

Corporate Responsibility Report 2011





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This is the PDF download of our Corporate Responsibility Report 2011.
The report is only available online.

www.linde.com/cr-report

Reporting scope



- Highest GRI level for sustainability reporting (A+)
- Scope of independent assurance expanded
- Integrated Global Compact Communication on Progress

The Corporate Responsibility Report 2011 is Linde's seventh sustainability report. In it, we provide information on our sustainability performance, priorities and challenges. Current projects and initiatives show where we are concentrating our efforts. Global indicators allow readers to compare our performance. This report is targeted at all stakeholders of The Linde Group – employees, shareholders, neighbours, customers, partners, non-governmental organisations (NGOs), political circles, the research and scientific community, and the general public.

Issues and spotlight topics

Our CR reporting covers all main sustainability issues relevant to Linde. We follow internationally recognised standards on sustainability reporting, such as the Global Reporting Initiative (GRI) guidelines and the Global Compact principles published by the United Nations.

Our choice of CR 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. More information on our materiality analysis can be found under "Relevant topics".

We have largely maintained the structure of last year's report. However, we have expanded on a number of topics and added new indicators to reflect our progress in these areas. Examples include measures to promote women within the company. Our aim is to give a transparent picture of our CR performance and meet rising demands for information from our stakeholders.

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Boundaries of this report

This report refers to all consolidated Group companies in which Linde has at least a 50-percent stake. As in previous years, we publish the complete CR report online. The entire report or individual chapters can be downloaded as a PDF. In addition, we publish a brochure summarising the main content of our CR report.

In 2012, we pulled forward the publication date of our CR report, releasing it as early as May for the first time. The reporting period for the indicators contained in this report is the 2011 financial year. Relevant developments and events that took place in the 2012 financial year prior to the editorial deadline in April 2012 are also covered in this report. The next report is scheduled for spring 2013. We publish information on our sustainability performance through a variety of other channels as well:

- The Management Report of The Linde Group's annual report contains a chapter on Corporate Responsibility, various key non-financial indicators and updates on sustainable business practices at Linde. Also part of the annual report, the Linde Annual 2011 focuses on Linde's products and technologies that contribute to the goals of environmental and climate protection.
- The Linde Group website contains detailed information on the subject of Corporate Responsibility. The websites of the Gases, Healthcare, Engineering and Gist divisions also report on Corporate Responsibility. In addition, some members of The Linde Group release publications that address sustainability issues.
- Available to the public, our investor relations expert presentations give detailed accounts of the market opportunities available to Linde in the areas of energy and environmental technologies.

We refer to these other channels and sources where appropriate to avoid repetition and ease readability.

> More on [indicators](#)

Reporting standards and assurance

Selected key performance indicators in this report were again independently reviewed and subsequently assured by KPMG Sustainability. The audit was carried out in line with the International Standard for Assurance Engagements (ISAE) 3000.

We used the latest version of GRI's Sustainability Reporting Guidelines, G3.1, in this report. Once again, we applied the highest GRI standard application level (A+) for sustainability reporting, which was confirmed by GRI.

This report also serves as a Communication on Progress within the framework of our commitment to the UN Global Compact. We explain how we integrate the ten Global Compact principles into our business activities. We use the Global Compact logo to identify content relevant to our Communication on Progress. A combined GRI and Global Compact Index table provides detailed information on all relevant topics. For the first time in 2012, our CR report complies with the UN Global Compact advanced level.

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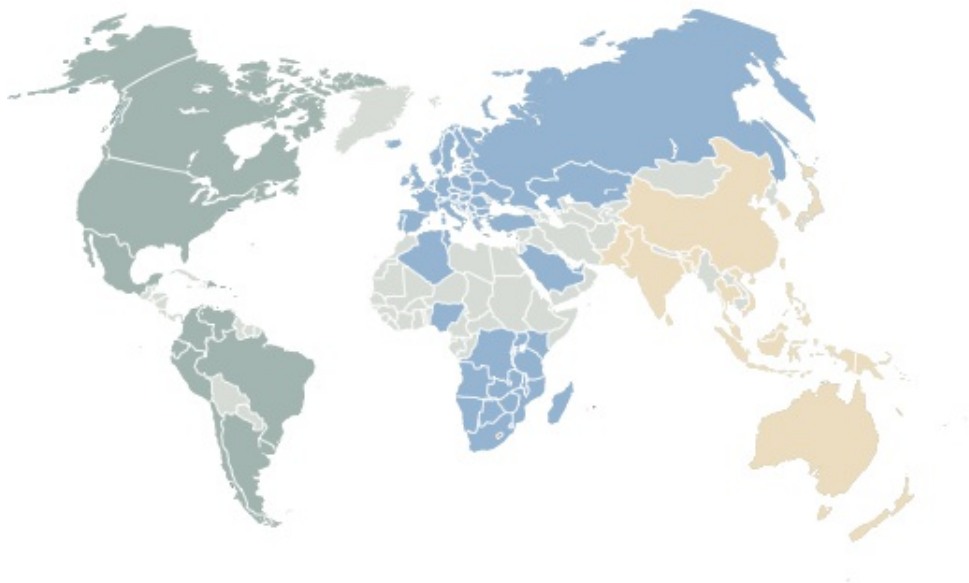
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The Linde World

The Linde Group is a world-leading gases and engineering company with around 50,500 employees in more than 100 countries worldwide. The strategy of The Linde Group is geared towards long-term profitable growth and focuses on the expansion of its international business with forward-looking products and services. The company's headquarters are located in Munich. The Group comprises three divisions: Gases and Engineering (the two core divisions) and Other Activities (Gist, the logistics service provider).



- **Region Amerika:** 7,857 employees, EUR 2,636 million sales
- **EMEA** (Europe, Middle East and Africa): 29,654 employees, EUR 6,772 million sales
- **Asia/Pacific:** 12,906 employees, EUR 4,379 million sales

Structure

Gases Division

The Linde Group is a world leader in the international gases market. The company offers a wide range of compressed and liquefied gases as well as chemicals and is the partner of choice across a huge variety of industries. Linde gases are used, for example, in the energy sector, steel production, chemical processing, environmental protection and welding, as well as in food processing, glass production and electronics. The Group is also investing in the expansion of its Healthcare business (medical gases) and is a leading global player in the development of environmentally friendly hydrogen technology.

The Gases Division has three reportable segments: EMEA (Europe, Middle East and Africa), Asia/Pacific and the Americas, which are subdivided into eight Regional Business Units (RBUs). The Gases Division also includes the two Global Business Units (GBUs) Healthcare (medical gases and related maintenance and advisory services) and Tonnage (on-site supply of gases to major customers), as well as the two Business Areas (BAs) Merchant & Packaged Gases (liquefied and cylinder gases) and Electronics (electronic gases).

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Engineering Division

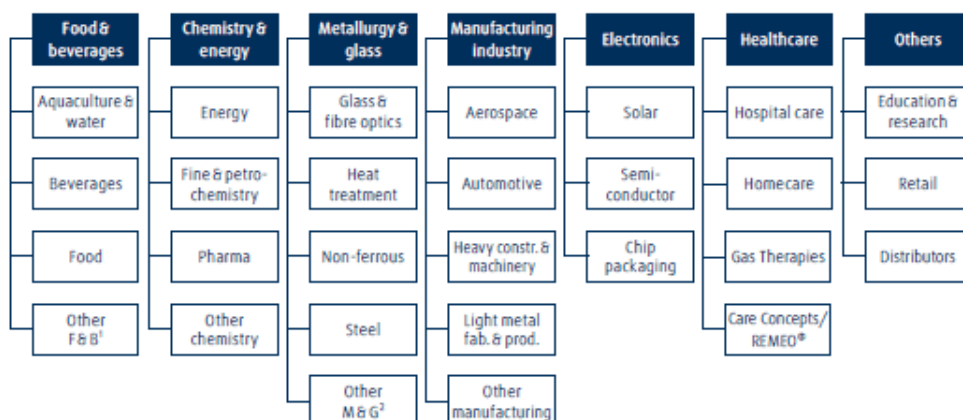
Linde Engineering is successful throughout the world, with its focus on promising market segments such as olefin plants, natural gas plants and air separation plants, as well as hydrogen and synthesis gas plants. In contrast to virtually all its competitors, the Group is able to rely on its own process engineering know-how in the planning, project development and construction of turnkey industrial plants. Linde plants are used in a wide variety of fields: in the petrochemical and chemical industries, in refineries and fertiliser plants, to recover air gases, to produce hydrogen and synthesis gases, to treat natural gas and in the pharmaceutical industry.

Other activities

Other activities of the Linde Group consist mainly of Gist, Linde's logistics services.

Customer segmentation

The Linde Group manufactures gases and engineers plants for customers in the food and drinks, steel and automobile, healthcare, construction, electronics and solar industries. A broad, well-balanced customer base ensures stability.



¹ F & B: Food & beverages.

² M & G: Metallurgy & glass.

Business review

In the 2011 financial year, Group sales rose by 7.1 percent to EUR 13.787 bn. After adjusting for exchange rate effects, the increase was 7.6 percent. Linde achieved a 9.7 percent increase in Group operating profit (EBITDA) to EUR 3.210 bn. Profit again grew at a faster rate than sales.

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Sales and operating profit by business segment

The Linde Group

in € million	2011	2010
Group		
Sales	13,787	12,868
Operating profit	3,210	2,925
Gases Division		
Sales	11,061	10,228
Operating profit	3,041	2,766
Engineering Division		
Sales	2,531	2,461
Operating profit	304	271
Other activities*		
Sales	195	179
Operating profit	-135	-112

* including reconciliation

In the 2011 financial year, Linde continued with the implementation of its HPO (High Performance Organisation) efficiency programme. HPO is a holistic concept for process optimisation and productivity gains which should result in total gross savings in the financial years from 2009 to 2012 of between EUR 650 m and EUR 800 m. It should also continue to reinforce the Group's competitiveness irrespective of the economic climate. All the individual measures designed to increase efficiency are centrally monitored and reviewed to ensure that they achieve lasting success.

> More on [each division's business performance as well as on the breakdown of division sales by operating segment \(region\) and business segment](#)

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Corporate responsibility at Linde



- New sustainability goals
- Incorporation of human rights issues in risk management processes
- Over 33,000 e-learning courses on code of ethics

Corporate responsibility (CR) represents Linde'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 sustainability 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.

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.

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Letter from the CEO

"The journey to a cleaner energy economy calls for a greater share of renewable sources and for new, sustainable technologies. With our Clean Technology portfolio we are well placed to help meet these challenges worldwide."



Ladies and Gentlemen,

Our success in 2011 has confirmed that we are on the right course. Our business model will remain focused on stability and sustainability. Moving forward, we will continue to concentrate on the long-term global megatrends – energy and the environment, healthcare and dynamic trends in the emerging markets. We intend to further strengthen our position in all of these areas.

Already today, the majority of our research projects are geared towards improving environmental performance and developing innovative processes that enable valuable resources to be used more efficiently. For us, these are sustainability opportunities that help us grow as a business and benefit society as a whole. The journey to a cleaner energy economy calls for a greater share of renewable sources and for new, sustainable technologies. With our Clean Technology portfolio we are well placed to help meet these challenges worldwide.

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. Climate protection, for example, is a major issue for many of our customers and partners. So for some years now, we have been providing increasingly detailed information about how we are working on improving the environmental impact of our production processes. By endorsing the United Nations Global Compact, we have committed to providing transparent reports on how we are implementing the organisation's core principles. We are continually expanding our sustainability reporting activities. In the year under review, additional non-financial indicators were independently audited and we have also changed our reporting cycle. For the first time, we are already publishing our Corporate Responsibility Report in May – to inform you even earlier about our progress, challenges and future plans for sustainable and profitable growth.



Professor Dr Wolfgang Reitzle
Chief Executive Officer of Linde AG

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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

Passion to excel	We have the commitment and drive to pursue ever higher standards of excellence and we celebrate success.
Innovating for customers	We relentlessly pursue new ways of adding value to external customers.
Empowering people	People are given the space to contribute and grow.
Thriving through diversity	Diversity results in enriched collaboration and enhanced solutions.

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 of Linde AG and its affiliates worldwide. Linde 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 Linde.
- In our global 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.

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International standards

We also recognise and promote international standards and guidelines, and align our corporate responsibility activities with these benchmarks. They include:

- The United Nations Universal Declaration of Human Rights
- OECD guidelines for multinational enterprises
- The principles set down in the conventions of International Labour Organisation (ILO)
- The United Nations Guiding Principles on Business and Human Rights
- The principles of the UN Global Compact

> More on the [Global Compact](#)

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Goals

Status
 Target reached
 In progress
 New goal


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Strategic goal	Planned measures	Timeline	Progress during reporting period	Status
Transparency				
Expansion of sustainability performance indicators	– Definition, collection and reporting of additional sustainability indicators	Ongoing	– Corporate citizenship indicators included in reporting – Further environmental indicators included in reporting – Further HR management indicators included in reporting > More on key indicators	
Increased transparency on CR activities	– Benchmarking of CR reporting activities against established international sustainability reporting standards	2012	– CR report includes communication on progress according to UN Global Compact "Advanced" level – CR report awarded highest level (A+) by the Global Reporting Initiative – Scope of independent assurance extended > More on Global Compact > More on GRI > More on assurance	

Compliance

Expansion of compliance programme	– Training on the Code of Ethics for all employees – Implementation of specific preventative measures for particularly sensitive business activities	Ongoing	– Over 33,000 e-learning courses on the Code of Ethics by the end of 2011 – Classroom-based training for over 4,500 employees between 2009 and 2011 – New online training courses on anti-trust law – Further language versions of Code of Ethics published > More	
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Supply chain

Sustainability assessment along the supply chain	– Raising awareness of the importance of supply chain sustainability among procurement managers and suppliers – Evaluation of company safety, environmental protection, human rights and labour standards and requirements among suppliers	2014	– 250 engineering suppliers confirmed compliance with standard – 30 supplier audits – Low CO ₂ emissions introduced as criteria for selecting transport service providers > More	
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Capital market

Inclusion of Linde in the most renowned sustainability indices		2014	– Linde included in further indices in 2011 > More	
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Strategic goal	Planned measures	Timeline	Progress during reporting period	Status
Stakeholder engagement				
Inclusion of stakeholder requirements in sustainability management activities	– Alignment of stakeholder information requirements with CR topics covered in reporting	Annual	– 1,400 sustainability inquiries from stakeholders answered	
	– Dialogue with stakeholders on key sustainability issues		– 550 individual meetings with financial analysts and investors – 34 conferences and roadshows for investors > More	
			– Regular materiality analyses > More	
Products				
Development of products and technologies that unite the goals of customer value and sustainable development		Annual	– Majority of R&D gases projects geared toward improving environmental performance	
			– Creation of inter-disciplinary Clean Energy Group – New collaborations that help reduce emissions > More	

Environment and safety

Strategic goal	Planned measures	Timeline	Progress	Status
Safety				
Reduction of serious transport incidents	– Review of all local and global minimum standards for transport safety	2012-2015	– 10% of drivers completed training within the framework of the ActSafe programme	
	– Integration of new standards in a global database – Training on new standards for relevant employees – Audits to ensure compliance with new transport standards – Global implementation of new transport safety driver training programme (ActSafe for Drivers)		– Transport safety auditors trained > More	
Site risk review	– Creation of a uniform framework to measure risks at all locations and definition of control mechanisms to minimise these risks to the greatest possible extent (major hazards review programme (MHRP))	Long-term goal	– 312 sites certified in line with MHRP by the end of 2011 > More	
Climate protection				
3% improvement in energy intensity in our air separation plant designs (relative to 2008 baseline)	– Identification of potential energy savings at all air separation plants	2013	– Energy intensity improved by 2.7% > More	
Reduction of transport-related emissions	– Evaluation of ways to reduce CO ₂ emitted by transport service providers (scope 3 emissions)	Ongoing	– Low CO ₂ emissions included as criterion for selection of transport suppliers	
	– Evaluation of emissions released by company fleet in Germany		– Award in recognition of sustainable company car strategy in Germany > More	
Evaluation of emissions outside of our production processes (scope 3)	– Assessment of emissions along the value chain in line with scope 3 emissions criteria as defined by the Greenhouse Gas Protocol – Continued development of a standardised, Group-wide method of calculating the carbon footprint of our products	Long-term goal	– Business processes assessed in line with scope 3 emissions criteria – In-house training on product carbon footprints – Scope 3 emissions evaluated for business trips > More	

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Further key environmental areas

Development of additional quantitative environmental protection goals	<ul style="list-style-type: none"> Evaluation of local environmental goals at all sites Assessment of potential new global water, waste and emissions goals 	Long-term goal	<ul style="list-style-type: none"> Regional waste reviewed to assess potential targets at local level Cross-disciplinary workshops to develop additional global environmental protection goals New goal for sustainable water use <ul style="list-style-type: none"> > More on climate protection > More on water > More on waste 	
Development of a strategy for sustainable water use in water-stressed regions	<ul style="list-style-type: none"> Identification of sites in water-stressed areas Analysis of water consumption at sites in water stress areas Development of a strategy plan for these sites for sustainable water use 	2013	<ul style="list-style-type: none"> Sites across the globe assessed to determine whether they are located in water-stressed areas <ul style="list-style-type: none"> > More 	

Employees

Strategic goal	Planned measures	Timeline	Progress	Status
Employees				
Review of employee satisfaction	<ul style="list-style-type: none"> Analysis of results from the first global employee survey Evaluation of current status and definition of improvement action plans Follow-up survey to assess the impact of new measures 	2012	<ul style="list-style-type: none"> First global employee survey carried out (2010 target achieved) Following evaluation of the survey results, team meetings in all lines of business Over 70% of teams implemented the agreed measures Follow-up survey planned for 2012 <ul style="list-style-type: none"> > More 	
Increase in the proportion of women in management positions to between 13 and 15% by 2018	<ul style="list-style-type: none"> Development of measures aimed at promoting talented female employees 	2018	<ul style="list-style-type: none"> Percentage of women in senior management positions increased Percentage of women in our most important development programmes increased <ul style="list-style-type: none"> > More 	
Expansion of childcare support	<ul style="list-style-type: none"> Assessment of support needs Increase in the number of daycare places to match rise in demand 	Long-term goal	<ul style="list-style-type: none"> Number of daycare places at our headquarters in Munich increased from 20 to 37 in 2011 <ul style="list-style-type: none"> > More 	
Evaluation of compliance with labour and social standards	<ul style="list-style-type: none"> Evaluation of monitoring systems to ensure compliance with labour and human rights standards Global survey of processes that protect social standards Definition of key performance indicators for this area 	2015	<ul style="list-style-type: none"> Global survey of processes to ensure compliance with social standards and respect for human rights New indicator on maximum working hours included in CR report <ul style="list-style-type: none"> > More 	
Expansion and harmonisation of healthcare management programmes	<ul style="list-style-type: none"> Harmonisation of occupational healthcare guidelines Expert training on occupational healthcare management 	Ongoing	<ul style="list-style-type: none"> Seven global healthcare guidelines approved between 2010 and 2012; during the same period, over 100 employees completed occupational healthcare training <ul style="list-style-type: none"> > More 	

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Strategic goal	Planned measures	Timeline	Progress	Status
Occupational health				
Reduction of health risks associated with manual tasks		Ongoing	<ul style="list-style-type: none"> Occupational health and safety audits carried out at 54.2% of our sites Research collaboration on safe handling of small gas cylinders Number of work-related accidents among employees fell to 1.4 per million hours worked Number of work-related accidents among contractors fell to 1.9 per million hours worked > More	
Reduction of potential risks from psychological stress to a minimum	<ul style="list-style-type: none"> Development of preventative measures for dealing with psychological strain such as stress Harmonisation of existing local guidelines on psychological health Approval of a global guideline 	Long-term goal	<ul style="list-style-type: none"> Subject of workload covered in global employee survey Stress management training for 60 managers in the Engineering Division > More	

Social engagement

Strategic goal	Planned measures	Timeline	Progress	Status
Social engagement				
Evaluation of corporate citizenship strategy	<ul style="list-style-type: none"> Assessment of all corporate citizenship projects Development of a global strategy for corporate citizenship Development of a global approach to corporate volunteering 	2012	<ul style="list-style-type: none"> Global survey of social engagement projects New goal to benchmark the impact of social engagement and community involvement projects > More	
Development of a global strategy for measuring the impact of projects	<ul style="list-style-type: none"> Definition of corporate citizenship key performance indicators (KPIs) Collection and reporting of corporate citizenship KPIs worldwide Development of efficiency checks for donation and sponsoring projects Identification of flagship projects 	2013	<ul style="list-style-type: none"> Corporate citizenship KPIs defined Global pilot survey on corporate citizenship KPIs New indicators on corporate citizenship included in CR report > More	

More on financial targets and goals within the framework of our high performance organisation (HPO) efficiency programme

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Responsibilities for sustainability

The Corporate Responsibility Council has been the highest decision-making body for sustainability issues since 2004. The decisions reached by the council are binding for the entire company. The Corporate Responsibility Council comprises the Chief Executive Officer of Linde AG, another member of the Executive Board, together with managers responsible for the following global and central functions: Communications and Investor Relations, Human Resources, Internal Audit, Legal and SHEQ. In 2011, the Corporate Responsibility Council received a status update on our global energy efficiency and climate protection goal and discussed the expansion of CR reporting activities.

Organisation



Our divisions and business units incorporate sustainability measures in their business processes and regions. The Corporate Responsibility department coordinates the execution of the sustainability strategy with experts in each area. The CR department is also responsible for external sustainability reporting and is a contact partner at The Linde Group for stakeholders inside and outside of the company.

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Corporate responsibility management

Our sustainability management activities are driven by two strategic goals – to reduce risks and maximise opportunities. This applies both within the company and in our relation with our stakeholders. We integrate our commitment to sustainability into our business processes worldwide via our global management systems. This enables us to implement our CR strategy throughout the company and promote sustainability, which is one of the four fundamental principles defined in the Linde Spirit – guidelines that define our values and fundamental principles. They apply to all employees worldwide.

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Sustainability opportunities

The world's population is growing, fuelling demand for reliable, affordable and environmentally sound energy. Our Clean Technology solutions focus on the opportunities of sustainability – delivering the environmental and energy innovations to build a more sustainable future today. Experts predict that the global market for energy and environmental technologies – a market in which Linde also plays an active role – will be worth between EUR 80 and 140 billion by 2030. Linde is in a strong position to capitalise on this growth.

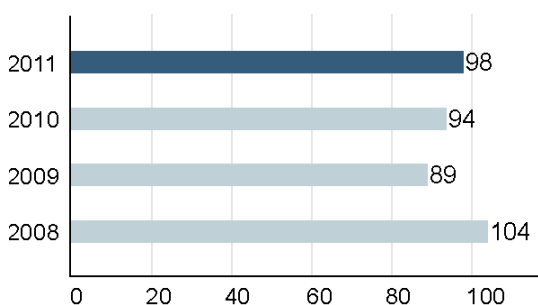
Sustainable innovations

In 2011, we spent a total of EUR 98 million on research and development and filed 235 new patents. Our research and development activities also focus on the environmental impact of our production processes. Key priorities include the need to increase energy efficiency across processes and plants and cut the emissions released during production – by both Linde and our customers.

Expenditure for research and development

(in € million)

The Linde Group



At Linde, we systematically promote a culture of creativity and innovation. 2011 was the sixth year in which we recognised the best innovations across the Group. Awards are presented for the ten best patents registered during a calendar year in each of the following categories: technological invention, commercial invention and Group innovation. The award-winning patent applications are often directly linked to environmental and climate protection. Examples include innovations in the field of renewable energy as well as new technologies to increase plant efficiency. The winners join the Linde Innovators Club, which now numbers 130 members.

> More on [climate protection](#)

Projects that reduce emissions

– 45,000 t
CO₂ emissions

thanks to the use of biogas

Renewable energies

Renewable energy carriers are playing an increasingly important role in the world's energy supply. Our competence and product chain covers many sustainable power and fuel technologies, helping for instance to improve the

CO₂ balance in solar cell production. In California, leading waste disposal company Waste Management has teamed up with Linde in a joint venture. The two companies have developed a system that captures gas from compostable waste (landfill gas) and turns it into fuel that can also be used by Waste Management's collection trucks. Converting the trucks to this climate-friendly fuel biogas will save 31 million litres of petrol or diesel each year. This corresponds to savings of around 45,000 tonnes of CO₂ emissions.

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350,000 t

CO₂ recycled

each year by reusing carbon dioxide in Dutch greenhouses

Recycling CO₂

We have developed various processes to reduce greenhouse gas emissions or to recycle CO₂ that would otherwise be released into the atmosphere – for example, in greenhouses. Each summer, 350,000 tonnes of carbon dioxide are pumped from an oil refinery near Rotterdam into

hundreds of greenhouses in the Netherlands. The amount of CO₂ recycled in this project each year corresponds to the annual emissions of a city in Western Europe. Our technologies also enable carbon dioxide to be recycled and used in the production of green fuels from renewable raw materials. One such project involves feeding recycled carbon dioxide to algae. Linde has joined forces with algae specialists to develop a range of technologies that provide these cell factories with an optimum supply of CO₂. Special algae use CO₂ to produce ethanol – a climate-neutral fuel for the vehicles of tomorrow.

–700,000 t

CO₂ emissions

by injecting captured carbon dioxide back into a gas field

Building a bridge to tomorrow's energy supplies

Our technologies enable fossil fuels to be recovered and used in the most efficient, environmentally friendly way possible. Examples include processes for capturing CO₂ released by power plants so it can be re-used. Natural gas is a more environmentally sound fossil fuel than oil

or coal. Linde has developed technologies to liquefy and transport this low-emissions energy carrier. In May 2011, for example, we opened Sweden's first terminal for liquefied natural gas – the largest of its kind in Europe. Europe's largest natural gas liquefaction facility is located off the coast of Norway, near the city of Hammerfest. Linde engineers were selected to build the plant and to also capture and compress the CO₂ sequestered from the natural gas. Instead of being left to escape into the atmosphere, the CO₂ can then be fed back into the gas field. Around half of the CO₂ contained in the natural gas – approximately 700,000 tonnes a year – is now piped 2.6 kilometres below the ocean floor.

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20

new H₂ fuelling stations

for sustainable hydrogen

this climate-friendly energy carrier. Concrete activities include the opening of 20 new hydrogen fuelling stations. Linde and car manufacturer Daimler are investing tens of millions of euros to build the additional hydrogen fuelling stations in Germany over the next three years. The 20 new H₂ stations will be supplied with sustainable hydrogen from Linde's Leuna plant.

New energy sources

Hydrogen (H₂) and fuel cell technology are opening up new environmentally friendly mobility choices. Our technologies cover the entire hydrogen value chain and we are actively helping to promote the widespread commercialisation of

–80%

CO₂ emissions

thanks to sustainably produced hydrogen

Green fuel

From regenerative raw materials through organic waste to electricity from renewable sources, we are testing and applying a wide range of process technologies to reduce or even eliminate emissions during hydrogen production – at the chemicals hub Leuna for example. In autumn

2011, we started operations at a demo plant here that produces hydrogen from glycerine. Linde called in TÜV SÜD to analyse the carbon footprint of the entire production process – from delivery of the glycerine to Leuna right through to the electricity consumed to light the demo plant. The outcome speaks for itself: deployed on a major industrial scale, this H₂ process chain has the potential to reduce CO₂ emissions during production by up to 80 percent in comparison with H₂ captured from conventional natural gas steam reforming

> Information on our [clean water solutions](#)

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Risk management

At Linde, 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 Group risk management system covers sustainability risks. These include issues such as environmental, safety, HR and legal risks, along with risks resulting from political, legal and social upheaval or from pandemics. In 2011, we further specified our risk categories relating to human rights and social issues. Our SHEQ management systems enable us to identify and minimise safety, health, environment and quality risks. These management systems are closely aligned with the individual workflows in the various business units. We also involve contractors and other suppliers in our activities here.

We continue to expand our global compliance programme to ensure that legal regulations and our voluntary commitments are upheld. In order to assess compliance with social standards and human rights we performed a global survey to ascertain which processes have been implemented. We also provide an external hotline for reporting suspected violations.

We also hardwire safety, environmental and social aspects into our supply chain management. When selecting suppliers, for example, we use risk analyses and audits on the individual areas to assess supplier suitability. We maintain continuous dialog with stakeholders. This enables us to identify new issues at an early stage and assess their relevance for our business activities.

> More on our [SHEQ management](#) and on [social standards](#)

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Sound corporate governance

Sound corporate governance is fundamental to Linde's sustainable success. Linde AG follows the most recent version of the German Corporate Governance Code presented by the Government Commission as amended from time to time and complies with the Code's guidelines to a large extent. Any deviations are explained in our annual report.

33,000
training courses

Over 33,000 e-learning courses on our Code of Ethics – in 22 languages – had been completed by the end of 2011.

Global compliance programme

We continue to expand our global compliance programme to ensure that legal regulations and our voluntary commitments are upheld. Our most important goals here are preventing corruption and anti-trust infringements, as well as identifying and resolving circumstances or events that require further investigation. Doing this requires clear rules, informed employees and an

international compliance system that enables us to identify and tackle suspected violations. The primary focus of our compliance programme is to prevent misconduct. At the same time, we actively encourage our employees to report any suspected violations of our Code of Ethics or other Group guidelines. We investigate every allegation.

Since 2008, Linde's Head of Compliance has been responsible for developing the compliance programme, coordinating its execution and assessing the various compliance measures worldwide. The Head of Compliance is supported by compliance officers in the individual business units and regions. The Head of the Legal Department and the Head of Compliance regularly inform the Executive Board and the audit committee of the Supervisory Board about activities and progress within the compliance organisation.

When expanding our compliance programme, we also follow the recommendations of the United Nation's Global Compact as well as Transparency International's Business Principles for Countering Bribery.

In 2011, our compliance programme focused in particular on expanding the content and developing the technology of our e-learning offering. In 2012, we are launching a new online course on anti-trust law. This specialist course is targeted at around 13,000 Group employees. In 2011, our compliance activities also saw us implement new guidelines defining collaboration with business partners that act as mediators or representatives. Efforts in 2012 will concentrate on drafting global anti-corruption guidelines and organising classroom-based training courses on our Code of Ethics for employees who do not have access to computers.

Preventing violations

We inform employees about the legal regulations and other standards that apply to their particular areas of work. All employees receive a copy of the Code of Ethics when they start working at the company and must confirm in writing that they have read and understood it. In 2011, we arranged for our Code of Ethics to be translated into further languages.

Through classroom-based courses and our Group-wide e-learning platform, we familiarise our employees with our Code of Ethics. By the end of 2011, over 33,000 e-learning courses had been completed in 22 languages.

Between 2009 and 2011, over 4,500 employees in high-exposure areas participated in face-to-face training sessions worldwide. These courses focused primarily on anti-trust law, the avoidance of corruption and dealings with business partners.

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Identifying misconduct

Employees wishing to report suspected violations of our Code of Ethics or other Group guidelines or make enquiries about these can contact their direct line manager or department head. Alternatively, they can contact a representative from the Internal Audit, Human Resources or Legal/Compliance departments.

Our Integrity Line global reporting system is one of the key pillars of our compliance programme. It enables employees and external stakeholders to report doubts and suspected violations – by anonymously if desired – by e-mail, telephone or regular post.

Every report is assessed by Linde's Integrity Line Facilitator, who forwards allegations as appropriate to the Linde Integrity Committee. The committee comprises representatives from Internal Audit, Legal/Compliance, Corporate Responsibility and Human Resources departments. The committee examines the reports and determines further courses of action. Our Integrity Line policy outlines the exact protocol to be followed and ensures that reports remain confidential and data is protected. Reports of misconduct submitted via other channels are forwarded to the Integrity Line system to ensure that all cases are investigated following the same protocol.

In 2011, our Integrity Line was contacted 430 times (2010: 334). Each one of these contacts was assessed to determine whether it entailed a general enquiry or an allegation of misconduct. All concrete accusations were systematically investigated. Most of the reports last year were related to personnel topics (approximately 40 percent) and offences against property (approximately 30 percent). In addition to the regular consulting and auditing activities carried out by our compliance organisation, Internal Audit and HR management, 54 audits were instigated worldwide in 2011 as a result of reports to the Integrity Line (2010: 54 audits).

Consequence management

Linde employees who violate laws or regulations must be prepared to face sanctions. Repercussions for violations can range from dismissal to criminal prosecution or civil action. If an internal investigation reveals that a report is substantiated, we explore the measures that have subsequently been implemented – following a set protocol and timeframe. The responsible line managers are involved in this process and provide their input on a case by case basis.

If our compliance systems uncover any circumstances or events that appear to breach criminal or anti-trust law, we work very closely with the authorities. In 2010, we actively contacted the Munich public prosecutor's office to share Internal Audit findings that called for further clarification. The findings in question involved joint projects with other companies that were investigated by the public prosecutor for suspected bribery. Linde was not found to be in breach of the law. The state prosecutor, however, did establish that external third parties acted unlawfully. Investigators estimated that Linde benefitted indirectly from these violations by a sum of money in the amount of EUR 35 million over the years. In 2011, Linde made a compensatory payment in this amount to redress the situation.

> More on [legal proceedings in our annual report](#)

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Linde as a sustainable investment

The capital market assesses the sustainability performance of companies by ranking investments in line with responsible business criteria (socially responsible investments, SRI).

In 2011, we conducted more than 550 individual conversations with financial analysts and investors the world over. At 34 conferences and roadshows on three continents, we have offered our shareholders and potential investors the opportunity to speak with us. At each of these events, we also presented the sustainability opportunities of our clean technology portfolio. By the end of 2011, SRI investors held 2.73 percent of Linde shares. Furthermore, half of our ten largest shareholders publicly commit to the United Nations' Principles of Responsible Investment (UN PRI).

The Linde Group already ranks highly in several SRI ratings. In spring 2011, Linde was included in the Global Challenges Index, a sustainability index on the Hannover Stock Exchange. It comprises fifty companies whose product and services portfolios promote sustainable development and unlock opportunities for continued growth in the future. In 2011, Swiss rating agency SAM placed Linde in the top 15 percent of companies in its sector on the basis of the Group's sustainability performance. We aim to qualify for further SRI indices and funds.

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Sustainability along the supply chain

We work with suppliers in all of the more than one hundred countries in which we operate. In fiscal 2011, Linde spent around EUR 10.7 bn (2010: around EUR 9.7 bn) on purchasing in various markets worldwide. Around EUR 9.2 bn of this amount related to the Gases Division and around EUR 1.5 bn to the Engineering Division. The most important items we purchase include energy, gas cylinders and valves, tanks and tank equipment, IT products, various services as well as machines and other components for engineering projects.

Linde's success hinges on the products and services that we purchase being readily available – in appropriate quality and quantity and at fair market prices. When selecting suppliers, we look at a variety of factors other than pricing. These include logistics chain efficiency and delivery capabilities as well as assessments of the entire lifecycle of products.

We use various tools and measures to select and evaluate suppliers. These include software-based qualification processes for new suppliers as well as self-assessments on quality, environmental and social issues. We perform audits to check that our suppliers comply with these requirements. In certain regions we also take supplier diversity into consideration, considering the origin or employee structure of suppliers.

Compliance with standards

Our Code of Ethics requires that employees maintain fair and honest working relationships with suppliers. We also expect our suppliers to comply with environmental and social standards. These expectations are set down in our procurement guidelines. We also inform suppliers of specific requirements, providing them, for example, with overviews of the standards we expect and integrating environmental and social aspects into our selection processes.

We use risk analyses to check compliance with standards. Our Engineering Division, for example, has construction projects the world over. Site safety is therefore a top priority here. In 2010, the Engineering Division implemented a new standard that clearly sets out Linde's expectations on its suppliers' conduct. The guideline covers safety, health and environmental issues and is a fundamental prerequisite for working with Linde in engineering projects. The standard also addresses compliance with the principles set down in Global Compact. In 2011, 250 suppliers for engineering projects were given the standard and had to confirm that they understood the requirements. At the same time, we have conducted 30 audits at suppliers for engineering projects that include assessments of key aspects of the standard.

We also carry out quality audits to evaluate environmental and social factors. Suspected violations of Linde standards can also be reported to the Linde Integrity Line reporting system. All reports of non-compliance along our supply chain that we receive are assessed. Allegations that proved to be substantiated may also result in termination of contracts with suppliers.

Collaboration

We involve our service providers in our environmental and safety management activities, offering, for example, driver safety training courses for contractors commissioned by Linde to transport gases. We also collaborate with suppliers on mutually beneficial projects. During the period under review, our activities here focused in particular on reducing transport-related CO₂ emissions.

> More on [resource efficiency](#)

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Identifying key issues

We regularly evaluate the relevance of sustainability topics at Linde and also assess issues that are of particular interest to our stakeholders. This enables us to define focus areas for our CR strategy and our reporting activities. We evaluate these topics drawing, for example, on findings from internal workshops with specialists and strategy experts and on insights from interdisciplinary round tables. We also incorporate information on potential environmental and social risks identified by Group risk management.

We then map the results of this process (materiality analysis) to a matrix, which rates each topic by weighing stakeholder relevance against the impact on our business activities. This enables us to develop concrete measures for issues that are high on our stakeholders' priority lists, and provide new information on these subjects. In 2011, key topics for corporate responsibility included climate protection and energy efficiency, transport safety and human rights. These issues play an important role in the expansion of our corporate responsibility strategy. They help to shape our goals and are covered extensively in our reporting activities.

When selecting focus areas, we follow internationally recognised standards and recommendations in sustainability management and sustainability reporting, such as the Global Reporting Initiative (GRI) and capital market requirements for sustainable business practices (SRI ratings). We maintain continuous dialog with both internal and external stakeholders to find out what their priorities are.

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Stakeholder engagement

The trust of our stakeholders is a vital success factor for us. Which is why we maintain dialogue with key stakeholders such as employees, shareholders, customers, suppliers, non-government organisations (NGOs), politicians, academic and research circles, neighbours and the general public.

Linde stakeholders



We communicate with our stakeholders in a number of ways:

- Employee surveys and interdisciplinary working groups on sustainability issues
- Personal discussions with investors, customers, journalists and NGOs
- Participation in public political discussions
- Collaboration with sustainability networks such as UN Global Compact

Our CR department answered over 1,400 inquiries on sustainability issues from stakeholders in 2011. We use our findings also to identify priorities for our sustainability management and our reporting. Dialogue with stakeholders in 2011 centred on a number of

key issues including sustainability performance across our supply chain and the deployment of environmentally sound, energy-efficient technologies to reduce CO₂ emissions. Economic and environmental friendly energy supply was also a key topic in talks with politicians in 2011. We make our position on issues public – both as a company and within the framework of different associations.

> More on [shareholder dialog](#) and [co-operations](#)

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Collaboration and memberships

Joining or partnering organisations enables us to learn from the experiences of others and develop joint solutions and viewpoints with regard to sustainability. We are also a member of numerous organisations to support social, educational, cultural and scientific initiatives.

Linde is a member of numerous industry and business associations and plays an active role in these at national, European and international level. Among those are the German Chemical Industry Association (VCI), the German Engineering Federation (VDMA) and the German Industrial Gases Association (IGV). On a European level, we are a member of the European Industrial Gases Association (EIGA). In these associations, Linde helps draft common industry standpoints, strategies and action plans on sustainability issues such as climate protection or the safe handling of gases.

The Group is also a member of selected corporate responsibility networks. These include regional networks of UN Global Compact and econsense (Forum for Sustainable Development of German Business e.V.). Human rights were one of the key issues in these collaborations in 2011.

We also collaborate with partners in the world of science to push forward initiatives aimed at securing sustainable development. Linde is, for example, one of the founding members of the Clean Energy Partnership (CEP), the largest demonstration project for hydrogen-based mobility in Europe. Further CEP partners include technology, petroleum and energy groups as well as major car manufacturers and two leading public transport operators. The Clean Energy Partnership has been funded by Germany's Federal Ministry of Transport, Building and Urban Development since 2008.

> More on [corporate citizenship](#)

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- 100% of sites covered by management systems for safety and environmental protection
- Drop in number of workplace accidents and serious transport incidents per million kilometres driven
- New goal for sustainable use of water

Safety and environmental protection are top priorities at Linde. Our activities here focus not only on our internal business processes, but also on how our products are used. We have defined global guidelines and standards for occupational health, safety and environmental protection. We anchor these principles into our day-to-day business activities through our SHEQ management systems – which cover all of our sites. Our safety and environmental management systems also extend to contractors and other business partners. We deploy a wide range of tools and measures to check compliance with our standards, including regular audits carried out by Linde and independent third parties.

500

environmental projects

Between 2008 and 2010, Linde implemented over 500 environmental protection projects. In 2011 we initiated a number of further environmental projects, primarily focusing on energy efficiency, climate protection and efficient water use.

Our safety activities focus on the protection of our employees, on site and plant safety, product safety, transport safety as well as on protection of the company's physical and intellectual property and data protection.

We measure resource consumption, environmental impact and safety indicators at all sites around the globe. To further improve our performance in these areas, we systematically analyse potential weak spots through risk analyses – following these up with concrete risk mitigation measures. We have also developed a

global process for recording and assessing incidents such as accidents or leaks – at our sites, when our products are being transported or during their use. We also use this process to record and evaluate near-misses. The lessons learned from our incident reporting are then communicated throughout the entire Group. In 2011, we communicated over 80 such incident reports. They include a description of the incident or near-miss as well as the key causes and the measures we implemented as a result. We also highlight exemplary environmental and

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safety measures and reward outstanding performance. We provide regular training to promote a high level of environmental and safety awareness throughout the company.

Between 2008 and 2010, Linde implemented over 500 environmental protection projects. In 2011 we initiated over 200 further environmental projects, primarily focusing on energy efficiency, climate protection and efficient water use.

Audits and certification

1,200

health, safety and environment audits

We check compliance with our standards the world over. In 2011, we ran or commissioned over 1,200 health, safety and environmental audits at our locations.

In 2011, we ran or commissioned over 1,200 health, safety and environmental audits at our locations. Occupational health and safety audits were carried out more than 54 percent of our sites, and environmental audits at around 49 percent of our sites. We also include findings from our internal statistics and from reports on incidents and near-misses in our annual audit plan. Our internal audits comply with the international certification standards ISO 9001, ISO 14001 and OHSAS 1800.

We also rely on external certification to international norms to confirm our high standards for safety, environmental protection and quality. 76 percent of our sites are certified in line with the ISO 9001 set of international standards for quality management. In the case of food-grade gases, we provide proof of compliance with the relevant quality standards. Within the framework of the Global Food Safety Initiative (GFSI), we intend to have 70 sites certified by the end of 2012. This certification covers among others the ISO 22000 standard (food safety). In 2011, a further 11 sites were certified to this standard. 33 percent of our sites are certified in line with the environmental management standard ISO 14001 (2010: 28 percent). Moreover, 195 sites have been awarded Responsible Care certification. Around 22 percent of our sites are health- and safety-certified in accordance with the OHSAS 18001 (Occupational Health and Safety Assessment Series) or SCC (Safety Certification Contractors) standards (2010: 22 percent).

> More on [energy management certification](#)

Safety and environmental training

We systematically train our employees in the areas of occupational health and safety as well as in product safety and environmental risks.

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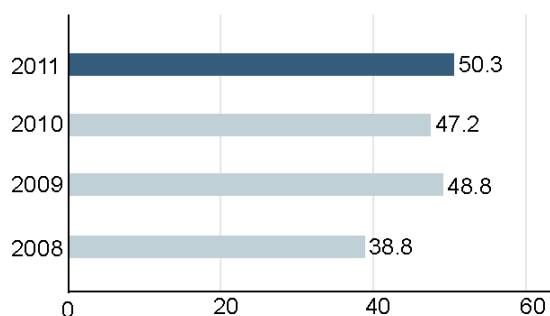
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Proportion of employees who have taken up HSE* training opportunities (in percent)

Gases Division



* Abbreviation for Health, Safety and Environment

The need for training is regularly assessed at our sites, and our training is tailored to current requirements. In 2011, over 50 percent of employees in our Gases Division took part in occupational health, safety or environmental protection training courses – more than 20,000 employees. We also run campaigns that strengthen employee awareness of safety and environmental protection and encourage them to take the initiative in these areas. Each year, for example, we hold the Linde Group Safety Awards, recognising selected sites in three separate categories: The Site Safety Award for the best location or facility, the

Company Safety Award for the best company within the Group, and the Improvement Award for the site or company that has made most progress in reducing lost time injury rates.

> More on [transport safety training opportunities](#) and [training opportunities for customers](#)

Awards

We received several awards in 2011 in recognition of our safety and environmental performance. In Pakistan, for example, the National Forum for Environment and Health – a partner organisation of the United Nations Environment Programme – presented Linde with the Environment Excellence Award. Linde also received an environmental award from the European Industrial Gases Association (EIGA). The award recognises the environmental improvements that Linde has made at its production sites in the UK under the framework of its "Rising to the Challenge" project, an initiative aimed at promoting communication and raising awareness of safety risks. In 2011, Singapore's Workplace Safety & Health Council and Ministry of Manpower awarded Linde a Gold Award in the Workplace Safety & Health Awards for the third consecutive year.

Complaints related to the environment

We always follow up suggestions for improvement that we receive. During the reporting year, we received 28 environment-related complaints (2010: 19). Most of these concerned noise or odour issues. In addition, we were aware of 32 environmental incidents that had to be reported to the authorities (2010: 31). These resulted in small environmental fines and warning fees to the total amount of around EUR 84,300 (2010: EUR 38,900).

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Energy

We rely on innovative technologies and energy efficiency measures to conserve resources, reduce greenhouse gases and ensure sustainable business success. We provide our customers with solutions to enable sustainable electricity and fuel value chains – covering everything from solar energy through the use of biological resources to hydrogen as an environmentally friendly fuel or storage medium.

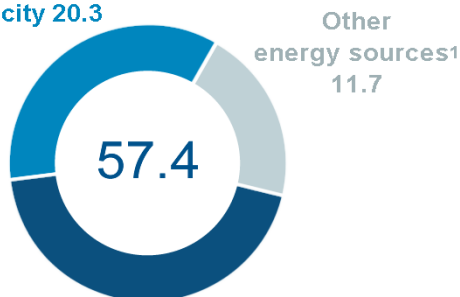
Energy efficiency activities

Our total energy consumption for 2011 amounted to around 57 million MWh (2010: 54 million MWh). The reason for this increase was a rise in production compared with the previous year. Rising production levels is linked with an increase in energy consumption. Our global energy management system helps us counter this trend.

Energy consumption 2011 (in million MWh) *

The Linde Group

Electricity 20.3



Natural Gas 25.4

¹ Other energy sources include for example heating oil, biofuel energy, methanol, propane and butane.

use.

Electricity and natural gas jointly account for about 80 percent of the energy carriers we use. We primarily use these sources to operate our air separation and HyCO plants. As our air separation units account for around 85 percent of our electricity consumption, we are focussing our efforts on improving energy efficiency and productivity in these units. In line with this, we have set ourselves a global goal.

We regularly conduct internal audits to check the energy efficiency of our plants and processes across the globe. The potential energy savings discovered during the audits are then realised where possible. In 2011, we identified over 450 projects that are enabling us to reduce our energy consumption and CO₂ emissions. We expect these initiatives to result in savings of 330,000 MWh and 170,000 tonnes CO₂ emissions. All production sites of Linde Gas in Germany were certified in accordance with the energy management standard DIN 16001. The primary goal of this norm is to increase energy efficiency and optimize energy

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Renewable energy

Renewable energy accounts for around 20 percent of our electricity mix, generally reflecting the national electricity mix offer at our sites. The proportion of renewable energy is particularly high, for example, in Norway and Brazil. In some areas, we undertake additional activities aimed at promoting regenerative energies. In Sweden, for example, we are part of a consortium of companies committed to investing in wind energy and improving the enabling infrastructure. Furthermore, Linde Healthcare has been obtaining RECS certificates every year since 2009. The Renewable Energy Certificate System (RECS) is an initiative that promotes regenerative energies across Europe. RECS certificates confirm that energy has been produced in an environmentally friendly way. In 2011, 40,000 MWh of energy that we consumed was RECS-certified.

> More on our [global goal for climate protection and energy efficiency](#) and on [energy and environmental technologies](#)

★ Within [assurance scope](#)

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Climate protection

Climate protection is of fundamental importance across our entire value chain. From research and development through production to storage and transport, we focus on resource-efficient processes and eco-friendly solutions.

We systematically analyse the environmental impact of our operations and use our findings as a basis for our climate protection management system. To this end, we record and evaluate our emissions worldwide. We track the greenhouse gases emitted at different stages of our products' value chains, following the recommendations of the Greenhouse Gas Protocol. In 2011, we emitted around 16.9 million tonnes of greenhouse gases (2010: 15.7 million tonnes). The increase on 2010 can be explained by our higher production volumes.

Greenhouse gas emissions in CO₂ equivalents *

The Linde Group

in million t	2011	2010	2009	2008
Direct emissions (Scope 1)	6.7	6.2	5.4	5.4
CO ₂ emissions	5.7	5.4	4.6	4.5
Other greenhouse gases	0.6	0.4	0.4	0.5
Linde Group transport fleet	0.4	0.4	0.4	0.4
Indirect emissions (Scope 2)	10.2	9.5	9.0	9.7
Sum	16.9	15.7	14.4	15.1

Priorities and goals

As production levels rise, so too do direct and indirect emissions. We aim to combat this trend by concentrating our climate protection efforts on CO₂-intensive activities – on our air separation plants, and on areas that provide the greatest potential for wide-scale emissions reductions, for example transport logistics.

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Greenhouse gas emissions *

in CO₂ equivalents



Our air separation plants generate nitrogen, oxygen and argon. They are responsible for over 85 percent of our electricity consumption and therefore the majority of our indirect CO₂ emissions. By 2013, we aim to improve energy intensity in our air separation plants by three percent per quantity of gas produced relative to the 2008 baseline. This goal represents a potential saving corresponding to around 630 GWh of electricity which translates into savings of around 270,000 tonnes of CO₂. By the end of 2011, we had already improved efficiency by 2.7 percent. In 2011, we evaluated local targets for climate protection and energy efficiency at our sites and stepped up efforts to develop a new, follow-on climate protection goal.

We implement a wide range of measures to reduce emissions caused by the transport of our products. These include optimal routing,

improved capacity planning and training courses in fuel-efficient driving. We have defined CO₂ emissions targets for our fleet in Germany, which numbers almost 1,000 cars, and we have replaced over one third of our vehicles to comply with the new targets. In addition, we introduced an incentive system for fuel-efficient driving. Through these measures, we were able to reduce the average greenhouse gas emissions of our German fleet from 167 grams per kilometre in 2008 to 147 grams per kilometre in 2011. This translates into total carbon savings of around 240 tonnes between 2008 and 2010. In recognition of this sustainable company car strategy, TÜV Süd, a leading German testing, inspection and certification company, presented its Green Fleet Award to Linde in 2011. This was the second time we received this award. In 2011, we launched a global project to add CO₂ emissions to the selection criteria for transport service providers.

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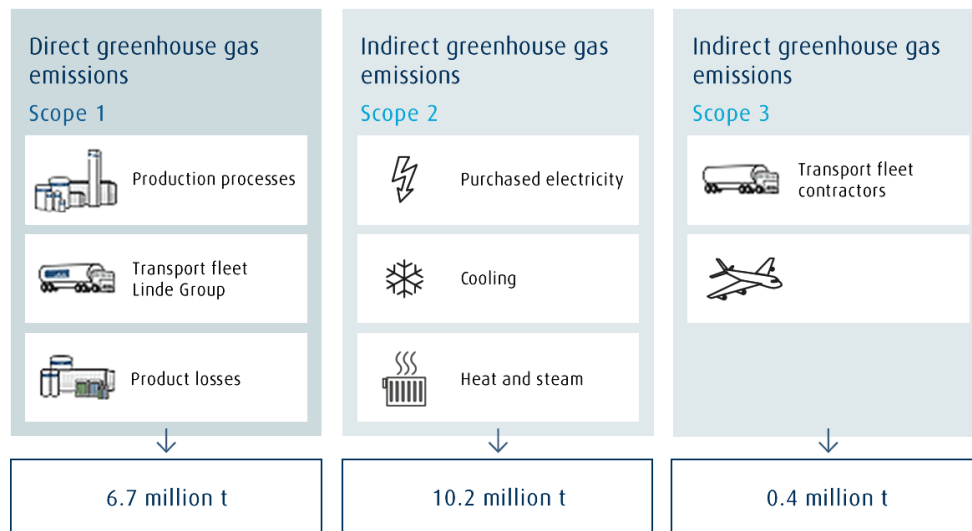
Social commitment

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Emissions balance 2011 *

The Linde Group



Climate-friendly products

Linde makes its greatest contribution to climate protection through its products. During the period under review, we set up the Clean Energy Group. The aim of this cross-disciplinary team is to develop further innovative products and processes that help make renewable energies cost-effective, conserve natural resources and cut harmful emissions.

* Within [assurance scope](#)

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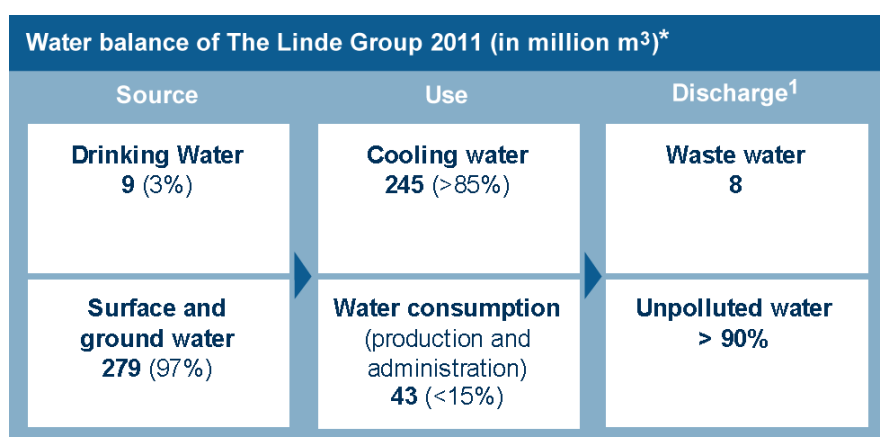
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Water

Throughout the world, we focus on using water resources sustainably. Our commitment here includes keeping water consumption as low as possible in areas where water is scarce and reducing or preventing emissions to water. In 2011, we reviewed water consumption in regions susceptible to water shortages (water stress areas). Five of our larger production facilities were located in areas that fall under the highest risk category. These facilities account for around 5 percent of total water use at Linde. We set ourselves a new goal. By 2013, we want to have strategies for sustainable water management in place at sites located in water stressed areas. We provide regular reports on our water needs and consumption. In 2011, we again participated in a public survey on water consumption conducted by the Carbon Disclosure Project.



¹ Due to e.g. evaporation, total water input may deviate from output. Waste water volume is reported as required by regulators. Unpolluted water volume is estimated.

Water use

In 2011, The Linde Group used approximately 288 million cubic meters of water worldwide (2010: 255 million cubic metres). Around 97 percent was drawn from surface water supplies and groundwater reserves. Around 3 percent of the water used is drinking water. More than 85 percent of the water we need is used for cooling. As the majority of this cooling water is not contaminated, it can be returned to the water cycle with no further treatment at a temperature that does not pose any risk to the surrounding ecosystem. At around 43 million cubic metres, the volume of water consumed by Linde was down slightly on the previous year. This water is primarily used in the manufacture of our products, for steam production and in our office buildings.

Of total water consumed in 2011, around 33 million cubic metres was process and industrial water (2010: 32 million cubic metres). Well over half of this water was used in our air separation plants. In addition to once-through systems, we also use water circulation systems to recycle water several times. Only a small percentage of this water needs to be replaced in the process depending on water quality and the technical equipment at each plant.

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Emissions to water

Where necessary, we purify the wastewater from our production and sanitary facilities either by using our own treatment systems or by sending it to municipal or industrial plants. In 2011, we reported to regulators around 8.1 million cubic meters of wastewater at our locations throughout the world (2010: 8.4 million cubic metres). To assess our impact on water quality, we measure the amounts of phosphates, nitrates and organic compounds we release. Small amounts of heavy metals, for example, may be present in the wastewater from our air separation plant cooling processes. These are present in the metal pipes and their protective coating and are released by corrosion. We use phosphates as anti-corrosion agents here.

Water emissions *

The Linde Group

in tonnes	2011	2010	2009	2008
Chemical oxygen demand (COD)	165	308	381	237
Biochemical oxygen demand (BOD)	38	75	157	181
Nitrates	61	35	37	45
Phosphates	3	3	3	4

We monitor compliance with local regulatory requirements worldwide and report our data for all locations legally obliged to report emissions. Increase or decrease of emissions to water in 2011 do not necessarily represent business trends but result from e.g. site maintenance or changes in plant operating modes.

Making water cleaner

Our water solutions for customers help to improve the quality of untreated water and drinking water. We also offer solutions to optimise the treatment of wastewater. Our SOLVOX® OxyStream solution, for example, is a particularly energy-efficient oxygenation system for the fish farming industry. The new system can work at lower pressures than conventional concepts as it is smaller and mixes gas and water highly efficiently. This cuts the energy required to power the pumps by over 50 percent, which in turn reduces costs and emissions for our customers. The system has already been successfully installed at over 30 land-based aquaculture sites.

* Within assurance scope

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Resources and materials

The conservation of resources is an economic and ecological principle at The Linde Group. As a leading global supplier of industrial gases, atmospheric air is our most important resource. We also use other raw materials and supplies in our processes. Compared to other industries, however, these volumes are relatively low. Materials include for example the metals required to manufacture components.

Resources and materials *

The Linde Group

in tonnes	2011	2010	2009	2008
Raw materials and supplies	75,020	65,700	50,000	57,100
Packaging materials	5,286	6,300	5,800	7,200

Most of our products are delivered to customers in gas cylinders or tanks. Other products, however, need to be packaged. Paper, cardboard and plastic are the main packaging materials we use. After use, our gas cylinders are refilled and reused. On average, our cylinders are reused three and a half times a year, and they have a lifespan of approximately 20 years.

Renewable raw materials

Linde technologies help promote the use of renewable raw materials. We are working with algae specialists, for example, on a range of technologies that provide these "cell factories" with an optimum supply of CO₂. Modified algae use CO₂ to produce ethanol - a climate-neutral fuel for the vehicles of tomorrow. In autumn 2011, we also started operations at a demonstration plant that produces hydrogen from glycerine. This industrial-scale undertaking provides impressive proof of concept, demonstrating our ability to supply certified "green" hydrogen to refuelling stations for fuel-cell vehicles. Crude glycerine occurs as a by-product when biodiesel is made from vegetable oils such as rapeseed.

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Waste

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 2011, we organised a regional review of waste types in order to assess potential waste management targets.

Waste from our business operations mainly consists of oils and oil-contaminated materials, chemicals, and metallic waste, or gas cylinders. As a general rule, gas cylinders are fully recyclable at the end of their useful life. Only a few types need to be disposed of at landfill sites. We classify the waste generated by our business activities as hazardous or non-hazardous in line with national legislation. Hazardous waste at Linde primarily consists of oil and oil-contaminated materials from compressors in our air separation, acetylene and hydrogen plants as well as oil-contaminated sludge generated when oil/water separators are cleaned.

Waste *

The Linde Group

in percent	2011	2010	2009	2008
Total waste¹ (in tonnes)	64,429	71,915	68,335	82,606
of which non-hazardous waste	57	61	52	63
of which hazardous waste	43	39	48	37
Recycled materials	26	43	28	47
Incineration waste ²	30	28	28	15
Landfill waste	31	22	35	30
Other disposal method	13	7	9	7

1 Previously, this indicator included, non-hazardous waste caused by Linde customers and disposed by Linde as service.

2 Incineration waste is partly used for heat recovery

Our commitment to responsible waste management extends to working with our customers and business partners. For instance, we offer a waste collection and environmentally sound disposal service to some of our customers. In addition, compared with conventional processes, industrial gases can help to lower emissions and energy consumption during recycling. This is particularly true for materials such as aluminium and rubber.

In California, we are collaborating with leading recycling and waste disposal company Waste Management to simplify waste streams and reduce costs. The two companies intend to capitalise on the opportunities presented by improved waste recycling. In a joint venture, Linde and Waste Management have also developed a process that uses gas from compostable waste to manufacture fuel for the company's waste disposal trucks.

> More on the cooperation with [Waste Management](#)

* Within [assurance scope](#)

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Other environmental impacts

Air emissions

We control air emissions at all of our sites around the world. As well as greenhouse gases, we also analyse emissions of air pollutants. Compared with other big industries, our air emissions are relatively low. Our air separation plants, for example, typically produce almost no direct air emissions. Some of our production processes, however, emit inorganic gases such as carbon monoxide (CO), sulphur oxides (SO_x), nitrogen oxides (NO_x), ammonia (NH₃) and volatile organic compounds (VOC). The VOC emissions are primarily released during the painting and cleaning of metals such as gas cylinders, storage tanks and plant components.

Air emissions *

The Linde Group

in tonnes	2011	2010	2009	2008
VOCs	206	182	236	287
NH ₃	28	70	78	348
CO	1,566	1,747	2,161	2,202
NO _x	1,070	717	856	994
SO _x	543	620	730	582

We monitor compliance with local regulatory requirements worldwide and report our data for all locations legally obliged to report emissions. Increase or decrease of other air emissions in 2011 do not necessarily represent business trends but result from e.g. changes in customer demand for certain gas specifications, site maintenance or changes of catalyst types used for emission abatement on HYCO plants.

We remain committed to our goal of reducing air emissions or – where possible – eliminating them. Within the framework of a major project in China we received an award from the authorities in recognition of the Group's nitrogen oxide emissions, which were significantly below maximum permissible values and thus reflect our commitment to reducing air emissions.

We work closely with our customers to develop solutions aimed at reducing emissions. Pure oxygen, for example, offers a range of environmental benefits for foundries, heat treatment facilities, steelworks, non-ferrous metalworks, waste treatment plants and recycling facilities. Replacing air with oxygen eliminates nitrogen ballast in combustion and reheating processes. It also improves energy efficiency and reduces CO₂ and NO_x emissions.

Biodiversity

As part of our environmental management programme, we examine the potential impact of our activities on biodiversity. Most of our locations are in industrial or commercial zones, which means that our activities are unlikely to cause any significant additional impact on biodiversity. When setting up new locations, we use standard procedures as a basis to assess the potential environmental impact of our activities. We are guided here by international guidelines such as the UN Voluntary Guidelines on Biodiversity-Inclusive Impact Assessment. If protected areas or other sensitive habitats are located in the immediate vicinity of our plants, we take measures to ensure that they are not negatively impacted, for example noise protection.

> More on [health and safety](#) and [climate protection](#)

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Safety at our sites

At all of our sites, we identify and evaluate risks that our plants might pose to employees and any neighbouring companies or people living in the vicinity. In recent years, we have also rolled out a Group-wide management programme to systematically identify the most serious risks at all sites. This Major Hazards Review Programme (MHRP) creates a uniform basis for measuring risks at all locations and defining specific control mechanisms to minimise these risks to the greatest possible extent. By the end of 2011 Linde had certified 312 sites according to MHRP globally

Our crisis management agenda includes emergency planning for major catastrophes such as fire, explosions, natural disasters, crime and pandemics, and the impact these would have on our sites and business processes. We have defined areas of responsibility and decision-making channels for these scenarios at local, regional and Group level and developed guidelines for structured communication during crises.

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Focus on transport safety

Transport incidents have a particularly high profile within the safety risks we monitor. We aim to further reduce the frequency of transport-related accidents – among our own transport fleets and those of our contractors. The number of serious transport incidents involving trucks per million kilometres driven was at around 0.077 in 2011 and showed an improvement of 10 percent compared to the previous year for our serious traffic incidents. This development was down to improved levels of compliance to our transport operating standards

Global targets

To ensure a safe and secure logistics chain from source to customer, we continued our efforts in transport safety in 2011 by deployment of our package of global transport safety measures comprising implementation of four components:

- Revision of local and global minimum transport safety standards and integration of those standards in our global standards database for drivers and contractors.
- Employee training sessions covering these standards
- Pilot Audit programmes in higher risk geographies to check compliance with these standards
- Global implementation of new transport safety driver training programme (ActSafe for Drivers)

We committed to having at least 95 percent of our transport standards to be reviewed and incorporated in our global transport database and to implement the associated employee training measures by the end of 2012. By the end of 2015, we intend to have audited compliance with these standards at 60 percent minimum of all sites involved in transport and to implement the ActSafe for Drivers training at 30 percent minimum of the sites.

In 2011 we have made good progress on ensuring that all of our 12,500 drivers received some form of training from our package e.g induction and refresher training. Nearly 10 percent of drivers and contractors received the new ActSafe for Drivers training during 2011 as part of our pilot programmes. In 2011 we have also been training auditors so we have the capability to audit compliance with our transport standards in the coming years. We have for almost a decade been providing many of our European drivers with specialist practical truck rollover avoidance training. During 2011 we successfully extended this to New Zealand, Australia and South Africa and expect to extend this to at least two further countries in 2012.

> More on [occupational safety](#)

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Product stewardship

We systematically identify, assess and control risks across the entire lifecycle of our products – from materials purchasing through manufacturing to use of our products by our customers. Our activities here are built on standards that target core product stewardship process steps:

- New product launches
- Classification and labelling of chemicals and hazardous substances
- Introduction and sale of critical chemicals
- Creation of safety datasheets
- Safety audits at customer sites
- Management of liability risks associated with new products and applications
- Transport of gases

We start analysing the safety, health and environmental risks that may occur at any point in a product's lifecycle at the development phase. Our new product introduction (NPI) process outlines the different steps that have to be taken before a product can be brought to market.

Product stewardship



We use a carefully defined process to assess the potential risks for people and the environment during the production, handling and use of our products. This process includes an analysis of the risk category, ecological and social impact and toxicity. We then document the findings in a global database that serves as a central source of information for transport safety measures. This information is also used to draft safety datasheets.

In 2011 we published a new global standard and training materials for asbestos management in our operations. These outline all steps required to ensure that asbestos materials are handled and disposed of safely. We also approved a new standard on the safe handling of chemical and biological agents in

the workplace.

Legal requirements and international standards

The European Union has reformed the law governing chemicals in the EU. The REACH regulation stipulates that all companies manufacturing or importing chemical substances in the EU in quantities of one tonne or more per year must assess the health risks and environmental impact of these chemicals and register them according to a strict timeline. The Linde Group meets all requirements set down in REACH to the full extent. To do this, we set up a project team of over 30 specialists across Europe to coordinate compliance with REACH. We work actively with the European Industrial Gases Association (EIGA) and other industry associations to ensure compliance. In addition, we work with our customers and suppliers to ensure successful execution.

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On our REACH website, we provide detailed information on how we are meeting our legal obligations within the framework of REACH as a manufacturer, importer and user. We also detail the substances we have registered and explain how we inform our customers and suppliers about this. Approximately 4 percent of our revenue is attributable to products subject to REACH regulations.

Products and packaging are also labelled in line with international and local statutory regulations and international standards. At the beginning of 2011, we completed notification of the classification and labelling of our substances in compliance with the European Union's CLP regulations. We have registered 133 substances under CLP.

Our product stewardship programme goes beyond minimum legal requirements. It also aligns with the Global Product Strategy (GPS) guidelines for the safe handling of chemical substances issued by the International Council of Chemical Associations and the Globally Harmonized System (GHS) for the classification and labelling of chemicals published by the UN.

> More on our [REACH activities](#)

Safety when using our products

We provide our customers and the general public with information about our products in the form of safety datasheets. These are available in the languages of all countries in which we operate. When we hand over our products to our customers, we want to make sure that they are informed of all necessary safety measures and understand our products and their properties. We therefore provide extensive information on the handling, storing and labelling of gas products. This information can also be easily accessed online.

We also offer special customer safety training sessions covering the properties of gases, potential risks and important safety measures for transport, use and storage. We complement our offering here with an extensive portfolio of gas supply services ranging from risk assessment through the creation of explosion protection documents to the inspection, maintenance and repair of customer gas supply systems. Specially trained Linde employees carry out risk analyses at customer sites prior to delivery to determine whether all criteria for the safe and proper handling of gases have been met. In 2011, we carried out 460 audits of this kind at our customer sites. Our emergency teams are also on hand to help customers outside of business hours and at weekends.

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A global team



- 5% rise in training opportunity uptake
- New target for women in management positions
- Number of workplace accidents per million hours worked reduced

Over 50,000 people are the driving force behind our global success. Our long-term HR strategy focuses on winning and developing the best talent for our global team and building long-term loyalty to the company. In return, we provide safe and fair working conditions, invest in employee training and reward outstanding performance. The diverse mix of cultures and experience of our employees is crucial to our success.

Employees

The Linde Group

at 31 December	2011	2010	2009	2008
Gases Division	39,031	37,603	37,362	41,109
EMEA	20,920	20,575	20,952	22,838
Asia/Pacific	10,868	10,051	9,440	10,390
Americas	7,243	6,977	6,970	7,881
Engineering Division	6,319	5,811	5,716	5,951
Other activities	5,067	5,016	4,653	4,848
Group	50,417	48,430	47,731	51,908

As of 31. December 2011, we had 50,417 employees – almost 2,000 more than at the close of 2010. The average duration of employment amounted to 9.8 years. We hired over 6,000 new people in 2011. Over 25 percent of these new hires were in emerging economies in Asia. The proportion of employees who voluntarily left our company in 2011 was on average 6.3 percent across the entire Group. This turnover rate varied from 2.4 to 11.3 percent from region to region. Personnel expenses at The Linde Group came to EUR 2.653 billion for the period under review.

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Priorities of our HR strategy

Our HR strategy, People Excellence, is a central cornerstone of our High Performance Organisation (HPO) efficiency programme. This strategy focuses on three main areas – long-term talent development, corporate culture and empowering our employees to reach their full potential. During the period under review, our HR activities focused in particular on further developing our People Excellence programme. We incorporated the results of our 2010 global employee survey into our activities here. In 2011, we also continued to expand our Group-wide performance management system, which helps harmonise key HR processes worldwide.

Social challenges

Our HR strategy addresses the challenges presented by demographic change, including increased competition for qualified talent in some industrialised countries and aging workforces. We continually work to increase our appeal as an employer and step up the efficiency of our recruitment efforts. At the same time, we are adapting workplace environments to meet the needs of older workers.

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Fair remuneration

Our different remuneration components encourage our employees to identify with the company's long-term, strategic objectives. This mix includes 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. In 2011, we adapted the structure of employee salaries in Germany, aligning the variable component more closely with these factors.

Our employees are paid on the basis of their role, qualifications and performance. We do not differentiate payment based on gender. Our global performance management system includes assessments of all management positions. These evaluations focus on transparency, equality and fair-market-value remuneration. We benchmark remuneration levels internally and externally to ensure payments are appropriate and in keeping with established market practice. The remuneration of the Executive Board and the Supervisory Board is disclosed in our financial report in compliance with the recommendations of the German Corporate Governance Code.

Social benefits

We offer our employees various benefit plans beyond their salaries. These are organised at local level and vary from location to location. Occupational pension plans are just one example of the types of schemes we provide. We offer around 39,200 employees in over 50 countries company and employee-financed pension schemes and healthcare benefits. Almost 78 percent of the Group-wide workforce is thus covered by company benefit schemes.

Pension plans should be attractive yet fair for every generation. They must also align with the social standards of the country in question. To ensure this is the case, The Linde Group has introduced binding regulations that govern the introduction, closure or modification of pension schemes worldwide (pension governance). Before changes can be made to the local pension schemes, they must first be approved by the Global Pension Committee. The committee consists of the Chief Executive Officer, the Chief Financial Officer and experts from Accounting, Treasury and Human Resources.

The Group's largest pension plans – which account for around 92 percent of Linde's global pension obligations – are in the UK, Germany, the US, Australia, the Netherlands, South Africa and Switzerland. Pension plan structures in the UK were overhauled in 2011 to ensure the continued viability of existing defined benefit plans alongside the defined contribution plan available to new employees.

In the 2011 financial year, we spent a total of EUR 190 million (2010: EUR 178 million) on pensions and support. We provided occupational pensions for 28,903 current employees who are active members of schemes. 19,725 former employees have acquired a non-forfeitable entitlement to a company pension (deferred pensions) and 31,112 pensioners drew a Group occupational pension.

> More on [pension plans in the annual report](#)

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Work-life balance

Our employees should be given the opportunity to balance personal and professional goals. We help them do this by offering flexible work schemes, childcare support and assistance for employees with family members who are ill or require special care. In addition to flexitime and teleworking options, we offer part-time work models. In 2011, two percent of The Linde Group workforce were part-time employees. Also in 2011, we approved a new works agreement on teleworking options for employees in the Engineering Division. In the same year, a total of 714 employees worldwide took parental leave. 129 of these were men.

Further company benefits are usually organised at regional or local level. Our employees in Germany have free access to a professional service finder, for instance, to help locate care options for children and dependent family members. We also offer a number of day-care places in and around Munich. To meet rising demand, we increased the number of places from 20 to 37 in 2011. Beyond the Munich area, we offer financial childcare subsidies for employees living in Germany. We also offer employees in the US consultation and service finder support to help locate care options for children and dependent family members. Australian Linde Group member BOC extended the period of parental leave available to its employees to 21 weeks, which is now 3 weeks longer than the statutory entitlement.

Our employees work in countries with varying requirements governing hours of work per week. These standards are based on national regulations and collective wage agreements. As a rule, contracts for full-time employees stipulate a maximum working week of 48 hours worldwide.

Co-determination

We maintain good working relationships with employee representatives and unions. In 2011, 53.5 percent of our employees were employed under collective wage agreements (2010: 54.9 percent). In Germany, the Works Constitution Act (BetrVG) regulates cooperation between company management and employee representatives. Employee representation at Linde is two-tiered, consisting of decentralised works councils in the individual units and a central works council for the Group as a whole. In Germany, one of the main outcomes of talks between employee representatives and the company was a works agreement regarding variable remuneration, which was agreed during the period under review.

We have also maintained a European Works Council for several years now. Currently with 28 members, the Council promotes communication between employee representatives across national borders. In 2011, we launched a project to further strengthen collaboration between individual regional companies, management and the European Works Council. In this context, the European Works Council met another two times in addition to its three regular annual meetings in 2011. The project is supported by the European Union and is scheduled to finish in summer 2012.

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Employee satisfaction

Honest employee feedback is crucial for our HR activities. In 2010, we carried out a global voluntary employee survey for the first time. 73 percent of forms were completed and returned, confirming a high level of interest among employees. The survey provided us with valuable information on how to further increase employee satisfaction. For instance, our employees would welcome improvements in the areas of personnel management and talent development as well as communication to support this.

Following evaluation of the survey results, team meetings were held in all lines of business in 2011 to assess the current status and plan binding improvement action plans. By the end of 2011, over 70 percent of the teams had already implemented the planned measures. A range of issues were discussed, including the introduction of teleworking options, a new promotion guideline and team spirit training. Linde is planning a follow-up survey in 2012 to assess the status of measures implemented thus far together with employee satisfaction levels.

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Winning talent

Recruiting and training qualified young talent is a central aspect of our HR strategy. For a technical company such as Linde, our ability to recruit highly qualified engineers is particularly important. We are actively involved in partnerships with universities and the research community beyond national borders. Our aim here is to win students as soon as they graduate. We have numerous programmes of this kind in place in different regions, including our graduate programme for talented engineering students in Africa and our collaboration with six target universities in the South Pacific region.

We also offer work placements to give school children and university students the opportunity to get to know our company or to complete dissertations under the guidance of our specialists. In Germany, we maintain contact with past interns and trainees at Linde Engineering via our loyalty programme "Continue" and regularly organise talks, business exercises, workshops and other activities as part of this programme.

Entry programmes for graduates

Our in-house trainee and graduate programmes equip college and university graduates for a successful career at Linde. We offer business and technical development schemes within the different divisions and lines of business. These usually last between 16 and 24 months and include at least one stay abroad. The programmes provide an ideal, international platform for graduates to gain early professional experience in a range of areas and quickly build networks. We also offer regional opportunities for talented university graduates. At the start of 2012, for example, we launched a new graduate training programme in China.

Training

We offer industrial/technical and commercial training opportunities worldwide. In Germany, for example, we offer apprenticeships in twelve professions. Depending on the division, either 94.9 or 95.5 percent of young people who completed their training were offered at least temporary contracts in 2011. In Germany, we partner with universities and third-level institutes that offer dual study programmes to train up-and-coming engineers in process technology, industrial engineering, construction and electrical engineering. In 2011, apprentices continued to account for 1.3 percent of the entire workforce. Over 60 percent of these were based in companies outside of Germany.

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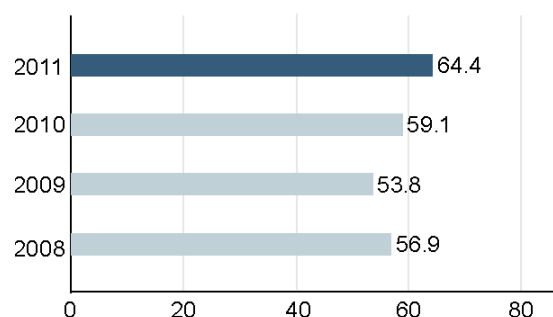
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Talent development activities

Our talent development programmes are designed to meet the audience-specific and regional needs of various professional profiles across the company. Training initiatives primarily focus on practical learning and skill-building. Every employee spent an average of 2.3 days in training in 2011 (2011: 2.0).

Employees who have taken up training opportunities (in percent)

The Linde Group



The number of employees who took up training opportunities rose by 5 percent in 2011. A total of 64.4 percent of employees took part in training measures in 2011 (2010: 59.1 percent). The company spent EUR 267 on training per employee (2010: EUR 241). We provide an online training platform for employees and also hold regular employee review meetings to help steer professional development. In this context, we continued to expand our Group-wide performance management system in 2011 and assessed the current system worldwide. The results of this process form the basis of a new, uniform,

Group-wide performance management module, which we aim to launch in 2012.

Responsible leadership

Our managers have an important role to fulfil. They have to support and inspire their teams, also identifying and embracing the opportunities inherent in the cultural diversity and experience of each member. And they must also lead by example. Our advanced training programmes help managers rise to these challenges. We have bundled international training and development programmes in leadership and business management under the umbrella of the Linde University. Our offering here includes:

- Junior and Regional Talent Circles for gifted young employees. These programmes enable us to identify potential leaders, strengthen their interpersonal, leadership and management skills, and build long-term loyalty to the company.
- The Global Talent Circle for middle management. We partner with leading business schools around the world for this initiative. The programme was held four times in 2010.
- The Global Leadership Development Circle (GLDC) is targeted at experienced managers with a high level of staff responsibility. This programme was developed in collaboration with the Business School at the University of Oxford.

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In addition, we expanded our line manager development concepts for first- and second-line managers during the period under review. These programmes focus on developing the core competencies required to effectively lead employees and inspire them to excel. By the end of 2011, all target-group managers had completed this course. The second phase of the programme started mid-2011, building on the results of the first. It was also expanded to include further topics, taken, for example, from our global employee survey. Our aim is to ensure that the topics covered in our courses have a long-term impact.

We also offer development programmes at local level tailored to regional requirements. Our Linde China University, for example, focuses on our managers in China.

> More on our regional [programmes for graduates](#)

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Diversity is one of our key values and a crucial factor for our future success. Our aim is build the best teams worldwide that understand customer needs on the ground, know the local markets and understand and respect cultural differences. Our diversity management programme gives us a framework to capitalise on the opportunities presented by a varied workforce.

70%

international managers

A German company with an international team: In 2011, over 70 percent of senior managers at Linde were from countries other than Germany, representing over 40 different nations in total.

At the end of 2011, The Linde Group employed over 50,000 people from more than 90 countries. Each member of our workforce brings unique perspectives, experiences and skills to the table. In our German companies alone, our workforce comprises people from over 60 different countries. In 2011, over 70 percent of senior managers at Linde came from countries other than Germany – representing over 40 different nations in total. At our sites in the emerging economies of China, India and South-East Asia,

around 70 percent of managers come from the regions in question. More than 200 of our employees were seconded to affiliates abroad in 2011.

We further underscored our commitment to diversity in 2011 by signing the diversity charter, a corporate initiative in Germany that supports diversity in companies.

Equal opportunities

We create an environment that ensures positions are awarded to the best candidate, regardless of gender, race, nationality, ethnic origin, religion, ideology, disability, age or sexual orientation. Remuneration at Linde is also based on each individual's tasks, qualifications and performance. Violations of these standards can be reported to line managers, the appropriate HR department or our central Linde Integrity Committee at any time. Several HR activities helped promote equal opportunities and raise awareness of this issue across our company during the course of 2011.

- We approved a new employee promotion directive outlining clear guidelines on diversity in the Eastern Europe and Middle East region.
- In Canada, an equality audit carried out at Linde by the Canadian government yielded positive results.
- In Africa, Linde Group member Afrox developed a new equal opportunities concept that addresses race and gender issues in line with existing corporate objectives.

In the future, we wish to make diversity a more integral aspect of our Global Leadership Development Circle (GLDC) programme. In 2011, Professor Ann-Kristin Achleitner, member of the Supervisory Board of Linde, held an executive presentation on career opportunities for women in technology companies. In addition, all first-line managers at Linde have to complete a diversity module as part of their training. We also expect our suppliers to uphold the principles of equal opportunities and equality of treatment. We refer to these standards in our Ethical-Legal Principles Procurement – a set of guidelines that govern our purchasing activities.

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Gender equality

We identified a number of HR management priorities for 2011 and 2012, including the targeted development of female talent at management level. Although the percentage of women in The Linde Group has risen slightly over the past years, it has remained relatively constant at almost 20 percent. 23 percent of new hires in 2011 were women. In the same year, 11 percent of senior managers were women. The percentage of women in management positions has thus also increased slightly compared with previous years.

Proportion of women

The Linde Group

in percent	2011	2010	2009	2008
Total staff	19.5	19.3	19.9	20.2
Senior management positions	11.0	10.3	9.3	9.1
Executive Board	0	0	0	0
Supervisory Board	8.3	0	0	0

Our objective is to increase the proportion of women in management positions to between 13 and 15 percent by 2018. The number of women in our most important development programmes rose during the period under review: The proportion of female employees in the Global Leadership Development Circle rose from 6.5 percent in 2010 to 15.2 percent in 2011. In our Global Talent Circle programme, female participation rose to 26.8 percent (2010: 16.9 percent).

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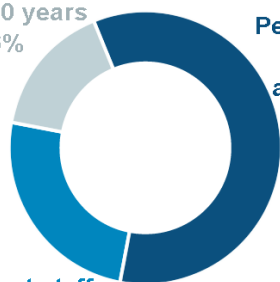
Supporting older employees

The proportion of Linde employees aged 50-plus has increased steadily in recent years and now accounts for a quarter of the entire workforce. As a result, we are developing measures aimed at maintaining the physical and mental performance of our employees.

Age structure of employees 2011

The Linde Group

Permanent staff
under 30 years
16%



Permanent staff
between 30
and 50 years
59%

Permanent staff
over 50 years
25%

In 2008, we created the work/life balance taskforce. It brings together employer and employee representatives to address issues such as the effects of demographic change. Recently, we also carried out a demographics analysis in Germany, the US, GB and China. Our Engineering Division introduced the ROCK (Retention of Critical Knowledge) programme to hold on to valuable knowledge that we might otherwise run the risk of losing when employees leave the company – to retire for instance.

> More on [healthcare measures](#) and [pensions](#)

Integrating severely disabled employees

Our commitment to equal opportunities includes supporting employees with severe disabilities or health issues. A Group works agreement governing the reintegration of employees who were not able to work for extended periods back into working life has been in place since 1995. A new Group works agreement on occupational reintegration management is currently under discussion. The aim is to find tailored solutions that enable individuals to return to work.

In our German companies, the percentage of employees with disabilities has remained constant over the years: In 2011, 266 people with severe disabilities were employed at Linde Germany. This corresponds to a ratio of 3.6 percent (2010: 3.5 percent). At around EUR 80,000, the value of orders that we placed with German workshops for people with disabilities remained at the previous year's level. We also offer people with disabilities appropriate work opportunities at sites beyond Germany where there are no comparable legal regulations.

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We are committed to protecting and promoting human rights. Our Code of Ethics advocates the core principles of the United Nations Declaration of Human Rights and the principles anchored in the conventions of the International Labour Organisation (ILO). Our endorsement of the UN Global Compact means that we also commit to upholding Global Compact principles governing human rights and labour standards. Labour and social standards are also covered by our procurement principles and supplier guidelines.

We hold training courses to familiarise our employees with the Code of Ethics. Suspected instances of non-compliance with our Code of Ethics or our Ethical-legal Principles Procurement perpetrated by Linde employees or suppliers can be reported at any time to our Linde Integrity Line reporting system.

For the first time in 2011, we conducted an assessment on labour and social standards as well as human rights on a globally uniform basis. Our aim here is to determine the extent to which systems ensuring compliance with global standards have been implemented. This global survey contained questions on central labour standards such as those defined by the International Labour Organisation (ILO). The survey covered all countries in which we do business and it revealed that our companies have put processes in place to ensure that social standards are upheld. These include the avoidance of child and forced labour, anti-discrimination and the right to exercise freedom of association and negotiate collective bargaining agreements. A very small percentage of Group employees work in countries where the right to exercise freedom of association and negotiate collective bargaining agreements is limited by national legislation.

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Occupational health and safety

We protect our employees and contractors against any safety risks that might arise in connection with the work they do for Linde and help them to stay healthy through various preventative healthcare programmes. Our management systems enable us to identify workplace risks worldwide and define measures to mitigate these. We evaluate our progress here using key performance indicators (KPIs) and dedicated processes, including, for example, analyses of workplace incidents and audits. In addition, we tailor our occupational health and safety activities to the varying needs of our business units and regions.

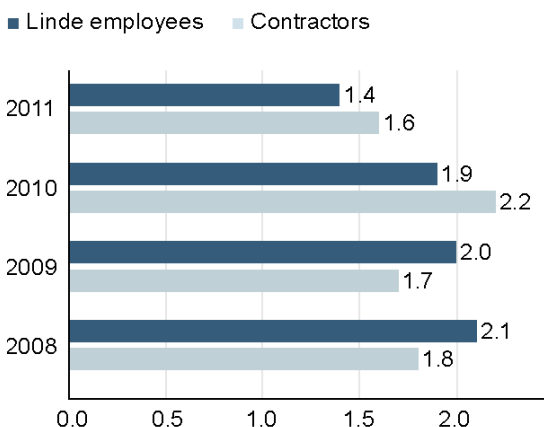
To raise awareness of health and safety issues among employees and contractors, we provide targeted training opportunities, regularly assess the need for training at our locations and develop training programmes accordingly. In parallel, we also run campaigns and initiatives focused on health and safety.

Occupational safety measures

Our aim is to further reduce the number of work-related accidents. To achieve this, we continually evolve our safety management programme and implement a wide range of measures to strengthen our safety culture and reduce risks.

Workplace accidents per million hours worked (lost time injury rate; LTIR) *

The Linde Group



In 2011, the number of workplace accidents among employees dropped further to 1.4 per million hours worked. During the same period, the number of workplace accidents among our contractors also fell, and is now at 1.6 per million hours worked.

It is with the greatest of sadness that we report five work-related fatalities involving Linde employees and three fatalities involving contractor employees working for The Linde Group in 2011. Two employees lost their lives following an accident at one of our plants. Six of the fatalities resulted from traffic accidents involving our employees and contractors. We stepped up our plant and transport safety activities in 2011.

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In 2010, we introduced new Group minimum requirements for occupational health management following a Group-wide review in this area. Under the umbrella of this initiative, we are rolling out additional KPIs for health management that will enable us to identify work-related illnesses and develop measures aimed at reducing these risks. We are focusing in particular here on the health risks resulting from manual or repetitive work. Between 30 and 50 percent of workplace incidents reported each year at Linde are related to manual or repetitive work. To coordinate and harmonise efforts to reduce these injuries worldwide, we set up a global steering committee in 2011. In the same year, we launched a pilot research project at Loughborough University in the UK to focus on the safe handling of small gas cylinders.

Between 2010 and 2012, we approved seven global standards and guidelines on workplace health. During the same period, more than 100 employees completed occupational hygiene training courses to improve skills in the management of occupational health hazards. In 2011, the average number of days lost due to sickness per Linde Group employee was 5.0 (2010: 5.3 days).

Some local Linde companies have implemented their own health programmes. In Germany, for example, the Engineering Division provided stress coaching for 60 managers in 2011. We intend to roll out further courses on stress management in other lines of business. Our global employee survey included a question on workload. The assessment from Linde employees aligned with average ratings reported by other companies. We plan to harmonise existing local guidelines under the umbrella of a global directive on mental wellbeing over the coming years. Since 2011, we have also been offering healthcare benefits for temporary staff in China for the duration of their employment.

> More on [training and audits](#)

* Within [assurance scope](#)

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- Community investment support for over 240,000 children and students
- 20.000 trees planted

Across the globe, we support projects and initiatives, especially in communities in which our sites are located. This takes the form of donations, sponsorships and time devoted by our employees. We invest in education and science as well as in other areas such as health and environmental protection, helping to make the regions in which we operate more attractive locations – for our employees and our neighbours. We involve our employees in different activities here, including projects that focus on children and young people or relief efforts following natural disasters.

Corporate citizenship



Our donation guidelines provide a framework for donations made by The Linde Group. As a company, Linde does not make donations to political parties or individuals. In the US, employees of Linde North America have formed a political action committee (PAC), an independent, registered committee, under which employees collect donations for politicians, political parties and associations.

Cross-regional activities are organised by the Group headquarters in Munich while local initiatives are run by the individual regions. South African Group member Afrox, for instance, donates one percent of its after-tax profits each year to good causes. In 2011, The Linde Group invested over EUR 6.3 million in donations, sponsoring and further corporate citizenship projects.

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Community investment

Our aim is to invest in and strengthen the communities surrounding our operations. These investments benefit our neighbours, the larger community, the local authorities and the Group as a whole. By focusing our efforts here on engineering, the natural sciences and research into medical gas applications, we are investing in the future of each region and the education of potential future employees as well as in the development of innovative applications for our products.

3,100
children supported

South African Group member Afrox supported schools, orphanages and other organisations in the course of 2011. Over 3,100 children received assistance within the framework of around 70 projects.

Some regions bundle their social activities under the umbrella of community involvement programmes. In 2011, our South African Group member Afrox supported around 70 projects through its community involvement programme, providing help to over 3,100 children. In North America, Linde has made a tradition of its annual Giving Campaign. Here, volunteers organise various initiatives to collect financial donations for charitable causes and organisations. We support our employees' commitment to community

projects by enabling them to take paid leave or adding to their donations.

Providing help in crises

In emergencies, we provide help by donating money and equipment, and by providing on-site assistance. In response to the flooding in the Australian state of Queensland and the earthquake in the New Zealand city of Christchurch, our local companies, Group headquarters and employees in the regions affected donated a total of over EUR 430,000 in 2011. In autumn 2011, the region provided EUR 100,000 in emergency aid as well as food and drink for the people affected by the disaster.

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Focus areas

We have defined focus areas for our social engagement programmes. We select our projects based on the following key criteria:

- Compliance with the social engagement focus areas we have defined
- Alignment with our core business
- Proximity to our sites
- Focus on sustainability
- Possibility to actively involve employees

7,800
students reached

By the end of 2011, over 7,800 students had availed of the courses on offer at the Carl von Linde Academy.

For us, promoting science, research and education is an investment in the future. We support innovative research projects and engineering training opportunities as well as initiatives for children with limited educational prospects. We sponsor the Carl von Linde Academy at the Technical University of Munich with an endowment of over EUR 8 million. The Academy gives future engineers, natural scientists and computer scientists a grounding in

areas that extend far beyond pure technical knowledge. Sustainability and business ethics, for example, are just two of the key topics on the curriculum. By the end of 2011, over 7,800 students had availed of the courses on offer at the Carl von Linde Academy.

In 2011, Linde employees again played an active role in numerous regions as educators from the world of industry, acting as science ambassadors in Korea, for example, and visiting schools in the UK and North America. As of 2012, we contribute to scholarships awarded to talented students from socially disadvantaged backgrounds in Munich. As one of the founding members of the Future Initiative programme at the Deutsches Museum in Munich, we are supporting the renovation and modernisation of the world's largest science and technology museum with a total donation of EUR 5 million between now and 2018.

20,000
trees planted

Environmental protection is a top priority in the Southeast Asia region. In India, Bangladesh and the Philippines, Linde employees planted around 20,000 trees.

We are involved in environmental projects at many sites around the globe. The "Where There's Water" environmental programme in New Zealand was instigated by Linde employees, for instance. The HELP program in Southeast Asia also focused on environmental protection in 2011. In India, Bangladesh and the Philippines, Linde employees planted around 20,000 trees as part of this project.

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230,000

students

Committed to road safety in Australia and New Zealand, we helped to found the Rotary Youth Driver Awareness programme. This initiative provides practical training for young people who are preparing to take their driving test. Thus far, over 230,000 students have completed the course.

We are also a founding member of the Rotary Youth Driver Awareness programme in Australia and New Zealand, underscoring our exemplary role in safety. The programme provides practical training for young people preparing to take their driving test. Over 230,000 students have participated thus far. In 2012, our GIST Division is launching a new road safety project that will see truck drivers taking their vehicles to schools and talking to children about road safety issues. In Bangladesh, we provide safety training courses for public transport drivers in the capital Dhaka.

We are also involved in a number of healthcare initiatives. In Australia, for example, we cooperate with Redkite, a national charity that provides practical and financial assistance for children with cancer and their families. The Linde Healthcare REALfund supports innovative research projects focused on the applications of medical gases. In 2011, four grantees, selected from over 30 applications, received a total of EUR 300,000 in funding.

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Measuring sustainability



- Scope of independent assurance expanded
- 20 new key figures published
- New interactive tracking function for direct comparison of key performance indicators

We use key indicators to track our economic, ecological and social performance. We also measure our progress and identify scope for improvement. Wherever possible, we present our performance indicators in this report over a four-year period. For the fourth consecutive year, selected non-financial key performance indicators in this report were independently reviewed and subsequently assured by KPMG Sustainability. We extended the scope of this report's assurance to include additional environmental and safety indicators. The scope is described under "[Assurance](#)". Additionally, indicators covered within the assurance scope are indicated as such in the tables under "Performance". We also highlight indicators published in the Management Report of The Linde Group's annual report. We select and publish our non-financial data also in line with internationally recognised standards, including:

- The sustainability reporting guidelines issued by the Global Reporting Initiative (GRI)
- The Greenhouse Gas Protocol published by the World Resources Institute and the World Business Council for Sustainable Development
- Recommendations from the European Industrial Gases Association (EIGA), the Responsible Care initiative and the German Chemical Industry Association (VCI).

We collect key indicators for health, safety and the environment with the help of a global database. Our brochure "Corporate Responsibility Accounting. Overview of HSE (Health, Safety, Environment) Indicator Reporting" explains how we define and collect our HSE indicators. We collect our HR indicators in a different Group-wide database. In 2011, we continued to expand this system. We continually evaluate the possibility of including other non-financial indicators in our external reporting. In this year's report, for instance, we included compliance indicators for the first time. During the period under review, we also added new environment and safety, HR and corporate citizenship indicators to our CR report. Our financial figures are published in the Group financial statements in line with the International Financial Reporting Standard (IFRS).

> More on financial indicators in our [2011 annual report](#)

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Financial indicators [▲]

		2011	2010	2009	2008
Sales	€ million	13,787	12,868	11,211	12,663
In Germany	%	9.0	9.5	10.8	10.5
Outside Germany	%	91.0	90.5	89.2	89.5
Operating profit ¹	€ million	3,210	2,925	2,385	2,555
EBIT before amortisation of fair value adjustments	€ million	2,152	1,933	1,460	1,703
Earnings before taxes on income (EBT)	€ million	1,619	1,399	838	1,006
Earnings after taxes on income	€ million	1,244	1,064	653	776
Adjusted earnings per share ²	€	7.71	6.89	4.58	5.46
Cash dividend per share	€	2.50	2.20	1.80	1.80
Market capitalisation (as at 31 December 2011)	€ million	19,663	19,337	14,215	10,084
Capital expenditure	€ million	1,367	1,302	1,137	1,470
Cash Flow from operating activities as percentage of sales	%	17.6	18.8	19.1	14.8
Equity ratio	%	42.0	42.3	37.7	34.6
Return on capital employed (ROCE)	%	13.0	12.5	10.4	12.4
Expenditure for research and development	€ million	98	94	89	104
Procurement costs	bn €	10.7	9.7	8.2	9.2
Personnel expenses	bn €	2.653	2.527	2.319	2.380
Personnel expenses per employee	1,000 €	52.6	52.2	48.6	45.9
Pension costs	€ million	190	178	186	197

[▲] Figure included in the Group Management Report of the [Annual Report 2011](#) of The Linde Group

1 EBITDA including share of income from associates and joint ventures

2 Adjusted for the effects of the purchase price allocation

Compliance

	2011	2010	2009	2008
Contacts Integrity Line	430	334	–	–
Audits as a result of reports to the Integrity Line	54	54	–	–

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Use of resources

Energy (in million MWh)		2011	2010	2009	2008
Total energy consumption		57.4 *	50.6	47.2	48.9
Electricity consumption ▲ *		20.3	19.0	17.7	20.0
of which by air separation plants ▲ *		17.9	16.8	16.0	17.5
Natural gas consumption ▲ *		25.4	25.2	23.6	23.2
of which by HyCo plants ▲ *		21.7	21.2	21.3	20.7
Consumption of other energy sources ¹		11.7 *	6.4	5.9	5.7
Water (in million m³)					
Water use		288 *	255	242	300
of which surface and ground water	%	96.8	95.7	96.7	97.2
of which drinking water	%	3.2	4.3	3.3	2.8
Total water consumption ▲ *		42.6	43.0	38.9	41.4
of which industrial and process water *		33.3	32.0	30.9	33.0
of which drinking water *		9.3	11.0	8.0	8.4
Waste water		8.1 *	8.4	11.4	9.4
Resources and materials (in t)					
Raw materials and supplies		75,020 *	65,700	50,000	57,100
Packaging materials		5,286 *	6,300	5,800	7,200

* Within assurance scope

▲ Figure included in the Group Management Report of the [Annual Report 2011](#) of The Linde Group

The environmental performance of the Van Dongen Group was not included in 2011 reporting, the impact on Linde Group totals is negligible.

¹ Other energy sources include for example heating oil, biofuel energy, propane and butane. The increased consumption of other energies resulted from inclusion of additional other energy sources (e.g. naphtha and methanol) into indicator scope in 2011.

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Emissions

Direct greenhouse gas emissions (Scope 1)		2011	2010	2009	2008
CO ₂ emissions ▲ *	million t	5.7	5.4	4.6	4.5
of which by HyCo plants ▲ *	million t	4.3	4.3	3.9	3.4
Linde transport fleet	thousand t CO ₂ e	420 *	410	380	430
Other greenhouse gases ²	thousand t CO ₂ e	550 *	400	400	500
Total	million t	6.7 *	6.2	5.4	5.4
Indirect greenhouse gas emissions (Scope 2)					
CO ₂ emissions ▲ *	million t	10.2	9.5	9.0	9.7
of which by air separation plants ▲ *	million t	8.9	8.3	8.0	8.4
Intensity greenhouse gas emissions					
Total Scope 1 and 2 emissions	million t CO ₂ e	16.9 *	15.7	14.4	15.1
Emissions per million EUR sales	t CO ₂ e	1,226	1,220	1,284	1,192
Other indirect greenhouse gas emissions (Scope 3)					
Transports by contractors	thousand t CO ₂ e	395 *	310	320	330
Business travel	thousand t CO ₂ e	30.6 *	-	-	-
Emissions to air ³					
VOCs	t	206 *	182	236	287
NH ₃	t	28 *	70	78	348
CO	t	1,566 *	1,747	2,161	2,202
NO _x	t	1,070 *	717	856	994
SO _x	t	543 *	620	730	582
Emissions to water ³					
Chemical oxygen demand (COD)	t	165 *	308	381	237
Biochemical oxygen demand (BOD)	t	38 *	75	157	181
Nitrates	t	61 *	35	37	45
Phosphates	t	3 *	3	3	4

* Within assurance scope

▲ Figure included in the Group Management Report of the [Annual Report 2011](#) of The Linde Group
The environmental performance of the Van Dongen Group was not included in 2011 reporting, the impact on Linde Group totals is negligible.

² Includes greenhouse gases specified in the Kyoto protocol: methane (CH₄), nitrous oxide (laughing gas, N₂O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs) and sulphur hexafluoride (SF₆).

³ We monitor compliance with local regulatory requirements worldwide and report our data for all locations legally obliged to report emissions.

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Waste and recycling

		2011	2010	2009	2008
Total waste ⁴	t	64,429 *	71,915	68,335	82,606
Non-hazardous waste	%	57 *	61	52	63
Hazardous waste	%	43 *	39	48	37
Recycled materials	%	26 *	43	28	47
Incineration waste ⁵	%	30 *	28	28	15
Landfill waste	%	31 *	22	35	30
Other disposal method	%	13 *	7	9	7

* Within assurance scope

The environmental performance of the Van Dongen Group was not included in 2011 reporting, the impact on Linde Group totals is negligible.

4 Previously, this indicator included, non-hazardous waste caused by Linde customers and disposed by Linde as service.

5 Incineration waste is partly used for heat recovery.

Transport

		2011	2010	2009	2008
Transport distance driven by Linde Gas transport fleet	million km	866	764	689	758
Number of serious traffic incidents involving trucks	per 1 million km	0.077 *	0.085	0.083	0.106

* Within assurance scope

Audits und trainings

		2011	2010	2009	2008
Proportion of sites in which occupational health and safety audits have been conducted [▲]	%	54.5	53.2	55.1	50.8
Proportion of sites in which environmental audits have been conducted [▲]	%	49.1	47.8	48.3	46.1
Proportion of employees who have taken up HSE training opportunities (Gases Division) [▲]	%	50.3	47.2	48.8	38.8

[▲] Figure included in the Group Management Report of the Annual Report 2011 of The Linde Group

Certified locations

		2011	2010	2009	2008
Proportion of locations certified to ISO 9001	%	76	72	71	–
Proportion of locations certified to ISO 14001	%	33	28	27	–
Proportion of locations certified to OHSAS 18001 or SCC	%	22	22	22	–

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Environmental incidents

	2011	2010	2009	2008
Environment-related complaints	28	19	18	36
Environmental incidents to be reported to the authorities	33	31	24	30

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Employment structure

		2011	2010	2009	2008
Group ▲	as of Dec. 31, 2011	50,417	48,430	47,731	51,908
Gases Division ▲		39,031	37,603	37,362	41,109
EMEA		20,920	20,575	20,952	22,838
Asia/Pacific		10,868	10,051	9,440	10,390
Americas		7,243	6,977	6,970	7,881
Engineering Division ▲		6,319	5,811	5,716	5,951
Other activities ▲		5,067	5,016	4,653	4,848
Production		19,072	18,134	17,834	17,688
Sales		22,172	21,940	20,866	23,609
Research and development		342	324	345	536
Administration		8,831	8,032	8,685	10,072
Part-time employees ▲	%	2.0	1.9	1.8	1.7
Employees with limited contracts ¹ ▲	%	6.4	4.3	1.8	4.7
Employees covered by collective wage agreements ▲	%	53.5	54.9	55.3	50.6
Average length of service ▲	years	9.8	9.7	10.1	8.5
Staff turnover rate ² ▲	%	6.3	5.7	4.2	6.6
Employees with access to pension schemes	%	78	76	80	79

▲ Figure included in the Group Management Report of the [Annual Report 2011](#) of The Linde Group

1 In 2010, the definition was adapted. Previously, all contracts concluded for 24 months or longer were reported as unlimited-term contracts. From 2010 on, fixed term shall include all contracts with a specific termination date.

2 Staff turnover rate relates to employees who left the Group voluntarily during the period under review.

Diversity

		2011	2010	2009	2008
Permanent staff under 30 years ▲	%	16.0	16.4	17.0	18.6
Permanent staff between 30 and 50 years ▲	%	59.0	59.6	60.1	58.9
Permanent staff over 50 years ▲	%	25.0	24.0	22.9	22.5
Female staff ▲	%	19.5	19.3	19.9	20.2
Women in senior management positions ▲	%	11.0	10.3	9.3	9.1
Women in the executive board	%	0	0	0	0

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Women in the supervisory board	%	8.3	0	0	0
Proportion of severely disabled employees (Germany)	%	3.6	3.5	3.3	3.3

▲ Figure included in the Group Management Report of the [Annual Report 2011](#) of The Linde Group

Training

		2011	2010	2009	2008
Employees participated in training opportunities ▲	%	64.4	59.1	53.8	56.9
Average number of training days ▲	per employee	2.3	2.0	1.6	1.8
Average expenditure on training programmes ▲	per employee in €	268	241	216	281
Apprentices/trainees	%	1.3	1.3	1.4	1.7
Apprentices/trainees in Germany	%	3.6	3.5	3.7	3.4

▲ Figure included in the Group Management Report of the [Annual Report 2011](#) of The Linde Group

Occupational health and safety

		2011	2010	2009	2008
Workplace accidents by employees (LTIR) ▲ *	per million working hours	1.4	1.9	2.0	2.1
Workplace accidents by contractors (LTIR)	per million working hours	1.6	2.2	1.7	1.8
Workplace accidents with at least one day of absence (employees) ▲		144	198	202	216
Working days lost due to industrial accidents (employees) ▲		2,721	3,813	3,768	3,596
Working days lost due to industrial accidents (employees) ▲	per million working hours	26.1	36.9	37.3	34.1
Number of fatalities involving employees ▲		5	2	3	2
Number of fatalities involving contractors		3	4	7	5
Average number of days sick leave ▲	per employee	5.0	5.3	5.5	5.6

* Within [assurance scope](#)

▲ Figure included in the Group Management Report of the [Annual Report 2011](#) of The Linde Group

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When reporting our Corporate Responsibility activities, we follow the sustainability guidelines issued by the Global Reporting Initiative (GRI). This independent organisation again awarded Linde the highest standard application – A+. The GRI index provides an overview of core and supplementary indicators for reporting. It also provides links to further information on each topic in this report and to additional sources of information. If an indicator has not been covered or only partially covered, we provide reasons for this. The index also contains links to further information that relates to [Global Compact](#).

Status













GRI application level

	C	C+	B	B+	A	A+
GRI checked						


Strategy and analysis

UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
1-10	1.1	Statement from the Chief Executive Officer		Letter from the CEO		
	1.2	Description of key impacts, risks and opportunities		Strategy and management CR management Risk management Opportunities of sustainability	Financial report: risk management Annual: clean technologies	

Organisational profile

UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
	2.1	Name of the organisation		About Linde		
	2.2	Primary brands, products and/or services		About Linde Opportunities of sustainability	Annual: clean technologies Financial report: business review Gases Financial report: business review Engineering	
	2.3	Operational structure		About Linde	Financial report: the Linde world	
	2.4	Location of organisation's headquarters		About Linde		
	2.5	Countries where the organisation operates		About Linde	Website Linde	
	2.6	Nature of ownership and legal form			Website Linde: management Financial report: shareholder structure	
	2.7	Markets served		About Linde	Financial report: the Linde world	
	2.8	Scale of the reporting organisation		About Linde Financial indicators	Financial report: financial highlights	
	2.9	Significant changes during the reporting period regarding size, structure or ownership			Financial report: acquisitions	
	2.10	Awards received in the reporting period		Environment and safety		

Reporting parameters

UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
	3.1	Reporting period		Reporting scope		
	3.2	Date of the most recent previous report		Reporting scope		
	3.3	Reporting cycle		Reporting scope		
	3.4	Contact point for questions		CR organisation	Website Linde: contact	
	3.5	Definition of report content and stakeholders		Reporting scope Relevant topics		
	3.6	Boundaries of the report		Reporting scope		
	3.7	Limitations on the scope of the report		Reporting scope Performance		
	3.8	Joint ventures, subsidiaries, outsourcing		Reporting scope Performance	Financial report: investments in associates and joint ventures	

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3.9	Data measurement techniques and basis of calculations		Performance	
3.10	Effects of new re-statement of information		Reporting scope	
3.11	Changes from previous reporting periods		Reporting scope	Financial report: investments in associates and joint ventures
3.12	GRI content index			
3.13	External assurance statement		Assurance	

Governance, commitments and engagement

UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
1-10	4.1	Governance structure, including responsibility for sustainability		CR organisation Promotion of women	Website Linde: Executive Board Financial report: management organisation	
1-10	4.2	Independence of Supervisory Board Chairman			Financial report: declaration Executive Board Financial report: Executive Board	
1-10	4.3	Management bodies and statement regarding independence of members of the highest governance body, senior managers and executives			Website Linde: management	
	4.4	Mechanisms to provide recommendations to the highest governance bodies		CR organisation Employee representation Compliance	Financial report: corporate governance	
1-10	4.5	Linkage between the compensation for members of the highest governance body, senior managers and executives, and the organisation's performance with regard to sustainability			Financial report: management organisation Financial report: remuneration report Financial report: corporate governance practices	
1-10	4.6	Processes to ensure conflicts of interest are avoided			Financial report: corporate governance practices	
1-10	4.7	Qualifications and expertise of the members of the highest governance body with regard to sustainability		CR organisation	Financial report: Executive Board	
1-10	4.8	Missions, values and codes of conduct		Strategy and management Values and standards		
1-10	4.9	Procedures employed by the highest governance body to monitor the organisation's performance with regard to sustainability		CR organisation		
1-10	4.10	Processes for evaluating the highest governance body's own performance			Financial report: report Supervisory Board	
7	4.11	Implementation of the precautionary principle		Risk management Compliance Product stewardship Environment and safety Health and safety		
1-10	4.12	Support of external initiatives		Cooperations Global Compact Diversity and equal opportunities		
1-10	4.13	Memberships in associations		Stakeholders Cooperations		
	4.14	List of stakeholder groups engaged by the organisation		Stakeholders Cooperations Relevant topics		
	4.15	Basis for identification of stakeholders		Stakeholders Relevant topics		
	4.16	Approaches to stakeholder dialogue		Stakeholders Relevant topics		
	4.17	Statement on key concerns raised by stakeholders		Stakeholders Relevant topics		

Disclosures on management approach

UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
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Economic performance

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	Economic performance		About Linde	Financial report	
	Market presence		About Linde	Financial report	
	Indirect economic impacts		Corporate citizenship		
Environmental performance					
8,9	Materials		Environment and safety Resource efficiency Supply chain management Product stewardship		
8,9	Energy		Environment and safety Energy Climate protection Opportunities of sustainability	Annual: clean technologies	
8,9	Water		Environment and safety Water Focus areas corporate citizenship		
8	Biodiversity		Environment and safety Other environmental impacts Focus areas corporate citizenship		
7,8,9	Emissions, effluents and waste		Environment and safety Climate protection Water Waste Other environmental impacts	Annual: clean technologies	
7,8,9	Products and services		Environment and safety Product stewardship	Annual: clean technologies	
8	Compliance		Environment and safety Compliance	Financial report: litigation	
8	Transport		Environment and safety Transport safety Climate protection		
7,8,9	Overall		Environment and safety Product stewardship Risk management		
Labour practices and decent work					
6	Employment		Values and standards Employees		
1,3	Labor/management relations		Values and standards Co-determination		
1	Occupational health and safety		Values and standards Health and safety Environment and safety		
	Training and education		Values and standards Transport safety Personnel development Winning talent		
1,6	Diversity and equal opportunity		Values and standards Diversity and equal opportunities Labour and social standards		
	Equal remuneration for women and men		Remuneration Diversity and equal opportunities		
Human rights					
1,2,3, 4,5,6	Investment and procurement practices		Values and standards Supply chain management Labour and social standards Compliance		
1,2,6	Non-discrimination		Values and standards Diversity and equal opportunities Labour and social standards Compliance		 
1,2,3	Freedom of association and collective bargaining		Values and standards Co-determination Labour and social standards Compliance		 
1,2,5	Child labour		Values and standards Labour and social standards		 

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			Compliance	
1,2,4	Forced and compulsory labour		Values and standards Labour and social standards Compliance	
1,2	Security practices			
1,2	Indigenous rights			
	Assessment		Labour and social standards Compliance	
	Remediation		Labour and social standards Compliance	

Society

	Community		Corporate citizenship Risk management Environment and safety Product stewardship Safety priorities Opportunities of sustainability	
10	Corruption		Values and standards Compliance	
1-10	Public policy		Stakeholders Corporate citizenship	
	Anti-competitive behavior		Values and standards Compliance	
	Compliance		Values and standards Compliance	

Product responsibility

1,7	Customer health and safety		Product stewardship Compliance	
8	Product and service labelling		Product stewardship	
	Marketing communications		Compliance	
1	Customer privacy		Compliance	
	Compliance		Compliance Product stewardship	

Economic indicators

UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
	EC1	Direct generated economic value		Financial indicators Corporate citizenship	Financial report: Linde shares Financial report: taxes on income	
7,8,9	EC2	Financial implications of climate change		Opportunities of sustainability Climate protection		
1	EC3	Scope of the organisation's defined benefit plan obligations		Employees Linde as an employer		
	EC4	Financial assistance received from governments			Financial report: Tangible asset incl. information on government grants Press release	
1	EC5	Standard entry level wage and local minimum wage		Compliance Remuneration Labour and social standards		
	EC6	Procedures for selecting local suppliers		Supply chain management	Financial report: purchasing	
6	EC7	Procedures for local hiring		Diversity and equal opportunities		
	EC8	Infrastructure investments and services provided primarily for public benefit		Corporate citizenship Community investment Focus areas corporate citizenship		
	EC9	Indirect economic impacts		Employees Corporate citizenship		

Environmental indicators

UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
8	EN1	Materials used by weight or volume		Resource efficiency Indicators on environment and safety		
8,9	EN2	Percentage of materials used that are recycled input materials		Resource efficiency		

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8	EN3	Direct energy consumption by primary energy source		Energy Indicators on environment and safety	
8	EN4	Indirect energy consumption by primary source		Energy Indicators on environment and safety	
8,9	EN5	Energy saved		Energy	
8,9	EN6	Energy-efficient products		Opportunities of sustainability	Annual: clean technologies
8,9	EN7	Reduction of indirect energy consumption		Energy Climate protection Transport safety	
8	EN8	Total water withdrawal by source		Water Indicators on environment and safety	
8	EN9	Water sources affected by withdrawal of water			
8,9	EN10	Water recycled and reused			
8	EN11	Land in, or adjacent to, protected areas			
8	EN12	Impact on biodiversity		Other environmental impacts Focus areas corporate citizenship	
8	EN13	Habitats protected or restored		Other environmental impacts Focus areas corporate citizenship	
8	EN14	Managing impacts on biodiversity		Other environmental impacts	
8	EN15	IUCN Red List species and national conservation list species			
8	EN16	Greenhouse gas emissions		Climate protection Indicators on environment and safety	
8	EN17	Other greenhouse gas emissions		Climate protection Indicators on environment and safety	
7,8,9	EN18	Initiatives to reduce greenhouse gas emissions		Climate protection Energy Indicators on environment and safety	
8	EN19	Emissions of ozone-depleting substances		Indicators on environment and safety Climate protection Other environmental impacts	
8	EN20	NOx, SOx and other air emissions		Other environmental impacts Indicators on environment and safety	
8	EN21	Water discharge		Water Indicators on environment and safety	
8	EN22	Waste by type and disposal method		Waste Indicators on environment and safety	
8	EN23	Total number and volume of significant spills		Environment and safety Climate protection Other environmental impacts Indicators on environment and safety	
8	EN24	Waste deemed hazardous		Waste Indicators on environment and safety	
8	EN25	Water bodies affected by discharges of water and runoff		Water Other environmental impacts	
7,8,9	EN26	Initiatives to mitigate environmental impact of products and services		Product stewardship Opportunities of sustainability	Annual: clean technologies
8,9	EN27	Reclaimed packaging material			
8	EN28	Sanctions for non-compliance with environmental laws and regulations		Environment and safety Indicators on environment and safety	Financial report: litigation
8	EN29	Environmental impacts		Climate protection	

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by transport

Transport safety
Indicators on environment
and safety

7,8,9	EN30	Environmental protection expenditures				
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Social indicators: Labour practices and decent work

UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
	LA1	Total workforce by employment type, employment contract, and region		Employees Diversity and equal opportunities Indicators on employees		
6	LA2	Employee turnover		Employees Indicators on employees		
	LA3	Benefits		Linde as an employer		
1,3	LA4	Employees covered by collective bargaining agreements		Linde as an employer Indicators on employees		
3	LA5	Minimum notice period regarding significant operational changes				
1	LA6	Health and safety committees				
1	LA7	Rates of injury, occupational diseases, lost days, and absenteeism		Indicators on employees Health and safety		
1	LA8	Risk-control programmes in place regarding serious diseases		Health and safety		
1	LA9	Health and safety topics covered in formal agreements with trade unions.		Co-determination		
	LA10	Employee training		Transport safety Personnel development Training on environment and safety		
	LA11	Programs for skills management and lifelong learning		Transport safety Personnel development Initiatives for older employees		
	LA12	Performance and career development reviews		Transport safety Personnel development		
1,6	LA13	Composition of staff and governance bodies		Indicators on employees Diversity and equal opportunities	Website Linde: Management	
1,6	LA14	Differences in salary according to gender				
	LA15	Parental leave		Work-life balance		

Social indicators: Human rights

UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
1,2,3,4,5,6	HR1	Significant investment agreements		Supply chain management		
1,2,3,4,5,6	HR2	Screening of suppliers with regard to human rights issues		Supply chain management		
1,2,3,4,5,6	HR3	Training on human rights		Compliance		
1,2,6	HR4	Incidents of discrimination				
1,2,3	HR5	Operations involving significant risk to exercise freedom of association and collective bargaining agreements		Values and standards Compliance Labour and social standards		 
1,2,5	HR6	Operations involving significant risk of child labour		Values and standards Compliance Labour and social standards		
1,2,4	HR7	Operations involving significant risk of forced or compulsory labour		Values and standards Compliance Labour and social standards		 
1,2	HR8	Security practices				
1,2	HR9	Rights of indigenous people				
1,2	HR10	Human rights reviews and/or impact assessments.		Labour and social standards		
1,2	HR11	Grievances related to human rights		Compliance		

Social indicators: Society

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UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
	SO1	Impact on local communities		Environment and safety Risk management Product stewardship Production Corporate citizenship Compliance		
10	SO2	Risks related to corruption		Compliance		
10	SO3	Anti-corruption training		Compliance		
10	SO4	Actions taken in response to alleged incidents of corruption		Compliance		
1,2,3,4,5,6,7,8,9,10	SO5	Public policy positions and lobbying		Stakeholders Cooperations Global Compact Corporate citizenship		
10	SO6	Contributions to political parties, politicians, and related institutions		Corporate citizenship		
10	SO7	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			Financial report: litigation	
	SO8	Sanctions for non-compliance with laws and regulations			Financial report: litigation	
	SO9	Operations with negative impacts on local communities		Environment and safety		
	SO10	Prevention and mitigation of negative impacts on local communities		Environment and safety		

Social indicators: Product responsibility

UNGC	GRI	Name of GRI key indicator	Status	Link within the reports	External links	PDF
1	PR1	Impact on health and safety throughout the product lifecycle		Product stewardship Environment and safety Health and safety	REACH website Linde	
1	PR2	Non-compliance concerning health & safety impact of products			Financial report: litigation	
8	PR3	Product information		Product stewardship	REACH website Linde	
8	PR4	Non-compliance concerning product information		Product stewardship	Financial report: litigation	
	PR5	Customer satisfaction				
	PR6	Laws and standards related to advertising				
	PR7	Non-compliance related to advertising			Financial report: litigation	
1	PR8	Complaints regarding customer privacy			Financial report: litigation	
	PR9	Sanctions for non-compliance with laws and regulations concerning products and services			Financial report: litigation	

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Statement GRI Application Level Check

GRI hereby states that **Linde AG** has presented its report "Corporate Responsibility Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 02 May 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint circular watermark.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **Linde AG** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 26 April 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

United Nations Global Compact

In line with our commitment to the UN Global Compact, we publish a communication on progress (COP) each year that outlines how we incorporate the principles of Global Compact in our business activities. This COP is part of our Corporate Responsibility Report. We use the Global Compact logo to highlight any content relevant to the UN Global Compact (UNGC). The GRI Index also links to this content.

This year, for the first time, we are reporting our activities in line with the "GC Advanced" level – the highest standard for corporate sustainability performance and disclosure. To meet these COP reporting requirements, during the year we provided information on 24 UN GC criteria. This information is available on the UN Global Compact [website](#).

The following table provides an overview of the commitments, standards and management systems that we use to incorporate the principles of Global Compact in our business processes. In the text boxes under each field of action, we report on the progress we have made in that area during the year under review.



Global Compact

Human rights	
Principles	<p>Principle 1: Support and respect the protection of internationally proclaimed human rights</p> <p>Principle 2: Make sure that the company is not complicit in human rights abuses</p>
Implementation at Linde	<p>Our Code of Ethics is binding for all employees. In it, we commit to protecting and promoting human rights and the core principles of the United Nations international charter on human rights.</p> <p>Our global Ethical-Legal Principles Procurement align with the principles anchored in the conventions of the International Labour Organisation (ILO) and the United Nations Universal Declaration of Human Rights.</p> <p>Our global SHEQ Policy (Safety, Health, Environment and Quality Policy) defines how we protect the health and safety of our employees. We also include contractors and other business partners in our occupational health and product safety management programme.</p> <p>The primary aim of our compliance programme is to prevent misconduct and identify possible compliance violations. Suspected abuses can be reported to our Integrity Line.</p> <p>> More on labour and social standard</p> <p>> More on supply chain management</p>
Labour standards	
Principles	<p>Principle 3: Uphold freedom of association and the right to collective bargaining</p> <p>Principle 4: Eliminate all forms of forced labour</p> <p>Principle 5: Abolish child labour</p> <p>Principle 6: Eliminate discrimination in respect of employment and occupation</p>
Implementation at Linde	<p>In our Code of Ethics, we commit to protecting and promoting human rights. This includes the prohibition of discrimination, harassment, slavery and servitude as well as upholding the right to freedom of peaceful assembly and association, and the right to fair remuneration.</p> <p>Our global Ethical-Legal Principles Procurement address the issues of forced and child labour, the guaranteed availability of communication channels and negotiation structures between employers and employees as well as the right to equal opportunities and fair treatment.</p> <p>Our diversity management programme also aims to prohibit discrimination and actively promote equal opportunities.</p> <p>For the first time in 2011, we conducted an assessment on labour and social standards as well as human rights on a globally uniform basis. Our aim here is to determine the extent to which systems ensuring compliance with global standards have been implemented.</p> <p>> More on Linde as an employer</p> <p>> More on our survey of processes to ensure compliance with human rights and social standards</p>
Environmental protection	
	<p>Principle 7: Support a precautionary approach to environmental challenges</p>

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Principles	<p>Principle 8: Undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies</p>
	<p>Our commitment to protecting the environment is outlined in our binding Code of Ethics. Our global SHEQ Policy details the implementation of these targets.</p> <p>Our environmental management system, our risk management system and product safety programme are geared toward minimising the environmental impact of our processes and products. This includes preventative measures such as risk analyses and certifications at our locations in line with international standards as well as monitoring instruments such as audits.</p>
Implementation at Linde	<p>Raising employee awareness of environmental and safety issues is also an important factor, and one which we address through various channels, including training initiatives.</p> <p>We are helping to tackle major ecological challenges of our time through our energy and environmental technologies. Our comprehensive technology portfolio helps reduce the current environmental impact of fossil fuels and cut CO2 emissions. We are also driving the development of alternative fuels and renewable energy sources. Furthermore, our gases are used to improve the quality of untreated and drinking water supplies and to clean wastewater.</p> <p>Our corporate citizenship activities are also supporting environmental initiatives</p> <p>> More on environmental protection</p>
Anti-corruption	
Principles	<p>Principle 10: Work against corruption in all its forms, including extortion and bribery</p>
Implementation at Linde	<p>Our Code of Ethics prohibits corruption for all employees worldwide.</p> <p>This commitment is backed by additional, supplementary guidelines, including regulations governing competitive and anti-trust laws as well as our Ethical-Legal Principles Procurement.</p> <p>The primary aim of our compliance programme is to prevent misconduct and to investigate and penalise suspected violations. Suspected incidents can be reported to our Integrity Line.</p>

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Independent assurance report

To the readers of the Corporate Responsibility Report 2011 of Linde AG

Introduction

We have been engaged by the Executive Board of Linde AG (further referred to as 'Linde') to provide limited assurance on the 2011 data for the indicators listed in the section 'Context and scope' together with the related explanatory information in the publication: 'Corporate Responsibility Report 2011' (further referred to as 'The Report'). The Executive Board of Linde is responsible for preparing The Report, including the identification of stakeholders and material issues. Our responsibility is to provide an assurance report on the 2011 data for the indicators listed in the section 'Context and scope' together with the related explanatory information in The Report.

Context and scope

Our engagement was designed to provide limited assurance on whether the 2011 data for the indicators listed in the table below together with the related explanatory information are presented, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative as well as internal reporting criteria as published on Linde's website.

Consumption of energy
Greenhouse gas emissions
Consumption of water
Emissions to air and water
Materials and packaging consumption
Waste and recycling
Number of workplace accidents per million hours worked by employees (LTIR)
Number of serious traffic incidents involving Linde owned trucks per 1 million km driven

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance.

The Report is published online at <http://www.linde.com/cr-report2011>. Indicators and explanatory notes in scope of our assurance engagement are marked with an *.

Reporting criteria

Linde applies the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative as well as internal reporting criteria for reporting on Corporate Responsibility as described on Linde's website. We believe that these criteria are suitable in view of the purpose of our assurance engagement.

Assurance standards

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.

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This Standard requires, amongst others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to understand the information in The Report, identify and collect the thereto related assurance information and that they comply with ethical requirements, including independence requirements.

Work undertaken

Our procedures included the following:

- Performing a media analysis and internet search to obtain information on relevant sustainability issues for Linde in the reporting period;
- Reviewing the design and existence of the systems and processes for data management, internal control and processing of data for the selected indicators as defined under ‘Context and scope’ at corporate, regional and local level by:
 - Interviewing staff at corporate level responsible for the collection, analysis and reporting of the data
 - Visiting four selected regional offices in Asia, Europe (2) and North America
 - Visiting five selected production sites in Finland, Singapore, the United Kingdom (2) and the United States of America
- Performing analytical review procedures of the data reported by the production sites under operational control of Linde;
- Reviewing data trends and discussions with management thereto;
- Reconciling whether the comparable figures for 2008, 2009 und 2010 have been accurately derived from previous Corporate Responsibility reports of Linde, for which we had provided assurance.

As part of our assurance procedures we discussed changes to the draft reports with Linde and reviewed the final version of The Report to ensure that it reflected our findings.

Our conclusion

Based on our procedures performed, nothing came to our attention to indicate that the data for the indicators as defined under ‘Context and scope’ together with the related explanatory information are not presented, in all material respects, in accordance with the reporting criteria.

Emphasis of matter

Without qualifying our conclusion above, we draw attention to:

- The explanation on the scope of the environmental indicators, which explains the exclusion of the Van Dongen Group
- The explanation on the scope of the emissions to air and water, which explains that the values stated apply to locations legally obliged to report

Amstelveen, May 4th, 2012
 KPMG Sustainability,
 part of KPMG Advisory N.V.
 W.J. Bartels, partner

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