

Corporate Responsibility

REPORT 2013

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This is the PDF version of the Corporate Responsibility Report 2013
 The full report is available online. A comprised progress report
 ("Corporate Responsibility at a Glance") is also available in print.

www.linde.com/cr-report2013

CEO STATEMENT

Ladies and Gentlemen,

For us, sustainability is an investment in the future. Our holistic approach extends beyond our contribution to environmental conservation and social development to include the continuous improvement of our processes and procedures. We are rigorously implementing measures aimed at increasing efficiency. This allowed us to hold our own pretty well in 2013, despite an increasingly challenging business climate over the course of the year. Through our initiatives, we target the Group's key business processes, such as the production and transport of our products. We have succeeded in cutting down energy consumption, optimising plants and reducing the journeys needed for delivery. This is our way of combining excellence in operations with cost savings and environmental protection.

We plan to make even further progress in sustainability and have set ourselves measurable non-financial targets next to our specific financial targets. A main focus here is on safety and increasing energy efficiency. One of our targets is to improve the average energy intensity of our globally installed air separation plants by 5 percent by 2017. Thanks to the measures necessary to achieve this goal, we have so far been able to avoid more than 1.4 million tonnes of CO₂ emissions. Through projects aimed at increasing energy efficiency, we saved some EUR 35 million and prevented more than 220,000 tonnes of CO₂ emissions in 2013 alone.

Sustainable business practices also mean helping new technologies succeed – especially technologies that contribute to an affordable, reliable and eco-friendly energy supply. We are prepared to lead the way towards this goal, such as in the field of hydrogen. At Linde, we are committed to helping unleash the potential of hydrogen as an environmentally friendly source of energy and as a method for storing electricity from renewable sources.

We also live up to our social responsibility. My fellow Executive Board members and I approved a Code of Conduct for Suppliers of The Linde Group in 2013. This code of conduct defines the requirements we place on our suppliers regarding safety, environmental protection, labour standards and compliance. In addition, we published a global position on human rights in early 2014, in which we affirm our support of human rights and describe the steps we are taking to anchor this voluntary commitment. These and other activities show that we are living by the principles of the United Nations Global Compact within our Group.

I am delighted that our progress on sustainability management was repeatedly acknowledged in 2013. The inclusion of our Group in the global Dow Jones Sustainability Index again last year is one example of this.



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Linde has set the right course. We are counting on the expertise and commitment of our approximately 63,000 employees worldwide for our continued success. My heartfelt thanks go out to all of them. They have made Linde what it is today: the world's largest gases and engineering company – a company that is well positioned globally, has a sustainable business model and offers promising prospects for the future.



Professor Dr Wolfgang Reitzle
Chief Executive Officer of Linde AG

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ABOUT THIS REPORT

The Corporate Responsibility Report 2013 is Linde's ninth sustainability report. In it, we report on how sustainability contributes to corporate success and how we perceive our responsibility towards stakeholders and the environment. The full report is only available online. The entire document as well as individual chapters can be downloaded as a PDF. In addition to the online report, we also publish a print brochure summarising our progress on sustainability issues ("Corporate Responsibility At a Glance").

Topics

Our corporate responsibility reporting follows internationally recognised standards, such as the Global Reporting Initiative (GRI) guidelines. Our stakeholders – our employees, customers and shareholders, for example – are an important resource in identifying key issues for Linde. We regularly align our sustainability topics with their expectations. Information about this materiality analysis is available to the public.

The Corporate Responsibility Report also serves as a report on our progress within our commitment to the UN Global Compact. We report on how we incorporate the ten Global Compact principles into our business activities, labelling relevant content with the Global Compact logo. A combined GRI and Global Compact index provides an overview and summary of all main topics. Once again, we report in accordance with the UN Global Compact Advanced Level criteria. We also take into consideration the Blueprint for Corporate Sustainability Leadership, an action plan initiated by the Global Compact LEAD platform.

Key performance indicators

Key performance indicators (KPIs) help us track our economic, ecological and social performance. We use them to measure our progress and identify scope for improvement. The reporting period is the 2013 financial year. Where possible, we present our KPIs in this report over a four-year period. We mainly collect KPIs for health, safety and environmental protection as well as employee statistics from global databases. Our financial figures are prepared and published in line with the International Financial Reporting Standards (IFRS).

Due to changes in the applicable IFRS accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Additional joint ventures were included in our reporting. To ensure comparability between reporting years, we have restated the figures for the 2012 business year retrospectively. In addition, the values of the acquired homecare company Lincare were retrospectively recognised in full for the 2012 financial year. Significant changes compared to the figures reported prior to 2012 are often due to these effects.

This report relates to all consolidated Group companies in which Linde exercises a controlling influence over their financial and operating policies, either solely or with joint venture partners. In the case of companies with joint management, the KPIs are recorded pro rata. Figures for work-related accidents on sites are always reported in full.

We incorporated relevant information available prior to the editorial closing date in March 2014. This report is published annually in German and English.

Integrated reporting

We publish key non-financial KPIs and qualitative information about sustainability at Linde in our annual report. The Corporate Responsibility Report supplements our reporting through additional details. We also publish information on sustainable business practices in other key corporate publications and communication channels:

- The Linde Group website contains detailed information on corporate responsibility focus areas. The Clean Technology portal provides an overview of products and technologies that help to meet the challenges of climate protection.
- The websites of our Gases, Engineering and Gist divisions also offer information about sustainability in relation to specific business activities.

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- Some of Linde’s subsidiaries release regional publications that address sustainability issues.
- Product brochures also detail the benefits of our technologies in terms of environmental protection.
- Our investor relations presentations are available to the public and give detailed accounts of market opportunities for Linde in the areas of energy and environmental technologies.
- We also publish updates on corporate responsibility issues via social media such as Twitter and Facebook.

Where appropriate, we include links to these other channels and sources in this report.

Independent assurance

Our key performance indicators are independently reviewed. Once again, we commissioned KPMG AG Wirtschaftsprüfungsgesellschaft to provide an audit on selected non-financial KPIs. The scope is described in the independent audit report. The audit was carried out in line with the International Standard on Assurance Engagements (ISAE) 3000. This year, we extended the scope of the audit to include additional KPIs for external certification of our locations in line with international standards. The audited KPIs are marked as such in the tables of this report. We also point out if KPIs have already been published in the Group management report of Linde’s 2013 annual report. In 2013, we also integrated further non-financial KPIs into our annual report.

This report complies with the G3.1 version of GRI’s Sustainability Reporting Guidelines. This independent organisation has again confirmed that Linde has achieved the highest GRI Application Level: A+. Our corporate responsibility reporting thus also complies with the requirements of the German Sustainability Code.

MORE ON

- [Materiality analysis](#)
- [UN Global Compact](#)
- [GRI and Global Compact index](#)
- [The independent assurance report](#)
- [Financial reporting in our annual report](#)
- [Forward-looking statements](#)

ABOUT LINDE

The Linde Group

In the 2013 financial year, The Linde Group generated revenue of EUR 16.655 billion, making it the largest gases and engineering company in the world with approximately 63,500 employees working 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. Linde acts responsibly towards its shareholders, business partners, employees, society and the environment – in every one of its business areas, regions and locations across the globe. The company is committed to technologies and products that unite the goals of customer value and sustainable development.

Organisation

The Group comprises three divisions: Gases and Engineering (the two core divisions) and Other Activities (logistics services company Gist). The largest division, Gases, has three reportable segments – EMEA (Europe, Middle East and Africa), Asia/Pacific and the Americas. These are divided into seven Regional Business Units (RBUs)¹. The Gases Division also includes the two Global Business Units (GBUs) Healthcare (medical gases, medical devices, clinical care and related services) and Tonnage (on-site supply of gases to major customers), as well as the Business Area (BA) Electronics (electronic gases).

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 company is also investing in the expansion of its Healthcare business (medical gases and services), and is a leading global player in the development of environmentally friendly hydrogen technologies.

Engineering Division

Linde's Engineering Division is successful throughout the world, with its focus on market segments such as olefin, natural gas, air separation, hydrogen and synthesis gas plants. In contrast to virtually all competitors, the company can rely on its own extensive 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.

¹ The new segment structure applies as from 1 January 2014.

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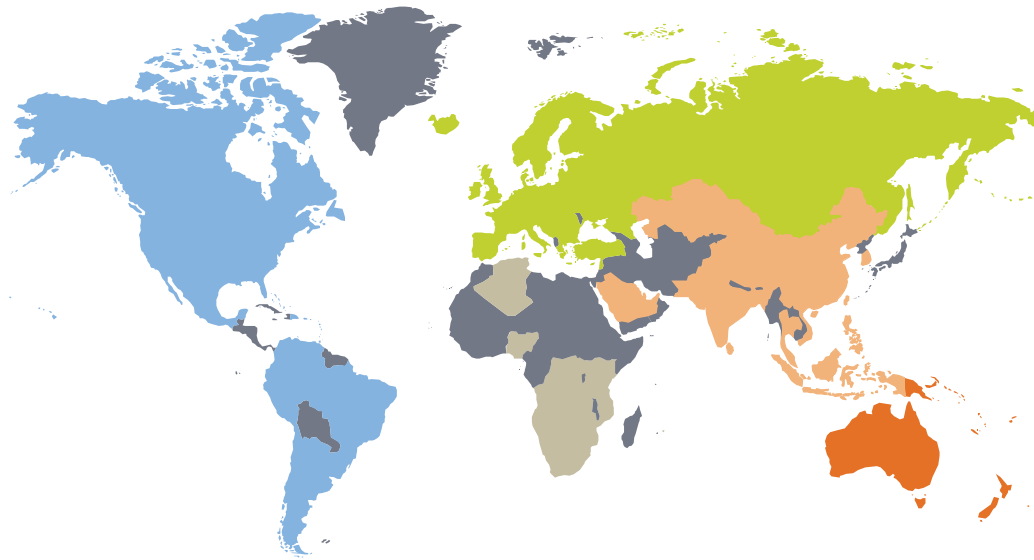
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The Linde World



- Europe: 26,324 employees, EUR 6,416 million revenue by location of customer
- Americas: 18,542 employees, EUR 4,623 million revenue by location of customer
- Africa: 3,948 employees, EUR 635 million revenue by location of customer
- Asia: 11,753 employees, EUR 3,560 million revenue by location of customer
- Australia/Pacific: 2,921 employees, EUR 1,421 million revenue by location of customer

Business Review

In the 2013 financial year, Group revenue rose by 5.2 percent to EUR 16.655 billion (2012: EUR 15.833 billion). After adjusting for exchange rate effects (which equate to revenue of EUR 656 million), the increase in revenue was 9.7 percent. US homecare company Lincare, acquired by Linde in August 2012, contributed EUR 1.563 billion to Group revenue. The Lincare business is included in the Americas reportable segment and the Healthcare product area within the Gases Division.

Linde was able to reinforce its profitability at a high level and increased its Group operating profit (EBITDA) in the 2013 financial year by 7.6 percent to EUR 3.966 billion (2012: EUR 3.686 billion). The Group operating margin rose to 23.8 percent, higher than the prior-year figure of 23.3 percent. Linde's profit for the period (after deducting the tax expense) in the 2013 financial year was EUR 1.430 billion (2012: EUR 1.341 billion). Return on capital employed (ROCE) in 2013 was 9.7 percent (2012: 10.2 percent).

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Linde financial highlights

		2013	2012 adjusted ¹
Group			
Revenue	€ million	16,655	15,833
Operating profit ²	€ million	3,966	3,686
Operating margin	%	23.8	23.3
EBIT	€ million	2,171	2,055
Profit for the year	€ million	1,430	1,341
Return on capital employed (ROCE)	%	9.7	10.2
Gases Division			
Revenue	€ million	13,971	13,214
Operating profit ²	€ million	3,846	3,566
Operating margin	%	27.5	27.0
Engineering Division			
Revenue	€ million	2,879	2,561
Operating profit ²	€ million	319	312
Operating margin	%	11.1	12.2
Share			
Closing price	€	152.05	132.00
Year high	€	153.90	136.15
Year low	€	128.60	114.20
Market capitalisation (at year-end closing price)	€ million	28,219	24,445
Earnings per share – undiluted ³	€	7.10	6.93
Number of shares outstanding as at 31.12.	000s	185,588	185,189

1 Adjusted for the effects of the first-time retrospective application of new or revised IFRSs. See also [Note 7](#) in the Notes to the Group financial statements of the Linde Group Financial Report 2013.

2 EBIT adjusted for amortisation of intangible assets and depreciation of tangible assets.

3 Based on the weighted average number of shares.

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Customers

The Linde Group works with companies in virtually every industry sector. We supply gases and plants to customers in the food and drink, steel and automobile, healthcare, construction, electronics and solar industries.

Business segments – Gases Division

Food & beverages	Chemistry & energy	Metallurgy & glass	Manufacturing industry	Electronics	Healthcare	Others
Aquaculture & Water Treatment	Energy	Glass & Fibre Optics	Aerospace	Solar	Hospital Care	Education & Research
Beverages	Fine & Petro chemistry	Heat Treatment	Automotive	Semiconductor	Homecare	Retail
Food	Pharma	Non-ferrous	Heavy Construction & Machinery	Chip Packaging	Gas Therapies	Distributors
	Other Chemistry	Steel	Light Metal Fab. & Prod.		Care Concepts	
		Other Metallurgy & Glass	Other manufacturing			

MORE ON

- [Comprehensive business review, see the Annual Report](#)
- [Our HPO efficiency programme, see the Annual Report.](#)

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OPPORTUNITIES AND RISKS

PROGRESS

100%
of countries

in which Linde operates are the focus of a new Code of Conduct for Suppliers; external analysis of risks in the supply chain conducted

1

statement

issued about the Group's support for human rights; Group guidelines reviewed to ensure compliance with human rights

100%
of new suppliers

in the Engineering Division under contract to comply with Code of Conduct

42,500

training sessions on the Code of Conduct delivered

compliance training and compliance advice offerings expanded

380

suppliers

trained on topics such as process safety and fire protection

800

individual conversations held with investors

3,600
questions

from stakeholders about sustainability issues

OUTLOOK

Supplier management:

global analysis of the supply chain planned in respect of conflict minerals set out in the US Dodd-Frank Act

Sustainable products:

review of environmental benefits of the product portfolio planned

Innovation:

research and development on the use of hydrogen for large-scale energy storage, carbon capture & storage and carbon capture & usage (CCS/CCU) and the conversion of biomass into fuels or into basic materials for use in the chemical industry

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Strategy

Sustainability is a vital component of our Group strategy. We combine long-term economic value added with environmental and social responsibility. As set out in our global corporate responsibility policy, we are committed to behaving responsibly towards people and the environment and to conserving natural resources. In so doing, we adhere to our foundational principle of sustainability, which is one of the four strategic principles underlying the Linde Spirit – our corporate philosophy. Our sustainability activities are based on clear principles:

Focus on Linde's core business: When developing our sustainability measures, we consider our main business processes and the entire lifecycle of our products.

Continuous improvement: We continuously analyse how sustainability enables us to exploit business opportunities and to minimise risks. We use key corporate responsibility indicators to compare sustainability performance across the world.

Engagement with stakeholders: We adapt our corporate responsibility activities to reflect the needs of our stakeholders.

Transparency: We report regularly and publicly on the progress we have made in our focus areas.

Risks and opportunities

We continuously analyse stakeholder expectations, comparing them with our internal assessment of the risks and opportunities associated with the Group's business development. Based on this materiality analysis, we establish our priorities for sustainability measures.

We want to apply our fundamental principle of sustainability to an even greater extent to drive our business operations. We are constantly analysing how our products help our customers develop more sustainable processes: e.g. through increased energy efficiency or reduced emissions. Clean technologies are one of the key areas here. In our research and development, we focus in particular on the environmental impact of our production processes. In 2014, we are planning to review the our product portfolio with regard to environmental benefits.

We record and evaluate risks systematically and reduce risks by adopting responsible business practices and making constant improvements in our operations. We use global management systems, for example, to implement standards for sustainable business practices within our business processes worldwide. These include global guidelines for safety, environmental protection, compliance, supplier management and fair working conditions.

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Sustainable mobility: Investment for green energy

We see great potential for our technologies in the energy and environment growth market. One example of this is our commitment to hydrogen as an energy source and a form of storage for electricity from renewable sources, such as solar and wind energy. We are laying the foundation to ensure that the vision of affordable, reliable, environmentally friendly energy supplies can become a reality.



Emission-free mobility: At the new hydrogen filling station at Berlin's prospective international hub airport, drivers will be able to fill their cars with hydrogen from renewable sources. The hydrogen is currently supplied from Leuna, where it is produced from raw glycerine or natural biogas. From mid-2014, the hydrogen will be produced on site in an electrolysis plant powered by wind energy.

AT A GLANCE

-30%
CO₂ emissions
when petrol or diesel are replaced
with hydrogen derived from natural
gas

One tank of hydrogen will last for
up to
700
kilometres

17
million EUR
will be invested by Linde and
several partners in the construction
of a hydrogen facility in the
"Energiepark Mainz".

The facility will be able to absorb up
to
6
megawatts
of electric power – roughly the
output generated by three wind
turbines – and to produce up to 200
tonnes of green hydrogen per
annum.

< EUR 1
are the costs for a kilowatt hour of
storage capacity if hydrogen is used
as energy storage. The
corresponding cost for storage in a
battery would be around EUR 400.

By 2023, Linde wants to build
400
hydrogen filling stations
with its partners in Germany.

FULL STORY IN THE LINDE ANNUAL 2013

— [Using hydrogen to carry and store energy](#)

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Health: Improving patient service

The healthcare market is a growth driver for Linde – a trend which will accelerate still further as a result of demographic changes over the next few years. We deliver medical gases, medical devices, clinical care and supporting services to patients, doctors and therapists worldwide.



Linde's medical gases are also used for pain relief. Professor Dr Krzysztof Szymanowski is Director of the Maternity Clinic at the University Hospital (GPSK) in Poznan in Poland. The clinic's neonatal unit is one of the largest in the country. Linde introduced a gas mixture of oxygen and nitrous oxide into the Polish market to help relieve the pain of childbirth.

AT A GLANCE

1/3
of the population in Europe
will be over 65 years by 2050.

By 2020, the global market relevant
to Linde in this sector will grow to
around

17
billion EUR

Anniversary: For
25 years

Linde has been supplying oxygen to
patients in Germany in their own
homes.

Linde is active in the healthcare
market in

60
countries

Linde serves
1.4
million patients worldwide.

100,000
more patients were
supplied with Linde
product or services in 2013
than in 2012.

FULL STORY IN THE LINDE ANNUAL 2013

— [Medical gases to relieve pain](#)

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Process optimisation: The best way to get there

We are constantly improving our processes. One example of this is the transportation of our liquefied gases and cylinder gases. Worldwide, we seek to optimise our production planning, our selection of transport routes and the equipment of our trucks. Our aim is to tailor our deliveries to the needs of our customers, to reduce our fuel consumption and to improve transport safety – a contribution to the sustainability of our business.



Linde eco-trailer on the road: The vehicle is significantly lighter than its predecessor model, has a greater payload, benefits from additional active and passive safety equipment and consumes on average two litres of fuel less per hundred kilometres travelled.

AT A GLANCE

1,500
employees

participated in driver safety training
in South-East Asia.

In
83
countries

Linde has included safe driving in
the contractual terms and
conditions it agrees with its
suppliers.

Linde manages around
2
million deliveries

of liquefied gases every year to
customers worldwide.

> 3,000
trucks

operated by Linde to
deliver products to
customers worldwide

200
million EUR

invested in 2013 as part of ongoing
improvements to vehicles and
tanks.

-27%

serious transport incidents
since 2010

FULL STORY IN THE LINDE ANNUAL 2013

— [Efficiency in logistics](#)

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GOALS

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Goal	Timeline	Progress	Status
Finances			
Group operating profit: around EUR 4 billion	2013	> More in the annual report	<div><div></div></div>
Group operating profit: EUR 5 billion and reported ROCE of around 13 percent	2016	> More in the annual report	<div><div></div></div>
Further reductions in total gross costs of between EUR 750 million and EUR 900 million	2013–2016	> More in the annual report	<div><div></div></div>

Compliance

Expansion of compliance programme	Ongoing	Global Code of Conduct for Suppliers introduced to prevent ecological, social and compliance risks in the supply chain	<div><div></div></div>
		Compliance refresher training introduced to ensure that employees refresh their compliance knowledge regularly	
		More than 42,500 e-learning sessions on the Code of Ethics and around 7,500 e-learning sessions on anti-trust law held by the end of 2013	
		More than 10,000 participants received on-site training from qualified trainers	
		Full-time compliance officers answered more than 3,500 inquiries	
		> More on supplychain management	
		> More on compliance	

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Goal	Timeline	Progress	Status
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Suppliers

Sustainability assessment of the supply chain	2014	External analysis of sustainability risks performed with a focus on country and product risks in our supply chain	<div><div></div></div>
		> More	
Consolidation and complementation of existing sustainability requirements in a global supplier code of conduct	2014	Global Code of Conduct for Suppliers approved	<div><div></div></div>
		100 percent of new Linde Engineering suppliers required to follow the new code in 2013	
		> More	
Raising awareness on the importance of sustainability in the supply chain among procurement managers and suppliers	2014	Procurement staff trained on implementation of the new Code of Conduct for Suppliers	<div><div></div></div>
		> More	

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Sustainable investment

Qualification of Linde for the most renowned sustainability indices	2014	Linde once again included in the global Dow Jones Sustainability Index (DJSI World)	<div><div></div></div>
		Linde once again included in the regional Carbon Disclosure Leadership Index (CDLI) for Germany, Austria and Switzerland	
		Linde included in the Global Compact 100 Index	
		> More	

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Goal	Timeline	Progress	Status
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Products

Development of products and technologies that unite the goals of customer value and sustainable development	Ongoing	Mobile system for the treatment of ship emissions developed	<div><div></div></div>
		500-bar compressed-gas/hydrogen trailer developed to make transporting larger quantities of hydrogen more efficient	
		Plan of action for the development of around 400 hydrogen fuelling stations in Germany by 2023 signed together with five partners from the energy and automotive industry	
		> More on innovation	
		> More on climate protection	

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Transparency

Definition, collection and reporting of additional sustainability indicators	Ongoing	Further indicators included in the corporate responsibility report	
		Scope of independent assurance extended to include new indicators	
		> More on compliance	
		> More on KPIs	
		> More on assurance	
		> More in the annual report	

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Goal Timeline Progress Status

Stakeholder


Inclusion of stakeholder requirements in sustainability management activities	Ongoing	Follow-up measures on the employee survey 2012 completed	
		Next global employee survey planned for 2014	
		3,600 sustainability inquires from stakeholders answered	
		800 individual conversations, 24 conferences and 38 roadshows with financial analysts and investors	
		Several events with scientific experts in Germany and Italy on the use of renewable energies and hydrogen as an environmentally friendly fuel	
		> More on our employee survey	
		> More on Linde shares in the annual report	
		> More on stakeholders	
		> More on materiality analysis	

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Standardised risk review for sites and definition of control mechanisms to minimise risks to the greatest possible extent (Major Hazards Review Programme, MHRP)	Long-term goal	76 percent of sites concerned certified in line with MHRP by the end of 2013	
		> More	

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Goal	Timeline	Progress	Status
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Transport

Transport safety initiative <ul style="list-style-type: none"> Adoption of all local and global minimum operating standards for transport Integration of transport standards in a global database Training on revised standards for employees and transport contractors Audits to ensure compliance with operating standards Global implementation of new behavioural transport safety driver training programme (ActSafe for Drivers) 	2012–2015	75 transport safety auditors trained	
		23 percent of sites with transport activities audited	
		Around 1,500 participants in driver safety training sessions in South-East Asia	
		> More	
50 percent reduction in the frequency rate of serious transport incidents (base year 2012)	2017	Number of serious transport incidents down to 0.062 per million road kilometres	
		> More	



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Climate protection and energy efficiency

3 percent improvement in energy intensity in installed air separation plants (relative to 2008 baseline)	2013	Goal achieved	
		> More	
5 percent improvement in energy intensity in installed air separation plants (relative to 2008 baseline)	2017	Average energy intensity 2013 already improved by 3.8 percent	
		> More	
2 percent improvement in actual energy efficiency in our installed HyCO plants (relative to 2009 baseline)	2015	New Goal	
		> More	
Evaluation of ways to reduce CO ₂ emitted by transport service providers (scope 3 emissions)	Ongoing	Use of larger tanks to reduce transport journeys; transport costs reduced by around EUR 500,000 in Germany in 2013	
		Driver training targets fuel conservation	
		> More	

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Water

Development of a strategy for sustainable water use in water-stressed regions	2013	Measures and goals evaluated on various sites in order to optimise the sustainable use of water	
		Pilot study in Great Britain	
		> More	

Goal Timeline Progress Status

Further key environmental areas

Evaluation of additional quantitative environmental protection goals	Long-term goal	Pilot project in South-East Asia on waste-management optimisation completed; findings to serve as a basis for the development of further measures	
		> More on climate protection	
		> More on waste	

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Goal Timeline Progress Status

Employee satisfaction

Review of employee satisfaction	2014	Follow-up measures from 2012 employee survey implemented in 2013	
		Next global survey planned for 2014	
		> More	

Management

Increase in the proportion of women in senior management positions worldwide to between 13 and 15 percent	2018	Percentage of women in our most important development programme for senior managers increased to 23.4 percent	
		Percentage of women in our most important development programme for middle managers increased to 35.6 percent	
		Percentage of women in management positions increased to 13.2 percent	
		> More	

Work/life balance

Expansion of childcare support	Long-term goal	33 daycare spots provided in the Munich area	
		Childcare support concept in Germany currently being assessed	
		> More	

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Goal Timeline Progress Status

Health protection

Expansion and harmonisation of occupational health and hygiene management programmes	Ongoing	Nine global health protection guidelines approved until end of 2013	
		> More	
Reduction of health risks associated with manual tasks	Ongoing	Occupational health and safety audits carried out at around 60 percent of our sites	
		Introduction of a global database with instructions about optimal manual handling solutions	
		> More	
Reduction of potential risks from psychological stress	Long-term goal	Great Britain: workshops on stress management conducted for IT staff	
		> More	

Corporate citizenship

Development of a global strategy to measure the effectiveness of corporate citizenship projects	2013	Global survey of corporate citizenship activities introduced	
		Global corporate volunteering guideline approved	
		> More	

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VALUES AND GLOBAL STANDARDS

Values and principles underlie the way we do business. These are set out in the Linde Spirit. Our four key corporate values define how we plan to move towards our goals. Our four fundamental principles define issues of key importance in this context.

Our values

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

Our principles

Safety	The Linde Group will avoid to harm people and society.
Integrity	Our actions are honest, fair and ethical.
Sustainability	We are focused on today's success, but accept our responsibility for future generations.
Respect	Every human being deserves to be treated with respect.

Global guidelines and standards

In our internal guidelines and directives, we determine how we implement our principles throughout the Group. Our Code of Ethics defines clear standards that govern the way our employees interact with each other as well as our conduct towards customers, suppliers, authorities and other business partners. The Code of Ethics is binding for all employees of The Linde Group. Our Code of Ethics is supplemented by other global guidelines and standards that further outline the Group's commitment in core areas, including global guidelines on safety, the environment, health, supplier management and compliance.

Human rights

In our Code of Ethics, we commit to the principles of the Human Rights Charter of the United Nations. As a participant of the UN Global Compact, Linde also supports the UN Guiding Principles on Business and Human Rights. In 2013, we continued to investigate the extent to which the Group's global guidelines take compliance with human rights into account. The guidelines and processes audited and adapted so far include the Code of Ethics; the procurement guidelines, conditions and agreements; the Integrity Line policy and Enterprise Risk Management. During the period under review, the Executive Board of Linde AG also passed a statement on human rights for the Group, in which we reaffirm our support of human rights and describe Group processes that substantiate this commitment.

MORE ON

- [Safety and health](#)
- [Environmental protection](#)
- [The international standards and guidelines to which we are committed](#)

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KEY MATERIAL ISSUES

To identify material topics for the Group, we are constantly evaluating issues which have an impact on our success, presenting us with either risks or opportunities. We also examine topics of particular interest to our stakeholders. On the basis of this materiality analysis, we determine focus areas for our sustainability management. We consider a wide range of sources, including the dialogue between the Group and our customers and shareholders, enquiries from other stakeholders, political and legal developments, and media analysis. Within the Group, we draw on findings from employee surveys, internal workshops with specialists and strategy experts, and on insights from interdisciplinary working groups. During this process, one of the aspects we consider is information about environmental and social risks identified by our Enterprise Risk Management. When selecting focus areas, we follow internationally recognised standards and recommendations in sustainability management, such as the principles of the UN Global Compact and capital market requirements for sustainable business practices. The findings of the materiality analysis serve as a basis for the decisions of our Corporate Responsibility Council and improvements to our reporting procedures.

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ACCOUNTABILITY FOR SUSTAINABLE DEVELOPMENT

The Corporate Responsibility Council is the highest decision-making body for sustainability issues at Linde. The Council comprises the Chief Executive Officer Professor Dr Wolfgang Reitzle, Executive Board member Professor Dr Aldo Belloni as well as the heads of the following global and central functions: Communications & Investor Relations, Human Resources, Legal & Compliance, Internal Audit and SHEQ. The Council is regularly briefed on the progress made in achieving sustainability goals, and sets new targets for sustainability management. The divisions and business units implement sustainability practices and develop measures specifically tailored to their functions and regions. The Corporate Responsibility department coordinates the execution of sustainability initiatives with experts in the relevant departments and with those responsible for corporate responsibility topics in the regions. Furthermore, it is the main point of contact for stakeholders. In 2013, the Corporate Responsibility Council discussed such issues as the introduction of the new Code of Conduct for Suppliers, the expansion of our global climate protection goals and the release of a Group statement on human rights.

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INVOLVING OUR STAKEHOLDERS

We consult our key stakeholders about material issues. These include Linde employees and our shareholders, customers and suppliers. Other relevant interest groups are politicians and the research and scientific community, non-governmental organisations, neighbours and the general public. The Group's corporate responsibility department responded to over 3,600 questions from stakeholders on sustainability issues during the reporting year. The main issues raised concerned corporate governance topics, eco-efficiency, labour standards and sustainable products. At the end of 2013, Linde once again conducted an internal survey across all regions on sustainability topics. These included local focus areas, collaborations with stakeholders and corporate citizenship within communities.

3,600
questions from stakeholders about sustainability issues answered

We also engage in debate on specialist topics. During the reporting year, Linde participated in events which involved discussions with scientific experts in Germany and Italy on the use of renewable energy and of hydrogen as an environmentally friendly fuel.

Linde plays an active role in industry and business associations at national, European and international level. Among these are the German Chemical Industry Association (VCI), the German Engineering Federation (VDMA), the European Industrial Gases Association (EIGA) and the Asia Industrial Gases Association (AIGA). The Group is also a member of selected corporate responsibility networks. These include the UN Global Compact and econsense (Forum for Sustainable Development of German Business e.V.).

We collaborate with partners in science and with other companies to develop sustainable solutions for energy supply, mobility and other topics. For instance, Linde is one of the founding members of the Clean Energy Partnership (CEP), the largest demonstration project for hydrogen-based mobility in Europe. With the support of the German government, the CEP is testing fuel-cell vehicles and the systems for their refuelling. H₂Mobility is the name of a joint initiative between Linde and five leading industrial companies. The aim is to set up a nationwide network of hydrogen filling stations in Germany. The initiative aims to expand the current network of 15 public hydrogen filling stations in Germany to around 400 filling stations by 2023. The H₂ Mobility initiative assumes that total investment in this infrastructure project will be around EUR 350 million.

Once again in 2013, our dialogue with politicians and society focused in particular on the need for a cost-effective and environmentally friendly energy supply. Germany, an industrial hub, is in the process of transforming its energy policy, creating opportunities for the use of new, efficient technologies but also exposing it to the risk of rising power costs. Linde added its voice to that of various industry associations and trade unions, emphasising the importance of competitive power prices to German industry. At the same time, with "Clean Technology by Linde", we are making a contribution towards more environmentally friendly mobility and energy supplies through our products and processes in the environmental and energy sectors. Sustainable solutions in the transport sector play an important role here. Our dialogue with politicians in 2013 focused on the terms of reference for the use of LNG (liquefied natural gas) in shipping and the shift towards emission-free electromobility using hydrogen and fuel cell energy. We also noticed growing interest in power-to-gas technology, which allows power to be stored in the form of hydrogen through electrolysis. The objective here is also to create a regulatory framework in a dialogue with politicians and society to help this technology achieve a breakthrough.

As a group, Linde does not make donations to political parties or to individuals. In the United States, employees of Linde North America have formed a political action committee. Under the umbrella of this independent registered committee, employees collect donations for politicians, political parties and associations.

MORE ON

- [Involving employees](#)

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INNOVATION

During the 2013 financial year, Linde spent a total of EUR 92 million on research and development (2012: EUR 101 million). As at 31 December 2013, there were 367 employees in total working in this field (2012: 385), of which 241 in the Gases Division and 126 in the Engineering Division. To protect our innovations from the competition, we filed 263 new patents across the Group over the course of the past financial year. As at 31 December 2013, Linde technologies were protected by a total of 2,605 patents.

2,605
patents protect Linde technologies

By drawing on the findings of our pure research, we are continuously moving into new areas of application for our gases and are constantly striving to make further improvements to our processes and plant technologies. Application development is always set in the context of commissions and therefore involves close liaison with

customers, taking into account their individual requirements. We pay particular attention to the environmental compatibility of our production processes. To this end, we have pooled the skills of our engineers, merging our activities into a central Clean Energy Group. This team, which operates across the different business areas, works on the development of innovative products and processes that help to make renewable energies economically viable, to reduce consumption of natural resources and to cut emissions which are harmful to the climate. To achieve these goals, we combine the skills in our Gases Division with those in our Engineering Division, whilst also involving leading institutions and companies in various cooperation projects.

Research and development

		2013	2012	2011	2010
Expenditure for research and development	€ million	92	101	98	94
Employees in the research and development field		367	385	342	324
New patents filed		263	269	235	232

We are focusing in particular on the following areas, which have a promising future ahead of them: carbon capture & storage and carbon capture & usage (CCS/CCU), enhanced oil and gas recovery (EOR/EGR), and the production, storage, distribution and filling of merchant liquefied natural gas (MLNG). Further priorities include the use of hydrogen as a fuel, large-scale energy storage and the conversion of biomass into fuels or into basic materials for use in the chemical industry.

EUR 92 million
spent on research and development

Once again during the year under review we were able to step up our involvement in environmentally friendly hydrogen technology. Together with five partners from the energy and automotive sectors, Linde signed an action plan in September 2013, under the terms of which around 400 hydrogen filling stations will be built in Germany between now and 2023.

In 2013, we also developed a 500-bar trailer for compressed hydrogen gas, which is already being used in transport on public roads. This innovation will make it possible to transport larger quantities of hydrogen much more efficiently in future.

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BASF, Linde and ThyssenKrupp cooperate on research to develop an environmentally friendly and competitive basis for utilising the climate gas carbon dioxide on an industrial scale. They aim to employ innovative process technology to use carbon dioxide as a raw material, with positive effects on climate protection. The German Federal Ministry of Education and Research (BMBF) is sponsoring the three-year project.

The continuing increase in the quantity of electricity derived from renewable sources means that new solutions for large-scale storage are needed. We are involved in many projects in this area, including activities at the Mainz Energy Park in Germany. In cooperation with partners from the energy industry and various research institutes, we are trialling processes for the production, storage, use and the feed-in of hydrogen from renewable electricity to the natural gas network.

Another technology option is liquefied air energy storage. We are working together in this field with partners from the power plant and energy sector to develop flexible electricity storage systems which can be swiftly realised.

MORE ON

- [Innovation in the Annual Report](#)

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CORPORATE GOVERNANCE

Good corporate governance is a foundation for our sustainable business success. We comply with the German Corporate Governance Code's guidelines presented by the Government Commission to the greatest possible extent, and explain any deviations in our annual report.

Responsible corporate governance also means ensuring that laws, regulations and self-imposed commitments are upheld. The core guidelines governing the way we do business are set out in our Code of Ethics. Our global compliance organisation supports implementing our commitments in everyday business.

Compliance organisation

The Chief Compliance Officer is responsible for Linde's compliance management system, which is implemented by the Global Head of Compliance and executed by our full-time Compliance Officers in the divisions, regions and operating segments. Their tasks include providing expert advice, training and case management on the following key compliance areas: corruption prevention, competition/antitrust, data protection and trade compliance. The Executive Board and the audit committee of the Supervisory Board receive regular updates about the activities and progress of the compliance organisation.

Prevention is key

Our aim is to prevent rather than manage compliance incidents. For this, we have implemented a comprehensive compliance management system with global reach. Our three pillars of prevention are communication, training and personal advice.

Communication

Our compliance communication strategy focuses on setting the right tone from the top and ensuring that information is received throughout the Group. Linde operates a global compliance intranet, which provides employees with easy access to information, compliance guidelines and other resources - currently in up to 29 languages. Regular intranet news items, e-mail announcements and features in employee magazines keep staff updated on recent compliance topics.

Training

It is important that our employees are not only aware of laws, regulations and self-imposed commitments, but that they truly understand these rules and know how to apply them. We support this through target group oriented training. Whilst some training such as that on competition law is targeted only at selected employees, other training such as that on the Code of Ethics is directed at all employees. Compliance training is also a part of the induction process for our new employees. We follow a blended training approach, combining face-to-face training with e-learning. By the end of 2013, we had held more than 42,500 e-learning sessions on our Code of Ethics. Over 10,000 members of staff across the globe were provided with on-site training between 2009 and 2013. More than 18,500 working hours had been invested in competition law e-learning by the end of 2013. In the course of the year, we also launched the Compliance Training Refresher Initiative to ensure that employees regularly refresh and update their knowledge on compliance topics.

Advice

The Linde Group operates compliance helplines, where our Compliance Officers provide personal expert advice to all Linde employees, regardless of their function or seniority. In 2013, the compliance helplines received more than 3,500 requests for legal advice.

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Detecting misconduct

We actively encourage our employees to report any suspected violations of our Code of Ethics, other Group guidelines or legal requirements, and we offer them advice on compliance issues. Staff can approach their direct line manager or department head for advice, or they may contact a representative from Internal Audit, Human Resources or Legal Services.

18,500

working hours invested in competition law
e-learning

The Linde Integrity Line, our global reporting system, is a key pillar of our compliance management system. It enables employees and external stakeholders to report suspected violations, anonymously if desired. Every report is initially assessed by the Linde Integrity Line Facilitator and forwarded to the Linde Integrity Committee where appropriate. The committee comprises members of the

Internal Audit, Legal Services, Corporate Responsibility and Human Resources departments. The Linde Integrity Committee reviews the reports and determines further courses of action. Our Integrity Line policy outlines the exact process to be followed and ensures that reports remain confidential and data is protected.

In 2013, the Integrity Line was contacted 393 times in total, by e-mail, web portal, letter or telephone. Each of these communications was assessed to determine whether it was a general enquiry or an allegation of misconduct. All concrete allegations were investigated. Most of these related to either personnel topics (approximately 36 percent) or to offences against property (approximately 33 percent). We also followed up reports of possible conflicts of interest (around 13 percent) and cases of discrimination (around 2 percent). In 2013, the Internal Audit department, Human Resources, Legal Services and the department for Safety, Health and Environment carried out 88 investigations on the basis of reports received via the Integrity Line (2012: 77 investigations).

Consequence management

Should a violation occur despite our preventative measures, the Linde compliance organisation has the processes in place to identify and tackle suspected misconduct swiftly. Linde employees who violate laws, regulations or self-imposed commitments must be prepared to face sanctions. Consequences following violations can range from warnings to dismissal, criminal prosecution or civil action. Consequence management measures for Integrity Line cases in 2013 included counselling, warnings and terminations. Identified misconduct is also taken as an opportunity to re-evaluate and continue to improve the compliance management system. The business consultation process for handling cases of possible misconduct was revised in 2013. Relevant stakeholders, including the responsible line managers, are involved in this process and provide their input.

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SUSTAINABLE INVESTMENT

In 2013, we conducted more than 800 conversations with investors globally. We offered shareholders and potential investors the chance to engage in dialogue with representatives of the Group at 24 conferences and 38 roadshows, at several private investor events and in the course of plant visits. Topics covered included our expanding Healthcare business and opportunities arising from our Clean Technology portfolio. Among Linde's shareholders, the proportion of SRI investors rose from 4 percent at the end of 2012 to over 7 percent at the end of 2013.

> 7%
of our investors are focused on sustainability

recognition for our activities in the areas of compliance, environmental management systems, and risk and crisis management. Linde was added to a number of other indices in 2013, including the new United Nations Global Compact 100 Index, which is a list of companies that set themselves apart through their support of the principles of the UN Global Compact and their profitability.

Linde was again included in sustainability indices in the reporting year. In September 2013, the Group was once more listed in the global Dow Jones Sustainability Index (DJSI World). Analysts from RobecoSAM thereby acknowledged the Group's continuous improvement in the area of sustainability. We received particular

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CUSTOMER RELATIONSHIPS

A focus on the customer is a key pillar of our HPO (High Performance Organisation) efficiency improvement programme. Our Customer Experience Management programme comprises measures which help us better understand our customers' needs and wishes.

One-third of Linde Gas's revenue comes from around 500 major customers. These customers are the focus of Linde's global key customer management, which is active at global, regional and national levels. A team of experts monitors local activities and passes on information about new developments, initiatives and improvement measures. In so doing, we increase transparency, learn from each other and share success stories worldwide.

In recent years, we have invested more than EUR 5 million in training and certifying our sales professionals. Our aim is to keep improving our employees' technical knowledge, professionalism and expertise.

We have implemented global guidelines for our query/complaint management. These outline the procedures required to ensure that:

- customer complaints are recorded and processed promptly and are properly monitored,
- customer complaints are followed by an appropriate reaction that rectifies the situation,
- the customer receives feedback as to what is being done to prevent a recurrence of the situation.

3,000

customers included in satisfaction survey

In 2013, we conducted a pilot project with around 3,000 customers in various countries. As part of this project, we carried out a survey which covered issues such as customer satisfaction, the criteria which influence customers' purchasing decisions and the likelihood that they would recommend Linde to others. The subsequent

findings are helping us improve our customer management on a global scale. Measures based on the findings are due to be implemented in 2014.

We once again received recognition from a number of different business partners in the reporting year. For example, customers in India and the US recognised Linde for its special contributions to safety.

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SUSTAINABLE PROCUREMENT

When selecting suppliers, we consider not only commercial criteria such as quality, price and availability, but also other aspects of sustainability. These include safety, environmental protection, labour, human rights and ethical business practices. Linde maintains business relationships with more than 100,000 suppliers in over 100 countries. The most important items we purchase include energy, gas cylinders and valves, tanks and tank equipment, vehicles, IT products, services and components for production sites, as well as equipment and consumables for the Healthcare business. In 2013, we purchased around EUR 11.1 billion worth of products and services worldwide (2012: around EUR 10.9 billion). Of this amount, approximately EUR 9.2 billion related to the Gases Division and approximately EUR 1.9 billion to the Engineering Division. More than 65 percent of the total was spent in OECD countries. In non-OECD countries, around 17 percent of the total in the Gases Division was spent in China, South Africa and Brazil. We purchase most of our products and services locally in the country in which they are required. This reduces the transport distances, resulting in cost savings and lower environmental emissions. Working with local companies also enables us to support the local economy.

Risk assessments

In 2013, we commissioned an external analysis of sustainability risks in the supply chain, focusing on country risk and product risk. We will use the findings as a basis to further develop the procedures we use for the selection and evaluation of suppliers. In 2014, we plan to conduct a global analysis of the supply chain with regard to conflict minerals that are listed in the US Dodd-Frank Act.

Sustainability standards

Our Code of Ethics requires that Linde employees maintain fair and honest working relationships with suppliers. At the same time, we expect our suppliers to adhere to prescribed standards. In 2013, the Executive Board of Linde AG approved a new global Code of Conduct for Suppliers that defines standards for safety, environmental protection and labour and human rights as well as ethical business practices. The Code of Conduct is based in particular on the principles of the UN Global Compact and the core labour standards set down by the International Labour Organisation (ILO). Compliance with the principles outlined in the Code of Conduct is a prerequisite for contractors looking to work with Linde. The Code of Conduct is part of our contractual agreement with suppliers worldwide. At Linde Engineering, for example, all new suppliers were required to comply with the Code of Conduct in the reporting year. Overall in the reporting year, 46 percent of our Gases and Engineering Divisions' strategic suppliers were committed to comply with the Code of Conduct for Suppliers.

Regional and business-specific initiatives for supply-chain sustainability support the principles of the Code of Conduct for Suppliers. In South Africa, for example, Linde is a member of the Supplier Development Council, a corporate initiative that aims to encourage diversity along the supply chain.

Monitoring suppliers

We reserve the right to check whether suppliers comply with the standards set forth in the Code of Conduct. We use various tools to evaluate our suppliers, such as supplier self-assessments and audits. This is especially relevant for suppliers that are active in regions or product areas for which an increased risk has been identified. Along with the introduction of the new Code of Conduct for Suppliers, we have also continued to develop the requirements for audits of suppliers for our gases business that take into account quality standards as well as requirements regarding safety, environmental protection, labour standards and compliance. In 2013, the adapted audit catalogue was used for the first time in several European countries, Brazil and the US. At Linde Engineering, 32 suppliers were audited in the reporting year. The principles of the UN Global Compact were an important part of these audits.

46%

of our Gases and Engineering Divisions' strategic suppliers committed to comply with the Code of Conduct for Suppliers

Employees as well as suppliers, customers and other stakeholders can report violations of laws and our guidelines to our reporting system, the Linde Integrity Line. Three new cases involving suppliers were reported in 2013. If allegations of misconduct are substantiated, we

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work with the suppliers in question to define measures aimed at improvement. We reserve the right to terminate business relationships in the event of serious violations and/or if suppliers refuse to remedy the shortcomings. Investigations into Integrity Line reports led to the termination of supplier relationships in a small number of cases in the reporting year.

Training and incentives for suppliers

We include contractors in our environmental and safety management system. One example is the driver safety training we provide to the contractors who transport Linde gases. In 2013, for instance, we trained some 380 suppliers in India on topics such as process safety and fire protection. Another focus area for our cooperation with suppliers is the reduction of fuel and CO₂ emissions associated with transportation.

Raising staff awareness

In 2013, we held training sessions on the implementation of the new Code of Conduct for Suppliers for procurement managers. We also set up a new information portal on supply chain sustainability on our company intranet.

MORE ON

- [Our partnership with transport contractors](#)
- [Safety and environmental protection](#)
- [The Integrity Line](#)

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SAFETY AND ENVIRONMENTAL PROTECTION

GOALS

+2%

improvement in energy efficiency for installed HyCO plants by 2015

-50%

serious transport incidents by 2017

-5%

energy intensity for installed air separation plants by 2017

PROGRESS

1,500

drivers

in South-East Asia provided with safety training designed to avoid accidents with motorcyclists

-1.4

million tonnes of CO₂ emissions

avoided as a result of the improvement in the energy intensity of air separation plants, average energy intensity improved by 3.8%

35

million EUR cost savings with energy efficiency projects in 2013

-17%

serious transport incidents in 2013 compared to previous year

60%

recycling rate

in UK as a result of a pilot project for waste management

OUTLOOK

Improving environmental management:

findings from waste management pilot projects in South-East Asia and in the UK to be extended to other countries; plans to obtain ISO 14001 certification for more engineering sites

Raising safety awareness:

global initiative planned which will cover the most important safety issues

Product responsibility:

investment of EUR 3 million planned to improve product safety data sheets and to refine the labelling of products for transportation purposes

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Strategy

We have implemented Group-wide safety and environmental protection management systems. These focus in particular on the Group's sites, the transportation of products and product use by Linde customers. Our main priorities are to minimise safety risks and the Group's environmental impact, and to ensure that we use energy, resources and materials efficiently. Through our products and services, we help our customers to make their business processes safer and more environmentally friendly.

Our management systems for safety and environmental protection are based on global standards and guidelines, and we conduct audits to verify compliance with these voluntary commitments. In order to analyse potential weaknesses, we have also implemented a global process for the documentation and evaluation of events relevant to safety and environmental protection. Near-misses from which the Group can learn important lessons are also recorded in this way. In 2013, the Group prepared 59 information sheets describing major incidents, their main causes and the resulting measures, and circulated these internally.

We also draw up global risk management and emergency response plans to ensure that we are prepared for critical incidents. These are designed to protect employees and neighbours, as well as the Group's property. We take into account the potential impact on sites and business processes of such major adverse events as fires and explosions, natural disasters, crime and pandemics. When it comes to safety and environmental issues, we also cooperate with neighbourhood communities. In 2013, for instance, we worked with local authorities to carry out safety initiatives in several Asian countries.

Audits, trainings and certified sites (in percent)¹

	2013	2012	2011	2010
Sites where occupational health and safety audits have been conducted ¹	58.1	62.4	54.5	53.2
Sites where environmental audits have been conducted ¹	51.8	54.5	49.1	47.8
Production sites certified to ISO 9001	✓77.9	79.6	76	72
Production sites certified to ISO 14001	✓31.8	31.8	33	28
Production sites certified to OHSAS 18001	✓17.8	17.7	22	22
Employees of Linde Gas who have taken up HSE training opportunities	57.8	54.0	50.3	47.2

✓ Assured by KPMG

¹ The figures disclosed relate to internal and external audits conducted at production sites worldwide.

¹ As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that figures for 2012 and 2013 are comparable, we reported the full year 2012 for Lincare.

We systematically train our employees in occupational health and safety, product safety and environmental risks. In 2013, we also launched a global campaign to raise our employees' awareness of the safety issues of particular relevance to the Group. Around 30,000 employees received training on tasks with increased risks and around 20,000 employees were provided with training on working at height. Other training programmes are planned for 2014.

Once again during the reporting year, we received several awards in recognition of our commitment to environmental and safety management issues. Among the accolades were awards from the European Industrial Gases Association (EIGA) for transport and plant safety. We also received awards in Belgium and Thailand for our measures to reduce our environmental impact, such as CO₂ emissions.

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We consistently follow up on suggestions for improvement. During the reporting year, we received 24 environment-related complaints (2012: 14). These mainly concerned noise levels. In addition, 25 environmental incidents occurred that had to be reported to the authorities (2012: 29). These resulted in small environmental fines and penalties amounting to around EUR 14,000 (2012: EUR 29,000).

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PRODUCTION

Safety is a number-one priority at our sites across the world. We work to identify and assess the risks that the operation of our plants could present to employees, local residents and neighbouring companies. In addition, we have introduced a Group-wide management system, so that major potential hazards of our plants can be recorded on a uniform basis worldwide. This programme, known as the Major Hazards Review Programme (MHRP), enables us to identify control mechanisms to limit these risks as far as possible. By the end of 2013, we had certified 76 percent of the relevant plants in accordance with the MHRP.

76%

of concerned sites certified to the Major Hazards Review Programme

During the reporting year, more than 1,400 safety, environmental protection and health protection audits were carried out by the Group itself or by third parties. Our internal audits are conducted in accordance with international standards on quality, environmental management and safety: namely ISO 9001, ISO 14001 and OHSAS 18001. In 2014, we plan to obtain ISO 14001 certification for four more business units in our Engineering Division.

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TRANSPORT

GOAL

-50%

serious transport incidents by 2017
(base year 2012)

Alongside ensuring site safety, another of the priorities in our safety management approach is the safe transportation of our products. We are constantly working on minimising the number of transport-related incidents. With this in mind, we have set ourselves a global target. By the end of 2017, we are aiming to halve the number of serious transport incidents per million kilometres travelled compared with 2012. In 2013, this key figure was cut

further to 0.062 (2012: 0.075). This equals a goal attainment of 35 percent. In order to achieve our global target, we have defined a package of measures. These measures include:

- revising local and global minimum standards for transport activities and integrating these into the Group's global standards database;
- training employees and contractors in the revised standards;
- implementing an audit programme in order to verify compliance with these standards;
- installing safety-related technology such as in-vehicle camera recording equipment;
- introducing the new "ActSafe" transport safety programme for drivers.

By the end of 2013, 75 transport auditors had been trained and 23 percent of our sites with transport operations had been audited. In South-East Asia alone, by the end of 2013, around 1,500 drivers at more than 60 different sites attended safety training designed to prevent accidents with motorcyclists.

In 2013, we decided to expand our global training programme in defensive driving, so that as well as reaching truck drivers it will also be available to drivers of smaller motor vehicles, such as company cars.

Meanwhile, in China, we have installed new on-board computers in around 200 trucks in our fleet since 2012. These play a part in investigating the causes of accidents and ensuring that drivers comply with working time limits. The data gathered in this way helps us to improve our transport safety measures even further.

We also involve transport contractors in our transport safety initiatives. For example, drivers from contractors commissioned by Linde take part in our driver training sessions. Since 2007, uniform safety rules have been in place which must be observed by all suppliers when providing transport services for Linde. This requirement has also been incorporated as a criterion into the Group's purchasing contracts, which is effective in 83 countries.

MORE ON

- [Measures to reduce transport safety](#)

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PRODUCT STEWARDSHIP

We monitor product safety along the product value chain, from the procurement of materials via production through to use by the customer. Our activities are based on our globally applicable product stewardship guideline. To this end, we analyse such aspects as the ecological impact and the toxicity of substances, documenting the results in a central database. This database serves as a data source for transport safety measures and also as a source of information that we provide to our customers and the general public.

Linde holds more than 18,000 product safety data sheets in a variety of languages. Over the next five years, we plan to continue to improve these data sheets and to refine the labelling of our products for transportation purposes. A budget of more than EUR 3 million has been earmarked for this purpose.

For those sites where highly hazardous chemicals are produced or handled, we have also developed specialist product safety risk assessments, carried out on a uniform basis across the world. The corresponding audits were so far conducted in 17 countries. Our main focus during the reporting year was South-East Asia. To date, such risk assessments have been carried out for sites that account in total for more than 75 percent of revenue from chemicals in this region.

1,200
participants completed training of our customer safety programme in Germany

Depending on the risk, specially trained Linde staff assess whether the conditions are in place for proper gas handling prior to delivery to the customer's site. We also offer training to customers in the safe handling of our products. Both employees and customers take advantage of these training offers. Through our own customer safety programme LIPROTECT®, for example, around 1,200

participants in Germany received training in 2013 in how to handle gases responsibly. During the year, we also launched a new e-learning programme devoted to the safe handling of chemicals.

In addition, Linde customers have access to a range of services covering all aspects of handling gases, with the key areas including risk assessments, as well as inspection, maintenance and repairs. Our emergency teams are available to support customers should help be required at any time of day or night.

Linde complies in full with the requirements of REACH, the EU regulation on chemicals. By the second registration deadline on 31 May 2013, we had registered five substances with an annual production volume of more than 100 tonnes with the European Chemicals Agency (ECHA). We are also actively working together with the European Industrial Gases Association (EIGA) and other trade bodies with the assistance of customers and suppliers. Using our global Internet platform, we provide comprehensive information about what we are doing to comply with its statutory obligations and which substances we have registered. Around 4 percent of our revenue is attributable to products subject to registration under REACH.

Through our product stewardship programme, we also support the Global Product Strategy (GPS) devised by the International Council of Chemical Associations for the safe handling of chemical substances and the United Nations' Globally Harmonised System of Classification and Labelling of Chemicals. In 2013, we implemented new statutory regulations in the United States, based on the GHS rules.

MORE ON

- [Supply chain management](#)
- [Safety training](#)

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ENERGY

Strategy

We rely on our global energy management to use resources as efficiently as possible. The basis for this is a global audit of the energy efficiency of our plants and processes. The production of air gases in air separation plants accounts for the greatest share of the Group's electricity consumption (over 85 percent). This is why we particularly focus on improving energy efficiency and productivity and have set ourselves a global target in this area.

Energy consumption (in million MWh)¹

	2013	2012	2011	2010
Electricity consumption [✓]	23.4	23.5	20.3	19.0
of which by air separation plants [✓]	20.7	20.8	17.9	16.8
Natural gas consumption [✓]	36.4	35.9	25.4	25.2
of which by HyCO plants [✓]	23.0	22.8	21.7	21.2
Consumptions of other energy sources ¹	✓14.8	✓13.4	✓11.7	6.4

✓ Assured by KPMG

¹ Other energy sources include for example thermal energy, heating oil, biofuel energy, propane, butane, and since 2013 diesel fuel. The increased consumption of other energies in 2011 resulted from the inclusion of additional other energy sources (e.g. naphtha and methanol) into the indicator scope.

¹ As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that the figures for 2012 and 2013 can be compared, we reported the full year 2012 for Lincare.

Energy consumption and energy efficiency

Compared to 2012, Linde's overall energy consumption increased slightly. As a result of changes in accounting standards, joint ventures that had not been included in the key performance indicators in previous years were recognised in 2013. To maintain comparability, the figures for 2012 were adjusted retrospectively. Some of the newly included sites are highly energy-intensive and contributed to an increase in the overall energy needs of the Linde Group in comparison to the years prior to 2012.

227,000 tonnes
of CO₂ saved through energy efficiency projects

In 2013, we identified around 300 projects that help us reduce the Group's energy consumption. By implementing these projects, we achieved cost savings of more than EUR 35 million and saved 227,000 tonnes of CO₂. In California, for example, we have been working with energy companies on 16 projects since 2009 to optimise energy

use at Linde sites. As a result, we have reduced energy costs at these sites by USD 1.75 million per year.

The production plants operated by Linde Gas Germany have been certified to ISO 50001 since 2012. This global standard is evidence of a systematic approach to energy management with clear assignments of responsibilities, well-defined goals and on-going identification of scope for efficiency gains.

Renewable energy

As an energy-intensive company, Linde depends on access to a reliable and competitively priced energy supply. We are exploring the use of renewable energies, the level of which currently largely reflects the energy mix applicable in different locations across the world. In the UK, we have obtained 100 percent of the electricity we use at all office sites from renewable

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energy sources since the end of 2013. In Sweden, Linde owns a share of around 9 percent in the wind energy company VindIn. The long-term goal of the initiative is to provide 1 million MWh of electricity. Some 190.000 MWh of electricity were already generated as part of this project in 2013. Linde Healthcare has been obtaining Renewable Energy Certificate System (RECS) certificates since 2009. RECS is an initiative that promotes regenerative energy sources across Europe. In the period under review, 40,000 MWh of the energy we consumed was RECS certified.

MORE ON

- [Our global energy efficiency and climate protection goals](#)
- [Regulatory risks in our annual report](#)

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CLIMATE PROTECTION

Strategy

We are continuously working on using resources even more efficiently and on achieving further reductions in our greenhouse gas emissions. For this purpose, we record and evaluate emissions along the value chains of our products worldwide. With regard to climate protection measures, we focus on those areas of the Group that are responsible for the majority of the Group's CO₂ emissions and that offer the opportunity to make substantial cuts in emissions. We are achieving the greatest possible impact on climate protection through our products. Across numerous sectors, we offer gases applications and technologies that make our customers' production processes more environmentally sound, reduce the consumption of natural resources, and help renewable energy sources to become a viable option.

We received a number of awards for our initiatives to support climate protection in 2013. Linde Gas Benelux, for example, was the first gases company in the Benelux countries to receive the Lean and Green Award for its voluntary commitment to cut its CO₂ in bulk transport by 20 percent within five years by 2016. The award is bestowed by a non-profit network for sustainable mobility founded by the Dutch government.

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Greenhouse gas emissions (in million tons CO₂equivalents)¹

	2013	2012	2011	2010
Direct greenhouse gas emissions (Scope 1)				
CO ₂ emissions [✓]	7.2	7.6	5.7	5.4
of which by HyCO plants [✓]	4.2	4.3	4.3	4.3
Linde transport fleet	✓0.49	✓0.50	✓0.42	0.41
Other greenhouse gases ^{1,2}	✓0.3	✓0.4	✓0.6	0.4
Indirect greenhouse gas emissions (Scope 2)				
CO ₂ emissions [✓]	13.0	12.8	10.2	9.5
of which by air separation plants [✓]	11.8	11.6	8.9	8.3
Total Scope 1 and 2 emissions	✓21.0	✓21.3	✓16.9	15.7
Other indirect greenhouse gas emissions (Scope 3)				
Transports by contractors (in thousand t CO ₂ e)	✓388	✓380	✓395	310
Business travel (in thousand t CO ₂ e)	✓39.4	✓34.1	✓30.6	–

✓ Assured by KPMG

1 Includes greenhouse gases specified in the Kyoto protocol: methane (CH₄), nitrous oxide (laughing gas, N₂O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF₆) and since 2013 nitrogen trifluoride (NF₃).

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

¹ As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that the figures for 2012 and 2013 can be compared, we reported the full year 2012 for Lincare.

Emissions balance sheet

We gather and report our greenhouse gas emissions worldwide. Our figures are based on the standards set out in the international Greenhouse Gas Protocol. In 2013, Linde emitted around 21 million tonnes of greenhouse gases – around 0.3 million tonnes less CO₂ than in the previous year. The rise in reported emissions for 2012 and 2013 compared with previous years is due above all to changes in international accounting rules. We apply these rules for reporting its key financial figures as well as our global environmental indicators. Against this background, joint ventures that had not been included in prior years have been included in the figures for 2013 and, retroactively, for 2012. The inclusion of companies acquired in 2012 also contributed to higher emissions figures. Fluctuations in customers' requirements were an additional reason for the increase.

Since 2013, eight major Linde hydrogen production sites across Europe are included in the European Emissions Trading System's (EU ETS) third trading period. All sites are eligible for free allocation of CO₂ emission certificates (Emission Unit Allowances, EUA), according to the set ETS efficiency benchmark. Additionally needed certificates are being sourced at the EUA trading markets, in compliance with the Group's Global Risk Policy for energy portfolio management.

In order to be able to disclose product-specific CO₂ balance sheets to our customers, we have developed a calculation method for our major air gases. This method includes the products' full life cycles and was externally certified in the year under review.

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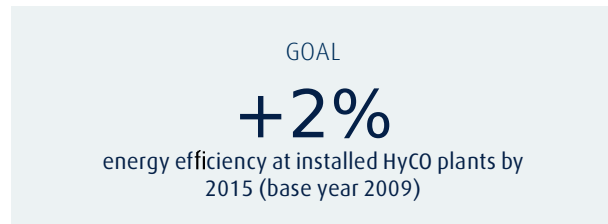
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In 2013, we once again took part in the survey conducted by the investor initiative CDP to evaluate climate protection reporting and performance. As in the previous year, Linde was included in the regional Carbon Disclosure Leadership Index for Germany, Austria and Switzerland.

Global goals and measures



We have set ourselves global targets in the areas of energy efficiency and climate protection. Most of our power requirements and thus the majority of indirect CO₂ emissions relate to the operation of around 400 air separation plants. Our target is to improve the average energy intensity of our globally installed air separation plants by 5 percent by 2017. The benchmark is the global average efficiency of the air separation plants operating at the design plant load. The reference year is 2008. By the end of 2013, we had already achieved a 3.8 percent improvement in average energy intensity, meaning we had already saved more than 1.4 million tonnes of CO₂. During the year under review, we brought into operation a new air separation plant in Spain that is 40 percent more efficient than its predecessor. In addition, we are working consistently on using technical improvements to reduce

even further the energy consumption and CO₂ emissions of our air separation plants. The procedural optimisation of an air separation plant in Switzerland in 2013, for example, generated cost savings of EUR 520,000.

In 2013, we set ourselves a new global target for our installed hydrogen (HyCO) plants. The operation of these plants accounts for most of the Group's direct emissions. Our aim is to increase the energy efficiency of these hydrogen plants by 2 percent by 2015 compared with the reference year of 2009. The benchmark is the actual energy efficiency of the respective plants when they are working. In order to achieve this target, we are implementing a number of different measures, including optimising plant capacity utilisation and installing energy-efficient cooling systems.



A further key focus of climate protection measures is product transportation. The Linde transportation fleet made journeys covering more than 500 million kilometres in 2013. Through a range of measures, we are reducing the distances travelled, lowering fuel consumption and cutting transport emissions. Examples include optimised routes, improved use of transport capacity, and training

drivers in driving methods that conserve resources. We are reducing the number of journeys in various regions by using larger, optimally sized tanks. By this means, in Germany alone, we were able to cut delivery costs by around EUR 500,000 and reduce our CO₂ emissions in 2013. In China, we introduced on-board computers for trucks to improve transport safety and lower fuel consumption. In North America, we were awarded an environmental prize in 2013 in recognition of our launch of LNG-fuelled articulated trucks and the associated reduction in climate gases.

Regional targets support our global climate protection strategy. A number of small measures relating to the energy-efficient use of lighting or devices are helping to achieve the overall goals.

Products for climate protection

We offer our customers solutions that cover many areas of sustainable electricity and fuel generation, contributing to greater energy efficiency for customers and promoting climate protection. One example of this is the conversion of energy into hydrogen. So that surplus electricity generated from wind and sun does not go to waste, it can be converted into hydrogen using electrolysis in a process known as power-to-gas, and then stored. We are working together with energy companies and

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partners in the automotive industry on optimising this process. We have also developed FROSTCRUISE®, an efficient and environmentally friendly in-transit refrigeration system. The overall carbon footprint reduction for the transport of refrigerated goods is 19 percent compared to current systems.

MORE ON

- [How KPIs are measured](#)
- [Innovations for climate protection](#)
- [Regulatory risks in our annual report](#)
- [Integrating climate risks into Enterprise Risk Management in our annual report](#)
- [Clean technologies](#)

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WATER

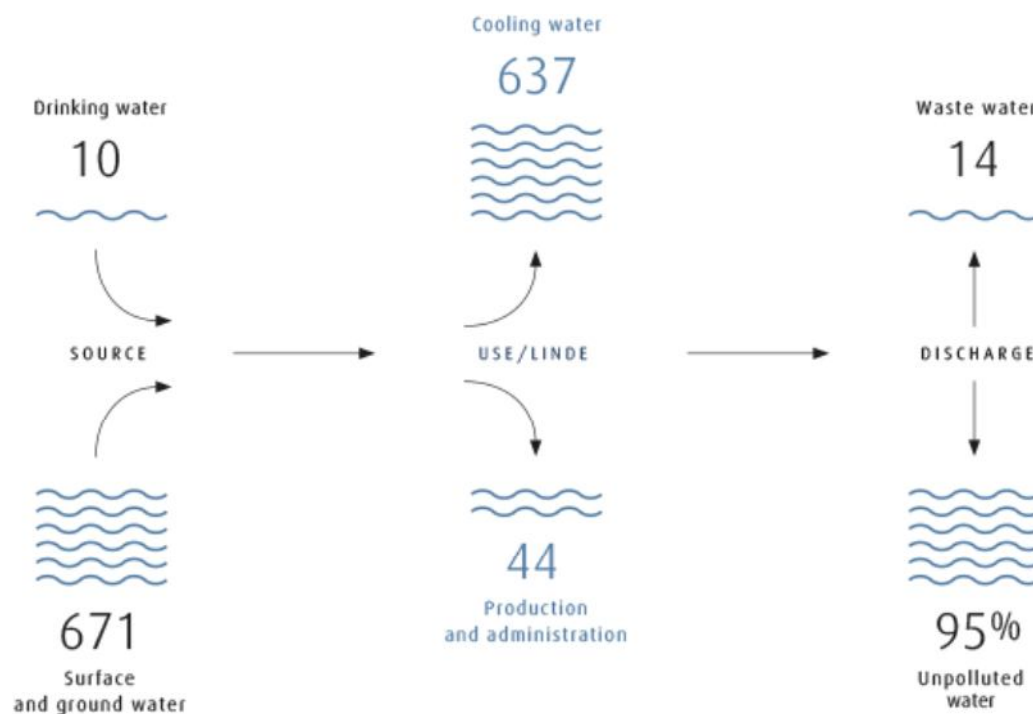
EUR 700,000

costs cut by improving water management

One of the aims of our environmental management is to use water sustainably at our sites. This also means keeping consumption as low as possible in areas where water is scarce, and reducing or preventing emissions to water. Because water consumption levels and the availability of water vary from one location to another,

measures to reduce water consumption and to protect water resources are defined and implemented at the local level. In 2013, we identified around 30 projects that help us make the Group's water management more efficient and cut costs by more than EUR 700,000. We carried out several water-related projects, including improvements to cooling water systems such as the optimisation of cooling towers and water pumps in North America and at one site in Germany. The initiatives at these sites alone generated cost savings of more than EUR 110,000. In Poland, we have installed a system at one of our sites which recycles waste water and collects rainwater. This cuts water consumption levels by around 3,600 cubic metres per annum and is also helping to lower costs. We offer our customers solutions to improve the quality of drinking water, to optimise the treatment of waste water and to reuse water through closed-loop systems.

Water in the Linde Group 2013 (in million cubic metres)



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Water use

In the 2013 financial year, we used approximately 681 million cubic metres of water (2012: 664 million cubic metres). Over 85 percent of the water consumed by the group is used for cooling processes. Most of this cooling water is simply heated and can subsequently be fed back into the water system without the need for any further treatment. We take care to ensure that the water's temperature does not pose any risk to the surrounding ecosystem. Only a small proportion of the water used is consumed or contaminated. This water is used in the manufacture of products, in office buildings, and to produce steam. In 2013, the Group's water consumption for these purposes was around 44.5 million cubic metres (2012: 47.4 million cubic metres). We use closed-loop systems as a means of reducing our water consumption, as these systems enable water to be used several times. Depending on the water quality and the equipment used in the plants, this means that only a small quantity of the water needs to be replaced.

Emissions to water¹ (in tonnes)¹

	✓ 2013	✓ 2012	✓ 2011	2010
Chemical oxygen demand (COD)	130	201	165	308
Biochemical oxygen demand (BOD)	118	97	38	75
Nitrates	46	52	61	35
Phosphates	1	4	3	3

✓ Assured by KPMG

¹ We monitor compliance with local regulatory requirements worldwide and report our data for all sites legally obliged to report emissions.

¹ As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that the figures for 2012 and 2013 can be compared, we reported the full year 2012 for Lincare.

Waste water

We purify the waste water from our production and sanitary facilities in either our own treatment systems or in municipal or industrial treatment facilities. In 2013, Linde reported around 13.8 million cubic metres of waste water worldwide to the authorities (2012: 12.5 million cubic metres). In accordance with local legislation, we measure emissions of phosphates, nitrates and organic compounds.

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— [Water treatment](#)

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AIR EMISSIONS

We monitor our emissions of air pollutants in compliance with local regulatory requirements. Normally, the Group's air separation plants hardly produce any direct emissions to the air. In other production processes, however, inorganic gases such as carbon monoxide (CO), sulphur oxides (SO_x), nitrogen oxides (NO_x), ammonia (NH₃) and volatile organic compounds (VOCs) are released as emissions into the air. VOC emissions are mainly released during the coating and cleaning of metals such as those found in gas cylinders, storage tanks and plant components.

Emissions to air¹ (in tonnes)[‡]

	✓ 2013	✓ 2012	✓ 2011	2010
VOC (volatile organic compounds)	92	109	206	182
NH ₃ (ammonia)	9	11	28	70
CO (carbon monoxide)	1,520	2,895	1,566	1,747
NO _x (nitrogen oxides)	5,222	5,556	1,070	717
SO _x (sulphur oxides)	96	391	543	620

✓ Assured by KPMG

¹ We monitor compliance with local regulatory requirements worldwide and report our data for all sites legally obliged to report emissions.

[‡] As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that the figures for 2012 and 2013 can be compared, we reported the full year 2012 for Lincare.

The increase in nitrogen oxide emissions since 2011 is mainly due to changes in international accounting standards. These made adjustments in the number of reported sites necessary for 2013 and retrospectively for 2012. Joint ventures that had not been included in prior years have been included in the figures for those years.

We work with our customers and partners to develop solutions to reduce emissions of pollutants into the air. In 2013, we developed a mobile system for the treatment of ship emissions, which was developed in cooperation with another company in 2013. The system makes it easier to clean vessels that carry chemicals. The process involves removing VOC vapours from exhaust air using liquid nitrogen. This helps to improve the air quality around sea ports.

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RAW MATERIALS AND RESOURCES

For us, making efficient use of resources is a key lever in reducing our environmental impact and cutting costs. As a producer of air gases, our most important raw material is air from Earth's atmosphere. We generate a material share of our revenue with products that are based on this natural, renewable raw material. In the manufacturing process, our principal input is energy. Here, to protect resources, we rely on measures designed to increase energy efficiency in our own plants and processes worldwide.

In addition, Linde uses materials such as steel and aluminium. These metals are required in particular for the manufacture of components used in plant construction. Gas cylinders, which are a main packaging material, are reused and refilled. On average, a typical Linde cylinder will be used three and a half times a year, and it can have a service life spanning decades.

We also support our customers in using resources efficiently. When processing various materials, such as aluminium and rubber, gases from Linde can lower energy consumption and emissions compared to conventional recycling methods.

Usage of resources and materials¹ (in tonnes)¹

	✓2013	✓2012	✓2011	2010
Raw materials and supplies	57,750	57,170	59,950	65,700
Packaging materials	3,990	4,765	5,850	6,300

✓ Assured by KPMG

¹ The indicators on the usage of resources and materials were overstated for the year 2011 in the previous year's report and therefore adjusted retrospectively.

¹ As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that the figures for 2012 and 2013 can be compared, we reported the full year 2012 for Lincare.

Renewable raw materials

Linde technologies also help promote the use of renewable raw materials. In the 2013 financial year, we continued to develop promising technologies and cooperate in the field of renewable raw materials. We have, for instance, extended our cooperation with Sapphire Energy, Inc. The shared goal is to develop a technology for commercial use that enables algae biomass to be processed into green crude oil on an industrial scale, creating a viable, environmentally friendly source of energy. Beyond the partnership to date, in which Linde has been responsible for supplying the algae production plants with CO₂, we are now working together with Sapphire Energy to develop a technology that converts algae biomass into a product that is similar to crude oil and that can be processed into conventional biofuels at existing refineries. To this end, our activities include building the first commercial demonstration plant at Sapphire's site in New Mexico (USA).

In 2013, we handed over the new Fraunhofer Centre for Chemical-Biotechnological Processes (CBP) in Leuna, Germany, to our customer. We subsequently received a follow-up order to expand the CBP. The aim of the CBP is to upscale innovative biotechnological and chemical processes for commercial production, enabling companies to manufacture chemical base products from renewable raw materials.

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In the reporting period, we also improved the Carbo-V® technology to such an extent that this process is ready to enter demonstration operations with a partner. During this process, wood and wood-like biomass, which can already be harvested in a way that conserves resources and does not compete with food production, are processed into biofuels, such as biodiesel.

MORE ON

- [The use of energy](#)
- [Waste and recycling](#)

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WASTE

We work continuously to reduce and avoid waste. Linde's main waste products are oil and oleaginous materials, chemicals, waste-containing metal, and gas cylinders that have reached the end of their useful life. Closed-loop systems for products help to increase material and resource efficiency and to cut the volume of waste produced. Lime slurry, for example, a by-product of acetylene production, can be used in other industries without further treatment. Waste that cannot be recycled is disposed of in an environmentally sound manner in compliance with local regulations.

We classify waste as hazardous or non-hazardous in line with national legislation. The increased amount of waste in 2013 compared to 2012 is due to the impact of several major construction projects in the Gases Division.

Waste and recycling¹

		✓ 2013	✓ 2012	✓ 2011	2010
Total waste	<i>thousand t</i>	124.9	81.5	64.4	71.9
Non-hazardous waste	%	76	70	57	61
Hazardous waste	%	24	30	43	39
Recycled waste	%	65	41	26	43
Incineration waste ¹	%	14	18	30	28
Landfill waste	%	10	26	31	22
Other disposal method	%	11	15	13	7

✓ Assured by KPMG

¹ Incineration waste is partly used for heat recovery.

¹ As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that the figures for 2012 and 2013 can be compared, we reported the full year 2012 for Lincare.

Our waste management targets are determined by regional requirements, as the type of waste produced differs significantly from one site to another depending on the diverse business activities. In the UK, for instance, we have set ourselves a regional target of increasing the waste recycling rate to 65 percent by 2014, having already achieved 60 percent in the year under review. We launched a pilot project in South-East Asia in 2013 to optimise waste management. The aim was to reduce both costs and environmental impact. The results will form the basis for the development of further waste management measures in other regions. In Africa, we developed a new recycling programme in 2013. The breathing bags produced by the regional subsidiary Afrox and used by mine workers have to be replaced every ten years. Afrox took back thousands of these breathing sets and recycled some of them into products such as bags and aprons.

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BIODIVERSITY

Our environmental management programme includes an examination of the potential impact of our activities on biodiversity. When planning new locations, we use standard procedures to assess the effect on the environment. We take international recommendations into consideration, such as the UN voluntary guidelines on biodiversity-inclusive impact assessment. Most of our locations are in industrial or commercial zones. However, if there are protected areas or other sensitive habitats in the immediate vicinity of our sites, we take steps to ensure that we minimise any adverse impact: for example, by introducing noise protection measures.

We also include stakeholders in our plant planning process where appropriate. In 2012, our location at Immingham in the UK ran a joint competition with the Humber Industry Nature Conservation Association. School pupils were invited to submit ideas for incorporating flora and fauna into the site of a new acetylene facility. The winning suggestion for revitalising the site included new planting, refuges for wildlife and a natural pond, and was duly implemented in 2013.

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EMPLOYEES ACROSS THE WORLD

PROGRESS

13.2%
of senior management
positions filled by women
lower target achieved

1
new guideline
introduced on corporate
volunteering

60%
of sites
covered by occupational safety and
environmental protection audits in
2013

23.4%
female participants
in the most important professional
development programme for senior
management

GB
Stress management
workshops
conducted in IT departments in UK

700
employees in the Greater
China region benefit from a
new flexible working
scheme

35.6%
female participants
in the most important professional
development programme for middle
management

-6%
workplace accidents in
comparison with previous
year

GOALS AND OUTLOOK

Promotion of women:
Goal: 13-15% of senior management
positions to be filled by women by 2018

Employee satisfaction:
third employee survey to be conducted
in 2014

Work-life balance:
on-going initiative to review the range
of measures which help employees
achieve a better work-life balance

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As at 31 December 2013, The Linde Group employed a total of 63,487 members of staff, an increase of 722 compared with the previous year-end. The acquisitions carried out in France and in the Netherlands resulted in the addition of new employees during the reporting period. On average, 9.4 percent of employees left Linde during the year under review at their own request. Depending on the region, this turnover rate ranged from 2.0 percent to 20.2 percent.

Employees worldwide¹

	2013	2012	2011	2010
Group	63,487	62,765	50,417	48,430
Gases Division	51,536	51,405	39,031	37,603
EMEA	21,544	21,636	20,920	20,575
Asia/Pacific	12,122	11,809	10,868	10,051
Americas	17,870	17,960	7,243	6,977
Engineering Division	6,997	6,564	6,319	5,811
Other activities	4,954	4,796	5,067	5,016
Employees in production	20,200	19,829	19,072	18,134
Employees in sales, marketing and distribution	31,778	31,249	22,172	21,940
Employees in research & development	367	385	342	324
Employees in administration	11,141	11,302	8,831	8,032
Part-time employees	1.9	1.7	2.0	1.9
Temporary staff	6.2	6.4	6.4	4.3
Employees on parental leave (Germany)	344	328	271	–
Staff covered by collective wage agreements	45.6	45.1	53.5	54.9

¹ As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that the figures for 2012 and 2013 can be compared, we reported the full year 2012 for Lincare.

The aim of our human resources strategy is to acquire the employees best suited to the Group across the world, to nurture these employees and to build up long-term loyalty. To help achieve this goal, we have pinpointed key strategic focuses, which include talent management, continuing professional development, future-oriented workplace models and equal opportunities. Our main priorities are to adapt the Group to changing social developments, to create attractive working conditions and to promote excellence.

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WINNING TALENT

The recruitment of well-trained experts and the provision of continuing professional development for existing employees are key elements of our human resources strategy. We cooperate with prestigious universities and research institutions across the world in order to attract newly qualified graduates. In 2013, we launched a new round of our two-year graduate-entry programme for European graduates, with participants from 15 countries.

Employee training¹

		2013	2012	2011	2010
Employees who attended training opportunities	%	60.3	61.0	64.4	59.1
Training days per employee		3.0	2.6	2.3	2.0
Expenditure on training programmes per employee	€	341	386	268	241
Apprentices and trainees in total workforce	%	0.9	0.9	1.3	1.3
Apprentices and trainees in Germany	%	3.1	3.2	3.6	3.5

¹ As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that the figures for 2012 and 2013 can be compared, we reported the full year 2012 for Lincare.

We also provide training opportunities in various technical and commercial areas, encompassing 17 different professions in Germany, for example. In the year under review, 75 percent of one year's cohort of trainees in Germany were taken on as permanent employees at the end of their vocational training; a further 20 percent were offered a fixed-term contract. The number of trainees as a proportion of the total number of employees in the Group was 0.9 percent in 2013, of which 55 percent were in non-German companies.

EUR 13 million

invested in professional development

University Campus in China celebrated its second anniversary in 2013 and continued to expand its range of training opportunities. By the end of 2013, more than 1,600 employees had participated in training seminars in the region. The Linde Group offers its executive staff around 130 different professional development modules across the world. In September 2013, for example, the Future Leader Programme for the new generation of managers was launched in the Asia/Pacific region.

1,600

employees participated in seminars at Linde University in China

We invested around EUR 13 million in the continuing professional development of our employees during the reporting year. Group-wide professional development programmes are provided through Linde University. These focus on such subject areas as change leadership and intercultural communications and diversity. The Linde

Another key component of our long-term human resources strategy is succession planning for our skilled personnel and our management team. The aim is to nurture potential and to ensure knowledge transfer.

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REMUNERATION AND SOCIAL BENEFITS

The remuneration package of Linde employees comprises various elements. In addition to a basic fixed salary, our employees receive variable remuneration components depending on their position within the Group. We also offer our staff social benefits in line with the conditions which apply in the different regions. These benefits include occupational pensions, health insurance at subsidised or special rates, and health promotion measures. Personnel expenses during the reporting year totalled EUR 3.423 billion (2012: EUR 3.117 billion), of which EUR 2.974 billion related to salaries (including social security contributions) and EUR 193 million to pensions. In 2013, 45.6 percent of our staff were employed on the basis of collective wage agreements (2012: 45.1 percent).

EUR 193 million
spent on pensions

Our performance management system provides the foundation for comparable and fair staff appraisals. A global IT module dedicated to this system has been introduced. Using the system, performance evaluations which are binding on all managers worldwide can be carried out uniformly across the Group. Our global

performance management system includes job evaluations of all executive positions within the Group. These evaluations take account of such criteria as transparency, equal opportunities and pay in line with market conditions. Remuneration levels are reviewed by means of internal and external comparisons to ensure that they are appropriate and in line with the market. Managers' pay is based on the performance of both the Group as a whole and of the individual employee. By means of the Linde Long Term Incentive Plan, senior managers may also acquire Linde share options and thus participate directly in the company's growth in value. In the 2013 financial year, managers below Executive Board level invested in 24,701 Linde shares via the scheme. For each of these shares, these plan participants are entitled to an additional Linde share on the expiry of the four-year qualifying period.

In 2013, we carried out an exemplary analysis of the salaries of employees not employed on the basis of collective wage agreements. The main focus was the head offices of Linde AG, Linde Gas, Linde Gas Germany and Linde Engineering. The analysis did not reveal any significant differences in the remuneration paid to male and female employees in comparable positions.

Employees in more than 50 countries have access to occupational pensions and medical screening. Around 80 percent of the Group-wide workforce is covered by company benefit schemes. Through defined benefit plans, 27,475 active employees are being paid an occupational pension, and 18,309 former employees have acquired a vested claim to a company pension. In total, 31,006 pensioners are drawing an occupational pension within the Group.

Linde has created globally binding rules on the modification, introduction or closure of pension plans. Any such measure must be agreed in advance with the Global Pension Committee, which is composed of the Chief Executive Officer, the Chief Financial Officer and experts in accounting, finance and human resources.

MORE ON

- [Executive remuneration in our annual report](#)
- [Supervisory Board remuneration in our annual report](#)
- [Pensions in our annual report](#)

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WORK-LIFE BALANCE

We have introduced a range of initiatives to help our employees achieve a work-life balance. The focus is on flexible working times, supporting employees who are reliant on childcare or have a family member who requires care, and providing assistance during periods of poor health or social hardship. The various measures are designed to suit the specific local situation and requirements.

Flexible working models range from flexitime or part-time hours to teleworking. Part-time employees in the Group accounted for approximately 1.9 percent of our workforce in 2013. In our Greater China region, we introduced a flexible working scheme for around 700 office staff during the year under review. In Germany, we have agreed a teleworking model for employees in the Engineering Division who are caring for a family member or who are themselves recovering from ill-health. In some regions, we offer our staff the chance to acquire additional holiday entitlement or to take time off to complete training or for their own private projects. In the UK, for example, five employees in the region took a sabbatical during the year.

In Germany, we currently have a stock of 33 daycare places in Greater Munich. Elsewhere in Germany, our employees receive a subsidy towards childcare places. In addition, a family service bureau is available to help employees find appropriate childcare. In the course of 2013, this bureau was used more than 280 times by employees in Germany. At the Group's head office in Germany, a total of 344 employees took parental leave in 2013, 35.8 percent of whom were fathers. In the same year, more than 235 employees in the country returned to Linde after a period of parental leave. We are currently reviewing our concept for the support of childcare provision in Germany.

In order to promote the physical and mental health of our employees, we offer advisory services in many countries covering such areas as family crises and addiction problems, as well as initiatives designed to prevent illness. In North America, for example, all members of staff have the opportunity to take part in a health programme introduced in 2013. This programme is supported financially by Linde. Meanwhile, in the UK, we ran a workshop on stress management for our IT staff.

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INVOLVING EMPLOYEES

We strive to work together with employee representatives and trade unions on the basis of partnership. Our system of employee representation in Germany is two-tiered, consisting of works councils in the decentralised units and a central works council for the Group as a whole. In addition, for some years now, Linde has had a European Works Council, currently with 24 members, which is responsible for cross-regional issues. Regional-level works councils are in place in other countries. In our Greater China region, for example, more than 90 percent of the workforce is represented by labour unions.

Activities during the reporting year included the conclusion of a new company framework agreement for a pay scale area in Germany. This agreement covers rules on working hours which take into account the different life stages in employees' careers. Every year, three or four meetings are held between the Group works council and company representatives.

Employee satisfaction is a key factor in our success. Open feedback from our staff enables managers and the Group to continue to develop. In 2013, we introduced a large number of measures in response to the findings from the global employee survey conducted during the previous year. These measures focused, for example, on communication between managers and their staff, and individual career planning. In Africa, we set up focus groups in which employees from different areas of the Group and from different levels in the hierarchy discuss various aspects of our corporate culture. Plans are in place for a third global employee survey in 2014.

80

employee suggestions for improvement
implemented in China

Our employees are encouraged to use their experience and skills to come up with ideas for further improvements. In 2013, employees submitted their suggestions on such areas as optimising products, improving efficiency, providing better customer service and increasing employee commitment. In Germany, bonuses were awarded for around 80 employee suggestions in the

reporting year. In our Greater China region, employees have submitted more than 200 suggestions since 2011, 80 of which had been implemented in practice by the end of 2013. Estimated cost savings of around EUR 5 million were made as a result.

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DIVERSITY

We have identified diversity as one of four values that are especially important to our organisation. For a global group, an intercultural workforce is a crucial advantage. We rely on employees who understand their local markets and can use their different experiences and perspectives to advance the work of their team.

70%

of senior managers are from countries other than Germany

As at 31 December 2013, the Group employed staff from 139 different countries, while 65 nations are represented in the German companies alone. The proportion of senior managers from countries other than Germany in The Linde Group exceeded 70 percent in the reporting year, with more than 50 nations represented at this level. In 2013, more than 260 Linde employees were sent on secondment to subsidiaries abroad.

Diversity¹

		2013	2012	2011	2010
Staff up to 30 years old	%	18.2	17.6	16.0	16.4
Staff between 31 and 50 years old	%	58.0	58.4	59.0	59.6
Staff over 50 years old	%	23.8	24.0	25.0	24.0
Nationalities of employees in Germany		65	67	63	58
Non-German nationalities among senior managers in Germany	%	72.9	69.7	–	–
Proportion of female employees in total workforce	%	27.3	26.9	19.5	19.3
Proportion of female employees in Germany	%	25.9	25.4	–	–
Proportion of female employees in senior management positions	%	13.2	12.3	11.0	10.3
Women in the Executive Board	%	0	0	0	0
Women in the Supervisory Board	%	16.6	8.3	8.3	0
Severely disabled employees (Germany)	%	3.5	3.1	3.6	3.5

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Another of our main priorities in the area of diversity is the promotion of female managers. We have set ourselves the target of increasing the proportion of women in senior managerial positions to between 13 and 15 percent by 2018. Various measures have been introduced in a bid to achieve this target. Diversity as a value has also been integrated into executive development. Moreover, the promotion of diversity forms part of the individual target agreements for managerial staff in the relevant positions.

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In 2013, Linde launched an initiative in several regions and across various business areas which is designed to support women as they develop their careers within the Group. In Germany, we have designed an internal mentoring programme for women and a training programme aimed at supporting female managers. Once again, the number of women taking part in our two major management development programmes grew during the

reporting year. In the Global Leadership Development Circle, the most important development programme for senior managers, the proportion of women rose to 23.4 percent, which is almost twice as high as the previous year's level. In the Global Talent Circle, which is aimed at middle management, the proportion of women taking part is 35.6 percent (2012: 29.0 percent).

Another important issue in relation to diversity is how to tackle the impact of demographic change and ensure cooperation between employees from all age groups. The Family and Career working group has been looking at demographic issues at Linde since 2008. With our health management measures and opportunities for flexible working, we are also responding to the particular challenges presented by an ageing workforce.

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OCCUPATIONAL SAFETY AND HEALTH PROTECTION

One of the aims of our global safety management is to protect our employees. In addition, we help our staff to remain in good health and fit for work. For this purpose, we have put in place global standards governing occupational safety and health protection. These standards are the subject of regular reviews. Risk assessments and audits are carried out to review work safety. In 2013, audits were conducted at 58.1 percent of our operating sites (2012: 62.4 percent).

Occupational health and safety¹

		2013	2012	2011	2010
Workplace accidents of employees with at least one day of absence [✓]		304	324	144	198
Workplace accidents of contractors with at least one day of absence		✓150	✓155	131	170
Workplace accidents with at least one day of absence (employees) [✓]	per million hours worked	2.3	2.5	1.4	1.9
Workplace accidents with at least one day of absence (contractors)	per million hours worked	1.7	1.3	1.6	2.2
Fatal workplace accidents involving employees		✓4	✓4 ¹	5	2
Fatal workplace accidents involving contractors		✓6	✓4	3	4
Sick days per employee	per employee	4.7	4.7	5.0	5.3

✓ Assured by KPMG

1 At the end of 2012 one employee suffered fatal injuries during an accident. The internal reporting of this work-related accident was completed after the 2012 editorial deadline. The indicator has been adjusted retrospectively.

1 As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that the figures for 2012 and 2013 can be compared, we reported the full year 2012 for Lincare.

We have set ourselves the goal of continuing to reduce the number of workplace accidents. In 2013, the number of workplace accidents resulting in lost working days per million hours worked was 2.3 (2012: 2.5). The equivalent figure for contractors during 2013 was 1.7 (2012: 1.3). It is with the deepest regret that we must report that four of our employees lost their lives whilst working for the Group in 2013. Two accidents, at sites in Indonesia and China, resulted in the death of three employees, while one British employee died in a road accident.

Between 2010 and end of 2013, we approved nine global guidelines on workplace health. When implementing initiatives relating to health protection, we focus in particular on the risks associated with manual and repetitive activities. The proportion of workplace accidents and chronic illnesses at Linde that can be attributed to manual activities ranges from around 30 to 50 percent each year. Among the measures to lower this rate, we have introduced a global database with instructions about

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optimal manual handling solutions. In 2013, we provided instruction for specialist trainers in this area in North America. At our subsidiary Lincare, we carried out a review of the health risks faced by workers. Changes made as a result included ergonomic improvements to the loading systems of the company's delivery vehicles.

MORE ON

- [Trainings and Audits](#)

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LABOUR AND SOCIAL STANDARDS

In our Code of Conduct, which is binding on the entire Group, we commit to the principles of the UN Human Rights Charter and the core labour standards of the International Labour Organisation (ILO). Through regular reviews across all the regions, we collate information on the processes that the Group has put in place to ensure compliance with labour standards and the upholding of human rights. Furthermore, labour standards are the subject of consultations with employee representatives.

Contacts persons for
600
employees in Benelux countries trained on the
subject of workplace harassment

subject of workplace harassment in the reporting year. This will enable them to act as points of contact for over 600 employees in the region.

To detect potential weaknesses, we evaluate the information supplied to the Integrity Hotline, a service that employees and external stakeholders can use to report any breaches of the Group's Code of Conduct. Around 36 percent of the reports received via the hotline in 2013 related to human resources issues. In the Benelux countries, a number of staff were given training on the

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— [Human rights](#)

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SOCIAL COMMITMENT

We are involved in a variety of projects across the world in proximity to our sites. We focus on initiatives which are linked with our business activities, and are, above all, committed to projects in the field of education. We also support a range of local activities covering such areas as safety, environmental protection, health and social affairs. These activities are based on the needs which have been identified in the individual regions where Linde operates. Cross-regional involvement in such projects is coordinated by the Group's Corporate Centre, whereas local initiatives are being organised by managers in the region concerned.

In 2013, Linde provided funds of more than EUR 6.8 million for donations, sponsorship and voluntary memberships (other than of trade associations). Of this amount, around EUR 2.7 million was in the form of donations. This allowed us to support more than 170 projects worldwide. Through our initiatives during the year under review, we reached around 70,000 children, school pupils and students.

70,000

children, pupils and students reached through corporate citizenship initiatives

As well as making financial donations, Linde also donates products. For example, we provided the hydrogen used to fill fuel-cell vehicles in the Shell Eco-marathon, a competition designed to promote sustainable mobility. In the Healthcare business, one of our projects involved the donation of medical oxygen and helium to a children's charity in Greece.

Through selected initiatives, we also support corporate volunteering, by granting staff time off work to volunteer or by topping up employees' donations. In several regions, institutional programmes are in place at Linde that combine corporate donations, employee donations and volunteering. In North America, for example, the Group and more than 830 employees donated over USD 480,000 in 2013 as part of a programme entitled "Linde Cares". Many employees of the region also got personally involved in social projects. In early 2014, we adopted a global corporate volunteering guideline.

Access to education

By the end of 2013, more than 12,000 students had attended courses offered by the Carl von Linde Academy. Based at the Technical University of Munich (TUM), this institution provides up-and-coming engineers, IT experts and natural scientists with key skills that extend beyond the limits of their theoretical subjects, covering such areas as business ethics and innovation. Linde has supported the development of the Academy, donating foundation capital of more than EUR 8 million.

12,000

students have enrolled in the Carl von Linde Academy's courses.

During the reporting year we extended our cooperation with the Schloss Hansenberg boarding school (ISH) in Hesse in Germany. In the context of a public-private partnership, Linde is now the school's key partner from the business sector. The school fosters the talents of pupils with particularly strong academic and social skills. We have been involved with the ISH since 2007 and more

than 490 pupils have completed their schooling there during this time.

We also sponsor scientific or technical exhibitions, experiments and competitions in several countries. In Munich, home to the Group's Corporate Centre, we are one of the founding members of the Deutsches Museum Future Initiative, the aim of which is to modernise the largest technology museum in the world. We are supporting the initiative with financial backing which will total EUR 5 million by 2018.

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Safety

In keeping with our particular focus on safety, we are involved in a range of community road safety projects across several countries. One example is the comprehensive safety programme for young road users in Australia and New Zealand.

13,000

children participated in the Child Road Safety Programme organised by Gist.

During 2013, more than 13,000 children participated in the Child Road Safety Programme organised by Gist, our logistics division. As part of this programme, truck drivers regularly visit primary schools, taking their vehicles with them, to raise pupils' awareness of the importance of road safety.

Emergency aid

In 2013, Linde provided emergency aid in several of the world's regions. Following the floods in Germany in early summer 2013, we matched the donations made by our employees in Germany, resulting in total aid of EUR 150,000. During the reporting year, Linde staff and the Group also donated more than USD 170,000 to help victims of Typhoon Haiyan in the Philippines.

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KEY FIGURES

✓ Included in the group management report of the [Annual Report 2013](#)

✓ Assured by KPMG

- Financials, compliance and innovation
- Safety and environmental protection
- Employees

Financials, compliance and innovation¹

Financial indicators²

		2013	2012	2011	2010	2009
Share						
Closing price	€	152.05	132.00	114.95	113.55	84.16
Year high	€	153.90	136.15	125.80	115.30	87.95
Year low	€	128.60	114.20	96.16	76.70	49.66
Market capitalisation (at year-end closing price)	€ million	28,219	24,445	19,663	19,337	14,215
No. of shares (at 31 December)	000s	185,588	185,189	171,061	170,297	168,907
Cash dividend per share	€	3.00	2.70	2.50	2.20	1.80
Group						
Revenue	€ million	16,655	15,833	13,787	12,868	11,211
In Germany	%	7.9	8.2	9.0	9.5	10.8
Outside Germany	%	92.1	91.8	91.0	90.5	89.2
Operating profit ²	€ million	3,966	3,686	3,210	2,925	2,385
Operating margin	%	23.8	23.3	23.3	22.7	21.3
EBIT	€ million	2,171	2,055	1,910	1,679	1,167
Profit for the year	€ million	1,430	1,341	1,244	1,064	653
Capital expenditure	€ million	2,268	2,038	1,367	1,302	1,137
Equity ratio	%	41.5	39.8	42.0	42.3	37.7
Return on capital employed (ROCE)	%	9.7	10.2	11.0	10.3	7.7
Procurement costs	€ bn	11.1	10.9	10.7	9.7	8.2
Personnel expenses	€ bn	3.423	3.117	2.653	2.527	2.319
Personnel expenses (per employee)	1,000 €	53.9	49.7	52.6	52.2	48.6
Pension costs	€ million	281	241	190	178	186

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Financials, compliance and innovation[✓]

Financial indicators[✓]

		2013	2012	2011	2010	2009
Donations	€ million	2,7	–	–	–	–
Gases Division						
Revenue	€ million	13,971	13,214	11,061	10,228	8,932
Operating profit ²	€ million	3,846	3,566	3,041	2,766	2,378
Operating margin	%	27.5	27.0	27.5	27.0	26.6
Engineering Division						
Revenue	€ million	2,879	2,561	2,531	2,461	2,311
Operating profit ²	€ million	319	312	304	271	210
Operating margin	%	11.1	12.2	12.0	11.0	9.1

Compliance

		2013	2012	2011	2010	2009
Contacts Integrity Line		393	309	430	334	–
Investigations as a result of reports to the Integrity Line		88	77	54	54	–
of which referring to personnel topics	%	36.4	42.9	38.9	42.6	–
of which referring to potential offences against property	%	33.0	24.7	31.5	22.2	–
of which referring to potential discrimination	%	2.3	2.6	0.0	1.9	–
of which referring to potential conflicts of interest	%	12.5	15.6	3.7	14.8	–
Substantiated cases (excluding open cases)		33	44	25	29	–

Innovation[✓]

		2013	2012	2011	2010	2009
Expenditure for research and development	€ million	92	101	98	94	89
Employees in the research and development field		367	385	342	324	346
New patents filed		263	269	235	232	230

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Safety and environmental protection¹

Resources consumed

		2013	2012	2011	2010	2009
Energy						
Electricity consumption ^{✓✓}	million MWh	23.4	23.5	20.3	19.0	17.7
of which by air separation plants ^{✓✓}	million MWh	20.7	20.8	17.9	16.8	16.0
Natural gas consumption ^{✓✓}	million MWh	36.4	35.9	25.4	25.2	23.6
of which by HyCO plants ^{✓✓}	million MWh	23.0	22.8	21.7	21.2	21.3
Consumptions of other energy sources ³	million MWh	✓✓ 14.8	✓✓ 13.4	✓✓ 11.7	6.4	5.9
Water						
Water use ⁴	million m ³	✓ 681	✓ 632	✓ 288	255	242
of which ground and surface water	%	✓ 98.6	✓ 98.5	✓ 96.8	95.7	96.7
of which drinking water	%	✓ 1.4	✓ 1.5	✓ 3.2	4.3	3.3
Total water consumption ^{5✓✓}	million m ³	44.5	47.4	42.6	43.0	38.9
of which industrial and process water [✓]	million m ³	34.8	38.1	33.3	32.0	30.9
of which drinking water [✓]	million m ³	9.7	9.3	9.3	11.0	8.0
Waste water	million m ³	✓ 13.8	✓ 12.5	✓ 8.1	8.4	11.4
Resources and materials⁶						
Raw materials and supplies	t	✓ 57,750	✓ 57,170	✓ 59,950	65,700	50,000
Packaging materials	t	✓ 3,990	✓ 4,765	✓ 5,850	6,300	5,800

Emissions

		2013	2012	2011	2010	2009
Direct greenhouse gas emissions (Scope 1)						
CO ₂ emissions ^{✓✓}	million t	7.2	7.6	5.7	5.4	4.6
of which by HyCO plants ^{✓✓}	million t	4.2	4.3	4.3	4.3	3.9
Linde transport fleet	million t CO ₂ e	✓✓ 0.49	✓✓ 0.50	✓✓ 0.42	0.41	0.38
Other greenhouse gases ^{7,8}	million t CO ₂ e	✓✓ 0.3	✓✓ 0.4	✓✓ 0.6	0.4	0.4
Total	million t CO ₂ e	✓ 8.0	✓ 8.5	✓ 6.7	6.2	5.4
Indirect greenhouse gas emissions (Scope 2)						
CO ₂ emissions ^{✓✓}	million t	13.0	12.8	10.2	9.5	9.0

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Emissions

		2013	2012	2011	2010	2009
of which by air separation plants✓✓	million t	11.8	11.6	8.9	8.3	8.0
Total Scope 1 and 2 emissions	million t CO ₂ e	✓21.0	✓21.3	✓16.9	15.7	14.4
Emissions per million EUR sales	t CO ₂ e	1,261	1,345	1,226	1,220	1,284
Emissions per Linde employee	t CO ₂ e	331	339	335	324	302
Other indirect greenhouse gas emissions (Scope 3)						
Transports by contractors	thousand t CO ₂ e	✓388	✓380	✓395	310	320
Business travel	thousand t CO ₂ e	✓39.4	✓34.1	✓30.6	–	–
Emissions to air⁸						
VOC (volatile organic compounds)	t	✓92	✓109	✓206	182	236
NH ₃ (ammonia)	t	✓9	✓11	✓28	70	78
CO (carbon monoxide)	t	✓1,520	✓2,895	✓1,566	1,747	2,161
NO _x (nitrogen oxides)	t	✓5,222	✓5,556	✓1,070	717	856
SO _x (sulphur oxides)	t	✓96	✓391	✓543	620	730
Emissions to water⁸						
Chemical oxygen demand (COD)	t	✓130	✓201	✓165	308	381
Biochemical oxygen demand (BOD)	t	✓118	✓97	✓38	75	157
Nitrates	t	✓46	✓52	✓61	35	37
Phosphates	t	✓1	✓4	✓3	3	3

Waste and recycling

		2013	2012	2011	2010	2009	
Total waste	thousand t	✓✓124.9	✓✓81.5	✓64.4	71.9	68.3	Employees & Society
Non-hazardous waste	%	✓76	✓70	✓57	61	52	
Hazardous waste	%	✓24	✓30	✓43	39	48	
Recycled waste	%	✓65	✓41	✓26	43	28	
Incineration waste ⁹	%	✓14	✓18	✓30	28	28	
Landfill waste	%	✓10	✓26	✓31	22	35	
Other disposal method	%	✓11	✓15	✓13	7	9	

Transport

		2013	2012	2011	2010	2009
Distance driven by Linde's transport fleet and its contractors	million km	✓963	✓969	✓866	764	689
Severe transport incidents involving trucks ¹⁰	per 1 million km	✓✓0.062	✓✓0.075	✓0.077	0.085	0.083

Content

Audits and trainings

		2013	2012	2011	2010	2009
Sites where occupational health and safety audits have been conducted ¹¹ ✓	%	58.1	62.4	54.5	53.2	55.1
Sites where environmental audits have been conducted ¹¹ ✓	%	51.8	54.5	49.1	47.8	48.3
Number of conducted occupational health and safety audits ¹¹		790	769	701	620	600
Number of conducted environmental audits ¹¹		657	661	664	546	526
Employees of Linde Gas who have taken up HSE training opportunities✓	%	57.8	54.0	50.3	47.2	48.8

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Certified sites

		2013	2012	2011	2010	2009
Production sites certified to ISO 9001	%	✓✓77.9	✓79.6	76	72	71
Production sites certified to ISO 14001	%	✓✓31.8	✓31.8	33	28	27
Production sites certified to OHSAS 18001	%	✓✓17.8	✓17.7	22	22	22
Production sites with Responsible Care certification	%	23.5	29.3	26	22	21

Environment & Safety

Environmental incidents

		2013	2012	2011	2010	2009
Environmental complaints		24	14	28	19	18
Reportable environmental incidents		25	29	33	31	24

Employees & Society

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Employees¹

Employment structure

		2013	2012	2011	2010	2009	Content
Group [✓]	as of Dec. 31, 2012	63,487	62,765	50,417	48,430	47,731	The Report
Gases Division [✓]		51,536	51,405	39,031	37,603	37,362	
EMEA [✓]		21,544	21,636	20,920	20,575	20,952	
Asia/Pacific [✓]		12,122	11,809	10,868	10,051	9,440	
Americas [✓]		17,870	17,960	7,243	6,977	6,970	
Engineering Division [✓]		6,997	6,564	6,319	5,811	5,716	About Linde
Other activities [✓]		4,954	4,796	5,067	5,016	4,653	
Employees in production		20,200	19,829	19,072	18,134	17,834	
Employees in sales, marketing and distribution		31,778	31,249	22,172	21,940	20,866	
Employees in research & development		367	385	342	324	345	
Employees in administration		11,141	11,302	8,831	8,032	8,685	Strategy & Governance
Part-time employees [✓]	%	1.9	1.7	2.0	1.9	1.8	
Temporary staff [✓]	%	6.2	6.4	6.4	4.3	1.8	
Employees on parental leave (Germany)		344	328	271	–	–	
Staff covered by collective wage agreements [✓]	%	45.6	45.1	53.5	54.9	55.3	
Employee retention and benefits							Environment & Safety
Staff turnover rate ^{12,✓}	%	9.4	10.1	6.3	5.7	4.2	
Average length of service [✓]	years	8.9	9.3	9.8	9.7	10.1	
Retired employees receiving pensions by Linde [✓]		31,006	31,118	31,112	32,584	32,012	

Diversity

		2013	2012	2011	2010	2009	Employees & Society
Staff up to 30 years old [✓]	%	18.2	17.6	16.0	16.4	17.0	Measuring Sustainability
Staff between 31 and 50 years old [✓]	%	58.0	58.4	59.0	59.6	60.1	
Staff over 50 years old [✓]	%	23.8	24.0	25.0	24.0	22.9	
Nationalities of employees in Germany		65	67	63	58	–	
Non-German nationalities among senior managers in Germany	%	72.9	69.7	–	–	–	
Proportion of female employees							
in total workforce [✓]	%	27.3	26.9	19.5	19.3	19.9	

Diversity

		2013	2012	2011	2010	2009	
in Germany	%	✓25.9	25.4	–	–	–	Content
in senior management positions ✓	%	13.2	12.3	11.0	10.3	9.3	
Women in the Executive Board	%	0	0	0	0	0	The Report
Women in the Supervisory Board	%	16.6	8.3	8.3	0	0	
Severely disabled employees (Germany) ✓	%	3.5	3.1	3.6	3.5	3.3	

Employee training

		2013	2012	2011	2010	2009	
Employees who attended training opportunities ✓	%	60.3	61.0	64.4	59.1	53.8	About Linde
Training days per employee ✓		3.0	2.6	2.3	2.0	1.6	
Expenditure on training programmes per employee ✓	€	341	386	268	241	216	Strategy & Governance
Apprentices and trainees in total workforce ✓	%	0.9	0.9	1.3	1.3	1.4	
Apprentices and trainees in Germany ✓	%	3.1	3.2	3.6	3.5	3.7	

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Occupational health and safety

		2013	2012	2011	2010	2009	
Workplace accidents of employees with at least one day of absence [✓]		304	324	144	198	202	Content
Workplace accidents of contractors with at least one day of absence		✓150	✓155	131	170	128	
Workplace accidents with at least one day of absence (employees) [✓]	per million hours worked	2.3	2.5	1.4	1.9	2.0	The Report
Workplace accidents with at least one day of absence (contractors)	per million hours worked	1.7	1.3	1.6	2.2	1.7	
Fatal workplace accidents involving employees		✓✓4	✓✓4 ¹³	5	2	3	About Linde
Fatal workplace accidents involving contractors		✓✓6	✓✓4	3	4	7	
Sick days per employee	per employee	4.7	4.7	5.0	5.3	5.5	

1 As a result of the first-time application of the revised accounting standards, the sites in the scope of our reporting changed in the 2013 financial year. Accordingly, the key financial, environmental and employee KPIs for 2012 were adjusted retrospectively. In addition, the KPIs for employees, occupational health and safety and environmental protection for the year 2012 were retrospectively adjusted to account for the effects of the acquisition of the US homecare company Lincare. To ensure that the figures for 2012 and 2013 can be compared, we reported the full year 2012 for Lincare.

2 EBIT adjusted for amortisation of intangible assets and depreciation of tangible assets.

3 Other energy sources include for example thermal energy, heating oil, diesel, biofuel energy, propane, and butane, and from 2013 diesel fuel. The increased consumption of other energies in 2011 resulted from the inclusion of additional other energy sources (e.g. naphtha and methanol) into the indicator scope.

4 The increased water use from 2012 on is mainly due to the use of sea water and once-through water at newly reported sites.

5 Water consumption relates to drinking water and industrial water used. Once-through water is drawn from a natural or other sources, solely warmed and ultimately piped back to the original source at a temperature not posing any risk to the surrounding ecosystem.

6 The indicators on the usage of resources and materials were overstated for the year 2011 in the previous year's report and therefore adjusted retrospectively.

7 Includes greenhouse gases specified in the Kyoto protocol: methane (CH₄), nitrous oxide (laughing gas, N₂O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF₆) and since 2013 nitrogen trifluoride (NF₃).

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

9 Incineration waste is partly used for heat recovery.

10 Severe traffic incidents, e.g. with heavy effects on the health of the employees involved or with reportable emissions to the environment, as well as transport incidents leading to material costs above a defined threshold

11 The figures disclosed relate to internal and external audits conducted at production sites worldwide.

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




13 At the end of 2012 one employee suffered fatal injuries during an accident. The internal reporting of this work-related accident was completed after the 2012 editorial deadline. The indicator has been adjusted retrospectively.

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GRI AND GLOBAL COMPACT INDEX

STATUS

	Not covered
	Covered in part
	Covered in full

Strategy and analysis








UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
	1.1	Statement from the most senior decision-maker of the organization.		Letter from CEO		
	1.2	Description of key impacts, risks, and opportunities.		Opportunities and risks Environment and safety Social commitment	Financial Report 2013: opportunities and risks Clean Technology by Linde	

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Organisational profile

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
	2.1	Name of the organization.		Corporate profile		
	2.2	Primary brands, products, and/or services.		Corporate profile Opportunities and risks	Clean Technology by Linde Financial Report 2013: business review	
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.		Corporate profile	Financial Report 2013: corporate profile	
	2.4	Location of organization's headquarters.		Legal notice		
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		Corporate profile	Website Linde	
	2.6	Nature of ownership and legal form.			Website Linde: management Financial Report 2013: Linde in the capital market	
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).		Corporate profile	Financial Report 2013: business review Financial Report 2013: corporate profile	




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Organisational profile

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	2.8	Scale of the reporting organization.		Financial indicators Corporate profile	Financial Report 2013: financial highlights		Content
	2.9	Significant changes during the reporting period regarding size, structure, or ownership.					
	2.10	Awards received in the reporting period.		Environment and safety Climate protection Diversity Sustainable investment			The Report



Reporting parameters

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	3.1	Reporting period (e.g., fiscal/calendar year) for information provided.		About this report			About Linde
	3.2	Date of most recent previous report (if any).		About this report			
	3.3	Reporting cycle (annual, biennial, etc.)		About this report			Strategy & Governance
	3.4	Contact point for questions regarding the report or its contents.		CR Organization	CR Contact		
	3.5	Process for defining report content.		About this report Key material issues			
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.		About this report			Environment & Safety
	3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).		About this report Measuring sustainability			
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		About this report Measuring sustainability			Employees & Society
							Measuring Sustainability








Reporting parameters

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.		Measuring sustainability			Content
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).		About this report			The Report
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		About this report			About Linde
	3.12	Table identifying the location of the Standard Disclosures in the report.		GRI Index			Strategy & Governance
	3.13	Policy and current practice with regard to seeking external assurance for the report.		Assurance			Environment & Safety









Governance, commitments and engagement

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.		CR Organization Promotion of women	Linde Corporate website: Executive Board		Employees & Society
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer.			Financial Report 2013: corporate governance Financial Report 2013: Executive Board		Measuring Sustainability

Governance, commitments and engagement

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.			Website Linde: management		Content
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		CR Organization Compliance Involving employees	Financial Report 2013: corporate governance		The Report
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).			Financial Report 2013: remuneration report Financial Report 2013: corporate governance practises		About Linde
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.			Financial Report 2013: corporate governance practises		Strategy & Governance
	4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.			Financial Report 2013: Executive Board		Environment & Safety
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.		Values and standards			Environment & Safety
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.		CR Organization			Employees & Society
							Measuring Sustainability

Governance, commitments and engagement

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.			Financial Report 2013: Supervisory Board		Content
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.		Compliance Environment and safety Opportunities and risks Product stewardship Health and safety			The Report
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.		Stakeholder Global Compact Diversity			About Linde
	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.		Stakeholder Social commitment			Strategy & Governance
	4.14	List of stakeholder groups engaged by the organization.		Stakeholder Key material issues			Environment & Safety
	4.15	Basis for identification and selection of stakeholders with whom to engage.		Stakeholder Key material issues			
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.		Stakeholder Key material issues			Employees & Society
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.		Stakeholder Key material issues			
							Measuring Sustainability










Disclosures on management approach

UNGC GRI GRI indicator Status Link within the report External links PDF





Economic performance

7		Economic performance		Corporate profile	Financial Report 2013	
		Market presence		Corporate profile	Financial Report 2013	
1,6		Indirect economic impacts		Social commitment		

Environmental performance

8,9		Materials		Product stewardship Environment and safety Supply chain Raw materials		
8,9		Energy		Environment and safety Climate protection Energy Opportunities and risks	Clean Technology by Linde	
8,9		Water		Environment and safety Water		
8		Biodiversity		Environment and safety Biodiversity		
7,8,9		Emissions, effluents and waste		Environment and safety Climate protection Water Waste Air emissions	Clean Technology by Linde	
7,8,9		Products and services		Environment and safety Product stewardship	Clean Technology by Linde	
8		Compliance		Environment and safety Compliance	Financial Report 2013: risk management	
8		Transport		Transport Environment and safety Climate protection		
8		Overall		Environment and safety Product stewardship Opportunities and risks		

Labour practices and decent work

		Employment		Employees worldwide Values and standards		
1,3		Labor/management relations		Values and standards Involving employees		
1		Occupational health and safety		Values and standards Environment and safety Health and safety		
		Training and education		Values and standards Winning talent Values and standards		

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Disclosures on management approach

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
1,6		Diversity and equal opportunity		Values and standards Diversity Labour and social standards		
1,6		Equal remuneration for women and men		Values and standards Remuneration		

Human rights

1,2,3,4,5,6		Investment and procurement practices	<div></div>	Values and standards Compliance Labour and social standards Diversity Supply chain		
1,2,6		Non-discrimination	<div></div>	Values and standards Compliance Labour and social standards Diversity		
1,2,3		Freedom of association and collective bargaining	<div></div>	Values and standards Compliance Labour and social standards Involving employees		
1,2,5		Child labor	<div></div>	Values and standards Compliance Labour and social standards		
1,2,4		Prevention of forced and compulsory labor	<div></div>	Values and standards Compliance Labour and social standards		
1,2	6	Security practices	<div></div>			
1,2	7	Indigenous rights	<div></div>			
1,2		Assessment	<div></div>	Labour and social standards Compliance		
1,2		Remediation	<div></div>	Labour and social standards Compliance		






Society

		Local communities		Environment and safety Product stewardship Opportunities and risks Social commitment Site safety		
10		Corruption		Values and standards Compliance		






Disclosures on management approach

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
1,2,3, 4,5,6, 7,8,9, 10		Public policy		Stakeholder Social commitment			Content
10		Anti-competitive behavior		Values and standards Compliance			The Report
		Compliance		Values and standards Compliance			





Product responsibility

1		Customer health and safety		Compliance Product stewardship			About Linde
8		Product and service labelling		Product stewardship			
		Marketing communications		Compliance			Strategy & Governance
1		Customer privacy		Compliance			
		Compliance		Compliance Product stewardship			









Economic indicators

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.		Social commitment Key figures	Financial Report 2013: Linde shares Financial Report 2013: financial statement		Environment & Safety
7	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.		Opportunities and risks Climate protection			Employees & Society
	EC3	Coverage of the organization's defined benefit plan obligations.		Remuneration Employees worldwide			
	EC4	Significant financial assistance received from government.					Measuring Sustainability
1	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.		Remuneration Compliance Labour and social standards			















Economic indicators

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.					Content
6	EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.		Diversity			The Report
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.		Social commitment			About Linde
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.		Social commitment Employees worldwide			Strategy & Governance









Environmental indicators

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
8	EN1	Materials used by weight or volume.		Raw materials Key figures			Environment & Safety
8,9	EN2	Percentage of materials used that are recycled input materials.					
8	EN3	Direct energy consumption by primary energy source.		Key figures Energy			Environment & Safety
8	EN4	Indirect energy consumption by primary source.		Key figures Energy			
8,9	EN5	Energy saved due to conservation and efficiency improvements.		Energy			Employees & Society
8,9	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.		Opportunities and risks			
8,9	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.		Energy Climate protection Transport			Measuring Sustainability
8	EN8	Total water withdrawal by source.		Key figures Water			


Environmental indicators

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
8	EN9	Water sources significantly affected by withdrawal of water.					Content
8,9	EN10	Percentage and total volume of water recycled and reused.					
8	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.					The Report
8	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		Biodiversity			About Linde
8	EN13	Habitats protected or restored.		Biodiversity			
8	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.		Biodiversity			Strategy & Governance
8	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.					
8	EN16	Total direct and indirect greenhouse gas emissions by weight.		Climate protection			Environment & Safety
8	EN17	Other relevant indirect greenhouse gas emissions by weight.		Climate protection			
7,8,9	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.		Climate protection Key figures Energy			Employees & Society
8	EN19	Emissions of ozone-depleting substances by weight.		Climate protection Key figures Air emissions			
8	EN20	NOx, SOx, and other significant air emissions by type and weight.		Key figures Air emissions			
8	EN21	Total water discharge by quality and destination.		Key figures Water			
8	EN22	Total weight of waste by type and disposal method.		Key figures Waste			Measuring Sustainability











Environmental indicators

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
8	EN23	Total number and volume of significant spills.		Key figures Climate protection Environment and safety Air emissions			Content
8	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.		Key figures Waste			The Report
8	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.		Water			About Linde
7,8,9	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.		Product stewardship Opportunities and risks	Clean Technology by Linde		Strategy & Governance
8,9	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.					
8	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		Environment and safety Key figures	Financial Report 2013: risk management		Environment & Safety
8	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.		Transport Climate protection Key figures			Employees & Society
7,8,9	EN30	Total environmental protection expenditures and investments by type.					

Social indicators: Labour practices and decent work

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
	LA1	Total workforce by employment type, employment contract, and region, broken down by gender.		Diversity Key figures Employees worldwide		

Social indicators: Labour practices and decent work

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.		Employees worldwide Key figures			Content
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		Remuneration and social benefit			The Report
1,3	LA4	Percentage of employees covered by collective bargaining agreements.		Remuneration and social benefit Key figures			About Linde
3	LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.					
1	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.					Strategy & Governance
1	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.		Health and safety Key figures			Environment & Safety
1	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.		Health and safety			
1	LA9	Health and safety topics covered in formal agreements with trade unions.		Involving employees			Employees & Society
	LA10	Average hours of training per year per employee by gender, and by employee category.		Developing talent Health and safety training			
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		Developing talent Diversity			Measuring Sustainability








Social indicators: Labour practices and decent work

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	LA12	Percentage of employees receiving regular performance and career development reviews, by gender.		Developing talent			Content
1,6	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.		Diversity Key figures	Website Linde: management		The Report
1,6	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.					About Linde
	LA15	Return to work and retention rates after parental leave, by gender.		Work-life balance			Strategy & Governance

Social indicators: Human rights

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
1,2,3, 4,5,6	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.		Supply chain			Environment & Safety
1,2,3, 4,5,6	HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.		Supply chain			Environment & Safety
1,2,3, 4,5,6	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		Compliance			Employees & Society
1,2,6	HR4	Total number of incidents of discrimination and corrective actions taken.		Compliance Key figures			Measuring Sustainability

Social indicators: Human rights

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
1,2,3	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.		Compliance Labour and social standards Values and standards			Content
1,2,5	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.		Compliance Labour and social standards Values and standards			The Report
1,2,4	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.		Compliance Labour and social standards Values and standards			About Linde
1,2	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.					Strategy & Governance
1,2	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.					Environment & Safety
1,2	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.		Labour and social standards			Environment & Safety
1,2	HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.		Compliance			Employees & Society

Social indicators: Society

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
	S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.		Compliance Social commitment Environment and safety Opportunities and risks Site safety Product stewardship			Measuring Sustainability









Social indicators: Society

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
10	S02	Percentage and total number of business units analyzed for risks related to corruption.	<div><div></div></div>	Compliance			Content
10	S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	<div><div></div></div>	Compliance			
10	S04	Actions taken in response to incidents of corruption.	<div><div></div></div>	Compliance			The Report
1,2,3,4,5,6,7,8,9,10	S05	Public policy positions and participation in public policy development and lobbying.	<div><div></div></div>	Social commitment Stakeholder Global Compact			
10	S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	<div><div></div></div>	Social commitment			About Linde
10	S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	<div><div></div></div>		Financial Report 2013: risk management		Strategy & Governance
	S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	<div><div></div></div>		Financial Report 2013: risk management Financial Report 2013: risk areas		
	S09	Operations with significant potential or actual negative impacts on local communities.	<div><div></div></div>	Environment and safety			Environment & Safety
	S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	<div><div></div></div>	Environment and safety			Employees & Society

Social indicators: Product responsibility

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
1	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	<div><div></div></div>	Product stewardship Environment and safety	REACH website Linde		Measuring Sustainability

Social indicators: Product responsibility

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF	
1	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.			Financial Report 2013: risk management		Content
8	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		Product stewardship	REACH website Linde		The Report
8	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		Product stewardship	Financial Report 2013: risk management		About Linde
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.					Strategy & Governance
	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.					Environment & Safety
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.			Financial Report 2013: risk management		Environment & Safety
1	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.			Financial Report 2013: risk management		Employees & Society
	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.			Financial Report 2013: risk management Financial Report 2013: risk areas		Measuring Sustainability



Statement GRI Application Level Check

GRI hereby states that **Linde AG** has presented its report "Corporate Responsibility Report 2013" 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. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

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

Amsterdam, 27 March 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
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 18 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

GLOBAL COMPACT

Linde supports the United Nations Global Compact. Every year, we report on how we incorporate the ten Global Compact principles into our business activities. This Communication on Progress (COP) is integrated in our Corporate Responsibility Report. The Global Compact logo indicates content relevant to the Global Compact in the online report. This content is also listed in the [GRI and Global Compact index](#).

Once again, our reporting complies with the Advanced Level of the UN Global Compact. To meet the requirements of this top COP reporting level, we provide voluntary information on 24 criteria alongside this report. This information is available on the [UN Global Compact](#) website. We also consider the Blueprint for Corporate Sustainability Leadership, which is an action plan initiated by the Global Compact LEAD platform.

The following table provides an overview of the commitments, standards and management systems that help us incorporate the principles of Global Compact in our business processes. We also report on the progress we made during 2013, and we specify future plans. Further information about our support for the principles is provided in the text boxes for each action area.



Incorporation of UN Global Compact principles in business processes

Human rights

Principles

Principle 1:

Support and respect the protection of internationally proclaimed human rights

Principle 2:

Make sure that the company is not complicit in human rights abuses

Systems

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.

Our procurement guidelines align with the principles anchored in the core labour standards of the International Labour Organization (ILO) and the United Nations Universal Declaration of Human Rights.

Our global SHEQ (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.

The primary aim of our compliance programme is to prevent misconduct and identify possible compliance violations. Suspected abuses can be reported to the Linde Integrity Line.

Progress in reporting period

In early 2014, the Executive Board of Linde AG passed a position on human rights for the Group in which we reaffirm our support of human rights and describe Group processes that substantiate this commitment.

In 2013, we continued to investigate the extent to which the Group's global guidelines take compliance with human rights into account. The guidelines and processes audited and adapted so far include the Code of Ethics; the procurement guidelines, conditions and agreements; the Integrity Line policy; and Enterprise Risk Management.

In 2013, the Executive Board of Linde AG approved a new global Code of Conduct for Suppliers that defines standards for safety, environmental protection, social responsibility and ethical business practices. At Linde Engineering, for example, all new suppliers have been required to comply with the Code of Conduct since it was introduced in 2013.

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Incorporation of UN Global Compact principles in business processes

	<ul style="list-style-type: none"> > More on labour standards > More on human rights > More on suppliers 	Content
Labour standards		
Principles	Principle 3: Uphold freedom of association and the right to collective bargaining	The Report
	Principle 4: Eliminate all forms of forced labour	
	Principle 5: Abolish child labour	About Linde
	Principle 6: Eliminate discrimination in respect of employment and occupation	
Systems	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.	Strategy & Governance
	Our procurement guidelines address the issues of forced and child labour, communication channels and negotiation structures between employers and employees as well as equal opportunities and fair treatment.	
	Our diversity management programme aims to prohibit discrimination and actively promote equal opportunities.	
Progress in reporting period	Linde has a central works council for the Group as a whole as well as a European Works Council, which is responsible for cross-regional topics and currently has 24 members. Representative bodies have been set up in other countries on a regional level.	Environment & Safety
	In 2013, we continued to investigate the extent to which the Group's global guidelines take compliance with human rights into account. The guidelines and processes audited and adapted so far include the Code of Ethics; the procurement guidelines, conditions and agreements; the Integrity Line policy; and Enterprise Risk Management. In early 2014, the Executive Board of Linde AG also passed a position on human rights for the Group in which we reaffirm our support of human rights and describe Group processes that substantiate this commitment.	
	One of our main activities in the area of diversity is the promotion of female managers. We have taken a number of measures to achieve this objective. The proportion of women in the Global Leadership Development Circle, the major talent development programme for upper managers, nearly doubled to 23.4 percent in 2013. The proportion of women taking part in the programme for middle managers, the Global Talent Circle, was 35.6 percent (2012: 29.0 percent).	Employees & Society
	In 2013, the Executive Board of Linde AG approved a new global Code of Conduct for Suppliers that defines standards for safety, environmental protection, social responsibility and ethical business practices.	
	<ul style="list-style-type: none"> > More on labour standards > More on diversity > More on suppliers 	Measuring Sustainability

Incorporation of UN Global Compact principles in business processes

Environment

Principles	Principle 7: Support a precautionary approach to environmental challenges	Content
	Principle 8: Undertake initiatives to promote greater environmental responsibility	
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies	
Systems	Our commitment to protecting the environment is outlined in our binding Code of Ethics. Our global Safety, Health, Environment and Quality policy defines the framework for implementation in this area.	The Report
	Our environmental management system and our risk management system are geared towards minimising the environmental impact of our processes and products. This includes measures such as risk analyses and certification of our sites in line with international standards, as well as monitoring instruments such as audits.	
	Raising employee awareness of environmental and safety issues is also an important factor, and one which we address through various channels, including training initiatives.	About Linde
	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 CO ₂ 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.	
	We have pooled our expertise and merged our activities into a central Clean Energy Group. This team, which operates across different business areas, develops innovative products and processes that help to make renewable energies economically viable, reduce the consumption of natural resources and cut emissions that are harmful to the environment.	Strategy & Governance
Progress in reporting period	Our corporate citizenship activities also support environmental initiatives.	
	Our target is to improve the average energy intensity of our globally installed air separation plants by 5 percent by 2017. The reference year is 2008. By the end of 2013, we had already achieved a 3.8 percent improvement in average energy intensity. In 2013, we have identified around 300 projects that help reduce the Group's energy consumption.	Environment & Safety
	We have developed special risk assessments for product safety for sites that produce or handle particularly sensitive chemicals. The assessments are performed globally on a uniform basis. So far, we have carried out corresponding audits in 17 countries. In the reporting year, the focus was on the South-East Asia region.	
	More than half of the employees at Linde Gas participated in training sessions on occupational health, safety and environmental protection in 2013. Environmental audits were performed at around 52 percent of Linde's sites.	Employees & Society
	In 2013, we worked together with another company to develop a mobile system for the treatment of ship emissions. The system makes it easier to clean vessels that carry chemicals.	
	Together with five partners from the energy and automotive industry, we signed a plan of action in September 2013 for the development of around 400 hydrogen fuelling stations in Germany by 2023.	Measuring Sustainability
	> More on audits	
	> More on energy efficiency	
	> More on climate protection	

Incorporation of UN Global Compact principles in business processes

	<p>> More on transport</p> <p>> More on innovations</p> <p>> More on products for environmental protection and energy efficiency</p>	Content
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Anti-corruption

Principles	<p>Principle 10: Work against corruption in all its forms, including extortion and bribery</p>	The Report
	<p>Our Code of Ethics prohibits corruption for all employees worldwide.</p>	
Systems	<p>This commitment is backed by additional, supplementary guidelines, including regulations governing competitive and anti-trust laws as well as our procurement guidelines (Ethical-Legal Principles Procurement).</p>	About Linde
	<p>The aim of our compliance programme is to prevent misconduct and to investigate and penalise possible violations. Suspected abuses can be reported to the Linde Integrity Line.</p>	
	<p>The Integrity Line offers internal and external stakeholders the possibility to report doubts and suspicions.</p>	
	<p>In 2013, we introduced new global anti-corruption guidelines.</p>	Strategy & Governance
Progress in reporting period	<p>By the end of 2013, at Linde more than 42,500 e-learning sessions were held on the Code of Ethics as well as around 7,500 e-learning sessions on anti-trust law. More than 10,000 participants also received on-site training from qualified trainers. In addition, our compliance officers answered more than 3,500 inquiries regarding compliance topics in the 2013 financial year.</p>	
	<p>In 2013, the Internal Audit department, Human Resources, Legal Services and the department for Safety, Health and Environment carried out 88 investigations on the basis of reports received via the Integrity Line.</p>	Environment & Safety
	<p>> More on compliance</p>	

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INDEPENDENT ASSURANCE REPORT

To the Management of The Linde Group, Munich

We were engaged to provide assurance on selected environmental and safety performance indicators for the business year 2013, including the explanatory notes, published in the Linde Corporate Responsibility Report 2013 of The Linde Group, Munich (further 'Linde'). The Management is responsible for the appropriateness of the determination and presentation of performance indicators in accordance with the reporting criteria, including the identification of material issues. Our responsibility is to issue an assurance report on the selected environment and safety performance indicators.

Scope

Our assurance engagement was designed to provide limited assurance on whether the following selected environment and safety performance indicators for the business year 2013, including the explanatory notes, are presented, in all material respects, in accordance with the reporting criteria:

■ Use of resources:

- Energy
- Water
- Resources and materials

■ Emissions:

- Direct greenhouse gas emissions (Scope 1)
- Indirect greenhouse gas emissions (Scope 2)
- Other indirect greenhouse gas emissions (Scope 3)
- Emissions to air
- Emissions to water

■ Waste and recycling

■ Transport safety

- Number of serious traffic incidents involving trucks

■ Occupational health and safety:

- Workplace accidents by employees (per million working hours)
- Number of workplace accidents by contractors with at least one day of absence
- Number of fatalities involving employees
- Number of fatalities involving contractors

■ Certification

- Production sites certified to ISO 9001
- Production sites certified to ISO 14001
- Production sites certified to OHSAS 18001

Selected environment and safety performance indicators included in the scope of our engagement are published online at www.linde.com/cr-report and are marked with the symbol: ✓

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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.

Reporting criteria and assurance standard

Linde applies the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative supported by internally developed guidelines, as described in sections GRI 3.6 to 3.9 of the GRI Index, as reporting criteria. It is important to view the performance indicators in the context of these reporting criteria.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information and ISAE 3410: "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board. These standards require, amongst others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that we comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure our independence.

Procedures

- A risk analysis, including a media search, to identify relevant corporate responsibility issues for Linde in the reporting period.
- Reviewing the suitability of the internal reporting criteria including conversion factors used.
- Evaluating the design and implementation of the systems and processes for the collection, processing and control of the data for the selected environmental and safety indicators, including the consolidation of this data.
- Interviews with relevant staff at corporate and regional levels responsible for carrying out internal control procedures on the data and consolidating the data for the selected environmental and safety indicators.
- Visits to five selected production sites in China (1), Germany (1), Mexico (1), United Kingdom (1), United States of America (1), and three selected regions in Europe (1), Asia (1) and North America (1) to review the source data and the design and implementation of validation procedures at local level.
- Evaluating internal and external documentation, based on sampling, to determine whether the data for the selected environmental and safety indicators together with the related explanatory information is supported by sufficient evidence.
- An analytical review of the data and trend explanations submitted by all production sites for consolidation at group level.
- Evaluation of the overall presentation of the selected environmental and safety performance indicators in the Linde Corporate Responsibility Report 2013.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention to indicate that the selected environmental and safety performance indicators for the business year 2013, including explanatory notes, 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 fact that the scope of reported emissions to air and water relates only to those production sites that are legally obliged to report.

Munich, March 27, 2014

KPMG AG Wirtschaftsprüfungsgesellschaft

Christoph B. Schenk
[Certified Public Accountant]
Wirtschaftsprüfer

Christian Hell
ppa.

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GLOSSARY

A

Air separation plants

Air separation plants use Linde processes to produce oxygen, nitrogen and argon.

C

Carbon Capture and Storage (CCS)

This process involves separating CO₂ from combustion flue gases and storing it, especially in underground sites. The aim is to reduce CO₂ emissions into the atmosphere.

Carbon Capture and Usage (CCU)

This process involves separating CO₂ from combustion flue gases and using it in industrial processes such as growth promoters for plants or in the cultivation of algae.

CDP (formerly Carbon Disclosure Project)

CDP is a not-for-profit organisation providing a standardised framework for companies to report environmental information such as greenhouse gas emissions and water consumption. CDP represents several hundred institutional investors.

CLP

Regulation on Classification, Labelling and Packaging of Substances and Mixtures

CO₂ equivalent (CO₂e)

Unit of measurement used to express the effect different greenhouse gases have on the climate compared with a carbon dioxide (CO₂) baseline

Compliance

Refers to the compliance with applicable laws, internal commitments and company codes

Conflict Minerals

The US Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) defines conflict minerals as raw materials exploited and traded in the Democratic Republic of Congo or neighbouring countries which finance conflict. The Dodd-Frank Act applies to tantalum (coltan), tin (cassiterite), wolfram and gold, and ores from which these are extracted.

D

Defined benefit plans

Pension plans under which an enterprise/employer defines an amount of pension benefit to be provided as a function of one or more factors such as the age, length of service and salary of the employee.

Diversity

For Linde, this term comprehends the diverse composition of its staff – for example men and women in all ages, with different nationalities, backgrounds, religions or philosophies of life.

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E

Energy portfolio management

Identification and coverage of energy demand through cost-optimized procurement on the energy wholesale market.

Enhanced Oil and Gas Recovery (EOR/EGR)

Enhanced recovery of oil or gas reserves to make the exploitation of the remaining reserves in a gas field or oilfield more efficient. The pump pressure in the seam is increased by injecting gases such as nitrogen and carbon dioxide.

G

Global Reporting Initiative (GRI)

International initiative bringing together numerous stakeholders. Founded in 1997 with the aim of generating recognised, comparable guidelines for corporate reporting on economic, social and environmental activities

Greenhouse Gas Protocol

Globally recognised standard designed to manage and quantify greenhouse gas emissions. The Greenhouse Gas Protocol originated from an initiative from the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

H

HyCO plants

A collective term for plants which produce hydrogen, carbon monoxide and synthesis gas. HyCO plants include in particular steam reformers, partial oxidation plants and methanol crackers.

I

International Standard on Assurance Engagements (ISAE) 3000

ISAE 3000 provides guidelines for audits, which contain non-financial data, for example for the audits of sustainability reports. The guidelines are published by the International Audit and Assurance Standards Board (IAASB).

K

Key performance indicators (KPIs)

Indicators used to measure and track an organisation's performance and progress towards achieving its goals or its critical success factors

L

LNG

Liquefied Natural Gas. LNG is regarded as a promising fuel of the future because of its high energy density, constant heat and high level of purity.

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M

Major Hazard Review Programme (MHRP)

Linde set up this programme to ensure the safety of its production processes. As part of Linde's process risk management system, the MHRP allows the Group to identify promptly potential risks that might result in accidents or damage to property or to the environment, and to introduce appropriate safety and control measures.

Content

R

RBU

Linde's Gases Division has three reportable segments – EMEA, Asia/Pacific and the Americas. Since January 1, 2014, these are divided into seven Regional Business Units (RBUs) – Africa & UK, Continental & Northern Europe, Eastern Europe & Middle East, Greater China, South & East Asia, South Pacific, Americas.

The Report

REACH

REACH stands for Registration, Evaluation and Authorisation of Chemicals, and is an EU directive to reform European chemicals legislation. It came into force on 1 June 2007. It stipulates that within the EU, the health and environmental impact of chemical substances must be tested and registered as of an annual production or import volume of one tonne.

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ROCE

Return on capital employed (ROCE)

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S

SHEQ

Abbreviation for Safety, Health, Environment and Quality

Environment & Safety

T

TÜV

A leading German testing, inspection and certification company

U

UN Global Compact

The United Nations (UN) Global Compact is a global alliance of organisations and private businesses that aims to protect human rights, support compliance with labour standards, encourage environmental responsibility and combat corruption.

Employees & Society

V

VOC (Volatile Organic Compounds)

Refers to a variety of organic compounds, many of which are used as solvents or thinners in paints and varnishes. They act as precursors of ground level ozone, also known as "summer smog".

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IMPRINT

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Executive Board

Professor Dr Wolfgang Reitzle (Chief Executive Officer)
Professor Dr Aldo Belloni
Mr Thomas Blades
Mr Georg Denoke
Mr Sanjiv Lamba

Supervisory Board

Dr Manfred Schneider (Chairman)

Legal Seat of the Company

Munich, Commercial register at the Local Court of Munich, HRB 169850

Value-added tax identification number

DE 113822613

Publication

The report was published end of march 2014 and is available in German and English.

Statements relating to the future

This report contains statements relating to the future which are based on management's current estimates about future developments. These statements are not to be understood as guarantees that these expectations will prove to be true. The future development and the results actually achieved by The Linde Group and its affiliated companies are dependent on a number of risks and uncertainties and may therefore deviate significantly from the statements relating to the future. Linde has no plans to update its statements relating to the future, nor does it accept any obligation to do so.

Data protection