

→ Linde India Limited.



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Business responsibility report 2017.

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Section A: General Information about the Company

- Corporate Identity Number (CIN) of the Company:
L40200WB1935PLC008184
- Name of the Company: Linde India Limited
- Registered address: Oxygen House, P43 Taratala Road,
Kolkata 700 088, India
- Website: www.linde.in
- E-mail id: contact.lg.in@linde.com
- Financial Year reported: 1 January 2017 – 31 December 2017
- Sector(s) that the Company is engaged in (industrial activity code-wise): Industrial Activity Code:

Division	Group	Class	Description
20	201	2011	Manufacturing of basic chemicals
21	210	2100	Manufacturing of pharmaceutical and medicinal chemical
42	422	4220	Construction of utility projects

- List three key products/services that the Company manufactures/provides (as in balance sheet)
 - Oxygen
 - Nitrogen
 - Argon

The Company also has a Project Engineering Division which is engaged in manufacture of Air Separation Units and other plants related to industrial gases.
- Total number of locations where business activity is undertaken by the Company
 - Number of International Locations (Provide details of major 5):
Nil
 - Number of National Locations: 47
- Markets served by the Company – Local/State/National/International: National and International.

Linde India has a presence pan- India and also supplies products, plants and equipment in Bangladesh, Malaysia, Indonesia, etc.

Section B: Financial Details of the Company

- Paid up Capital (INR): Rs.852.84 million
- Total Turnover (INR): Rs. 21,138.73 million

- Total profit after taxes (INR): Rs.189.38 million
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 1.99%
- List of activities in which expenditure in 4 above has been incurred: Please refer to Annexure-4 to the Directors' Report for the year 2017.

Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies?
No.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
Not Applicable (NA)
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Linde Group has issued several global policies and guidelines applicable to our Company and all business partners. This includes, among others, the Human Rights Statement and the Supplier Code of Conduct which covers basic requirements to meet its standards with respect to health and safety, protecting the environment, labour standards, etc. The Company thus complies with all applicable laws and regulations with respect to upholding human rights and protecting the environment in its own operations as well as in relation to its business partners including suppliers and expects them to meet these standards.

Section D: BR Information

- Details of Director/Directors responsible for BR
 - Details of the Director/Directors responsible for implementation of the BR policy/policies
 - DIN Number: 00273101
 - Name: Mr. Moloy Banerjee
 - Designation: Managing Director (MD)

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	00273101
2.	Name	Mr. Moloy Banerjee
3.	Designation	Managing Director (MD)
4.	Telephone No.	+91 33 24014409
5.	Email ID	moloy.banerjee@linde.com

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics and Transparency	Product Responsibility	Well-being of Employees	Responsiveness to Stakeholders	Human Rights	Environmental Responsibility	Public Policy Advocacy	CSR- Support Inclusive Growth	Engagement with Customers
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. The Company's policy and procedures are supported by internal controls in our operating systems. These controls are also subject to internal and/or external audits.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 Months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note 1: As a standalone company, we comply with applicable standards laid down by Bureau of Indian Standards in Project Engineering Division, IP for medical oxygen, MCA Guidelines on CSR, Indian Accounting Standards for accounting, etc. The Linde Group in its Corporate Responsibility report for the year 2016 confirms that it supports and complies with The German Corporate Governance Code, UN Global Compact guidelines, UN Universal Declaration of Human Rights and Guiding Principles of Business and Human Rights, OECD Guidelines for multinational enterprises, ILO Principles on labour standards, OHSAS 18001 on occupational health and safety in 17% operating sites, ISO 14001 standards on environment and The Responsible Care Global Charter.

Through its product stewardship programme, The Linde Group also supports the Global Product Strategy (GPS) devised by the International Council of Chemical Associations for the safe handling of chemical substances and the United Nations' Globally Harmonised System (GHS) of Classification and Labelling of Chemicals.

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR performance of the Company is reviewed annually by the MD/the Board.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR reporting became applicable to Linde India Limited with effect from April 2016 and the BR report for the year 2017 is available on http://www.linde.in/en/investor_relations/business_responsibility/index.html

At the Group level, our parent, The Linde Group publishes a Corporate Responsibility Report covering the ten principles of the United Nations Global Compact and their impact on issues such as human rights, climate change, etc. in the manner required for GRI reporting.

Section E: Principle-Wise Performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Linde India Limited has adopted the Linde Group's Code of Ethics, which inter alia, covers issues such as Ethics, Bribery, Corruption, which also extends to dealing with customers, suppliers, shareholders, employees, government, communities and public at large.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year, the Company received two complaints which come within the purview of this principle. One of the complaints was anonymous involving issues relating to ethics and transparency. The same was closed after necessary consequence management action was initiated. The other complaint was also closed after investigation as the allegations were not substantiated resulting in satisfactory closure of 100% of the complaints.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Listed below are products whose manufacturing process incorporates environment and safety risks/ concerns:

- (a) Oxygen
- (b) Nitrogen
- (c) Argon

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

Efficient use of resources enables us to reduce our environmental impact and cut costs. Air is the most important raw material we use in the production of oxygen, nitrogen and argon. LNG is also a raw material for use in one of its plant in Aurangabad in India. Our other principal input involved in the manufacturing process is energy. The main packaging material used is gas cylinders, which have a long lifespan and are filled several times in a year. The Project Engineering Division uses steel and aluminium for manufacture of components in construction of plants. Water is largely used for cooling in plants, which is mostly recycled in the system.

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

A substantial part of gases sold by the Company in 2017 was derived from the natural raw material – air, which does not lead to any scarcity of this resource. As an energy intensive company, we require a reliable and competitively priced energy supply and we constantly optimise the energy used in our manufacturing process. The increase in our energy consumption during the last couple of years is mainly due to the expansion of our business operations. The details of measures taken during the year 2017 to conserve energy are covered in Annexure- 5 to the Directors' Report. We use water as efficiently as possible and substantial part of our water consumption is used in cooling processes, which is mostly recycled into the water system. Water is also used for drinking purposes in our offices and plants and for gardening. As a part of our commitment to environment protection, initiatives like rain water harvesting, recycling of waste water, etc. is done at most of the plants.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Although the Company has taken several initiatives to conserve energy and water, the total usage of electricity in its operation during the year 2017 has recorded a small increase of 4% as compared to the previous year due to higher plant loading mainly at onsite ASUs at Rourkela and Jamshedpur.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

When selecting suppliers, apart from commercial considerations such as quality, price and availability, we also consider aspects such as safety and the environment. Our global Code of Conduct for Suppliers sets out minimum requirements for safety, environmental protection, human rights and corporate integrity while selecting vendors.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As an ongoing process, efforts are made by the Company to use the local service providers for availing certain services at our various plants and offices spread across the country, which has a positive impact on the local communities. Appropriate on the job training including on safety are imparted to people at the plants and offices to increase awareness and capability on these matters.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has set up water recycling and rain water harvesting facilities at a number of its operating plants. Similarly, gas cylinders of the Company are re-used for supply of gases over a life span of many years. The Company endeavours to keep consumption of resources as low as possible to minimise waste. Our common waste products are oil, water chemicals and other waste, which contains metal including condemned cylinders. Oil and water treatment chemicals waste, which cannot be recycled in environmentally sound manner is disposed of through the agencies approved by the Central/ State Pollution Control Board(s). We comply with local regulations for classifying and disposal of waste as hazardous and non-hazardous substances.

Principle 3

1. Please indicate the Total number of employees.

Linde India had 735 employees on its pay rolls as on 31 December 2017.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Linde India had 1,301 temporary/contractual employees as on 31 December 2017.

3. Please indicate the Number of permanent women employees.

Linde India had 36 permanent women employees as on 31 December 2017.

4. Please indicate the Number of permanent employees with disabilities.

Linde India had no permanent employees with disabilities as on 31 December 2017.

5. Do you have an employee association that is recognized by management?

Yes, Linde India has recognised workers' union. There are two such unions, one in West Bengal and one at Jamshedpur.

6. What percentage of your permanent employees is members of this recognized employee association?

About 6.39%. Through continual dialogue with these associations, the Company strives to maintain cordial relationship with employees and work towards their welfare.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	1	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees
 (b) Permanent Women Employees
 (c) Casual/Temporary/Contractual Employees
 (d) Employees with Disabilities

No.	Category	Safety	Skill Development
1	Permanent employees	14%	80%
2	Permanent women employees	17%	100%
3	Casual/ Temporary/ Contractual Employees	27%	NIL
4	Employees with Disabilities	NA	NA

Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes. Linde India believes that it has an important role to play in the society and community in which it operates. Our Corporate Social Responsibility programme reaches out to different sections of the disadvantaged, vulnerable and marginalized members of the community to make positive impact on their lives in various ways. The details of the programmes/ projects undertaken by the Company during the year 2017 are referred to in Annexure 4 to the Directors Report for the year 2017.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

As a member of the Linde Group your Company is committed to respect and support the protection of human rights set out in United Nation Universal Declaration of Human Rights, the ten principles of UN Global Compact etc. The respect for people is enshrined in the Code of Ethics and the Linde values. The Company complies with applicable laws and regulations governing occupational health and safety, applies principles of equal opportunity, fair treatment and zero tolerance for any form of unlawful discrimination or harassment

of employees. The Company also encourages its suppliers and other business partners, etc. to share its commitment in this regard and the Company's Suppliers Code of Conduct sets the minimum requirements on human rights and labour standards to be complied by all suppliers/ Contractors etc.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Linde Group, which is the ultimate holding company of Linde India Limited has a Health, Safety and Environment (HSE) Policy which states that The Linde Group would avoid harm to people, society and the environment. The Policy extends to the Joint Ventures and business partners. The Company is committed to work with its business partners including suppliers, contractors, etc. to promote and enforce compliance with this policy.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

The Linde Group, of which the Company is a part, has strategy to address environmental issues such as global warming and carbon footprint and Linde India also addresses issues such as these. The weblink of Linde AG's HSE Policy is given in section D of this report which is adopted by the Company for all the operating sites in India. In line with the strategy of The Linde Group, the Company has taken initiatives to address the relevant environmental issues and as a part of this commitment, all major Air Separation Units operating in India are certified or in the process of certification to ISO 14001 : 2015 or similar standards.

3. Does the company identify and assess potential environmental risks? Y/N

Yes. The potential environmental risks are being identified through ASPECT and IMPACT register from each individual site. Evaluation of environmental risk is being done by the ISO certified body in their yearly audit.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No, the Company does not presently have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has been taking certain initiatives on an ongoing basis towards conservation of energy and improving energy efficiency at its various plants. The Company is also exploring viability of renewal source of energy at its selected ASUs and PGP sites. The brief details of these initiatives are contained in Annexure-5 to the Directors' Report for the year 2017. The annual report is available on the Company's website at www.linde.in.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions and waste generated by the Company are within the permissible limits as prescribed by Central and State Pollution Control Boards and yearly report is submitted to the respective authorities.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- Confederation of Indian Industries (CII)
- Indo-German Chamber of Commerce (IGGC)
- The Bengal Chamber of Commerce and Industry (BCCI)
- Gas Industries Association (GIA).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company makes efforts to leverage its membership with Trade and Industry Association to further contribute on specific sustainable business issues, such as ethics, safety, governance, etc. The Company also conducts annual safety seminars through Gas Industries Association (GIA) which are aimed at creating awareness on safety for best practices for its customers, vendors, public at large.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Linde India Limited is committed to behave responsibly towards people, society and the environment for inclusive growth of the society where it operates and to conserve natural resources. The Company's Corporate Social Responsibility projects and initiatives reach out to different sections of the disadvantaged, underprivileged or differently abled members of the community to make positive impact on their lives in various ways. During the year 2017, these projects and initiatives fell in four thematic areas of the Company's CSR Policy, viz., Education, Health, Environment and Livelihood (Skill Development). The details of the specific CSR projects/initiatives are given in Annual Report on Corporate Social Responsibility annexed to the Directors' Report by way of Annexure-4.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Linde India undertakes CSR projects both directly by mobilizing in-house team of employees and through external implementing agencies, NGOs and/or Government bodies.

3. Have you done any impact assessment of your initiative?

Efforts are made to make a general assessment of impact of some of the initiatives. However, no structured impact assessment is put in place at present.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

During the year, the Company spent Rs.3.77 million towards various CSR initiatives and projects. The details of the same are given in the Annual Report on CSR, which is annexed as Annexure- 4 to the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

All CSR projects and initiatives are planned with the objective of sustainable community development. The project is identified and developed as a facilitator within the CSR Policy framework and presented to the CSR Committee for its review, guidance and approval. The Company endeavours to support the CSR projects/initiatives over a period of time to make them sustainable. The

Company works with the NGOs and implementing agencies of the projects to ensure proper and meaningful adoption of these initiatives among the target community. The Company also encourages volunteering of services by employees in the CSR initiatives/ projects taken up by the Company.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company has a Customer Service Centre (CSC) which processes the customer indents, queries and complaints on a toll free number and/or through email. During the year 2017, a total number of 1,266 customer complaints were logged by the CSC, out of which 1,197 complaints were closed within the year 2017. A total number of 69 complaints which worked out to 5.45% of the total complaints were pending at the end of the financial year. Out of these 69 complaints, 67 complaints have been closed in January 2018 within the target resolution date.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Linde India manufactures and supplies various gases such as oxygen, nitrogen, argon and their mixtures in cylinders under the segments of Industrial Products, Special Products and Medical Gases. The product labels comply with the provisions contained in Gas Cylinder Rules, 2016 and The Legal Metrology (Packaged Commodities) Rules, 2011. Additionally, we comply

with Indian Pharmacopia 2014 for medical gases. Besides, pictorial representation of warnings are also included as a part of the product label.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No cases were filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti- competitive behaviour during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Linde India believes that a perpetual understanding of voice of customers provides an opportunity for continuous improvement. To ensure that there is a continuous feedback system along with a detailed platform to understand customer's perception, Linde India conducts two kinds of customer feedback survey. The monthly survey allows customers to rate the company on a scale of 1-5 and share their feedback on an IVR system. The annual Customer Satisfaction Survey is conducted in a sample of randomly selected customers. This survey helps the company to understand customer's impression towards product, sales, customer service and safety. The company observes the overall customer satisfaction score trend on month on month and year on year basis. The overall satisfaction score of the annual customer satisfaction survey for 2017 was 8.1 on a scale of 10.

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