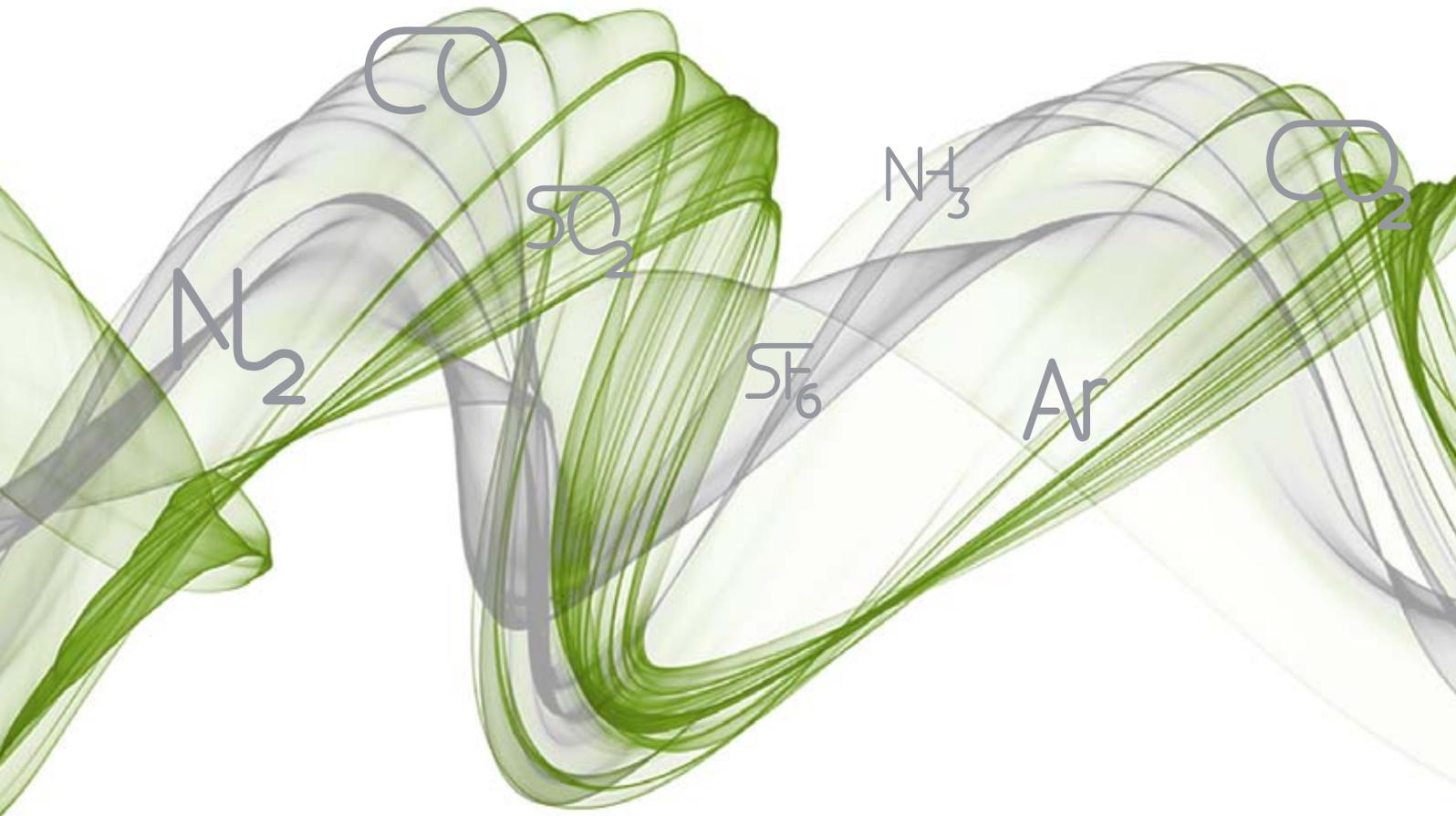
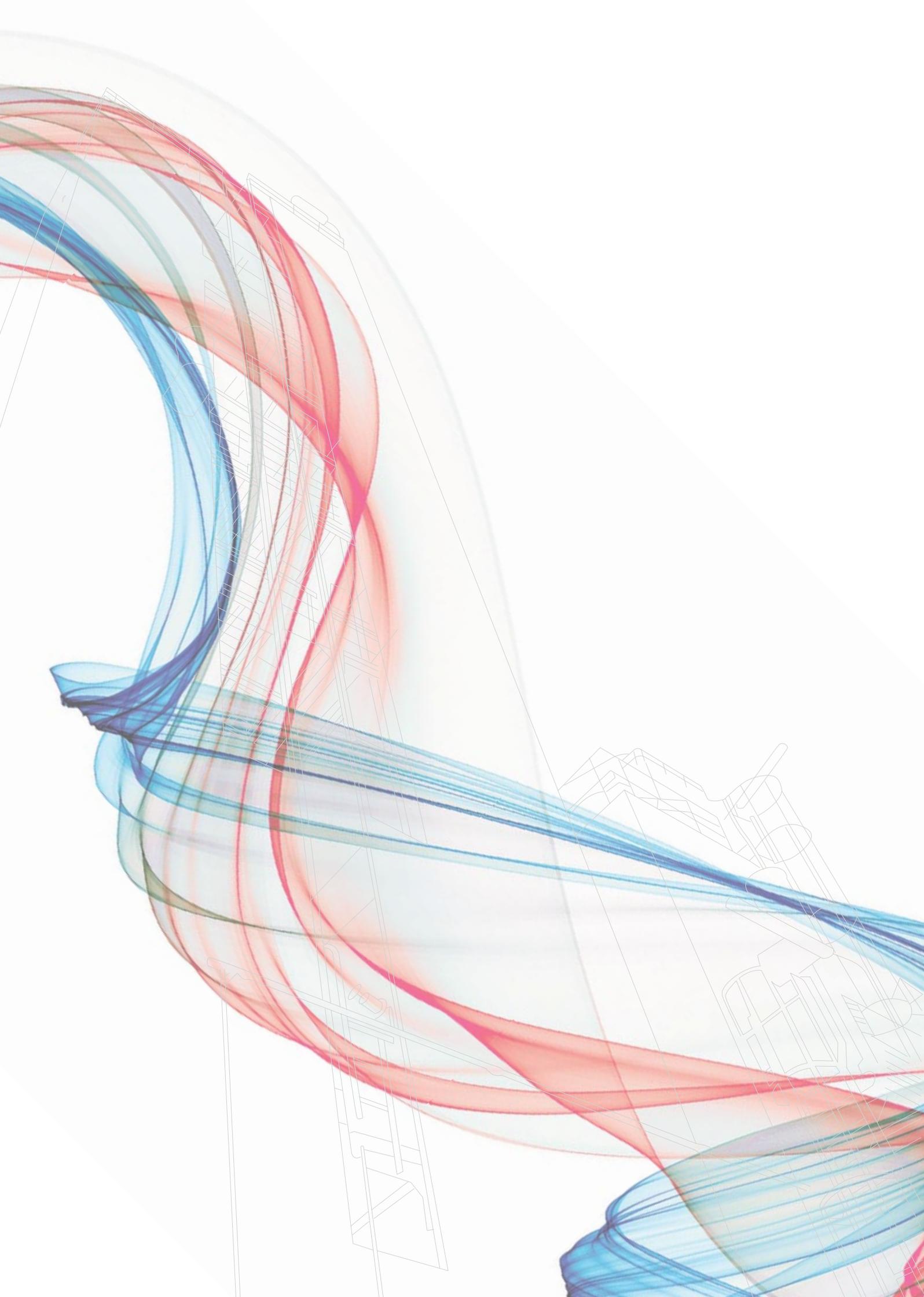


AFRICAN OXYGEN LIMITED
Sustainability Report

2013





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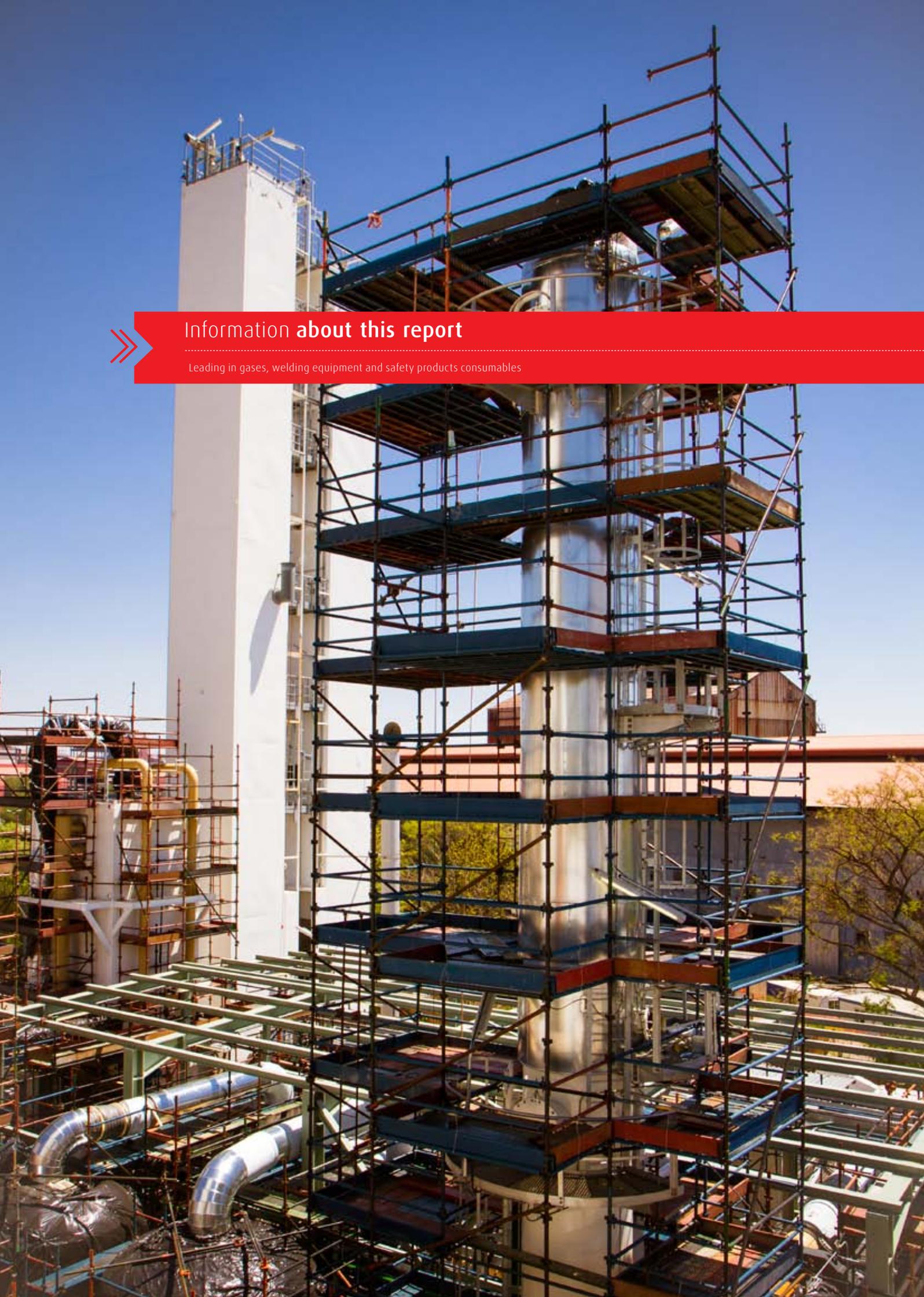
This document should be read in conjunction with Afrox's 2013 Annual Report





Information about this report

Leading in gases, welding equipment and safety products consumables





About this report

This report presents a balanced analysis of our sustainability performance and focuses on the Afrox Group's business and governance, people, safety, environmental, health and quality (SHEQ) as well as corporate social responsibility initiatives and must be read in conjunction with the 2013 Integrated **Annual Report** and the **Company Profile**.



Wherever the term "us", "our" or "we" are mentioned in this report, it is in reference to the Afrox Group or its management.

Where possible we have followed internationally recognised standards on sustainability reporting, such as the Global Reporting Initiative (GRI) guidelines and the Global Compact principles published by the United Nations. This report is for all stakeholders of Afrox – employees, shareholders, customers, partners, suppliers, non-governmental organisations (NGOs), Government and the general public.

Navigation icons



Indicates further information available online at www.afrox.com.



Indicates a page reference to further information available elsewhere in this report.



Indicates the term can be found in the glossary section of this report.

Reporting Scope and Boundaries

This report covers the performance of African Oxygen Limited (Afrox) and its consolidated entities for the year ended 31 December 2013. Afrox published a Sustainability Report for the 2013 period. The date on the Report was 2013. Please note that this has been corrected with this report and the correct date of 2013 will be used for this Report.

This report covers our South African and sub-Saharan operations in the rest of Africa as well as information about our subsidiaries. There were no significant changes in the reporting period regarding size, structure or ownership.

Stakeholder Management

As a public company listed on the Johannesburg and Namibian stock exchanges, we acknowledge our duty to stakeholders. This diverse group is composed of shareholders, employees, the investment community, customers, suppliers, business partners and the broader South African society from which Afrox derives its income.

Communication to our stakeholders embodies the principles of balanced reporting, clarity and openness. Positive and negative aspects of both financial and non-financial information are provided. We maintain an active dialogue with key financial audiences, including institutional shareholders and investment analysts.

We aim to further increase transparency for our stakeholders by increasing the amount of information on our sustainability performance available on our website. www.afrox.com



More detail on our stakeholder engagement is available on page 14-15 of our **2013 Integrated Annual Report**.

Issues & Topics

We believe an issue is material when it impacts our ability to remain commercially viable and socially relevant to the communities in which we operate. Input into identifying our material issues are:

- Our strategy;
- Our Values and Code of Ethics;
- Dialogue between executive management;
- Issues identified through our risk management systems;
- SHEQ site-based risk assessments;
- Concerns raised by our stakeholders;
- Key issues reported in the media relevant to our industry and business;
- Global challenges and national priorities;
- Feedback obtained from customers via the National Customer Service Centre satisfaction surveys; and
- Sustainability indices.

In the main, the expectations of our customers, shareholders, employees and other stakeholders define our priorities. We regularly assess the relevance of these sustainability topics for both our business and our stakeholders. Our aim is to give a transparent picture of our sustainability performance and meet demand for information from our stakeholders.

External Audit and Assurance

A combined assurance model has been adopted and entails the use of assurance obtained from management, internal audit and external assurance providers.

External assurance is obtained for the financial statements and external assurance is conducted at The Linde Group level of our environmental, health and safety data in the global credit 360 tool.

As part of the integrated reporting journey, management will assess which of the key sustainability performance indicators should be independently assured in future.

Forward Looking Statement

This report does contain statements relating to our future performance. Such statements are based on current expectations and certain assumptions applied by management. The statements are therefore subject to certain risk and uncertainties. Many of these factors are beyond our control and have the potential to result in materially different actual future results, performance or achievements. Some of these factors could also affect future results, performance or achievements anticipated on the basis of historical trends.

Contact Us

We welcome your feedback on our Sustainability Report. Please send comments to the Corporate Social Responsibility Manager at tersia.baasden@afrox.linde.com. This will assist us in further enhancing future sustainability reports by making them more readable and engaging. At Afrox we are accountable for our actions and strive to be transparent in all decisions and activities that may impact the environment and society in general. Everything we do is based on integrity, honesty and equality and we have great respect for all stakeholder interests, the rule of law, human rights, and international standards of behaviour.



Our Approach to Sustainability



Our Approach to Sustainability

This report presents a balanced analysis of our sustainability performance and focuses on the Afrox Group's business and governance, people, safety, environmental, health and quality (SHEQ) as well as corporate social responsibility initiatives and must be read in conjunction with the **2013 Integrated Annual Report** and the **Company Profile**.



other cultures and are committed to maintaining a workplace free from discrimination for reasons of race, creed, culture, nationality, gender, sexual orientation or marital status. We select people on their ability to perform the job and physical disability is not a barrier to employment.



Corporate Responsibility Guiding Principles

Corporate responsibility is our contribution to sustainable development. It involves the systematic integration of social and environmental aspects into our business strategy.

Corporate responsibility concerns every step in our product value chain. We contribute to sustainable economic growth and the wellbeing of our company, society and the environment. We ensure the right culture and leadership, making corporate responsibility core to our values and the way we do business.

We have good governance in all our processes, conduct ourselves to the highest standards of integrity and maintain an ethical and responsible relationship between the company and the society in which we operate.

We support the development and transformation goals of the South African Government and align with both local and global legislative and other requirements, thus ensuring our good standing as a responsible corporate citizen.

We consider the interests of all stakeholders when deciding on the best interests of the company. We are a total solutions partner to our stakeholders.

We have measurable corporate responsibility policies and will follow a rigorous reporting and review cycle and will have specific metrics associated with each goal.

Human Rights

As a leading industrial company, we recognise our people are entitled to the fundamental human rights enshrined in South Africa's Constitution. Our company is committed to upholding human rights and labour laws and standards across the full spectrum of our business. Our stakeholders, especially customers and investors, are increasingly interested in how we practically put this commitment into practice.

We stand for equal opportunity and fair treatment and strive for a workforce composition that reflects the demographics of South Africa. Employment equity issues, legislative compliance and numerical targets are set in consultation with the Social, Ethics and Transformation Committee and consultative forums. Managers and consultative forums are well versed in the Employment Equity Act. Senior managers are accountable and responsible for reaching employment equity goals.

We are firm in dealing with aspects of discrimination, including sexual harassment, and where such incidents have been identified and investigated, we have taken disciplinary action, resulting in termination of employment.

We are proud of the cultural diversity of our people. As set out in our Code of Conduct, we encourage tolerance and sensitivity to

Sustainability Strategic Alignment

Our sustainability approach is aligned to Afrox's strategy and is represented in five key focus areas:

1. Ensuring sustainable economic growth;
2. Ensuring a sustainable workplace for our people;
3. Ensuring a sustainable environment by minimising our impact;
4. Creating value for the societies in which we operate; and
5. Managing our business ethically, adhering to the principles of good governance.

RAF Sustainability Strategic Alignment



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NEW AFROX ASU SITE

COMPLETION DATE: FIRST QUARTER 2015

Afrox, partnering with customers for growth



Achievements 2012/2013

- Social, Ethics and Transformation (SET) Committee Terms of Reference and framework approved and implemented in line with local legal and The Linde Group requirements;
- Sustainability strategy and Key Performance Indicators (KPIs) further developed;
- High level education of SET Committee and line managers on the topic of sustainability;
- Sustainability Council established as internal working group;
- Improvement in response to customer and investor queries;
- First Global Reporting Initiative (GRI) aligned Sustainability Report;
- Internal process mapping done to ensure adherence to United Nations Global Compact (UNGC) and Organisation for Economic Co-operation and Development OECD guidelines;
- As a member of the National Business Initiative's Energy Efficiency Pledge there has been a 19.8% Group-wide decrease in purchased electricity since 2011; and
- As a signatory to the United Nations Global Compact, we managed a 9% decrease in our carbon footprint emissions in 2013.

Challenges

- Ongoing education and increasing awareness of sustainability issues with employees and management;
- Consolidating non-financial data management across the Group; and
- Co-ordinating sustainability KPIs and performance across the Group.

Priorities going forward

- Stronger link to business, and strategic approach to monitor and meet customer expectations around corporate responsibility;
- Stronger involvement of business/operations with key strategic corporate responsibility issues via linked topics in executive management meetings;
- Review adequacy of stakeholder engagement and adapt processes where necessary;
- Urgent review of new DTI Codes at Sustainability Council with action plans per element to be presented at next SET Committee meeting;
- Education of line managers on their role in B-BBEE requirements;
- Pro-active identification of environmental aspects and impacts with sustainable mitigating actions;
- Review of reputational risk areas: supply chain management, human rights, due diligence;
- Ongoing review of progress against UNGC & OECD guidelines; and
- Documented review of related policies and legislation.

Sustainability Governance Structure



1. The Linde Corporate Responsibility Council is the central decision-making authority on sustainability issues for The Linde Group and defines the cornerstones of the corporate responsibility strategy.
2. This strategy is co-ordinated with The Linde Group and reported on by the Linde corporate responsibility unit.
3. Afrox's Chief Executive has overall responsibility for our company's sustainability performance. Through the Afrox Corporate Responsibility Policy, our CEO has delegated authority to the executive management responsible for ensuring economic, social, environmental and employee sustainability performance through company standards, directives and strategic direction. In Afrox, our commitment is to align to the identified issues, as far as possible, with due consideration for our unique local context.
4. The SET Committee, chaired by Dr Khotso Mokhele, provides ongoing governance and management review. The Afrox Board is kept informed of the company's sustainability compliance, and high-level risks, through reports and presentations to the SET Committee three times a year.
5. The Sustainability Council consists of senior managers representing each of the focus areas of the sustainability strategy. The Sustainability Council is tasked with the co-ordination of Afrox's response to sustainability challenges across all of the company's operations. The council meets monthly, while we are consolidating this forum, and will meet every quarter going forward to ensure alignment with the business strategy. The Board is represented on the Steering Committee by the Finance Director, Nick Thomson, who is also the chairman.
6. Afrox executive management is responsible for implementation. Our Sustainability Council is at the core of implementing our sustainability efforts. It is, increasingly, a platform for shared learning and the identification of opportunities for collaboration both within the company and beyond it.

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» Afrox as a Sustainable Investment



About Afrox

Detailed information about our primary brands, products and services, organisational structure, locations and nature of ownership and legal form, is available in our **2013 Integrated Annual Report** and **Company Profile**.



» >R9 million



Social Investment

» Commitment to safety



Major incident report, down **64%**
Total recordable injuries, down **50%**
Lost time injuries, down **85%**

» Commitment to education

partnering with the Gauteng Department of Education to uplift the standards of welding centres at technical schools:



R1.2 million invested in five schools.
Footprint to increase nationally in **2014**.

» Afrox value chain

People impact

2 959 employees | R2.9 billion employee cost
Average employment 8.72 years

Economic impact

Total economic impact based on direct and indirect procurement
Direct procurement: R3,660,040,736.00 | Indirect procurement: R1,110,874,905.00

Environmental impact

Resource consumption and waste

Energy: 460,558 MWh | Emmissions: 85,056.564 tCO₂e
Water: 979,665 m³ | Waste: 4,078.868 Tonnes

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Afrox as a Sustainable Investment

Achievements 2013

- Retained B-BBEE level 3; JSE SRI listing;
- Supplier Code of Conduct Published & Terms and Conditions updated to reflect Code of Conduct. 40% of 'A' suppliers, those suppliers constituting the top 80% of our spend, confirmation and agreement, and mass mailing to 'B' & 'C' suppliers;
- Total Measurable Procurement Spend is flat for 2013 due to high import transactions (LPG imports) and cost containment throughout the business; and
- New product development – SmoothFlo™ regulator.

Focus 2014

- Renewed focus on internal processes with particular emphasis on customer satisfaction, supply chain and innovation, and ensuring that they deliver on our overall strategy.
- Continue efforts to ensure we maintain consistent progress on our Transformation agenda despite the newly promulgated B-BBEE codes that pose new challenges;
- Further implementation of Code of Conduct for suppliers
- Focus on increasing the contribution towards emerging businesses, qualifying enterprises and black women-owned enterprises;
- Supplier development, with a specific focus on the skills set in our economic sector and industry; and
- Continuous improvement of stakeholder engagement and ensuring reporting and information made publically available meet stakeholder expectations.

Commitments and Standards

In 2013, we maintained our level 3 Broad-Based Black Economic Empowerment (B-BBEE) rating. We again qualified for listing on the JSE Socially Responsible Investment (SRI) index and we have done so since the index's inception in 2004.

Through The Linde Group, Afrox is also a signatory to the United Nations Global Compact (UNGC) and conducts ongoing reviews against the UNGC and OECD guidelines to ensure adherence.

As a member of the National Business Initiative, we have signed the Energy Efficiency Pledge, engaged with various working groups, and arranged training funded by the National Cleaner Production Centre (NCPC).

As a result of participation in these forums, we have made progress against the commitments in the Energy Efficiency Pledge.

Transformation

The starting point for sustainable business is to understand transformation is a strategic imperative to ensure sustainable growth. Our transformation strategy encompasses the view transformation and our overall business strategy go hand-in-hand.

As a B-BBEE level 3 contributor, we are proud of our achievements in promoting the interests of the previously disadvantaged within the supplier value chain. As a value adding enterprise, we offer 110% preferential procurement recognition.

The company's managing shareholder, with a 50.47% stake, is The Linde Group, a global leader in gases, engineering and technology solutions, offering us a global competitive advantage. As a public company, Afrox has no control over who purchases our shares on the open market and, as such, we endeavour in good faith to do everything possible to meet our B-BBEE obligations.

Black ownership	38.68%
Black woman ownership	10.78%

Governance structures were put in place in 2013 to track and guide implementation of our transformation strategy:

- Employment Equity and Skills Development Committee, which includes unions and staff representatives, will recommend and promote the attraction, development and retention of initiatives to achieve our diversity targets;
- Sustainability Council owns all the B-BBEE elements of the scorecard; and
- The Social, Ethics and Transformation (SET) Committee, under the chair of our lead independent Board director, Dr Khotso Mokhele, monitors the implementation of our B-BBEE strategy.

Supplier Development

As a responsible company, we have adopted The Linde Group's Code of Conduct for Suppliers, and communicated this code to all vendors in July 2013, to create awareness and record agreement. The code defines the basic requirements to meet Afrox's standards relating to health and safety, human rights and labour laws and standards, legal compliance and integrity, environmental protection and supply chain. To date, more than 40% of Afrox's 'A' suppliers, those suppliers constituting the top 80% of our procurement spend, have acknowledged and agreed to the Code of Conduct for Suppliers.

Along with increasing this level of supplier acknowledgement and agreement of the Code of Conduct for Suppliers in 2014, we are also progressing towards the development of a 'Supplier Risk Evaluation' tool, which will allow for future validation of the code requirements with suppliers, where appropriate.

Local Spend

For goods and services in South Africa, we are embarking on further measures to engage with, approve and develop our current and potential B-BBEE suppliers, with particular focus on black-owned (BO) and black women-owned (BWO) businesses. With our Head of Strategy and Risk on the Board of the South African Supplier Diversity Council, as an example, we seek to increase our meaningful participation in programmes in support of local supplier development.

Currently, B-BBEE suppliers are not treated differently to other suppliers with regards to business requirements – quality, commercial standards, service delivery, etc – but our sourcing process does include an appreciation towards, and active support of our B-BBEE strategic objectives.

We are seeking to increase our spend – circa R162m in 2013 – with local BO and BWO business in 2014 in sustainable categories of procurement.

Customer Service

Major capital investments and improvements in processes were made in 2013 to ensure customer satisfaction. Customer satisfaction is measured for all National Customer Service Centre (NCSC) activities. Approximately 10 000 questionnaires were received by customers since June 2012. Customer satisfaction levels with Afrox and the NCSC stand at 95.2% for 2013.

More measures will be identified in existing processes for customer satisfaction.

Research and Development

We are committed to introducing new technologies that will advance the welding industry in Africa and elevate it to world-class standards. To this end, we have designed and built a state-of-the-art assembly facility at our Germiston-based Gas Equipment Factory (GEF).

The factory's unique 'Y-cell' configuration employs several lean manufacturing principles to ensure product quality, productivity and process reliability are optimised. Semi-automated assembly and testing processes, combined with poke-yoke fixture designs, facilitate in-line quality checking on each assembly. The inclusion of front-line operators in the industrialisation phases allows for the incorporation of first-hand learnings into the process.

Our GEF research and development team took the initiative to respond to a call for innovation from The Linde Group by adding real value to our longstanding regulator technology. The high-tech specification of the end-product was a result of co-operating with The Linde Group, many focus groups in key geographies around the world, and inputs from customers in the mining, fabrication, manufacturing, shipbuilding, rail and automotive sectors.

The result is SmoothFlo™, a new generation regulator that exceeded all expectations locally and globally. SmoothFlo™ represents the highest level of technology development in the global gas pressure regulator arena. Incorporating several world firsts, this innovative product combines the best of all regulator features worldwide, with advanced functionality and safety that take the technology to a whole new level.

SmoothFlo™ rolled off the GEF product lines in mid-2013 and was officially launched in South Africa on 19 July. SmoothFlo™ also featured at The Linde Group's stand during the Schweissen & Schneiden International Trade Fair in Essen, Germany. Further launches are planned for the South Pacific and Northern Europe in the first quarter of 2014.



**THIS IS
A TRULY**

South African
developed, designed
and engineered
product



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Afrox as an Employer





Afrox as an Employer

Empowering our people is one of our core values and at the heart of how we do business. Our culture is based on the principles of Safety, Integrity, Sustainability and Respect.

Achievements 2013

- Succession planning first-phase has been concluded with the executive management and presented to the Board's Nominations, Governance & Management of Resources (NGMR) Committee for approval;
- Implementation of line manager training programmes 'People Excellence in Action' aims to develop business leadership skills is ongoing. Target exceeded by 15%;
- Implementation of ECM linked to performance management in SAPHRON (manager/staff self-service system) was successfully implemented in 2013;
- Apprenticeships and learnerships in the engineering trades, such as electrical, instrumentation and fitting, and chemical fitting;
- Implemented an adult basic education and training programme;
- Development of suitably qualified technical employees within the engineering trades to achieve certification;
- Development of in-house trainers to achieve the Trainer and Assessor Certification for the relevant SETAs; and
- The number of learnerships in wholesale & retail and customer contact centres for people living with disabilities, which was introduced in 2011, has been very successful and there are now three such programmes running. This programme has been effective in supporting our strategy to introduce further diversity into the workforce.

Focus areas 2014

- Good progress is being made with all other key senior positions and critical roles. Phase 2 will commence in 2014 with the alignment of the succession plan and individual development plans aligned with our strategic vision;
- The current approved Employment Equity Plan (diversity plan) for 2011-2014 expires in July 2014 and the new three-year plan is being developed in accordance with the new legislation;
- A new strategy approved to ensure diversity targets are met to the satisfaction of the regulator. All stakeholders have committed to achieving the strategy;
- Strategy to ensure alignment with the changing legislative landscape;
- People development ensuring a talent pipeline, succession planning;
- Performance management and retention of the skills; and
- Linking our skills development with our employment equity strategy.

HR Strategy

We want to create a performance culture and, in order to do so, we will concentrate on retention of critical skills, leadership development, development of skills aligned to our business strategy and requirements, education, people engagement and user-friendly HR process automation.

Our focus areas for our people are: competent and engaged staff, health and wellbeing of our people and sustained transformation.

Competent, engaged employees	2013	2012	2011
Total investment in training including bursaries	12,066,316	14,029,344	15,881,380
Staff turnover	524 (17.3%)	433	430
New engagements	185	382	338

Voluntary turnover rate in 2013 = 13.2%

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Competent, Engaged People

People Engagement

Honest feedback is crucial for our HR activities. The Linde Group conducts a staff survey every two years to measure perception across a number of areas. Following evaluation of the survey results of 2012, team meetings were held in 2013 to address problem areas and identify corrective actions. Currently, we are busy developing an employee value proposition (EVP) with the input obtained at focus groups.

» **IN 2013** 110 of our people took part in 10 focus group sessions.

Co-determination

Our people are at liberty to join any organisation, forum or trade union, if they so wish. We also recognise the importance of the right of our people to be treated with respect, and fair labour practices are entrenched in policies and processes, as is the right to representation and to be heard. All employees are made aware of the Company disciplinary & grievance procedures.

» **TRADE UNIONS** represent approximately 38% of our people

Staff can also elect colleagues to represent them in bona fide internal consultative forums. Our forums meet regularly and provide platforms for formal worker representation in decision-making.

» **54% OF STAFF** are covered by collective bargaining agreements

Fair Remuneration

We have a mix of target and performance-related remuneration for managers, as well as a global performance management system to ensure regular feedback between staff and line managers. Variable remuneration components are indexed to the company's success in reaching targets, as well as the performance of the individual manager.

Our people are paid on the basis of their role, qualifications, experience and performance. We do not differentiate payment based on gender.

» **THE MINIMUM** notice periods regarding operational changes, etc, is one month

Social Benefits

Our range of benefits go beyond those legally mandated, i.e. paid maternity leave, family responsibility and sick leave, disability grants and medical aid. Some of these additional benefits include:

- Provision of primary care clinics and canteens at some but not all sites;
- HIV/Aids guidance and assistance;
- DIY loans, first-time homeowners' assistance, bond subsidies;
- Employee Bursary Scheme for staff;
- Staff discounts on our products;
- Extended unpaid maternity leave is catered for as required;
- Additional ex-gratia sick leave for unforeseen emergencies;
- Tertiary assistance for staff children; and
- Limited flexible working hours.

» **104 STAFF** benefited from the bursary scheme. Cost to the company was R2.7 million

» **TERTIARY ASSISTANCE** for over 100 staff children. Cost to company R1.6 Million

Pension and Provident Funds

We have one pension scheme, which is a defined benefit fund, and one provident scheme, which is a defined contribution fund. All our people belong to either the defined benefit fund or the defined contribution fund. The funds are administered on behalf of Afrox by trustees and external service providers, and are governed by the Pension Funds Act of 1956. The assets of the schemes are held in administered funds separate from Afrox's assets.

Actuarial valuations are made for the defined benefit fund in accordance with the respective pension fund rules, using the projected unit credit method. The defined benefit fund is closed to new members. The latest actuarial calculation of the African Oxygen Limited Pension Fund was performed on 30 June 2012. At the time of the valuations, the fund was certified by the reporting actuaries as being in a sound financial position, subject to the continuation of current contribution rates. For more detail, refer to the **2013 Integrated Annual Report**.



Talent Management

Our skills development interventions, ranging from short courses, skills programmes and learnerships, to apprenticeships and tertiary programmes, cover all levels. These in-house programmes provide improved productivity by equipping everyone with behavioural and technical skills.

» **STAFF TRAINED IN 2013** was 62% with an average spend of R5 700.00 per attendee

Performance Management

Performance Management is a key process for building a high-performance culture; a culture where people take responsibility for continuously improving the way that they work and the skills that they use to make a contribution to the organisation. Performance management is both a formal process with discrete stages focusing on performance target setting and review, competencies required and a personal development plan. There is also an informal process that involves regular communication between managers and their direct reports to clarify expectations and provide performance feedback. This process is implemented annually for all employees.

Succession Planning

Afrox has a well-defined succession planning process, and a new succession planning toolkit, which was implemented in 2013. Critical roles have been identified across the business, and once these plans are finalised, the process links to development planning focused on the categories 'ready 1-2 years' and 'ready 2-5 years' will be implemented, while mitigation plans are proposed for those positions where there is not a 'ready now' successor.

LINDE Integrated Management System and Standards (LiMSS)

LiMSS equips us to perform and improve. This computerised training system houses global and local business reference material, procedures and standards. Individual learning (TRACCESS) and auditing (Audit Manager) are incorporated in the system. Supervisors coach and assess those who are not computer literate.

Approximately 82% of our people have completed their competency modules of the 217 603 individual learning interventions currently on our systems.

Management Development and Training

We have a globally developed leadership development programme, consisting of two phases, designed to enhance the leadership capabilities for first and second line managers. These programmes build people management skills and clarify roles in supporting our high performance work ethic by actively promoting people engagement.

In 2014, a Senior Management Support Module (SMSM) will be implemented for the training programmes. This will ensure the learning momentum for participants is supported by senior management.

Young Talent

We aim to support the real economic needs of our future leaders by offering an intensive 24-month graduate training scheme in the fields of mechanical, chemical and industrial engineering. There are currently 6 graduates in training.

We also offer a comprehensive bursary scheme in the disciplines of metallurgy (physical), mechanical engineering, chemical engineering, industrial engineering and electrical engineering (heavy current). Financial assistance is given to students from the second year of study through to the final year. The students also get the opportunity to do vacation work with us during the university recess. 10 students benefited from this scheme in 2013.

Our bursar and graduate programmes have yielded good potential for the engineering roles in the business for the last few years.

» **BURSARIES** for 10 engineering students, of which 80% are black

Apprenticeships and Learnerships

We recognise the scarcity of suitably qualified artisans and other technical skills within the industry, and South Africa at large and, therefore, create opportunities through learnerships and apprenticeships for the youth to enter the workplace.

Both these programmes continue to provide a seamless talent pipeline to Afrox's critical skills need and therefore enjoy a fair amount of resource allocation in terms of mentoring, administration and budget allocation, year on year.

	2013	2012
Money spent on bursaries/learnerships	7,066,182 ZAR	6,365,906 ZAR

» January – December 2013

28 Males & 13 Females

were enrolled in the trades learnerships and apprenticeships

» 10 Retail & Wholesale

NQF level 2

learnerships commenced

» January – December 2013

9 Males & 13 Females

were enrolled in the Customer Service Centre NQF 2; completed May 2013

Adult Education and Training

Our Adult Education and Training (AET) Programme provides staff who, for one or another reason were not able to achieve general or further education and training, an opportunity to do so while employed.

Interested staff enjoy generous support from line management as they can attend the programme and certain sessions during work hours. This programme equips our people with numeracy and literacy skills, which provide opportunities to engage in developmental programmes, like learnerships, and enable them to communicate and transact in their social interactions.

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43 STAFF WERE ENROLLED for english literacy levels

Employee Wellness

The Employee Wellness Programme continues to run with the key objectives being:

- To enhance staff and workplace productivity and performance;
- To instil a corporate culture of wellness and caring;
- To empower our people to take responsibility for their own wellbeing; and
- To develop personal and organisational resilience.

HIV/Aids is acknowledged as a critical business risk affecting our people and their families, and has an impact on our outputs and costs. Our HIV/Aids policy, implemented in 2003, is based on a combination of sound business principles as well as on the obligations associated with being a socially responsible employer. The HIV policy is available on the internet.



75% OF OUR COLLEAGUES have undergone HIV/AIDS testing

Approximately 157 staff, and 53 dependants, are registered for the HIV Disease Management Programme and are receiving anti-retroviral therapy. Confidentiality is assured through an externally monitored Aid for Aids call centre.

We acknowledge our people may be unfortunate victims of acts of violence and we have a formal policy to provide assistance, especially during the period of recovery.

Tools used in the people wellness programme:

- ICAS (Independent Counselling and Advisory Service) – 24 hours a day, 365 days a year telephone counselling, six face-to-face sessions per issue; issues dealt with include financial, family care, legal and work life balance through time and stress management.
- The support through our ICAS programme extends to family members.
- HIV/Aids Programme – training for staff on HIV, dangers, prevention, management of condition – and line managers on the impact of HIV in the workplace, and management of performance of an ill person – our Aid for Aids Programme supplies staff, who are HIV positive, with ARVs when CD4 count is 350, viral load and CD4 count tests done, vitamins are supplied and general disease management conducted; and
- Chronic disease management and ex-gratia financial assistance to financially challenged staff through the Afrox Medical Aid Scheme.

27% The annualised total engagement rate

Sustained Transformation

As a medium-sized employer in South Africa, we are committed to transformation. We continue to face and address challenges to meet our employment equity objectives. Our strategy of promoting from within, and fast-tracking external candidates from designated groups, has enabled us to make some progress at the junior and middle management levels. Our Employment Equity Plan (EEP) (diversity plan) and policy ensure we continue to improve our performance; the policy prohibits discrimination based on race, gender, disability and religion.

Our EEP for 2011-2014 focuses on ensuring representation of our people in terms of race and gender at occupational levels, including people with disabilities. Reports are generated and monitored on a monthly basis to track progress against the plan.

Employment Equity	2013	2012	2011
Top management (Target 40%)	33.75%	30.1%	50%
Senior management (Target 65%)	48.3%	49.8%	30.7%
Professionally qualified middle management (Target 70%)	61%	59.7%	42.5%
Semi-skilled junior management (Target 80%)	84.6%	86.7%	55.06%
Un-skilled and defined decision making (100%)	99.3%	99.4%	89.9%

Number of males 2013	Black	White
Senior management	19	46
Professional skilled	130	138
Skilled	293	160
Semi-skilled	398	33
Un-skilled	705	4
Total	1 545	383

Number of females 2013	Black	White
Senior management	6	7
Professional skilled	49	53
Skilled	147	120
Semi-skilled	124	62
Un-skilled	46	1
Total	372	243

Occupational Health and Safety

Hand-in-hand with our employee wellness programme is the safety of our employees. This is actively monitored, targets set, and our employees trained under the watchful eye of our Safety, Health, Environment and Quality (SHEQ) Department, which has dominion over all our operations across sub-Saharan Africa, to strict international standards set by The Linde Group.

Achievements 2013

- Major safety incidents down 64 versus 2012%;
- Lost time injuries down 60%;
- Total recordable incidents down 51%;
- Severity 1 & 2 vehicle accidents down 50%;
- New fit for purpose SHEQ structure in place to support new business structure;
- Increased focus on HEQ of SHEQ, formation of the Manual Handling Focus Group and Quality Council;
- Launched daily SHEQ tracker and LeadSafe database;
- Launch SHEQ cue cards and Golden Rules of Safety campaigns;
- OSHAS 18001 accreditation retained at strategic sites; and
- Railway safety permits maintained.

Priorities 2014

- Continue to develop Risk Assessment Programme, contractor safety and on-site traffic management;
- Continue with a focused audit programme;
- Improve incident management investigation;
- Further build on behavioural safety programmes and Leadership in SHEQ;
- Introduce new permit to work system within operations;
- Introduction of the engineering management of change closure review system;
- Review of emergency plans on-site/off-site, including transport incidents;
- Passenger car safety training;
- Continue to develop internal competence in occupational hygiene;
- Continue programmes to reduce noise exposure;
- Continue programmes to reduce exposure to hazardous chemical substances, nitrous oxide and manual handling;
- Continue phase-out plan for asbestos in cylinder massing activities;
- Develop a programme of occupational hygiene auditing; and
- Progress the SHEQ Roadmap.

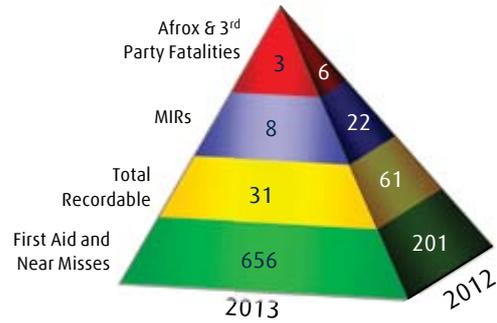
As per the requirements of the occupational health and safety act (No. 181 of 1993), all our large sites have dedicated SHEQ committees to address SHEQ issues. Each committee is supported by senior management in discharging its responsibilities.

One of the key strategies for effective SHEQ performance is to ensure all line managers have sufficient knowledge, tools and competence to discharge their SHEQ responsibilities. It is crucial SHEQ is a line management function, with support from then SHEQ department.

Safety Performance 2013

Critical SHEQ interventions are tracked and measured by means of Leading indicators. Leading indicators measure performance in areas where SHEQ is being addressed pro-actively and are used as a temperature check to determine if what we are doing is having the desired affect .

Performance targets are set at the beginning of the year, and monitored, and reported on to the Executive Committee monthly. See table below for the 2013 Leading indicator performance. Where targets have not been achieved, plans are in place to address them.



Behavioural Safety

We believe behavioural change within the organisation is the single greatest contributor to improving the SHEQ performance of the business. During 2013, we continued to roll out our Behavioural SHEQ Programme, and its various tools. The purpose of the programme is to:

- Deliver a positive step change in our SHEQ culture and behaviours;
- Improve our SHEQ performance;
- Be recognised as a high performance and Leading in SHEQ organisation; and
- Achieve our SHEQ vision of not harming people or the environment, implement them effectively, and assist with entrenching an interdependent behavioural approach to SHEQ; and
- Providing quality products and services to our customers.

This programme helps our leaders and people better understand the concept of total integration of all our SHEQ systems and standards and implement them effectively, and assist with entrenching an interdependent behavioural approach to SHEQ.

The LeadSafe behavioural assessment tool is used by leaders to demonstrate their visible leadership for SHEQ and care and concern for the wellbeing of our people.

In 2013, we also started preparing to deploy a Leadership in SHEQ Programme by completing an executive level 'RACI for SHEQ' to determine where SHEQ responsibilities lie within the business.

Leading Indicators

No Overdue or Repeat P1'S within Last 12 Months	0	0
No Overdue or Repeat P2'S within Last 12 Months	0	2
Completion of Focussed Audit Programme	100%	100%
Emergency Exercises for all MHRP Category 1 & 2 Sites [Target = 29]	100%	93%
MHRP ~ Category 1 & 2 Sites Licensed By Group SHEQ	100%	100%
MIR [2013] Investigations Completed & Report Submitted On Time [60 Days]	100%	83%
No Repeat [Avoidable] MIR Types Within the Last 12 Months	100%	83%
Transport Critical Standards Training	100%	86%
Completion Of Transport Focussed Audits	100%	100%
Driver ActSafe Behavioural Programme – Rollout against Plan	100%	100%
HPO SHEQ RoadMap Progress	2.0	2.0

	YE Target	December
TRACCESS licence to work	90%	83%
Advanced driver training	90%	91%
Golden Rules of Safety	95%	94%

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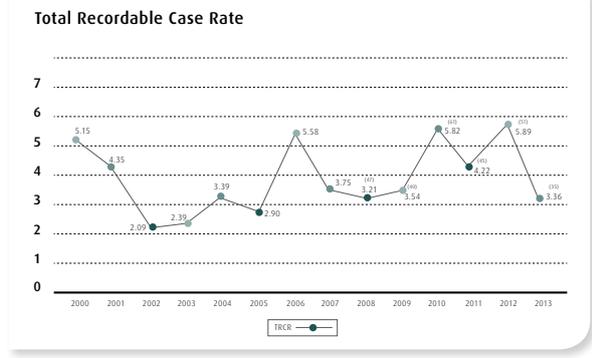
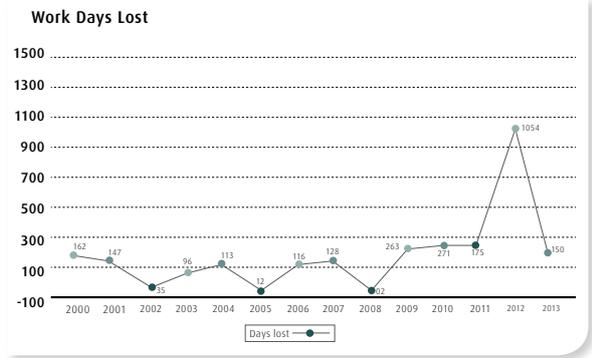
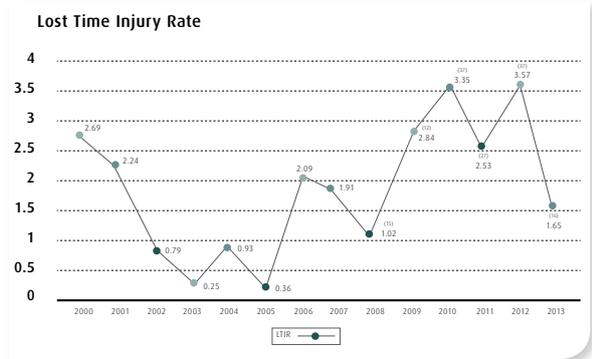
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Safety Lagging Indicators

Lagging indicators track events retrospectively and are used to measure the safety performance over a specific time period.



TRACCESS – Learning Management System

Afrox's TRACCESS system is a learning database linked to LiMSS. The system allows for the creation of learning profiles for all our people. The profiles specify the content of the learning programme that will ensure competence prior to starting a task, Licence to Work (LTW).

Contractors, e.g. drivers who work on Afrox sites, are treated in the same manner as our people and are expected to maintain the same level of competence and operational excellence as Afrox staff. Suitable TRACCESS/Licence to Work competency profiles are also allocated to such persons.

Competency levels have increased from 55% to 83% over the last five years. A combined effort to improve and correct material allocated to License to Work competency profiles, and line managers correcting competency profiles of their people, contributed to the improvement in competency levels within Afrox between 2009-2013.

Audit Program

In 2013, we developed a risk-based audit programme for the business, focused on contractor management and the License to Work System.

Afrox Internal Auditor Training – CLASS OF 2013

The final Internal Auditor Training of the year was held at the Afrox Roodekop premises from the 4th to the 6th of December 2013. The training was facilitated by Shane Benny, LiMSS Manager, and was attended by a contingent of leaders from various areas of the business, who brought a wealth of experience and different views to the Internal Auditor training.

All attendees were assessed at the end of the program and deemed competent to conduct Internal Audits using Afrox's methodology. Shane said: "Those who attend the Afrox Internal Auditor Training have now been given the platform to go out to operations and add value in terms of identifying and assessing risk through the auditing process. This is the first time I have had a group where, without a doubt, I would be able to put each and every candidate on the yearly Internal Audit Schedule and know they would add value."

Audits, Training and Certified Sites

	2011	2012	2013
Sites where occupational health & safety audits have been conducted	66%	75%	63%
Sites where environmental audits have been conducted	63%	66%	49%
Afrox people who have taken up SHE training opportunities	74%	63%	84%
Sites certified to ISO 9001	84%	91%	90%
Sites certified to ISO 14001*	100%	100%	100%
Sites certified to OSHAS 18001	100%	12%	10%

* only sites that are required by customers to be certified

Transport Safety

In 2013, we saw a turnaround in our Lost Time Injury (LTI), Total Recordable (TR) and Severity 1&2 vehicle accidents. We continue to focus on reducing vehicle accident rates, through:

- Improved passenger car training;
- Deploying in-house company standards for passenger car safety;
- Improved root cause analysis to prevent incidents from re-occurring;
- Consistent consequence management;
- Continuation of the Driver ActSafe Behavioural Programme; and
- Focused transport audits.

ActSafe Driver Behavioural Programme

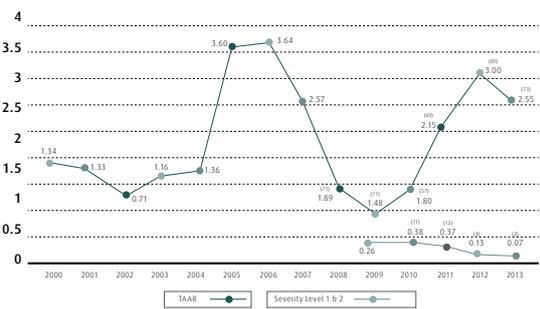
During 2013, we continued the roll out of our Behavioural Safety Programme for drivers, called ActSafe for Drivers. The objectives of this programme is to better understand how our drivers' behaviours are influenced, for drivers to understand how unsafe behaviours can be changed to reduce risks, and to create an inter-dependent safety culture in order to eliminate road traffic accidents and injuries. Outputs from this programme include self and peer-to-peer critical behaviour checklist assessments and improved management communications. We have completed the roll out to 11 sites as planned, encompassing 68 senior and middle management, and 293 drivers and cylinder handlers.

Over the past 2 years we have rolled out the ActSafe Programme to 32 sites nationally, bringing the trained personnel number to 156 management and 493 drivers and cylinder handlers. The programme has brought a positive change in behaviours and we will continue with the programme well into 2016.

Passenger Car Avoidable Accident Rate



Truck Avoidable Accident Rate



In order to reduce the number of roll-overs, drivers attended roll-over avoidance training and drive-cams were fitted to the Afrox and contractor fleets.

Roll-over Avoidance Training

Between March 2012 and March 2013, a total of 453 drivers were trained. As a result, we reduced the number of incidents:

- In 2012, we had three roll-overs, where drivers were driving too fast for the conditions; and
- In 2013, we had one roll-over, due to driver fatigue.

Drivers will attend refresher training every three years.

Drive-cam and Lane Assist

The drive-cam records actual incidents/accidents and the footage is used to address unsafe driver behaviour and to determine causes of accidents and often clarifies high risk situations on the road, customer sites etc.

Due to the benefits of this tool we are now fitting drive-cam to all commercial and service vehicles within Afrox.

Lane assist equipment will be fitted to the fleet during 2014 and will be monitored through satellite tracking.

Health & Occupational Hygiene

Our aim is to ensure health and occupational hygiene is integrated into all our management systems and core operations to prevent occupational illnesses. Occupational health programmes focus on minimising the major risks in the workplace, which includes noise exposure, manual handling and hazardous chemical exposure.

To ensure our people stay healthy and fit for their jobs, occupational health clinics operate at eight sites within South Africa and at four sites in other African countries. Well-trained medical practitioners operate these clinics and contribute towards ensuring high health standards are maintained. Mobile occupational health clinics operate at smaller sites. Procedures for pre- and post-placement medical examinations have been developed, and are being implemented, for safety critical positions. A defined medical surveillance programme is in place to monitor the health of our people engaged in certain types of activities.

Manual Handling

Manual handling remains the top occupational health risk for Afrox. We had 34 manual handling incidents in 2013. Cylinder handling activities remain the highest contributor to incidents.

To reduce manual handling risks, the following activities will be focused on:

- Deployment of Generic & Cylinder Handling Training Material;
- Manual handling campaign;
- Defining trolley standards; and
- Enhancing the risk assessment tool to include manual handling activities;

Noise management

Over the last few years, there have been a fewer noise induced hearing loss (NIHL) claims, however, noise exposure management remains a focus area in 2013.

We will continue to further develop our Hearing Conservation Programme and focus on:

- Site noise exposure risk;
- Completing noise surveys;
- Issuing personal protective equipment and providing training in the use thereof; and
- Medical surveillance.

Nitrous Oxide

We have only one site that manufacture and fill nitrous oxide cylinders. A recent survey indicates that nitrous oxide exposure is within the legal limits, however further controls to minimise exposure are being considered and implemented.

Silica

At some Afrox sites, our people are exposed to crystalline silica. There is a medical surveillance programme in place at these sites to monitor the health and wellbeing of staff handling this hazardous substance. As per regulatory requirements, we conduct exposure surveys and submit a report to the Department of Labour annually. We continue to develop and implement plans to lower the silica exposure levels, including engineering solutions

Asbestos

We are committed to an asbestos phase-out plan with regards to dissolved acetylene cylinder massing and de-massing. An external audit is conducted annually and the audit report is submitted to the department of environmental affairs as per legislative requirements. We achieved zero non-compliances in 2013 against the requirements of our phase-out plan.

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Environment

Our key issues are energy consumption, indirect air emissions related to climate change, waste management, sustainable use of resources, and legal compliance.

Achievements 2013

- Maintained environmental legal compliance;
- Increasing staff involvement in environmental campaigns;
- Defined environmental performance indicators for quarterly review at SET Committee; and
- Decrease in purchased electricity, carbon emissions, water and non-hazardous waste

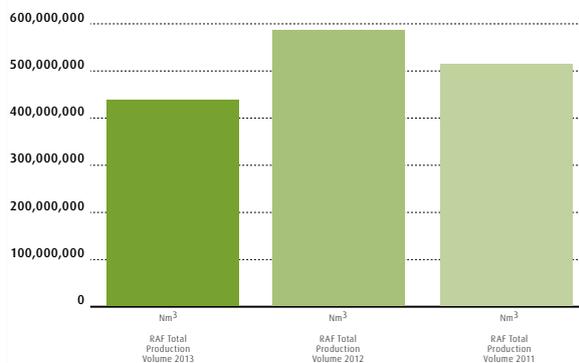
2014 Priorities

- Raise awareness of environmental management system in rest of Africa operations;
- Develop a programme of focused environmental auditing;
- Support the business in compliance with emerging legislation;
- Refresh carbon footprint and communicate;
- Support and monitor initiatives to reduce energy consumption; and
- Reductions in energy, water, waste, carbon footprint, emissions and effluent against defined baselines.

Our environmental management controls are well developed and fully integrated into our SHEQ system. Environmental standards have been developed and implemented in order to ensure specific impacts applicable to water, air, waste, industrial effluent and hazardous chemicals are responsibly managed.

On an annual basis, sites report environmental data using a global environmental reporting tool. The data includes the consumption of water, electricity, raw materials, packaging materials as well as both hazardous and non-hazardous waste generated and carbon emissions. The Linde Group uses this data to compile submissions to the global Carbon Disclosure Project (CDP). Auditor KPMG Inc. is mandated to provide limited assurance of key selected environmental and safety indicators and related explanatory information at a Group level.

Total Production Volume



There has been a 21% decrease in production volume between 2012 and 2013.

Materials Used by Weight and Volume

The conservation of resources is an economic and ecological principle at Afrox. As a leading supplier of industrial gases, atmospheric air is our most important resource.

A number of different raw materials are used for different production processes. See table below for the breakdown per production process.

Sites are required to monitor consumption of raw material monthly and ensure processes are efficient and deliver optimal yields and outputs.

Production	Raw Material	Business Unit Process
Welding rod manufacturing	Metal; flux powders and chemicals	Afrox Welding Consumables Factory
Welding equipment production	Metal (brass and copper); solvents; lubricating machine oil; chemicals	Afrox Gas Equipment Factory
Self-rescue pack manufacturing	Chemicals; metal; rubber	Afrox Self-Rescue Division
Bulk tank manufacturing	Mild and stainless steel	Afrox Cryogenics
Cylinder maintenance	Shot; zinc wire; paint; thinners	Afrox Gases Operation Centre and filling sites
Acetylene production	Calcium carbide	Afrox Gases Operation Centre and filling sites
Nitrous oxide production	Ammonium nitrate	Afrox Gases Operation Centre and filling sites

The decrease in 2013 of raw materials and packaging materials is mainly due to a decrease in production due to the economic downturn.

Energy

We rely on efficient use of energy in order to conserve resources and reduce greenhouse gases, while remaining commercially successful.

We conduct internal audits to analyse the energy efficiency of our air separation units (ASUs). Potential for cost savings are exploited where technically and economically feasible. The production of ASU gases accounts for the greatest share of our electricity consumption. This is why we particularly focus on improving energy efficiency and have a global target in this area.

We signed the Energy Efficiency Pledge in 2012 and participate in National Business Initiative working groups aimed at exploring opportunities for electricity consumption.



A 19.8% DECREASE in purchased electricity between 2012 and 2013

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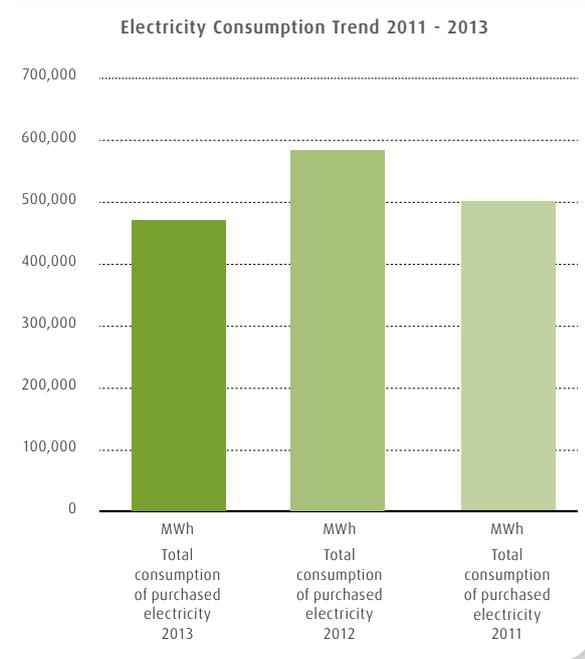
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Contributing factors to the decrease:

- Inaccurate reporting in 2012. 548 000 MWh reported in 2012, now corrected to 574 530 MWh, a 4.8% change on 2012;
- New gas powered plant was installed in Lagos, Nigeria; electricity now self-generated, resulting in a 100% decrease;
- Energy savings initiatives at some of our sites;
- ASU plant shutdowns;
- SC Factory closed, resulting in 62% reduction;



In 2013, we introduced environmental campaigns, starting with energy saving. The campaign focuses on the behavioural changes required for energy optimisation.

A typical desktop computer uses **868 kW** of electricity per year. Turning off your computer when not in use can save as much energy as it takes to wash **464** loads of washing.

Left your computer on?
Be sure to switch off & unplug your computer and screen before you go home

AFROX
A Member of The Linde Group

Climate Change

Our commitment to climate protection centres on resource-efficient processes and climate friendly products and technologies. This builds on a systematic analysis of the relevance of our business activities to climate protection. For this purpose, we record and evaluate emissions annually. These are submitted to The Linde Group, consolidated and then submitted to the Carbon Disclosure Project (CDP). When accounting for greenhouse gases, we take into consideration the guidance set out in the Greenhouse Gas Protocol. The emissions data is assured by KPMG Sustainability at The Linde Group level.

The purchased electricity consumption was down 19.8% in 2013 and, as a result, indirect CO₂ emissions were down 20%. Overall, carbon footprint/CO₂ emissions, direct and indirect, were down 9% and air gas produced by 3% relative to the reference year 2008.

In the future, the plan is to examine other links in the value chain for climate protection potential, for example, transport activities. We will look at a wide range of measures to reduce emissions caused by distribution of our products, e.g. optimised routing, improved capacity planning, training and considering CO₂ emissions in transport supplier tenders.

A major contributor to our carbon footprint is indirect emissions through purchased electricity. As expected, there is a direct correlation between our carbon footprint and electricity usage.

Air separation units, for the production of nitrogen, oxygen and argon, are responsible for the majority of our indirect CO₂ emissions. The global Linde goal is, therefore, to improve the design of our plants, per air gas produced, by 3% relative to the reference year 2008.

Actions to be taken

- In support of South Africa's commitment to reduce emissions by 34% by 2020 – made at the Conference of the Parties to the United Nations Framework on Climate Change (COP17) in Copenhagen – defined targets for CO₂ reduction will be set;
- Carbon footprint will be calculated on an annual basis and communicated, enabling year-on-year progress to be monitored;
- Continue to support the South African Government's commitment to phasing out HCFCs in the market, according to the time frames outlined in the Kyoto Protocol;
- Air emissions licences for sites with listed activities, as per the National Environmental Management (NEM): Air Quality Act 2004; and
- The phase-out of ozone-depleting substances as per the Montreal Protocol. We have identified R427A as the most suitable and environmentally responsible HCFC alternative, which will support industries in the phase-out of R22. To show our commitment towards a sustainable environment, we will convert all our R22 with R427A by 2015.

NOx, SOx, and Other Significant Air Emissions by Type and Weight

Alongside greenhouse gas emissions, we monitor emissions of air pollutants. Increased awareness of air pollutants, and improved focus, has resulted in figures being reported for 2013. The main contributors of HCFCs are refrigerants gases from old air conditioners.

The production of acetylene in South Africa is a listed activity under the National Environmental Management: Air Quality Act of 1994. Afrox is busy with a process to obtain the air emissions licences for acetylene production required under the new Act.

Water

Our activities do not have a significant effect on any water resource, natural habitats nor related ecosystems. Water is sourced from municipal or regional utilities and some sites use boreholes for gardening purposes.

Water is used primarily for:

- Manufacturing of gases like acetylene and nitrous oxide;
- Cooling systems;
- Hydrostatic testing of vessels and cylinders;
- Emergency deluge systems; and
- Office purposes.

We strive to use water sustainably. This includes keeping consumption as low as possible, particularly in areas where water is scarce and reducing or preventing emissions to water. Our sites are required to monitor water consumption and trends are analysed.

In 2013 the contributing factors, that lead to a decrease in water consumption are as follows:

- Decreased production due to reduced demand;
- Medical oxygen vaporizer no longer requiring water;
- More awareness created on water conservation;
- Operation of raw water filter has improved at ASU;
- Maintenance shutdowns; and
- No permit contraventions or significant spills were reported in 2013.

▶▶ Potable and industrial water consumption, between 2012 and 2013, was down 20.8%.

Emissions to water (kgs)

We monitor compliance with local regulatory requirements and report our data for all sites legally obliged to report emissions.

Waste water

We purify waste water from our production by sending to on-site effluent treatment or municipal plants.

Our sites discharge industrial effluent to the municipal sewer system under permit conditions. Fifteen sites have permits issued by local authorities. These sites monitor the quality of the effluent regularly and have management interventions in place to ensure compliance with permit conditions.

Waste

We work continuously to reduce and avoid waste. Where possible, waste products are recycled. The rest is disposed of in an environmentally sound manner in compliance with local regulations. We classify the waste generated by our business activities as hazardous or non-hazardous in line with national legislation.

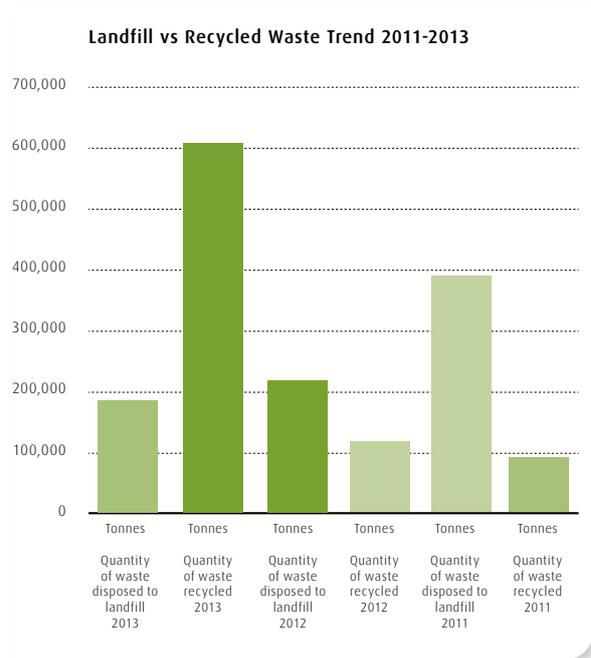
Our standard for waste management governs the storage, treatment and disposal of general and unavoidable hazardous waste legally and responsibly. The standard makes provision for the responsible handling and legal storage and disposal of waste streams, like scrap cylinders, carbide sludge, waste oil, empty chemical containers, asbestos and spent fluorescent tubes.

In addition to adhering to legal requirements for storage and disposal, we make use of various recycling schemes. Contractors used for the transportation and subsequent disposal of hazardous waste are approved by the SHEQ Department and contractor operations are audited regularly.

Hazardous waste generated includes used oil, empty chemical containers, paint-related waste, used solvents, asbestos, etc. Where possible, this waste is recycled or safely disposed of at licensed facilities.

Our sites manage waste responsibly by maintaining site waste inventories, conducting regular inspection of waste areas and ensuring waste assembly and storage areas meet SHEQ and legal requirements.

▶▶ Reduction of non-hazardous waste of 10.4% from 2012 to 2013



There has been a positive trend in terms of waste disposed to landfill and increased waste recycling over the last three years. Recycling has seen an increase of 413% and for disposal to landfill down 14%, between 2012 and 2013.

Contributing factors:

- Improvement of recycling monitoring; and
- Improved recycling at sites due to increased awareness.

Hazardous waste

The only area where there has been an increase was hazardous waste at 19.7%. Some contributing factors:

- Disposal of asbestos sheets in Nairobi, Kenya, and East London;
- Improved reporting; and
- Upgrade to personal computers and laptops generated significant e-waste.

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Environmental expenses

In 2013, the following are typical examples of expenses incurred:

Environmental Expenses

- Consultancy fees for environmental impact assessments and external audits;
- Asbestos Phase-out Plan audit;
- Updating of the Afrox SHE Legal Register, including legal updates;
- Spill prevention equipment;
- Environmental training courses;
- Process and infrastructural modifications; and
- The planting of trees at sites to celebrate Arbor Day.

No fines related to environmental legislative compliance were received for 2013.

Biodiversity

Our environmental management programme includes examining the potential impact of our activities on biodiversity. When planning new sites, we use standard procedures to assess the potential effects on the environment. Most of our sites are in industrial or commercial zones.

However, if protected sites or other sensitive habitats are located in the immediate vicinity of our sites, we take steps to ensure there is no impact.

We collaborate with relevant stakeholders, non-governmental and non-profit organisations, Government and customers, by supporting and complementing their initiatives in areas aligned to our strategy.



Afrox's recycled self-rescuers breathe new life into schools

It seems fitting that a product designed to save lives should be put to good use at the end of its operational life. That is exactly what Afrox, sub-Saharan Africa's market leader in gases and welding products, decided to do when it received thousands of expired breathing bags and give them a second lease on life. The AfroxPac 35 Self-Contained Self-Rescuer (SCSR) is a self-contained, escape-type breathing apparatus, carried at all times by underground mine workers on their persons for use in an emergency that potentially threatens the air quality underground. Once activated, the SCSR produces breathable oxygen for a period of about 30 minutes, allowing the miner enough time to move to a place of safety.

Regulations require that self-contained self-rescuers may only be deployed for ten years, after which they must be removed from service and disposed of, whether or not they have been used. Emerging from the latest ten-year cycle, Afrox received thousands of expired breathing bags, and in consultation with IAMGREEN, Afrox has 'upcycled' the plastic and rubber components to produce children's paint aprons, chair bags and library book protectors. The metal and chemical components will be used in scrap metal recycling and fertiliser production.

For more information about this eco initiative, contact Afrox on 0860 020202.



Society



Society

Corporate Social Investment (CSI) is inherent in our business philosophy and forms part of our socio-economic development initiatives, stipulated under the B-BBEE transformation scorecard. Economically and socially strong communities enhance our success, and our CSI strategy is aligned to long-term business objectives.

The focus of our social investment is education, job creation and income generating projects/programmes aimed at creating self-sustainability. As part of our commitment, we donate at least 1% of the previous year's net profit after taxable earnings (NPAT). Social investments are governed by policy and signed off by the Social, Ethics and Transformation (SET) Committee. We align, where applicable, our annual strategies with The Linde Group and our focus areas, as described below, and implement changes in B-BBEE and related legislation.

No political donations were made in 2013.



Focus areas for 2013

In this financial year, donations amounted to over R9.6 million. As in previous years, no donations were made to any political party, either in South Africa or the African countries in which we operate.

Objective	2013	2012
Post-tax profits invested in community initiatives	R9,643,825	R5,954,578
Support of welding capability	R1,200,000	R40,000
Number of creches & schools supported	33	

Our socio-economic development efforts are in support of the South African Government's 2030 New Development Plan objectives, namely:

- Skills development;
- Job creation;
- Localisation;
- Industrialisation; and
- Small business development.

Welding Capability Development

As the leading welding process experts, in partnership with key stakeholders, we focused all socio-economic development efforts in 2013, and will do so going forward, on the development of welding capabilities to meet the growing industry need for well-trained welders. In this respect, we signed a Memorandum of Understanding with the Gauteng Department of Education. We are also in partnership with the South African Institute of Welding (SAIW), the National Business Initiative (NBI), and Sci-Bono, to upgrade welding centres and further educate teachers of select technical schools. This is in preparation of the new 2015 Technical curriculum implementation.

We upgraded welding centres at five selected schools in 2013 and we will further donate state-of-the-art welding equipment in 2014.

Welding centres upgraded at:

- Katilehong Technical School;
- Modiri Tech School;
- Missouri Sec School; and
- Jabulani Technical High
- Primrose High School

Our aim is to increase our footprint in 2014 to the Western and Eastern Cape and Kwazulu-Natal and the Free State.

Support of Feeding Schemes

Afrox supports a number of non-profit organisations, which provide education and offer feeding schemes to orphaned, vulnerable children affected by HIV/Aids. We donate more than R400 000 worth of Liquefied Petroleum Gas to 33 crèches and schools, assisting more than 1 500 children and youth to have at least one hot cooked meal a day.

Community Involvement and Corporate Volunteering

The Community Involvement Programme is a staff-driven social responsibility programme focusing on disadvantaged local communities. It requires hands-on involvement as opposed to 'cheque-book charity'.

The objective of the programme is to make a meaningful and lasting difference to the lives of disadvantaged children within our communities. We enable our people to experience the personal sense of reward from helping those less fortunate. Committees are elected by participating sites and training of these committees is conducted on an annual basis. Matched funding is available as an incentive for staff to organise activities to raise funds.



The National Customer Service Centre held its third annual volleyball charity fund raiser in November in aid of its chosen home, El-Shammah, which cares for abandoned babies, and ICARE, an organisation that assist street children.



BRETT KIMBER LEADS THE TREE PLANTING IN PORT ELIZABETH

AFROX PLANTS 100 TREES TO BEAUTIFY FIVE SCHOOLS IN PE

AFROX HAS TEAMED UP WITH NON-PROFIT ORGANISATIONS IN A PROJECT TO TURN UNWANTED CLOTHES INTO 100 FRUIT AND OTHER INDIGENOUS TREES AT FIVE SCHOOLS IN PORT ELIZABETH (PE).

“Our commitment through our Corporate Volunteering Programme to the people of PE and the Eastern Cape is ongoing and this latest project reflects our ethos that business should work with communities to support the environment”, says Corporate Social Responsibility Manager, Tersia Baasden.

“We’re investing R300 million in a new state-of-the-art air separation unit in PE and we’re committed to assisting and supporting to communities in which we operate. Planting 100 trees at five schools to involve young people in our environment is just the tip of our support for the communities of the Eastern Cape. The planting of these trees will greatly benefit the environment and help decrease Afrox’s carbon footprint in the area”.

This project ran in conjunction with Clothes to Cash Exchange (C2CX), Food & Trees for Africa and UTI couriers, a project driven by Afrox people who donated old and unused clothing. C2CX buys the clothes from Afrox, to add to the proceeds used to buy trees from Food & Trees for Africa. This allows Afrox staff to participate in the programme. In addition to the tree planting, C2CX recycles the clothes to create jobs (i.e. sorting, washing and bailing the clothes) and help create micro-business that re-sell the clothes. In this way greater benefit is achieved for all involved in the value chain.

National Campaigns

We also identify national campaigns to enable all our employees to participate in corporate volunteering initiatives. The themes are around specific strategic focus areas and the needs of children and the communities in which our employees work.

The major campaign for 2013 was the Clothes to Trees exchange.

Bumbanani Day

Since 1994, our people have celebrated annually with the community homes we support through the Community Involvement Programme. This one-day event is known as Bumbanani Day – Zulu for ‘lets build together’. Fun events for more than 2 000 children were held throughout our sub-Saharan operations on 19 October 2013.



BUMBANANI DAY

Over 20 sites
participated,
benefiting
more than
2 000 children



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Ethics and Compliance



Guidelines

Our Board is conscious that as a company which draws its primary products from the atmosphere around us, we have a duty to operate in a responsible manner. We, therefore, take due care to ensure our operations conform to South African and international requirements regarding emissions, water usage and waste control.

Considerable effort has been expended on making sure the welfare of our people is ensured through the application of appropriate SHEQ programmes. This focus will continue to be a fundamental priority.

We are committed to ethical conduct when dealing with individuals, customers, suppliers and other organisations. We believe passionately in anti-corruption, fair competition, social responsibility and respect for property and human rights. We always aspire to the highest ethical standards of business conduct and full compliance with applicable laws, regulations and industry standards.

We are committed to ensuring fair, honest and understandable business practices, are part of the fabric of our culture, ensuring sound corporate governance is fundamental to our sustainable success and best practices are followed. Governance principles are incorporated in all structures, and we constantly reassess and review systems and policies to ensure compliance and best practice is applied and followed.

There were no major instances of fines or non-compliance in 2013.

Ethics and Compliance in The Linde Group

Prevent

- Global Code of Ethics
- Compliance policies
- Guidance from international standards
- e-learning
- Face-to-face training
- Advice by Compliance Officers

Detect

- Linde integrity line
- Compliance investigations/ audits

RESPOND

- Follow up on reports of misconduct
- Monitoring of actions taken (consequence management)
- Co-operation with authorities

Our internal guidelines and standards define how we implement values and principles:

- Our Code of Ethics prescribes rules of conduct aligned with legal and internal corporate regulations. It defines clear standards that govern our relationships with our customers and suppliers, with authorities and other business partners, and with each other. Our Code of Ethics is binding for all of us and we encourage business partners to apply the standards defined in the Code of Ethics. We have developed additional, internal guidelines and standards that further outline our commitment in core areas;
- Our corporate responsibility policy defines the key areas and fundamental principles that shape responsible business;
- In The Linde Group policy on SHEQ, we set out our commitment to mitigating harm to people and the environment to the best of our ability;
- Our procurement principles provide a framework for our dealings with business partners and outline how we expect them to behave; and

- We participate in the Linde global compliance programme, which has as its most important goals:
 - Preventing corruption and anti-trust infringements; and
 - Identifying and resolving circumstances or events requiring further investigation.



A new compliance intranet site has also been launched to provide essential information and guidance on how to 'play to win by the rules'.

We ensure ongoing training takes place on our Code of Ethics. The content and development of an e-learning course has been expanded; an online course in anti-trust laws was launched in 2012. A compliance refresher programme is planned for 2014, starting with a renewed commitment from the Board to our Code of Ethics and the rest of the compliance programme.

In addition, all our people receive a copy of the Code of Ethics when they are recruited and must confirm in writing they have read and understood it.

Should our people wish to report suspected violations of our Code of Ethics, they are encouraged to:

- Use our global integrity call line reporting system; a confidential reporting system and key pillar in our compliance programme. Every report is assessed in a non-discriminatory and confidential manner.
- Contact their line manager or department head; alternatively
- Contact our Internal Audit, Human Resources or Legal/Compliance departments.

Our Code of Ethics policy is available on www.the-linde-group.com.



Risk Management

Risk management forms an integral part of The Linde Group's overall approach to enterprise-wide risk management, which combines the areas of corporate governance, risk management and internal controls (GRC).

The Linde Group introduced a revised Risk Management Framework in August 2012 aligned to ISO 31000/2009. By aligning to this framework, Linde and all its businesses will ensure compliance with all current aspects of corporate governance legislation, as well as Linde's risk management requirements.

We have implemented systems, aligned to the Linde Risk Management Framework, that enable us to identify, evaluate and minimise business, environmental and social risks in all of our central business processes. Our SHEQ management system enables us to identify and minimise safety, health, environmental and quality risks. Risk assessments are conducted at least every two years.

More detail is available in our **2013 Integrated Annual Report**.



SHEQ in Afrox

Afrox is committed to ensuring sustainability and growth and advanced safety, health, environment and quality (SHEQ) performance is an ongoing strategic priority.

SHEQ is an integral part of how we do business, and is enshrined in the Afrox Spirit as one of our values. We are committed to excellence in managing all activities to ensure the health and safety of colleagues, contractors, suppliers, customers, local communities and the environment.

A SHEQ policy sets out mandatory guidelines in all areas and line managers are responsible, with the support of SHEQ, for communicating this policy, demonstrating safe behaviours, and creating the right conditions for continual improvement.

A copy of the SHEQ policy is publicly available.



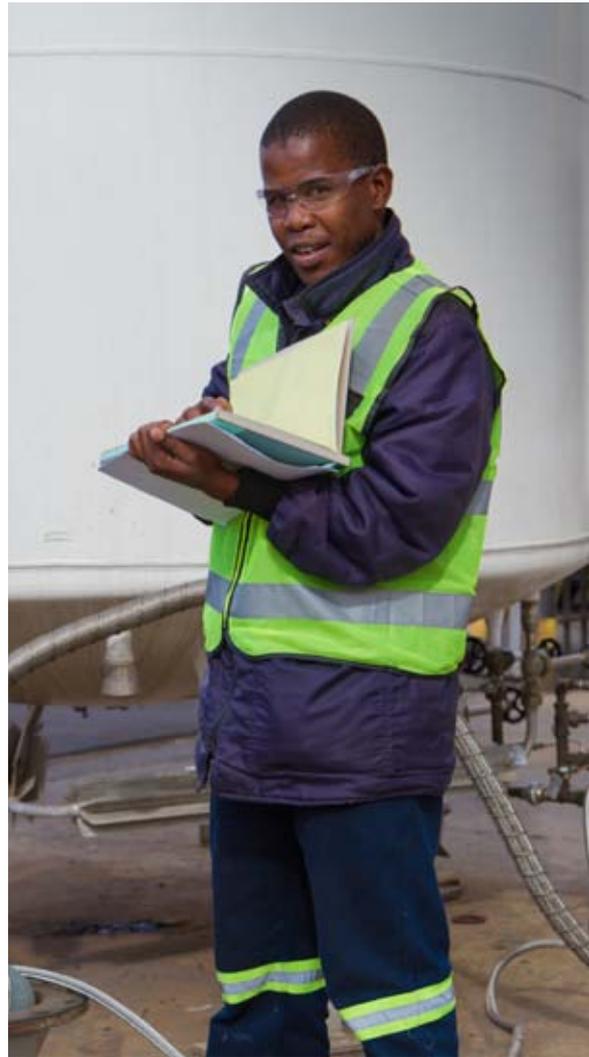
A dedicated SHEQ Department, under the leadership of an executive manager, works with the business to ensure the company has deliverable policies, is pro-active in its risk assessment and professional in its remediation.

All sites in Afrox have a well-developed and integrated SHEQ management system based on the principles of ISO 9001, ISO 14001, OHSAS 18001, as well as relevant legislative requirements, Linde/Afrox and other applicable requirements.

The system allows for integrated SHEQ audits, risk assessments and management reviews. It also facilitates staff involvement in SHEQ risk management, compliance with industrial requirements, compliance with local and national legislation, and in the implementation of operational best practice in all areas of SHEQ. Management system standards are documented in our Integrated Management System Standards (IMSS).

Everyone in Afrox is personally responsible for SHEQ on our sites. Managers are expected to demonstrate visible leadership in implementing the SHEQ agenda.

Strategic business decisions, and new projects, consider and evaluate the SHEQ risks associated with such activities. Site risk assessments are conducted, regularly reviewed and mitigation measures implemented in all our African operations.



Quality & Food Safety

The quality management system in Afrox is designed to ensure all products and services are supplied to predetermined international, national and company standards. These standards are housed within the electronic, on-line LiMSS system. To ensure products meet these standards, the specifications within the system mandate the testing frequency, required minimum standard as well as the test equipment to be used.

A Quality Council was established in 2013, where senior managers address quality issues and improvements. This is resulting in better reporting and management of major quality incidents.

The key quality focus areas for 2014 are:

- Monitoring the implementation of the quality roadmap;
- Management of quality critical suppliers;
- Support and improve good manufacturing practice compliance;
- Mapping of critical business processes;
- Obtain regional ISO certification; and
- Pro-actively assess customer service through internal customer service improvement initiatives.

The Gas Operations Centre (GOC) site is currently in the process of obtaining ISO 17025 accreditation and the Welding Consumables Factory has recently been re-certified for compliance with EN 13479 by TUV.

The Tonnage CO₂ business acquired food safety system certification in 2012. Surveillance audits were successfully conducted in 2013 and our systems showed compliance. This certificate makes Afrox one of the few companies accredited in the food safety system, which puts us in the forefront of acquiring business in the food manufacturing sector.



In 2012, Afrox became the first South African gas company to be certified with Food Safety System (FSSC) 2200:2010 certification, incorporating ISO 22000:2005 and ISO/TS22002-1 (BSI-PAS22002-1:2008), as well as additional FSSC 2200 requirements.

Product Stewardship

Afrox defines product responsibility as the aim to go beyond legislative obligation and minimise product risks even further through the responsible care of our products across the entire lifecycle. This provides the combination of the greatest possible customer benefit with the highest safety standards while setting new standards for environmental and climate compatibility.

Product stewardship refers to the responsible and ethical management of products and their packaging at all stages of the lifecycle with a view to minimising their health, safety, environmental and social impacts.

At Afrox, we take a holistic view of product stewardship, encouraging all stakeholders in the extended lifecycle of our products to take shared responsibility for minimising impacts associated with the production, delivery, use and end-of-life disposal of our products.

Material safety data sheets on all Afrox products are available on: www.afrox.com.



Whistleblower site

Afrox has introduced a dedicated site, accessible both from within Afrox, via the Intranet, and externally by visitors to our website, to combat illegal LPG filling.

Regional Handigas and Channel Manager, Trevor Boshoff said public awareness of this issue is increasing, as customers recognise the dangers associated with using LPG supplied through these illegal channels. Said Trevor: "Customers need to know that if any safety incidents occur as a result of using illegally filled cylinders, they will have no recourse to Afrox."



LPG Training for restaurants



Afrox launched a new Handigas training DVD, specifically designed to train restaurant staff, at the recent 2013 Spur Convention held in Sun City. Rob de Zoeten, Business Manager Hospitality Gases, said the DVD was extremely well received by about 800 Spur delegates who attended the convention.

"In recent times several incidents involving LPG, both domestically and in hospitality establishments, prompted us to devise training material that might make it possible to mitigate or even eliminate some of these incidents, creating greater awareness of how LPG works," he added. "The DVD is pitched at a level that everyone is able to understand and the main theme is that gas is safe if used correctly."

"It will now be made available free of charge to new and existing customers in the hospitality sector, as a value-added service over and above the gas we supply. This 35-minute DVD is part of our commitment to empowering LPG customers to use gas safely and will form part of our LPG training programme from now on."

The training material covers the safe use of LPG in restaurants, the origin of LPG, correct handling of gas cylinders and gas equipment, the dangers of LPG, and emergency procedures.

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ONE DAY IT
COULD BE ONE
OF US WHO NEEDS
**MEDICAL
GAS**

**QUALITY
GASES
SAVE LIVES**

“All Afrox people involved in the manufacture, filling and distribution of gases need to ensure that, collectively, we provide a superior quality medical gas offer to our patients”, said Head of Healthcare, Lerato Mosiah.

“Each Afrox employee who works in the medical gases supply chain must keep in mind that these products are being manufactured to help people recover from surgery and illness and to save lives in medical emergencies. These vulnerable people are our end users and they depend on us to provide them with gases that will help and not harm them.

“One day it could very well be one of us, or a loved one, who needs medical gas. Products intended to improve aspects of people’s health must not lead to other risks and this can be prevented through robust quality management systems.”

The Linde Healthcare Global Business Unit has recently developed a Global Business Unit Healthcare Quality Policy and the policy (soon to be uploaded to the intranet) has been endorsed by the RAF Leadership team for adoption in South Africa. This policy affirms that patient safety is our number One priority.

A key aspect of compliance with these quality requirements is to adhere to Good Manufacturing Practice (GMP), a production and testing regime, designed to ensure a quality product as the end result. Many countries, including South Africa, have legislated that pharmaceutical and medical supply companies must follow GMP procedures, and have created their own GMP guidelines that correspond with their national legislation. The basic principle of all of these guidelines is to produce medical products of a consistent quality and ultimately to safeguard the health of the patient during their use.

“Within the entire value chain, quality has become a big part of the medical business,” says Lerato. “To ensure patient safety, everyone involved in the manufacture, selling and distribution of our medical gases has a legal and ethical obligation to follow the specified GMP procedures in their respective areas at all times.”

Afrox is registered as a supplier of medical gases with the Medicines Control Council, a local statutory body and, by law, all medical gases are classified as medicines.

Name of Award/Certification	Awarding Body	Sites/Operations Certified	% of overall Group
ISO 14001 – Environmental Management Systems	Price Waterhouse Coopers (PWC)	<ul style="list-style-type: none"> Gas Equipment Factory Welding Consumables Factory Brits Self-rescue Division Head Office Maydon Wharf Filling Kenya Malawi 	10%
	Price Waterhouse Coopers (PWC)	<ul style="list-style-type: none"> Gas Equipment Factory Welding Consumables Factory Brits Self-rescue Division Head Office Maydon Wharf Filling Kenya Malawi 	10%
Good Manufacturing Practice (GMP)	Medicines Controls Council (MCC)	<ul style="list-style-type: none"> Pretoria ASU Witbank ASU Pietermaritzburg ASU Kuilsrivier ASU NCP CO₂ PetroSA CO₂ Maydon Wharf Newcastle Port Elizabeth East London Swaziland GOC 	16%
	SANAS	<ul style="list-style-type: none"> Maydon Wharf GOC Epping 	4%
Railway Safety Regulator permits	Railway Safety Regulator standards	<ul style="list-style-type: none"> Saldhana Klerksdorp New Brighton Epping Cape Town Polokwane Roodekop 	8%
	SGS	<ul style="list-style-type: none"> Sasol CO₂ Natref CO₂ PetroSA CO₂ NCP CO₂ Nigeria Lagos 	7%
Accreditation to supply Carbon Dioxide (CO ₂)	Food and beverage industry standards	<ul style="list-style-type: none"> Sasol CO₂ Natref CO₂ PetroSA CO₂ NCP CO₂ 	5%
	Price Waterhouse Coopers (PWC)	<ul style="list-style-type: none"> Gas Equipment Factory Self Rescue Division Welding Consumables Factory Customer Engineering Services Customer Services Centre Procurement Sales & Retail ASU and CO₂ plants MPG Cylinder Production Supply Chain and Distribution Healthcare MPG Marketing Human Resources Kenya Malawi Nigeria Zambia Zimbabwe 	90%
Product Certification Mark	TUV	<ul style="list-style-type: none"> Gas Equipment Factory Self Rescue Division Welding Consumables Factory 	4%

Note: Sites with ISO 9001 certification are audited regularly by Price WaterhouseCoopers.

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Major Hazard Installations

We utilise major hazard installation (MHI), Major Hazard Review Programme (MHRP) and hydrocarbon risk assessments (for air separation units) as part of our process safety programme. These specialised risk assessments conducted at new Afrox sites or customer sites, are fundamental in reducing and managing the major risks of installations that could potentially result in major disasters.

As technology advances, safety becomes a more complex issue, spanning a spectrum of activities from the elimination of common workplace hazards through to the sophisticated analysis of major hazard risks from large-scale fires and explosions and releases of hazardous or toxic materials. In 2010, Afrox obtained accreditation on major hazards installation risk assessment in accordance with recognised International standard ISO/IEC 17020:1998 from the South African National Accreditation System (Sanas). We are also qualified as an Approved Inspection Authority (AIA) under the South African Department of Labour to conduct MHI studies.

The Linde Group MHRP is a formal process for identifying and assessing large-scale site hazards that may pose risks to our people and off-site public. The control of major accident hazards covers all safety disciplines, but is primarily managed through process safety. This is also aligned with the European SEVESO II Directives, USA OSHA Process Safety and South African Occupational Health and Safety Act.

Consumer rights

We are committed to protecting consumer rights in line with legislation and strive to ensure consumer service, support and dispute resolution. We guarantee, and have policies in place to enforce, consumer data protection and privacy. Our business is also committed to education and awareness among consumers as standard operating practice and in line with our policy on health and safety. It is paramount to ensure consumers understand how to safely use existing products, as well as any range of new and innovative products, in line with environmental and other regulatory requirements.

Local Communities

Afrox regularly meets with legislators and officials on permitting, regulatory and other issues, as and when required.

Afrox is currently undergoing an Environmental Impact Assessment (EIA) process for the Port Elizabeth and Durban operations' sites, which includes public participation with the local communities and industries.





Measuring Sustainability



Safety and Environmental Protection

Occupational Health and Safety				
	2013	2012	2011	Unit
Workplace accidents with at least one day of absence (employees)	1,42	2,26	n/a	per million hours worked
Workplace accidents with at least one day of absence (employees)	2,61	25,08	n/a	per million hours worked
Workplace accidents of employees with at least one day of absence	11	21	n/a	
Workplace accidents of contractors with at least one day of absence	5	16	n/a	
Working days lost due to industrial accidents (employees)	135	560	n/a	
Working days lost due to industrial accidents (employees)	17,4	57,6	n/a	per million hours worked
Fatal workplace accidents involving employees	0	0	n/a	
Fatal workplace accidents involving contractors	0	0	n/a	

Use of Resources	2013	2012	2011	Unit
1. Energy				
Electricity Consumption 460,558	460,558	574,530	513,525	MWh
of which by Air Separation Plant	397,508	514,340	479,911	MWh
Natural Gas Consumption	52,289	46,203	38,576	MWh
Consumption of Other Energy Sources	28,784	13,122	16,549	MWh
2. Water				
Water Source				
Ground Water	453,261	110,783	n/a	m ³
Municipal Water	527,093	1,108,359	n/a	m ³
Recycled Water	824	n/a	n/a	m ³
Total Water Consumption	979,665	1,237,170	1,253,570	m ³
of which Industrial and Process Water	697,265	961,101	941,709	m ³
of which Drinking Water	276,069	282,401	311,861	m ³
3. Resources and Material				
Raw Materials and Supplies	8,197.385	8,684.338	12,523.718	t
Packaging Material	183.165	206.885	195.866	t
4. Emissions				
Direct Greenhouse Gas Emissions (Scope 1)				
CO ₂ Emissions	17,041.476	9,731.690	8,105.577	t
Afrox Transport Fleet	26,120	26,800	Not reported	t CO ₂ e
Other Greenhouse Gases	498.55	Not reported	Not reported	t CO ₂ e
Total	43,660.026	36,531.690	8,105.577	t
Indirect Greenhouse Gas Emissions (Scope 2)				
CO ₂ Emissions	441,396.539	554,896.772	414,623.383	t
of which by Air Separation Plants	382,830.017	497,748.094	387,849.679	t
Total Scope 1 & 2	485,056.564	591,428.462	422,728.959	t CO ₂ e
Other Greenhouse Gases (Scope 3)				
Transport by Contractors	will report in 2014	will report in 2014	will report in 2014	
Business Travel	will report in 2014	will report in 2014	will report in 2014	

Use of Resources	2013	2012	2011	Unit
5. Emissions to air				
Emission of hydrofluorocarbons (HFC)	383.500	n/a	n/a	kg
6. Emissions to water				
Chemical Oxygen Demand (COD)	24,065.000	n/a	n/a	kg
Biochemical Oxygen Demand (BOD)	6,766.500	n/a	n/a	kg
Nitrates	767.300	n/a	n/a	kg
Phosphates	250.060	n/a	n/a	kg
7. Waste & Recycling				
Total Waste	4,078.868	3,891.308	4,924.374	Tonnes
Non-hazardous Waste	1,724.731	1,925.640	1,641.942	Tonnes
Hazardous Waste	2,354.137	1,965.669	3,282.432	Tonnes
Recycled Waste	6,149.346	1,198.660	704.129	Tonnes
Incineration Waste	30.660	14.582	11.129	Tonnes
Landfill Waste	1,901.322	2,214.425	3,822.034	Tonnes
Other Disposal Methods	453.570	403.548	381.569	Tonnes
8. Transport				
Distance Driven by Afrox Transport Fleet	28.6	29.6	n/a	Million km
Serious Transport Incidents Involving Trucks	0.07	0.13	n/a	Million km
9. Audits and Trainings				
Sites where Occupational Health and Safety Audits have been Conducted	63%	75%	66%	
Sites where Environmental Audits have been Conducted	49%	66%	63%	
Employees of Afrox who have taken up SHE Training Opportunities	84%	63%	74%	
10. Certified Sites				
Sites Certified to ISO 9001	90%	91%	84%	
Sites Certified to ISO 14001	10%	12%	13%	
Sites Certified to OHSAS 18001	10%	12%	13%	
Sites with Responsible Care Certification				
11. Environmental Incidents				
Environmental Complaints	1	0	8	
Reportable Environmental Incidents	1	2	13	

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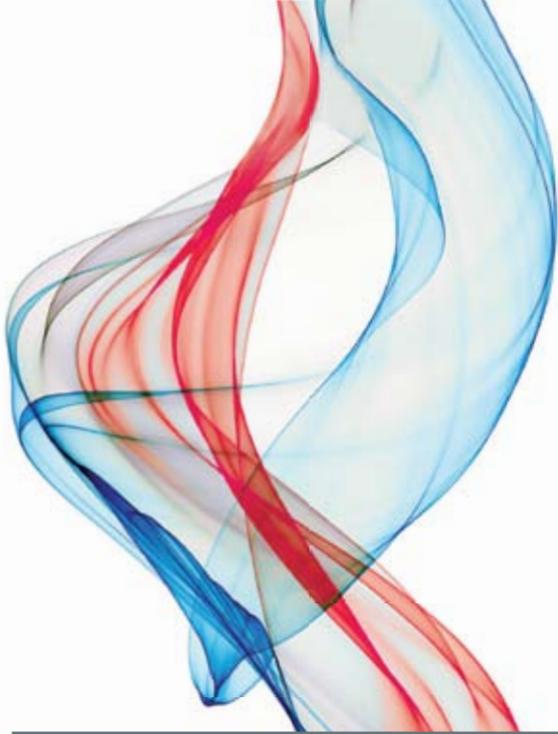
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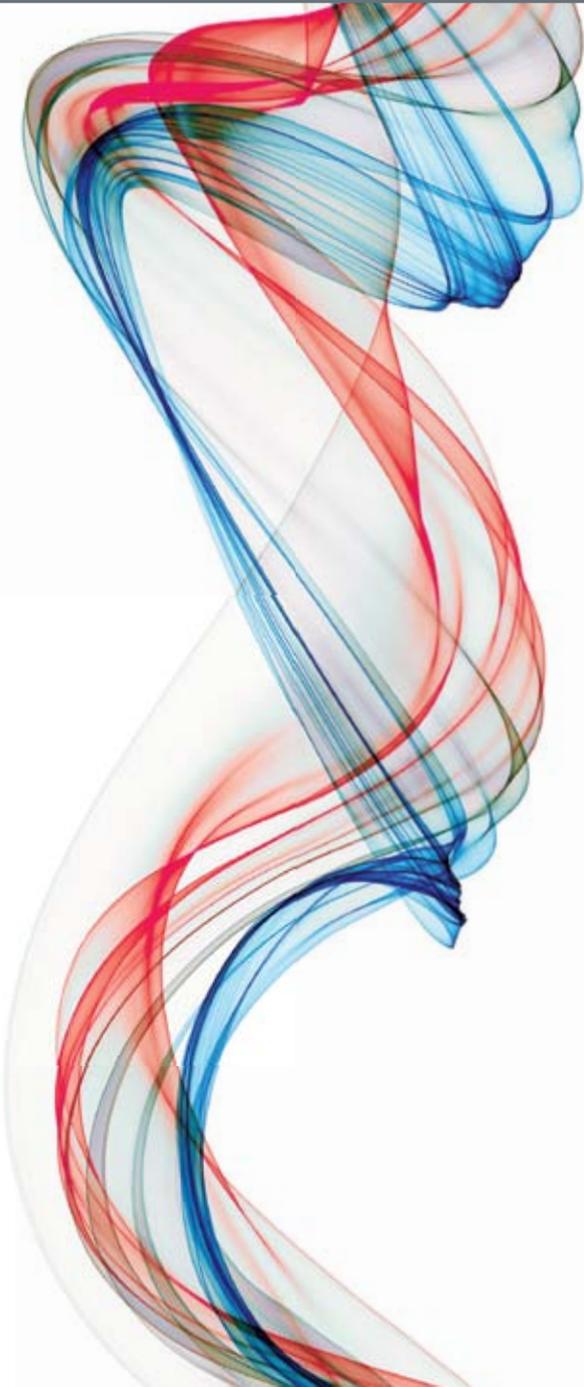
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Employees

Employment Structure	2013	2012	2011	Unit
1. Employment Structure				
1.1 Total number of apprentices & trainees	57	61		FTE
1.2 Number of women	751	813		FTE
1.3 Number of tariff employees	1 488	1 559		FTE
1.4 Number of limited contracts	39	29		FTE
1.5 Number of part-time employees	0	0		FTE
1.6 New hires – woman	69			FTE
1.7 New hires – men	135			FTE
1.8 Parental leave women – amount	46			FTE
1.9 Parental leave men – amount	63			FTE
1.10 Parental leave duration – women	166,17			Month
1-11 Parental leave duration – men	10,57			Month
2. Staff Loyalty				
2.1 Total number of employees that left the reporting unit due to voluntary resignation	230	224		FTE
2.2 Average length of service	8.41	7.87		Years
2.3 Fluctuation rate	6,97	6.38		Percent
3. Further Education and Training				
3.1 Total number of days spent in further education for all employees	6 243	7 757		Days
3.2 Total number of employees who have used further education and training measures	2 091	3 188		FTE
3.3 Total costs for further education and training	2 127 149	2 454 263,17		EURO
4. Age Distribution				
4.1 Number of permanent employees below 30	529	520		FTE
4.2 Number of permanent employees between ages 31-50	2260	2 478		FTE
4.3 Number of permanent employees above age 50	510	602		FTE
5. Working Time				
5.1 Number of work days lost due to illness for all employees	12 065	3 457		Days
5.2 Number of working days within reporting period for all employees	742 275	810 000		Days
6. Data Confirmation				
Confirmation of completeness of data above				



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Global Reporting Initiative

GRI Content index

The Global Reporting Initiative (GRI) G3 guidelines provide a recommended framework for reporting sustainability initiatives to stakeholders.

The following table provides a detailed response to each of the G3 reporting criteria and identifies in which section of the annual report relevant information on our sustainable development performance is disclosed.

UNGC	GRI	Description	Link within the report	External links
STANDARD DISCLOSURES: PROFILE				
Strategy and analysis				
	1.1	Statement from senior decision maker of the organisation		Integrated Report 2013: Joint MD and FD review
	1.2	Description of key impacts, risks and opportunities		Integrated Report 2013: Joint MD and FD review
Organisational profile				
	2.1	Name of the organisation		Integrated Report 2013: Our Business – About Afrox
	2.2	Primary brands and products		Company Profile 2014:
	2.3	Operational structure of the organisation		Integrated Report 2013: Executive Management
	2.4	Location of organisation’s headquarters		Integrated Report 2013: Corporate Information
	2.5	Number of countries where the organisation operates		Integrated Report 2013: Our Business – About Afrox
	2.6	Nature of ownership and legal form	Afrox as a Sustainable Investment	Integrated Report 2013: Corporate Information, Shareholders Profile
	2.7	Markets served		Integrated Report 2013: Our Business and Company Profile
	2.8	Scale of the reporting organisation	Reporting Scope	Integrated Report 2013: About Afrox & Our Performance at a Glance
	2.9	Significant changes during the reporting period regarding size, structure, or ownership	Reporting Scope	
	2.10	Awards received in the reporting period	Afrox as a Sustainable Investment	
Report parameters				
	3.1	Reporting period	About this Report	
	3.2	Date of most recent previous report	About this Report	
	3.3	Reporting cycle	About this Report	
	3.4	Contact point for questions regarding the report or its contents	About this Report	Integrated Report 2013: About this Report
	3.5	Process for defining report content	About this Report – Issues & Topics	Integrated Report 2013: About this Report – Materiality
	3.6	Boundary of the report	About this Report	Integrated Report 2013: About this Report
	3.7	State any specific limitations on the scope or boundary of the report	About this Report	Integrated Report 2013: About this Report
	3.8	Basis for reporting on subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organisations		Integrated Report 2013
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	About this report: External Audit & Assurance	Integrated Report 2013: About this Report

3.10	Explanation of the effect of any re-statements of information provided in earlier reports	About this Report	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	About this Report	
3.12	GRI Content index	GRI Index	
3.13	Policy and current practice with regard to seeking external assurance for the report	About this Report: External Audit and Assurance	Integrated Report 2013: Assurance

Governance, commitments and engagement

4.1	Governance structure of the organisation		Integrated Report 2013: Governance & Remuneration
4.2	Indicate whether the Chair of the highest governance body is also an executive		Integrated Report 2013: Governance & Remuneration
4.3	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Stakeholder Engagement	Integrated Report 2013: Our Stakeholders
4.4	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organisation's performance (including social and environmental performance)		Integrated Report 2013: Governance & Remuneration
4.5	Processes in place for the highest governance body to ensure conflicts of interest are avoided		Integrated Report 2013: Governance & Remuneration
4.6	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity		Integrated Report 2013: Governance Approach

UNGC	GRI	Description	Link within the report	External links
	4.7	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance and the status of their implementation		http://www.the-linde-group.com/en/about_the_linde_group/the_linde_spirit/index.html
	4.8	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities and adherence or compliance with internationally agreed standards, codes of conduct and principles	Our Approach to Sustainability: Sustainability Governance Structure	Integrated Report 2013: Governance Approach
	4.9	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	Our Approach to Sustainability: Sustainability Governance Structure	Integrated Report 2013: Remuneration Report
	4.10	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Ethics and Compliance	Integrated Report 2013: Our governance Approach
	4.11	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Afrox as a Sustainable Investment	
	4.12	Memberships in associations	Afrox as Sustainable Investment	
	4.13	List of stakeholder groups engaged by the organisation		Integrated Report 2013: Our Stakeholders
	4.14	Basis for identification and selection of stakeholders with whom to engage		Integrated Report 2013: Our Stakeholders
	4.15	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		Integrated Report 2013: Our Stakeholders
	4.16	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded to those key topics and concerns, including through its reporting		Integrated Report 2013: Our Stakeholders

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Standard disclosures: Performance indicators				
Environmental				
8	EN1	Materials used by weight or volume	Environment: Materials Used	
8,9	EN2	Percentage of materials used that are recycled input materials	-	
8	EN3	Direct energy consumption by primary energy source	Environment: Energy	
8	EN4	Indirect energy consumption by primary source	Environment: Energy	
8,9	EN5	Energy saved due to conservation and efficiency improvements	Environment: Energy	
8,9	EN6	Initiatives to provide energy-efficient or renewable energy based products and services and reductions in energy requirements as a result of these initiatives	-	
8,9	EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Environment: Energy	
8	EN8	Total water withdrawal by source	Environment: Water	
8	EN9	Water sources significantly affected by withdrawal of water	Environment: Water	
8,9	EN10	Percentage and total volume of water recycled and re-used	Environment: Water	
8	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment: Biodiversity	
8	EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Environment: Biodiversity	
8	EN13	Habitats protected or restored	Environment: Biodiversity	
8	EN14	Strategies, current actions and future plans for managing impacts on biodiversity	Environment: Biodiversity	
8	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Environment: Biodiversity	
8	EN16	Total direct and indirect greenhouse gas emissions by weight	Environment: Climate Change Strategy	
8	EN17	Other relevant indirect greenhouse gas emissions by weight	Environment: Climate Change Strategy	
7,8,9	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Environment: Climate Change Strategy	
8	EN19	Emissions of ozone-depleting substances by weight	Environment: Climate Change Strategy	
8	EN20	NO, SO, and other significant air emissions by type and weight	Environment	
8	EN21	Total water discharge by quality and destination	Environment: Water	
8	EN22	Total weight of waste by type and disposal method	Environment: Water	
8	EN23	Total number and volume of significant spills	Environment: Water	
UNGC	GRI	Description	Link within the report	External links
8	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce	Environment: Climate Change Strategy	
7,8,9	EN30	Total environmental protection expenditures and investments by type	Environment: Expenses	
Human rights				
1,2,3,4,5,6	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	Supplier development	
1,2,3,4,5,6	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	Supplier development	
1,2,3,4,5,6	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Ethics and Compliance	
1,2,6	HR4	Total number of incidents of discrimination and corrective actions taken		
1,2,3	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	Ethics and Compliance	

1,2,5	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour and measures taken to contribute to the effective abolition of child labour	Ethics and Compliance	
1,2,4	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Ethics and Compliance	
1,2	HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	-	
1,2	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	-	
1,2	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	-	
1,2	HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	-	

Labour practices and decent work

	LA1	Total workforce by employment type, employment contract and region, broken down by gender	Afrox as an Employer	
	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	Afrox as an Employer	
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Social benefits	
1,3	LA4	Return to work and retention rates after parental leave, by gender	-	
3	LA5	Percentage of employees covered by collective bargaining agreements	Afrox as an employer	
1	LA6	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Afrox as an employer	
1	LA7	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	Occupational Health and Safety	
1	LA8	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender	Occupational Health and Safety	
1	LA9	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	Employee Wellness	
	LA10	Health and safety topics covered in formal agreements with trade unions	-	
	LA11	Average hours of training per year per employee by gender, and by employee category	Talent management	
	LA12	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Talent management	
1,6	LA13	Percentage of employees receiving regular performance and career development reviews, by gender	Afrox as an Employer	

UNGC	GRI	Description	Link within the report	External links
Society				
	S01	Percentage of operations with implemented local community engagement, impact assessments and development programmes	All existing sites	
	S09	Operations with significant potential or actual negative impacts on local communities	All existing sites	
	S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	All existing sites	
10	S02	Percentage and total number of business units analysed for risks related to corruption	-	
10	S03	Percentage of employees trained in organisation's anti-corruption policies and procedures	-	
10	S04	Actions taken in response to incidents of corruption	-	
	S05	Public policy positions and participation in public policy development and lobbying	-	
	S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	No contributions	

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	S07	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	No Legal Action	
	S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No Fines	
Product responsibility				
1	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures	-	
1	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	No Incidents Reported	
8	PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	-	
8	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	No incidents reported	
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction		Integrated report 2013: Joint MD & FD review
	PR6	Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	Ethics & Compliance	
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	Ethics & Compliance	
1	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	None	
	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	None	
Economic				
	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments		Integrated report 2013: Value added statement
7	EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	CE Statement Climate Change	
	EC3	Coverage of the organisation's defined benefit plan obligations	Afrox as an Employer: Pension and Provident Funds	
	EC4	Significant financial assistance received from Government	None	
1	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Afrox as an employer	
UNGC	GRI	Description	Link within the report	External links
	EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation	Afrox as a Sustainable Investment: Supplier Development	
6	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	Afrox as an employer	
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind or pro bono engagement		Integrated report 2013: Value added statement
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts		Integrated report 2013: Joint MD & FD review.

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