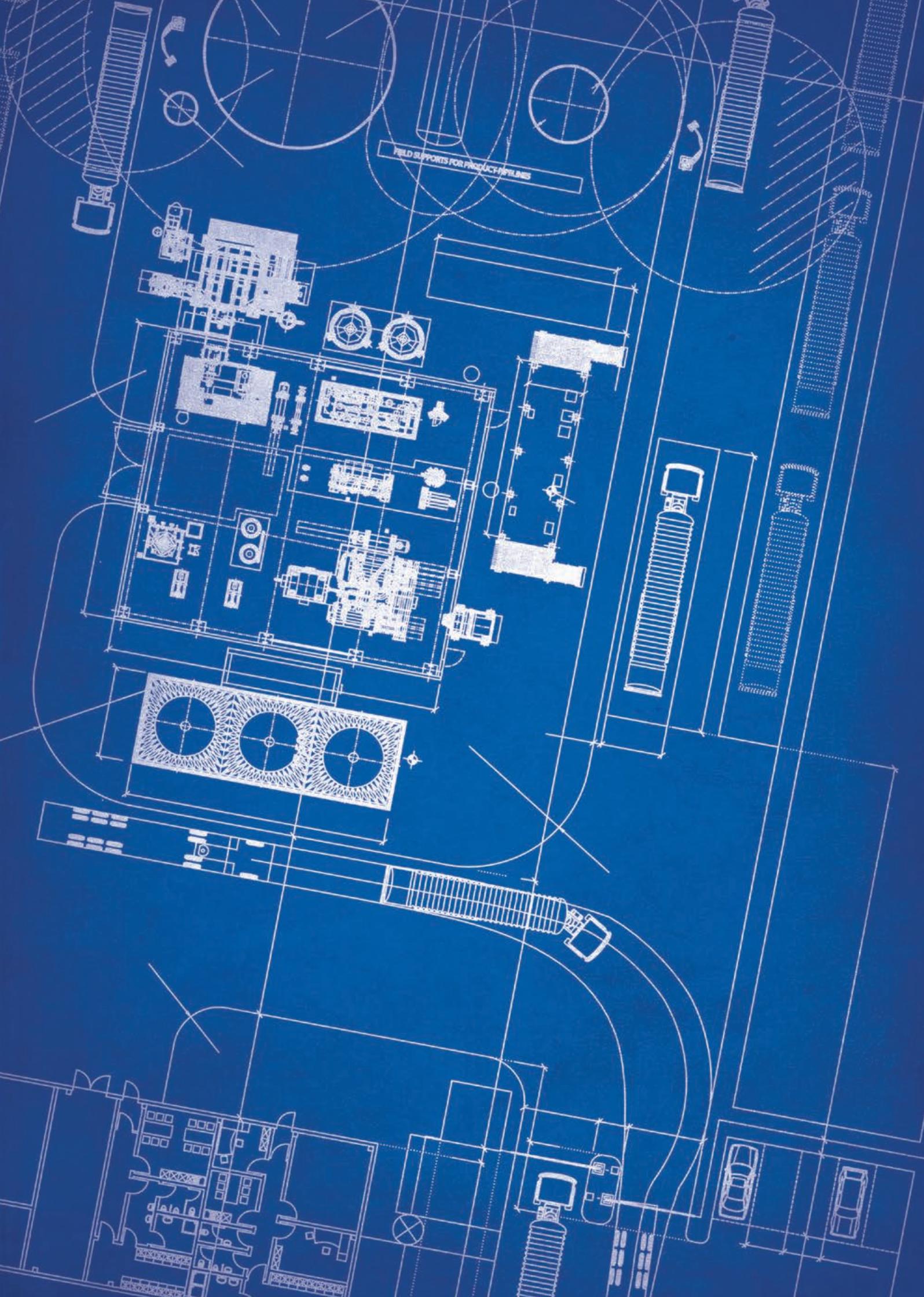


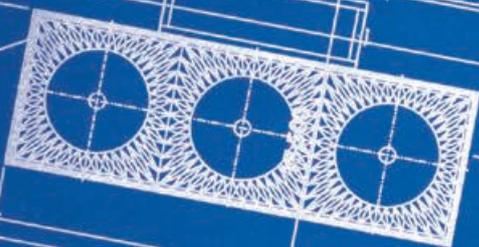
# 2013 SUSTAINABILITY REPORT

African Oxygen Limited





FIELD SUPPORTS FOR PRODUCT REPAIRS



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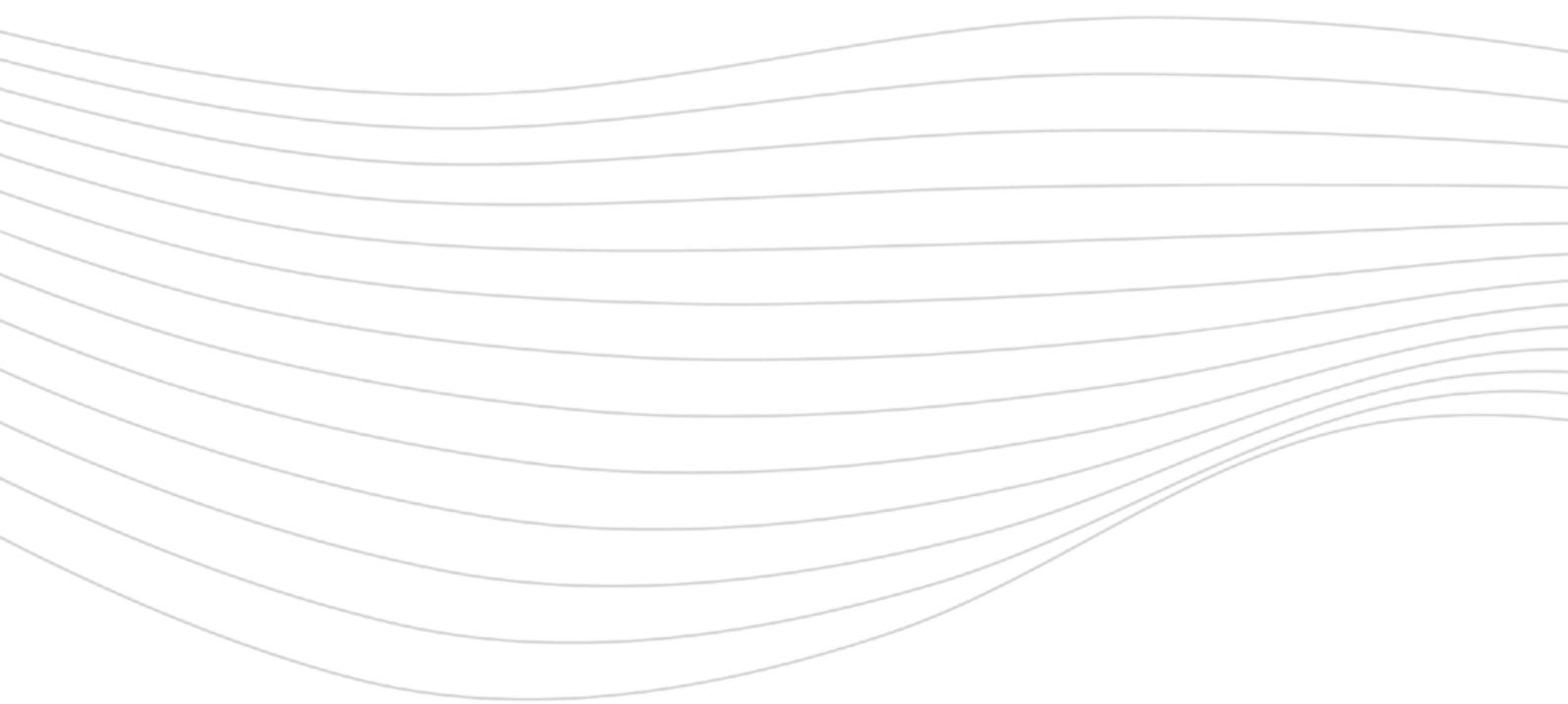
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This document should be read in conjunction with Afrox's 2012 Annual Report and Sustainability Report 2013.



## Foreword

### Dear stakeholders

Sustainability for us is closely related to issues connected with Safety, Health, Environment and Quality (SHEQ). At Afrox, we have an inspirational goal of zero harm to people or the environment. This drives us to continually improve our performance in ways appropriate to the risk, scale and impact of the products and services that Afrox supplies.

We will continue to concentrate on priorities for Afrox in the area of air emissions, waste management, sustainable use of resources and legal compliance and further strengthen our position.

Our key focus area in 2012 was compliance, ensuring sustainability and meeting legal requirements, while embedding monitoring and evaluation systems and firming up targets for 2013.

We are continually expanding our sustainability reporting activities, which I say with pride, resulted in Afrox once again being listed on the JSE Socially Responsible Index (SRI).

In the year under review, we are publishing our first GRI Aligned Sustainability report. This report will improve year-on-year and will inform you about our progress, challenges and future plans for sustainable and profitable growth.

Our stakeholders' trust is one of the key factors for our future success, which is why we maintain close dialogue with key stakeholder groups and listen carefully to what they say.

Energy efficiency and climate protection, for example, is a major issue for Afrox as well as many of our customers and partners. As a result, we have re-signed the DTI Energy Efficiency pledge and will participate in the carbon disclosure projects through the National Business Initiative.



We believe that behavioural change within Afrox is the single greatest contributor to improving the all-important SHEQ performance of the business. During 2012, we continued to roll out behavioral safety, which included a programme for our drivers called ActSafe for Drivers. This resulted in a decrease in the number of severity-one and severity-two incidents.

Sustainability will always be core to our strategy and 2013 will see the day-to-day management of clear objectives and targets. Ongoing expansion of our compliance programme will ensure we maintain licenses and permits to operate.

We will maintain an ongoing focus on SHEQ, refresh our carbon footprint and maintain our commitment to energy efficiency across our operations. Priorities in the coming year remain human rights and anti-corruption training for all in Afrox and its subsidiaries across sub-Saharan Africa.

A handwritten signature in black ink, appearing to read 'B Kimber', is positioned above the printed name.

Brett Kimber  
Chief Executive  
African Oxygen Limited  
23 February 2013

INFORMATION ABOUT THIS REPORT



Afrox House  
23 Webber Street  
Selby

## Reporting scope

This sustainability report covers all main sustainability issues relevant to African Oxygen Limited (Afrox) and its consolidated entities for the financial year ended December 2012 and must be read in conjunction with the annual report and the 2013 company profile.

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, non-governmental organisations (NGOs) government and the general public.

## Issues & topics

Our choice of priorities is largely guided by the expectations of our customers, shareholders, employees and other stakeholders. We regularly assess the relevance of these sustainability topics for both our business and our stakeholders.

In 2011, Afrox highlighted sustainability issues in the Annual Report and produced a Corporate Citizenship Report that covered sustainability issues for the same period. This year will be the first time that Afrox produces a standalone sustainability report. As a result, we have expanded on a number of topics and added new indicators to reflect our progress in these areas. Our aim is to give a transparent picture of our sustainability performance and meet rising demands for information from our stakeholders.

For the 2012 reporting period, determining material aspects were based on our risk assessment procedures as well as an informal materiality assessment process was in place for the 2012 period; risk management systems are in place that enable us to identify, evaluate and minimise business, environmental and social risks in all of our central business processes. Site-based risk assessments are conducted and monthly feedback is obtained from customers via the National Customer Service Centre satisfaction surveys.

The following material issues were identified for SHEQ in 2012 through SHEQ risk assessments and a review of the SHEQ leading and lagging indicators:

- Transport Safety
- Occupational Health – Manual Handling, Noise, Nitrous Oxide, Silica, Asbestos Exposure
- Environment – Air Emissions, Waste Management, Energy
- Quality – Maintenance and development of accreditations throughout the business

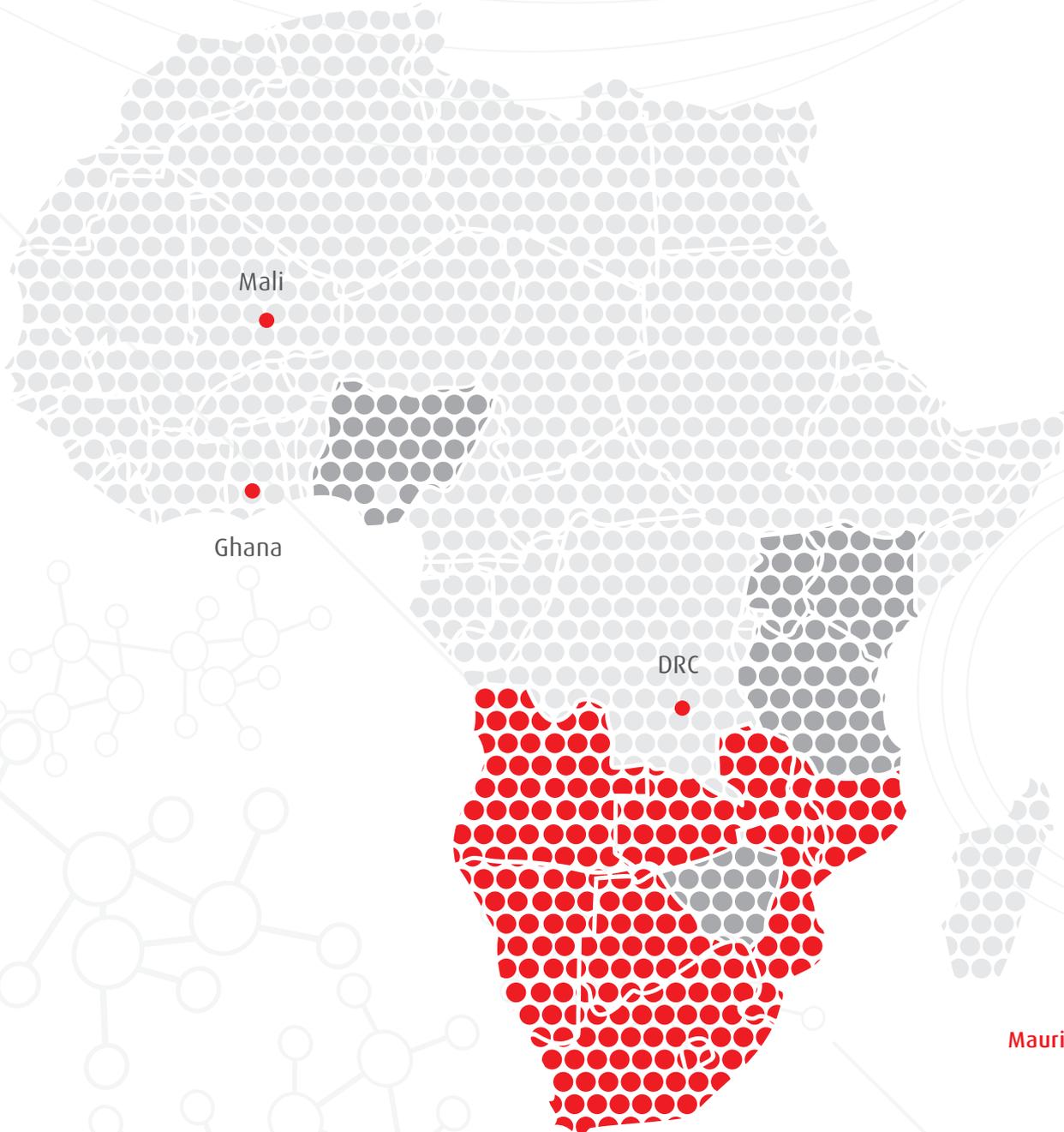
We plan to formalise the materiality process for future reporting periods.

This report contains information that has been externally verified as part of Annual Financial Reporting.

## Boundaries

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

# Afrox footprint



● Afrox owned

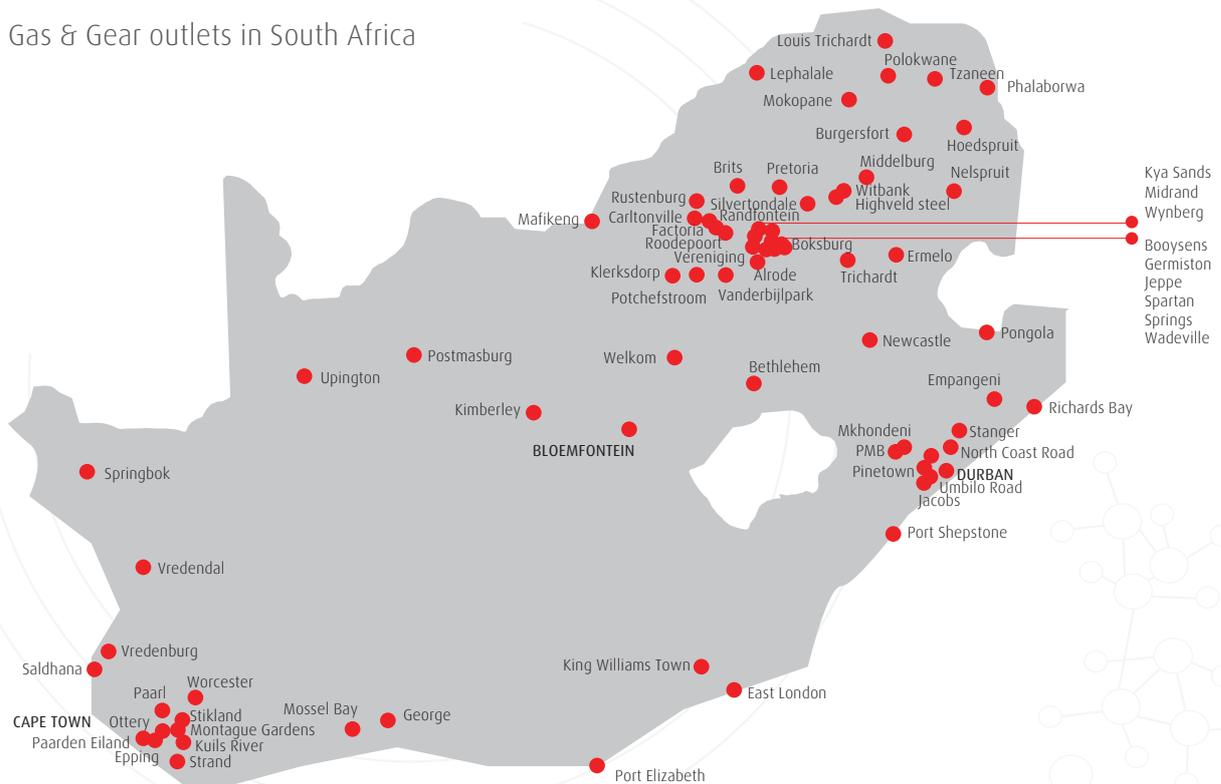
● Linde owned, managed by Afrox

## About Afrox

### We strive to be truly leading

At African Oxygen Limited (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 a great respect for all stakeholder interests, the rule of law, human rights, and international standards of behaviour. We recognise that 'stakeholders' is a broad term but one that generally consists of shareholders, colleagues, customers and other individuals or groups that may have rights, claims or other interests in our business. We base our behaviours on accepted international standards of doing business, on our Code of Conduct and our Code of Ethics, which are in accordance with accepted principles of good conduct in all situations, even when these prove challenging.

### Gas & Gear outlets in South Africa



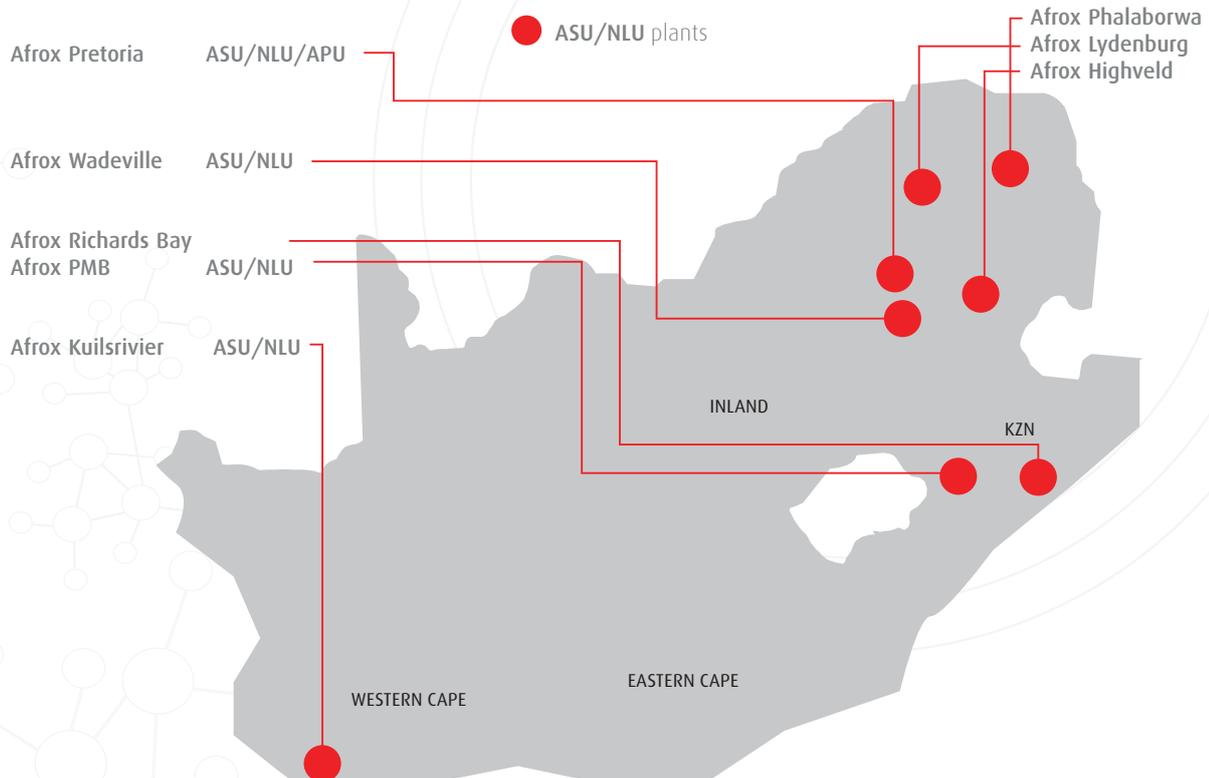
## Organisational profile

Afrox is sub-Saharan Africa's leading supplier of gases and welding products. Established in South Africa 85 years ago, the company listed on the Johannesburg Stock Exchange in 1963 and listed on the Namibian Stock Exchange in 1995.

With its head office in Johannesburg and employing 3 258 people, the company has four business areas, namely Atmospheric Gases, LPG, Hard Goods and Rest of Africa, which are the focus of our core operating structures Operations, Sales, National Customer Service Centre, Safety, Health, Environment and Quality (SHEQ) and African operations. All business areas are supported by the enabling functions Finance, Communications, Information Services and Human Resources.

Today, as part of The Linde Group, the company's managing shareholder, with a 51% stake, Afrox operates in South Africa and in 11 more African countries including Namibia, Malawi, Mozambique, Tanzania, Zambia, Angola, the Democratic Republic of Congo, Uganda, Mauritius and Ghana. Afrox meets the product needs of a wide range of customers drawn from sectors as diverse as mining, manufacturing, heavy industry, healthcare and hospitality. Within the sub-Saharan markets in which it is active, Afrox manages five operations on behalf of The Linde Group: Zimbabwe, Nigeria, Kenya, Tanzania and Uganda. Throughout all regions, Afrox supplies the full range of large-volume on-site and bulk gases, cylinder gases, scientific and medical gases, refrigerants, packaged chemicals, helium and associated products. It also serves its markets with gas equipment, welding consumables and safety products.

### Plant locations

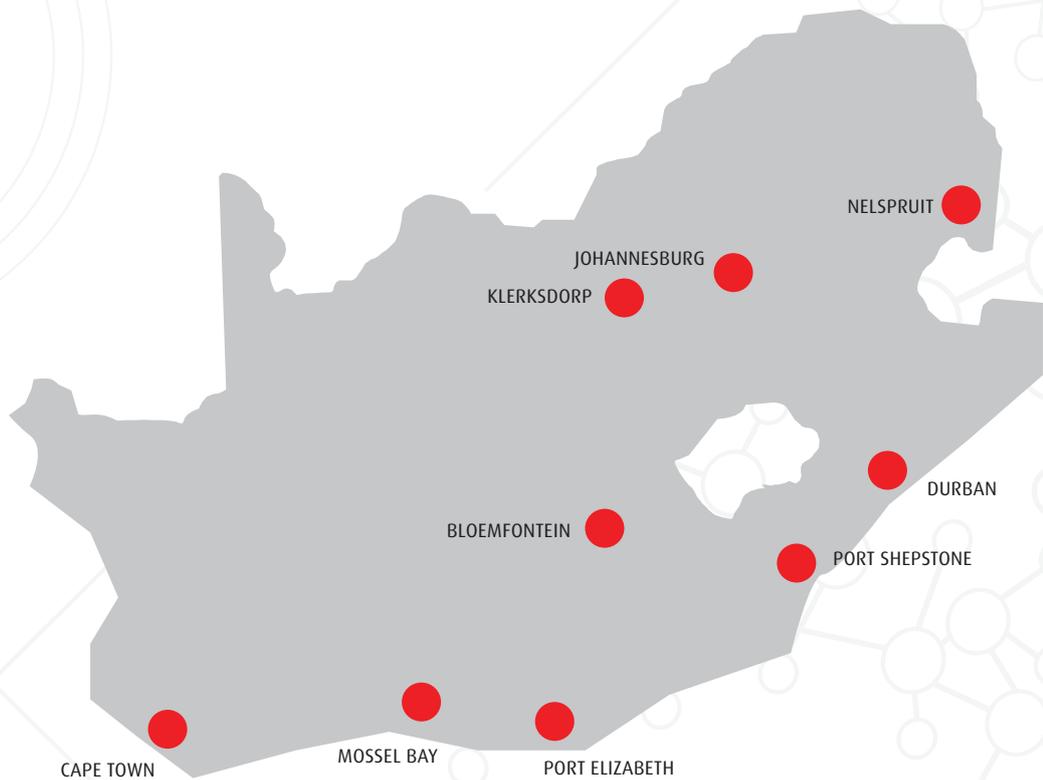


Plant locations

● CO<sub>2</sub> plants



LPG cylinder filling sites





## PortaPak

The Afrox PortaPak is engineered to take our cutting and brazing skills anywhere. Portable and robust, PortaPak keeping your business mobile.



## Saffire

Choosing the right welding and cutting equipment is your passport to a safe working environment. Insist on Afrox gas equipment and meet the highest international performance and safety standards. Buy Saffire, for quality you can be sure of.



## Vitamax

Vitamax and professional welders are the power behind great achievements in cities all over South Africa. Often copied – but never equalled. Vitamax delivers the perfect weld with a smooth and spatterfree performance, ease of strikeability, arc stability and excellent slag release. Don't compromise. Team up with Vitamax, the champion electrode.



## AfroxPac 35i

**SANS 1737: 2008 compliant**

There is no more stringent testing ground than a South African mine. The new-generation AfroxPac 35i, enhanced with new-age materials and superior chemical containment embodies the already proven success of the AfroxPac. More robust and heat resistant than ever before. Unashamedly home grown in the toughest mines on earth.



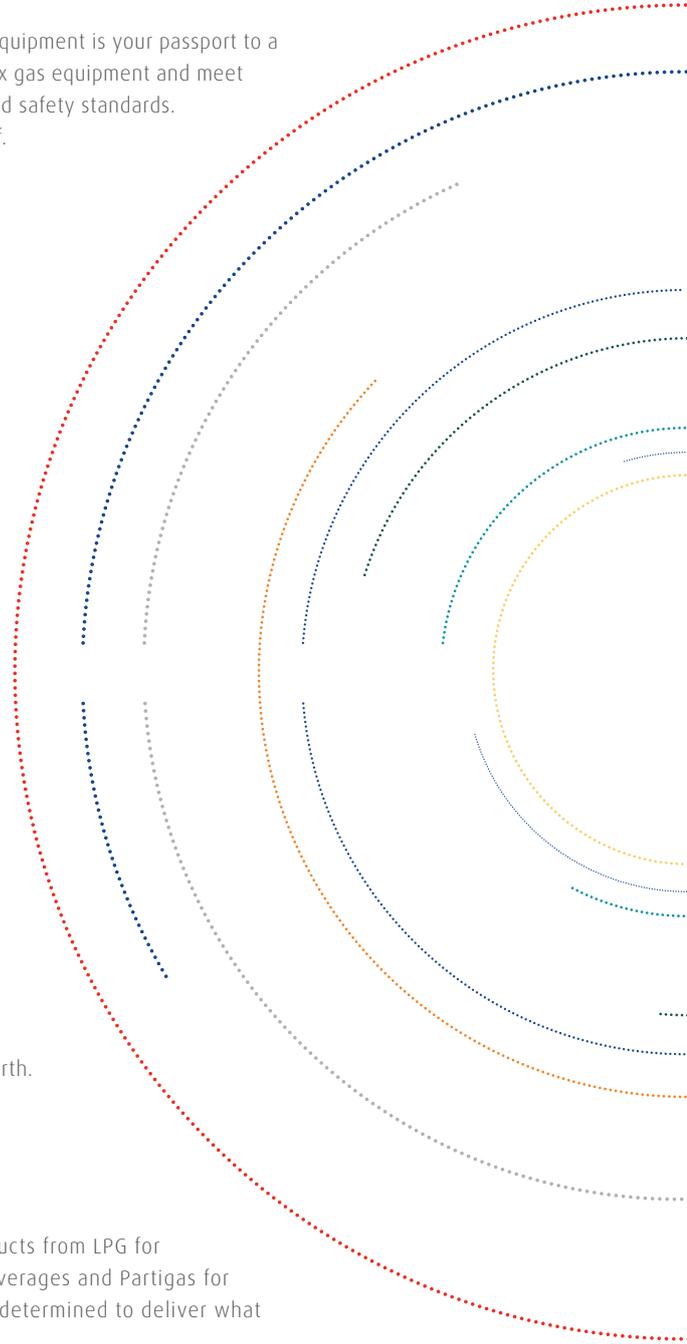
## Sureserve

Sureserve provides a full range of products from LPG for cooking and heating, to Suremix for beverages and Partigas for balloons – but more than that, Afrox is determined to deliver what you need, when you need it.



## Industrial

High power with great performance. Uncomplicated, fully adjustable settings. Greater control across welding applications, including flux cored or gasless welding. Afrox now offers you a range of heavyweight, efficient, industry-leading MIG welding machines.



## Refrigerants

For cooling applications, we are the gas specialists. Supplying you with convenient disposable and refillable cylinders, so your customers stay cool and confident at all times.



## FoodFresh

FoodFresh gases do exactly what their name implies. This innovative range of Modified Atmosphere Packaging (MAP) gases and gas mixtures lock in food flavours, aromas and colours. Forget about wastage – FoodFresh extends shelf life dramatically.



## Shielding Gases

By forming a protective gas shield around the welding contract point, Afrox shielding gases prevent weld defects. They are specifically formulated and tested to deliver the perfect weld. Prevent structural integrity and aesthetic appeal from being compromised when working with sensitive materials such as aluminium, stainless steel and copper.



## Transarc

Portable. Durable. Functional. If you want a do-it-yourself welding machine, then choose Transarc. This compact, lightweight welding machine delivers consistently, anywhere, anytime.



## HiQ

Precision matters in everything we do, which is why our HiQ range of gases and equipment provides the accurate solution you need for optimum control and minimum impact on the environment.



## Ripegas

Afrox Ripegas allows you to dramatically accelerate the ripening process of fruit. Whether the fruit has just been picked or is taken from storage, you can go from green to ripe in hours. And that means you can plan delivery to coincide with the fruit's optimum texture, colour and flavour.

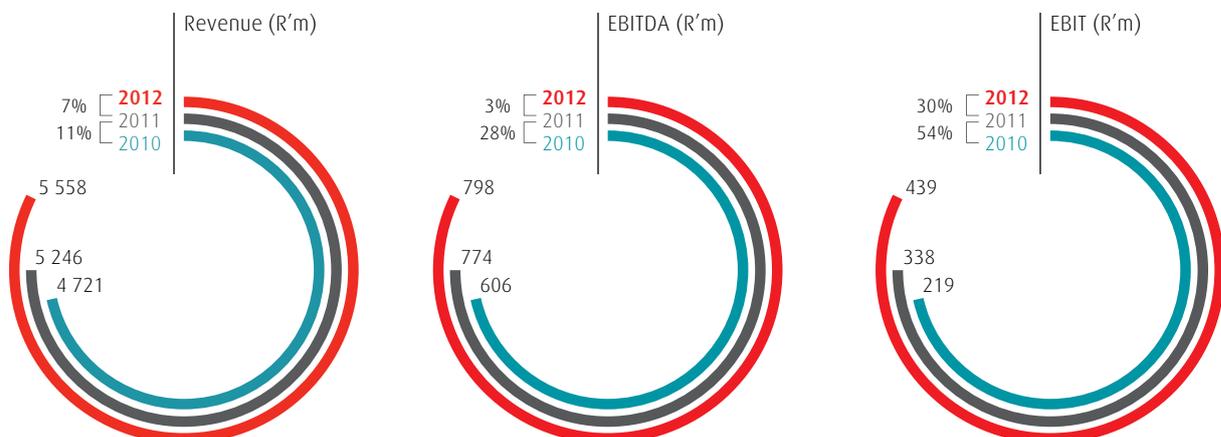




## Value added statement for the year ended 31 December 2012

This statement is a measure of the wealth created by the Afrox Group through its various business activities. The statement and charts show the total wealth created, how it was distributed and retained.

Group	2012		2011	
	R'm	%	R'm	%
<b>Wealth created</b>				
Revenue	5 558		5 246	
Cost of goods and services	(3 737)		(3 513)	
Value added	1 921		1 733	
Finance income	133		168	
Income from investments	4		3	
	2 058		1 904	
<b>Wealth distributed and retained</b>				
Employees				
Salaries and benefits	1 148	56	1 109	58
Community				
Donations	6	–	3	–
Providers of capital	324	16	319	17
Finance costs	157	8	214	11
Non-controlling interest	13	1	12	1
Ordinary dividends	154	7	93	5
Taxation	136	6	100	5
Retained in Group activities	444	22	373	20
Depreciation and amortisation	328	16	283	15
Retained income	116	6	90	5
	2 058	100	1 904	100
<b>Value added ratios</b>				
Number of employees	3 258		3 324	
Permanent	3 248		3 288	
Short-term and contractors	10		36	
Revenue per average permanent employee (R'000)	1 701		1 572	
Value added per average permanent employee (R'000)	588		519	



A close-up photograph of two hands shaking in a firm grip, symbolizing a business agreement or partnership. The hands are wearing light-colored suit jackets and white shirts. The background is blurred, showing other people in a professional setting. Overlaid on the image is a faint, light-colored molecular network or network diagram consisting of interconnected circles and lines. A prominent red banner with a diagonal cutout on the right side is positioned across the middle of the image. Below the banner is a horizontal bar composed of several colored segments: yellow, red, green, blue, orange, green, and dark green.

STRATEGY AND MANAGEMENT

## Values and standards

Our values and principles form the basis for the way we do business. They are captured in The Linde Spirit. Our four key corporate values define how we plan to move towards our goals. Our fundamental principles define issues of key importance in this context – both inside and outside the company.

### Values

We believe that a passion to excel, innovating for customers, empowering and thriving through diversity will result in a high performing organisation. Moreover, by exercising these values with integrity and in ways that are safe, sustainable and respectful, we will create an organisation which all can be proud to work for and in which everyone can find fulfilment.

### Our principles

- Safety:** We do not want to harm people.
- Integrity:** Our actions are honest, fair and ethical.
- Sustainability:** We focus on today's success and accept our responsibility for future generations.
- Respect:** Every human being deserves to be treated with respect.

### Guidelines

Our internal guidelines and standards define how we implement values and principles throughout the company. The Code of Ethics describes rules for a conduct that aligns 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. The Code of Ethics is binding for all employees. Afrox also encourages 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 at Afrox.

In our global Linde Group policy on safety, health, environment and quality, 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.

Compliance guidelines help ensure compliance with laws.

### Our Vision

We will be the leading gases and welding products company, admired for our people by any measure, in sub-Saharan Africa.

### Our Mission

Afrox will provide services and a focused range of performance enhancing gases and welding products to valued customers, through excellence in operations, customer service and delivery, and investment in infrastructure, people and technology for the benefit of all stakeholders.

## Corporate responsibility at Afrox

Afrox has a strong culture of corporate responsibility and focuses on the triple bottom line as is reflected in the company strategy. The objective is to assist wisely and constructively by building on the commitment of our people and our community-based projects, thereby making a sustainable difference to society. Corporate responsibility (CR) represents Afrox's contribution to sustainable development. In our corporate responsibility policy, we commit to treating people and the environment with respect, protecting natural resources and developing sustainable technologies and products.

Our corporate responsibility management enables us to anchor these objectives in our day-to-day business. Our corporate responsibility activities are built on four cornerstones:

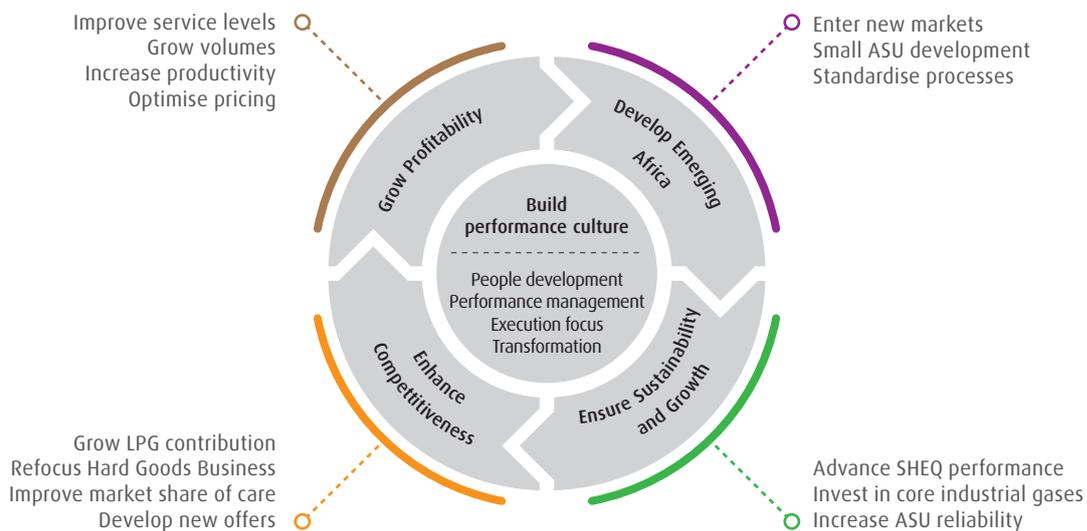
**Continuous improvement:** We strive for high sustainability standards. We continually analyse sustainability risks and opportunities for our company and develop strategic measures that further improve our CR management and enable us to set goals;

**Analysis of the entire value chain:** With our corporate responsibility activities we consider the entire lifecycle of our products and all key business processes. We help our customers improve their sustainability performance and expect contractors and suppliers to follow our corporate responsibility goals;

**Stakeholder engagement:** We also align our sustainability activities with changing social needs, incorporating stakeholder requirements into our CR strategy and measures; and

**Transparency:** We regularly report on our progress in the different core areas of our corporate responsibility activities. Key performance indicators enable us to track our economic, ecological and social performance.

## Afrox strategy



## Afrox Corporate Responsibility policy

### Philosophy

Positioned as a leading gases and welding company, Afrox has built its business on the following cornerstones:

- Passion to excel;
- Innovating for customers;
- Empowering people; and
- Thriving through diversity.

We see these values at the heart of our competitive abilities and long-term success. They underpin and contextualise our role within society, guiding our actions wherever our business takes us.

Every Afrox employee undertakes to acknowledge and implement the guidelines set out in our Corporate Responsibility policy.

### Principles

Afrox undertakes to behave responsibly towards its shareholders, business partners, employees, society and the environment – in every one of its business areas, regions and locations.

Afrox is committed to technologies and products that unite the goals of customer value and sustainable development.

Afrox secures its future by investing in staff, research and development and by tackling the problems and challenges facing the world today.

### Guidelines

#### Markets

- We believe in a value-driven management style, with business policies that are aligned with the interests of our company, its shareholders and its stakeholders;
- We promote good corporate governance, constantly strengthening the sense of responsibility that governs our management and supervisory activities;
- Our activities revolve around the best interests of our customers;
- We offer in-depth, end-to-end technical solutions; and
- We are firmly committed to free and fair competition and we deal with our competitors and business partners in accordance with the Afrox Code of Ethics.

#### Employees and society

- We maintain an atmosphere of respect and openness both within our company and in our business interactions;
- We believe in personal development and ongoing learning, offering our employees a wide variety of opportunities to achieve their personal potential;

- We make our knowledge and expertise available to society as a whole and secure our success through a willingness to co-operate with other organisations;
- We are open to other cultures and lifestyles and welcome different experiences and perspectives;
- Equal opportunities are hardwired into all aspects of our work; and
- We promote education and research projects that are closely linked to our core business.

#### SHEQ – Safety, Health, Environment and Quality

All our activities are guided by a clear umbrella principle:

*“Afrox will avoid harm to people, society and the environment while providing quality products and services to our customers”.*

Our activities align with the Afrox SHEQ Policy. This commits us to ensure that all of our business operations are executed in accordance with strict safety, health, environment and quality standards.

- We all take a personal responsibility for SHEQ;
- Managers at all levels demonstrate visible leadership;
- We apply the policy in our day-to-day behaviour; and
- Safety, health, care for the environment and quality are a prerequisite to any business we undertake.

### Obligation

We fulfil our duty of accountability towards our shareholders, employees, customers, business partners and the general public through regular and accurate reporting.

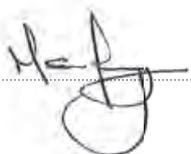
All our company guidelines are in harmony with our Corporate Responsibility policy.

On behalf of the Afrox Board and the Executive Management.

**Brett Kimber**  
Chief Executive



**Mike Huggon**  
Chairman



Johannesburg  
23 February 2013

## Corporate responsibility organisation

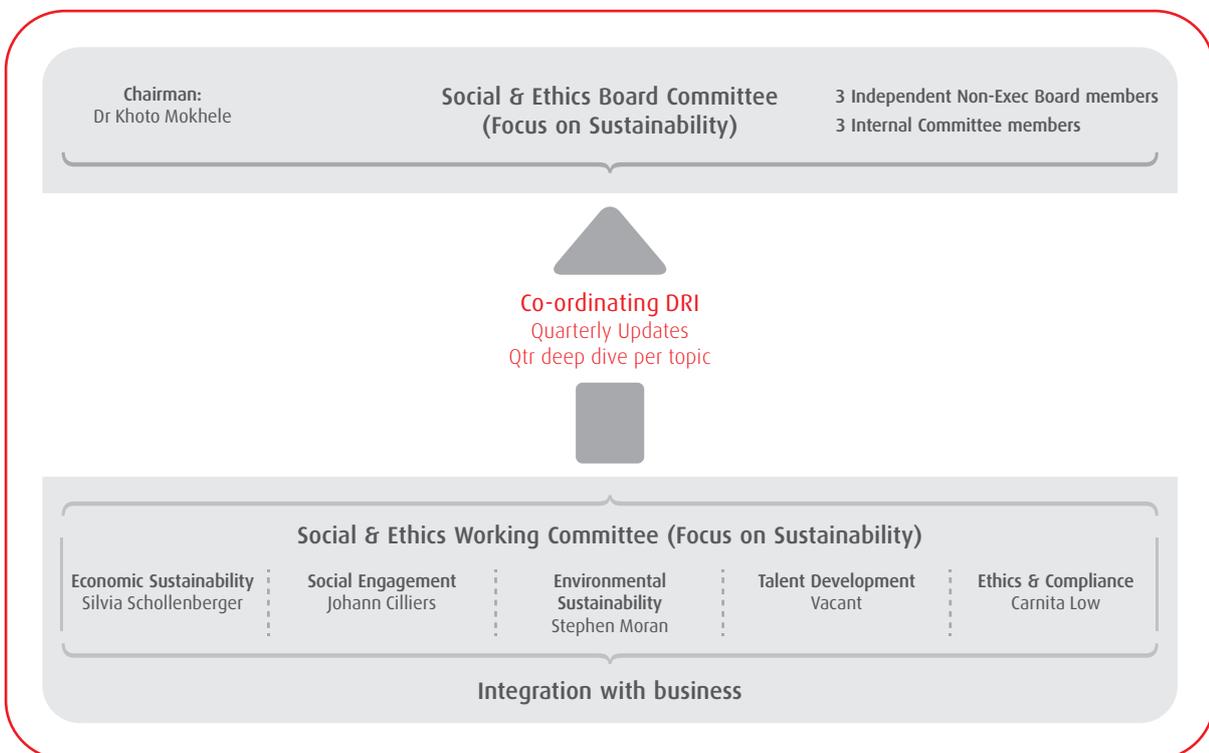
### Responsibility for sustainability

The Linde Corporate Responsibility Council is the central decision-making authority on sustainability issues for The Linde Group. It defines the cornerstones of the Corporate Responsibility Strategy and in Afrox our commitment is to align to the identified issues as far as possible with due consideration for our unique local context.

Afrox's chief executive has overall responsibility for the company's sustainability performance. Through the Afrox Corporate Responsibility Policy he has delegated authority to the general managers responsible for ensuring economic, social, environmental and employee sustainability performance through company standards, directives and strategic direction.

The Afrox Board is kept informed of the company's sustainability compliance and high-level risks through regular reports and presentations to the Social, Ethics and Transformation Committee.

### Afrox Social, Ethics and Transformation committee



## Corporate Responsibility Management

### Risk management

At Afrox we have implemented systems 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. We continue to expand our programme to ensure that legal regulations and our voluntary commitments are upheld.

### Sound corporate governance

We are committed to ethical conduct when dealing with individuals, customers and 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 that fair, honest and understandable business practices are part of the fabric of our culture, ensuring that sound corporate governance is fundamental to our sustainable success and best practices are followed. Governance principles are incorporated into all our structures, and we constantly reassess and review systems and policies to ensure compliance and best practice is applied and followed. The King III Report on Corporate Governance has focused our efforts to ensure that sound leadership, sustainability and corporate citizenship are included in all our business structures and policies.

### Board of directors

**Mike Huggon** Chairman (British)

**Brett Kimber** Chief Executive

**Nick Thomson** Financial director (British)

**Jonathan Narayadoo** Executive director

**Mathias von Plotho** (German)

**Dynes Woodrow** (British)

**Richard Gearing** (British)

**Dr Khotso Mokhele** (Independent)

**Sipho Maseko** (Independent)

**Morongwe Malebye** (Independent)

**Christopher Wells** (independent) (British)

**David Lawrence** (Independent)

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

Considerable effort has been expended on making sure that the welfare of employees is ensured through the application of appropriate SHEQ programme. This focus will continue to be of fundamental concern to the company.

## The Board and its charter

Our Board has a unitary structure. It comprises of five independent non-executive directors, four non-executive directors who are employed in executive capacities within The Linde Group and three executive directors. The Board operates under an approved charter that regulates the way business is conducted by the Board in line with the principles of sound corporate governance. Our Board charter, which is aligned to principles recommended by King II and now King III, details the powers of the Board, provides that the Board has ultimate accountability and responsibility for our performance and affairs. The charter is updated annually to keep up with best practice and will be amended to take into account the changes brought about by King III and the new legislation.

## Chairman and chief executive

The roles of our chairman and our chief executive are separate to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The chairman has no executive functions, but provides overall leadership of our Board and its committees. He, in conjunction with the Nomination, Governance and Management Resources Committee (NGMRC), monitors and evaluates the performance of the chief executive to ensure our strategic and operational objectives are achieved. The chairman is an executive of the controlling shareholder, Linde AG, and in 2012 LL van Niekerk was the independent non-executive director, and the lead independent director. He is to be replaced by Dr Khotso Mokhele.

## Board committees

While the Board remains accountable and responsible for our performance and affairs, it delegates to management and Board committees certain functions to assist in discharging its duties properly. Each Board committee acts within agreed, written terms of reference. The chairman of each Board committee reports and provides minutes of committee meetings at scheduled Board meetings. Most of the Board committees' members are independent non-executive directors. The chairman of each Board committee is an independent non-executive director. The executive directors attend Board committee meetings by invitation.

In order to ensure compliance with King III in 2011 and the new Companies Act 71 of 2008, a Social, Ethics and Transformation Committee has been established that meet at least three times per year. The Committee is mandated to monitor the companies activities around social and economic development; good corporate citizenship; environment, health and public safety; consumer relationships as well as labour and employment, having regard to relevant legislation, to other legal requirements, or prevailing codes of best practice as well as ensuring alignment with Linde CR goals.

Although Afrox has for many years actively implemented policies and monitored developments in these areas, which are regarded as vital to our sustainability, the establishment of the Committee ensures that social, ethical and transformation issues will be dealt with consistently and at the appropriate level.



## Global compliance programme

At Afrox, our business success is based not only on our customers trust in the quality of our products and services, but also on our impeccable business conduct. We believe that such conduct is achieved by fostering and cultivating a culture of integrity.

We therefore operate our business in full compliance with all applicable laws, regulations and guidelines, including anti-corruption laws.

Corruption is against Afrox's foundational principles, in particular integrity and respect, and violates our Code of Ethics. We would rather forego a business opportunity than obtain it illegally. Our reputation and long-term success are far too valuable.

An anti-corruption compliance guide and tools are provided to all employees to help them conduct their business in a legal and legitimate way.

Afrox participates 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 that require further investigation.

Ongoing training takes place on the Code of Ethics programme. The content and development of an e-learning course has been further expanded and an online course in anti-trust laws was launched in 2012. In addition, all employees receive a copy of the Code of Ethics when they start working for the company and must confirm in writing that they have read and understood it.

Should employees wish to report suspected violations of our Code of Ethics, they can contact their line manager or department head. Alternatively they can contact a representative from the Internal Audit, Human Resources or Legal/Compliance structure.

Our Global Integrity Call Line Reporting System is one of the key pillars of our compliance programme. Every report is assessed and forwarded to The Linde Integrity Committee.

Afrox employees who violate laws or regulations must be prepared to face sanctions. Repercussions for violations range from dismissal to criminal prosecution or civil action.

## Code of Ethics

Our aim in this respect is to earn the trust of customers, shareholders, colleagues, suppliers and communities through honesty, performance excellence, good corporate governance and accountability. We demand our people respect confidential information, company time and assets. While common sense, good judgement and conscience apply in managing a difficult or uncertain situation, our Code of Ethics and Code of Conduct assist in detailing the standards and priorities within the Afrox Group, as well as specific rules covering human rights, safety at work, and environmental and supply management. Guiding principles, or core values, within the codes define our responsibilities towards, and what we expect from:

- Directors;
- Employees;
- Local communities and the public;
- Customers, suppliers and markets; and
- Shareholders.

Allegiance to the Code of Ethics and Code of Conduct is the starting point from which we draw inspiration and guidance for our behaviour within a group, society at large and within our organisation. An integrity call line has been established to enable our colleagues to report contraventions of the codes.

## Afrox as a sustainable investment

The capital markets assess the sustainability performance of companies by ranking investments in line with responsible business criteria. In 2012, Afrox was again listed on the JSE Socially Responsible Index (SRI) and we aim to qualify for further SRI indices.

The investment community is engaged through required financial advertisements issued in the print media. These notices, and all other major developments, are also made public through the Stock Exchange News Service (SENS). Supplementary media releases are issued and media interviews are conducted where appropriate. The Afrox Group results are presented at the annual general meeting, which follows the publication of an integrated annual report to which all shareholders are entitled.

Sector financial analysts, independent 'stock watchers', leading stockbroking companies and the financial media are provided with briefings. These briefings cover all facets of the company's activities and are arranged in conjunction with the Investment Analysts Society. In addition, the Chief Executive and Financial Director endeavour to meet with major shareholders and other interested parties at least twice a year.

A comprehensive website, [www.afrox.com](http://www.afrox.com), provides readily accessible information on all facets of Afrox's corporate activities. Catering for all levels of public interest in Afrox, our website ensures easy access to the specific needs of the financial community, all SENS announcements, company financial results, media releases and documents, including annual reports.

We have two presentations/briefings with analysts/investors per annum; in February and August. In 2012, only one-on-ones were held with the Chief Executive and Finance Director mid-year.



## Supplier development

As a responsible company, Afrox is concerned about the environmental impact of all its activities throughout Africa and those of its suppliers. As a contributing member of the South African Supplier Diversity Council we participate in national programmes in support of local supplier development. We aim to select the right supplier for Afrox, as it is fundamental to our being able to conduct our business and provide for the diverse needs of our customers. Throughout our business we are adopting a process to ensure that the selected supplier best matches our precise business needs and covers consideration of health, safety and environment.

As a Broad-Based Black Economic Empowerment level 3 contributor Afrox is proud of its achievements in promoting the interests of the previously disadvantaged within its supplier value chain. During the year, in terms of government guidelines, Afrox achieved a level of 110% for its preferential procurement recognition.

For its goods and services in South Africa, Afrox is further embarking on endeavours to engage with, approve and develop its current and potential B-BBEE suppliers, with focus on Black owned and Black women owned businesses which includes a renewed preference for local potential sources. Our current and potential B-BBEE suppliers are not treated differently with regards to business requirements in relation to quality, commercial standards or service delivery, but does include an appreciation towards and active support of our B-BBEE strategic objectives for the company.

Our suppliers and service providers are informed and engaged via supplier site visits and meetings, and performance reports, all geared to ensure good value, safe quality products and services that support our growth strategies.

## Stakeholder engagement

As a public company listed on the Johannesburg and Namibia stock exchanges, Afrox acknowledges its duty to its 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.

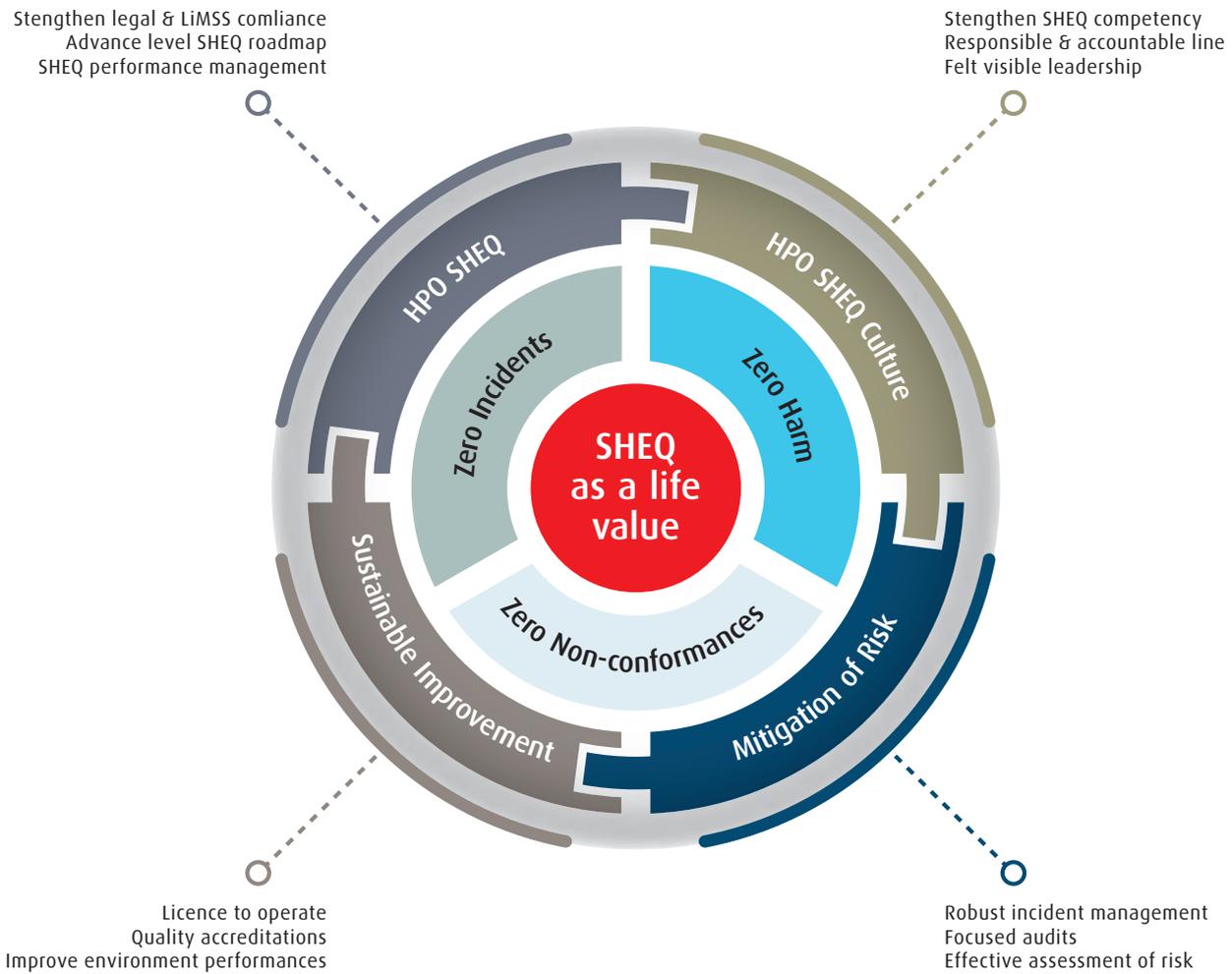
Communication to our stakeholders embodies the principles of balanced reporting, clarity and openness. Positive and negative aspects of both financial and non-financial information are provided. We maintain an active dialogue with key financial audiences, including institutional shareholders and investment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

We communicate to our stakeholders in the following way:

- It is our policy to present to investors, fund managers and analysts twice a year after the release of our results. The executive directors conduct regular road shows and presentations and maintain contact with fund managers and institutional investor representative bodies on socially responsible investment and triple bottom-line issues, and initiate one-on-one interactions and briefings with interested investors, both locally and from overseas;
- Our Board encourages shareholders to attend the annual general meeting. The AGM provides an opportunity for shareholders to question the Board, including the chairs of the various Board committees. Shareholders have the opportunity to cast their votes at the AGM;
- Employee surveys and interdisciplinary working groups; and
- Collaboration with sustainability networks like South African Supplier Diversity Council (SASDC) and National Business Initiative (NBI).



## Afrox SHEQ strategic alignment



## SHEQ in Afrox

Afrox's commitment to ensuring sustainability and growth and advancing safety, health, environment and quality (SHEQ) performance as a strategic priority encompasses the company's commitment towards SHEQ.

SHEQ is an integral part of how Afrox does business, and is encompassed in the Afrox spirit as one of our values. Afrox is committed to excellence in managing all activities in such a way that it ensures the protection of the health and safety of colleagues, contractors, suppliers, customers and local communities, as well as the protection of the environment.

The Afrox Board SHEQ Committee assists the Board to monitor the effectiveness of SHEQ management systems within Afrox and to guide the Board in decision-making from a SHEQ perspective.

A dedicated SHEQ department works with the business to ensure that the company has deliverable policies and is proactive in its risk assessment and professional in its remediation.

The Afrox SHEQ department defines SHEQ systems and standards to enable the business to comply with relevant legislation and company standards in terms of the key focus areas of safety, occupational health, environment, process safety, transport safety, quality and integrated management systems.



During 2012, a new SHEQ General Manager was appointed and towards the end of 2012, the SHEQ department engaged with key senior members of the business to develop a SHEQ Plan linked to the Afrox business strategy. SHEQ is seen as central to the execution of the business strategy.

Underpinning the SHEQ strategy is the following:

- SHEQ must be seen as a life-value at all levels;
- Engaged and empowered people ensure SHEQ is owned at source;
- Confidence that our systems meet customer product quality and service expectations;
- Promotion of health and wellbeing leading to more productive people;
- SHEQ behaviours, systems and processes supporting and responding to our business growth agenda; and
- Industry leading where appropriate.

Sustainability is closely related to issues connected with safety, health, environment and quality. The inspirational goal of zero harm to people or the environment motivates us to continually improve our SHEQ performance in ways appropriate to the risk, scale and impact of the products and services that Afrox supplies.

The business priorities and key strategies have been defined and communicated to all Afrox personnel. SHEQ detailed goals and targets have been defined and articulated in Lagging and Leading indicators, which are cascaded throughout the business.

The responsibility and authority for SHEQ is well defined and evaluated through annual performance reviews. Everyone is personally responsible for SHEQ on our sites. Managers are expected to demonstrate visible leadership in implementation of the SHEQ agenda. The SHEQ policy and the SHEQ Golden Rules are the key drivers in guiding day-to-day behaviours.

Strategic business decisions and new projects consider and evaluate the SHEQ risks associated with such activities. Site risk assessments have been conducted and are regularly reviewed. Mitigation measures for these risks are implemented in Afrox operations across Africa.

## Golden Rules of Safety

The SHEQ Golden Rules are the critical few that prevent serious incidents from occurring.

Managers, employees and contractors are expected to adhere to these rules, consider any breach during incident investigations and site inspections, and where necessary apply consequence management.



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### 1. Incident Reporting

We will report and investigate incidents so that the causes can be identified and corrected, and learning shared.



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### 2. Driving & Vehicles

We will operate our vehicles safely and responsibly at all times and use the safety equipment provided.



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### 3. Permit to Work

We will use the Permit to Work System where necessary to ensure hazards and risks are understood and controlled.



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### 4. Working at Height

We will only work at height when the required safety measures to prevent falls are in place.



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### 5. Lifting Operations

We will ensure lifting operations utilising cranes or other lifting devices are carried out safely.



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### 6. Contractor Management

We will select and manage our contractors so that they meet The Linde Group's safety requirements.



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### 7. Engineering Management of Change (EMOC)

We will only proceed with technical changes to process plants and process equipment when an Engineering Management of Change process addressing the safety risks has been completed.

## SHEQ policy

The SHEQ policy sets out mandatory guidelines in all areas of SHEQ. Managers are responsible for communicating this policy, demonstrating safe behaviours, and creating the right conditions for continual improvement with the support of SHEQ managers. The policy commits to valuing the health and safety of employees and all who come into contact with the Afrox business and to not harm to the environment. The policy further commits to the supply of high quality and safe products to our customers. A copy of the SHEQ policy is available on [www.afrox.com](http://www.afrox.com).

To achieve the vision of being the leading gases and welding company in sub-Saharan Africa, Afrox personnel are expected to apply this policy in their day-to-day behaviour and decisions. The key message from the SHEQ policy is that Afrox does not want to harm people or the environment as a result of us doing business.

### Our principles:

- Safety, health, quality and care for the environment are foundational principles of our businesses;
- The safety and health of our colleagues, customers, business partners and communities in which we do business is our number one priority;
- Visible leadership and personal accountability for SHEQ, at all levels; and
- SHEQ principles shall be reflected in 100% of our behaviour, 100% of the time.

### Our vision:

- Zero incidents;
- Safe, secure and healthy working conditions for all who work with and for us;
- High quality, safe and environmentally responsible products and services that meet or exceed customer expectations;
- Responsible use of natural resources; and
- Economic and environmental sustainability in everything we do.

### Our commitment:

- Comply with applicable legal, regulatory, industry and corporate requirements;
- Design, construct and operate our facilities in a safe, secure, efficient and environmentally responsible way;
- Accountability and performance tracking against our SHEQ goals and targets;
- Work with our business partners and industry to actively promote and enforce compliance with this policy;
- Promote open communication with all stakeholders and sharing of SHEQ knowledge;
- Continuously improve our performance and actively manage risk in our business; and
- Provide resources, training, equipment and other support to enable fulfilment of this policy.

This policy is integral to Afrox and The Linde Group strategy and is periodically reviewed by the executive management board.

The executive management board is committed to the implementation of this SHEQ policy.



Prof Dr Wolfgang Reitzle



Prof Dr Aldo Belloni



Thomas Blades



Georg Denoke



Sanjiv Lamba

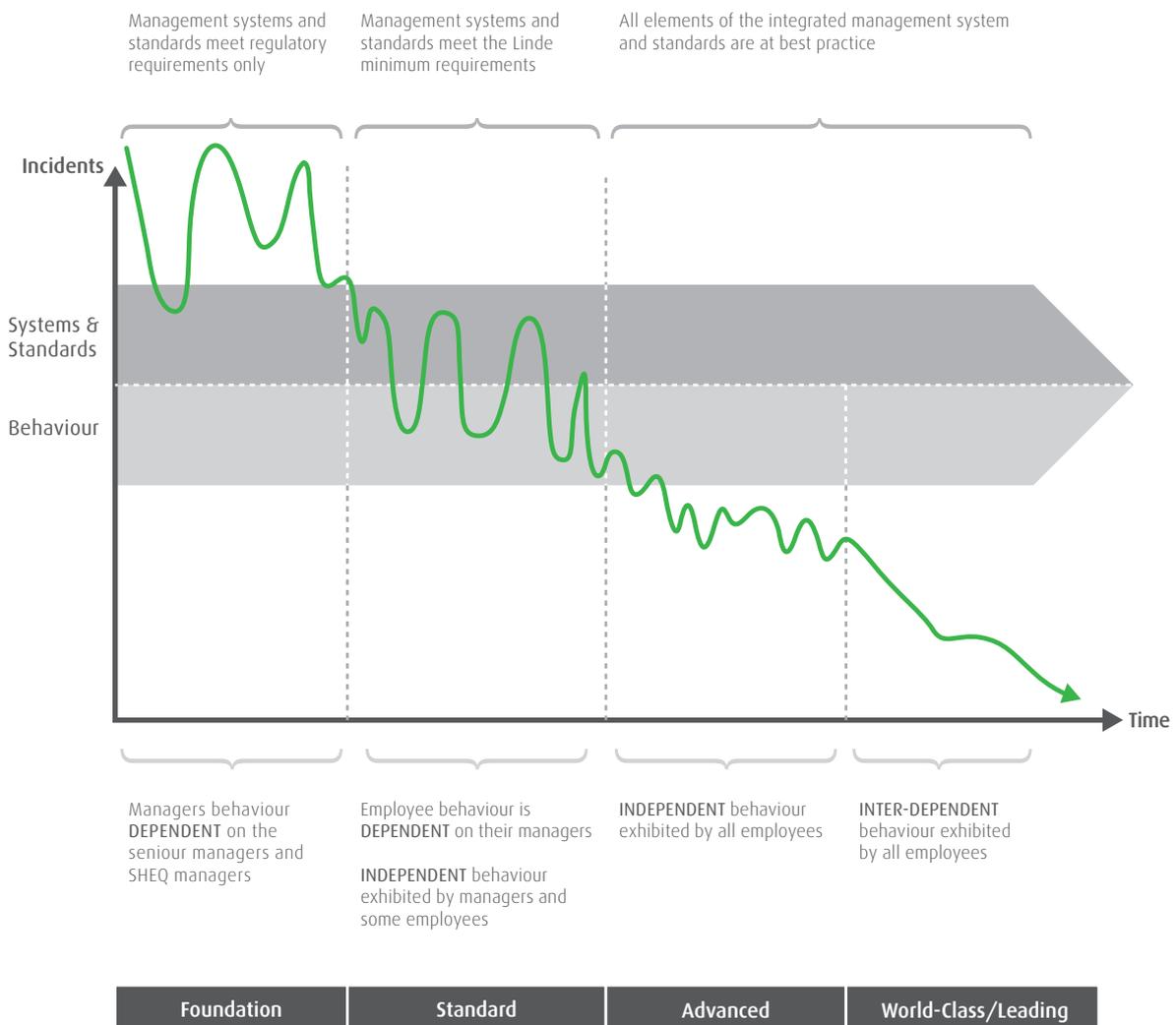


Brett Kimber CE



## SHEQ roadmap

The Leading in SHEQ Roadmap is a tool used which defines the steps required to move the business to world-class in the management of SHEQ in a number of components (21 in December 2012). The move to advanced and world-class requires a robust management system around behaviours at all levels.



## Afrox SHEQ management system

Afrox has a well developed and integrated SHEQ management system based on the principles of ISO 9001, ISO 14001, OHSAS 18001 as well as the relevant legislative requirements. The integrated system allows for integrated SHEQ audits, risk assessments and management reviews. The system also facilitates employee involvement in the SHEQ risk management, compliance with industrial requirements, compliance with local and national legislation and for the implementation of operational best practice in all areas of SHEQ. Management system standards are documented in the company's Integrated Management System Standards (IMSS).

### Certifications:

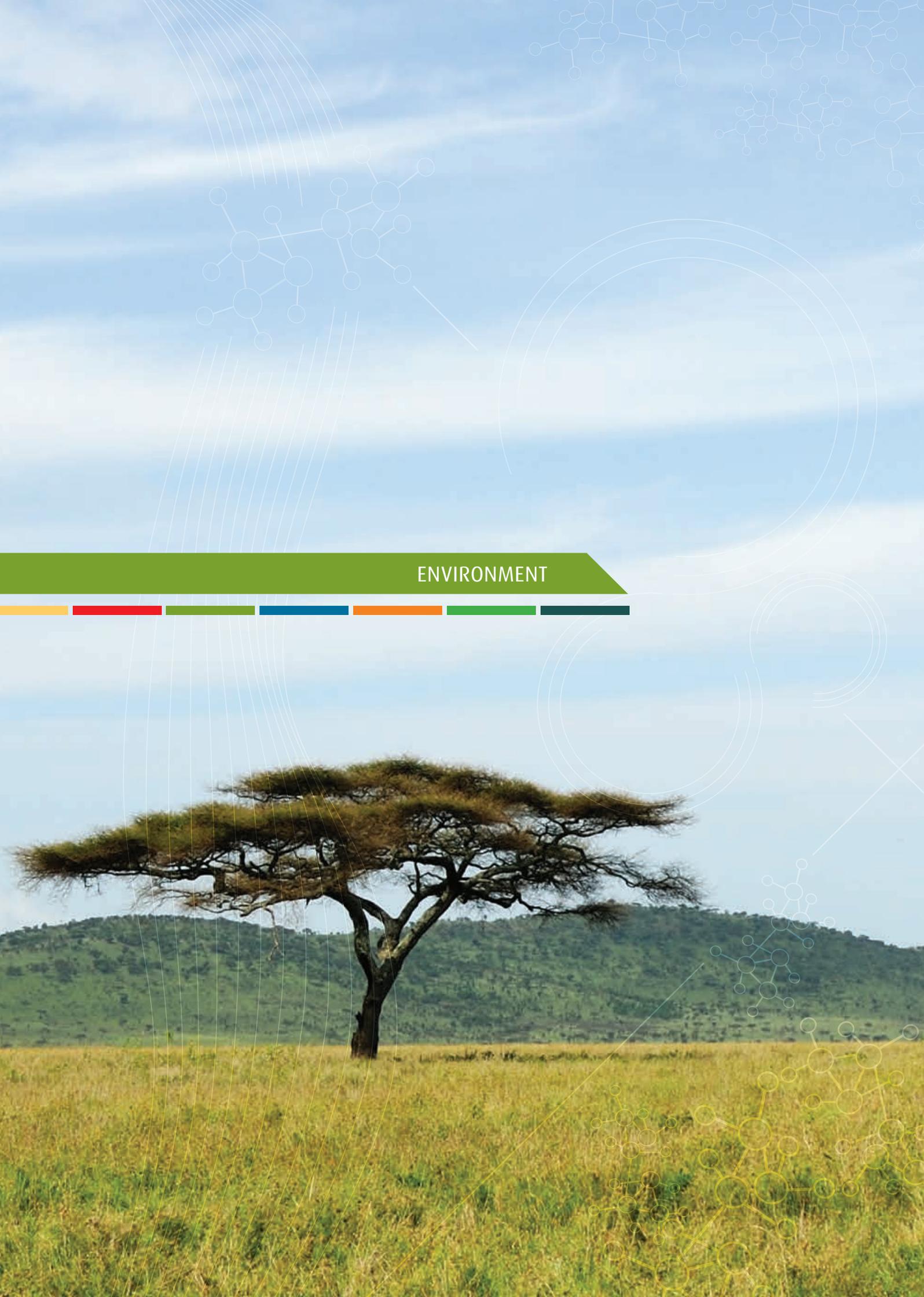
Afrox: ISO14001 OHSAS 18001	Region Emerging Africa: ISO14001 OHSAS 18001	Other Certifications
<ul style="list-style-type: none"> <li>• Gas Equipment Factory</li> <li>• Welding Consumables Factory Brits</li> <li>• Self Rescue Division</li> <li>• IR&amp;D/Cryogenics</li> <li>• Head Office</li> <li>• Maydon Wharf Filling</li> </ul>	<ul style="list-style-type: none"> <li>• Kenya</li> <li>• Malawi</li> </ul>	<p>All sites that manufacture and fill gas for use in the medical industry comply with the Good Manufacturing Practice (GMP) requirements. The Medicines Control Council (MCC) controls licensing of all medical gases manufacturing sites.</p>

Facilities where cylinders are tested are registered with SANAS as approved testing facilities and certificated to ISO 17020.

Afrox sites with railway sidings have successfully retained their Railway Safety Regulator permits ensuring the safe operation of their private railway sidings. Each of these sites have contracts with Transnet and implemented safety standards, including operating procedures, risk assessments, emergency plans and preventative maintenance programmes, as per the requirements of the Railway Safety Regulator (RSR) standards.

During the course of 2012, Aprox sites have also been audited by Coca Cola and all sites have been authorised to supply carbon dioxide (CO<sub>2</sub>) to food & beverage industry standards.

Some of the factories have the Product Certification Mark for certain products. These areas are regularly audited by the certification bodies to ensure compliance with the standard.



ENVIRONMENT



**2012 ENVIRONMENTAL HIGHLIGHTS**

- ISO 14001 Environmental Management System certification Head Office, Maydon Wharf, Welding Consumables Factory Brits
- Legal Compliance – Air Emissions Licences, Environmental Impact Assessments

**2013 PLANS**

- Improve awareness of Environmental Management System
- Focused Environmental Auditing
- Maintain licences and permits to operate
- Refresh carbon footprint
- Maintain accreditations– ISO 14001
- Set objectives & targets - water, energy, waste, carbon footprint, air emissions

Key issues are air emissions, waste management, sustainable use of resources, and legal compliance. As a result, 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 that 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 wastes and any by-products generated. The data submitted using this reporting tool is used by The Linde Group to compile submissions to the global Carbon Disclosure Project (CDP).

The environmental focus during 2012 included:

- Maintenance of, and working towards, ISO 14001 certifications;
- Reviewing environmental permits and licences to ensure compliance;
- Communicating within the business on trends and analysis, and proposed corrective actions for external ISO 14001 audit findings;
- Updating internal legal compliance checklists;
- Reviewing environmental authorisations;
- Ensuring compliance with asbestos regulations;
- Auditing and approval of various hazardous waste service providers;
- Involvement in innovative technological ideas to sustain the environment; and
- Applications for air emissions licences.

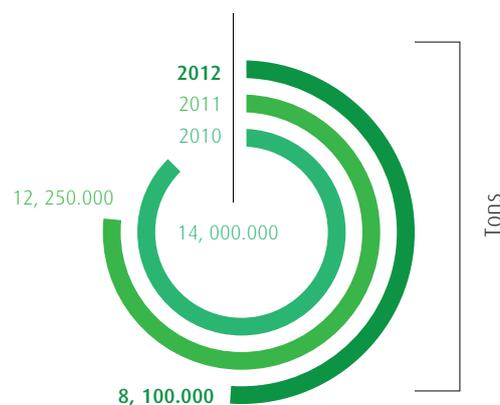
**Materials used by weight and volume**

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 the production of Afrox’s gases, welding consumables, gas welding and cutting equipment, Self Rescue Packs as well as bulk vessels and tankers. See table below for the breakdown per production process. Sites are required to monitor their consumption of raw material monthly and ensure that processes are efficient and deliver optimal yields and outputs.

**Types of raw materials by production process**

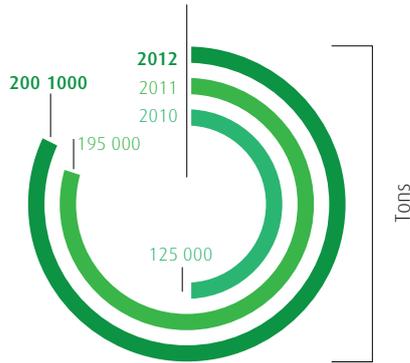
PRODUCTION PROCESS	RAW MATERIAL	BUSINESS UNIT
Welding rod manufacturing	Metal; Flux Powders and Chemicals	Afrox Welding Consumables Factory
Welding equipment production	Metal (brass and copper); Solvents; Lubricating Machine Oil; Chemicals	Afrox Gas Equipment Factory
Self Rescue Pack manufacturing	Chemicals; 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

**Raw materials used 2010 - 2012**



The above graph is inclusive of all types of raw materials. The decrease in 2012 of raw materials was due to three sites being shut down for a long period of time during the year, due to maintenance issues and customer demand.

Packaging material used 2010 - 2012



A large proportion of Afrox’s products are either delivered in returnable cylinders or as cryogenic liquids into dedicated storage facilities. However, some products supplied by Afrox are packaged, therefore generating waste, and necessitating the use of raw materials.

Afrox sites use cardboard and plastic as materials for packaging of Afrox’s welding consumables, gas welding and cutting equipment and Self Rescue Packs.

Afrox also uses cylinders to supply gases. A gas cylinder is a fully reusable package and in most cases is refillable. An Afrox owned cylinder will only become waste when it can no longer be used at the end of its economic life (well in excess of 20 years). Cylinder waste is fully recyclable. It is only in exceptional circumstances that gas cylinders are land filled after being made safe to do so, e.g. scrapped acetylene cylinders.

The upward trend between 2011 and 2012 is due to increased production at the Welding Consumables Factories.

## Energy

Electricity consumption within the air separation units accounts for the majority of the CO<sub>2</sub> emissions within the company. Energy reduction targets per unit are in the process of being set.

Afrox acknowledges the changes in the national legislative and policy environment with regards to climate change and will ensure that plans are in place to address all requirements with regards to energy as well as emission reduction targets.

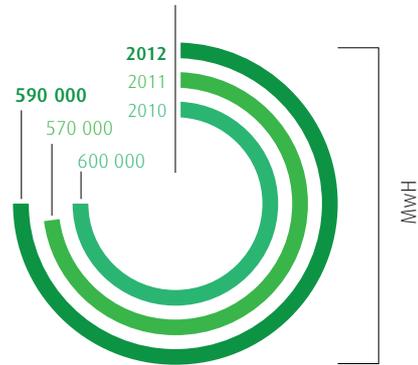
Our primary source of energy is electricity, while other sources of energy include LP gas, diesel and petrol. The production of oxygen, nitrogen and argon from air, the process conducted at Afrox’s air separation units (ASUs), is energy intensive which indirectly results in the release of greenhouse gases.

The ASUs represent the most energy intensive section of the Afrox business, accounting for nearly 80% of the energy consumed by Afrox.

Energy management programmes minimise costs and reduce our environmental impact. Our plants harness maximum demand controls and “specific power”, measure of the energy used per ton of product produced is reported monthly. Production sites have also introduced power factor correction to make optimum use of electricity.

Power Factor Correction is when equipment used to reduce the angle between real and apparent power, in most of our cases this is done in the form of capacitor banks installed on the electrical supply to our plants. The upward trend in the purchased electricity graph, below, between 2011 and 2012 is due to the construction of a new air separation unit in 2012.

Energy 2010-2012



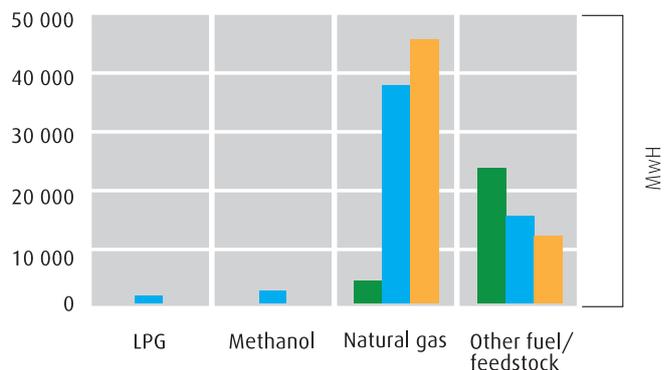
Above graph is inclusive of all sources of energy.

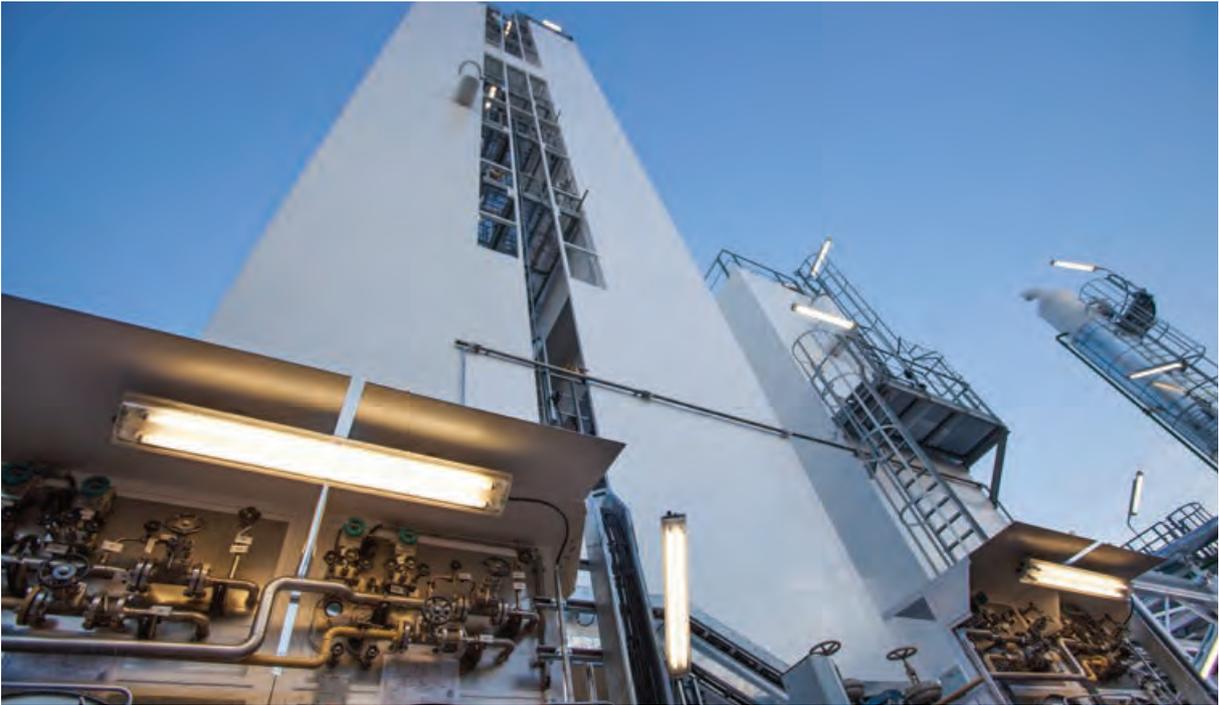
To date significant investment and resources have been made available within Afrox to reduce our electricity consumption.

The actions taken thus far include:

- Three meters were installed at major sites in 2012;
- Training of employees to understand their roles and responsibilities;
- Development of detailed action plans for each plant to reduce consumption;
- One process efficiency review (PER) was conducted vs target of 1) at an ASU site in 2012;
- Twelve growth and performance projects identified and implemented in 2012; and
- Analysis and preparatory work was done in 2012 for the new Pretoria ASU tariff change, a 22% reduction per year is expected.

Energy consumption by source 2010 - 2012





## Case study

How Afrox is reducing the demand on the national electricity network and reducing the carbon footprint.

As part of the energy management efforts, an energy reduction opportunity was identified at Afrox Pietermaritzburg plant. The Pietermaritzburg air separation unit (ASU) plant in KwaZulu-Natal is a 24-hour per day operation and produces gaseous nitrogen, oxygen and argon for commercial and industrial use.

This energy reduction initiative was aimed at reducing energy consumption during peak period thereby making that energy differential available on the grid to Eskom to provide energy to neighbouring plants and/or local community.

Energy consumption baseline data was collected over a certain period and analysed to determine reduction opportunity, the nitrogen liquefying unit (NLU) was identified as one of the top energy intensive units to operate. Several modes of operation of the NLU that provide the most energy efficient operation without impacting product quality and process stability were tested and verified by the team and external measuring and verification team.

The solution that was chosen was to install a 250m<sup>3</sup> cryogenic storage tank to store up the gas and build capacity during off-peak periods and turning down the energy intensive nitrogen liquefying unit during peak period. This would not only ensure that the plant saves cost due to reduced demand during the expensive peak period but also it would ensure that Afrox frees up power capacity for Eskom during peak hours that can be made available to neighbouring plants and the local community.

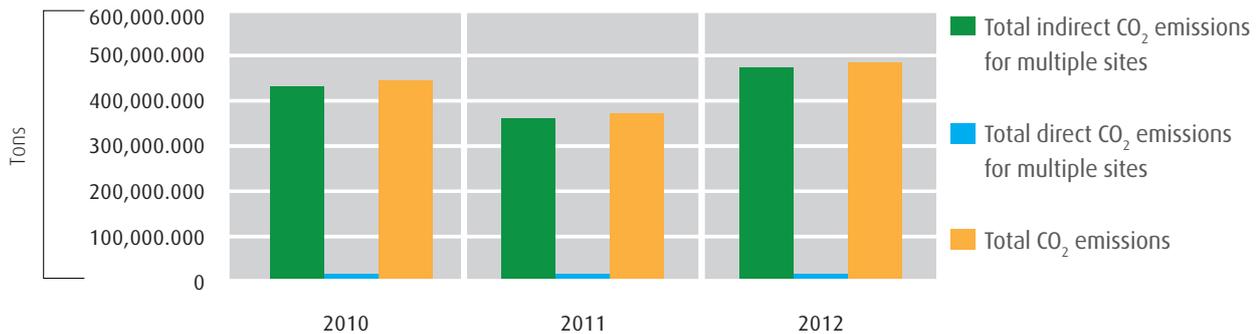
More importantly, this two hours peak time NLU turndown per day will amount to 2.5 MW energy savings which is a considerable CO<sub>2</sub> emission reduction. ("Eskom Demand Side Management – Reduces greenhouse gas emissions that are harmful to the environment. For every kWh saved, CO<sub>2</sub> emissions are reduced by 1 kg").

Afrox approached Eskom with this energy reduction initiative to participate in the Demand Side Management Programme which is aimed at promoting energy efficiency in South Africa, and since then, the companies have entered in an agreement to deliver this initiative.

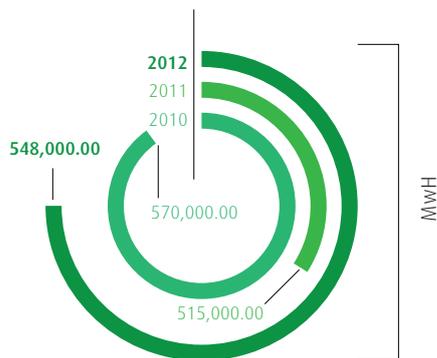
*Reference: 1. Eskom IDM. 2013. Eskom IDM. [ONLINE] Available at: <http://www.eskom.co.za/idm>. [Accessed 28 January 2013]*

## Climate protection

### Greenhouse gas emissions 2010-2012



### Total purchased electricity 2010-2012



As expected there is a direct correlation between the Afrox greenhouse gas emissions and electricity usage. The electricity to CO<sub>2</sub> factor used for 2012 was 0.99 kgs of CO<sub>2</sub> per KWh.

The increase in total CO<sub>2</sub> emissions for 2012 was due to the construction of a new air separation unit. Note that retail stores e.g. Gas and Gears and business travel (air, accommodation, car hire) were not included in this calculation.

Afrox has re-signed to the National Business Initiative and Department of Energy "Energy Efficiency Pledge".

In 2012, the following actions have been completed:

- Levels of Nitrous Oxide vented to the atmosphere was reduced through engineering changes in the way it is manufactured and filled into cylinders;
- One process efficiency review (PER) was conducted at an ASU site in 2012;
- Energy efficient lighting installed where practicable; and
- Geysers replaced with heat pumps where practicable.

In order to achieve its objectives of reducing greenhouse gas emissions, the following actions will be taken:

- A full climate change strategy will be developed;
- Defined targets for CO<sub>2</sub> reduction will be set;
- Afrox's carbon footprint will be recalculated in 2013 and then on an annual basis, enabling year-on-year progress to be monitored;
- The Special Gases facility is planning to obtain ISO 17025 accreditation which will enable Afrox to support industry in its efforts to meet legislated emission targets;
- Afrox will continue to support the South African Government's commitment to phasing out HCFCs in the market according to the timeframes outlined in the Kyoto Protocol; and
- Air emissions licences for sites with listed activities as per National Environmental Management (NEM): Air Quality Act 2004.

Afrox supports the phase-out of ozone depleting substances as per the Montreal Protocol. We have identified R427A as the most suitable and environmentally responsible HFC alternative which will support industries in the phase-out of R22. To show our commitment towards a sustainable environment, we will be converting all our R22 with R427A by 2015.

In 2012, we have also committed to a HCFC Phase-Out Plan as per legislated requirements.

NOx, SOx, and other significant air emissions by type and weight.

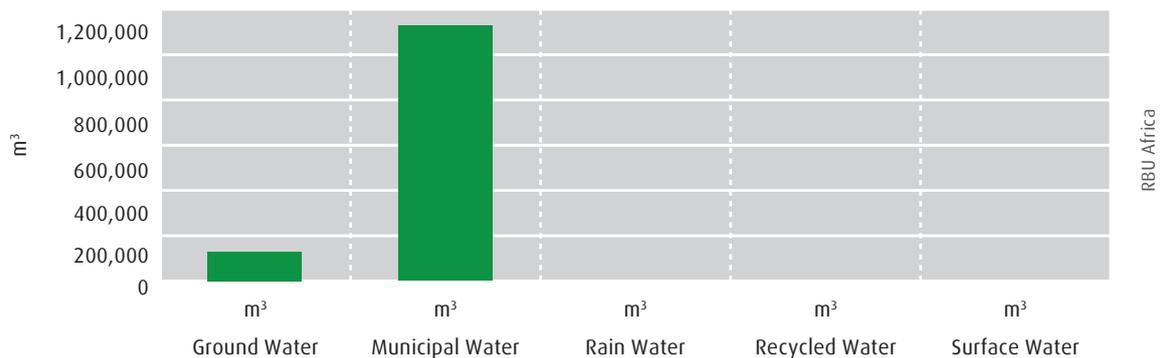
The production of acetylene in South Africa is a listed activity under the National Environmental Management: Air Quality Act of 1994. Afrox is busy with a process to obtain the air emission licences for acetylene production required under the new Act.

Electrode paste manufacturing and zinc spraying were new listed activities in 2012 as per National Environmental Management: Air Quality Act of 1994. The relevant sites are busy with air emissions licences applications or exemptions were applicable.

Water

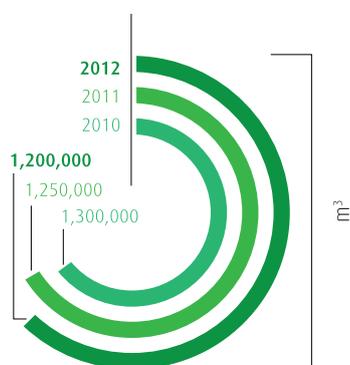
Our activities do not have a significant effect on any water resource, natural habitats or related ecosystems. Afrox sites are required to monitor their water consumption monthly and trends are analysed.

Total water withdrawal by source for 2012



Water is sourced from municipal or regional utilities and some sites use boreholes for gardening purposes.

Total water consumption 2010-2012



Water is used in Afrox’s processes primarily for:

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

Water savings initiatives have been implemented at various sites and these have contributed to the 2.5% decrease in water consumption in 2012.

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

No permit contraventions or significant spills were reported in 2012.

## Waste water for 2010-2012



## Waste

Most of Afrox's releases to land result from waste generation. The company 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 Afrox's hazardous waste streams are approved by the SHEQ department and their operations audited regularly.

Stringent measures are in place to safely handle and dispose of asbestos-containing waste from scrapped acetylene cylinders. In order to comply with the requirements of the regulations for the Prohibition of the Use, Manufacturing, Import and Export of Asbestos Containing Materials (2007), Afrox has obtained an Asbestos Registration Number and submitted an asbestos phase-out plan to the Minister of Environmental Affairs. This phase-out plan has been accepted by the authorities, and Afrox is the holder of the required registration certificate. At this stage, Afrox no longer mass or de-mass acetylene cylinders with asbestos-containing mass. The legally required external annual audits have provided a positive outcome.

Afrox sites manage their waste responsibly by maintaining site waste inventories, doing regular inspection of waste areas and ensuring that waste assembly and storage areas meet company and legal requirements.

Acetylene production produces lime as a useful by-product in the form of a slurry or filter cake. Approximately 93% of this lime product is re-used by selling the product to other industries that use the lime for the following purposes:

- Neutralisation of acid mine effluent;
- Construction of roads;
- White washing (paint industry); and
- Cement manufacturing.

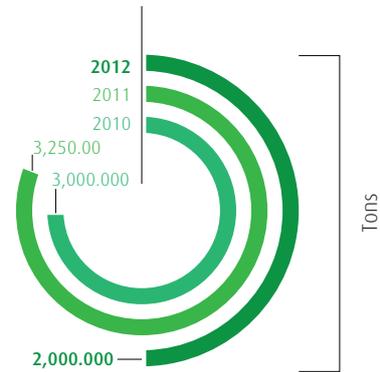
We are constantly looking for ways to reduce and avoid waste. Our first priority is to recycle. If this is not possible, we dispose of waste in line with environmental regulations. In 2013, we will review of waste quantities in order to assess potential waste management targets going forward.



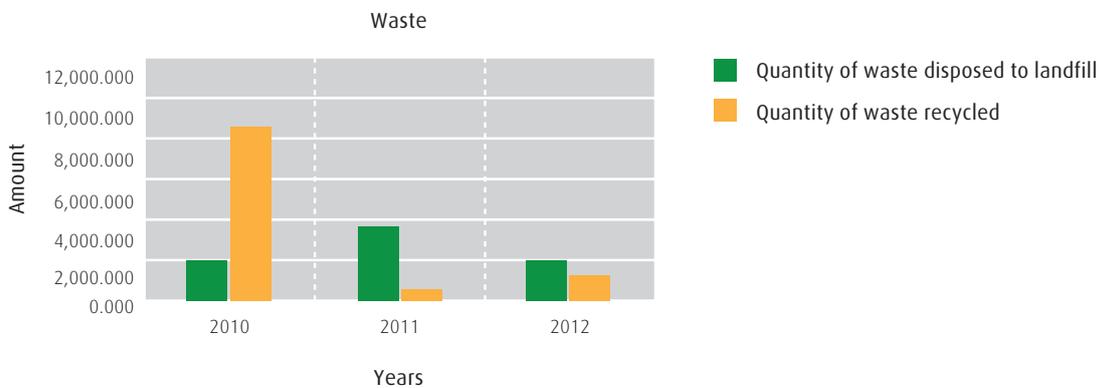
Hazardous waste generated by Afrox's sites includes used oil, empty chemical containers, paint-related waste, used solvents, asbestos, etc. Where possible, this waste is recycled or re-used or safely disposed of at licensed facilities.

In 2012, see graph right, we saw a significant decrease in hazardous waste generation, this was due to sites making use of recycling and re-use options, to reduce disposal costs and impact on the environment.

Hazardous Waste 2010 - 2012



Quantity of waste to landfill vs recycled 2010-2012



The large recycled waste figure in 2010 was due to redundant cylinders that were recycled. Between 2011 and 2012 we can see a 42% decrease in waste disposed to landfill and a 41% increase in recycled waste figures. This is a positive trend and was due to sites exploring recycling opportunities as an alternative to disposing to landfill.

### Environmental expenses

In 2012, the following expenses were 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
Upgrading of chemical and waste storage areas
Process and infrastructural modifications
The planting of trees at sites to celebrate Arbor Day

No fines related to environmental legislative compliance were received for 2012.



EMPLOYEES

## Afrox as an employer

As at 31 December 2012, we had 3 258 employees. The average duration of employment amounted to 7.75 years. We hired over 243 new employees in 2012. The proportion of employees who voluntarily left our company in 2012 was 309. The turnover rate was 9.5%. Personnel expenses for Afrox came to R1.5 billion for the period under review.

### HR strategy

The heart of Afrox's Human Resources practices is defined by the key elements needed to support the company's sustainability and corporate strategy.

AREA	TARGET	ACTUAL	FURTHER ACTION
People development	80% of identified critical roles have at least one successor identified and ready in less than two years.	77% of requirements met.	Roll out of Assessment Centres for high potential leaders and employees. Maintenance of graduate and artisan development programme.
Leadership capability	100% of attendees for selected training interventions in first and second line management as well as senior management development.	100% achieved.	Subscribed numbers of senior managers attend Global Leadership Development Course and Global Talent Circle programmes. Executive training programmes implemented for the executive.
Performance management	90% of performance management appraisal completed and on record in HR for Band 1+.	90% of 2011 performance management appraisal received as at end of April 2012 and 100% for 2012.	100% of all employees have performance contracts, interim reviews and final appraisals for 2012.
Diversity and transformation	Maintain Level 3 rating.	Level 3 rating achieved in 2012 Empowerdex audit. More than 150 line managers trained in ER. ICAS utilised to help employees manage life/work balance.	
Streamline recruitment process	Implement an e-recruitment offering and reduce recruitment cost.	Established scalable process across business units. Introduced new applicant tracking system. Reduced recruitment fees by approximately R2.6 million. 928 vacancies filled, 253 being new hires.	Use of database to identify employees with potential within organisation.

## Labour and social standards

### Social challenges

As a leading industrial company, Afrox recognises that it's employees are entitled to the fundamental human rights enshrined in South Africa's constitution. Afrox is committed to upholding human rights and labour standards within its own organisation as well as in its supply chain. Our stakeholders, especially customers and investors are increasingly interested in how Afrox practically puts this commitment into practice. Sustainability requirements for suppliers which currently apply (or not) are planned to be amplified and merged into a single policy in 2013. It shall also cover labour standards and human rights.

We stand for equal opportunity and fair treatment and strive for a workforce composition that reflects the demographics of South Africa. Our employment equity strategy forms part of the annual strategic planning process and is reported on and reviewed at monthly executive management meetings, chaired by the chief executive. Employment equity issues, legislative compliance and numerical target levels are set in consultation with the Social, Ethics and Transformation Committee and consultative forums. Consultation and dialogue are used to address the results of employment equity audits and progress towards targets. Our HR strategy covers recruitment, staff development, performance management, retention and cultural diversity. 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 which includes sexual harassment. Where such incidents have been identified, the company took disciplinary action that resulted 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 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.

We acknowledge that our people may become victims of acts of violence and we have a formal policy to provide assistance to those unfortunate enough to become victims of an act of violence, especially during the period of recovery from the resulting trauma. Acts of violence includes robbery, hijack, assault and riot. Becoming a victim means suffering some form of loss of property, physical injury, or psychological trauma due to an act of violence. Our people are at risk while travelling, at work, at home and generally going about their day-to-day business.

## Conditions of work and social protection

### Fair remuneration

We have a mix of target-and performance-related remuneration for managers as well as a global performance management system that ensures regular feedback between employees 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 employees are paid on the basis of their role, qualifications and performance. We do not differentiate payment based on gender.

### Social benefits

We provide a range of benefits that go beyond those that are legally mandated. These benefits include the provision, at some but not all sites, of primary care clinics and canteens. In addition, all our people have access to: HIV/Aids guidance and assistance, paid maternity, family responsibility and sick leave, disability grants, medical aid, DIY loans, first time homeowners' assistance, bond subsidies, educational assistance that exceed the Basic Conditions of Employment Act, as well as staff discounts on our products.

### Pension and provident funds

The Afrox Group and company have one pension fund which is a defined benefit fund and one provident fund which is a defined contribution fund. All employees belong to either the defined benefit fund or the defined contribution fund. The funds are administered on behalf of the Afrox Group by external financial service companies and trustees and are governed by the Pension Funds Act of 1956. The assets of the schemes are held in administered funds separate from the Afrox Group'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 made on 31 December 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 their current contribution rates. For more detail refer to the *Afrox Annual Report 2012*.

### Work-life balance

Our employees should be given the opportunity to balance personal and professional goals. We help them to do this by offering limited flexi-time arrangements provided for employees commuting or those who have nursing children. Our employees' working hours are based on local regulations and collective wage agreements. As a rule contracts for full-time employees stipulate a maximum work week of 40 hours per week.

### Employee wellness

Our people are encouraged to take responsibility for their own health and wellbeing by fostering self-sufficiency and resilience. The company has contracted with a supplier to implement a staff support programme providing a confidential personal support and information service that all, including immediate family members, can access. Qualified, experienced counsellors provide this service, which offers multilingual access to telephone or face-to-face counselling. Advice is provided on life management, which includes legal advice, financial management, family or work issues, stress, trauma and substance abuse. Support is offered in the context of workplace productivity and performance enhancement. The annualised total engagement rate is 28.5%.

### Employee wellness programme objectives:

- To enhance employee and workplace productivity and performance;
- To instill a corporate culture of wellness and caring;
- To empower employees to take responsibility for their own wellbeing; and
- To develop personal and organisational resilience.

### Tools used

- Wellness days – Health screening done, employees know their health status and given advice on how to manage or implement lifestyle changes;
- ICAS (Independent Counseling and Advisory Service) – a 24 hours a day , 365 days a year telephone counselling service with six face-to-face sessions per issue. Types of issues dealt with include financial, family care, legal, psychosocial, work life balance (time management, stress management);
- HIV/Aids Programme. (More detail further in this report.); and
- Substance abuse interventions – employees are sent for rehabilitation. The company pays two-thirds and one-third from employees salary over a year.

We have a dedicated wellness manager who reinforces health issues via a number of internal campaigns every year. Our provision of health insurance is also testament to our commitment to the health of our people and their families. Hand-in-hand with this is safety and this is actively monitored, targets set and our people 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.

### Meeting the HIV/Aids challenge

We take this extremely seriously and are committed to the health of our people and their families. Our HIV/Aids policy was implemented in 2003 and to date 75% of our colleagues have undergone HIV/Aids awareness training. Approximately 179 employees and 118 dependants are registered on the HIV disease management programme and are receiving anti-retroviral therapy. Confidentiality is assured through an externally monitored Aid for Aids call centre. HIV/Aids is acknowledged as a critical business risk that affects our people, has an impact on our work production and increases costs. Our HIV/Aids policy is based on a combination of sound business principles as well as on the obligations associated with being a socially responsible employer. Our people are encouraged to know their health status through education and awareness training and confidential voluntary counselling and testing campaigns. HIV-negative individuals receive assistance to maintain this status, while HIV-positive colleagues are offered disease management and treatment as well as counselling, care and support. New members of staff receive HIV/Aids awareness training as part of their induction programme, while line managers are trained to handle the problems that may face colleagues who are infected or affected by the pandemic. The support through our ICAS programme extends to family members.

HIV/Aids programme – training for employees (on HIV, dangers, prevention, management of condition) and line managers (impact of HIV in the workplace, management of performance for an ill employee), the Aid for Aids programme, supplies employees who are HIV-positive after registration onto the programme with ARVs when the CD4 count is 350, viral load and CD4 count tests done, vitamins supplied and general disease management.

### Co-determination

Our people are at liberty to join any organisation, forum or trade union if they so wish. Currently, trade unions represent approximately 30.5% of our workforce. 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. 54% of employees are covered by collective bargaining agreements.

Staff can also elect colleagues to represent them in *bona fide* internal consultative forums. Our forums meet regularly and provide a platform for formal worker representation in decision-making. The minimum notice periods regarding operational changes etc, is one month.

### Employee satisfaction

Honest employee feedback is crucial for our HR activities. The Linde Group conducts a bi-annual employee survey to measure employee perception across a number of dimensions. Following evaluation of the survey results of 2010, team meetings were held in lines of business in 2011 to assess the current status and plan binding improvement plans.

In 2012, the Global Employee survey was conducted across our business with all permanent employees, both electronically and paper-based. The final participation rate was 82% versus 69% achieved in 2010, therefore a significant achievement. The key dimensions that are measured are:

## Talent management

- Employee Engagement
- Strategy
- Ability to Execute
- People Excellence
- Process Excellence
- Customer Focus
- Safety, Health, Environment and Quality
- Visible Leadership
- Culture
- Integrity
- Survey Impact

A Talent Management Committee was introduced to identify and monitor talent management initiatives and targets. The committee is chaired by the chief executive and consists of members of executive management, the talent management and other relevant HR specialists.

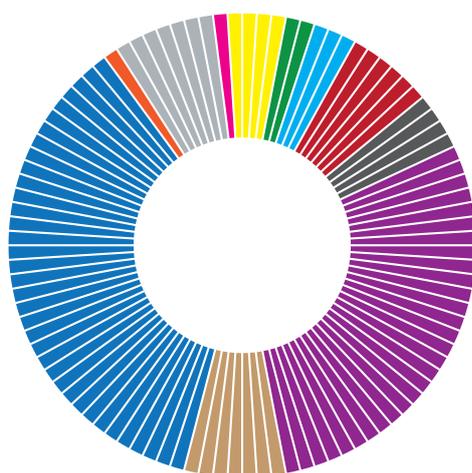
The audience and targets for the programmes are aligned to the Skills Development and Employment Equity Score in the Broad-Based Black Economic Empowerment Scorecard, as well as the Workplace Skills Plan (WSP) for Afrox.

The percentage of employees trained in 2012 was 54% with an average spend per employee of R 8 500 and average days/employee spent in training being five days.

Afrox's skills development interventions, ranging from short courses, skills programmes, learnerships, apprentices and tertiary programmes, cover all levels of employees within the organisation.

Skills development interventions scheduled and conducted for the year, grouped in course categories, are as follows:

Adult Education & Training	152	SAP	253
Computer Skills	58	SHEQ	1208
Leadership Development	99	Soft Skills	46
Legal	191	Technical Skills	247
People Management	150	Trainer Development	31
Sales	1007		



### Recorded Training: Percentage

- 4% Adult Education & Training
- 2% Computer Skills
- 3% Leadership Development
- 6% Legal
- 4% People Management
- 29% Sales
- 7% SAP
- 36% SHEQ
- 1% Soft Skills
- 7% Technical Skills
- 1% Trainer Development



## Management development and training

The Line Manager Training Programme was designed with the objective of enhancing the leadership capabilities for first and second line managers across the business. This programme builds the people management skills of the participants and clarifies their role in supporting our high performance work culture by actively promoting employee engagement. Excellent progress was achieved in the implementation of Phase 2: Line Manager Training Programmes in 2012, with the company exceeding its 20% of the target population by year end. The Senior Management Support Module (SMSM) for the training programmes will be implemented in 2013 to ensure that the learning momentum for participants is supported by senior management contributing the application of learning. Two female delegates were placed on an external development programme for Women in Leadership.

## Learning and training systems

This system provides management with a tool to develop employee competency profiles based on Afrox's philosophy of a 'Licence to Work' approach. This approach is based on creating a training platform that ensures that each employee acquires all the knowledge and skills to perform their specific role, thereby ensuring a focused, competent and motivated workforce. Competence is viewed as a requirement for job ownership and therefore employees are expected to complete the required learning programmes followed by assessments within prescribed timeframes. The 'Licence to Work' learning approach is based on the outcomes-based learning principle which requires the completion of assessment on completion of the learning.

## Succession planning

Succession planning was finalised for critical roles across the business, however, the exercise yielded too large a number of critical roles (169 critical roles). The process and definitions were reviewed and compiled into a new succession planning toolkit and will be implemented in 2013/2014. Succession planning for senior management was compiled but is subject to amendments as per the re-alignment in the business. Once these plans are finalised, the process will link to development planning that is focused on the categories "ready 1-2 years", "ready 2-5 years" and mitigation plans will be proposed for those positions where there is not a "ready now" successor.

## Young talent

The Afrox bursar and graduate programmes have yielded good potential for the engineering roles in the business. Previously, however, a focus for 2012 was to review the alignment of the initiative to the business strategy and effective workforce planning that delivers critical and scarce resources. A Six Sigma project was initiated to analyse the current process and determine a best practice "future state". The project is currently underway in 2013.

## Strategic programmes

### Apprenticeships and learnerships

Afrox recognises the scarcity of suitably qualified artisans and other technical skills within the industry and South Africa at large; and therefore creates opportunities through learnerships and apprenticeships for the youth to enter the working world. These interventions are viewed as having multi-dimensional strategic intention as they:

- address skills shortage;
- support the attainment of employment equity targets, including the recruitment and development of people living with disabilities; and
- achievement of Broad-Based Black Economic Empowerment (B-BBEE).

In 2012, engineering trade's learnerships and apprenticeships and Wholesale and Retail learnership for people living with disabilities saw 34 and seven candidates, respectively take part in these programmes, which provide a critical skills pipeline to meet Afrox's skills needs.

### Adult education and training

The Adult Education and Training (AET) Programme provides employees who, for one or other reason were not able to achieve general or further education and training, an opportunity to do so while employed. Interested employees enjoy generous support from line management as they are offered an opportunity to attend the programme and certain sessions during working hours. The employees write examinations sanctioned by the Independent Examination Board (IEB), ensuring quality education. This programme equips the employees with numeracy and literacy skills which give them opportunities to engage in developmental programmes, like learnerships, and enable them to communicate and transact in their social interactions. Nineteen employees were registered for English Literacy and Numeracy levels.

Afrox's skills development interventions, ranging from short courses, skills programmes, learnerships, apprentices and tertiary programmes, cover all levels of employees within the organisation.

## Diversity and equal opportunities

We at Afrox understand that Broad-Based Black Economic Empowerment is a key component of the broader transformation imperative in our country. As a good corporate citizen we are committed to participate in the greater transformation of South Africa's socio-economic environment. The starting point for sustainable business is to understand that transformation is a strategic imperative to ensure sustainable growth. Our transformation strategy encompasses the view that transformation and overall business strategy go hand-in-hand.

An Employment Equity plan (Diversity plan) for 2011-2014 was drawn which focuses on ensuring representation of employees in terms of race and gender at occupational levels, including people with disability. Reports are generated and monitored on a monthly basis to track progress against the plan.

Training and sensitisation interventions on diversity have been conducted in some areas of the business.

### Challenges

- Focus on increasing the contribution towards emerging businesses, qualifying enterprises and black women owned enterprises;
- Enterprise development, with a specific focus on the skills set in our economic sector and industry;
- 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.

### Composition of governance bodies (Governance structures)

Governance structures are also put in place to track and guide implementation of the Transformation plan:

- Employment Equity and Skills Development Committee ( Diversity Committee) was introduced. The committee Includes unions and employee representatives and will recommend and promote the attraction, development and retention of initiatives to achieve company diversity targets.
- B-BBEE Co-ordination Committee (Owners of elements of the B-BBEE Elements of the scorecard )
- Transformation Committee of the Board (now Social, Ethics and Transformation Committee – Chaired by an independent director of the Board and has the CEO, FD, Chairperson of the Board , another independent director , company secretary and other areas specialists as per invite).



## Occupational Health and Safety

2012 Health & Safety HIGHLIGHTS	2013 Health & Safety PLANS
<ul style="list-style-type: none"> <li>• Decrease in Severity 1&amp;2 Transport Incidents + Transport Safety Plan &amp; Driver Actsafe Programme</li> <li>• OSHAS 18001 Occupational Health &amp; Safety Management System certification Head Office, Maydon Wharf, Welding Consumables Factory Brits</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to develop Risk Assessment +Programme, including lone workers</li> <li>• Introduce a Focussed audit programme</li> <li>• Improve Incident management investigation</li> <li>• Further build on behavioural safety programmes and leadership in SHEQ</li> <li>• Introduce new permit to work system with operations</li> <li>• Review of emergency plans on site / off site including Transport incidents</li> <li>• Review electrical safety</li> <li>• Passenger car safety</li> <li>• Driver risk profiling</li> <li>• Continue to develop internal competence on H&amp;OH</li> <li>• Review noise management/controls</li> <li>• Continue programmes to reduce exposure to hazardous chemical substances</li> <li>• Continue phase out plan for asbestos in cylinder massing activities</li> <li>• Review substance abuse policy</li> <li>• Develop a programme of OH auditing</li> </ul>

As per Occupational Health and Safety Act (No 181 of 1993) requirements, all large Afrox 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 that all line managers have sufficient knowledge, tools and competence to accept their responsibility for SHEQ. It is crucial that SHEQ is a line management function, with support from the SHEQ department.

SHEQ personnel are primarily responsible for:

- facilitating the implementation of the company SHEQ strategy and standards;
- facilitating the development and implementation of SHEQ plans in all business areas in accordance with company strategy;
- supporting the maintaining of external accreditations of the business;
- assisting line managers to effectively identify and mitigate SHEQ risks;
- facilitating compliance with legal and company requirements and standards; and
- transferring SHEQ knowledge and experience to line functions.

## Behavioural safety

In Afrox we believe that behavioural change within the organisation is the single greatest contributor to improving the SHEQ performance of the business. During 2012, 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 wanting to harm people or the environment.

This programme helps leaders and employees better understand the concept of total integration of all our SHEQ systems and standards, implement them effectively, and assists 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 their care and concern for the wellbeing of employees. Through this approach leaders recognise and support safe behaviours, address and change unsafe behaviours, and motivate employees at all levels in the organisation to work safely. Numerous LeadSafe workshops have been held with line managers and supervisors, and in some areas, front line employees have also been trained in this positive and peer-to-peer engagement approach.

A visible leadership matrix tool continues to be used by management teams across the organisation. This tool is used by a management team to select and monitor a set of behaviours, which they believe will visibly demonstrate their individual and team's commitment to SHEQ, and to build employee confidence that management takes SHEQ seriously. Individuals and teams monitor themselves monthly, which allows for them to review appropriate behaviours and identify visible leadership activities to further improve our SHEQ performance.

During 2012, we continued with the roll-out of a Behavioural Safety Programme for our drivers called ActSafe for Drivers. The objectives of this programme are 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-dependant safety culture amongst our drivers 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 communications with management.



## SHEQ performance 2012

### SHEQ Leading indicators

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

Performance targets are agreed with the business and set at the beginning of the financial year and then monitored and reported to the executive committee monthly. See table below for the 2012 Leading indicator performance. Where targets have not been achieved, plans are in place to address them.

LEADING INDICATORS	YE TARGET	DECEMBER
Overdue P1s* Critical Audit Findings	0	0
Overdue P2s* Critical Audit Findings	0	37
Major Incident Report [2012] Investigations completed and Report submitted on time [60 days]	100%	100%
Incident [2012] Closed on Time [60 days]	80%	39%
Major Hazardous Review Programme ~ Category 1 & 2 sites licensed by Group SHEQ [29 sites]	100%	100%
Major Hazardous Review Programme ~ Category 3 sites licensed by SHEQ [65 sites]	100%	100%
Transport Critical Standings Training	95%	79%
Visible Leadership	80%	66%
TRACCESS Licence to Work Training	90%	79%
Advanced Driver Training	95%	88%

Footnote:

\*P1 – Severe Risk or Major System Non-conformance

\*P2 – High Risk or Major System Non-conformance

### SHEQ Lagging indicators

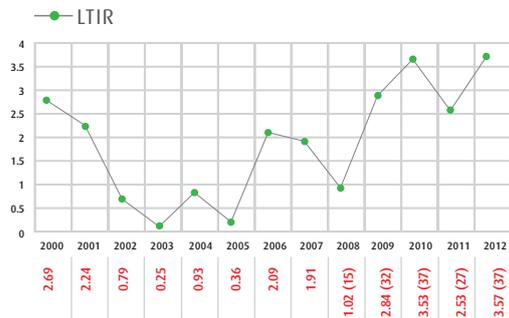
Lagging indicators measure events that have happened and are used to measure the safety performance over a specific period of time.

Afrox Lagging indicators include:

- Lost Time Injury Rate (LTIR) per 1 000 000 (one million) hours worked. According to best international practice, the LTIR includes all fatalities and injuries resulting in the loss of one complete day of work. Afrox includes injuries that occur to employees as well as contractors in this rate;
- Total Recordable Case Rate (TRCR) per 1 000 000 (one million) hours worked. This includes all injuries and occupational illnesses requiring medical treatment as well as lost workday cases;
- Passenger Car Avoidable Accident Rate (PCAAR) per 1 000 000 (one million) kilometres travelled. This rate includes all accidents relating to personnel or contractors travelling on company business, whether in a company or personal vehicle; and
- Truck Avoidable Accident Rate (TAAC) per 1 000 000 (one million) kilometres travelled. This rate includes both Afrox and contractor commercial vehicle accidents.

## Safety

Lost Time Injury Rates (LTI) 2000-2012



Workdays Lost 2000-2012



### Total Recordable Case Rate

The LTIR and TRCR has progressively increased between 2008-2012, which motivated an increased focus on safety of people in the business. Analysis of the incidents show that a large number of days lost were due to a relatively small number of incidents.

During 2012, a new SHEQ General Manager was appointed, to support the strategic intent to dramatically reduce incident rates.

(TRCR) 2000 - 2012



### Passenger Car Avoidable Accident Rate

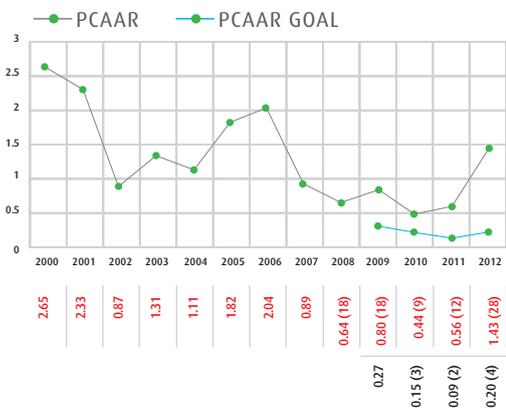
Between 2011-2012 the PCAAR showed an increase, which is partly attributable to improved reporting.

Between 2009 -2012 we saw an increase in Severity Level 1 & 2 incidents.

The corrective actions to address this trend are the following:

- Improved passenger car training material – Service Provider;
- Developed in-house company standards for passenger car safety;
- Improve root cause analysis to prevent incidents from re-occurring; and
- Consistent consequence management.

(PCAAR) 2000 - 2012



### Truck Avoidable Accident Rate

Between 2009 -2012 the TAAR showed an increase, which is attributable to improved lower level severity incident reporting.

During the last year, we have seen a decrease from 12 to four high-level severity incidents as a result of our increased focus on transport safety.

The corrective actions to further improve this trend are the following:

- Consistent consequence management;
- Improved root cause analysis of incidents;
- Continue the Driver ActSafe Behavioural Programme; and
- Focused transport audits.

(TAAR) 2000 - 2012



## Transport safety management

During 2012, transport safety was again a dominant area of concern. The company operates a major fleet composed of road tankers and specialised vehicles that accumulate millions of kilometres annually as they cross the nation's highways and rural road network. During 2012, Afrox and contractor trucks travelled 29 629 821 kms (6.2% less than that travelled in 2011) and cars 19 572 610 kms (4.7% less than that travelled in 2011).

Activities during 2012 were therefore focused on reversing the 2010 and 2011 experiences that saw the company recording nine transport-related deaths. Although the company was operating its fleet in accordance with regulatory requirements, and had instituted policies regarding driver training and vehicle maintenance, it was felt that an overview of the entire system was required. This began by increasing visible leadership and strengthening supervision across all transport disciplines.

Unfortunately, despite new measures being introduced, there were six major transport-related incidents during the year.

- One was a head-on collision involving an Afrox tanker and another vehicle which swerved across the median and into the path of the tanker. The tanker caught fire and the driver escaped injury. Unfortunately, two occupants in the other vehicle died of their injuries.
- In a second similar incident in the Eastern Cape, a third party driver of a vehicle died when his vehicle crossed the road and collided with the Afrox vehicle.
- Three other incidents involved drivers who were dismissed for not complying with company standards and rolling a vehicle.
- The sixth incident sadly resulted in the death of a 15-year old girl who had impacted with the back of a tanker.

The overall objective of the new approach was to improve safety and reduce the number of customer run-outs to match The Linde Group's acceptable level of 0.5 per 1 000 deliveries.



During the year, initiatives that were introduced included:

- Upgrading technology in the fleet by incorporating services such as lane assist and driver-cameras to assist drivers and monitor performance. These technologies, common in many luxury sedans had an immediate, positive impact on driving habits. Cameras automatically become operative when harsh driving, speeding and hard braking occurs, recording events as they unfold;
- Afrox became the first company in South Africa to introduce roll-over training to help drivers master driving habits and preventative techniques aimed at reducing the possibility of vehicles rolling during emergency situations. The programme, which involved creating local partnerships with key providers and international support, required an investment of R9 000 per driver, but set new industry standards in South Africa. By the end of the year, nearly 262 drivers had completed the training process using vehicles specially developed to simulate loss of control and roll-overs. Approximately 800-1 000 Afrox and contractor drivers will attend this programme up to 2015;
- Before the training, Afrox was recording an incidence of 2.1 rollovers per million kilometres. Post training, this decreased to 0.2 and 0.102 by end of 2012;
- Drivers' hours were reassessed. Driving was prohibited between 23:00 and 05:00 on identified red routes – roads where accident statistics were the highest. Compliance with this policy is now enforced through the use of tracking systems which monitor truck operating hours in real time. The Afrox policy on hours of driving pre-empts pending legislation on the issue. However, the proposed legislation is less restrictive regarding driving hours than the Afrox guidelines;
- This practice, although it enhanced driver safety during high accident hours, impacted severely on fleet availability by reducing truck availability. This was compensated for by commissioning the building of 21 additional tankers; and
- Additional measures, such as the introduction of reversing cameras, are being introduced as required to further bolster driver performance and reduce minor incidents by a targeted 50%.

In 2012 Afrox focussed on the rollout of an ActSafe Driver Behavioural Safety Programme

The core aims of the programme were for:

- Drivers to identify hazardous situations;
- Drivers to be able to assess the risks; and
- Drivers will be able to make the correct decisions.



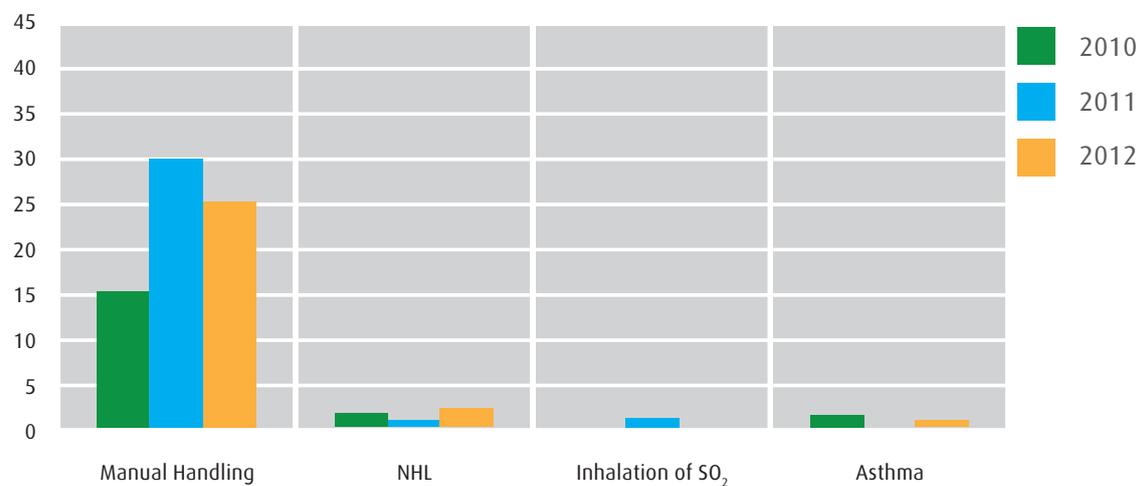
## Health & Occupational Hygiene

Our aim is to ensure that health and occupational hygiene is integrated into all our management systems and core operations and 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 that Afrox personnel 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 personnel operate these clinics and contribute towards ensuring that high health standards are maintained throughout the company. Furthermore, mobile occupational health clinics operate at smaller sites.

Policies for pre- and post- placement medical examinations for designated job categories with specific job-related physical requirements and exposure to chemicals, and rehabilitation guidelines for employees with occupational injury or illness have been developed and are currently being implemented. A well defined medical surveillance programme is in place to monitor the health of employees engaged in certain types of activities.

### Occupational Health Incidents Trend 2010-2012



Although there was a reduction in incidents between 2011 to 2012, manual handling still remains the biggest occupational health risk for Afrox. This risk will receive focus on 2013 with manual handling risk assessments, job-specific manual handling training, focused manual handling audits, sharing of solutions within the Afrox Group, and selection criteria for designated jobs.

## Noise management

Over the last few years there have been a few Noise Induced Hearing Loss (NIHL) claims, and noise management remains one of our focus areas in 2013. We will be further developing our hearing conservation programme, which will include line manager training.

Afrox has a comprehensive noise management process in place for reducing noise exposure. The following activities have taken place in 2012:

- Review of site risk assessments;
- Occupational noise surveys every two years or when a process changes;
- PPE training;
- Pre- and post and annual medicals HR policy updated, and designated jobs identified;
- Linde Group and local Afrox occupational noise standards updated and published;
- PPE fit-for-purpose tool incorporated in our risk assessment tool; and
- SHEQ Induction highlights high noise zones.

## Nitrous oxide

At Afrox, we have two sites that manufacture and fill nitrous oxide cylinders, where we conduct personnel monitoring. We continue to implement actions to reduce exposure levels. In 2012, the Gases Operations Centre in Germiston invested in personal monitoring equipment to control personnel exposure and the nitrous oxide plant in Nairobi, Kenya, was shut down.



### Silica

At some Afrox sites employees are exposed to crystalline silica. There is a medical surveillance programme which monitors the health and wellbeing of employees handling this hazardous substance in place at these sites. As per regulatory requirements, Afrox conducts exposure surveys and submits a report to the Department of Labour every six months. Afrox continues to develop and implement plans to lower the silica exposure levels, including engineering solutions.

### Asbestos

Afrox has committed to an Asbestos phase-out plan with regards to cylinder massing and de-massing, which is audited annually. We received zero non-compliances in 2012 against the requirements of our phase-out plan.

### SHEQ Training

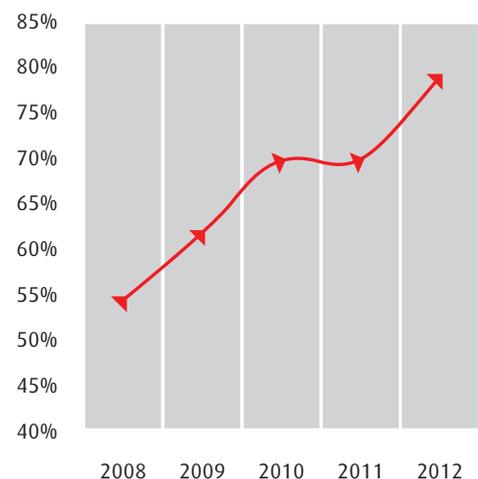
Afrox’s SHEQ policy and standards cover all operational aspects and activities that could influence the safety and health of employees and the environment. These are available to all employees via The Linde Management System and Standards (LiMMS).

### Traccess

Afrox’s Traccess system is a learning database linked to LiMSS. The system allows for the creation of learning profiles for all employees. The profiles specify the content of the learning programme that will ensure competence prior to starting a task, Licence to Work (LTW). Contractors that work on Afrox sites are treated in the same manner as employees and are expected to maintain the same level of competence and operational excellence as Afrox employees. Suitable Traccess/Licence to Work profiles are also allocated to such persons.

The graph shows over the last five years competency levels have increased from 50% to 79%. A combined effort of teams of experts improving and correcting material allocated to License to Work competency profiles and line managers correcting competency profiles for their subordinates that have contributed to the improvement in competency levels of employees within Afrox between 2008-2012.

LTW % – REGION AFRICA – FIVE-YEAR COMPARISON





Engineering bursaries

Education

Maths and Science Program

Environment

Welding Schools

SOCIETY

## Social engagement

The company has a strong culture of social responsibility. The objective is to assist wisely and constructively by building on the commitment of our people and our community-based projects, thereby making a sustainable difference to society. We take seriously the influence and impact our business has on society, the economy and the environment. This is reflected by again being selected as one of the companies in 2012 to be included in the JSE's Socially Responsible Investment (SRI) index.

Corporate social investment (CSI) is an inherent part of how we do our business. Economically and socially strong communities enhance our success, and CSI strategy is aligned to long-term business objectives.

### 2012 HIGHLIGHTS

- Total donations of about R5.9 million
- Employee volunteering programme – 41 homes, 3 500 children supported
- Bursaries & Education – R4.7 million

### 2013 PLANS

- Playing leading role in welding capability development
- Renewed employee volunteering programme – focus on education and early childhood development

## CSI focus areas for 2012

We donate more than one per cent of the previous year's after-tax earnings. In this financial year donations amounted to R5.9 million. Donations are governed by a formal policy that has as its theme 'investing in the future' with emphasis on 'our children, their education and their environment'. As in previous years, no donations were made to any political party either in South Africa or the African countries in which we operate.

Specific donations	Rands
Education	3 185 995.97
Engineering bursaries	530 000
Maths and Science Programmes	1 000 000
Welding Schools	40 000
Environment	100 000
Product donations	210 000
CIP – Bumbanani	628 371.57
General donations	260 251
<b>Total</b>	<b>5 954 578.54</b>

### Education & bursaries

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. We were able to place four candidates into permanent positions after completion of their programme.

We also offer a comprehensive bursary scheme in the disciplines of metallurgy (physical), mechanical engineering, chemical engineering, industrial engineering and electrical engineering (heavy current). Three new bursars joined the programme in 2012 with seven completing their second year on the programme. Three donation bursaries were also approved for 2012.

As part of Afrox employee benefit schemes 245 children of employees received tertiary assistance.

### Maths & science programme

Afrox has sponsored Leap Maths and Science Schools for a number of years, thus contributing to giving young South Africans the academic and life skills they need to become productive and responsible citizens. Leap has six independent maths and science high schools offering education to young people from disadvantaged communities in Cape Town, Johannesburg, Pretoria and Jane Furse.

## Welding schools

As the leading gases and welding specialists in sub-Saharan Africa, Afrox is growing its involvement in developing welding capability in South Africa. This will be a main focus area for 2013 CSI spend. Projects for 2012 include:

- **ARC and Safety training**, University of Pretoria, Wits, South African Institute of Welding (SAIW)
- **Process Welding training**
  - Medupi
  - Kusile
  - Babcock
  - Transnet Rail Engineering
  - Various customers
- **Welding schools product sponsorships**
- FET College Lepalale (Tlatong)
- West Coast College
- East Cape Midlands
- SAJ
- Mercy Centre
- SAIW

Afrox also plays a major role in the SAIW, Young Welder of the Year competition through financial sponsorship, repairs of welding machines on the day, having technicians available on the day as well as providing coaching and mentoring to young welders.



## Environmental programme

Afrox has been instrumental in supporting the Conservation Training Programme (CTP) activities since 2008. The CTP is a project of the Endangered Wildlife Trust (EWT), which aims to effectively mobilise and empower future leaders in conservation through exposure to experiential training and employment opportunities; inspire environmental awareness and responsibility in disadvantaged communities of South Africa; and, capacitate aspiring conservationists from these communities through mentorship, training and environmental education programmes.

## Community Involvement Programme

This is a staff-driven social responsibility programme focusing on disadvantaged children from local communities. It requires hands-on involvement as opposed to cheque-book charity; and currently we support and manage 41 projects in South Africa, and projects in sub-Saharan countries outside of the Republic. Our objectives are to make a meaningful and lasting difference in the lives of over 3 500 disadvantaged children within our communities and to enable us to experience the personal sense of reward from helping those less fortunate.

There are also four national campaigns that afford employees to give in different ways. This year there was a Warmer Winter Campaign, Tin Drive in celebration of Mandela Day, and a Stationary and Toy Drive in addition to our regular Bumbanani Day.

## Bumbanani Day

Every year for the last 15 years we have celebrated with the community homes we support through our Bumbanani Day, which is Zulu for "let's build together". This annual one-day event is the culmination of our year-long efforts to improve the lives of the thousands of underprivileged children we support. This special day is of the utmost importance to us; it is a day of fun and games and special trips out for the children and are held in every country where we operate across sub-Saharan Africa.



## 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 new Durban operations' site which includes public participation with the local communities and industries.



## R500 million super site

Afrox will invest R500 million to relocate our Durban operations to a new centralised business campus that will be developed at Tongaat Hulett's' new Cornubia Industrial and Business Estate, near Umhlanga and the King Shaka International Airport.

This 111 000 square metre site will be the single biggest project Afrox has ever undertaken in South Africa and will become a benchmark for The Linde Group's industrial gases operations worldwide.

"The modern hi-tech design and process-flow of the site is geared specifically for efficiency and cost-effectiveness aimed at benefiting customers and market sectors as a whole," says Chief Executive, Brett Kimber.

"This is about meeting the needs of customers and recognising and applying market trends to the best benefit of all stakeholders in using eco-friendly designs and technologies."

The new facility will accommodate Afrox's existing industrial and medical gases filling operations, currently located on Maydon Wharf, and two other operations presently operating from Pinetown and Seaview.

"A factor that influenced this investment is the imminent redevelopment of the Port of Durban's infrastructure, which includes major reconstruction activities at Maydon Wharf, where we have been conducting our industrial and medical gas filling activities for many years," adds Brett.

The new plant will be the most advanced facility of its kind and will be Afrox's largest single filling site on the African continent, filling an average of 5 000 cylinders a day, with the capacity to increase production by up to 40%.

The new Afrox campus will be developed in phases, the first of which is expected to break ground in mid-2013, following the finalisation of the Environmental Impact Assessment (EIA).



Phase 1 involves the construction of the industrial and medical gas filling plant and a dissolved acetylene production plant. This will be followed by an LPG plant and premises for Afrox's Customer Engineering Services division. An Afrox Gas and Gear retail outlet will also operate from the new site and space has been allocated for the eventual erection of an air separation unit on the site.

### Major hazard installations

Afrox utilises major hazard installation (MHI), major hazard review programme (MHRP) and hydrocarbon risk assessments (for air separation units) as part of the business's 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 grows, 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). Afrox is also approved as an Approved Inspection Authority (AIA) from 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 employees 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.

## Product responsibility

### 2012 HIGHLIGHTS

- Food Safety Management System 2200 accreditation for CO<sub>2</sub> plants

### 2013 PLANS

- Support and improve good manufacturing practice compliance
- Maintain FSSC 22000 food safety management system compliance and certification
- Maintain ISO 9001 quality management system and ISO 17020 test shop accreditation
- Develop management system to meet ISO 17025 Lab accreditation requirements
- Continue to support sites to achieve / maintain accreditation ISO 13485 medical device
- Develop management system to meet ISO 27001 requirements
- Improve customer service through reduction of major quality incidents
- Enhance the product stewardship programme.

## 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 that 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.

Various sites have received ISO 9001 certification and are audited regularly by PriceWaterhouseCoopers.

In 2012, Afrox became the first South African gas company to be certified with Food Safety System (FSSC) 22000:2010 certification, incorporating ISO22000:2005 and ISO/TS22002-1 (BSI-PAS22002-1:2008), as well as additional FSSC22000 requirements.





## Afrox in certification first

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

This is an international multi-site certification granted by independent auditing firm, SGS. The accreditation includes Afrox's four CO<sub>2</sub> sites in South Africa, as well as the head office function. Our CO<sub>2</sub> plant in Nigeria worked towards the certification independently and has also been granted accreditation.

FSSC 22000:2010 is an international standard developed for the certification of food safety management systems for food manufacturers and is recognised by the Global Food Safety Initiative (GFSI), the benchmarking body for international food safety standards.

"This certification is part of the global Linde initiative to meet the latest Coca Cola company's quality requirements and will also benefit our other customers who may seek such compliance in the future," says Conrad Arendse, Operations Manager: Carbon Dioxide, Tonnage. "Coca Cola regards food safety as the basis for quality which is one of the organisation's seven core values.

"Since Linde supplies the company with carbon dioxide (CO<sub>2</sub>) on a global basis, all group companies were tasked with achieving the certification by June this year. Afrox embarked on the project in collaboration with the global CO<sub>2</sub> team and we completed the exercise a month in advance and very likely one year ahead of our competitors in South Africa. Now being able to assure all our customers of the quality of our products from a human consumption perspective gives us a major competitive advantage in the local market place."

Conrad adds that this achievement is an indication of Afrox's ability to perform to international standards when different departments work together as a team. He makes particular mention of the contribution made by central and Tonnage SHEQ, LiMSS people capability, support teams and group standards, as well as the CO<sub>2</sub> operation's teams.

Shane Benny, Afrox LiMSS Manager, comments: "The certification brings the Afrox CO<sub>2</sub> production plants in line with the GFSI and it is a tremendous achievement to be the first gases company in South Africa to achieve it. This clearly demonstrates our commitment and dedication to ensuring that our customers' requirements are met."



## Product stewardship

We align consumer issues closely to our commitment to fair operating practices. We guarantee all our goods and services and have a National Customer Service Centre dedicated to assisting all consumers of our products, handling more than 70,000 calls, 8,000 faxes and 20,000 e-mails per month. Our Bulk Scheduling Centre deals with more than 20,000 consumer drops per month, while our transport fleet covers around 24 million kilometres per year in support of our national network of distributors and branded Gas and Gear centres.

Product stewardship is defined as the ethical and responsible management of the safety, health and environmental (SHE) risk of all products manufactured and distributed by Afrox. The Afrox product stewardship programme, aims to mitigate environmental impacts of products and also to manage the safety and health risk. It started with the high risk gas products and the packaged chemicals portfolio – potentially hazardous products that include ammonia, sulphur dioxide, ethylene, sulphur hexafluoride, ritegas, insectigas, hydrogen chloride and carbon monoxide. Additional products are being added to the list annually.

An audit process is used to determine if such high risk products are being safely and responsibly used and managed by our customers. The audit process focuses on the safe handling, storage and usage of the products at customer sites. Orders are only accepted from customers who successfully complete the audit.

The company's product stewardship programme aims to go beyond legislative obligations by managing the safety, health and environmental risks of our products throughout their life cycle. As part of this programme all potential hazards of new products are systematically identified prior to their introduction into the market. Customers are informed and advised regarding the risks of the products that Afrox supplies. Higher risk products are only supplied to customers that have measures in place to mitigate and manage such risks.

Part of the product stewardship programme is the management of new product introduction (NPI) into the business that has been revised to include more stringent controls. The NPI process enables the business to ensure that the risks associated with any new products are known, understood and mitigated before the product is introduced to the market.

Material safety data sheets on all Afrox products are available on [www.afrox.com](http://www.afrox.com).

### Illegal fillers sent packing

Afrox has successfully launched a public awareness campaign against illegally filled LPG cylinders in Gauteng and Northern Region, which will be rolled out to other regions as part of a greater, multi-faceted and ongoing drive to stamp out this pirate trade. The campaign saw a full page advertisement appearing in nine community newspapers and pamphlets bearing the same message handed out in the main centres.

Regional Handigas Manager Trevor Boshoff explains that filling of LPG cylinders by unauthorised traders poses a serious safety risk. "These cylinders can be under- or over-weight, depending on whether the illegal trader has a calibrated scale or if he actually intends to short-change the consumer," he says. "Apart from the serious safety issues, this illegal trade defrauds the legitimate LPG industry of income and raises costs to the end user."



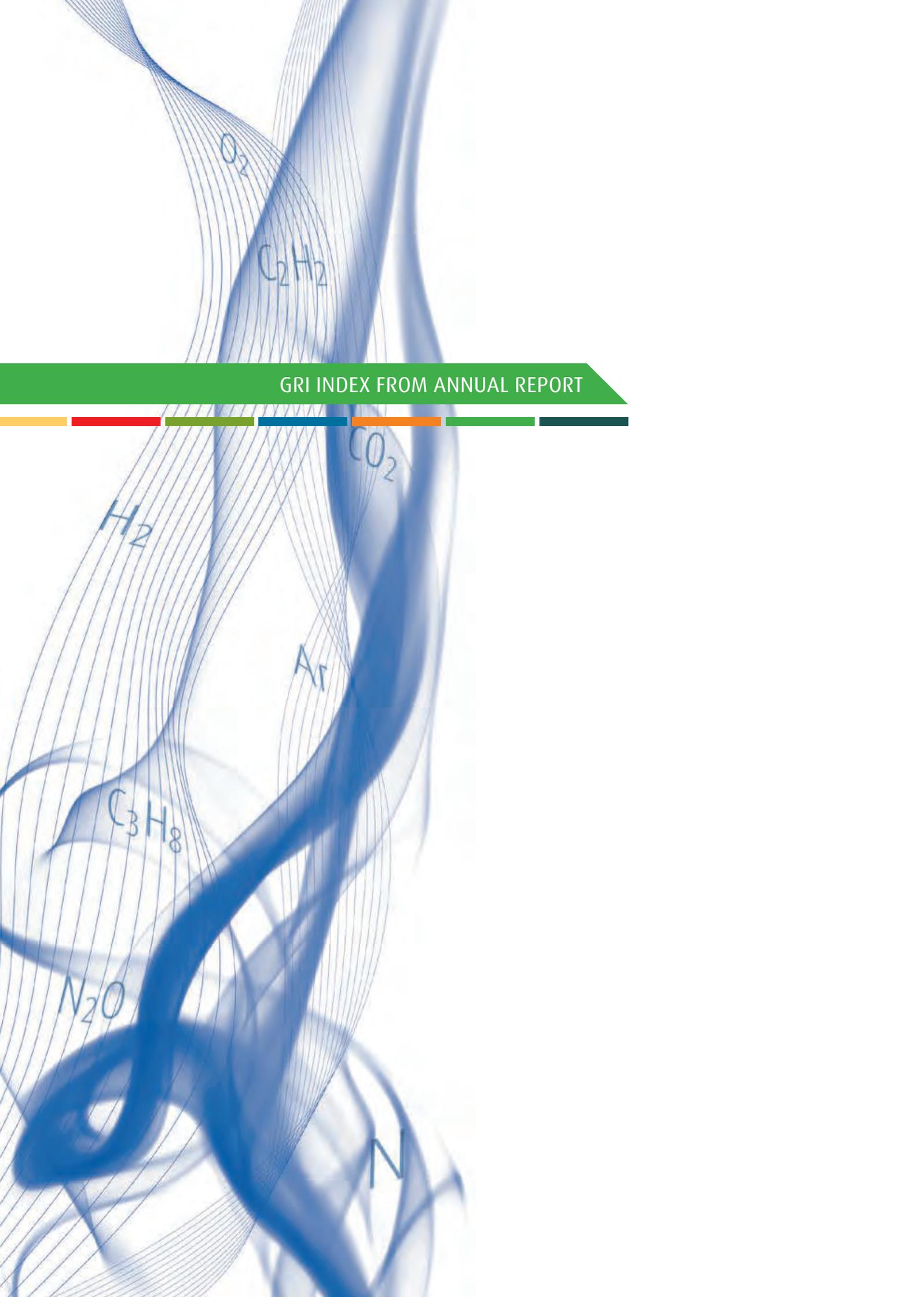
The public awareness campaign is linked to the National Customer Service Centre and has already attracted calls from anonymous "whistle blowers" reporting those involved in this practice. Another rather surprising outcome has been several 'rogue distributors' coming forward of their own accord with the request to become official distributors.

"A key objective of the recent campaign was to make ordinary people in our communities aware that they should not use LPG cylinders that don't have the Afrox Red heat-shrink safety seal or the distributor Thumbs Up heat shrink safety seal over the valve," says Trevor. "Cylinders with this seal are guaranteed to meet the correct quality and safety standards and have been filled to the correct weight. If there is no seal, or a clear seal has been fitted onto a Handigas cylinder it means that it is illegally filled."

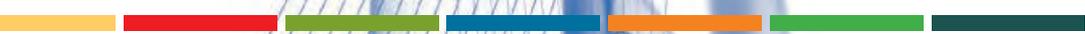
"Afrox employees, who are well versed in the importance of LPG safety, can help promote this campaign and may also make use of the anonymous tip-off line via the Afrox customer service centre if they come across any unauthorised filling activities."

### 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 our range of new and innovative products, in line with environment and other regulatory requirements, that we launch into our markets across Africa.



GRI INDEX FROM ANNUAL REPORT



## 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.

#### GRI G3 Element

Description	Reference	Page
<b>STANDARD DISCLOSURES: PROFILE</b>		
<b>Strategy and analysis</b>		
1.1 Statement from senior decision maker of the organisation	Statement from CE	2
1.2 Description of key impacts, risks and opportunities	Statement from CE	2
<b>Organisational profile</b>		
2.1 Name of the organisation	About Afrox	7
2.2 Primary brands and products	About Afrox	10,11
2.3 Operational structure of the organisation	Management team	12
2.4 Location of organisation's headquarters	Organisational Profile	8
2.5 Number of countries where the organisation operates	Organisational Profile	8
2.6 Nature of ownership and legal form	Organisational Profile	8
2.7 Markets served	Organisational Profile	8
2.8 Scale of the reporting organisation	Organisational Profile	8
2.9 Significant changes during the reporting period regarding size, structure, or ownership	About this report	5
2.10 Awards received in the reporting period	-	
<b>Report parameters</b>		
3.1 Reporting period	About this report	5
3.2 Date of most recent previous report	About this report	5
3.3 Reporting cycle	About this report	5
3.4 Contact point for questions regarding the report or its contents	Contact details	71
3.5 Process for defining report content	About this report	5
3.6 Boundary of the report	About this report	5
3.7 State any specific limitations on the scope or boundary of the report	About this report	5
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	Accounting Policies	
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	Environment	31
3.10 Explanation of the effect of any re-statements of information provided in earlier reports	About this report	5
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	About this report	5
3.12 GRI Content index	GRI Index	65-69
3.13 Policy and current practice with regard to seeking external assurance for the report	Extend assurance for financial info only	
<b>Governance, commitments and engagement</b>		
4.1 Governance structure of the organisation	Sound corporate governance	19
4.2 Indicate whether the Chair of the highest governance body is also an executive	Sound corporate governance	20
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Stakeholder engagement	23
4.5 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).	Board of committees	20

Description	Reference	Page
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	Corporate Governance	20
4.7 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	Corporate Governance	20
4.8 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	Values and Standards	15
4.9 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	Corporate Governance	19,20
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance	Corporate Governance	19,20
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Corporate Governance	19,20
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Climate protection Supplier Development	34 23
4.13 Memberships in associations	Climate protection	34
4.14 List of stakeholder groups engaged by the organisation	Stakeholder Engagement	23
4.15 Basis for identification and selection of stakeholders with whom to engage	Stakeholder Engagement	23
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholder Engagement	23
4.17 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	Stakeholder Engagement Letter from CE	23 2
<b>Standard disclosures: Performance indicators</b>		
<b>Environmental</b>		
EN1 Materials used by weight or volume	Environment	31
EN2 Percentage of materials used that are recycled input materials	-	
EN3 Direct energy consumption by primary energy source	Energy	32,33
EN4 Indirect energy consumption by primary source	Energy	32,33
EN5 Energy saved due to conservation and efficiency improvements	Energy	32,33
EN6 Initiatives to provide energy-efficient or renewable energy based products and services and reductions in energy requirements as a result of these initiatives	-	
EN7 Initiatives to reduce indirect energy consumption and reductions achieved	Energy	32
EN8 Total water withdrawal by source	Water	35
EN9 Water sources significantly affected by withdrawal of water	-	
EN10 Percentage and total volume of water recycled and re-used	-	
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	
EN12 Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	-	
EN13 Habitats protected or restored	-	
EN14 Strategies, current actions and future plans for managing impacts on biodiversity.	-	
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	-	
EN16 Total direct and indirect greenhouse gas emissions by weight	Climate protection	34
EN17 Other relevant indirect greenhouse gas emissions by weight	Climate protection	34
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	Climate protection	34
EN19 Emissions of ozone-depleting substances by weight	Climate protection	34
EN20 NO, SO, and other significant air emissions by type and weight	Climate protection	35
EN21 Total water discharge by quality and destination	Water	36
EN22 Total weight of waste by type and disposal method	Waste	36
EN23 Total number and volume of significant spills	Water	35

Description	Reference	Page
EN24 Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII and percentage of transported waste shipped internationally	Hazardous Waste	37
EN25 Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	-	
EN26 Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	-	
EN27 Percentage of products sold and their packaging materials that are reclaimed by category	-	
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Expenses	37
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce	-	
EN30 Total environmental protection expenditures and investments by type	Expense	37
<b>Human rights</b>		
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	Supply chain management Values and Standards	23 15
HR2 Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	-	
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	-	
HR4 Total number of incidents of discrimination and corrective actions taken	-	
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	-	
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	-	
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	-	
HR8 Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	-	
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken	-	
HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	-	
HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	-	
<b>Labour practices and decent work</b>		
LA1 Total workforce by employment type, employment contract and region, broken down by gender	Afrox as an employer	39
LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region	Afrox as an employer	39
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Conditions of work	40
LA15 Return to work and retention rates after parental leave, by gender	-	
LA4 Percentage of employees covered by collective bargaining agreements	Co-determination	41
LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Co-determination	41
LA6 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	46
LA7 Rates of injury, occupational diseases, lost days and absenteeism, and number of work related fatalities by region and by gender	Occupational Health and Safety	49
LA8 Education, training, counseling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	Employee Wellness	40,41

Description	Reference	Page
LA9 Health and safety topics covered in formal agreements with trade unions	-	
LA10 Average hours of training per year per employee by gender, and by employee category	Talent management	42
LA11 Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Talent management	42
LA12 Percentage of employees receiving regular performance and career development reviews, by gender	Key focus areas	39
LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Governance bodies	44
LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	-	
<b>Society</b>		
S01 Percentage of operations with implemented local community engagement, impact assessments and development programmes	All existing sites	58,59
S09 Operations with significant potential or actual negative impacts on local communities	All existing sites	58,59
S010 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	All existing sites	58,59
S02 Percentage and total number of business units analysed for risks related to corruption	CE Statement	3
S03 Percentage of employees trained in organisation's anticorruption policies and procedures	CE Statement	3
S04 Actions taken in response to incidents of corruption	CE Statement	3
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	
S07 Total number of legal actions for anticompetitive 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	
<b>Product responsibility</b>		
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	-	
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	
PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	-	
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	Page 61	
PR6 Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	Code of Ethics	23
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	Code of Ethics	23
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	
<b>Economic</b>		
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	Value added statement	13
EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change	CE Statement Climate protection	2 34
EC3 Coverage of the organisation's defined benefit plan obligations	Pension and Provident funds	40
EC4 Significant financial assistance received from Government	None	

Description	Reference	Page
EC5 Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	-	
EC6 Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation	Supplier Development	23
EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	Diversity and Equal opportunities	44
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind or pro bono engagement	Value added statement	13
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts	CE statement	2



CONTACT DETAILS

**Head office****Afrox House**

23 Webber Street Selby 2001  
PO Box 5404  
Johannesburg 2000  
Tel: 011 490 0400

**Managing director:** Brett Kimber

Fax: 011 490 1572  
E-mail: brett.kimber@afrox.linde.com

**Financial director:** Nick Thomson

Fax: 011 490 1572  
E-mail: nick.thomson@afrox.linde.com

**Company secretary:** Carnita Low

Fax: 011 490 0521  
E-mail: carnita.low@afrox.linde.com

**National Customer Service Centre**

1 Smits Street  
Industries West  
1400

PO Box 207  
Germiston  
1400

Tel: 0860 02 02 02  
E-mail: customer.service@afrox.linde.com

**Manager:** Jan Storm

Tel: 011 255 5000  
Fax: 011 821 3284  
E-mail: jan.storm@afrox.linde.com

**Hard Goods****Afrox head office**

**Head:** Nazmi Adams  
Tel: 011 490 0400  
Fax: 011 490 0585  
E-mail: nazmi.adams@afrox.linde.com

**Merchant & Packaged Gases****Afrox head office**

**Head:** David Shaw  
Tel: 011 490 0400  
Fax: 011 490 0506  
E-mail: david.shaw@afrox.linde.com

**LPG****Afrox head office**

**Head:** Mark Radford  
Tel: 011 490 0400  
Fax: 011 490 0460  
E-mail: mark.radford@afrox.linde.com

**Healthcare****Afrox head office**

**Head:** Lerato Mosiah  
Tel: 011 490 0400  
Fax: 011 490 3704  
E-mail: lerato.mosiah@afrox.linde.com

**Rest of Africa**

16 Kings Road  
Bedfordview 2008  
Gauteng

**Head:** Willie Coetzee  
Tel: 011 456 3712  
E-mail: willie.coetzee@afrox.linde.com

**Exports****Afrox head office**

**Head:** Jonathan Narayadoo  
Tel: 011 490 0400  
Fax: 011 490 0585  
E-mail: jonathan.narayadoo@afrox.linde.com

**Communications****Afrox head office**

**Head:** Johann Cilliers  
Tel: 011 490 0400  
Fax: 011 490 0463  
E-mail: johann.cilliers@afrox.linde.com

**Contact for questions about this report****Tersia Baasden**

Corporate Social Responsibility Manager | Communications  
Tel: +27 (0) 11 490-0473  
Cell: +27 (0) 79 512-2142  
Fax: +27 (0) 11 490-0506  
E-mail: tersia.baasden@afrox.linde.com

**SHEQ****GOC - Gate 2**

Barlow Street  
Industries West  
Germiston  
1401

**Head:** Stephen Moran

**Tel:** 011 255 5000

**Fax:** 011 825 1131

**E-mail:** stephen.moran@afrox.linde.com

**Tonnage**

16 Kings Road  
Bedfordview 2008  
Gauteng

**Head:** Donal Mackinnon

**Tel:** 011 456-3864

**Fax:** 011 456-3728

**E-mail:** donal.mackinnon@afrox.linde.com

**Human Resources****Afrox head office**

**Head:** Werner Boekels (interim)

**Tel:** 011 490 0400

**Fax:** 011 490 0428

**E-mail:** werner.boekels@linde.com

**Information Services**

16 Kings Road  
Bedfordview 2008  
Gauteng

**Head:** James Poulter

**Tel:** 011 456 3999

**Fax:** 011 455 2482

**E-mail:** james.poulter@afrox.linde.com

**Contacts outside South Africa****Zimbabwe****BOC Zimbabwe (Private) Limited****BOC House**

Cnr Hull & Glasgow Roads, Southerton Harare, Zimbabwe

PO Box 3893

Harare, Zimbabwe

**Managing director:** Edson Padya

**Tel:** +263 4 757171-5/755750-65

**Fax:** +263 4 755775

**E-mail:** edson.padya@afrox.linde.com

www.boc-zimbabwe.com

**Nigeria****BOC Gases plc Nigeria**

Apapa Shodi Expressway P.M.B. 1053, Oshodi

Lagos, Nigeria

**Managing director:** Johnson Idowu

**Tel:** +234 1 793 9878

**E-mail:** idowu@bocng.com

www.boc-nigeria.com

**Malawi****Afrox Malawi Limited**

Johnstone Road  
Ginnery Corner, Blantyre 3, Malawi

PO Box 30500 Chichiri

Blantyre 3, Malawi

**Managing director:** Bornface Chima

**Tel:** +265 1 87 0768

**Fax:** +265 1 87 1260

**E-mail:** bornface.chima@afrox.linde.com

www.afrox-malawi.mw

**Zambia****Afrox Zambia Limited**

Chisokone Avenue

Plot No 901

Ndola, Zambia

PO Box 70252

Ndola, Zambia

**Managing director:** Johann van Rooyen

**Tel:** +260 212 613276

**Fax:** +260 212 614651

**E-mail:** johann.vanrooyen@afrox.linde.com

www.afroxzambia.com.zm

**Angola**

**Afrox Angola Limitada**  
 Rua Talatona CS4, Talatona  
 Luanda Sul, Luanda  
 Angola  
 9000

**Head:** Marco Louw

**Tel:** +244 222 460 027

**E-mail:** marco.louw@afrox.linde.com

**Mozambique**

**Afrox Mozambique Limitada**  
 Ave Das Industrias 600  
 Machave, Maputo  
 Mozambique

**Managing director:** Prince Tsuru

**Tel:** +258 21 752631/4

**Fax:** +258 21 75 1356

**E-mail:** prince.tsuru@afrox.linde.com

**Namibia**

**IGL (Pty) Limited t/a Afrox Namibia**  
 131 Mandume Ndemufayo Avenue  
 Southern Industrial Area  
 Windhoek 9000  
 Namibia

PO Box 261

Windhoek

Namibia

**Chief executive:** Hennie de Waal

**Tel:** +264 61 38 7000

**Fax:** +264 61 23 8877

**E-mail:** hennie.dewaal@afrox.linde.com  
 www.afrox-namibia.com

**Kenya**

**BOC Kenya**

14 Kitui Road, Industrial Area  
 Nairobi, Kenya  
 (No street deliveries for postal items)

PO Box 18010

00500 Nairobi

Kenya

**Managing director:** Maria Msiska

**Tel:** +254 20 69 44 000

**Fax:** +254 20 553 382

**E-mail:** maria@msiska@afrox.linde.com  
 www.boc.ken.com

**Tanzania**

**BOC Tanzania Limited**  
 Mwanza Branch  
 Nyakato, Industrial Area

PO Box 1878

Mwanza

Tanzania

**Area manager:** Chris Keet

**Tel:** +255 28 2572753

**Fax:** +255 28 2572752

**E-mail:** chris.keet@afrox.linde.com

**BOC Tanzania Limited**

Changombe/Mboози Road

**Tel:** +255 22 286 0741

**Fax:** +255 22 286 0743

PO Box 40101,

Dar-es-Salaam

Tanzania

**Uganda**

**BOC Uganda Limited**

Plot 73, 7th Street  
 Industrial Area

PO Box 28088

Kampala

Uganda

**Area manager:** To be announced

**Tel:** +256 414 231 875

**Fax:** +256 414 231 794

**E-mail:** jacqueline.marunga@boc.com

**Mauritius**

**Gaz Industriels**

673 Pailles Road

PO Box 673

Bell Village

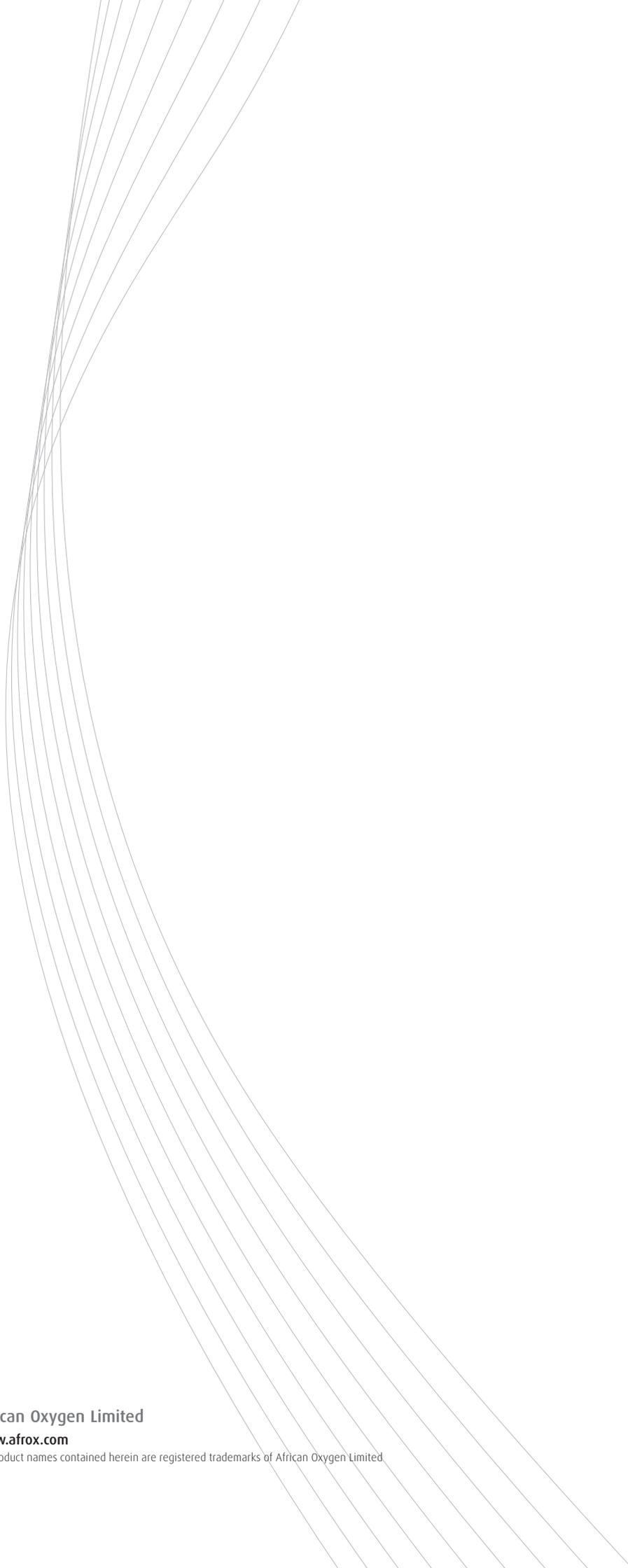
Mauritius

**Managing Director:** Jerome Commins

**Tel:** +230 212 1474

**Fax:** +230 212 0235

**E-mail:** jcommins@gaz-industriels.com  
 www.gaz-industriels.com



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