

BBBEE Report

ASPEN'S BBBEE PHILOSOPHY

Aspen's heritage and its most material business is South African. As such, Aspen is 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, Aspen is fully supportive of constructive measures introduced by government to facilitate effective transformation in South Africa. Aspen has embraced the BBBEE Codes and, through transformation, Aspen seeks to harness the strength and power of its diversity, respecting each person for his/her individuality. Aspen has embarked on a transformation process and has made meaningful progress in this regard.

ASPEN'S BBBEE PERFORMANCE IN 2013

In the current financial year, based on the verification recently completed by Empowerdex, the Group scored 79,2 points (2012: 79,7 points) equating to an "AA" value-adding rating with a procurement recognition level of 110%. An overview of the Group's progress towards compliance is outlined below:

BBBEE Codes	Progress	Target under the Codes	Verified scorecard rating (October 2013)	Verified scorecard rating (October 2012)
Ownership	Full ownership points were achieved due to BBBEE equity holding and benefits retained on prior year disposals of Aspen shares	20,0	22,0	22,0
Management control	Score maintained due to stability in numbers of top and senior black management	10,0	6,1	6,1
Employment equity	Score reduced due to more onerous scoring measures implemented in the year	15,0	8,9	8,9
Skills development	Level of skills spend maintained in the 2013 financial year	15,0	12,1	12,2
Preferential procurement	Score reduced due to more onerous scoring measures implemented in the year	20,0	16,6	16,3
Enterprise development	Funding of black-owned enterprises, for the purposes of acquiring an ownership stake in a pharmaceutical distributor, implemented with effect from July 2011	15,0	8,6	9,2
Socio-economic development	Increased spend on CSI projects which focus on the upgrading of clinics, improving access to healthcare and combatting HIV/AIDS	5,0	5,0	5,0
Overall score		100,0	79,2	79,7

Aspen retained its "Level 3" contributor status in accordance with the Department of Trade and Industry's Codes of Good Practice, which have been revised recently to provide for increased targets under the Codes. Aspen's retention of this status, despite the increased targets, is considered a major achievement in its transformation objectives.

The Group's efforts in respect of employment equity, skills development, preferential procurement and socio-economic development are more fully dealt with in the Sustainability Report available online.

During the year, in terms of the BBBEE Codes, the Group invested 90,81% of its total measured procurement spend in South Africa on BBBEE recognised locally based suppliers.