



# Corporate Responsibility

REPORT 2014



**-2.6 million**  
cubic metres  
of water saved  
as a result of two efficiency  
projects in Europe

**-1.8 million**  
tonnes of CO<sub>2</sub> emissions  
avoided since 2008 as a result of  
increased energy efficiency of installed  
air separation plants

**1,400**  
safety, environmental protection  
and health protection audits were  
conducted at our sites.

**2.3 million**  
tonnes of landfill waste  
is the amount of raw material per  
year which we use to generate biogas in a  
Californian joint venture – enough to fuel  
300 waste trucks and generate electricity  
for 8,500 households in the region.

**4**  
times a year are we re-using  
our gas cylinders on  
average – over a lifespan of  
many years

**WASTE DISPOSAL**

**13,000**  
trucks are used worldwide  
by Linde. They cover more than  
950 million km per year.

At  
**500**  
sites,  
we delivered safety training in  
contractor management,  
including transport safety.

**TRANSPORT**

**5 million**  
deliveries are made each year  
by drivers to our customers.

**-7%**  
reduction in serious  
transport incidents in 2014  
compared with 2013



**SUSTAINABILITY IN THE VALUE CHAIN**

**PRODUCTION**



**65,591**  
employees from more than  
130 countries work for Linde.

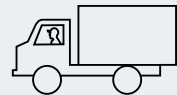


**63%**  
of our employees in the  
Gases Division received training on  
safety and environmental issues.

**26.2 million**  
MWh of electricity  
are the most important consumable  
for our plants. We pay particular  
attention here to energy efficiency.



**25 million**  
gas cylinders are our  
most commonly used form  
of packaging.



In more than  
**100**  
countries, we work together  
with suppliers.



**70%**  
of the products and services  
we purchase on average are  
procured by us in the countries  
in which they are needed.

**80%**  
der strategischen Lieferanten  
haben sich auf unseren  
Verhaltenskodex verpflichtet.

**RAW MATERIALS**

**50.7 million**  
cubic metres of water  
were consumed by Linde.

**Air**

is our most important raw  
material. We generate  
most of our revenue from  
air gases.

**20 million**  
tonnes of CO<sub>2</sub>  
are saved by customers in  
one year as a result of  
improved energy efficiency –  
from the use of our oxyfuel  
technology alone.



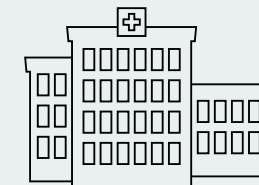
**2 million**  
customers are served  
by Linde across various  
industry sectors.

**CUSTOMERS**

**4,000**  
plants were built by  
our Engineering Division  
for our customers.



**5,800**  
participants  
benefited from our training programme  
in Europe for customers and employees  
on the safe handling of gases.



**20,000**  
hospitals trust our  
medical gases, gas therapies  
and medical devices.

**1.5 million**  
patients  
are relying on Linde's respiratory  
care offerings such as  
oxygen therapy in their own homes.

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This is the PDF version of the Corporate Responsibility Report 2014  
 The full report is available online. A comprised progress report  
 ("Corporate Responsibility at a Glance") is also available in print.

[www.linde.com/cr-report2014](http://www.linde.com/cr-report2014)

## CEO STATEMENT

*Ladies and Gentlemen,*

Looking forward, we are directing our attention to those areas which are important for the future development of our Group. Our priorities are to build strong customer relationships, concentrate on our core business and continue to systematically develop new business opportunities. Each of these factors in turn will enable us to strengthen our business model which remains geared towards sustainability. For us, major drivers of sustainability are efficient, safe processes and our products in the energy, environmental and healthcare sectors. Around the world, our employees are passionate about using their skills to devise tailor-made solutions for our customers and in cooperation with our customers.

We will continue to conduct rigorous evaluations of our structures and processes in the context of our evolution as a learning organisation, introducing improvements wherever possible. Safety is a key issue for us here. Linde's overriding view as a company is that every workplace accident is absolutely unacceptable. We have therefore launched a number of measures worldwide to ensure the highest possible levels of safety. The cardinal rule is that safety is the responsibility of each and every employee.

We have also set ourselves a new target: By 2020, we want to achieve a continuous reduction in the number of workplace accidents resulting in lost working days per million hours worked by employees in comparison with the figure for 2012. For 2015, we are planning to invite a third party to conduct a review of our global safety management.

In the environmental sphere, we value eco-efficiency, which we aim to achieve by combining excellent operating processes with environmental protection. In 2014, we identified over 250 projects worldwide which help reduce our energy consumption. In addition, we implemented more than 20 projects to ensure that water is used more efficiently. These initiatives have enabled us to reduce our emissions and our water consumption and to make cost savings of over 24 million euro. In 2014, we were able to achieve early the global target we had set ourselves for the efficiency of our air separation plants. Since 2008, we have avoided around 1.8 million tonnes of CO<sub>2</sub> emissions. Initiatives such as these also enable us to support the principles of the UN Global Compact. In this report, we explain in detail how we implement these principles in our day-to-day business.

We also see it as our responsibility and duty to help our customers make their processes more efficient and environmentally friendly. In 2014, around 50 percent of our research projects had an environmental benefit as their objective. This is what sustainability means to us – an investment in the future, not only the future of our Group, but also the future of the society of which we form a part.



**Dr Wolfgang Büchele**  
Chief Executive Officer of Linde AG



## ABOUT THIS REPORT

The Corporate Responsibility Report 2014 is Linde's tenth sustainability report. We report here on the contribution made by sustainability to our corporate success and on the ways in which we assume our responsibility towards stakeholders and the environment. The full report is only available online. The contents of the report (either the entire report or individual sections) can be downloaded as PDF files. In addition to the online report, we also publish a printed brochure summarising our progress on sustainability issues ("Corporate Responsibility 2014 – At a Glance"). The report is published in both German and English.

### Integrated reporting

We publish non-financial key performance indicators (KPIs) and qualitative information about sustainability in our Annual Report. More detail is provided in the Corporate Responsibility Report, supplementing the disclosures in the Annual Report. We also publish information on sustainable business practices in other key corporate publications and via other communication channels:

- The Linde Group website contains detailed information on the corporate responsibility focus areas. The Clean Technology portal provides an overview of products and technologies which help us meet the challenges of climate protection.
- The websites of our Gases, Engineering and Gist Divisions offer information about sustainability specific to their own business operations.
- Some Linde subsidiaries produce regional publications which address sustainability issues.
- Our product brochures contain information about the environmental benefits of our technologies.
- Our investor relations presentations (which are open to the public) provide information about market opportunities for Linde arising from technologies relating to the energy and environmental sector and healthcare.
- We use social media to provide corporate responsibility updates.

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

### Topics

We comply with internationally recognised standards for sustainability reporting, such as the Global Reporting Initiative (GRI) guidelines. Our stakeholders, who include our employees, customers and shareholders, are an important resource in identifying key issues for Linde. We review the topics we address on a regular basis to ensure that we are meeting the needs of our stakeholders. Information about our materiality analysis is made publicly available.

The Corporate Responsibility Report also serves as a progress report in the context of 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 the main topics. Once again, we are reporting in accordance with 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) enable us to track our economic, ecological and social performance. We use them to measure our progress and to identify scope for improvement. The reporting period is the 2014 financial year. Where possible, we present our KPIs in this report over a five-year period. Global reporting systems are used to generate most of the data we require to present KPIs for safety, health and environmental protection as well as for employee statistics. Our financial KPIs are calculated and published in accordance with International Financial Reporting Standards (IFRS).

As a result of changes in the International Financial Reporting Standards, with which Linde must comply, there has been an increase in the number of sites included in the reporting process since the 2012 reporting year. Major changes in KPIs compared with prior years are therefore often due to this fact. For the 2014 financial year, additional KPIs relating to topics such as employee development and diversity have been included in the report. The definition and methods of calculation for some environmental protection indicators were also revised in 2014. Information about these changes has been disclosed in the KPI tables.

This report relates to all companies in The Linde Group over which Linde AG is able to exercise control (the power to govern the financial and operating policies of the entity) or joint control together with other parties. In the case of companies over which Linde AG can exercise joint control, the KPIs are recorded pro rata, with the exception of figures for workplace accidents which are shown in full even for jointly controlled entities.

This report contains any relevant information that was available prior to the editorial deadline in January 2015.

## Independent assurance

Our KPIs are independently reviewed. Once again, we engaged KPMG AG Wirtschaftsprüfungsgesellschaft to provide assurance on selected non-financial KPIs. The scope of the engagement is described in the independent assurance report. The engagement was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 which covers assurance reports on sustainability reports. Those KPIs which were within the scope of KPMG's engagement are identified as such in the tables presented in this report. We also identify those KPIs that have already been published in the management report of the Annual Report of The Linde Group. In 2014, we incorporated additional non-financial KPIs into the Annual Report.

This report complies with version G3.1 of the GRI 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 ABOUT

Statements relating to the future

Materiality analysis

UN Global Compact

GRI and Global Compact index

Independent assurance report

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# ABOUT LINDE

## The Linde Group

In the 2014 financial year, The Linde Group generated revenue of EUR 17.047 billion, making it the largest gases and engineering company in the world with approximately 65,500 employees working in more than 100 countries worldwide. Our strategy is geared towards long-term profitable growth and focuses on the expansion of our international business with forward-looking products and services. We act responsibly towards our shareholders, business partners, employees, society and the environment – in every one of our business areas, regions and locations across the globe. We are 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 (our logistics services company Gist). The largest division, Gases, has three reportable segments: EMEA (Europe, Middle East and Africa), Asia/Pacific and the Americas. These reportable segments are further subdivided into nine Regional Business Units (RBUs). In addition, we have established five Global Governance Centres (GGCs) for the Gases Division which are centrally managed and operate across the regions: GGC Merchant & Packaged Gases (liquefied gases and cylinder gas), GGC Electronics (electronic gases), GGC Healthcare, GGC Operations and GGC Deliver. Linde has also set up the Group-wide function Opportunity & Project Development in order to take better advantage of business opportunities.<sup>1</sup>

## Gases Division

The Linde Group is a world leader in the international gases market. We offer a wide range of compressed and liquefied gases as well as chemicals, and we are 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. We are also investing in the expansion of our Healthcare business (medical gases and services) and we are 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 promising market segments such as olefin, natural gas, air separation, hydrogen and synthesis gas plants. In contrast to virtually all competitors, we can rely on our 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.

<sup>1</sup> The new RBU structure applies as from 15 January 2015.

## The Linde World

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AMERICAS	EMEA	ASIA/PACIFIC
 Employees: <b>20,260</b>	 Employees: <b>31,113</b>	 Employees: <b>14,218</b>
 Revenue: <b>4,862 m</b>	 Revenue: <b>7,344 m</b>	 Revenue: <b>4,842 m</b>
 Headquarters: <b>1</b>	 Headquarters: <b>6</b>	 Headquarters: <b>3</b>

## Business review

Linde achieved a 2.4 percent increase in Group revenue in the 2014 financial year to EUR 17.047 billion (2013: EUR 16.655 billion). After adjusting for the impact of currency fluctuations, equivalent to revenue of EUR 346 million, the increase in Group revenue was 4.5 percent. Group operating profit (EBITDA) was EUR 3.920 billion, which was not quite as high as the prior-year figure of EUR 3.966 billion). Unfavourable exchange rate effects also need to be taken into consideration here. Without these distortions, which reduced earnings in the reporting year by EUR 83 million, the Group would have achieved a slight increase in Group operating profit of 1.0 percent. The Group operating margin for 2014 was 23.0 percent (2013: 23.8 percent). Return on capital employed (ROCE) adjusted for non-recurring items was 9.5 percent in the reporting year (2013: 9.7 percent). Linde's profit for the period (after deducting the tax expense) was EUR 1.162 billion (2013: EUR 1.430 billion).

## MORE ABOUT

Customer relationships

Business review (Annual Report)

HPO efficiency programme (Annual Report)



*Linde financial highlights*

		2014	2013	2012 <sup>1</sup>	2011
<b>Share</b>					
Closing price	€	154.20	152.05	132.00	114.95
Year high	€	157.30	153.90	136.15	125.80
Year low	€	139.15	128.60	114.20	96.16
Market capitalisation (at year-end closing price)	€ million	28,625	28,219	24,445	19,663
No. of shares (at 31 December)	000s	185,638	185,588	185,189	171,061
Cash dividend per share	€	3.15	3.00	2.70	2.50
<b>Group</b>					
Revenue	€ million	17,047	16,655	15,833	13,787
In Germany	%	7.4	7.9	8.2	9.0
Outside Germany	%	92.6	92.1	91.8	91.0
Operating profit <sup>2</sup>	€ million	3,920	3,966	3,686	3,210
Operating margin	%	23.0	23.8	23.3	23.3
EBIT	€ million	1,885	2,171	2,055	1,910
Profit for the year	€ million	1,162	1,430	1,341	1,244
Capital expenditure (excluding financial assets)	€ million	1,954	2,268	2,038	1,367
Equity ratio	%	41.4	41.5	39.8	42.0
Return on capital employed (ROCE)	%	9.5	9.7	10.2	11.0
Procurement costs	€ bn	11.6	11.1	10.9	10.7
Personnel expenses	€ bn	3,536	3,423	3,117	2,653
Personnel expenses (per employee)	1,000 €	53.9	53.9	49.7	52.6
Pension costs	€ million	293	281	241	190
Donations	€ million	2.8	2.7	2.8	–
<b>Gases Division</b>					
Revenue	€ million	13,982	13,971	13,214	11,061
Operating profit <sup>2</sup>	€ million	3,835	3,846	3,566	3,041
Operating margin	%	27.4	27.5	27.0	27.5
<b>Engineering Division</b>					
Revenue	€ million	3,074	2,879	2,561	2,531
Operating profit <sup>2</sup>	€ million	300	319	312	304
Operating margin	%	9.8	11.1	12.2	12.0

<sup>1</sup> 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

<sup>2</sup> EBIT adjusted for amortisation of intangible assets and depreciation of tangible assets

GRI

1.2 ▶ 2.2 ▶ 4.11 ▶ EC2 ▶ EN6 ▶ EN26 ▶ S01 ▶

GLOBAL COMPACT. Principles covered.

1 ▶ 2 ▶ 3 ▶ 4 ▶ 5 ▶ 6 ▶ 7 ▶ 8 ▶ 9 ▶ 10 ▶

# STRATEGY AND GOVERNANCE

## Progress



## Outlook

<p><b>Products</b> Expand our product portfolio in the energy and environmental sector; implement projects designed to improve customer satisfaction</p>	<p><b>Sustainability in the supply chain</b> Develop business continuity plans with 50 selected suppliers</p>	<p><b>Corporate governance</b> Increase our involvement in compliance cooperations</p>
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## Strategy

Sustainability is a vital component of our Group strategy. Linde has set itself the target of becoming the leading gases and engineering company in the world. This means becoming the leading company not only in terms of our financial key performance indicators (KPIs), such as revenue and operating profit, but also in terms of our reputation in the market and with our customers and all other stakeholders. We see our role as providing our customers with high-quality products and services and offering sustainable value added, as well as serving those customers in the best way possible. We are committed to behaving responsibly towards people and the environment and to conserving natural resources. We

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comply thereby with our foundational principle of sustainability, one of four principles underlying the Linde Spirit. The Linde Spirit defines the values of our Group and applies to all our employees around the world

The activities we adopt for sustainable development are based on established principles:

- **Focus on our core business:** When developing our sustainability measures, we consider our main business processes and the entire life-cycle of our products. Our sustainability activities are based on a materiality analysis.
- **Continuous improvement:** We continually analyse how sustainability enables us to exploit business opportunities and to minimise risks for the Group. We use key corporate responsibility indicators to measure our sustainability performance and to make comparisons around 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.

## Opportunities and risks

We want to apply our foundational 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: for example, through increased energy efficiency or reduced emissions. In the field of energy and environmental technologies, we are continuing to expand our product portfolio. The range comprises processes and technologies required along the entire length of the value chain of renewable and fossil fuels: from production via conversion, transport and storage to their most efficient use. We have also focused our research funds on the continuing development of this market. An important growth market for us is the healthcare market. Our therapies for the treatment of respiratory disorders and our range of clinical and non-clinical care services contribute towards improving the lives of patients.

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



## Materiality: Products (Energy and the environment, healthcare)



### Key indicators

- Energy and the environment: revenue, Group operating profit, ROCE →, research and development costs, research projects with an environmental benefit →, emissions avoided in customer applications →
- Healthcare: revenue from Linde Healthcare, number of patients, number of hospitals supplied →



### Targets

- Group target: Group operating profit of EUR 4.5 billion to EUR 4.7 billion and ROCE of 11 percent to 12 percent in 2017 →



### Business case

#### Financial

- EUR 3,059 million revenue at Linde Healthcare in 2014 →
- Contribution towards the target for Group operating profit in 2017 as a result of products in the energy and environmental sectors, gaining access to new markets and customer →
- Customers: increased efficiency as a result of reduction in energy consumption →

#### Environmental

- Emissions savings by customers have a positive environmental impact →

#### Social

- 20,000 hospitals supplied by Linde Healthcare →
- 1.5 million patients who rely on Linde's respiratory care offerings including include oxygen, sleep and ventilation therapies. →
- An efficient and innovative healthcare solutions portfolio helps ease the burden on healthcare systems. →

## MORE ABOUT

Structures for sustainability

Opportunities in the healthcare market

Engagement with stakeholders

Materiality analysis

Corporate strategy (Annual Report)

Research and development

Global standards

# GOALS






## STATUS

-  New goal
-  In progress
-  Target reached

Target/goal	Timeline	Progress	Status
<b>Strategy and corporate governance</b>			
<b>Finance</b>			
Achieve Group operating profit of between EUR 4.5 billion and EUR 4.7 billion and ROCE of between 11 percent and 12 percent in the 2017 financial year	2017	> <a href="#">More in the Annual Report</a>	
Achieve a reduction in gross costs of between EUR 750 million and EUR 900 million	2013 – 2016	> <a href="#">More in the Annual Report</a>	
<b>Compliance</b>			
Expand the compliance programme	Ongoing	Global compliance guideline introduced in the Healthcare business	
		More than 49,000 e-learning sessions on the Code of Ethics since the programme began	
		More than 14,000 compliance refresher courses run	
		14,500 employees provided with on-site training	
		5,000 queries answered by compliance officers	
		> <a href="#">More</a>	
<b>Suppliers</b>			
Review the supply chain for sustainability	2014	100 suppliers in risk areas requested to provide information about their sustainability performance	
		Safety and environmental evaluations conducted of 300 contractors involved on construction sites in the Engineering Division	
		Analysis of conflict minerals conducted	
		> <a href="#">More</a>	
Raise awareness of the importance of sustainability in the supply chain among procurement managers and suppliers	2014	Procurement staff trained on the implementation of the Code of Conduct for Suppliers	
		Safety training provided to staff at more than 500 sites which deal with contractors	
		> <a href="#">More</a>	

Target/goal	Timeline	Progress	Status
Products			
Develop products and technologies that unite the goals of customer value and sustainable development	Ongoing	Analysis of environmental benefits of selected technologies and applications	<div><div></div></div>
		300 patents in the chemical and environmental sectors as well as in hydrogen technologies	
		Around 50 percent of research projects aim to have an environmental benefit	
		Project launched to trial processes for the production, storage, use and feed-in to the natural gas network of hydrogen from renewable electricity, working with partners from the energy industry and various research institutes	
		> <a href="#">More on innovations</a>	
		> <a href="#">More on climate protection</a>	
		> <a href="#">More on water</a>	
		> <a href="#">More on emissions to air</a>	
> <a href="#">More on waste</a>			
Engagement with stakeholders			
Reflect the needs of our stakeholders in our sustainability management	Ongoing	Third global employee survey with participation of around 85 percent	<div><div></div></div>
		Over 800 individual conversations and more than 50 conferences and roadshows held with financial analysts and investors	
		> <a href="#">More on employee survey</a>	
		> <a href="#">More on stakeholders</a>	
		> <a href="#">More on investor relations (Annual Report)</a>	
Target/goal	Timeline	Progress	Status
Safety and environmental protection			
Conduct a standardised risk review of sites and define control mechanisms to minimise risks to the greatest possible extent (Major Hazards Review Programme, MHRP)	Long-term goal	More than 85 percent of the sites concerned had been certified in line with MHRP by the end of 2014.	<div><div></div></div>
		> <a href="#">More</a>	
Transport			
Halve the frequency of serious transport incidents per million kilometres driven (in comparison with base year 2012)	2017	24 percent less transport incidents per million kilometres driven compared to 2012	<div><div></div></div>
		Number of serious transport incidents reduced by 7 percent compared with the prior year	
		11 percent fewer serious transport incidents since 2012	
		65 percent fewer commercial vehicle rollover incidents since 2007	
		> <a href="#">More</a>	
Transport safety initiatives — Implementation of all local and global minimum standards for transport operations	2012 – 2015	Training provided for more than 100 transport safety auditors since the introduction of the global audit programme	<div><div></div></div>
		Global guideline on the fitting and use of vehicle mirrors	
		Safety standards revised to reduce risks arising from in-vehicle distractions	



Target/goal	Timeline	Progress	Status	
<ul style="list-style-type: none"> <li>Integration of standards into a global database</li> <li>Training on revised standards provided to employees and contractors concerned</li> <li>Audits to ensure compliance with standards</li> <li>Worldwide implementation of new driver safety training programme (ActSafe for Drivers)</li> </ul>		<p>Training programmes devised to avoid commercial vehicle rollovers</p> <p>Defensive driving training programme provided for around a third of all passenger vehicle drivers in Germany</p> <p>&gt; <a href="#">More</a></p>		CONTENTS
<b>Climate protection and energy efficiency</b>				
Achieve a 5 percent improvement in energy intensity at installed air separation plants (base year 2008)	2017	<p>Average energy intensity improved by 5.4 percent, saving around 1.8 million tonnes of CO<sub>2</sub></p> <p>&gt; <a href="#">More</a></p>		THE REPORT
Achieve a 2 percent improvement in energy efficiency at our installed hydrogen plants (base year 2009)	2015	<p>Energy efficiency increased by 1.9 percent.</p> <p>650,000 tonnes of CO<sub>2</sub> saved</p> <p>&gt; <a href="#">More</a></p>		ABOUT LINDE
Evaluate ways to reduce emissions from transport service providers (Scope 3 emissions)	Ongoing	<p>Measures implemented targeting route optimisation, better use of transport capacity and driver training on environmentally friendly driving</p> <p>&gt; <a href="#">More</a></p>		STRATEGY & GOVERNANCE
<b>Water</b>				
Develop a strategy for sustainable use of water in water-stressed regions	Goal extended until 2016	<p>Internal interdisciplinary network evaluates the use of water and cooling water systems in Europe</p> <p>39 plants in Europe are evaluated for sustainable use of water. A number of improvements are implemented.</p> <p>More than 20 projects identified which contribute to the more efficient use of water and generate cost savings</p> <p>2.6 million cubic metres of water saved as a result of optimisation projects at sites in the Czech Republic and in the Netherlands</p> <p>&gt; <a href="#">More</a></p>		SAFETY & ENVIRONMENT
<b>Other key environmental areas</b>				
Set other quantitative targets for environmental protection	Long-term goal	<p>Results of a pilot waste management project undertaken in South &amp; East Asia analysed in order to develop measures that can be applied across the regions</p> <p>&gt; <a href="#">More on waste</a></p>		EMPLOYEES & SOCIETY
				MEASURING SUSTAINABILITY

Target/goal	Timeline	Progress	Status
<b>Employees and society</b>			
Achieve a continuous reduction in the number of workplace accidents per million hours worked (base year 2012)	2020	New target  > <a href="#">More</a>	
Review employee satisfaction	2014	Third global employee survey conducted with a participation rate of 85 percent  > <a href="#">More</a>	
<b>Management</b>			
Increase the proportion of female employees in senior management positions worldwide to between 13 and 15 percent	2018	Proportion of female managers has increased to around 14 percent Proportion of women participants in the most important development programme for senior managers has increased to 26.5 percent  > <a href="#">More</a>	
<b>Work-life balance</b>			
Expand support for employees requiring childcare	Long-term goal	New childcare subsidy introduced for children of employees at all German sites  In several regions, new rules on flexible working hours were introduced. More than 900 employees in the Middle East and Eastern Europe are among those who benefit.  > <a href="#">More</a>	
<b>Health protection</b>			
Expand and harmonise occupational health management programmes	Ongoing	Free preventive health checks introduced for employees in several regions  Free health advisory service launched in North America which has already been used by more than 1,800 employees  > <a href="#">More</a>	
Reduce health risks arising from manual tasks	Ongoing	Occupational safety audits and environmental protection audits conducted at around 57 percent of our sites  Pilot project launched in which magnets are used to lift manhole covers, allowing employees to avoid heavy physical exertion  30 trainers received instruction on how to deliver a training programme on the optimal use of loading systems  > <a href="#">More</a>	
Minimise potential risks from psychological stress	Long-term goal	Free health advisory service launched in North America  > <a href="#">More</a>	

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GRI

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HR5 ▶

HR6 ▶

HR7 ▶

GLOBAL COMPACT. Principles covered.

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## VALUES AND PRINCIPLES

Values and principles underlie the way we do business. These are set out in the Linde Spirit. Our four values describe the way in which we intend to achieve our corporate targets. Our four foundational principles explain 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.

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## Global standards

Our internal guidelines determine how we assume our obligations in the Group. Our Code of Ethics defines clear standards which govern the way our employees interact with each other as well as our conduct towards customers, suppliers, business partners and the authorities. The Code of Ethics is binding for all employees in The Linde Group. Our Code of Ethics is supplemented by other global guidelines and standards which concern our commitment in core areas, including global guidelines on safety, the environment, health, supplier management and compliance. We base our standards on internationally recognised guidelines and principles. These include:

- the German Corporate Governance Code
- the Universal Declaration of Human Rights
- the OECD Guidelines for Multinational Enterprises
- the ILO International Labour Standards
- the ten principles of the UN Global Compact
- the Responsible Care Global Charter

### MORE ABOUT

Labour standards

Safety and health

Environmental protection

## MATERIALITY AND TOPICS

The strategic measures we adopt in the area of sustainability are based on a materiality analysis. We are constantly evaluating issues that have an impact on the sustainable development of our Group. We examine topics which are of particular relevance to us from an internal perspective and we ascertain the needs of our stakeholders. On the basis of this materiality analysis, we determine focus areas for our sustainability management and reporting. This process helps us identify key topics at an early stage. The results of the materiality analysis form the basis for the decisions of our Corporate Responsibility Council.

### Key themes



### Process

When we prioritise topics, our focus is on:

- whether those topics have a direct impact on our business performance;
- whether those topics are of particular relevance to our stakeholders and their decisions;
- which areas have a particular influence on the economic, ecological and social impact of our business activities.

We regularly consider information from more than 20 main sources. These include surveys as well as the dialogue between the Group and our shareholders, customers and other business partners. We also record enquiries from our stakeholders. In 2014, the Group's Corporate Responsibility department answered more than 2,000 questions posed by stakeholders about sustainability at Linde. Other sources are legal requirements and political decisions.

Within the Group, we evaluate information from employee surveys, workshops with specialists and strategy experts, and interdisciplinary working parties. We also consider findings derived from the Group’s core processes, including information about environmental and social risks identified by Group risk management as well as purchase and market analyses.

When selecting our action areas, we also comply with internationally recognised standards for sustainability management. These include the principles of the UN Global Compact and sustainability ratings.

MORE ABOUT

- Corporate Responsibility Council
- Opportunities and risks
- Engagement with stakeholders
- Key topics relating to innovation
- Key topics relating to our product portfolio



# ACCOUNTABILITY FOR SUSTAINABLE DEVELOPMENT

At Linde, the Corporate Responsibility Council makes decisions about the key sustainability topics. The members of this committee are the Chief Executive Officer and another member of the Executive Board, together with the heads of the Group's corporate and support functions: Corporate Communications & Investor Relations, Group Human Resources, Group Legal & Compliance, Corporate Internal Audit and HSE. The Council regularly discusses the achievement of targets and identifies focus areas for sustainability management. Our 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, the Corporate Responsibility department is the main point of contact for stakeholders.

In 2014, the Corporate Responsibility Council advised among others on customer requirements in relation to sustainability and the introduction of a global safety target for the Group.

## Organisation



GRI

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## INVOLVING OUR STAKEHOLDERS

We consult our major stakeholders about key sustainability topics. Major stakeholders include our employees, shareholders, customers and suppliers. Other stakeholders are politicians and the research and scientific community, non-governmental organisations, neighbours in the vicinity of our sites and the general public. At the end of 2014, we once again conducted an internal survey across all regions about sustainability topics. The survey covered local activities and focus areas, collaborations with stakeholders and corporate citizenship within communities. We incorporate the results into our report.

### Our partners

We engage in debate with experts on specialist topics. In 2014, for example, we once again hosted the Linde Olefin Academy in Pullach. Experts and new entrants to the profession take part in this two-week event. Information about aspects of ethylene production is provided and participants are also able to exchange information on this subject with each other. Technical and economic topics are discussed as well as issues relating to environmental protection and safety.

We cooperate with scientific institutions and other entities 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. H<sub>2</sub>Mobility 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 H<sub>2</sub>Mobility initiative assumes that total investment in this Germany-wide infrastructure project will be around EUR 350 million.

Linde is an active member of a number of German, European and international industry associations and trade associations. These include the German Chemical Industry Association (VCI), the German Engineering Association (VDMA), the European Industrial Gases Association (EIGA), the European Chemical Industry Council (CEFIC) and the Asian Industrial Gases Association (AIGA). In October 2014, our Chief Executive Officer, Dr Wolfgang Büchele, was appointed Chairman of the North Africa Middle East Initiative of German Business (NMI). Linde is also a member of selected corporate responsibility networks. These include the UN Global Compact and econsense (the Forum for Sustainable Development of German Business).

Once again in 2014, our dialogue with politicians and society focused on securing a competitive and environmentally friendly energy supply. Germany and other European member states are in the process of transforming their energy policies, creating opportunities for the use of new, efficient technologies but also exposing them to rising power costs. In this context, Linde has also demonstrated the importance of industrial gases for a variety of industrial value chains. In addition, we have provided information to selected stakeholders about our activities in the field of clean technology. We focus not only on solutions for sustainable energy supply but also on our commitment to the expansion of emission-free electromobility through hydrogen-powered and fuel-cell vehicles.

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 ABOUT

Involving employees

Social commitment

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# INNOVATION

## INNOVATION

More than  
**300**  
 patents  
 in the sector chemicals and  
 environment and in hydrogen  
 technology



**50%**  
 of research projects  
 with an environmental  
 benefit



**2,783**  
 patents  
 for Linde technologies

**106 million**  
 euro  
 invested in research and  
 development

In 2014, we spent a total of EUR 106 million on research and development (2013: EUR 92 million). As of 31 December 2014, 390 employees were working in this field (2013: 367). To protect our innovations, we filed 260 new patents across the Group over the course of the reporting year. As at 31 December 2014, Linde technologies were protected by a total of 2,783 patents, of which many address sustainability issues. More than 300 patents were in the key chemical and environmental sectors as well as in hydrogen technology.

We are always moving into new application areas for our gases, based on the findings of our pure research. At the same time, we are constantly striving to make further improvements in our processes and plant technologies. We develop applications in the context of commissions which involves close liaison with our customers, taking into account their individual requirements. We pay particular attention to the environmental compatibility of our production processes. 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. We focus here in particular on the use of hydrogen as a fuel and its environmentally friendly production, large-scale energy storage, and the conversion of biomass into fuels or into basic materials for use in the chemical industry. Around 50 percent of our research projects in 2014 also aimed to have an environmental benefit.

### Research and development

	2014	2013	2012	2011
Expenditure for research and development (in € million)	106	92	101	98
Employees in the research and development field	390	367	385	342
New patents filed	260	263	269	235



The continuing increase in the amount of electricity derived from renewable sources means that new solutions for large-scale storage are needed. Linde is involved in various projects in this area, including activities at the Mainz Energy Park in Germany: Working with partners from the energy industry and a number of research institutes, we will be trialling processes for the production, storage, use and feed-in to the natural gas network of hydrogen from renewable electricity from 2015 onwards.

In the Engineering Division, the money spent on research and development was primarily allocated in 2014, as in previous years, to the development of new and existing technologies in the product lines of natural gas plants, air separation plants, olefin plants and hydrogen and synthesis gas plants. We are always looking for ways to make further improvements in the energy efficiency and environmental credentials of our plants. We also succeeded during the reporting year in transferring the development of an improved steam reformer process for producing synthesis gas to the pilot phase. Much less steam is required in this process, which significantly increases energy efficiency. Moreover, in certain specific applications, CO<sub>2</sub> can be produced as an additional feedstock, which has a positive impact on the environmental balance sheet.

#### MORE ABOUT

Other research and development projects  
(Annual Report)

Products for energy efficiency and climate  
protection

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## CORPORATE GOVERNANCE

Good corporate governance is an essential prerequisite of our business success. We comply with the current version of the recommendations and suggestions of the Government Commission on the German Corporate Governance Code, with one exception in each case. We explain any deviations in our Annual Report. Corporate governance also means ensuring that we comply with laws, regulations and self-imposed commitments. The core guidelines governing the way we do business are set out in our Code of Ethics. Our global compliance organisation helps us to fulfil our commitments in our day-to-day business.

### Compliance organisation

Our compliance organisation is led by the Chief Compliance Officer. The organisation's task is to ensure the adoption of an appropriate compliance programme in the following areas: the fight against corruption, antitrust law, data protection, and export control and sanctions legislation. The Chief Compliance Officer is supported by our Head of Compliance and specialised compliance officers in the divisions, regions and business areas, whose job is to advise employees, provide training and handle compliance cases. The Executive Board and the Audit Committee of the Supervisory Board are regularly informed about the activities of the compliance organisation and about progress achieved.

### Prevention is key

Our aim is to prevent rather than manage compliance incidents. We rely here on the three pillars of prevention included in our global compliance programme: communication, training and personal advice.

### Communication

We ensure that the Executive Board is involved in our compliance communication strategy and that our employees receive appropriate information. We have therefore set up a global intranet portal, which provides our employees with access to information and compliance guidelines – currently in up to 29 languages. Regular intranet news items, e-mail bulletins and features in employee magazines keep our staff updated about recent compliance topics. The year 2014 saw the roll-out of our new Healthcare Compliance Guide.

As one of the signatories of the UN Call to Action: Anti-Corruption and the Global Development Agenda, we have joined other companies in demonstrating our commitment to the ongoing development of efficient anti-corruption measures. Over the next few years, we are planning to continue to increase our involvement in joint compliance projects, for example, by participating in civil society initiatives.

### Training

We offer our employees training which is geared towards target groups. While some training, such as that on antitrust 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 part of the induction process for our new employees. We follow a blended training approach, combining e-learning and face-to-face training. By the end of 2014, we had held more than 49,000 e-learning sessions on our Code of Ethics. For our long-term employees, we introduced a refresher course in which over 14,000 employees took part in 2014. More than 14,500 members of staff across the globe were provided with instructor-led training between 2009 and 2014.

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## Advice

We operate compliance hotlines, where our compliance officers provide support to all our employees, regardless of their role or seniority. In 2014, our compliance officers received more than 5,000 requests for legal advice. Most of the queries related to the prevention of corruption (around 30 percent) or to export control and sanctions legislation (around 25 percent). We also received queries about antitrust law (around 23 percent) and data protection (around 14 percent).

### Compliance

	2014	2013	2012	2011
Contacts Integrity Line	734	393	309	430
Investigations as a result of reports to the Integrity Line	127	88	77	54
of which referring to personnel topics (in %)	26.8	36.4	42.9	38.9
of which referring to potential offences against property (in %)	32.3	33.0	24.7	31.5
of which referring to potential discrimination (in %)	1.6	2.3	2.6	0.0
of which referring to potential conflicts of interest (in %)	9.4	12.5	15.6	3.7

## Detecting misconduct

We actively encourage our employees to report any violations of our Code of Ethics, other Group guidelines or legal requirements, and we offer them advice on doing so. Staff members can approach their direct line manager or department head for advice, or they can contact a representative from Internal Audit, Human Resources or Legal Services. The Linde Integrity Line, our global reporting system, is another key element in our compliance programme. It enables employees and external stakeholders such as customers and suppliers to report suspected violations, anonymously if they so wish. Each report received is examined by the Linde Integrity Line Facilitator and forwarded to the Linde Integrity Committee if appropriate. This committee consists of members of the Internal Audit, Legal Services, Corporate Responsibility and Human Resources departments. The Linde Integrity Committee reviews the reports and determines any further course of action that might be required. Our Integrity Line policy outlines the exact process to be followed and ensures that reports remain confidential and that data is protected.

In 2014, the Integrity Line was contacted 734 times in total. Each of these reports was then assessed to determine whether it was a general enquiry or an allegation of misconduct. All specific allegations were investigated. Most of these related to personnel issues (around 27 percent) or to offences against property (around 32 percent). We also followed up reports of potential conflicts of interest (around 9 percent) and cases of discrimination (around 2 percent). In 2014, the Internal Audit department, Human Resources, Legal Services and the department for Health, Safety and the Environment (HSE) conducted 127 investigations on the basis of reports received via the Integrity Line (2013: 88 investigations).

## Consequence management

Within the framework of our global compliance programme, we have processes in place to identify and deal swiftly with any suspected misconduct. If Linde employees violate laws or regulations or fail to comply with the Group's self-imposed commitments, they must be prepared to face sanctions.

Consequences following violations may range from warnings to dismissal, criminal prosecution or civil action. All the cases which are reported via the Integrity Linde and prove to be justified once they have been evaluated entail consequences. In 2014, these included training, warnings and dismissals. We apply the knowledge we gain from dealing with these cases to make further improvements in our compliance programme.

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## SUSTAINABLE INVESTMENT

In 2014, we conducted over 800 conversations with investors around the world. At more than 50 conferences and roadshows, events for private investors and in the course of plant visits on several continents, we offered our shareholders and potential investors the opportunity to speak personally to representatives of the Group, including members of the Executive Board. At the second Capital Market Day held by Linde in 2014, investors and analysts were given the chance to find out about our Clean Technology as well as our strategy and activities in the area of sustainable development. The proportion of Linde investors who are focused on sustainability increased in 2014 to over 11 percent (2013: 7 percent).

We also made progress during the reporting year in terms of sustainability ratings in the capital market. In September 2014, Linde was again included in the global Dow Jones Sustainability Index (DJSI World). Analysts at RobecoSAM acknowledged us in particular for our activities in the fields of customer relationships, compliance, and risk and crisis management. In 2014, Linde also qualified for inclusion in the FTSE4Good Index Series. Our African subsidiary was again included in the Johannesburg Stock Exchange Social Responsibility Index.



# CUSTOMER RELATIONS

One of the key elements of our corporate strategy is a strong customer focus. We develop gases applications and services that are tailored to the needs of our customers and we are a partner to companies in virtually all industry sectors. We supply gases to more than 2 million customers worldwide. One-third of the revenue of our Gases Division is derived from around 500 major customers. These customers are the focus of our key customer management, which is active at global, regional and country level. A team of experts monitors local activities and passes on information about new developments, initiatives and improvement measures. This dialogue enables us to increase transparency, learn from one another and share success stories worldwide.

We have implemented a global improvement programme for handling customer feedback. This is intended to ensure that:

- customer complaints are recorded and processed promptly and properly followed up;
- the response to customer complaints is appropriate and systematically resolves the issues raised;
- the customer is informed about the action being taken to prevent a recurrence of the situation.

## Customer segmentation within the 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			

In 2014, we conducted a customer satisfaction survey in the 12 countries in which Linde generates the most revenue. On the basis of the survey findings, we launched more than 70 projects across all our divisions. The aim is to continue to increase customer satisfaction and customer loyalty. In addition, we decided in 2014 to implement throughout the Group a pilot project conducted in 2013. In the countries in which we generate the most revenue, customers will in future be asked to provide feedback immediately following a transaction: e.g. after the goods or services have been delivered or once the customer has received an invoice. Moreover, in 2015 we are planning to conduct a survey of selected patient groups about their level of satisfaction with our goods and services we offer. Linde's homecare segment is currently looking after around 1.5 million patients worldwide.

In 2014, Linde again received recognition from a number of different business partners. In the United States, we received an award from a long-standing customer in the food industry for our joint development of a more environmentally friendly and more efficient solution for the supply of liquefied nitrogen. One of the benefits of this solution is that it reduces delivery distances by around 35,000 miles per year. The award is part of this customer's corporate responsibility programme for suppliers.

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Our business model

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## SUSTAINABLE PROCUREMENT

When selecting suppliers, we consider not only commercial criteria such as quality, price and availability, but also aspects such as safety and environmental protection. We maintain business relationships with suppliers in more than 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 plants, as well as equipment and consumables for our Healthcare business. In 2014, we spent around EUR 11.6 billion (2013: around EUR 11.1 billion) on purchasing goods and services worldwide. Of this amount, approximately EUR 9.6 billion related to the Gases Division and approximately EUR 2.0 billion to the Engineering Division. Around 73 percent of the total was spent in OECD countries. We purchase approximately 70 percent of our goods and services on average locally in the countries where they are needed. This cuts down the distances travelled and reduces costs and emissions. Working with local companies also enables us to support the local economy.

### Global standards

In 2013, we introduced a global Code of Conduct for Suppliers, which defined minimum standards for safety, environmental protection, labour rights and human rights, as well as ethical business practices. By the end of 2014, around 80 percent of our strategic suppliers had signed up to the Code of Conduct. We also arranged for a risk analysis to be conducted for our supply chain. The analysis focused on country risk and product-specific risk. In 2014, based on the analysis, we requested around 100 suppliers in higher-risk areas to provide us with information about their sustainability performance. Once we have evaluated the results, we plan to introduce further measures.

### Monitoring suppliers

Supplier reviews are conducted primarily in our Engineering Division, due to the specific requirements which apply to that division, especially on construction sites. In the course of our supplier approval process, we examine whether the various contractors have the necessary procedures in place to meet these requirements. In 2014, we carried out safety and environmental evaluations of around 300 contractors involved in our construction sites. We investigate any breaches of the Group's requirements. During the year, five cases concerning supplier relationships were reported via the Group's Integrity Line. In none of these five cases did the subsequent investigation result in the termination of the business relationship.

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Incentives for suppliers

We also involve our suppliers in our own safety and environmental management processes. The aim is to ensure that suppliers comply with our requirements and that we help our suppliers to improve their performance. In 2014, we provided training on safety issues in the management of service providers at more than 500 sites which deal with contractors. In addition, we invited selected Chinese suppliers during the year to a workshop focusing on the importance of sustainability for successful business relationships. In 2015, we are planning to work together with around 50 selected suppliers to develop business continuity plans. These should ensure that the best possible way is found to resume business operations following unexpected events such as natural disasters. The aim is to identify potential risks and to remedy any weaknesses in procurement processes.

MORE ABOUT

- Working together with transport suppliers
- Safety and environmental protection
- Integrity Line
- Conflict minerals

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## SAFETY AND ENVIRONMENTAL PROTECTION

### Progress

**-1.8 million**

tonnes reduction  
in CO<sub>2</sub> emissions since 2008 as a  
result of increased energy  
efficiency in air separation plants



**-2.6 million**

million cubic metres  
reduction in water use as a result  
of two efficiency projects in  
Europe



**-11%**

serious transport incidents  
compared to 2012



**39**

sites  
in Europe inspected to evaluate  
sustainable use of water



**-24 million**

euro reduction  
in costs as a result of energy  
efficiency projects



**20**

projects  
for the efficient use of water



### Outlook

#### Safety

Introduce a global standard for  
quantitative risk analyses on our  
sites;  
audit 20 percent of sites with  
transport operations

#### Operational excellence

Cost savings of more than EUR 2  
million expected by 2016 through  
optimised use of water;  
decision about new  
environmental targets

#### Resources

Evaluate the results of regional  
pilot waste management projects  
and devise measures for other  
regions;  
reduce electrical waste generated  
by medical devices

### Strategy

Our management systems for safety and environmental protection are based on global guidelines and standards. These allow us to focus on minimising safety risks and the environmental impact of the Group and on ensuring the efficient use of energy, resources and materials. Our products and technologies support customers' efforts to make their business processes more cost-effective, safer and more environmentally friendly.

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We conduct audits at different locations around the world to verify compliance with the Group's prescribed standards. In order to identify areas of potential weakness, we have also implemented a global process to record incidents that have particular relevance for safety and environmental protection. In addition, near-misses from which we can learn lessons are documented.

To ensure that we are prepared for events such as natural disasters, serious crime and pandemics, we also draw up risk management plans for all our locations around the world. Our top priority is the protection of our employees, business partners, neighbours and property. In 2014, we examined a number of potential risks, including those which might arise from the spread of Ebola in Africa. We cooperate with the authorities in the areas surrounding our business locations on safety and environmental protection. In the course of the reporting year, for example, we carried out safety training or emergency drills with local fire brigades at around 70 locations worldwide.

### Audits and trainings

	2014	2013	2012	2011
Production sites where occupational health and safety audits have been conducted (in %)	57.4	58.1	62.4	54.5
Production sites where environmental audits have been conducted (in %)	50.0	51.8	54.5	49.1
Number of conducted occupational health and safety audits <sup>1</sup>	749	790	769	701
Number of conducted environmental audits <sup>1</sup>	639	657	661	664
Employees of Linde Gas who have taken up HSE training opportunities (in %)	62.6	57.8	54.0	50.3

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

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.

We systematically train our employees in occupational health and safety, product safety and environmental risks. In 2013, we launched a multi-year global initiative to raise employee awareness of the safety issues of particular relevance to Linde. The emphasis in 2014 was on transport and vehicles, and around 40,000 employees and contractors participated in training sessions as part of the initiative. During the year, selected senior managers and crisis managers also received training on how to handle the safety risks associated with serious crime and conflicts. The focus here was on the Middle East, Eastern Europe, Southeast Asia and Africa. We plan to deliver this training in South America in 2015. In the current year, we are also planning to invite a third party to conduct a review of our global safety management. This review would seek to assess to what extent safety is embedded in our corporate culture and to identify potential for improvement.

Once again in 2014, we received several awards in recognition of our commitment to safety and environmental protection. In Asia alone, we won several prizes for particularly good safety performance at our production sites.

## Environmental incidents

	2014	2013	2012	2011
Environmental complaints	25	24	14	28
Reportable environmental incidents	21	25	29	33

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.

We follow up on improvement suggestions. In 2014, we received 25 complaints relating to the environment (2013: 24). Most of these complaints were concerned with the issue of noise. In addition, there were 21 reportable environmental incidents in 2014 (2013: 25). As a result, we paid out a number of small amounts totalling around EUR 8,000 (2013: EUR 14,000).

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## PRODUCTION

Safety is a top priority at all of our sites. Company experts therefore work to identify and assess risks that might arise around the world from the operation of our plants. In addition, we have introduced the Major Hazards Review Programme (MHRP) to record the greatest potential hazards on a uniform basis worldwide. This Group-wide system enables us to set up control mechanisms to minimise risks arising from our plants. By the end of 2014, we had certified more than 85 percent of the relevant plants in accordance with the MHRP process. Moreover, we are planning to introduce a global standard for quantitative risk analyses on our sites in 2015.

In 2014, more than 1,400 safety, environmental protection and health protection audits were carried out on our sites by Linde itself or by third parties. Our internal audits are conducted in accordance with the provisions of the international certification processes for quality, environmental management and safety (ISO 9001, ISO 14001 and OHSAS 18001). Several of our sites also have external certifications. Global guidelines for safety and environmental protection apply to all Linde plants. Therefore, we were awarded matrix certification in accordance with ISO 9001, ISO 14001 and OHSAS 18001 in 2014 for some of our Engineering Division sites. Under the matrix certification, due to the same standards applying worldwide certification granted to selected sites was also granted to plants of the same type in other countries.

### *Certified sites (in percent)*

	2014	2013	2012	2011
Production sites certified to ISO 9001	72.1	77.9	79.6	76.0
Production sites certified to ISO 14001	30.5	31.8	31.8	33.0
Production sites certified to OHSAS 18001	15.7	17.8	17.7	22.0
Production sites with Responsible Care certification	14.7	23.5	29.3	26.0

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.

# TRANSPORT

## GOAL

# -50%

serious transport incidents by  
2017 (base year 2012)

Our safety management procedures cover not only site safety but also the safe transportation of products. We work continuously to bring down the number of transport-related incidents. As part of this commitment, we have introduced a global transport safety target that aims to halve the number of serious transport

incidents per million kilometres travelled by 2017 compared with 2012. In 2014, this figure was reduced further to 0.057 (2013: 0.062).

To meet our global target, we have defined a series of measures. We constantly review local and global operating standards for driving and vehicle activities and integrate them into our global standards database. In 2014, our safety standards were adapted, for example, to reduce risks arising from in-vehicle distractions. We also issued a global directive in the same year on the fitting and use of vehicle mirrors. This initiative aims to reduce the risk of blind spots for our drivers. We continuously provide training to our employees on transport standards. Suppliers' drivers also participate in our education programmes.

## Transport

		2014	2013	2012	2011
Distance driven by Linde's transport fleet and its contractors ✓	million km	975	963	969	866
Serious transport incidents involving trucks <sup>1</sup> ✓	per 1 million km	0.057	0.062	0.075	0.077

✓ Assured by KPMG

<sup>1</sup> 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.

Since 2007, uniform safety standards have applied throughout the Group for suppliers who provide us with transport services. Compliance with these standards is a condition set out in the purchase agreements we make with these suppliers. In 2013, we expanded our global defensive driving training programme beyond commercial vehicle drivers, making it compulsory for drivers of all vehicle types. In 2014, training was provided, for example, to around a third of all Linde car drivers in Germany. Worldwide, the number of serious incidents involving passenger vehicles fell during the reporting year. In addition, we have continued to work on improving our commercial vehicle rollover avoidance training programmes. Since 2007, the annual number of rollovers across our commercial vehicle fleet has fallen by 65 percent. Therefore, we have not only improved our safety performance, but also achieved cost savings of several million euros. Over the past five years, around a quarter of our drivers (both our own drivers and contractors) have completed a transport safety training programme.

We have introduced a global audit programme to review the measures we have implemented. By the end of 2014, more than 100 transport auditors had been trained and certified by the Group. The aim is to audit 20 percent of sites with transport operations per year.

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## PRODUCT STEWARDSHIP

We monitor product safety along the entire product value chain. Our activities are based on globally applicable product stewardship standards which also relate to the use of products and to their transportation. We systematically examine potential risks that might arise from established products, products which are used in new applications or new products to be introduced into the market. We prioritise risk assessments on the basis of sales volumes and product properties such as toxicity.

In 2014, we paid particular attention to safety initiatives relating to acetylene gas cylinders. We conducted pilot projects in Malaysia and Bangladesh, where acetylene cylinders were fitted with a new type of sealing cap which is better at preventing damage to the valves and gas leaks when the cylinders are being transported in customers' vehicles. From 2015, we are planning to fit the relevant acetylene cylinders around the world with these sealing caps. In parallel, we launched a training initiative in 2014 to raise awareness among customers of potential risks which might arise when acetylene is transported. We invested a total amount of approximately EUR 40,000 in these measures.

For those sites where highly hazardous chemicals are handled, we have developed standardised product safety assessments. In 2014, we focused our work in this area in particular on the regions of South & East Asia, the Middle East and Europe. To date, we have conducted such audits in 23 countries. Risk assessments have now been carried out for those sites that account for around 70 percent of our global sales revenue derived from the products concerned.

Depending on the risk potential, we also assess whether conditions are in place for the proper handling of gases on customer sites. In addition, we offer other gas handling services, such as inspection, maintenance and repairs relating to the supply of gases to our customers. We also organise training for both our employees and our customers to assist with the responsible handling of our products. In 2014, one of our in-house training programmes provided instruction about the safe handling of gases to around 5,800 participants in nine European countries.

Linde holds more than 18,000 safety data sheets in a variety of languages containing transparent product information. We are currently investing in a global system to ensure that this product information is up to date and consistent across all the regions and languages. We have set aside more than EUR 3 million for this purpose.

### International standards

We continuously check the Group's compliance with legal regulations. By 31 May 2013 – the second registration deadline of REACH, the EU regulation on chemicals – we had registered five substances with an annual production volume of more than 100 tonnes with the European Chemical Agency (ECHA). Around 4 percent of our sales revenue is derived from products which are subject to registration under the REACH rules. Not only do we work actively together with the European Industrial Gases Association (EIGA), we also seek to engage with customers and suppliers to ensure the successful implementation of the provisions of REACH. Using our global Internet platform, we provide information about what we are doing to comply with our statutory obligations and which substances we have registered.

As the legally responsible manufacturer of medical devices, we are implementing the requirements of the European RoHS Directive (Restriction of Hazardous Substances) in our Healthcare business around the world. When operating production plants for medical gases, our Healthcare product area complies with good manufacturing practice for pharmaceutical products. Against this background, we invested around EUR 24 million in Brazil in the period from 2011 to 2014 to continue to improve quality assurance in production processes.

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 (GHS) of Classification and Labelling of Chemicals.

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# RAW MATERIALS

We reduce our environmental impact and cut costs by making efficient use of resources. The most important raw material we use in the production of our gases is air from the earth's atmosphere. More than 80 percent of the weight of gases sold by Linde in 2014 was derived from this renewable resource. In the case of carbon dioxide, another of our main products, around 80 percent of the raw material required is recovered from recycling processes. Another major raw material we use is natural gas. This is used principally in hydrogen plants. In addition, key materials processed include steel and aluminium. These metals are required in particular for the manufacture of components used in plant construction. In order to manufacture products, our other principal input is energy.

Our key packaging material is gas cylinders. In general, these are re used. A typical Linde cylinder has a lifespan of many years and is refilled on average four times a year. Currently, there are around 25 million Linde cylinders in circulation. In 2014, we conducted a supply chain analysis regarding conflict minerals listed in the US Dodd-Frank Act.

## Usage of resources and materials (in tonnes)

	2014	2013	2012	2011
Raw materials and supplies ✓	52,770	57,750	57,170	59,950
Packaging materials ✓	5,580	3,990	4,765	5,850

✓ Assured by KPMG

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.

## Renewable raw materials

We also work together with our customers to promote a responsible approach to the consumption of resources. Industrial gases from Linde contribute, for example, towards reducing energy requirements and emissions compared with conventional recycling techniques when processing various materials, such as aluminium and rubber. Our technologies also help promote the use of renewable energy and renewable raw materials. In the 2014 financial year, we also continued to work on the development of promising technologies in the field of renewable raw materials. One example of these activities is the Fraunhofer Centre for Chemical Biotechnological Processes (CBP) in Leuna, Germany. We were a key partner in establishing CBP and were awarded several contracts in 2014 to set up other process engineering units.

As from 2014, our customers in Scandinavia have also been able to purchase hydrogen produced entirely from renewable energy (such as hydropower) delivered with a guarantee of origin.

## ENERGY

We attach great importance to global energy management in order to improve the efficiency of our plants and processes and to reduce greenhouse gas emissions. Our energy consumption rose by just over 2 percent in 2014, mainly as a result of increased production in the regions of South & East Asia and Greater China. In 2014, we identified around 250 projects worldwide which helped reduce our energy consumption. Implementing these projects enabled us to make cost savings of over EUR 24 million and avoid around 160,000 tonnes of CO<sub>2</sub> emissions.

In the reporting year, for example, we extended to Europe a programme that had been developed in North America in order to achieve optimal capacity utilisation of production plants. CO<sub>2</sub> emissions were reduced as a result and cost savings of around EUR 4 million were achieved. Since 2012, around 85 percent of Linde Gas production plants in Germany have been certified according to ISO 50001. The global standard testifies to systematic energy management, which allows efficiency potential to be recognised.

### Energy consumption (in million MWh)

	2014	2013	2012	2011
Electricity consumption ✓	26.2	23.4	23.5	20.3
of which by air separation plants ✓	23.5	20.7	20.8	17.9
Natural gas consumption ✓	39.5	36.4	35.9	25.4
of which by HyCO plants ✓	24.9	23	22.8	21.7
Consumption of other energy sources <sup>1</sup> ✓	10.7	14.8	13.4	11.7

✓ Assured by KPMG

<sup>1</sup> Other energy sources include for example thermal energy, heating oil, biofuel energy, propane, butane and diesel fuel. In 2014, Linde sold a plant in Southern Europe which previously consumed mainly other energy sources. Indicators for this plant are no longer included in the reported figure. 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.

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.

### Renewable energy

As an energy-intensive company, Linde requires a reliable and competitively priced energy supply. We are exploring the use of renewable energy, the current level of which largely reflects the energy mix applicable in the various regions. In Sweden, we have a shareholding in VindIn, a wind energy company. The aim of this long-term initiative is to provide around 1 million MWh of electricity per annum. In 2014, the initiative supplied around 2 percent of the local electricity needs of AGA Sweden. During the reporting year, we cooperated closely with local authorities to convert a plant in North America, so that on average over 9 million kWh of electricity is now sourced each year from wind energy rather than being produced from fossil fuels, avoiding a further 7,000 tonnes of CO<sub>2</sub> emissions per annum.

In the Healthcare business in 2014, we again purchased RECS certificates covering 40,000 MWh of our electricity consumption. The aim of the Renewable Energy Certificate System (RECS) is the Europe-wide promotion of renewable energy.

#### Materiality: Energy



##### Key indicators

Energy consumption, energy efficiency



##### Targets

- 5 percent reduction in energy intensity at installed air separation plants by 2017 (base year 2008) →
- 2 percent increase in energy efficiency at installed hydrogen plants by 2015 (base year 2009) →



##### Business case

###### Financial

- Cost savings of EUR 24 million as a result of energy efficiency projects in 2014 →
- Contribution towards the target of reducing gross costs by a total of between EUR 750 million and EUR 900 million in the four-year period from 2013 to 2016 →
- Contribution towards the target for Group operating profit in 2017 as a result of gaining access to new markets and customers in the energy and environmental sector →

###### Environmental

- 1.8 million tonnes of CO<sub>2</sub> emissions avoided since 2008 due to improvement in energy intensity of air separation plants →

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Global targets for energy efficiency and climate protection

Regulatory risks (Annual Report)

# CLIMATE PROTECTION

We are constantly working on using resources efficiently and on reducing greenhouse gas emissions. We therefore record emissions along the value chains of our products and set ourselves targets to reduce them. It is our products which have the most significant positive impact on climate protection. We provide our customers across different industry sectors with gases and technologies that reduce the consumption of natural resources and encourage the use of renewable energy.

In 2014, Linde was included in CDP's regional Carbon Disclosure Leadership DACH index for the third time in a row. This independent organisation has once again recognised the quality of Linde's climate protection reporting.

## Greenhouse gas emissions (in million tons CO<sub>2</sub>-equivalents)

	2014	2013	2012	2011
<b>Direct greenhouse gas emissions (Scope 1)</b>				
CO <sub>2</sub> emissions ✓	7.3	7.2	7.6	5.7
of which by HyCO plants ✓	4.0	4.2	4.3	4.3
Linde transport fleet ✓	0.47	0.49	0.50	0.42
Other greenhouse gases <sup>1</sup> ✓	1.5	0.3	0.4	0.6
Total ✓	9.3	8.0	8.5	6.7
<b>Indirect greenhouse gas emissions (Scope 2)</b>				
CO <sub>2</sub> emissions ✓	15.0	13.0	12.8	10.2
of which by air separation plants ✓	13.5	11.8	11.6	8.9
Total Scope 1 and 2 emissions ✓	24.3	21.0	21.3	16.9
Emissions per million EUR sales	1,425	1,333	1,345	1,226
Emissions per Linde employee	370	350	339	335
<b>Other indirect greenhouse gas emissions (Scope 3)</b>				
Transports by contractors (in thousand t CO <sub>2</sub> e) ✓	412	388	380	395
Business travel <sup>2</sup> (in thousand t CO <sub>2</sub> e) ✓	72.9	81.0	34.1	30.6

✓ Assured by KPMG

1 Includes greenhouse gases specified in the Kyoto Protocol: methane (CH<sub>4</sub>), nitrous oxide (laughing gas, N<sub>2</sub>O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>). In 2014, Linde has refined the determination method of the indicator for these GHGs to include additional emitters and emission sources. The reported figure for 2013 was recalculated based on this new method.

2 Since 2014, we also include the Radiative Forcing Index (RFI) to calculate emissions from business travel. Thereby, we take into account the higher impact of air travel on the greenhouse effect. Emissions for the year 2013 have been re-calculated accordingly.

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.



## Emissions balance sheet

We report our energy consumption and greenhouse gas emissions worldwide based on the standards set out in the Greenhouse Gas Protocol's Global Standard. To make the CO<sub>2</sub> balance sheet of individual products available for our customers, we have developed a standard formula for our main air gases. The method takes into account the entire life-cycle of the products and has been externally certified.

In 2014, greenhouse gas emissions rose by around 9 percent. Most of these emissions are indirect emissions as a result of increased production capacity. During the reporting year, Linde took part in the European Union's Emissions Trading System at seven of its hydrogen production sites. There were 1.3 million tonnes of CO<sub>2</sub> emissions at these plants during the year. In 2014, we were allocated emissions allowances for around 0.9 million tonnes of CO<sub>2</sub>. Further certificates were purchased.

## Global goals and measures

GOAL

**-5%**

energy intensity at installed air separation plants by 2017  
(base year 2008)

Around 60 percent of our CO<sub>2</sub> emissions are by-products of electricity generation by energy providers and are reported by us as indirect emissions. Most of this electricity is required for the operation of more than 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 reference year is 2008. The benchmark is the global average efficiency of the air separation plants operating at the design plant load. We achieved this target early by the end of the reporting year. In 2014, we replaced older plant components and plant with new ones which deliver average efficiency improvements of around 25 percent. We also carried out technical upgrades on existing plants. By the end of 2014, we had achieved average efficiency improvements of 5.4 percent in the plants concerned. Since 2008, we have been

GOAL

**+2%**

energy efficiency at installed HyCO plants by 2015  
(base year 2009)

able to save a total of around 1.8 million tonnes of CO<sub>2</sub>. We are planning to decide on new targets in 2015.

Direct emissions at Linde stem mainly from the operation of hydrogen plants (HyCO plants). We have set ourselves the target of increasing the energy efficiency of our HyCO plants installed around the world by 2 percent by the end of 2015 compared with the reference year of 2009. The benchmark is the actual energy efficiency of those plants when they are in operation. By this, we were able to improve the energy efficiency by 1.9 percent in 2014. In the period between 2009 and 2014, we saved a total of around 650,000 tonnes of CO<sub>2</sub>. The measures we took to do so included improving plant capacity and installing more energy-efficient cooling units.

Another key focus of our climate protection measures is the transportation of products. Our transport fleet covered more than 520 million kilometres in 2014. We are taking various measures to reduce the number of kilometres travelled, to cut the amount of fuel consumed and to bring down the level of transport emissions. Optimised routes, better use of transport capacity and training drivers how to drive in a more environmentally friendly manner are all contributing to this.

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## Products for energy efficiency and climate protection

We offer our customers solutions that cover many areas of sustainable electricity and fuel generation. In 2014, the application of air oxyfuel technology alone cut CO<sub>2</sub> emissions by around 20 million tonnes. This technology, which is installed at our customers' sites, involves using pure oxygen instead of ambient air to make the combustion process more efficient, for example in a steelworks. Since 2014, we have been cooperating with North American start-up Solidia Technologies® to make a new process for the manufacture of precast concrete ready for the market. Compared to traditional production methods, this technology reduces CO<sub>2</sub> emissions by up to 70 percent and limits the waste produced as a result.

In 2014, we also continued to drive forward the introduction of hydrogen as a fuel. In Austria, we launched the world's first small-series production facility for hydrogen fuelling stations. We were awarded a contract from Japan for 28 such filling stations. The aim is to develop the infrastructure required for the use of fuel-cell vehicles.

### Materiality: Climate protection



#### Key indicators

CO<sub>2</sub> emissions, energy consumption, energy efficiency →



#### Targets

- 5 percent reduction in energy intensity at installed air separation plants by 2017 (base year 2008)
- 2 percent increase in energy efficiency at installed hydrogen plants by 2015 (base year 2009)



#### Business case

##### Financial

- Cost savings of EUR 24 million as a result of energy efficiency projects in 2014 →
- Contribution towards the target of reducing gross costs by a total of between EUR 750 million and EUR 900 million in the four-year period from 2013 to 2016 →
- Contribution towards the target for Group operating profit in 2017 as a result of products in the energy and environmental sector, gaining access to new markets and customers →

##### Environmental

- 1.8 million tonnes of CO<sub>2</sub> emissions avoided since 2008 due to improvement in energy intensity of air separation plants

##### Corporate governance

- Compliance with legal and regulatory provisions

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# WATER

We work continuously to ensure the efficient use of water on our sites and the lowest possible level of emissions to water. We offer our customers products and technologies which can be used throughout the water cycle.

In 2014, we identified more than 20 projects that helped us to use water more efficiently and to cut costs by more than EUR 300,000. At two locations, one in the Czech Republic and the other in the Netherlands, we were able to optimise water flow and reduce water consumption by around 2.6 million cubic metres by using improved valves. In a long-term collaborative project in Europe, Linde experts in plant construction, water and water chemistry have joined forces to create an interdisciplinary network. The aim of this project is to optimise the use of water and cooling water systems. To achieve this aim, we have to date inspected 39 plants in the region to ensure sustainable use of water resources and we have implemented a number of improvements. The cost savings achieved so far already exceed the investment made in the project. Damage caused by limescale deposits is being reduced and the efficiency of the plants is being increased. We expect to achieve total cost savings of more than EUR 2 million by 2016 from this initiative. We will also provide our employees with training on the use of water resources.

## Water

### Water in the Linde Group (graphic)

- 1 More than 98% of the water used at Linde's sites comes from surface water, sea water or ground water sources which do not meet drinking water quality standards.  
Less than 2% of the demand at Linde's sites is covered by water which meets drinking water quality standards.
- 2 More than 93% of the water used in Linde's processes is used for cooling purposes, including once-through cooling water and sea water.  
Less than 7% of the water used in Linde's processes is consumed in the process or discharged into the sewerage system after use.
- 3 More than 95% of the water discharged is unpolluted cooling water which can be fed back into the water system without need for further treatment.  
Less than 5% of the discharged water is piped to a waste water treatment plant or facility: e.g. boiler blowdown, purge from cooling towers, and sanitary foul water.

## Water use

More than 85 percent of the water used by Linde is needed 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 further treatment. We take care to ensure that the temperature reached does not pose any risk to the surrounding ecosystem. We also use water in the manufacture of products, as a source of steam and in office buildings. In 2014, our water consumption was around 50.7 million cubic metres (2013: 44.5 million cubic metres). Total water use in 2014, including cooling water, was around 682 million cubic metres (2013: 681 million cubic metres). The slightly higher figure for 2014 was due to increased production. We use closed-loop systems as a means of reducing our water consumption, as these enable water to be used several times. Depending on the water quality and the equipment at the plants, only a small proportion of the water therefore needs to be replaced. In addition, some Linde sites reuse water from factories belonging to other organisations. In 2014, our sites reported that around 100,000 cubic metres of water was reused in production in this way.

### Emissions to water<sup>1</sup> (in tonnes)

	2014	2013	2012	2011
Chemical oxygen demand (COD) ✓	1,770	2,157	201	165
Biochemical oxygen demand (BOD) ✓	195	163	97	38
Nitrates ✓	56	89	52	61
Phosphates ✓	2	3	4	3

✓ Assured by KPMG

<sup>1</sup> In 2014, we have developed a methodology to determine emissions to water (COD, BOD, nitrates, phosphates) for the Linde Group. This methodology is based on measurements and extrapolations. There are significant inherent limitations in this methodology, however full measurement of emissions to water at all Linde sites is not economically viable. The reported numbers of water emission performance indicators of the Linde Group therefore serve as an approximation to our 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.

## Waste water

The amount of waste water produced at our locations worldwide in 2014 was around 13.2 million cubic metres (2013: 13.8 million cubic metres). We measure emissions of phosphates, nitrates and organic compounds to water in accordance with regulatory requirements. In 2014, we implemented a number of projects reducing the quantity of chemicals used in water treatment. A project launched in Romania, for example, enabled us to reduce the use of chemicals and to make cost savings in the reporting year of around EUR 150,000.

In addition, we conducted an analysis in 2014 of the collection of key data relating to waste water. The aim of this analysis was to obtain more accurate information about the global environmental impact of our sites.

## Water products

Linde gases help to identify and eliminate harmful substances in drinking water, bodies of water and swimming pools. The gases allow raw materials to be reused, thereby conserving natural resources. Our environmental solutions support all industrial waste water treatment processes and enable companies to comply with stricter environmental regulations.

Through the Solvcarb® process from Linde already installed by customers in Germany, for example, around 250 million cubic metres of water were brought up to drinking water quality in 2014. During the reporting year, our product development for water management focused on eliminating residues of medicinal products in customers' waste water and sewage treatment plants.

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## EMISSIONS TO AIR

We monitor emissions worldwide not only of greenhouse gases but also of air pollutants in accordance with relevant local legislation. Normally, the operation of our air separation plants results in hardly any direct emissions to air. Other production processes, for example in hydrogen plants and steam boilers, can result in emissions of inorganic gases such as carbon monoxide (CO), sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>) and ammonia (NH<sub>3</sub>). Volatile organic compounds (VOCs) are mainly released during the coating and cleaning of metals, such as those used in gas cylinders, storage tanks and plant components. In 2014, we embarked on a central analysis of our calculations of emissions to air. The aim of this analysis is to enhance our overview of the global impact of our business operations on the environment and to use it as a basis from which we can devise additional measures to reduce our environmental impact.

We are cooperating with our customers and other partners to develop solutions which will reduce emissions to air. Linde's LoTOx™ technology installed on our customers' sites is being used to separate nitrogen oxides from waste gases arising from combustion processes. The LoTOx™ systems, which have so far been installed mainly in plants in the United States and in China, are preventing more than 15,000 tonnes of NO<sub>x</sub> per annum being emitted into the air. In 2014, we licensed an American company to sell this technology to power station operators in the United States.

### Emissions to air<sup>1</sup> (in tonnes)

	2014	2013	2012	2011
VOC (volatile organic compounds) ✓	657	92	109	206
NH <sub>3</sub> (ammonia) <sup>2</sup> ✓	17	12	11	28
CO (carbon monoxide) ✓	3,325	2,177	2,895	1,566
NO <sub>x</sub> (nitrogen oxides) ✓	6,762	6,273	5,556	1,070
SO <sub>x</sub> (sulphur oxides) ✓	447	122	391	543

✓ Assured by KPMG

1 In 2014, Linde has refined the determination method for emissions to the air. Where available, measurements were used for the new methodology. For production sites for which no measurements were available, we estimated the figures. Where possible, the reported figures for 2013 were recalculated based on these new methods. The determination method for VOC emissions could not be applied retroactively. Therefore, the values for this indicator are not comparable for the years 2013 and 2014.

2 An exceptional event in South America led to additional ammonia emissions of around 146 tonnes.

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.



# WASTE

We aim to avoid the creation of waste as much as possible or to reduce waste. In 2014, Linde generated around 94,100 tonnes of waste (2013: 124,900 tonnes). The decrease in the amount of waste generated was due above all to a reduction in construction waste. Our main waste products are oil and oleaginous materials, chemicals, waste which contains metal, and gas cylinders which have reached the end of their useful life. Closed-loop systems for products help us to increase both our material efficiency and resource efficiency and to cut the volume of waste produced. Lime slurry, for example, a by-product of acetylene production, can be reused in other industries without any further treatment being required.

Most of the waste generated is utilised. We dispose of any waste which is not suitable for re-use or recycling in an environmentally sound manner and in accordance with local regulations. We classify waste as hazardous or non-hazardous in accordance with the relevant legislation in the country in which we are operating. We are focusing in particular on achieving further reductions in hazardous waste. In 2014, we launched an initiative designed to record gas cylinders stored worldwide which require special means of disposal. The aim is to ensure the disposal of these cylinders in the most efficient and environmentally friendly way possible.

## Waste and recycling

	2014	2013	2012	2011
Total waste (in thousand t) <sup>1</sup> ✓	94.1	124.9	81.5	64.4
Non-hazardous waste (in %) ✓	76	76	70	57
Hazardous waste (in %) ✓	24	24	30	43
Recycled waste (in %) ✓	56	65	41	26
Incineration waste (in %) <sup>2</sup> ✓	15	14	18	30
Landfill waste (in %) ✓	19	10	26	31
Other disposal methods (in %) ✓	10	11	15	13

✓ Assured by KPMG

1 The lower figure for waste in 2014 is mainly due to a reduction in construction waste.

2 Incineration waste is partly used for heat recovery.

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Our other waste management objectives are based on regional requirements, as the type of waste produced differs greatly from one site to another depending on the processes being carried out. During the reporting year, we achieved the regional target we had set ourselves of increasing our waste recycling rate in the UK to 65 percent by 2014. As a result, we have raised and extended our target. By the end of 2015, our aim is to achieve a 70 percent recycling rate for waste in this region. Since 2009, we have been involved in a joint venture with a Californian waste service provider to extract biogas from waste. Around 2.3 million tonnes of waste is recycled annually in this way, which is sufficient to power 300 refuse collection vehicles and provide electricity for around 8,500 households in the region.

We are currently analysing the results of a pilot waste management project in the South & East Asia region in order to develop measures we can apply across the regions to reduce both the costs and environmental impact of waste. We are also constantly working on cutting waste still further in the Healthcare product area: for example, by reducing the proportion of electrical waste generated by medical devices.

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## BIODIVERSITY

Environmental management at Linde includes an examination of the potential impact of our business operations on ecosystems and biodiversity. When we plan new sites, we use globally standardised processes to evaluate the effects on the environment. We also follow internationally recognised guidelines, such as the Voluntary Guidelines on Biodiversity-Inclusive Impact Assessment issued by the United Nations. Our evaluation considers ecologically sensitive areas, bodies of water and the impact on plants and animals. Most of our sites are located in industrial zones or business parks. If these sites are directly adjacent to protected areas or other sensitive habitats, we seek to minimise any potential adverse impact we might have on such areas, for example by implementing noise-reduction measures.

When planning new plants, we also invest in measures to enhance the natural environment. When we built a new air separation plant in South America in 2014, for example, we spent around USD 45,000 on planting trees and on tree maintenance.

## EMPLOYEES ACROSS THE WORLD

### Progress



### Outlook

<b>Occupational safety</b> Global analysis of safety culture; training on the optimal use of loading systems at all Lincare sites	<b>The best teams</b> Analysis of the international experience of our senior managers; information and communication workshops on gender diversity for top management; specifying our target to increase the proportion of female managers	<b>Attractiveness as an employer</b> Discuss the findings of the global employee survey and plan measures to respond to those findings; evaluate the results from 100 focus groups about our attractiveness as an employer
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### Strategy

Our human resources strategy supports the business strategy of The Linde Group. People Excellence is one of the cornerstones of our efficiency improvement programme (High Performance Organisation or HPO). As part of this initiative, we established three priorities which are particularly important to our sustainable HR efforts: developing talent, a performance-oriented approach and corporate culture. Using these three priorities as a starting point, we have identified a number of key focus areas. These include future-oriented workplace models and attractive working conditions, talent management and equal opportunities. We award prizes to employees around the world who make particular efforts to

uphold our company goals and company values. In 2014, we made an award to a staff initiative in the South & East Asia region. The aim of this initiative is to encourage the new generation of management, given the shortage of skilled personnel.

### Employees worldwide

	2014	2013	2012	2011
Group	65,591	63,487	62,765	50,417
Gases Division	53,436	51,536	51,405	39,031
EMEA	21,779	21,544	21,636	20,920
Asia/Pacific	12,175	12,122	11,809	10,868
Americas	19,482	17,870	17,960	7,243
Engineering Division	7,330	6,997	6,564	6,319
Other activities	4,825	4,954	4,796	5,067
Employees in production	21,684	20,200	19,829	19,072
Employees in sales, marketing and distribution	31,851	31,778	31,249	22,172
Employees in research & development	390	367	385	342
Employees in administration	11,666	11,141	11,302	8,831
Temporary staff (in percent)	8.6	6.2	6.4	6.4
Staff turnover rate (in percent) <sup>1</sup>	10.0	9.4	10.1	6.3
Average length of service (in years)	8.4	8.9	9.3	9.8

<sup>1</sup> Staff turnover rate relates to employees who left the Group voluntarily during the period under review.

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As at 31 December 2014, Linde employed a total of 65,591 staff, an increase of 2,104 compared with the previous year-end. On average, 10.0 percent of employees left the Group in 2014 at their own request. Depending on the region, this turnover rate ranged from 2.6 percent in the UK and Ireland to 23.2 percent in North America. The relatively high turnover rate in North America is due to the integration of US homecare company Lincare into the Group. The overall turnover rate, which includes staff retiring, staff being dismissed and temporary staff completing their fixed contracts, was 14.2 percent.

## Materiality: Talent management



### Key indicators

Number of employees, training days per employee, expenditure on training programmes →; women in management positions →, staff turnover rate



### Target

- Proportion of female senior managers to increase to between 13 and 15 percent by 2018 →



### Business case

#### Social

- Jobs with attractive working conditions
- Training and professional development opportunities provided for employees →
- Contribution to political goals by supporting gender equality →

#### Financial

- Qualified and motivated employees enhance productivity
- More attractive as an employer
- Cost savings of EUR 70 million generated by the implementation of optimisation projects by employees in 2014 →

## WINNING TALENT

The recruitment of well-trained experts and the provision of continuing professional development for existing employees are key pillars of our human resources strategy. We cooperate with universities and research institutions around the world in order to attract newly qualified graduates embarking on their careers. Our Engineering Division, for example, has been collaborating with Dresden International University since 2008 on a bachelor's degree for installation engineers which includes a work experience element. To date, most of the students who have completed this course have joined us once they have finished their studies. In the South & East Asia region, we concluded our first graduate programme in 2014 where the students completing the programme will be placed in several different countries in the region.

### Employee training

	2014	2013	2012	2011
Employees who attended training opportunities (in %)	66.2	60.3	61.0	64.4
Training days per employee	3.1	3.0	2.6	2.3
Expenditure on training programmes per employee (in €)	350	341	386	268
Apprentices and trainees in total workforce (in %)	0.9	0.9	0.9	1.3
Apprentices and trainees in Germany (in %)	3.2	3.1	3.2	3.6

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Linde also provides training opportunities in various technical and commercial areas. In Germany alone, we offer training in 18 different professions. In 2014, 47 percent of one year's cohort of apprentices and trainees in Germany were taken on as permanent employees at the end of their vocational training and a further 43 percent were offered a fixed-term contract. The number of apprentices and trainees as a proportion of the total number of Linde employees was 0.9 percent in 2014, of which 56 percent were in non-German companies. The proportion of total employees made up by apprentices and trainees in Germany was 3.2 percent. We revised our human resource plans relating to new positions for apprentices and trainees in Germany in the course of the reporting year.

In 2014, we convened 100 focus groups comprising employees from 15 countries on the subject of being an attractive employer. We will be able to use the results of these focus groups to strengthen and enhance our reputation as an employer still further.



## Continuing professional development

We invested around EUR 15 million in the continuing professional development of our employees in 2014. We deliver Group-wide professional development programmes through Linde University. These focus on subject areas such as leadership, intercultural communications and diversity. Since the programme was launched, more than 20,000 Linde staff have attended training courses at Linde University. As part of the Group-wide Six Sigma programme, we provide employee training on successfully identifying opportunities for optimisation in operating and administrative processes. In 2014, more than 2,300 employees took part in these training courses. As a result of this programme, over 1,000 optimisation projects were completed during the reporting year, leading to cost savings of around EUR 70 million. Regional activities complement the global programme. All Linde employees in Ecuador, for example, completed a training programme in 2014 on handling change processes.

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## REMUNERATION AND SOCIAL BENEFITS

The remuneration package of Linde employees comprises not only a fixed salary component but also variable remuneration components depending on the position of the employee within the Group. We also offer our staff various additional benefits in line with the conditions which apply in the different regions. These benefits include occupational pensions and contributions towards health insurance or medical screening. In 2014, Linde spent EUR 3.536 billion on personnel expenses (2013: EUR 3.423 billion), of which EUR 3.069 billion related to salaries including social security contributions (2013: EUR 2.974 billion) and EUR 293 million (2013: EUR 281 million) to pensions.

We regularly review the remuneration levels of our employees using internal and external comparisons to ensure that they are appropriate and in line with the market. During the reporting year, 46.5 percent of our staff were employed on the basis of collective wage agreements (2013: 45.6 percent). 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 of male and female employees in comparable positions. In 2014, we provided selected managers who are responsible for staff in the South Pacific region with information on the topic of equal pay for male and female employees, in order to raise awareness of this important issue.

We use a Group-wide IT system to ensure comparable and fair staff appraisals. This system includes performance evaluations which are binding for all managers and job evaluations of all executive positions within the Group. The evaluations take account of such criteria as transparency, equal opportunities and pay in line with market conditions. Managers' pay is based on the performance of both the Group as a whole and of the individual employee. Senior managers also participate directly in the company's growth in value through share option schemes. In 2014, managers below Executive Board level invested in 24,639 Linde shares via such a scheme. For each of these shares, the plan participants are entitled to an additional Linde share on the expiry of the four-year qualifying period.

### Remuneration and social benefits

	2014	2013	2012	2011
Personnel expenses (in € billion)	3,536	3,423	3,117	2,653
Pension costs (in € million)	293	281	241	190
Staff covered by collective wage agreements (in %)	46.5	45.6	45.1	53.5
Retired employees receiving pensions by Linde	30,941	31,006	31,118	31,112

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Employees in more than 50 countries have access to occupational pensions and healthcare benefits. Around 80 percent of our employees are members of occupational pension schemes. Through defined benefit plans, 26,755 active employees are being paid an occupational pension and a further 17,181 former employees have acquired a vested claim to a company pension. In total, 30,941 pensioners are drawing an occupational pension within the Group. At Linde, globally binding rules apply to the modification, introduction or closure of pension plans. Any such measure must be agreed 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.

In the course of 2014, we extended the range of optional additional benefits we offer our employees in a number of regions. These included, for example, free health checks and the extension of insurance cover to include not just employees but also members of their families.

#### MORE ABOUT

Remuneration of the Executive Board (Annual Report)

Remuneration of the Supervisory Board (Annual Report)

Pensions (Annual Report)

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# WORK-LIFE BALANCE

We help our employees achieve a work-life balance through a range of initiatives. The various measures we have introduced are designed to suit the specific local situation and requirements. We focus in particular on flexible working models, 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.

Part-time employees accounted for approximately 2.1 percent of our workforce in 2014. In several regions, such as the Middle East and Eastern Europe, we introduced new flexible working schemes during the reporting year. So far, more than 900 employees in these regions have benefited from such schemes. In Germany, around 250 staff were employed in 2014 under new teleworking contracts. These contracts are based on a works agreement which was concluded in 2013.

## Work-life balance

	2014	2013	2012	2011
Part-time employees (in percent)	2.1	1.9	1.7	2.0
Employees on parental leave (Germany)	369	344	328	271

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At our German sites, we introduced new rules on childcare costs during the reporting year. From 2014, we pay a childcare subsidy for all children of employees at our German business locations. A service bureau is available to help employees find appropriate childcare places. In Germany, a total of 369 employees took parental leave in 2014, 37 percent of whom were fathers. In the same year, 212 employees in Germany returned to Linde after a period of parental leave.

To promote the physical and mental health of our employees, we offer a range of 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, we introduced a free health advisory service in 2014, which has now been used by more than 1,800 members of our staff. In many regions, we support employees by offering a range of sporting activities or subsidised membership of sports facilities.

## INVOLVING EMPLOYEES

We keep our employees informed about changes in the Group and rely on the experience of our staff and on their feedback to implement improvements. We work together with employee representatives and trade unions on the basis of partnership. Linde's system of employee representation in Germany consists of a central works council for the Group as a whole and works councils in the decentralised units. Linde also has a European works council, currently with 27 members, which is responsible for cross-regional issues in Europe.

Employee representative bodies have been set up at national level in other countries. In China, for example, more than 90 percent of the workforce is represented by labour unions. In 2014, 11 meetings between management and the central Group works council took place. As a result, five new works council agreements were concluded. Furthermore, in 2014, the Executive Board of Linde AG and the European works council signed an agreement on minimum standards for a measure to increase efficiency that has an impact on the Group's headcount. Any changes need to be implemented in a socially responsible manner. The agreement describes, for example, how we will provide information and consult with employee representatives in an open and transparent process, and it sets out ways in which redundancies for operational reasons can be avoided.

Employee satisfaction is a key factor in our success. Open feedback from staff enables the Group to continue to develop. In 2014, we conducted our third global employee survey. Around 85 percent of our employees responded to the survey. The engagement index, which measures employee satisfaction and loyalty to the company, was around 71 percent (2012: 71 percent; 2010: 68 percent). This means that just under three-quarters of employees expressed very positive views about Linde as an employer. Areas rated particularly highly by our employees were customer focus and global compliance with safety standards. An area where they see a need for improvement is the Group-wide communication of our corporate strategy. The results are currently being analysed in all regions, and appropriate measures are being devised to respond to the results of the survey. As a consequence, we will be focusing in particular on strategic communication at a global level. In 2014, we implemented several measures based on the results of the second global employee survey conducted in 2012. One of its priorities was direct communication between our executive management and our employees.

We also encourage our employees to use their individual skills and experience to come up with ideas for improvement for the Group. In the Engineering Division in Germany, for example, we achieved total cost savings of EUR 400,000 in 2014 as a result of implementing employee suggestions. In China, we implemented more than 50 employee improvement suggestions, resulting in cost savings of more than EUR 1.2 million. Via the internal social collaboration platform, employees in the Information Services department raised more than 160 improvement ideas during the year under review.

## DIVERSITY AND EQUAL OPPORTUNITIES

As a group with global operations, we rely on employees who understand local markets and are able to use their different experiences and perspectives to enrich the work of their team. As at 31 December 2014, Linde employed staff from 136 different countries, while 65 nations are represented in the German companies alone. In the reporting year, over 70 percent of our senior managers were from countries other than Germany, with more than 54 nations represented at this level. In 2014, around 300 Linde employees were sent on secondment to subsidiaries abroad. We are planning to conduct a global analysis in 2015 of the international experience of our senior management.

### Diversity (in %)

	2014	2013	2012	2011
Staff up to 30 years old	18.4	18.2	17.6	16.0
Staff between 31 and 50 years old	57.5	58.0	58.4	59.0
Staff over 50 years old	24.1	23.8	24.0	25.0
Number of nationalities of employees in Germany (total)	65	65	67	63
Non-German nationalities in senior management positions	71.0	72.9	69.7	–
Proportion of female employees				
in total workforce	28.7	27.3	26.9	19.5
in Germany	25.4	25.9	25.4	–
in senior management positions	13.9	13.2	12.3	11.0
in the Executive Board	0	0	0	0
in the Supervisory Board	16.6	16.6	8.3	8.3
Severely disabled employees (Germany)	3.4	3.5	3.1	3.6

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For several years now, diversity as a value has been an integral part of our executive development programmes. At Executive Board level, Thomas Blades is responsible for Diversity & Inclusion. The promotion of diversity is also one of the targets which is included in the target-setting agreements which are made with individual managers in appropriate positions. In the Engineering Division, the Diversity Committee started work in Germany in 2014. The aim of this committee, which comprises experienced male and female managers, is to ensure that the appointment process is conducted in a transparent manner and takes account of diversity. The Diversity Committee works together with the personnel department to evaluate all applications for management positions not only for diversity, but also to ensure openness and equal opportunities in the application process.

## GOAL

# 13-15%

of women in senior  
management positions by 2018

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. Given the changes which are expected to be made to the German Stock Corporation Act (AktG), we will provide more detail about this target in due course. In 2014, the proportion of

female senior managers was around 14 percent. In the first half of 2015, we are planning to run information and communication workshops on the topic of gender diversity for top management. The Executive Board is also supporting numerous employee initiatives to promote women. These include networking events, training programmes for women with management responsibility or leadership potential, and a pilot scheme for an internal mentoring programme. The proportion of women taking part in the Global Leadership Development Circle, the development programme for senior managers, rose in 2014 to 26.5 percent (2013: 23.4 percent). The proportion of female participants in the development programme for middle management was 26.1 percent (2013: 35.6 percent).

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

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## OCCUPATIONAL SAFETY AND HEALTH PROTECTION

One of the key aims of our global safety management is to protect our employees. We have set out global standards governing occupational safety and health protection to ensure that our staff remain in good health and fit for work. We carry out risk assessments and audits to ascertain whether the right conditions are in place to ensure safety at work. In 2014, such audits were conducted at 57.4 percent of our operating sites (2013: 58.1 percent).

### Occupational health and safety

		2014	2013	2012	2011
Workplace accidents of employees with at least one day of absence ✓		318	304	324	144
Workplace accidents of contractors with at least one day of absence		✓ 140	✓ 150	✓ 155	131
Workplace accidents with at least one day of absence (employees) ✓	per million hours worked	2.4	2.3	2.5	1.4
Workplace accidents with at least one day of absence (contractors)	per million hours worked	1.8	1.7	1.3	1.6
Fatal workplace accidents involving employees		✓ 2	✓ 4	✓ 4	5
Fatal workplace accidents involving contractors		✓ 3	✓ 6	✓ 4	3
Sick days per employee	per employee	5.3	4.7	4.7	5.0

✓ Assured by KPMG

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We want to continue to bring down the number of workplace accidents. In 2014, we set ourselves a new global target. As a next step, we want to achieve a continuous reduction in the number of workplace accidents resulting in lost working days per million hours worked by employees by 2020. The base year is 2012. In 2014, the rate of such workplace accidents was 2.4 (2013: 2.3). The equivalent figure for contractors during 2014 was 1.8 (2013: 1.7). It is with the deepest regret that we must report that two employees lost their lives in road accidents in China and Algeria whilst working for the Group in 2014.

## GOAL

Continuously reduce the number of workplace accidents by 2020 compared to 2012

Between 2010 and the end of 2014, we issued ten global health protection guidelines. Each year, around 30 to 50 percent of workplace accidents and chronic illnesses at Linde can be attributed to manual or repetitive activities. When implementing initiatives relating to health protection, we therefore focus in particular on the risks associated with such activities, concentrating on employee training and improvements to work processes. One such

initiative was a pilot project we launched in 2014 on a North American site, in which magnets are used to lift manhole covers, allowing employees to avoid heavy physical exertion. We also set up free preventive health checks for employees during the reporting year in several regions, including Asia and South America. In 2015, we are planning to introduce training on the optimal use of loading systems for employees at all Lincare sites. Around 30 trainers received instruction in 2014 on how to deliver this training programme.

Another focus in the area of occupational safety and health protection is road safety. We have, for example, devised safety training in the South & East Asia region for employees and contractors who use a motorcycle for work or to travel to and from work. By the end of 2014, more than 1,400 of the 1,600 or so employees affected in the region had taken part in the training.

## Materiality: Safety



## Key indicators

Workplace accidents with at least one day of absence per million hours worked (employees and contractors), transport accidents →



## Targets

- Achieve a continuous reduction in workplace accidents (base year 2012) →
- 50 percent reduction in serious transport incidents by 2017 (base year 2012) →



## Business case

## Social

- Avoidance of accidents and injuries →

## Environmental

- Avoidance of environmental damage as a result of transport accidents →

## Financial

- Reduction in lost working days
- Reduction in material damage to vehicles or plants
- Cost savings of several million euro as a result of fewer commercial vehicle rollover incidents
- Contribution towards the target of reducing gross costs by a total of between EUR 750 million and EUR 900 million in the four-year period from 2013 to 2016 →

GRI

ECS ▶

HR5 ▶

HR6 ▶

HR7 ▶

HR10 ▶

GLOBAL COMPACT. Principles covered.

1 ▶

2 ▶

3 ▶

4 ▶

5 ▶

6 ▶

## LABOUR STANDARDS AND HUMAN RIGHTS

Linde commits to the principles of the UN Human Rights Charter, the core labour standards of the International Labour Organisation (ILO) and to other international standards. Through regular reviews across all regions, we collate information on the processes which have been put in place to ensure compliance with labour standards and the upholding of human rights. Furthermore, we review the extent to which our global guidelines consider human rights. The guidelines and processes which have been reviewed and revised since 2013 include the Code of Conduct, purchasing guidelines and purchasing agreements, the Integrity Line policy and Group risk management. In 2014, the Executive Board of Linde AG adopted an official Group position on human rights, in which it reiterates Linde's support for human rights and describes the processes within the Group which confirm this commitment.

Over the past three years, more than 190 audits have been conducted at our business locations which covered social topics such as the avoidance of child labour and the provision of safe, fair working conditions. To detect potential weaknesses, we also evaluate the information supplied to the Integrity Line. This is a service which employees and external stakeholders can use to report any breaches of the Group's Code of Conduct. Around 28 percent of the reports received via the hotline in 2014 related to human resources issues. In various regions, we took steps to raise employee awareness. During the reporting year, for example, we held events in India to provide information and raise awareness of the issue of workplace harassment. More than 60 employees attended these events.

### MORE ABOUT

[Human rights](#)
[Integrity Line](#)

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GRI

1.2 ▶

4.13 ▶

EC1 ▶

EC8 ▶

EC9 ▶

S01 ▶

S05 ▶

GLOBAL COMPACT. Principles covered.

8 ▶

## SOCIAL COMMITMENT

### SOCIETY



# 15,000

children

attended the road safety  
programme of our logistics division  
Gist

# 100,000

children, school pupils and  
students  
reached by our projects



# 15,000

students  
attended the Carl von Linde  
Academy

# 2.8 million

euro  
donated for social causes



# 40

projects  
in Africa

We are involved in a variety of projects across the world, focusing on regions and initiatives which are linked with our business activities. Above all, we are committed to projects in the field of education. We also promote projects close to our business locations, covering areas such as safety, environmental protection, health and social affairs. The activities selected are based on the needs which have been identified in the regions where we operate. Cross-regional involvement in such projects is managed by our Corporate Centre, while local initiatives are coordinated by managers in the region concerned. In 2014, we provided funding of more than EUR 6.6 million for projects and initiatives worldwide, of which around EUR 2.8 million was donated by us. This allowed us to support more than 200 projects. As a result of our social commitment during the reporting year, we were able to reach, among others, over 100,000 children, school pupils and students.

As well as providing financial resources, Linde also donates products for charitable purposes. In several regions,

we donated medical gases or medical devices in 2014 to charities. We are a global partner in the Shell Eco-marathon, an annual competition designed to promote sustainable mobility. We supplied the hydrogen to fill the fuel-cell vehicles used in this competition. Our employees are also engaged in volunteering. We support this by granting staff time off work and, in some regions, by matching employees' donations. In North America, for example, more than 140 employees took part in around 15 social projects in 2014.

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## Access to education

Linde provided foundation capital of over EUR 8 million to set up the Carl von Linde Academy at the Technical University of Munich (TUM). By the end of the 2014 summer semester, more than 15,000 students had attended courses offered by the Academy. The principal aim of the institution is to provide engineering, IT and natural science students with key skills that extend beyond the limits of their theoretical subjects, covering such areas as business ethics and innovation. Linde has also formed a public-private partnership with the Schloss Hansenberg boarding school (ISH) in Hessen, Germany. The school fosters the talents of pupils with particularly strong academic and social skills. We have been involved with ISH since 2004 and more than 550 pupils have completed their schooling there during this time. In 2014, Linde embarked on a cooperative venture with a number of technical schools in South Africa. The local Linde subsidiary donated around EUR 90,000 for the renovation of training centres for welding technology and for teacher training.

We also sponsor scientific and technical exhibitions, experiments and competitions in several countries. In Munich, home to the Group's Corporate Centre, Linde is 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. In keeping with the importance we place on safety, we are involved in a number of traffic education schemes across several countries. In 2014, more than 15,000 children took part in the Child Road Safety Programme organised by Gist, our logistics division. As part of this programme, truck drivers visit primary schools, bringing their vehicles with them, and talk to pupils about road traffic risks.

## Ameliorating living conditions and improving health

In many countries, we sponsor projects which seek to improve living conditions for the people in that particular region. In 2014, for example, we supported around 40 local initiatives in Africa specifically designed to help socially disadvantaged children. In Mexico, we are sponsoring an initiative which creates jobs for women in a recycling project.

In 2014, we awarded three grants from our REALfund. The beneficiaries of these REALfund grants are three scientists working on projects that have the potential to make significant improvements to the lives of patients with chronic respiratory disease.

GRI

2.8 ▶	EC1 ▶	EN1 ▶	EN3 ▶	EN4 ▶	EN8 ▶	EN16 ▶	EN17 ▶	EN19 ▶	EN20 ▶	EN21 ▶	EN22 ▶	EN23 ▶
EN24 ▶	EN28 ▶	EN29 ▶	LA1 ▶	LA2 ▶	LA4 ▶	LA7 ▶	LA13 ▶	HR4 ▶				

## KEY FIGURES

- ✓ Included in the group management report of the Annual Report 2014
- ✓ Assured by KPMG

### Financials, Compliance and Innovation<sup>1</sup>

#### Financial indicators<sup>2</sup>

		2014	2013	2012	2011	2010
<b>Share</b>						
Closing price	€	154.20	152.05	132.00	114.95	113.55
Year high	€	157.30	153.90	136.15	125.80	115.30
Year low	€	139.15	128.60	114.20	96.16	76.70
Market capitalisation (at year-end closing price)	€ million	28,625	28,219	24,445	19,663	19,337
No. of shares (at 31 December)	000s	185,638	185,588	185,189	171,061	170,297
Cash dividend per share	€	3.15	3.00	2.70	2.50	2.20
<b>Group</b>						
Revenue	€ million	17,047	16,655	15,833	13,787	12,868
In Germany	%	7.4	7.9	8.2	9.0	9.5
Outside Germany	%	92.6	92.1	91.8	91.0	90.5
Operating profit <sup>2</sup>	€ million	3,920	3,966	3,686	3,210	2,925
Operating margin	%	23.0	23.8	23.3	23.3	22.7
EBIT	€ million	1,885	2,171	2,055	1,910	1,679
Profit for the year	€ million	1,162	1,430	1,341	1,244	1,064
Capital expenditure (excluding financial assets)	€ million	1,954	2,268	2,038	1,367	1,302
Equity ratio	%	41.4	41.5	39.8	42.0	42.3
Return on capital employed (ROCE)	%	9.5	9.7	10.2	11.0	10.3
Procurement costs	€ bn	11.6	11.1	10.9	10.7	9.7
Personnel expenses	€ bn	3,536	3,423	3,117	2,653	2,527
Personnel expenses (per employee)	1,000 €	53.9	53.9	49.7	52.6	52.2
Pension costs	€ million	293	281	241	190	178
Donations	€ million	2.8	2.7	2.8	-	-

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# Financials, Compliance and Innovation<sup>1</sup>

## Financial indicators<sup>2</sup>

		2014	2013	2012	2011	2010
<b>Gases Division</b>						
Revenue	€ million	13,982	13,971	13,214	11,061	10,228
Operating profit <sup>2</sup>	€ million	3,835	3,846	3,566	3,041	2,766
Operating margin	%	27.4	27.5	27.0	27.5	27.0
<b>Engineering Division</b>						
Revenue	€ million	3,074	2,879	2,561	2,531	2,461
Operating profit <sup>2</sup>	€ million	300	319	312	304	271
Operating margin	%	9.8	11.1	12.2	12.0	11.0

## Compliance

		2014	2013	2012	2011	2010
Contacts Integrity Line		734	393	309	430	334
Investigations as a result of reports to the Integrity Line		127	88	77	54	54
of which referring to personnel topics	%	26.8	36.4	42.9	38.9	42.6
of which referring to potential offences against property	%	32.3	33.0	24.7	31.5	22.2
of which referring to potential discrimination	%	1.6	2.3	2.6	0.0	1.9
of which referring to potential conflicts of interest	%	9.4	12.5	15.6	3.7	14.8

## Innovation<sup>3</sup>

		2014	2013	2012	2011	2010
Expenditure for research and development	€ million	106	92	101	98	94
Employees in the research and development field		390	367	385	342	324
New patents filed		260	263	269	235	232

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# Safety and environmental protection<sup>1</sup>

## Resources consumed

		2014	2013	2012	2011	2010
<b>Energy</b>						
Electricity consumption ✓✓	million MWh	26.2	23.4	23.5	20.3	19.0
of which by air separation plants ✓✓	million MWh	23.5	20.7	20.8	17.9	16.8
Natural gas consumption ✓✓	million MWh	39.5	36.4	35.9	25.4	25.2
of which by HyCO plants ✓✓	million MWh	24.9	23.0	22.8	21.7	21.2
Consumption of other energy sources <sup>3</sup>	million MWh	✓✓ 10.7	✓✓ 14.8	✓✓ 13.4	✓✓ 11.7	6.4
<b>Water</b>						
Water use <sup>4</sup>	million m <sup>3</sup>	✓✓ 682	✓ 681	✓ 632	✓ 288	255
of which ground and surface water	%	✓ 98.5	✓ 98.6	✓ 98.5	✓ 96.8	95.7
of which drinking water	%	✓ 1.5	✓ 1.4	✓ 1.5	✓ 3.2	4.3
Total water consumption <sup>5</sup> ✓✓	million m <sup>3</sup>	50.7	44.5	47.4	42.6	43.0
of which industrial and process water ✓	million m <sup>3</sup>	40.8	34.8	38.1	33.3	32.0
of which drinking water ✓	million m <sup>3</sup>	9.9	9.7	9.3	9.3	11.0
Waste water <sup>6</sup>	million m <sup>3</sup>	13.2	✓ 13.8	✓ 12.5	✓ 8.1	8.4
<b>Resources and materials</b>						
Raw materials and supplies	t	✓ 52,770	✓ 57,750	✓ 57,170	✓ 59,950	65,700
Packaging materials	t	✓ 5,580	✓ 3,990	✓ 4,765	✓ 5,850	6,300

## Emissions

		2014	2013	2012	2011	2010
<b>Direct greenhouse gas emissions (Scope 1)</b>						
CO <sub>2</sub> emissions ✓✓	million t	7.3	7.2	7.6	5.7	5.4
of which by HyCO plants ✓✓	million t	4.0	4.2	4.3	4.3	4.3
Linde transport fleet	million t CO <sub>2</sub> e	✓✓ 0.47	✓✓ 0.49	✓✓ 0.50	✓✓ 0.42	0.41
Other greenhouse gases <sup>7</sup>	million t CO <sub>2</sub> e	✓✓ 1.5	✓✓ 1.5	✓✓ 0.4	✓✓ 0.6	0.4
Total	million t CO <sub>2</sub> e	✓✓ 9.3	✓✓ 9.2	✓✓ 8.5	✓✓ 6.7	6.2
<b>Indirect greenhouse gas emissions (Scope 2)</b>						
CO <sub>2</sub> emissions ✓✓	million t	15.0	13.0	12.8	10.2	9.5
of which by air separation plants ✓✓	million t	13.5	11.8	11.6	8.9	8.3
Total Scope 1 and 2 emissions	million t CO <sub>2</sub> e	✓ 24.3	✓ 22.2	✓ 21.3	✓ 16.9	15.7



## Emissions

		2014	2013	2012	2011	2010
Emissions per million EUR sales	t CO <sub>2</sub> e	1,425	1,333	1,345	1,226	1,220
Emissions per Linde employee	t CO <sub>2</sub> e	370	350	339	335	324
<i>Other indirect greenhouse gas emissions (Scope 3)</i>						
Transport by contractors	thousand t CO <sub>2</sub> e	✓412	✓388	✓380	✓395	310
Business travel <sup>8</sup>	thousand t CO <sub>2</sub> e	✓72.9	✓81.0	✓34.1	✓30.6	-
<i>Emissions to air<sup>9</sup></i>						
VOC (volatile organic compounds)	t	✓657	✓92	✓109	✓206	182
NH <sub>3</sub> (ammonia) <sup>10</sup>	t	✓17	✓12	✓11	✓28	70
CO (carbon monoxide)	t	✓3,325	✓2,177	✓2,895	✓1,566	1,747
NO <sub>x</sub> (nitrogen oxides)	t	✓6,762	✓6,273	✓5,556	✓1,070	717
SO <sub>x</sub> (sulphur oxides)	t	✓447	✓122	✓391	✓543	620
<i>Emissions to water<sup>11</sup></i>						
Chemical oxygen demand (COD)	t	✓1,770	✓2,157	✓201	✓165	308
Biochemical oxygen demand (BOD)	t	✓195	✓163	✓97	✓38	75
Nitrates	t	✓56	✓89	✓52	✓61	35
Phosphates	t	✓2	✓3	✓4	✓3	3

## Waste and recycling

		2014	2013	2012	2011	2010
Total waste <sup>12</sup>	thousand t	✓✓94.1	✓✓124.9	✓✓81.5	✓64.4	71.9
Non-hazardous waste	%	✓✓76	✓76	✓70	✓57	61
Hazardous waste	%	✓✓24	✓24	✓30	✓43	39
Recycled waste	%	✓56	✓65	✓41	✓26	43
Incineration waste <sup>13</sup>	%	✓15	✓14	✓18	✓30	28
Landfill waste	%	✓19	✓10	✓26	✓31	22
Other disposal methods	%	✓10	✓11	✓15	✓13	7

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### Transport

		2014	2013	2012	2011	2010
Distance driven by Linde's transport fleet and its contractors	million km	✓975	✓963	✓969	✓866	764
Serious transport incidents involving trucks <sup>14</sup>	per 1 million km	✓✓0.057	✓✓0.062	✓✓0.075	✓0.077	0.085

### Audits and trainings

		2014	2013	2012	2011	2010
Production sites where occupational health and safety audits have been conducted ✓	%	57.4	58.1	62.4	54.5	53.2
Production sites where environmental audits have been conducted ✓	%	50.0	51.8	54.5	49.1	47.8
Number of conducted occupational health and safety audits <sup>15</sup>		749	790	769	701	620
Number of conducted environmental audits <sup>15</sup>		639	657	661	664	546
Employees of Linde Gas who have taken up HSE training opportunities ✓	%	62.6	57.8	54.0	50.3	47.2

### Certified sites

		2014	2013	2012	2011	2010
Production sites certified to ISO 9001	%	✓✓72.1	✓✓77.9	✓79.6	76.0	72.0
Production sites certified to ISO 14001	%	✓✓30.5	✓✓31.8	✓31.8	33.0	28.0
Production sites certified to OHSAS 18001	%	✓✓15.7	✓✓17.8	✓17.7	22.0	22.0
Production sites with Responsible Care certification	%	14.7	23.5	29.3	26.0	22.0

### Environmental incidents

		2014	2013	2012	2011	2010
Environmental complaints		25	24	14	28	19
Reportable environmental incidents		21	25	29	33	31

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# Employees<sup>1</sup>

## Employment structure

		2014	2013	2012	2011	2010
Group ✓	as of Dec. 31	65,591	63,487	62,765	50,417	48,430
Gases Division ✓		53,436	51,536	51,405	39,031	37,603
EMEA ✓		21,778	21,544	21,636	20,920	20,575
Asia/Pacific ✓		12,175	12,122	11,809	10,868	10,051
Americas ✓		19,482	17,870	17,960	7,243	6,977
Engineering Division ✓		7,330	6,997	6,564	6,319	5,811
Other activities ✓		4,825	4,954	4,796	5,067	5,016
Employees in production		21,684	20,200	19,829	19,072	18,134
Employees in sales, marketing and distribution		31,851	31,778	31,249	22,172	21,940
Employees in research and development		390	367	385	342	324
Employees in administration		11,666	11,141	11,302	8,831	8,032
Part-time employees ✓	%	2.1	1.9	1.7	2.0	1.9
Temporary staff ✓	%	8.6	6.2	6.4	6.4	4.3
Employees on parental leave (Germany)		✓369	344	328	271	–
Staff covered by collective wage agreements ✓	%	46.5	45.6	45.1	53.5	54.9
<b>Employee retention and benefits</b>						
Number of new hires ✓		12,049	8,955	–	–	–
thereof women ✓	%	46.2	41.6	–	–	–
Staff turnover rate <sup>16</sup> ✓	%	10.0	9.4	10.1	6.3	5.7
Average length of service ✓	years	8.4	8.9	9.3	9.8	9.7
Retired employees receiving pensions from Linde ✓		30,941	31,006	31,118	31,112	32,584

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## Diversity

		2014	2013	2012	2011	2010
Staff up to 30 years old ✓	%	18.4	18.2	17.6	16.0	16.4
Staff between 31 and 50 years old ✓	%	57.5	58.0	58.4	59.0	59.6
Staff over 50 years old ✓	%	24.1	23.8	24.0	25.0	24.0
Nationalities of employees in Germany		65	65	67	63	58
Non-German nationalities among senior managers in Germany	%	71.0	72.9	69.7	–	–
Proportion of female employees						
in total workforce ✓	%	28.7	27.3	26.9	19.5	19.3
in Germany	%	✓25.4	✓25.9	25.4	–	–
in senior management positions ✓	%	13.9	13.2	12.3	11.0	10.3
in the Executive Board	%	0	0	0	0	0
in the Supervisory Board	%	16.6	16.6	8.3	8.3	0
Severely disabled employees (Germany) ✓	%	3.4	3.5	3.1	3.6	3.5

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## Employee training

		2014	2013	2012	2011	2010
Employees who attended training opportunities ✓	%	66.2	60.3	61.0	64.4	59.1
Training days per employee ✓		3.1	3.0	2.6	2.3	2.0
Expenditure on training programmes per employee ✓	€	350	341	386	268	241
Apprentices and trainees in total workforce ✓	%	0.9	0.9	0.9	1.3	1.3
Apprentices and trainees in Germany ✓	%	3.2	3.1	3.2	3.6	3.5

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## Occupational health and safety

		2014	2013	2012	2011	2010
Workplace accidents of employees with at least one day of absence ✓✓		318	304	324	144	198
Workplace accidents of contractors with at least one day of absence		✓140	✓150	✓155	131	170
Workplace accidents with at least one day of absence (employees) ✓✓	per million hours worked	2.4	2.3	2.5	1.4	1.9
Workplace accidents with at least one day of absence (contractors)	per million hours worked	1.8	1.7	1.3	1.6	2.2
Fatal workplace accidents involving employees		✓✓2	✓✓4	✓✓4	5	2
Fatal workplace accidents involving contractors		✓✓3	✓✓6	✓✓4	3	4
Sick days per employee		✓5.3	4.7	4.7	5.0	5.3

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 the year 2013. 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.

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

3 Other energy sources include for example thermal energy, heating oil, biofuel energy, propane, butane and diesel fuel. In 2014, Linde sold a plant in Southern Europe which previously consumed mainly other energy sources. Indicators for this plant are no longer included in the reported figure. 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 Increased water use from 2012 on is mainly due to use of sea water and once-through water at sites in Mexico, China and the United Arab Emirates.

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 definition of waste water was changed in 2014. Process water which was discharged without further treatment into natural sources is no longer included in the reported indicator.

7 Includes greenhouse gases specified in the Kyoto Protocol: methane (CH<sub>4</sub>), nitrous oxide (laughing gas, N<sub>2</sub>O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>). In 2014, Linde has refined the determination method of the indicator for these GHGs to include additional emitters and emission sources. The reported figure for 2013 was recalculated based on this new method.

8 Since 2014, we also include the Radiative Forcing Index (RFI) to calculate emissions from business travel. Thereby, we take into account the higher impact of air travel on the greenhouse effect. Emissions for the year 2013 have been re-calculated accordingly.

9 In 2014, Linde has refined the determination method for emissions to the air. Where available, measurements were used for the new methodology. For production sites for which no measurements were available, we estimated the figures. Where possible, the reported figures for 2013 were recalculated based on these new methods. The determination method for VOC emissions could not be applied retroactively. Therefore, the values for this indicator are not comparable for the years 2013 and 2014.

10 An exceptional event in South America led to additional ammonia emissions of around 146 tonnes.

11 In 2014, we have developed a methodology to determine emissions to water (COD, BOD, nitrates, phosphates) for the Linde Group. This methodology is based on measurements and extrapolations. There are significant inherent limitations in this methodology, however full measurement of emissions to water at all Linde sites is not economically viable. The reported numbers of water emission performance indicators of the Linde Group therefore serve as an approximation to our emissions.

12 The lower figure for waste in 2014 is mainly due to a reduction in construction waste.

13 Incineration waste is partly used for heat recovery.

14 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.

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

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



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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 organisation		<a href="#">Letter from CEO</a>		
	1.2	Description of key impacts, risks, and opportunities		<a href="#">Opportunities and risks</a> <a href="#">Environment and safety</a> <a href="#">Social commitment</a> <a href="#">Goals</a>	<a href="#">Financial Report 2014: opportunities and risks</a>  <a href="#">Website Linde: Clean Technology by Linde</a>	



### Organisational profile

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
	2.1	Name of the organisation		<a href="#">Corporate profile</a>		
	2.2	Primary brands, products, and/or services		<a href="#">Corporate profile</a> <a href="#">Opportunities and risks</a>	<a href="#">Website Linde: Clean Technology by Linde</a>  <a href="#">Financial Report 2014: business review</a>	
	2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures		<a href="#">Corporate profile</a>	<a href="#">Financial Report 2014: corporate profile</a>	
	2.4	Location of organisation's headquarters		<a href="#">Legal notice</a>		
	2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report		<a href="#">Corporate profile</a>	<a href="#">Website Linde</a>	
	2.6	Nature of ownership and legal form			<a href="#">Website Linde: management</a>  <a href="#">Financial Report 2014: Linde in the capital market</a>	
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)		<a href="#">Corporate profile</a>	<a href="#">Financial Report 2014: business review</a>  <a href="#">Financial Report 2014: corporate profile</a>	
	2.8	Scale of the reporting organisation		<a href="#">Financial indicators</a> <a href="#">Corporate profile</a>	<a href="#">Financial Report 2014: financial highlights</a>	















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## Organisational profile

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
	2.9	Significant changes during the reporting period regarding size, structure, or ownership				
	2.10	Awards received in the reporting period		<a href="#">Environment and safety</a> <a href="#">Sustainable investment</a> <a href="#">Customer relationships</a>		





## 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		<a href="#">About this report</a>		
	3.2	Date of most recent previous report (if any)		<a href="#">About this report</a>	<a href="#">Website Linde: previous reports</a>	
	3.3	Reporting cycle (annual, biennial, etc.)		<a href="#">About this report</a>	<a href="#">Website Linde: previous reports</a>	
	3.4	Contact point for questions regarding the report or its contents		<a href="#">CR organisation</a>	<a href="#">Website Linde: contact</a>	
	3.5	Process for defining report content		<a href="#">About this report</a> <a href="#">Key material issues</a>		
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance		<a href="#">About this report</a>		
	3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope)		<a href="#">About this report</a> <a href="#">Measuring sustainability</a>		
	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 organisations		<a href="#">About this report</a> <a href="#">Measuring sustainability</a>		
	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		<a href="#">Measuring sustainability</a>		
	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)		<a href="#">About this report</a>		

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## Reporting parameters

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report		<a href="#">About this report</a>		
	3.12	Table identifying the location of the Standard Disclosures in the report				
	3.13	Policy and current practice with regard to seeking external assurance for the report		<a href="#">Assurance</a>		

## Governance, commitments and engagement

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
	4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight		<a href="#">CR organisation</a> <a href="#">Promotion of women</a>	<a href="#">Website Linde: executive board</a>	
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer			<a href="#">Financial Report 2014: executive board</a>	
	4.3	For organisations 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			<a href="#">Website Linde: management</a>	
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body		<a href="#">CR organisation</a> <a href="#">Compliance</a> <a href="#">Involving employees</a>	<a href="#">Financial Report 2014: corporate governance</a>	
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)			<a href="#">Financial Report 2014: remuneration report</a> <a href="#">Financial Report 2014: corporate governance practices</a>	
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided			<a href="#">Financial Report 2014: corporate governance practices</a>	
	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		<a href="#">CR organisation</a>	<a href="#">Financial Report 2014: executive board</a>	
	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		<a href="#">Values and standards</a>		

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## Governance, commitments and engagement

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
	4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles		<a href="#">CR organisation</a>		
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance			<a href="#">Financial Report 2014: supervisory board</a>	
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation		<a href="#">Compliance</a> <a href="#">Environment and safety</a> <a href="#">Opportunities and risks</a> <a href="#">Product stewardship</a> <a href="#">Health and safety</a>		
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses		<a href="#">Stakeholder</a> <a href="#">Global Compact</a>	<a href="#">Website Linde: partnerships</a>	
	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations		<a href="#">Stakeholders</a> <a href="#">Social commitment</a>	<a href="#">Website Linde: partnerships</a> <a href="#">Website Linde: political interests</a>	
	4.14	List of stakeholder groups engaged by the organisation		<a href="#">Stakeholders</a> <a href="#">Key material issues</a>	<a href="#">Website Linde: stakeholders</a>	
	4.15	Basis for identification and selection of stakeholders with whom to engage		<a href="#">Stakeholders</a> <a href="#">Key material issues</a>	<a href="#">Website Linde: stakeholders</a>	
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		<a href="#">Stakeholders</a> <a href="#">Key material issues</a>	<a href="#">Website Linde: stakeholders</a> <a href="#">Website Linde: political interests</a>	
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting		<a href="#">Stakeholders</a> <a href="#">Key material issues</a>	<a href="#">Website Linde: political interests</a>	

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## Disclosures on management approach

[UNGC](#)   [GRI](#)   [GRI indicator](#)   [Status](#)   [Link within the report](#)   [External links](#)   [PDF](#)

*Economic performance*

		Economic performance		<a href="#">Corporate profile</a>	<a href="#">Financial Report 2014</a>	
		Market presence		<a href="#">Corporate profile</a>	<a href="#">Financial Report 2014</a>	
		Indirect economic impacts		<a href="#">Social commitment</a>		

*Environmental performance*

		Materials		<a href="#">Product stewardship</a> <a href="#">Environment and safety</a> <a href="#">Supply chain</a> <a href="#">Raw materials</a>		
		Energy		<a href="#">Environment and safety</a> <a href="#">Climate protection</a> <a href="#">Energy</a> <a href="#">Opportunities and risks</a>	<a href="#">Website Linde: Clean Technology by Linde</a>	
		Water		<a href="#">Environment and safety</a> <a href="#">Water</a>		
		Biodiversity		<a href="#">Environment and safety</a> <a href="#">Biodiversity</a>		
		Emissions, effluents and waste		<a href="#">Environment and safety</a> <a href="#">Climate protection</a> <a href="#">Water</a> <a href="#">Waste</a> <a href="#">Air emissions</a>	<a href="#">Website Linde: Clean Technology by Linde</a>	
		Products and services		<a href="#">Environment and safety</a> <a href="#">Product stewardship</a>	<a href="#">Website Linde: Clean Technology by Linde</a>	
		Compliance		<a href="#">Environment and safety</a> <a href="#">Compliance</a>	<a href="#">Financial Report 2014: risk management</a>	
		Transport		<a href="#">Transport</a> <a href="#">Environment and safety</a> <a href="#">Climate protection</a>		
		Overall		<a href="#">Environment and safety</a> <a href="#">Product stewardship</a> <a href="#">Opportunities and risks</a>		




*Labour practices and decent work*

		Employment		<a href="#">Employees worldwide</a> <a href="#">Values and standards</a>		
		Labour/management relations		<a href="#">Values and standards</a> <a href="#">Involving employees</a>		
		Occupational health and safety		<a href="#">Values and standards</a> <a href="#">Environment and safety</a> <a href="#">Health and safety</a> <a href="#">Supply chain</a>		
		Training and education		<a href="#">Values and standards</a> <a href="#">Winning talent</a> <a href="#">Supply chain</a>		



















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UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
		Diversity and equal opportunity		<a href="#">Values and standards</a> <a href="#">Diversity</a> <a href="#">Labour and social standards</a> <a href="#">Supply chain</a>		
		Equal remuneration for women and men		<a href="#">Values and standards</a> <a href="#">Remuneration</a>		

## Human rights

		Investment and procurement practices		<a href="#">Values and standards</a> <a href="#">Compliance</a> <a href="#">Labour and social standards</a> <a href="#">Diversity</a> <a href="#">Supply chain</a>		
		Non-discrimination		<a href="#">Values and standards</a> <a href="#">Compliance</a> <a href="#">Labour and social standards</a> <a href="#">Diversity</a> <a href="#">Supply chain</a>		 
		Freedom of association and collective bargaining		<a href="#">Values and standards</a> <a href="#">Compliance</a> <a href="#">Labour and social standards</a> <a href="#">Involving employees</a> <a href="#">Supply chain</a>		 
		Child labour		<a href="#">Values and standards</a> <a href="#">Compliance</a> <a href="#">Labour and social standards</a> <a href="#">Supply chain</a>		 
		Prevention of forced and compulsory labour		<a href="#">Values and standards</a> <a href="#">Compliance</a> <a href="#">Labour and social standards</a> <a href="#">Supply chain</a>		 
		Security practices				
		Indigenous rights				
		Assessment		<a href="#">Labour and social standards</a> <a href="#">Compliance</a>		
		Remediation		<a href="#">Labour and social standards</a> <a href="#">Compliance</a>		

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UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
<b>Society</b>						
		Local communities		<a href="#">Environment and safety</a> <a href="#">Product stewardship</a> <a href="#">Social commitment</a> <a href="#">Site safety</a>		
		Corruption		<a href="#">Values and standards</a> <a href="#">Compliance</a>		<a href="#">Download PDF</a>
		Public policy		<a href="#">Stakeholders</a> <a href="#">Social commitment</a>	<a href="#">Website Linde: political interests</a>	<a href="#">Download PDF</a>
		Anti-competitive behaviour		<a href="#">Values and standards</a> <a href="#">Compliance</a>		<a href="#">Download PDF</a>
		Compliance		<a href="#">Values and standards</a> <a href="#">Compliance</a>		<a href="#">Download PDF</a>





**Product responsibility**

		Customer health and safety		<a href="#">Compliance</a> <a href="#">Product stewardship</a>		<a href="#">Download PDF</a>
		Product and service labelling		<a href="#">Product stewardship</a>		
		Marketing communications		<a href="#">Compliance</a>		<a href="#">Download PDF</a>
		Customer privacy		<a href="#">Compliance</a>		<a href="#">Download PDF</a>
		Compliance		<a href="#">Compliance</a> <a href="#">Product stewardship</a>		<a href="#">Download PDF</a>

**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	<div><div></div></div>	<a href="#">Social commitment</a> <a href="#">Key figures</a>	<a href="#">Financial Report 2014: Linde shares</a>  <a href="#">Financial Report 2014: financial statement</a>	
7	EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	<div><div></div></div>	<a href="#">Opportunities and risks</a> <a href="#">Innovation</a> <a href="#">Climate protection</a>	<a href="#">Financial Report 2014: opportunities and risks</a>  <a href="#">Website Linde: Clean Technology by Linde</a>	
	EC3	Coverage of the organisation's defined benefit plan obligations	<div><div></div></div>	<a href="#">Remuneration</a> <a href="#">Employees worldwide</a>		
	EC4	Significant financial assistance received from government	<div><div></div></div>			
1	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	<div><div></div></div>	<a href="#">Remuneration</a> <a href="#">Compliance</a> <a href="#">Labour and social standards</a>		<a href="#">Download PDF</a>












## 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		<a href="#">Supply chain</a>		
6	EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation		<a href="#">Diversity</a>		
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement		<a href="#">Social commitment</a>		
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts		<a href="#">Social commitment</a> <a href="#">Employees worldwide</a>		


















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## Environmental indicators

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
8	EN1	Materials used by weight or volume		<a href="#">Raw materials</a> <a href="#">Key figures</a>		
8,9	EN2	Percentage of materials used that are recycled input materials				
8	EN3	Direct energy consumption by primary energy source		<a href="#">Key figures</a> <a href="#">Energy</a>		
8	EN4	Indirect energy consumption by primary source		<a href="#">Key figures</a> <a href="#">Energy</a>		
8,9	EN5	Energy saved due to conservation and efficiency improvements		<a href="#">Energy</a>		
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		<a href="#">Opportunities and risks</a> <a href="#">Climate protection</a> <a href="#">Innovation</a>	<a href="#">Website Linde: Clean Technology by Linde</a>	
8,9	EN7	Initiatives to reduce indirect energy consumption and reductions achieved		<a href="#">Energy</a> <a href="#">Climate protection</a> <a href="#">Transport</a>		
8	EN8	Total water withdrawal by source		<a href="#">Key figures</a> <a href="#">Water</a>		
8	EN9	Water sources significantly affected by withdrawal of water				
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				




## Environmental indicators

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
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		<a href="#">Biodiversity</a>		
8	EN13	Habitats protected or restored		<a href="#">Biodiversity</a>		
8	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity		<a href="#">Biodiversity</a>		
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		<a href="#">Key figures</a> <a href="#">Climate protection</a>		
8	EN17	Other relevant indirect greenhouse gas emissions by weight		<a href="#">Key figures</a> <a href="#">Climate protection</a>		
7,8,9	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved		<a href="#">Climate protection</a> <a href="#">Energy</a>		
8	EN19	Emissions of ozone-depleting substances by weight		<a href="#">Climate protection</a> <a href="#">Key figures</a> <a href="#">Air emissions</a>		
8	EN20	NOx, SOx, and other significant air emissions by type and weight		<a href="#">Key figures</a> <a href="#">Air emissions</a>		
8	EN21	Total water discharge by quality and destination		<a href="#">Key figures</a> <a href="#">Water</a>		
8	EN22	Total weight of waste by type and disposal method		<a href="#">Key figures</a> <a href="#">Waste</a>		
8	EN23	Total number and volume of significant spills		<a href="#">Key figures</a> <a href="#">Climate protection</a> <a href="#">Environment and safety</a> <a href="#">Air emissions</a>		
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		<a href="#">Key figures</a> <a href="#">Waste</a>		
8	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and run-off		<a href="#">Water</a>		
7,8,9	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation		<a href="#">Product stewardship</a> <a href="#">Opportunities and risks</a>	<a href="#">Website Linde: Clean Technology by Linde</a>	
8,9	EN27	Percentage of products sold and their packaging materials that are reclaimed by category				

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## Environmental indicators

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
8	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		<a href="#">Environment and safety</a> <a href="#">Key figures</a>	<a href="#">Financial Report 2014: risk management</a>	
8	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce		<a href="#">Transport</a> <a href="#">Climate protection</a> <a href="#">Key figures</a>		
7,8,9	EN30	Total environmental protection expenditures and investments by type				








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## 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		<a href="#">Diversity</a> <a href="#">Key figures</a> <a href="#">Employees worldwide</a> <a href="#">Work-life balance</a>		
	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region		<a href="#">Employees worldwide</a> <a href="#">Key figures</a>		
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations		<a href="#">Remuneration and social benefits</a>		
1,3	LA4	Percentage of employees covered by collective bargaining agreements		<a href="#">Remuneration and social benefits</a> <a href="#">Key figures</a>		
3	LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements		<a href="#">Involving employees</a>		
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				
1	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender		<a href="#">Health and safety</a> <a href="#">Key figures</a>		
1	LA8	Education, training, counseling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases		<a href="#">Environment and safety</a> <a href="#">Health and safety</a>		

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## Social indicators: Labour practices and decent work

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
1	LA9	Health and safety topics covered in formal agreements with trade unions		<a href="#">Involving employees</a>		
	LA10	Average hours of training per year per employee by gender, and by employee category		<a href="#">Winning talent</a> <a href="#">Involving employees</a>		
	LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		<a href="#">Winning talent</a>		
	LA12	Percentage of employees receiving regular performance and career development reviews, by gender		<a href="#">Winning talent</a>		
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		<a href="#">Diversity</a> <a href="#">Key figures</a>	<a href="#">Website Linde: management</a>	
1,6	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation				
	LA15	Return to work and retention rates after parental leave, by gender		<a href="#">Work-life balance</a>		

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## 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		<a href="#">Supply chain</a>		
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		<a href="#">Supply chain</a>		
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		<a href="#">Compliance</a>		
1,2,6	HR4	Total number of incidents of discrimination and corrective actions taken		<a href="#">Compliance</a> <a href="#">Key figures</a>		

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## 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		<a href="#">Compliance</a> <a href="#">Labour and social standards</a> <a href="#">Values and standards</a> <a href="#">Involving employees</a> <a href="#">Supply chain</a>		 
1,2,5	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour		<a href="#">Compliance</a> <a href="#">Labour and social standards</a> <a href="#">Values and standards</a> <a href="#">Supply chain</a>		 
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 labour		<a href="#">Compliance</a> <a href="#">Labour and social standards</a> <a href="#">Values and standards</a> <a href="#">Supply chain</a>		 
1,2	HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations				
1,2	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken				
1,2	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments		<a href="#">Labour and social standards</a>		
1,2	HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms		<a href="#">Compliance</a>		

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## 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 programmes		<a href="#">Compliance</a> <a href="#">Social commitment</a> <a href="#">Environment and safety</a> <a href="#">Opportunities and risks</a> <a href="#">Site safety</a> <a href="#">Product stewardship</a>		
10	S02	Percentage and total number of business units analysed for risks related to corruption				
10	S03	Percentage of employees trained in organisation's anti-corruption policies and procedures		<a href="#">Compliance</a>		
10	S04	Actions taken in response to incidents of corruption		<a href="#">Compliance</a>		






## Social indicators: Society

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
1,2,3,4,5,6,7,8,9,10	S05	Public policy positions and participation in public policy development and lobbying		<a href="#">Social commitment</a> <a href="#">Stakeholders</a> <a href="#">Global Compact</a>	<a href="#">Website Linde: political interests</a>	
10	S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country			<a href="#">Website Linde: political interests</a>	
10	S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes			<a href="#">Financial Report 2014: risk areas</a>	
	S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		<a href="#">Environment and safety</a>	<a href="#">Financial Report 2014: risk areas</a>	
	S09	Operations with significant potential or actual negative impacts on local communities		<a href="#">Environment and safety</a>	<a href="#">Financial Report 2014: risk management</a>	
	S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		<a href="#">Environment and safety</a>	<a href="#">Financial Report 2014: risk management</a>	

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## 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		<a href="#">Product stewardship</a> <a href="#">Environment and safety</a>	<a href="#">REACH website Linde</a>	
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			<a href="#">Financial Report 2014: risk areas</a>	
8	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements		<a href="#">Product stewardship</a>	<a href="#">REACH website Linde</a>	
8	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes		<a href="#">Product stewardship</a>	<a href="#">Financial Report 2014: risk areas</a>	
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction		<a href="#">Customer relationships</a>		

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## Social indicators: Product responsibility

UNGC	GRI	GRI indicator	Status	Link within the report	External links	PDF
	PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship				
	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			<a href="#">Financial Report 2014: risk areas</a>	
1	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data			<a href="#">Financial Report 2014: risk areas</a>	
	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services			<a href="#">Financial Report 2014: risk areas</a>	

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# 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) forms part of our Corporate Responsibility Report. Content relevant to the Global Compact is indicated as such in the online report. This content is also listed in the [GRI and Global Compact index](#).

We report in accordance with the Advanced Level of the UN Global Compact. To meet the requirements of the highest COP reporting level, we provide voluntary information on 24 criteria alongside this report. This information is available on the website of the [UN Global Compact](#). 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 which help us incorporate the principles of the Global Compact into our business processes. We also report on how we measure and monitor our performance and about the progress we have made, the measures we propose, and our targets and goals.

## Human rights

**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

<b>Strategy</b>	Linde undertakes to respect and protect human rights. We comply with international principles and guidelines such as:	<a href="#">Labour standards</a>
	<ul style="list-style-type: none"> <li>the UN Universal Declaration of Human Rights,</li> <li>the UN Guiding Principles on Business and Human Rights and</li> <li>OECD Guidelines for Multinational Enterprises.</li> </ul>	<a href="#">Safety and health</a>  <a href="#">Suppliers</a>
	Our aim is to make a contribution towards supporting human rights within the sphere of influence of our company: in our business activities, in the protection of our employees and in relationships with our stakeholders.	
<b>Implementation and monitoring</b>	Our commitments to protect human rights are set out in our Group guidelines which are binding for all our employees. These include our Code of Ethics and a position paper on human rights issued in 2014. Our Code of Ethics is supplemented by other global guidelines and standards. These include global guidelines on safety and health protection. In our Code of Conduct for Suppliers, we also require our suppliers to protect human rights and comply with minimum social standards.	<a href="#">Code of Ethics</a>  <a href="#">Code of Conduct for Suppliers</a>
	We review our commitments to protect human rights by applying a multi-layer implementation and monitoring process:	<a href="#">Safety and environmental protection</a>
	<ul style="list-style-type: none"> <li>We provide our employees with training on the contents of our Code of Ethics.</li> </ul>	<a href="#">Labour standards</a>  <a href="#">Safety and health</a>
		<a href="#">Suppliers</a>  <a href="#">Compliance</a>

## Human rights

- Training and audits are an inherent part of our safety management system. We include contractors and other business partners in our training.
- We use global surveys in all regions to review the implementation of fair working conditions.
- Our dialogue with employee representatives also includes discussions and consultation about labour standards.
- We address the impact of our procurement practices and set out minimum standards for suppliers. We test compliance on a sample basis.
- Employees and external stakeholders can use the confidential Linde Integrity Line to report suspected violations, anonymously if they so wish.

## Progress in the reporting year

- The Group issued out its position on human rights [Labour standards](#)
- Global survey within the Group on processes which ensure respect for human rights [Safety and the environment](#)
- Since the beginning of 2012, audits covering social topics have been carried out at more than 190 business locations. [Safety and health](#)
- Occupational safety and health protection audits have been conducted at 57.4 percent of the Group's operating sites. [Suppliers](#)
- A new global target for a reduction in workplace accidents is set.
- 80 percent of our strategic suppliers have signed up to our Code of Conduct for Suppliers.
- Training about workplace harassment delivered in India

## Outlook

- Implement measures to achieve our global targets: [Targets](#)
  - Achieve a continuous reduction in the number of workplace accidents by 2020 (base year 2012)
  - Halve the frequency of serious transport incidents by 2017 (base year 2012)
- Global analysis of safety culture
- Implement measures to achieve our global target: Increase the proportion of female senior managers to between 13 and 15 percent by 2018
- Provide more detail about the target to increase the proportion of female senior managers
- Training on gender diversity

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## Labour standards

**Principle 3:** Uphold the freedom of association and recognise the right to collective bargaining

**Principle 4:** Uphold the elimination of all forms of forced labour

**Principle 5:** Uphold the abolition of child labour

**Principle 6:** Uphold the elimination of discrimination in respect of employment and occupation

<b>Strategy</b>	Linde is committed to upholding international labour rights and standards and to dealing fairly with its employees. We are committed to the core labour standards of the International Labour Organisation (ILO).	<a href="#">Labour standards</a> <a href="#">Diversity</a> <a href="#">Involving employees</a>
	These include <ul style="list-style-type: none"> <li>recognising the right of employees to freedom of association and collective bargaining to the extent that this is permitted by local legislation and promoting open dialogue between employees and management where there are no designated employee representatives;</li> <li>rejecting any form of forced labour or human trafficking;</li> <li>complying with requirements about the minimum age of employees, as set out in local legislation and international agreements;</li> <li>observing guidelines on equal opportunities and fair treatment and zero tolerance for any form of illegal discrimination or employee harassment.</li> </ul>	<a href="#">Suppliers</a>
	We also expect our suppliers to comply with these labour standards.	
<b>Implementation and monitoring</b>	Our commitments in the area of labour rights and standards are set out in mandatory guidelines for employees and suppliers. These include our Code of Ethics and a position paper on human rights. In our Code of Conduct for Suppliers, we also require that suppliers comply with minimum social standards.	<a href="#">Code of Ethics</a> <a href="#">Code of Conduct for Suppliers</a>
	We have implemented various measures to ensure compliance with labour rights: <ul style="list-style-type: none"> <li>Linde has a central works council for the Group as a whole as well as a European works council which currently has 27 members and is responsible for cross-regional topics. In other countries, employee representation is at regional level. Our dialogue with employee representatives also includes discussions and consultation about labour standards.</li> <li>Employees are provided with training on the content of our Code of Ethics.</li> <li>Our diversity management programme aims to prohibit discrimination and actively promote equal opportunities.</li> <li>We use a global survey to conduct a regular review of the extent to which systems are implemented to prohibit forced labour and child labour.</li> <li>We set out minimum requirements in the area of social standards with which our suppliers must comply. We test compliance on a sample basis.</li> <li>Potential violations can be reported using the Linde Integrity Line – anonymously if so desired.</li> </ul>	<a href="#">Labour standards</a> <a href="#">Diversity</a> <a href="#">Involving employees</a> <a href="#">Suppliers</a> <a href="#">Compliance</a> <a href="#">Integrity Line</a>

## Labour standards

Progress in the reporting year	<ul style="list-style-type: none"> <li>Position paper on human rights issued by the Group</li> </ul>	<a href="#">Labour standards</a>
	<ul style="list-style-type: none"> <li>Global survey within the Group on processes which ensure that human rights are being upheld</li> </ul>	<a href="#">Suppliers</a>
	<ul style="list-style-type: none"> <li>Since the beginning of 2012, audits covering social topics have been carried out at more than 190 business locations.</li> </ul>	<a href="#">Diversity</a>
	<ul style="list-style-type: none"> <li>80 percent of our strategic suppliers have signed up to the Code of Conduct for Suppliers.</li> </ul>	
	<ul style="list-style-type: none"> <li>Proportion of women in our most important development programme for senior managers increased to 26.5 percent</li> </ul>	
	<ul style="list-style-type: none"> <li>Proportion of female senior managers increased to around 14 percent</li> </ul>	
	<ul style="list-style-type: none"> <li>Diversity Committee set up in the Engineering Division in Germany</li> <li>Training about workplace harassment delivered in India</li> </ul>	
Outlook	<ul style="list-style-type: none"> <li>Implement measures to achieve our global target: increase the proportion of female senior managers to between 13 and 15 percent by 2018</li> </ul>	<a href="#">Targets</a>
	<ul style="list-style-type: none"> <li>Provide more detail about the target to increase the proportion of female senior managers</li> </ul>	
	<ul style="list-style-type: none"> <li>Training on gender diversity</li> </ul>	

## Environmental protection

**Principle 7:** Support a precautionary approach to environmental challenges

**Principle 8:** Undertake initiatives to promote greater environmental responsibility

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies

Strategy	<p>Linde is committed to making a contribution towards protecting the environment. We focus in particular on the Group's sites, the transportation of products and their use by customers. We concentrate on minimising safety risks and our environmental impact as well as on the efficient use of energy, resources and materials.</p>	<a href="#">Safety and the environment</a>
	<p>Our products and services support our customers' efforts to make their business processes safer and more environmentally friendly.</p>	<a href="#">Innovations</a>
	<p>Within the framework of our social commitment, we also support environmental protection.</p>	<a href="#">Social commitment</a>
Implementation and monitoring	<p>Our commitment to protecting the environment is outlined in our mandatory Code of Ethics. Our global guideline on health, safety and the environment defines the framework for implementation in this area.</p>	<a href="#">Safety and the environment</a>
	<p>Our environmental management system and our risk management system are geared towards minimising the environmental risks that might arise from our products and processes. Measures include risk analyses and certification of our sites in accordance with international standards, as well as monitoring tools such as audits.</p>	<a href="#">Innovations</a>
	<p>Training is one of the ways in which we raise awareness of environmental and safety issues among our employees.</p>	

## Environmental protection

We have a wide-ranging portfolio of technologies which help reduce the current environmental impact of fossil fuels and cut CO<sub>2</sub> emissions. We are also driving forward 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 waste water.

Progress in the reporting year	<ul style="list-style-type: none"> <li>— Average energy of our own installed air separation plants has increased by 5.4 percent since 2008</li> </ul>	<a href="#">Safety and the environment</a>
	<ul style="list-style-type: none"> <li>— Energy efficiency of globally installed HyCO plants has increased by 1.9 percent since 2009</li> </ul>	<a href="#">Energy</a>
	<ul style="list-style-type: none"> <li>— 1.8 million tonnes of CO<sub>2</sub> emissions saved since 2008 as a result of improved energy intensity at air separation plants</li> </ul>	<a href="#">Water</a>
	<ul style="list-style-type: none"> <li>— A further 650,000 tonnes of CO<sub>2</sub> emissions saved since 2009 as a result of improved energy efficiency at hydrogen plants</li> </ul>	<a href="#">Waste</a>
	<ul style="list-style-type: none"> <li>— Around 250 projects identified which increase energy efficiency. Their implementation seeks to achieve cost savings of more than EUR 24 m and a reduction of 160,000 tonnes in CO<sub>2</sub> emissions.</li> </ul>	
	<ul style="list-style-type: none"> <li>— 39 plants in Europe were inspected to ensure sustainable use of water resources and a number of improvements were implemented</li> </ul>	
	<ul style="list-style-type: none"> <li>— More than 20 projects were identified which could contribute towards water being used more efficiently and generate cost savings</li> </ul>	
	<ul style="list-style-type: none"> <li>— By optimising water flow at sites in the Czech Republic and in the Netherlands, water consumption was reduced by 2.6 million cubic metres</li> </ul>	
	<ul style="list-style-type: none"> <li>— More than 1,400 safety, environmental protection and health protection audits were carried out</li> </ul>	
Outlook	<ul style="list-style-type: none"> <li>— Implement measures to achieve our global target: increase energy efficiency by 2 percent at installed hydrogen plants by 2015 (base year 2009)</li> </ul>	<a href="#">Targets</a>
	<ul style="list-style-type: none"> <li>— Decision about additional environmental targets</li> </ul>	
	<ul style="list-style-type: none"> <li>— Cost savings of more than EUR 2 m expected by 2016 due to optimised use of water</li> </ul>	
	<ul style="list-style-type: none"> <li>— Evaluation of findings from regional pilot projects for waste management and development of measures for other regions</li> </ul>	
	<ul style="list-style-type: none"> <li>— Reduction of electrical waste generated by medical devices</li> </ul>	

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## Anti-corruption

**Principle 10:** Work against corruption in all its forms, including extortion and bribery

<b>Strategy</b>	Good corporate governance is an essential prerequisite of our business success. It involves complying with laws, regulations and self-imposed commitments.	<a href="#">Code of Ethics</a>
	The aim of our global compliance programme is to prevent misconduct and to investigate and penalise potential violations.	<a href="#">Code of Conduct for Suppliers</a> <a href="#">Compliance</a>
<b>Implementation and monitoring</b>	Our key compliance guidelines are set out in our Code of Ethics and other supplementary guidelines. To prevent misconduct, our global compliance programme is based on three pillars: communication, training and personal advice.	<a href="#">Compliance</a> <a href="#">Integrity Line</a>
	At the same time, we encourage our employees to report any violations of our Code of Ethics, other Group guidelines or legal regulations and we offer them advice on doing so. Employees and third parties can use our reporting system, the Linde Integrity Line, to report any doubts or suspicions they may have. Each report to the Integrity Line is examined. Our Integrity Line guideline defines the exact process to be followed and ensures that reports remain confidential and data is protected. If the suspicion proves justified, this entails consequences.	
	We apply the knowledge we gain from dealing with these cases to make further improvements in our compliance programme.	
<b>Progress in the reporting year</b>	<ul style="list-style-type: none"> <li>Global compliance guideline introduced in our Healthcare business</li> </ul>	<a href="#">Compliance</a>
	<ul style="list-style-type: none"> <li>More than 49,000 e-learning sessions held on our Code of Ethics since the programme was launched</li> <li>More than 14,000 compliance refresher courses run</li> <li>14,500 employees provided with on-site training by qualified instructors</li> <li>5,000 queries answered by compliance officers</li> </ul>	
<b>Outlook</b>	Further measures to expand the compliance programme	<a href="#">Targets</a>
	Development of joint compliance projects	

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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 2014, including the explanatory notes, published in the Linde Corporate Responsibility Report 2014 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 2014, 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
- Certifications
  - 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](http://www.linde.com/cr-report) and are marked with the symbol: ✓

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

Our procedures included the following:

- 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 these 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 four selected production sites in Australia (1), Brazil (1), Chile (1), Germany (1), and four selected regions in Eastern Europe and Middle East (1), Europe (1), South America (1) South Pacific, 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 2014.

## Conclusion

Based on the procedures performed nothing, with the exception of the below described circumstances, has come to our attention to indicate that the selected environmental and safety performance indicators for the business year 2014, including explanatory notes, are not presented, in all material respects, in accordance with the reporting criteria.

During the assurance procedures we have observed material weaknesses in the processes and internal controls for the determination of NH<sub>3</sub> (ammonia) emissions into the air, especially in terms of leakages. Due to this, there are significant uncertainties in relation to reliability of the presented performance indicator on NH<sub>3</sub> (ammonia) emissions and we have not been able to obtain sufficient evidence to provide a basis for a conclusion.

Munich, March 16, 2015

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 CO<sub>2</sub> from combustion flue gases and storing it, particularly in underground sites. The aim is to reduce CO<sub>2</sub> emissions into the atmosphere.

### Carbon Capture and Usage (CCU)

This process involves separating CO<sub>2</sub> 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

### CO<sub>2</sub> equivalent (CO<sub>2</sub>e)

Unit of measurement used to express the effect different greenhouse gases have on the climate compared with a carbon dioxide (CO<sub>2</sub>) baseline

### 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 the ores from which these are extracted: tantalum (coltan), tin (cassiterite), wolfram and gold.

### Contractors

Employees from third-party firms who provide services on Linde's behalf

## 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 represents 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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## 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

### Good Manufacturing Practice

Good manufacturing practice refers to quality assurance guidelines which apply to the production of pharmaceutical products and active ingredients.

### 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

### HSE

Abbreviation for Health, Safety and Environment

### 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).

## 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.

## R

### RBU

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

**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 starting at annual production or import volumes of one tonne.

**Restriction of Hazardous Substances (RoHS)**

The revised RoHS EU Directive (2011/65/EU) is designed to restrict the use of certain hazardous substances in electrical and electronic equipment.

**RFI (Radiative Forcing Index)**

At high altitudes, emissions from air travel have a more significant impact on global warming. This effect can be made quantifiable by using the RFI (Radiative Forcing Index): CO<sub>2</sub> emissions from air travel are multiplied by the RFI (a factor greater than 1).

**ROCE**

Return on capital employed (ROCE)

**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.

**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".

# IMPRINT

## Head Office

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## Executive Board

Dr Wolfgang Büchele (Chief Executive Officer)  
 Thomas Blades  
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 Georg Denoke  
 Bernd Eulitz  
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## 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 mid-March 2015 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.