcare infrastructure and in 2021, our efforts were targeted at contributing to COVID-19 response initiatives. | 5,0 | 5,0 | 5,0 |
| Overall score | | 111,0 plus 9 bonus points | 84,5 | 84,5 |

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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