

Making our world more productive



Sustainable Development Report 2020



Mission, Vision and Values

Our Vision

We are committed to fulfilling our vision to be the best performing global industrial gases and engineering company, where our people deliver innovative and sustainable solutions for our customers in a connected world.

Our Mission

We live our mission of making our world more productive every day. Through our high-quality solutions, technologies and services we are making our customers more successful and helping to sustain and protect our planet.

Our Values

Safety

Integrity

Accountability

Inclusion

Community

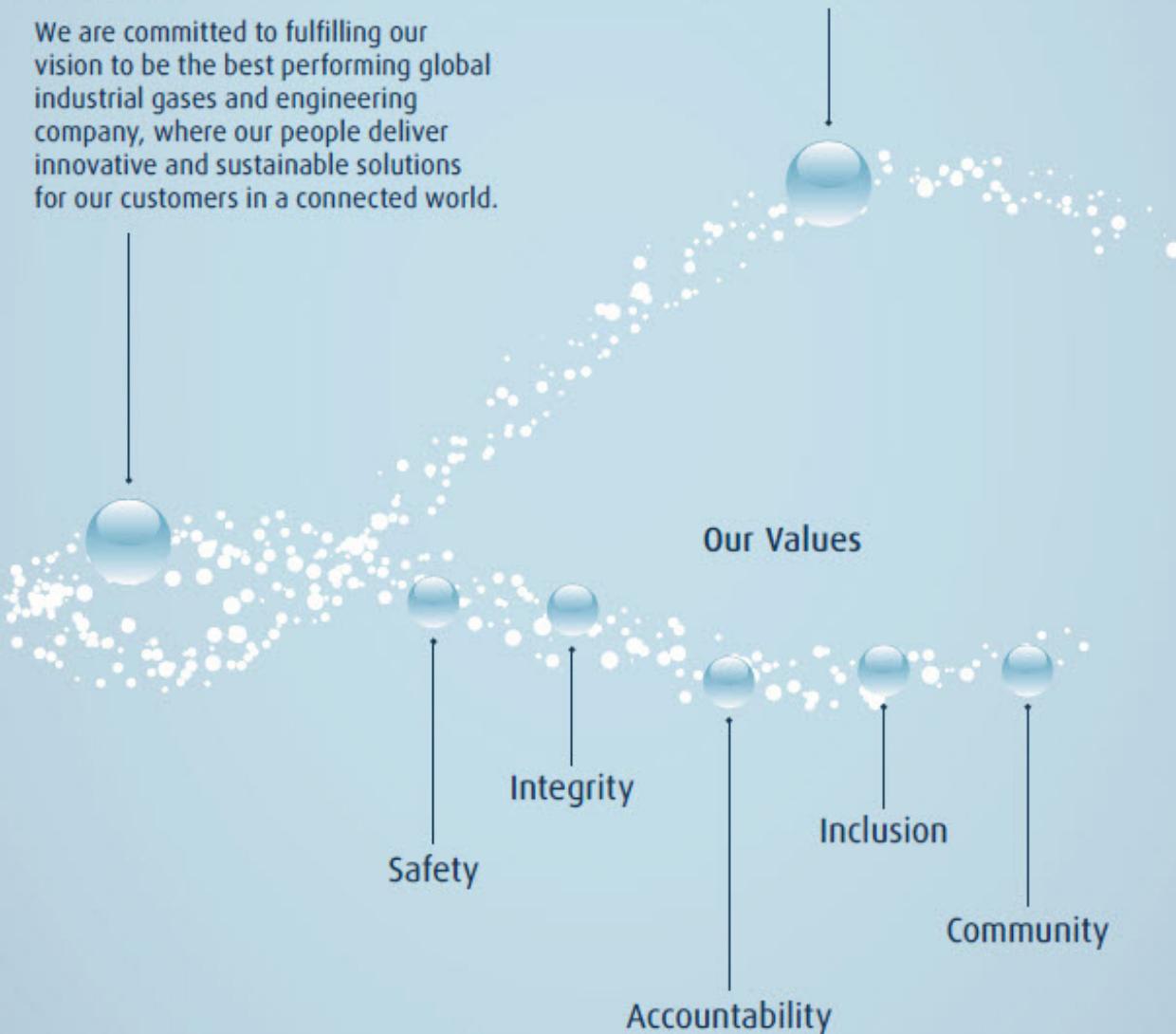


Table of Contents

Message from our CEO	04
About Linde	06
2028 Sustainable Development Targets	10
Climate Change – Challenge & Opportunity	13
Performance Towards Targets.....	18
Governance	25
Risk Management	28
Engaging Stakeholders	29
Additional General Disclosures.....	32
Economic Topics	47
Environmental Topics.....	54
Social Topics	69
Assurance.....	99
GRI Sustainability Reporting Standards Content Index.....	103

GRI References

This report has been prepared in accordance with GRI Standards: Core Option. GRI Standards are referenced throughout and an index is provided on page 103.

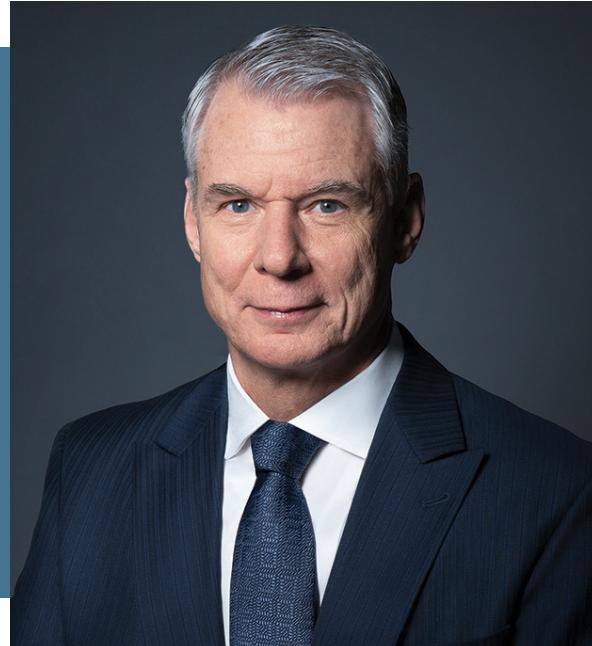
Forward Looking Statement

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast and similar expressions. They are based on management’s reasonable expectations and assumptions as of the date the statements are made but involve risks and uncertainties. These risks and uncertainties include, without limitation: the performance of stock markets generally; developments in worldwide and national economies and other international events and circumstances, including trade conflicts and tariffs; changes in foreign currencies and interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events including natural disasters, epidemics, pandemics such as COVID-19 and acts of war and terrorism; the ability to attract, hire and retain qualified personnel; the impact of changes in financial accounting standards; the impact of changes in pension plan liabilities; the impact of tax, environmental, healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of investigations, litigation and regulatory proceedings; the impact of potential unusual or non-recurring items; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; future financial and operating performance of major customers and industries served; the impact of information technology system failures, network disruptions and breaches in data security; and the effectiveness and speed of integrating new acquisitions into the business. These risks and uncertainties may cause actual future results or circumstances to differ materially from accounting principles generally accepted in the United States of America, International Financial Reporting Standards or adjusted projections, estimates or other forward-looking statements.

Linde plc assumes no obligation to update or provide revisions to any forward-looking statement in response to changing circumstances. The above listed risks and uncertainties are further described in item 1A. Risk factors in Linde plc’s Form 10-K for the fiscal year ended December 31, 2020 and filed with the SEC on March 1, 2021, which should be reviewed carefully. Please consider Linde plc’s forward-looking statements in light of those risks.

Message from our CEO

102-14



"I fully expect the Linde team to seek new ways to expand our impact and to continue Linde's tradition of excellence as we strive to make a difference for our customers and our communities."

Dear Stakeholder,

Our mission statement *making our world more productive* is perfectly aligned with society's increasing focus on sustainability. This report illustrates how, at Linde, 75,000 employees in nearly one hundred countries strive every day to bring our mission to life.

Last year, Linde announced a new set of targets in strategic areas of environment, social and governance (ESG). These included 10-year climate change targets, and I am pleased to share that we are well ahead of meeting these goals. As part of our commitment to increase decarbonization investments, we have announced several large projects including a multi-purpose green hydrogen plant in Germany, to supply, amongst others, the world's first operational hydrogen-powered ferry. We have already lowered our greenhouse gas emissions intensity by 16 percent from 2018, toward a goal of 35 percent reduction by 2028, and increased our procurement of low-carbon and renewable electricity.

It has only been one year since we announced our targets, and Linde employees are delivering on those targets just as they do in the areas of safety, reliability and productivity. But that is not enough – we will soon be issuing more aggressive GHG emissions reduction targets.

Enabling our customers' sustainability goals is also a priority. Our products help our customers reduce their carbon footprint and provide positive environmental impact to communities. In 2020, we helped to avoid 85 million metric tons of equivalent CO₂ emissions and enabled more than 200 million people to have access to safe drinking water. We are also reducing the environmental burden of communities where we operate: More than 100 sites joined our global Zero Waste program, diverting approximately 150 million pounds of waste from landfill, and our water management planning has helped reduce Linde's water use by 300 million gallons. Lastly, our employees performed over 300 projects in their communities addressing basic

human needs such as education, shelter, hygiene and nutrition.

As COVID-19 overwhelmed healthcare facilities around the world, our local teams took extraordinary measures to deliver essential medical oxygen under challenging conditions. This pandemic also exposed inequities in our society. In response, we expanded our Global Giving Program to over \$10 million providing additional funding to organizations addressing social justice issues.

Diversity and inclusion remain top priorities in our company and we expect to exceed our goal of 30 percent female representation globally by 2030.

Linde continues to be recognized for excellence in sustainability performance: For example, Linde is a member of the FTSE4Good Index Series, and the company has been included within the Dow Jones Sustainability Index for 18 consecutive years – unique among companies in the chemicals sector. I am proud of what we have accomplished and am excited about the future.

I fully expect the Linde team to continue our tradition of excellence as we strive to make a difference for our customers and our communities.

Stay safe!

A handwritten signature in black ink that reads "Steve Angel". The signature is fluid and cursive, with a large, stylized "A" and "s".

Steve Angel
Chief Executive Officer

Sustainable Development

Best-in-class safety performance

4x better than U.S. Occupational Safety and Health Administration industrial average for lost workday case rate

Green H₂ supply to the world's first **H₂-powered ferry**

350,000 people benefited from employee **community engagement** projects

Enabled the **avoidance of >2x more GHG emissions** than were emitted in all of the company's operations

A leader in **Diversity & Inclusion**

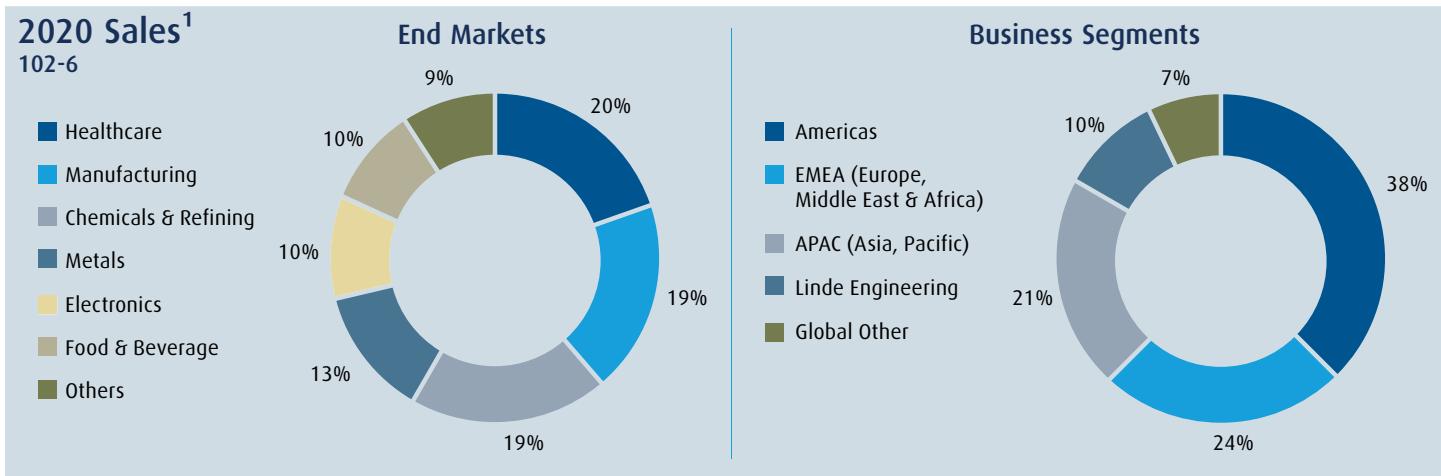
Reduced **300 million gallons** of water in operations

Sourced **more than 1/3** of global electricity from **low-carbon sources**

Awards and Recognition

- Member of Dow Jones Sustainability™ World Index (DJSI world)
- Member of Bloomberg Gender-Equality Index (GEI)
- One of the World's Most Ethical Companies by Ethisphere Institute

About Linde



(1) Total sales excluding Linde Engineering

Mission, Vision and Values

Linde's Sustainable Development Report (SDR) demonstrates how we deliver on our mission of *making our world more productive*. We live our mission every day by providing high-quality solutions, technologies and services that are making our customers more successful and helping to sustain and protect our planet.

Our vision is to be the best performing global industrial gases and engineering company, where our people deliver innovative and sustainable solutions for our customers in a connected world.

Linde's values are safety, integrity, community, inclusion and accountability.

Ethics and Integrity 102-16

Responsible corporate governance is a key prerequisite for Linde's business success. This means ensuring compliance with the law, rules and regulations, and voluntary commitments. Linde strives continuously to achieve its goals ethically and with the highest integrity. Interaction between management, employees and Linde's business partners is expected to be transparent and respectful, consistent with our Code of Business Integrity (CBI). Linde's governance of Ethics and Integrity is described in management approach for Material Economic Aspects, page 39.

Organization

Linde is a leading global industrial gases and engineering company with 2020 sales of \$27 billion. The reporting currency is the U.S. dollar. All amounts are shown in U.S. dollars (\$), unless stated otherwise. The company employs approximately 75,000 people globally and serves a diverse group of industries across more than 100 countries.

Approximately 83 percent of Linde's 2020 sales were generated from industrial gases operations in three geographic segments – Americas; Europe, Middle East and Africa (EMEA); and Asia Pacific (APAC). The remaining 17 percent is related primarily to the Engineering segment, and to a lesser extent, other operating segments (including the Praxair Surface Technologies business, a wholly owned subsidiary).

Business Model 102-2, 102-9

Linde's business model is to transform air and other process gases into applications that, in many cases, help customers become more energy and resource efficient or provide social benefits.

Linde's industrial gas processes transform natural resources into environmental and social value and impact; see the Business Model table, page 8. Principal business operations are to make atmospheric gases from raw materials in the air and electricity, and process gases, mainly hydrogen, from natural gas or industry byproducts, together with steam. The outputs of these processes, or our product applications, serve multiple end markets. More than 65 percent of sales are underpinned by fixed fees or resilient end-markets (e.g., healthcare, food and beverage, electronics, as well as portions of sales to chemicals and refining, metals and manufacturing), which provides some protection from market swings.

Many of Linde's applications bring environmental, economic and social benefits to our customers, communities and the planet. Our "sustainability portfolio" applications are shown in the "Outputs" rows, by end market. The benefits that they enable are shown in the "Outcomes" rows, by gas.

For example, Linde's oxygen helps steelmakers save energy, allows sustainable aquaculture to thrive and serves hundreds of thousands of patients needing respiratory oxygen. Its hydrogen helps oil refiners to make ultra-low sulfur diesel (ULSD), which helps improve air quality; thereby improving the environment and human health. Linde's high-performance surface coatings help improve energy efficiency in jet engines and machine turbines. These outcomes deliver multiple longer-term impacts and sustainable business value.

For more information about the company's business model and products and services, please visit <http://www.linde.com/>.

Creating Economic, Environmental and Social Value

Linde's business model creates additional enduring value that amplifies our mission of making our world more productive. The Business Model table shows a range of Linde's inputs and activities,

and the output and outcomes of these beyond those described in our Business Model table. For example, Linde values the safety of its employees and contractors and invests more than 5 million hours of safety training each year. One outcome of this effort is that Linde's safety record is several times better than industry benchmarks, which gives us confidence that our employees and contractors return home safely at the end of their day.

Linde's products contribute positively to the health and wellbeing of our customers. Homecare and hospital patients worldwide benefit from our medical gases, devices, services and therapies, especially in respiratory care. For example, during the COVID-19 pandemic, Linde medical oxygen was crucial to healthcare responders and their patients in many of our countries. In the United States, Lincare is a leading provider of home respiratory-therapy products and services.

Linde gases also play an important role in tackling the global challenge of access to clean water. An ever-growing population and industrial activity, along with stringent environmental regulations, puts additional pressure on wastewater treatment plants across the globe to treat increasing volumes of wastewater - adding pure oxygen effectively increases plant capacity. As access to drinking water becomes more scarce, the market for desalination has expanded, particularly in drought-susceptible areas. Carbon dioxide can be used in the re-mineralization step, as a safer alternative to mineral acids. In Australia, for example, Linde CO₂ helps desalinate water to meet the needs of 15 percent of the population in Sydney.

In 2020, Linde gases enabled more than 200 million people to have access to safe drinking water, including approximately 140 million people in APAC.

The long-term impact of these activities is difficult to measure or attribute directly to one company. However, we can demonstrate how they contribute to the 17 global United Nations Sustainable Development Goals (UN SDGs) introduced by the UN to eradicate poverty, protect the planet and guarantee prosperity for all by 2030. The "Impact" column of the table on page 9, shows the SDGs most relevant to Linde, which are referenced in Linde's Sustainable Development targets.

There are many examples of how Linde's activities contribute towards the SDGs, including efforts to further SDG 12: Responsible Production and Consumption. SDG 12.2 is "By 2030, achieve the sustainable management and efficient use of natural resources." Linde's broad range of resource intensity targets address this issue. The company also takes direct action on SDG 12.6: "Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle."

In the table we can observe, for instance, how Linde contributes to SDG 7.2: "Increase the share of renewable energy by 2030"; Linde will actively contribute to this target by doubling the purchase of low-carbon energy by 2028 (please refer to page 20 for more details on this target).

Business Model

102-2

This chart provides some examples of the applications and benefits from some of Linde's products.

Inputs	Product Stewardship	Managing environmental and safety aspects through the product life cycle from raw materials sourcing and supplier engagement to operations, distribution and customer use.					
	Raw Materials	Air and Electricity			Natural Gas or Industry Byproducts, Water (Steam)	Industry Byproduct, Natural Wells	Byproduct from Natural Gas Processing
Activities	Products	O ₂	N ₂	Ar	H ₂	CO ₂	He
	Business Operations	Atmospheric Gases			Process & Spec Gases		Other Products (Including Surface Coatings)
2020 End Markets (% revenue)		Examples of Significant Product Applications			Eco & Joint Eco- + Social Benefits Portfolio	Social Benefits Portfolio	
Outputs	Healthcare (20%)	Hypoxia				Medical gas, MRIs	
	Manufacturing (19%)	Fuel	Autoclave	Welding, window insulation	Fuel	Welding	Welding
		Water treatment				Water treatment	
	Chemicals & Refining (19%)	Refinery processing & water treatment	Inerting, blanketing, purging		Diesel & gasoline reformulation & manufacture of ammonia, methanol	Replacing acids in industrial processes; synthesis & separation; carbon capture	Leak detection
	Metals (13%)	Steel making, glass, non-ferrous metal processing	Inerting, metals processing	Stainless steel production	Heat treatment of stainless steel		
	Electronics (10%)		Inerting		Cleaning & inerting	Inerting	Electronics processing
	Food & Beverage (10%)	Modified Atmosphere Packaging, aquaculture	Freezing, chilling, preservation		Cryogenic freezing		
	Other Markets (9%)				Beverage carbonation		Laboratories
Outcomes	Examples of environmental, economic and social benefits	Human health and safety, productivity, product quality					
		Fewer emissions of NOx, SOx, VOCs					
		More energy-efficient industrial production	Safety	Fewer GHG emissions More energy efficiency	Fewer black carbon and GHG emissions	Cleaner manufacturing	Fewer environmental releases
		Cleaner drinking water Medical O ₂	Freezing + preserving food, medical samples		Better air quality	Water treatment & desalination	MRIs, LCDs, diving gases, airbags
	Impact		▶ Delivering Sustainable Value (see page 9)				

Key: Magnetic resonance imaging (MRI); Volatile organic compound (VOC); Liquid crystal display (LCD)

How We Create Economic, Environmental and Social Value

INPUT AND ACTIVITIES →	OUTPUT AND OUTCOMES →	IMPACT
Employees		UN SDG*
A global corporation with a presence in approximately 100 countries	<ul style="list-style-type: none"> Supported 74,207 employees globally, with personnel expenses totaling \$5.6 billion in 2020, including salaries, benefits, Social Security contributions and pensions, and share-based compensation 	3 GOOD HEALTH AND WELL-BEING 
Committed to Diversity and Inclusion	<ul style="list-style-type: none"> 27% female employees worldwide Trained approximately 1,200 leaders on unconscious bias Consistently listed on major Diversity and Inclusion indices 	
Commitment to Safety: >5 million hours of safety training delivered per year to employees and contractors	<ul style="list-style-type: none"> Achieved lost workday case rate 4X better than the U.S. Occupational Health and Safety Administration all industries industrial average 	
Customers and Investors		8 DECENT WORK AND ECONOMIC GROWTH 
Shareholder focus	<ul style="list-style-type: none"> Delivered 28 consecutive years of dividend growth 	
Customer-centric, capital-intensive operations	<ul style="list-style-type: none"> Adjusted after-tax return on capital**: 13.4% Industry-leading project backlog of \$8 billion 	
Local business model	<ul style="list-style-type: none"> Linde manufactures and distributes nearly all its products and manages 2+ million industrial customers on a regional basis 	
Innovation		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
Technology Innovation	<ul style="list-style-type: none"> Conducted first-ever commercial scale trial for low-carbon steel heating with hydrogen, which enables substantial reductions in carbon emissions Delivered 54% of revenue from applications that bring environmental and social benefits Commenced construction of the world's first hydrogen station for fuel-cell powered passenger trains Demonstrated electrolysis expertise: currently building world's largest PEM electrolyzer (24 megawatts) 	
Natural Resources		12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
Resource productivity	<ul style="list-style-type: none"> Delivered productivity in line with business strategic objectives (total productivity savings >\$750 million) Realized \$133 million savings from sustainable productivity, including avoiding 300 million gallons of water usage and 576,000 MT CO₂e*** 	
37.2 million MT CO ₂ e direct and indirect GHG**** emissions	<ul style="list-style-type: none"> 16.4 TWh low-carbon energy sourced (39% of all energy) Enabled 85 million MT CO₂e to be avoided by customers from five of Linde's key technologies 	
74 million m ³ water consumed	<ul style="list-style-type: none"> Enabled more than 200 million people to have access to safe drinking water through gases used for water treatment and desalination 	7 AFFORDABLE AND CLEAN ENERGY 
Society		16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
Commitment to Ethics and Integrity	<ul style="list-style-type: none"> Maintained strong compliance culture through Code of Business Integrity, which has been implemented globally 	
\$9.4 million in funding for social projects and initiatives	<ul style="list-style-type: none"> Supported more than 1,000 organizations globally 	
61,000 employee volunteer hours contributed	<ul style="list-style-type: none"> Impacted 150,000 children and students through employee community engagement projects 	
Healthcare business	<ul style="list-style-type: none"> Provided crucial support to hospitals and healthcare facilities during the COVID-19 pandemic Cared for 40,000 COVID-19 patients in the U.S. through Lincare's respiratory care services 	8 DECENT WORK AND ECONOMIC GROWTH 

* UN SDG: United Nations Sustainable Development Goals

** Adjusted after-tax return on capital is a non-GAAP measure. For definition and reconciliation, please see Appendix to the Investor Teleconference Presentation Fourth Quarter 2020.

*** CO₂e: CO₂ equivalents

**** GHG: Greenhouse gas

2028 Sustainable Development Targets*



* For more information about all Linde's SD 2028 targets, please visit our website at www.linde.com/sustainable-development/targets-and-performance

Sustainable Development Targets 2028

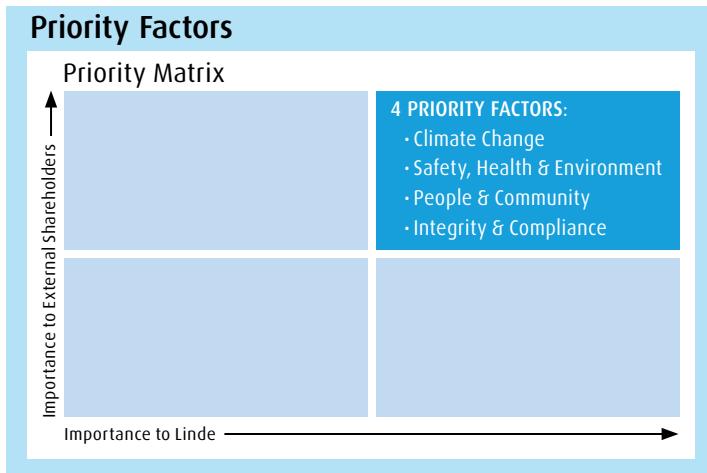
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Linde's ambitious Sustainable Development 2028 (SD 2028) targets are our roadmap and plan for the coming years. The targets are organized in four categories or Priority Factors (PFs) that we consider relevant to the company and its internal and external stakeholders: Climate Change; Safety, Health & Environment; People & Community; and Integrity & Compliance. The PFs are shown in the box: Priority Factors.

Within the four PFs are 10 subset areas, covering 20 targets. The Climate Change targets span Linde's full value chain, from pre-investment and R&D to operations, customers and growth strategy. These are discussed in the Climate Change section. Our PF for Safety, Health & Environment is supported by targets for personnel safety, distribution safety and product safety, and in the environment area, for sustainable productivity, water and waste. The People & Community PF has targets for diversity and inclusion, community engagement and global giving. In the Integrity & Compliance category, we are targeting 100 percent of employees and contractors certified in our code of ethics and compliance.

This set of targets has several features worth noting:

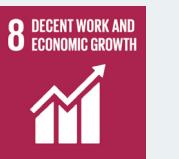
1. They are 10-year targets that set a long-term strategy for sustainable development at Linde. They are consistent with Linde's business model, its mission and values and the strategic business objectives named by the Board as a basis for variable compensation.
2. Linde's businesses and functions are accountable to deliver these targets – they are embedded into our businesses and operations. Each target is a business KPI and managed as part of the business.
3. The targets were developed with reference to external expectations. These include ESG investors, who look for non-financial information as the basis to make better informed investor decisions, such as the Sustainability Accounting Standards Board (SASB). They were also developed with stakeholders interested



in understanding Linde's impacts within the context of global needs and planetary boundaries (such as described by the GRI Sustainability Reporting Standards and the UN SDGs). Our SD targets contribute to several SDGs, as shown in the table on value creation on page 9, and in the Targets table. Linde publishes indexes that show how its SD strategy and targets align with the GRI Standards, TCFD and with SASB; and an ESG Report – Summary for Investors. For more information please visit: <https://www.linde.com/about-linde/sustainable-development/reporting-center>.

4. As part of its continuous improvement process, Linde conducts a condensed SDMA each year to confirm alignment and consider adjustments and improvements. The SDMA will be repeated after 5 years to confirm that the key issues remain relevant. The full SDMA process is described on our website at: <https://www.linde.com/sustainable-development/selecting-priorities>.

Sustainable Development Targets 2018-2028*

Climate Change	Safety, Health & Environment	People & Community	Integrity & Compliance
Decarbonization Investment & Innovation <ul style="list-style-type: none"> >\$1 billion in decarbonization initiatives >1/3 annual R&D budget to decarbonization 	Occupational and Distribution Safety <ul style="list-style-type: none"> Achieve annual operational safety better than industry levels (LWCR, TRCR) Achieve annual Commercial Vehicle Incident Rate (CVIR) of <2.5 / million km 	Diversity & Inclusion <ul style="list-style-type: none"> Achieve 30% representation of women globally by 2030 	Integrity & Compliance <ul style="list-style-type: none"> Confirm 100% annual certification to Linde's Code of Business Integrity
GHG Reduction: Achieve 35% intensity reduction in GHG vs. EBITDA <ul style="list-style-type: none"> >2x low-carbon power sourcing, primarily from active renewable electricity Improve energy & GHG intensity <ul style="list-style-type: none"> 4% for HyCO GHG 7% for ASU energy 10% for distribution fleet GHG 10% absolute reduction in GHG emissions from other GHG 	Health/Product Stewardship <ul style="list-style-type: none"> Zero global sales of coating slurries that contain hexavalent chrome by 2029 (surface coatings) 	Employee Community Engagement <ul style="list-style-type: none"> Contribute 550 CE projects by 2028 Integrate Community Needs Assessments into Engineering project design phase (U.S. only) 	
Innovative & Sustainable Solutions <ul style="list-style-type: none"> Contribute >50% annual sales from Sustainability Portfolio Enable >2x annual carbon productivity 	Environment <ul style="list-style-type: none"> Achieve \$1.3 billion Sustainable Productivity Implement Water Management Plans at 100% relevant sites Achieve Zero Waste at 450 sites 	Global Giving <ul style="list-style-type: none"> Increase environmental / climate-related philanthropic spend by 50% 	
 7 AFFORDABLE AND CLEAN ENERGY	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 3 GOOD HEALTH AND WELL-BEING	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		 8 DECENT WORK AND ECONOMIC GROWTH	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

* See Performance Towards Targets for definitions of scope and boundary of each target. All targets run 2018-2028 except where otherwise noted.

Climate Change—Challenge & Opportunity

The effects of climate change are increasingly visible on the environment, society and the global economy. Climate change is not a distant threat — it is happening now. Linde has the technology, resources and people to help address climate change. For more than 100 years, we have been providing solutions to help solve global energy challenges. Our company's mission of *making our world more productive* is fully aligned with the goals of addressing the global challenges of sustainable energy and climate change. Through our high-quality solutions, products, technologies and services, we are making our customers more successful and helping to sustain and protect our planet.

TODAY

Linde is in the business of resource transformation. We use fuels for energy and as feedstock. Our business and production processes are therefore energy-intensive, making the cost and availability of energy important for Linde. Our total carbon footprint in 2020 was about 37.2 million tons of CO₂e, where 44 percent stems from direct carbon dioxide emissions, mostly from our hydrogen plants, and 56 percent from indirect emissions from our electricity consumption, mostly from air separation. This energy use, in turn, delivers innovative and sustainable solutions for our customers. In many cases, these solutions improve the productivity, energy use and GHG emissions for our customers or end users. **In fact, we calculate that in 2020, Linde gases, principally oxygen and hydrogen, enabled our customers to avoid 85 million metric tons of CO₂e, which is more than twice as much GHG avoided than emitted from all our operations.**

See page 14.

As the electric grid decarbonizes by using more low-carbon and renewable sources, Linde's indirect GHG emissions will reduce. In addition, Linde actively contributes to grid decarbonization in multiple ways:

- Linde's business proposition is that it is more reliable and more energy efficient for our customers to outsource the production of industrial gases than to insource. Linde's energy efficiency is world-class, and we continue to improve it each year, saving money as well as energy and GHG emissions.

- Many of Linde's cryogenic air separation (ASU) plants are designed to include "buffer" inventories to retain reliable supply in case of power failure. This has allowed Linde to participate in demand-response programs. In periods of peak energy demand, Linde can interrupt its grid power use and effectively reduce grid electric load (by the equivalent of 40,000 homes from a single location). Linde's design investment can provide ancillary service for grid operators to maintain reliable electric power service as wind and solar energy become a greater part of our resource mix.
- Thirty-four percent of all Linde energy (16.4 TWh) is currently sourced from low-carbon and renewable power. Of that, 2.5 TWh is directly or actively sourced — equivalent to the annual electricity use of approximately 287,000 homes in the U.S. Linde electricity use in the UK and Brazil is almost 100 percent renewable, using wind and hydroelectric, respectively. Other low-carbon sources are hydro and nuclear power in New York state, wind and hydro in Mexico, and wind in India.

Hydrogen is a key enabler of the clean energy transition. It is a versatile, clean and safe energy carrier that can be used as fuel for power or in the industry as feedstock. At the point of use, it produces zero emissions and it can be stored and transported at high energy density in liquid or gaseous form. It can be combusted or used in fuel cells to generate heat and electricity.

We are at the beginning of this transition. Conventional processes are dominant today in refining, chemical production and other manufacturing processes (steel, electronics and other applications). R&D and emerging technologies are starting to change the landscape, but hydrogen fuel cell vehicles (HFCVs) are not yet widely adopted, green fuels and materials are still at pilot stages and hydrogen for energy storage is still in the development stage.

Most hydrogen is produced by steam methane reforming (SMR) using natural gas, or recovered as a byproduct from other industrial processes. Water electrolysis is emerging as an effective low-carbon source of hydrogen production, but SMRs remain the dominant technology to produce hydrogen at a large scale.

Linde Applications Enable 2.3x Carbon Productivity

Linde is a company in the business of resource transformation in a world that is dealing with climate change. Below are our 2020 actual results as reported by Linde plc entities. We demonstrate that a subset of Linde applications allow our customers or their end users to avoid more than twice the greenhouse gas (GHG) emissions of all Linde operations. In 2020, total GHG emissions were 37.2 million MT CO₂e, versus 85 million MT CO₂e avoided by our customers or end users, from several applications shown below – 2.3x the GHG benefit created than depleted.

In 2020, a subset of Linde applications enabled more than twice the GHG benefit than was emitted in all global operations.

85 million

MT CO₂e benefits enabled by Linde applications for customers and end users

37.2 million

MT CO₂e
Linde GHG footprint

16.2 million MT CO₂e
Scope 1 GHG emissions:
10.6 million MT from
hydrogen production, 5.6
million from other GHG
emissions, driving and
natural gas use

21 million MT CO₂e
Scope 2 indirect GHG
emissions emitted mainly
from air separation

10.9 million MT CO₂e avoided
from coatings for thermal
barriers for industrial gas
turbine and jet engine
efficiency

58.5 million MT
CO₂e avoided from H₂ for
ultra-low sulfur diesel (ULSD)

10.5 million MT CO₂e
avoided from O₂ for
steelmaking

5.1 million MT CO₂e avoided
from Kr in windows and Ar
in welding

Values are based on 2020 reported and consolidated results from Linde plc subsidiaries following Linde plc reporting standards.

CO₂e = CO₂ equivalents

Leading the Transition to Clean Hydrogen

Hydrogen is the most abundant element in the universe. Even though it's light and small, hydrogen is a powerful energy carrier. For example, it can be used to store excess renewable energy. Hydrogen is transported underground through an extensive network of pipelines or overland by truck to be applied to a wide range of applications, from mobility to heavy industries.

Due to its versatility, hydrogen is proving to be a key enabler of the transition to low and zero-carbon energy – clean energy, to help meet climate change targets.

At Linde, we have been harnessing the power of hydrogen for over 100 years and are making continued investments in effective and economic ways to deliver gray, blue and, ultimately, green hydrogen.

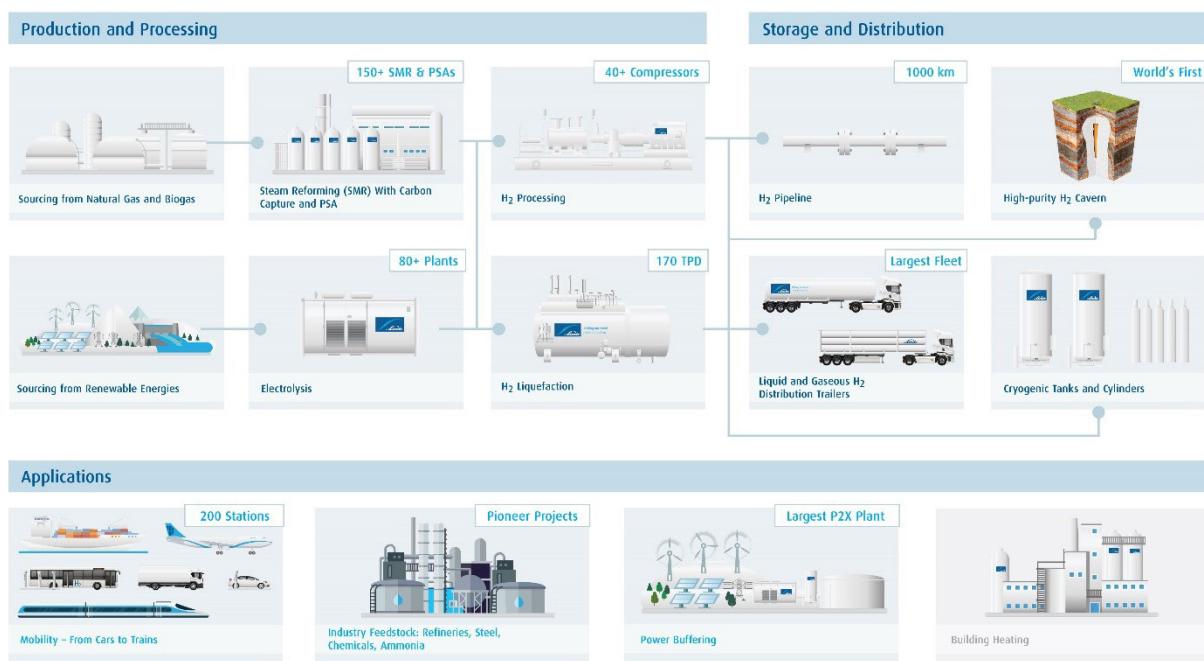
We can produce hydrogen from a range of feedstocks and natural resources. Using processes like steam reforming, we generate gray hydrogen from natural gas, liquefied petroleum gas (LPG) or naphtha. This is the most common hydrogen production process today. Gray hydrogen can be converted into blue hydrogen by adding carbon capture and storage technologies to the production process. Green hydrogen can be produced using electrolysis powered by renewable energy. An alternative green hydrogen production method is steam methane reforming using biomass as feedstock.

Gray and blue hydrogen are important steppingstones on the path to green hydrogen as they allow the necessary frameworks and infrastructures to be developed while green hydrogen production reaches the necessary scale.

As one of the world's leading industrial gases and engineering companies, Linde covers the full spectrum of the hydrogen value chain. We can help customers and industry stakeholders navigate through the complexities of the transition to a zero-carbon economy. Our engineers work with customers in identifying their path to zero emissions and can provide support in designing, building and operating plants and facilities.

Clean hydrogen is a cornerstone of our clean energy strategy comprised of 1) providing solutions to manage carbon emissions, and 2) clean hydrogen development. We are aligned with the Paris Agreement and contribute to accelerating the transition to a clean energy economy. We also support the Task Force on Climate Related Financial Disclosures (TCFD) – an Index showing the alignment between Linde's reporting and the TCFD Guidelines is available at: <https://www.linde.com/about-linde/sustainabledevelopment/reportingcenter>. Advocacy is another way in which we actively drive the transition to clean energy: Linde is a founding member of the Hydrogen Council and participates in many other hydrogen and climate change forums and advocacy groups, such as the Sustainable Markets Initiative and the Hydrogen Forward coalition.

Today, Linde has the largest liquid hydrogen production capacity and distribution system in the world. We also operate the world's first commercial high-purity hydrogen storage cavern, coupled with an unrivaled pipeline network of approximately 1,000 kilometers to reliably supply our customers. With close to 200 hydrogen refueling stations and 80 hydrogen electrolysis plants worldwide, we are at the forefront of the energy transition.



Linde's Roadmap to 2028

In 2028, the target horizon for our 10-year managed climate objectives will end. Our assumptions for this time horizon are that industrial-level decarbonization continues to accelerate. New technologies will be piloted and scaled commercially. Green fuels and materials will be scaling and the feasibility for hydrogen usage as an agent of decarbonization in multiple applications will be growing. SMRs will continue to be used for most large-scale hydrogen production. They will be more efficient, and many will incorporate carbon capture or use feedstocks and power from renewable sources. Electrolysis for green hydrogen production from renewable power will be available at capacities greater than 100 MW.

Linde's six climate change targets through 2028 (with a 2018 baseline) follow the full value chain from investment to customer and planetary benefits. They are consistent with Linde's mission and are critical to continuing the company's leadership in sustainability. These are management targets; our businesses are accountable for achieving them, and they are part of our compensation structure.

Linde will invest more than \$1 billion in decarbonization initiatives and triple the amount of clean hydrogen production. The company is investing across the hydrogen value chain to accelerate the clean energy transition with a higher global renewable power mix and significant operating and capital efficiencies. We will pursue competitive low-carbon sources of hydrogen, including energy-efficient SMRs with carbon dioxide capture, electrolysis with renewable power and piloting new low-carbon technologies.

In the R&D decarbonization focus area, key projects include advanced thermal barrier coatings and advanced sealing

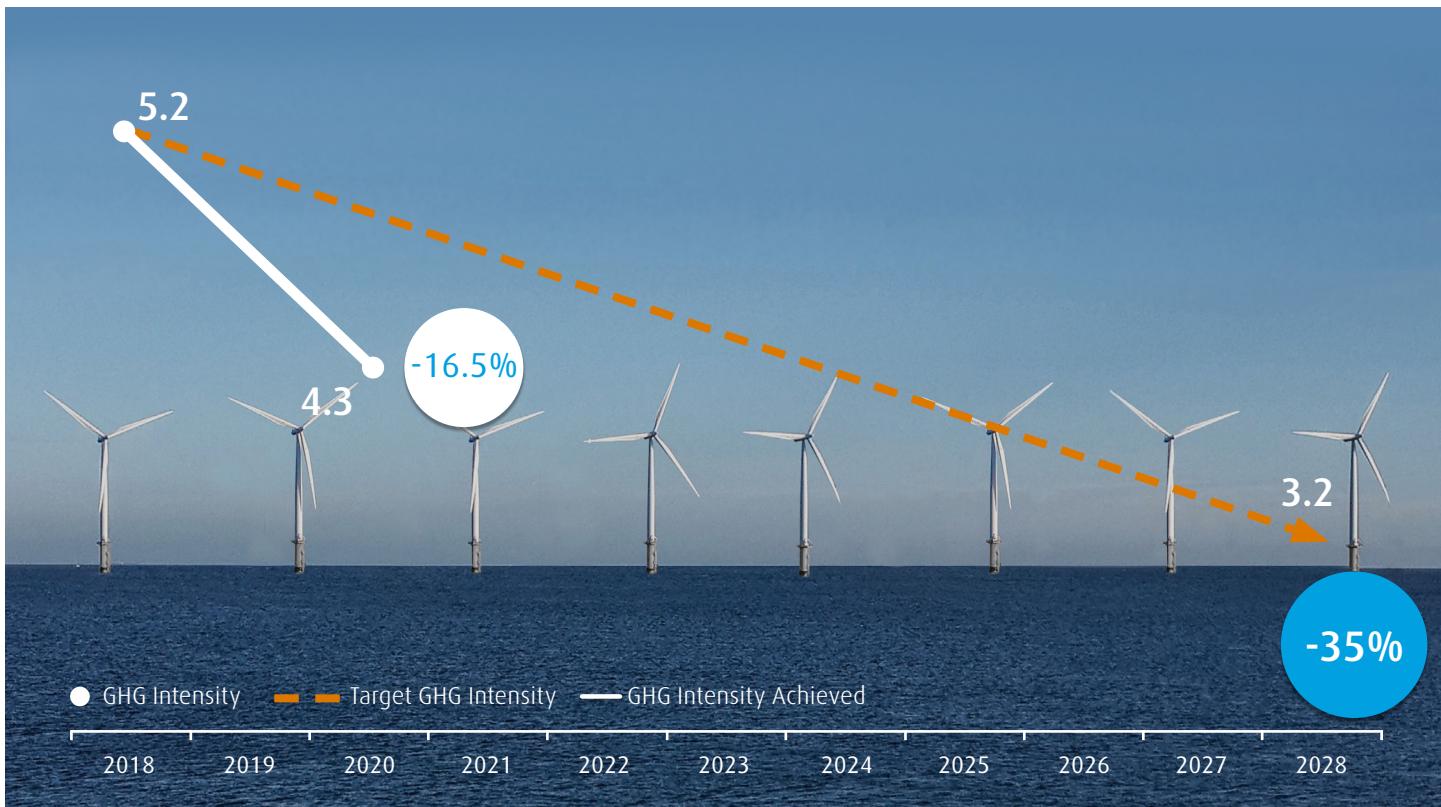
technologies, improving global plant efficiency, energy optimization, logistics and operations optimization, and flexible operations to support demand-side management and allow for higher utilization of renewably produced electrical power. It also includes the development of alternative gas separation technologies to allow alternative process concepts with higher efficiency and a lower carbon dioxide footprint; and decarbonization of the integrated mill, heat recovery, direct reduced iron technologies and electrochemistry initiatives.

Not all barriers to decarbonization can be overcome in the short term. However, we can continue to invest in optimizing operational efficiency, and we are making a commitment to a substantial increase in low-carbon and renewable energy to continue reducing carbon emissions.

The target of 35 percent improvement in Linde GHG intensity 2018–2028 is measured against adjusted EBITDA*. This target was chosen in order to show efficiency against a business denominator. EBITDA is one of the non-GAAP measures reported by Linde plc. Achieving this target will depend on a range of external variables that are not in our control, from global economic trends to government regulations to currency fluctuations. We remain committed to managing business growth while optimizing operational GHG emissions. In 2020, Linde reduced its GHG intensity by 16.5 percent; see Performance Towards Targets.

In relation to Scope 1 or direct GHG emissions, we target improving Scope 1 GHG intensity for hydrogen plants (HyCOs) (4 percent improvement within the target horizon) and our distribution vehicles (10 percent) and reducing our absolute GHG emissions from other sources (e.g., refrigerant filling losses, nitrous oxide emissions) by 10

Goal of 35% improvement in Linde GHG intensity 2018–2028*



* Scope 1 and 2 emissions (in Million MT) divided by adjusted EBITDA in billion USD. Calculation for 2018 uses adjusted pro forma EBITDA. Calculation for 2019 onward uses adjusted EBITDA. Adjusted EBITDA is a non-GAAP measure. For definition and reconciliation, please see Appendix to the Investor Teleconference Presentation Fourth Quarter 2020.

percent. In relation to Scope 2 or indirect GHG emissions, Linde aims to improve its operational efficiency and GHG intensity at ASU plants (7 percent within the target horizon).

Linde's largest medium-term opportunity to affect its GHG footprint is in Scope 2 electricity. We continue to leverage our scale and geographic distribution to procure reliable and affordable sources of renewable electricity through active procurement of new direct renewable energy contracts, Power Purchase Agreements (PPAs) or Renewable Energy Credits (RECs).

By 2028, we expect to have achieved:

- 35 percent improvement in GHG intensity versus EBITDA – from 5.2 to 3.2
- Hold Scope 2 GHG emissions flat or reduced at the same time as we substantially increase our power use
- More than 2x low-carbon power procured
- Overall, renewable energy and low-carbon energy sources are projected to increase from 35 percent to more than 50 percent (all power)

We are committed to setting a science-based target within the next year. Linde has joined the SBT Chemicals Stakeholder Advisory Group, which is the working group that is developing guidance for the chemicals sector. (More information is available at: <https://sciencebasedtargets.org/companies-taking-action/>.)

We have implemented several additional measures to help us better manage our carbon footprint, achieve our long-term targets, and assess the long-term risks of climate change. Linde's Clean Hydrogen organization was launched to focus and accelerate activity in this area. The GHG emissions from new investments are calculated and integrated into considerations in Capital Investment Committee decisions for every project. They are then considered in the selection of the technology solution and project risks across the project development cycle. To help mitigate potential physical risks from

climate change, Linde has developed a tool to explore future climate change scenarios that could impose additional operational costs on production processes from factors like higher ambient temperature or air quality deterioration/higher carbon dioxide parts per million (PPMs) in the atmosphere at our locations.

BEYOND: Bold, Achievable Impact

Linde recognizes the degree of its stakeholders' interest in climate change and the importance of impact globally. As such, the company is continually assessing its targets and planning execution scenarios for even more far-reaching targets, to which the company can confidently commit.

The world is at the brink of an energy transformation. The long-term effects of carbon-based fuels on the environment and climate require significant changes to the energy supply chain. We can envision a future where hydrogen fuel cells will be widely adopted; green electricity will be available commercially; and energy and fuel markets will be linked. Low-carbon hydrogen will be cost-competitive; SMRs will feature additional energy efficiency and carbon capture; and electrolysis will be available with renewable electricity sources at much greater capacities and will supply a significant share of new hydrogen demand.

Tackling climate change is a shared and global responsibility. Linde plans to participate in the investments and technologies that will reduce global GHG emissions. We are proudly active in advancing the world towards the ambitious target of the IEA Beyond 2 Degrees Scenario (B2DS) and its required GHG pathway for the chemical industry. Achieving this objective will require changes in societal behaviors, government regulation, industry engagement and technology development. As a leading industrial gases and engineering company, we have the technology, resources and capability to contribute across all aspects of managing climate change and reducing GHG emissions.

Performance Towards Targets

Linde's 2028 Sustainable Development (SD 2028) targets set a long-term, 10-year action plan with commitments from leadership and all levels of the organization. These are managed targets with clear accountability, ongoing reporting to management, and an annual process of review and continuous improvement. These target areas are consistent with Linde's strategic non-financial business objectives considered in determining executive variable compensation awards. Performance against this full slate of targets is reported quarterly to executive leadership, and at least once a year to the full Board of Directors. Operational performance

towards targets is reported on a monthly basis to management. Linde began providing ESG performance results versus its climate change targets in 2020, the only chemicals company on the DAX and S&P 500 to report quarterly ESG performance against its targets.

Most targets run from the 2018 base year, the first year of our combined company, for 10 years to 2028. This chapter provides a summary dashboard of the SD 2028 targets and performance against these targets for 2020.



103-1, 103-2, 103-3

Priority Factors	Linde SD 2028 Targets	2018	2019	2020	Target	Status
Climate Change	Invest in decarbonization initiatives, cumulative \$ million	14	66	128	1,000	↗
	Direct >33% of R&D budget to decarbonization, cumulative %	23	25	26	>33	↗
	Contribute >50% revenue from sustainability portfolio, annual %	n/a	53	54	50	↑
	Enable >2x GHG benefits, annual	2.5x	2.7x	2.3x	>2.0x	↑
	35% Improvement in GHG intensity vs. EBITDA, cumulative %, (intensity MMT CO ₂ e/\$ billion)	(5.2)	-8.2% (4.7)	-16.5% (4.3)	-35% (3.2)	↗
	4% HyCO GHG intensity improvement, cumulative %	0	-3.4	-7.1	-4.0	↗
	7% ASU energy intensity improvement, cumulative %	0	-0.6	-0.5	-7.0	↘
	10% Fleet GHG intensity improvement, cumulative %	0	-0.9	-7.2	-10.0	↗
	10% Absolute reduction in other GHG emissions, cumulative %	0	0	-9.3	-10.0	↗
	>2x Low-carbon power sourcing, primarily from active renewable electricity, cumulative TWh	15.2	15.5	16.4	>30.0	↗
Legend	↑ achieved; ↗ on track; ↘ behind target					

Invest and Innovate in Decarbonization

Linde has four targets in the area of decarbonization and growth.

- Invest >\$1 billion in decarbonization initiatives

The scope is capital projects of more than \$2 million, where the primary aim of Linde and/or its customers is to reduce GHG emissions or advance the use of low-carbon fuels and energy. Since 2018, Linde has invested a cumulative \$128 million. In 2020, Linde also approved an investment in the largest electrolyzer globally (24MW). This is projected to be operational in mid-2022.

- Direct at least a third of Linde's annual R&D budget to decarbonization

The scope includes annual spend to develop lower-carbon technology for Linde assets or to develop lower-carbon solutions for our customers. Linde invested 26 percent of its 2020 R&D budget (\$184 million) into decarbonization (2019: 25 percent). Initiatives include developing industry-leading carbon capture technologies, investing in promising green hydrogen technologies and driving operational efficiency to further reduce GHG intensity.

- Contribute more than 50 percent of revenue from our Sustainability Portfolio

The scope is annual Linde revenue associated with the sale of gases in applications that bring environmental and/or social benefits; see the Business Model table. In 2020, Linde generated 54 percent of revenue, or \$13 billion, from its Sustainability Portfolio. The Sustainability Portfolio includes sales from Linde's eco-portfolio (\$8.3 billion) and social portfolio (\$4.8 billion) — numbers do not sum because of some overlap. The eco-portfolio includes applications that have environmental and social benefits, such as oxygen for blast furnaces in steel; hydrogen for ultra-low sulfur diesel (ULSD); and

oxygen and carbon dioxide for wastewater treatment, desalination and aquaculture. The social portfolio included applications with targeted social benefits. Examples are oxygen for respiratory care and helium for MRI technology.

For the eco-portfolio, R&D developed a simplified Life Cycle Assessment (LCA)-based screening methodology to determine and update which applications are included. A simplified LCA includes part of the four stages of a product lifecycle of raw material acquisition, manufacturing, use/reuse/maintenance and recycle/waste management (e.g., it assesses one or two of the stages completely, or analyzes all four stages to lesser depth). All (100 percent) of Linde's products under development were evaluated in-depth in the first three stages (e.g., cradle to grave). For environmental impacts, we use Environmental Key Performance Indicators (EKPIs): energy (electricity, natural gas and fuel); air emissions and direct and indirect GHG emissions; waste (hazardous and non-hazardous); water; and ozone depleting substances (ODSs).

- Enable >2X more GHG to be avoided per year than are emitted in all Linde operations

The scope is GHG benefits from a subset of Linde applications that enable demonstrable GHG benefits, versus Linde's 2020 total direct and indirect (Scopes 1 and 2) GHG emissions. In 2020, a subset of its applications enabled 85 million MT CO₂e to be avoided — 47.8 million MT more than its GHG emissions or 2.3x times more. See "Linde Applications Enable 2.3x Carbon Productivity."

Methodology: End-user avoided carbon dioxide emissions are calculated in accordance with the International Council of Chemical Associations (ICCA) guidelines. Avoided emissions arise from efforts by multiple partners along the respective value chains. Linde's contribution has been characterized as fundamental in enabling the

avoided emissions. See "Addressing the Avoided Emissions Challenge: Guidelines from the chemical industry for accounting for and reporting greenhouse gas (GHG) emissions avoided along the value chain based on comparative studies," ICCA October, 2003 (updated 2017), at: https://icca-chem.org/wp-content/uploads/2020/05/ICCA-2017-Addressing_guidelines_WEB.pdf.

Optimize Operational Energy Use and GHG Emissions

Linde's 2020 Scope 1 GHG emissions were 16.2 MM MT CO₂e. This represents a 1 percent absolute reduction, driven by lower hydrogen production due to the pandemic, improved HyCO GHG efficiency. Results were also impacted by increased direct emissions resulting from facilities and the startup of several new plants.

Scope 1 GHG emissions were caused mainly (65 percent) by hydrogen production in SMRs. An additional 18 percent Scope 1 emissions were caused by "other" sources of GHG (e.g., nitrous oxide or other plants); 13 percent from air separation, where air separation units (ASUs) are run on natural gas; and 4 percent from driving. Targets to improve GHG intensity in hydrogen production, other GHG emissions, and driving address.

Linde's Scope 2 GHG emissions were 21 MM MT CO₂e. This represents a 6 percent absolute reduction versus 2019, driven by improvements in plant specific grid emission factors; increased low-carbon (LC) and renewable power purchases; and lower production due to the pandemic, as well as updated methodology for Scope 2 emissions from steam. Scope 2 GHG were caused by the use of electricity and steam, a portion of which comes from fossil fuel sources. Electricity is principally (90 percent) used by air separation plants and is tracked with the air separation energy efficiency target. An additional 5 percent of the electricity is used in hydrogen production. Targets to improve energy efficiency in ASUs and to increase low-carbon sourcing address this issue.

In order to show efficiency against a business denominator, Linde selected EBITDA, which is one of the non-GAAP measures reported by Linde plc. It reflects the size of the business for which the emissions are being reported and the efficiency improvements that are being targeted. Adjusted EBITDA is a non-GAAP measure. For definition and reconciliation, please see Appendix to the Investor Teleconference Presentation Fourth Quarter 2020. Linde's 2020 adjusted EBITDA was \$8.6 billion.

- Achieve 35 percent GHG intensity improvement versus EBITDA

The scope is Linde's combined Scope 1 + Scope 2 GHG emissions versus EBITDA. In 2020, Linde's GHG intensity was 4.3 MMT CO₂e/\$ billion, representing 16.5 percent GHG intensity improvement over 2018, resulting from lower production volumes due to the pandemic and increased renewable energy availability and sourcing.

- Achieve 7 percent improvement in ASU energy intensity

The scope is Linde ASU facilities worldwide where Linde pays for the power and has operational control, including 50 percent at-equity joint ventures. The 2020 results represented a decline versus 2019, from 0.6 percent cumulative reduction to 0.5 percent cumulative reduction. This is contributed due to lower production volumes resulting from the pandemic. Total cumulative improvement relative to the baseline is 0.5 percent. This was achieved through targeted productivity efforts and capital investments, along with the startup

of large plants incorporating state-of-the-art ASU equipment and processes. See GRI 302-1 for information on electricity consumption, GRI 302-3 for energy intensity, and GRI 302-4 for energy reduction activities.

- Achieve 4 percent improvement in hydrogen GHG intensity

The scope is Linde hydrogen facilities worldwide. The 2020 results were a 7.1 percent improvement versus 2018 (4 percent YOY). Performance against this target was not expected to be linear. It reflects both lower production volumes due to the pandemic and the effect of project startups over this period, the implementation of projected technology innovations as well as an increase in byproduct hydrogen sourced.

- Achieve 10 percent Improvement in trucking GHG emissions intensity

The scope is all Linde commercial driving operations (bulk and packaged gases combined) where the driver is a Linde employee. The 2020 results were a 7.22 percent GHG intensity improvement.

The target is calculated by multiplying the number of miles driven and fuel used in each geography by GHG emissions factors and dividing by volume of product delivered. The 2020 performance was driven by improvements in packaged gas distribution and network optimization; operational efficiencies; better planning and scheduling to reduce kilometers per delivery; and improved vehicle technologies for fuel efficiency. Overall results also reflect changes in distribution patterns due to the pandemic. Contractor driving is reported as Scope 3 at GRI 305-3.

- Achieve a 10 percent absolute reduction in other GHG emissions

The scope is most "other GHG emissions" from a range of Scope 1 GHG emissions sources, calculated into CO₂ equivalents. In 2020, these emissions were 1.5 MM MT CO₂e (2019: 1.7). 2020 results were a 9.3 percent improvement over the baseline. This performance improvement was achieved by defining and improving best practices, particularly in U.S. electronics and reductions in refrigerants due to improved reporting.

Other GHG emissions within this target are from refrigerant losses from cylinder refilling operations; nitrous oxide (N₂O) emissions from N₂O plants and cylinder filling; and methane releases from helium and CO₂ plants, which account for most of Linde's other GHG emissions.

- >2x low-carbon power sourcing (to >30TWh), primarily from active renewable electricity

The scope is all Linde operations within our GHG reporting boundary. In 2020, the company sourced 16 million MWh low-carbon energy, or 39 percent of all its purchased electricity. Low-carbon electricity is defined as electricity produced from non-fossil sources including renewables (e.g., solar, wind, biomass, geothermal, hydro and other low-carbon [e.g., nuclear]). The target includes passive electricity (e.g., from the grid) and active sourcing over PPAs, RECs, certificates and sourcing contracts for specific facilities. It considers all energy consumption where Linde purchases the electricity. It excludes electricity where Linde is not the purchaser.

Linde actively sourced 2.4 TWh renewable energy in 2020. Linde electricity use in the UK is almost 100 percent renewable using wind. Renewable electricity is also sourced in New York state, Colombia, India, Spain, Philippines and other geographies.



Safety, Health & the Environment

103-1, 103-2, 103-3

Priority Factors	Linde SD 2028 Targets	2018	2019	2020	Target	Status
Safety, Health & the Environment	\$1.3 billion in sustainable productivity, cumulative \$ million	92	176.5	310	1,300	↗
	Water Management Plans (WMPs) at high-water-use sites in areas of high-water stress (# sites, % WMPs implemented)	n/a	22 (73%)	67 (20%)	100%	↗
	Achieve Zero Waste to Landfill at 450 Sites	217	210	286	450	↗
	Annually achieve operational safety better than industry levels for Lost Workday Case Rate (LWCR)	0.32	0.23	0.21	1.00	↑
	Annually achieve annual operational safety better than industry levels for Total Recordable Case Rate (TRCR)	0.74	0.57	0.51	3.10	↑
	Annually achieve Commercial Vehicle Incident Rate (CVIR) of <2.5 per million kilometers driven	2.05	2.17	1.7	<2.50	↑
	Zero global sales of coating slurries that contain hexavalent chrome by 2029 (Surface Coatings)	On track, see reporting section following				↗
Legend	↑ achieved; ↗ on track; ↓ behind target					

Environment

In addition to its investment targets, aimed at addressing climate change, Linde has defined three environmental targets: sustainable productivity or eco-efficiency, reduction of waste and management of water. All three programs are baselined with 2018 data from legacy Praxair only. In 2019, reported performance for sustainable productivity and zero waste decreased from 2018 due to the full year impact of 2018 divestitures and the mid-year launch of the global initiative. In 2020, we start to see results for the full Linde plc organization.

- Save \$1.3 billion from sustainable productivity

Sustainable productivity projects bring financial and environmental savings in Linde's EKPIs. The target for sustainable productivity is a cumulative savings of \$1.3 billion, 2018-2028. The 2020 results are on track to meet this target. Linde achieved savings of \$133 million (cumulatively \$310 million), or 15 percent of all productivity savings. Environmental protection costs in 2020 included approximately \$13 million in capital expenditures and \$42 million of expenses.

The scope is all Linde operations. Sustainable productivity also saved 816 million KWh, 1,400 billion BTU, 3.2 million gallons of diesel fuel, approximately 8 million pounds of waste, 300 million gallons of water and 576,000 MT CO₂e. CO₂e savings count projects where benefits are fully realized and projects that were implemented in 2020 and are still accruing benefits. Based on our experience with rolling out this program at Praxair over almost a decade from 2010, the target assumes that both reported financial savings, and their percentage contribution to all productivity, will increase from the early years of the target period, before achieving a steady state in later years.

- Implement Water Management Plans (WMPs) at high-water use sites in areas of water stress

The scope is high-water use (hi-hi) sites, defined as sites exceeding 50,000 m³/year of water withdrawal, excluding once-through, non-contacting cooling water. The 2020 results are on track to meet this

target: Sixty-seven sites were defined as in scope for this target in 2020, a threefold increase from 2019. WMPs were implemented at 20 percent of applicable sites.

Areas of water stress are defined by the World Business Council on Sustainable Development (WBCSD) (2015 version)/ WRI Aqueduct Global Water Risk Atlas Tool (2019 version). We determined "high stress" to mean that the baseline water stress was "high" or "extremely high". In addition, businesses are encouraged to voluntarily use local determinants of water risk; sites thus defined are included in this target scope.

Most of the water Linde uses is for cooling systems and for the production of steam for the steam methane reforming process to make hydrogen. Net freshwater consumption was 93.1 million m³.

In 2020, Linde completed target scoping and criteria definition across Linde plc. To enhance data quality and visibility, Linde converted its water reporting from quarterly to monthly reporting for sites with WMPs. The number of total sites in scope increased from 22 to 67. Nine of these are sites added voluntarily in Latin America South and APAC, based on local knowledge of high water stress. Three of the 2019 sites were excluded from the 2020 scope based on new scoping criteria. Of the 67 sites determined to be in scope, 20 percent implemented WMPs by the end of 2020. In addition to the voluntary sites in Brazil (8) and Thailand (1), the remaining WMP sites are in EMEA (31), APAC (13), U.S. (9), Mexico (2) and South Latin America (3).

South Latin America voluntarily adopted a target to reduce absolute water volume by 1 percent by 2020. They have achieved this voluntary target for 4 consecutive years. At the end of 2020, they achieved an overall water reduction of more than 2,125,834 m³ – a cumulative reduction of 52.3 percent, compared to its baseline. Investments were made to re-use rainwater and to condensate the water from thawing liquid vehicles hoses, and use it as make-up water at refrigeration towers.

- SD 2028 Target: >450 sites achieve Zero Waste to Landfill

The scope is all Linde operations. At the end of 2020, 286 sites achieved Zero Waste to Landfill. A Zero Waste to Landfill site is defined as one that diverts more than 90 percent process waste from landfills; this can include incineration for energy recovery. Altogether, 514 sites participated, and approximately 150 million pounds of waste was diverted from landfills. Zero Waste to Landfill helps extend our company's mission and values and promotes circular economic practices. In many cases, the program brings social benefits to local communities, from education to job creation. See GRI 306-2 for more information on waste metrics.

In addition to Linde facilities, six regional offices retained their external recognitions for greening their offices: Bangalore, India; Seoul, Korea; Burr Ridge, Illinois; The Woodlands, Texas; Danbury, Connecticut; and Tonawanda, New York. See the Green Seal website at: <https://greenseal.org/programs/green-office-partnership>.

Safety & Health

During 2020, Linde continued to align its safety and environmental standards and procedures for both work processes and product handling to enable employees around the world to execute their jobs safely and to prevent safety incidents relating to operational processes or products. Linde's Safety SD 2028 targets include two for operational safety, one for distribution safety and one for product safety.

- Annually achieve operational safety better than Industry Levels for Lost Workday Case Rate (LWCR) and Total Recordable Case Rate (TRCR). The scope of these targets are all Linde operations (e.g., for employees and contractors).

Lost Workday Case Rate (LWCR): Linde's 2020 LWCR was 0.21 (2019: 0.23), more than four times better than the OSHA all industries industrial average (0.9). Linde's LWCR is defined as the number of Recordable Injury Cases (RIC) plus the number of Recordable Sickness Cases (RSC) that result in one or more day(s) away from work as a result of a work-related incident or exposure per 200,000 hours worked (for employees and contractors).

Total Recordable Case Rate (TRCR): Linde's 2020 TRCR (the number of employee or contractor recordable injuries per 200,000 hours worked) was 0.51 (2019: 0.57). Linde's 2020 TRCR was more than five times better than the OSHA all industries industrial average (2.8). A recordable case is defined as any recordable injury or sickness of an employee, temporary worker or contractor that results from a work-related incident or exposure per 200,000 hours worked.

- Annually achieve Commercial Vehicle Incident Rate (CVIR) of <2.5/ million kilometers

The scope is all operations and all employee and contractor commercial vehicle incidents at all severity levels, per million kilometers. The annual vehicle safety target is to maintain Linde's CVIR at <2.5/million kilometers. In 2020, this target was achieved: Linde's global CVIR was 1.7 vehicle incidents per million kilometers (2019: 2.17).

Linde product drivers and product contract drivers drive approximately a billion kilometers each year, equivalent to 68 times around the circumference of the earth each day, in all the countries, approximately 100, where we do business. Each high-severity vehicle incident is investigated, and the results from the

investigation are reviewed by local leadership and Corporate SHEQ, including root cause analysis and corrective actions. In addition, selected high-severity incidents based on results and learnings are reviewed monthly with corporate and regional leadership. Target scope excludes service vehicles.

Annually, all high-severity vehicle incidents, which are defined by Linde standards and closely aligned with ICCA guidance, are reviewed. As part of this review, an analysis is conducted to identify improvement opportunity areas in which the learnings and conclusions, as identified from the analysis, are used to improve safety standards and/or establish new initiatives and focus areas.

As an example, the learning and conclusions identified from the 2020 analysis resulted in additional 2021 safety initiatives in the areas of addressing driver fatigue and driver distraction in addition to a continued focus in transport contractor management and driver development programs. See GRI 403-2 for more information.

- Zero global sales of coating slurries that contain hexavalent chrome [Cr(VI)] by 2029.

The scope is Surface Technologies. Four targets were established in relation to eliminating Cr(VI)-containing slurries and replacing coatings with strontium chromate, which is currently used in several SermeTel® and SermaLon® coatings.

- By 2019: Offer coatings free of strontium chromate.
- By 2021: Offer 100 percent chrome-free slurry product alternatives to the market.
- By 2024: No sales of coating slurries that contain Cr(VI) if chrome-free alternatives have been developed and qualified by the original equipment manufacturers (OEMs).
- By 2029: No sales of coating slurries that contain Cr(VI).

These targets were prompted by the requirements of REACH*, but go beyond REACH in that they apply worldwide and will eliminate toxic substances not just in Europe, as required by REACH, but everywhere. Surface Technologies continues to develop additional Cr(VI)-free alternatives to replace legacy SermeTel systems targeted for elimination in 2029. In addition to the three targets to eliminate Cr(VI)-containing slurries, Surface Technologies has expanded its focus and developed replacement coatings that are free of strontium chromate, a chemical that is currently used in several SermeTel and SermaLon coatings.

This target is on track. In 2019, Surface Technologies introduced replacement coatings to major OEMs, and they have been accepted and incorporated into usage, allowing the OEMs to comply with the January 2019 REACH sunset date for strontium chromate. Cr(VI)-free products have been introduced to the market. Upon the adoption of these products by the aerospace, industrial, and oil and gas industries, we have the potential to reduce our usage of Cr(VI)-containing substances of concern by an estimated 8,000–9,000 pounds annually.

*REACH (the Registration, Evaluation, and Restriction of Chemicals) is a European Union regulation that aims to improve the protection of human health and the environment through the better and earlier identification of the intrinsic properties of chemical substances. This is done by the four processes of REACH, namely the registration, evaluation, authorisation and restriction of chemicals.



Integrity & Compliance

103-1, 103-2, 103-3

Priority Factors	Linde SD 2028 Targets	2018	2019	2020	Target	Status
Ethics & Integrity	100% employee certification to Linde Code of Business Integrity (CBI), annual % employees certifying	100	100	100	100	↑
Legend	↑ achieved; ↗ on track; ↓ behind target					

Integrity & Compliance

- Integrity & Compliance: 100 percent certification to Linde's Code of Business Integrity (CBI)

All targeted employees are required to certify CBI compliance, except where law or regulation prohibits inclusion. In 2020, Linde achieved this target. One hundred percent of required employees certified that they understood Linde's Compliance with Laws and Business Integrity and Ethics policies.

Certification is achieved annually for Linde's CBI and biennially for additional related areas such as Doing Business with

the Government; Understanding Anti-Bribery Legislation; Understanding the Foreign Corrupt Practices Act; and others. As indicated in the Governance section, the Board Audit Committee reviews certification of employees' understanding of, and compliance with, the company's Business Integrity and Ethics Policy.

In addition, Linde requires that 100 percent of relevant third parties whose activities could expose Linde to risk adhere to its CBI and Compliance with Laws and Business Integrity and Ethics policies. Linde imposes contractual and training requirements to ensure adherence.



103-1, 103-2, 103-3

Priority Factors	Linde SD 2028 Targets	2018	2019	2020	Target	Status
People & Community	Achieve 30% representation of women globally by 2030 (% all employees)	n/a	27	27	30	↗
	550 employee community engagement projects completed	410	367	317	550	↗
	Community impact assessments in engineering project development at all new sites (U.S. only). (% complete): Target commences in 2021	n/a	n/a	n/a	100	n/a
	Increase environmental/climate-related philanthropic spend by 50% (annual \$ '000, % total)	\$555k	\$654k (18%)	\$684k (23%)	\$832k (50%)	↗
Legend	↑ achieved; ↗ on track; ↓ behind target					

Diversity & Inclusion

This PF has four targets: one for Diversity & Inclusion (target year 2030), two for Community and one for Global Giving.

- Diversity & Inclusion: achieve 30 percent representation of women globally by 2030

The aspirational goal for Linde is to achieve 30 percent female representation at all levels in Linde's global professional employee population by 2030. In 2020, the overall average percentage of female professionals in the global Linde organization was 27 percent, flat with 2019 but on track to achieve target. The percentage of female executives in the global Linde organization was 17 percent, an increase from 16 percent in 2019. The global organizational goal of 30 percent is intended to apply at all management levels and for all business units and functions.

The scope is all Linde employees. Inclusion is a Linde core value. The company embraces diversity and inclusion in order to attract, develop and retain the best talent and build high-performing teams. Linde's CBI states that employees must not be discriminated against on the basis of their race, color, religion, gender, gender identity, national origin, age, disability, veteran status, pregnancy, sexual orientation or other protected characteristics. Linde's Board and management have aligned diversity and inclusion with its business strategies and implemented diversity action planning into business process, performance management and executive compensation. See GRI 405-1 for more information.

Community Engagement

- Complete 550 Projects in Community Engagement

Target scope is all reported employee-based Linde community engagement activities. Linde reported 317 projects in 2020. Projects are defined as reported by the project team into a Linde database. Linde measures the impact of projects, where applicable, on the community beneficiaries, employees and the company. Analysis shows positive impacts for all three groups. For example, teams report that in 92 percent of projects, the quality of life of the beneficiaries is positively impacted; in 80 percent of projects, teams reported that their own management effectiveness improved; in 90 percent of projects, teams reported positive employee engagement. Results for

baseline year 2018 are as reported for legacy Praxair. The results for 2020 reflect the reality of the pandemic, which reduced direct human engagement. Community engagement projects are directed to address local needs. Projects focus on four themes: Education & Diversity (25 percent); Health & Wellness (21 percent); Community Support (45 percent); and Environment (9 percent). See GRI 413-1 for more information.

- Community Relations (U.S.): community impact assessments in engineering project development at all new sites

Scope is all new U.S. large capital projects that pass the regular engineering design process and commence construction. This target was launched in 2020 and activity will begin in 2021. The Community Impact Assessment is made by the business and project execution teams during the planning of new and/or significant expansions of Linde sites. It includes a discussion with key stakeholders in the community, which may include representatives from municipalities and community organizations; understanding community needs; and a proposal of potential ways to address these community needs and bring positive impact, especially through social, educational or environmental initiatives.

Global Giving

- Global Giving: increase environmental/climate-related philanthropic spend by 50 percent

Target scope is Global Giving donations from corporate and global businesses. The program contributed \$684,000 to environmental-related organizations in 2020, a 23 percent increase from the baseline and on track to achieve target.

The objective of this target is to direct additional Global Giving funds towards initiatives that will have a positive impact on the environment/climate change and to support Linde's new Climate Change targets. Linde has long-standing relationships with global environmental non-profit organizations such as The Nature Conservancy and the Arbor Day Foundation. Our company also supports regionally-based environmental programs in various countries, including Mexico, Canada, South Korea, Brazil and India. See GRI 201-1, 203-1 and 413-1 for more information.

Governance

102-18

Corporate Governance

A comprehensive review of Linde's corporate governance framework is provided on our website at: <http://www.linde.com>. It is also included in the proxy statement, dated April 29, 2021, for the 2021 Annual General Meeting of Shareholders in the Corporate Governance and Board Matters section.

Linde's Board of Directors consists of 12 Board members, each of whom joined the Board in 2018, when the Praxair-Linde business combination closed. Eleven are independent non-executive directors, including the non-executive Chairman of the Board. Linde's CEO serves as an executive director. The Board currently has four standing committees: Audit Committee, Compensation Committee, Executive Committee, and Nomination and Governance Committee. Each is comprised of only independent directors, except for the Executive Committee, of which the CEO is a member.

The Board maintains oversight of the company's values and strategy. Each year, it conducts a comprehensive long-term strategic review of the company's outlook and business plans and provides advice and counsel to management regarding the company's strategic issues. Linde's values are considered integral to its long-term sustainable success, and executive compensation rewards performance in financial and strategic non-financial areas. The Board's role in these areas, as well as in risk management, is described in the company's annual proxy statement in the Corporate Governance and Board Matters Section, which is available on Linde's website at: <https://investors.linde.com/regulatory-filings>.

The Board has oversight of key aspects of the corporate governance structure in areas of particular interest to the sustainability community, such as director independence; split roles of Chairman and CEO; appropriate board committees; board effectiveness; shareholder outreach and alignment with long-term shareholder interests; mechanisms to avoid conflicts of interest; board diversity; limits to service; industry experience; and a comprehensive sustainability program.

Board members are nominated by the Nomination and Governance Committee for election by the shareholders. Nominees are elected each year at the Annual General Meeting. The Nomination and Governance Committee believes that each director has an established record of accomplishment in areas relevant to our business and objectives, and possesses the characteristics identified in our Corporate Governance Guidelines as essential to a well-functioning and deliberative governing body, including integrity, independence and commitment.

Each Board member has executive management and director oversight experience in most, if not all, areas that the Board considers critical to the conduct of the company's business, including public policies as they affect global industrial corporations, compliance, corporate governance, productivity management, safety management and sustainable development.

Governance of Non-Financial Matters

Linde has established five core values: safety, inclusion,

accountability, integrity and community. These are the basis of what the company stands for and how it behaves. A code of ethics has been adopted that provides clear instructions on expected behavior and for reporting concerns about potential non-conformance. This code has been approved by the Linde Board of Directors and is named the "Code of Business Integrity (CBI)." This document is made widely available to employees and third parties and is posted on the company's website. Governance of Linde's CBI is described in the Performance section as it relates to an SD 2028 target.

It is the view of Linde's Board that non-financial issues are a component of the company's values, culture and performance expectations, and are a basis on which employees drive financial results. The Board has confirmed the importance of setting non-financial objectives as part of variable compensation to reinforce leadership's focus on maintaining a culture that supports both short- and long-term sustainable results. It has established non-financial goals with respect to elements such as safety, environmental responsibility, global compliance, productivity and talent management. These measures are described in Linde's April 2020 proxy statement. Annual payout of executive variable compensation depends on performance in several strategic non-financial areas, including best-in-class performance in safety, environmental responsibility, global compliance, productivity and talent management.

Linde's Board monitors the implementation of its CBI, which includes commitments to adhere to high standards for diversity and inclusion; safety; health; care for the environment and quality; human rights; corporate citizenship; and the prevention of bribery and corruption. The Audit Committee oversees the company's compliance with legal and regulatory requirements. The Compensation Committee oversees diversity and inclusion policies, objectives and programs to achieve those objectives. The Nomination and Governance Committee periodically reviews the company's guidelines and policies governing its response to important broad public policy issues in the areas of corporate social responsibility and corporate citizenship.

Alignment with Compensation

When setting annual performance-based variable compensation targets and goals, the Linde Board Compensation Committee determined that selected key strategic and non-financial factors will be considered in determining potential variable compensation awards, and to recognize that these factors are also critical to measuring our businesses' health and the potential for future success. The strategic and non-financial factors are weighed at 25 percent of the total payout. For 2020, management presented the degree of achievement in meeting each goal, and for each element, provided its view of the relative degree of importance to Linde's long-term success. Based on the results, the Compensation Committee determined that the company's performance with respect to the strategic and non-financial goals was favorable and set the Corporate strategic and non-financial payout factor at 160 percent of target variable compensation (relative to a 200 percent maximum). The table below illustrates the basis for which non-financial awards was determined.

2020 Strategic and Non-Financial Performance Goals

Goals	Strategy
Values: Safety, Compliance, Sustainability and Inclusion <ul style="list-style-type: none"> Zero fatalities with fatality potential event reduction No significant process safety or environment events Best-in-class recordable injury, lost workday case and vehicle accident rates Achieve world class performance in sustainability and continue progress toward greenhouse gas intensity reduction goals Strengthen leadership pipeline, including globally diverse talent, through a single succession planning and performance management approach across the enterprise A strong global compliance program and culture focusing on policies, procedures, training, reporting, accountability and verification via audit 	<ul style="list-style-type: none"> Providing employees with a safe operating environment through investing in state-of-the-art technology and by driving a culture in which safety is a top priority Rigorous processes and procedures to ensure compliance with all applicable environmental regulations, to meet sustainable development performance targets and to continuously reduce the environmental impact of the company's operations in the communities in which it operates Attraction, retention and development of a diverse and engaged workforce through a robust succession planning process Employee value proposition includes providing strong, dynamic leadership, a challenging work environment, industry-leading performance, competitive pay and benefits, and rewards and recognition for outstanding performance Create and maintain a strong ethical culture in every country where Linde operates All employees accountable for ensuring that business results are achieved in compliance with local laws and regulations and the company's CBI
Strategy <ul style="list-style-type: none"> Position the business for long-term performance Continue with value capture from integration: cost and capex efficiencies, growth synergies and adoption of best practices Maintain focus on operational excellence while ensuring growth by leveraging applications technology, optimizing product line portfolio, executing backlog, positioning for large projects, and capitalizing on decarbonization opportunities including green hydrogen Enhance organizational capabilities in productivity tools, processes and practices 	<ul style="list-style-type: none"> Deliver excellent results in the short-term and over a longer, sustainable period of time Rigorously assess the quality and future impact of actions taken, as benefits may not be recognized for several years Monitor the "health" of the organization through pulse surveys Focus on meeting schedules and cost estimates, starting-up plants reliably and efficiently, and supporting plant availability Deliver value through continuous innovation to help Linde's customers enhance their product quality, service, reliability, productivity, safety and environmental performance Work across disciplines, industries and sectors, with employees, customers, suppliers and a range of other stakeholders to get more output, utilizing fewer resources and with less environmental impact
Relative Performance <ul style="list-style-type: none"> Strong performance relative to peer companies 	<ul style="list-style-type: none"> Continue to be the best performing industrial gases company in the world Assess how well we anticipate and manage adversity to optimize results Determine if management's actions appear more or less effective than those of Linde's peers Appropriately respond to macroeconomic or other external factors unknown at the time financial goals were established

Examples of 2020 actions include:

- Maintained world class safety performance with a 10 percent reduction in commercial vehicle incidents.
- Managed COVID-19 pandemic through the following actions:
 - Maintained operations: no disruptions, no internally generated spreader events, and managed transition to remote work (IT, Technology tools).
 - Established Global Advisory Team in January to provide a global and consistent response.
 - Interfaced with local pandemic coordinators.
 - Key Policies established: COVID-19 Safety Behaviors, Return to Work (four stage phased approach), and Testing and Quarantine Guidelines.
- Significant number of heroic actions:
 - Lincare caring for 40,000 COVID-19 patients.
 - Ramping up oxygen supply, installing new oxygen systems for COVID hospital surge.
 - Drivers delivering to customers into "Hot/Red" zones.
 - Plant operators living at plants to maintain operations.
- Delivered productivity of \$860 million, 24 percent above plan target.
- Created over \$150 million worth of impact from digitalization, including new technologies and best practices adoption.
- Completed first annual training and certification of the company's new Code of Business Integrity with 100 percent of targeted employees.
- Trained approximately 1,200 leaders of the company on unconscious bias.
- Capitalized on decarbonization opportunities by developing over \$100 million of projects in EMEA.
- Received public recognition:
 - Dow Jones Sustainability World Index: only chemical company recognized for 18 consecutive years.
 - MSCI ESG Rating upgraded to "A."
 - Consistently listed on major diversity and inclusion indices: Bloomberg's Gender Equality Index, Forbes Best Employer for Diversity, Financial Times Diversity Leaders and Human Rights Campaign Corporate Equality Index.
 - Recognized as Top Noteworthy Company by DiversityInc.

Sustainable Development Governance 102-19, 102-20

Sustainable development is overseen by the Board and executive leadership and integrated throughout the company.

Linde's Board of Directors: In 2020, the full Board requested several presentations on issues directly related to sustainable development. Presentations were made on sustainability and climate change, on Linde's Technology and Decarbonization strategy and, on Linde's Climate Change targets. In addition, the Board reviews safety matters at each meeting. A compliance presentation is made annually by the Chief Compliance Officer. A presentation is made annually by the Chief Human Resources (HR) Officer on Linde's program in Diversity and Inclusion.

The Management Committee is the highest executive leadership team. It has responsibility for economic, environmental and social topics, and it oversees and approves of sustainable development strategies and programs. In 2020, they received presentations on all the issues that went to the Board.

The EVP and Chief Operating Officer (COO) is a member of the executive leadership team and reports directly to the CEO. He is responsible for the regional operating segments of the Americas, APAC, and EMEA, as well as Linde Engineering, Lincare and Global Functions of Safety, Health, Environment and Quality (SHEQ), Applications Technology, Clean Energy, Sustainability and Digitalization.

Linde's EVP, Clean Energy is the executive officer responsible for sustainability. He is a member of the executive leadership team and reports to the COO. In addition to oversight of sustainable development, he is responsible for digitization, technology and leading hydrogen strategy and partnerships, including green hydrogen and clean fuels programs. Specifically, in relation to sustainability and climate change, the EVP, Clean Energy is the highest management level responsible for coordinating the SD 2028 targets, including Linde's climate change targets.

The EVP, Clean Energy is responsible for aligning various functions of the organization and the businesses around sustainability goals: development of targets (by sustainability), standardizing methodologies (various global functions such as SHEQ and R&D, as well as HR and Legal), and reporting performance against many of the targets (for example, COE for environmental performance, SHEQ for safety performance, Strategy and Capex for investments in decarbonization, and R&D for innovation and growth related to decarbonization).

In 2020, Linde formed the Linde Clean Hydrogen team to serve as a focal point for green hydrogen and clean fuels.

Vice President, Sustainability reports to the EVP, Clean Energy and is the highest-ranking functional leader of sustainability. She is the Chair of the Corporate SD Council and coordinates performance and action planning to define and achieve the SD 2028 targets and action plans. She is also responsible for coordinating consultations with internal and external stakeholders relating to Environmental and Social Governance (ESG) issues (see the Engaging Stakeholders section) and staying current with emerging issues. She also leads global internal and external engagement on sustainable development issues and ensures the fair, reasonable treatment of all perspectives.

The Corporate Sustainable Development Council (SD Council) is the corporate committee responsible for the proposal and execution of Linde's sustainable development strategy, targets and programs. It consists of the heads of functions that support the implementation of Linde's SD strategy and targets, and the designated heads of Operating Segments, Engineering, and global businesses who lead SD implementation in their areas. The SD Council is the institutional link between the Management Committee and the Board on Linde's sustainable development.

Business SD Councils are established in each Linde Operating Segment and global business. They are comprised of functional leads and coordinated by a business-level Sustainable Development leader, supported by an SD Coordinator, both appointed by that business' president. Business Councils meet quarterly. They lead business- and functional-level internal and external engagement on sustainable development and coordinate the implementation of local sustainable development action plans and Linde's Sustainable Development Management System (SDMS). Business SD Coordinators participate in a monthly global meeting coordinated by the office of Sustainable Development. They share sustainable development best practices and challenges between corporate groups and the businesses.

Linde's 10-year SD (SD 2028) targets were set in 2019 and are baselined in 2018 to reflect the starting year of the combined company. They were developed at the request of Linde's Board and Management Committee, who approved them in early 2020. These are managed targets; the businesses are accountable for achieving them. Reporting on specific targets is consolidated and coordinated by one or more corporate functional vice presidents and is reviewed internally (in most cases, monthly). Linde's energy and climate change targets are reported each month from the businesses and reviewed at a monthly global meeting of the COE, led by its vice president. The meeting tracks trends against targets and seeks opportunities to replicate best practices. This monthly report is then provided to the Finance office, the CFO and the Management Committee.

Other operational targets for water, sustainable productivity, zero waste and community engagement also report monthly into the COE meeting.

Zero Waste, Community Engagement and Workforce Development programs are led by the Sustainable Development function. Community engagement encourages business programs that engage employees in volunteerism in their communities. "Community" is a core company value; community engagement is considered a leadership activity. Linde sites maintain a strong Community Engagement program. Workforce Development programs have been designed and launched with community partners in a range of areas from welding to additive manufacturing to heavy-duty truck driving.

Risk Management

Linde's risk management process includes risk reviews by management as well as annual review by the Board. In its [Annual Report \(10k\)](#), Linde lists risk factors that management assesses may significantly impact the company. Several risk factors have been identified.

Risks include short-term, long-term and emerging risks.

Examples of emerging, long-term risks include:



Catastrophic Events or Natural Disasters

Increasing Significance

According to TCFD, natural disasters are increasingly common due to the rise in Earth's temperature. TCFD notes impacts to ecosystems, human health and businesses; see <https://www.fsb-tcfd.org/about/>.

Potential Impact on Linde

The potential impact of this risk is both short- and long-term. Linde's most recent risk assessment notes that such events could disrupt or delay Linde's ability to produce and distribute its products to customers and could potentially expose Linde to third-party liability claims. In addition, such events could impact Linde's customers and suppliers resulting in temporary or long-term outages and/or the limitation of supply of energy and other raw materials used in normal business operations.

Steps Undertaken

Linde evaluates the direct and indirect business risks, consults with vendors, insurance providers and industry experts, makes investments in suitably resilient design and technology, and conducts regular reviews of the business risks with management.

See Linde's 2020 [Annual Report \(10k\)](#), page 9, and Linde's 2021 CDP Climate Change Response.



IT System Failures and Network Disruptions

Increasing Significance

According to the U.S. Cybersecurity and Infrastructure Security Agency (CISA), there is increased risk for "wide-scale or high-consequence events." The agency notes that critical infrastructure is increasingly subject to sophisticated cyber intrusions that pose new risks; see <https://www.cisa.gov/cybersecurity>.

Potential Impact on Linde

Linde's most recent risk assessment notes that the company relies on information technology systems and networks, and stores and processes sensitive business and proprietary information in these systems and networks. Operational failures and breaches of security from increasingly sophisticated cyberthreats could lead to the loss or disclosure of confidential information, result in business interruption or malfunction or regulatory actions and have a material adverse impact on the company's operations, reputation and financial results.

Steps Undertaken

Linde has taken steps to address these risks and concerns by implementing advanced security technologies, internal controls, network and data center resiliency and recovery process.

See also Linde's 2020 [Annual Report \(10k\)](#), page 10.

Engaging Stakeholders

102-40, 102-42, 102-43, 102-44

This section describes ongoing engagement on key topics with several relevant stakeholder groups. They are invited to voice their opinions, which in turn provides value to the company. Stakeholder feedback was integrated into Linde's process to determine PFs, KPIs and our SD 2028 targets. See Sustainable Development Targets 2028.

Employees 102-40, 102-42, 102-43, 102-44

Linde is committed to the safety, well-being and professional development of all employees worldwide. The company is committed to providing a safe and inclusive workplace with an emphasis on the highest standards of integrity and professional performance. This allows Linde to maintain a high rate of employee engagement, which helps attract and retain talent.

Group	Frequency	Key Topics	Response to Key Topics
All employees	Continuous	<ul style="list-style-type: none"> · Pay · Conditions · Retention 	<ul style="list-style-type: none"> · Linde provides a range of employee benefits that reward performance. · Linde has a robust training and development program and annual employee performance appraisals.
All employees	Continuous	<ul style="list-style-type: none"> · Employee retention and engagement 	<ul style="list-style-type: none"> · Linde was named a Top Noteworthy Company by DiversityInc, an organization that measures the top global companies for workplace diversity and a culture of inclusion. · Linde's worldwide 2020 employee engagement scored favorably relative to established benchmarks.

Customers 102-40, 102-42, 102-43, 102-44

Customer satisfaction is crucial to Linde's results. A significant portion of Linde's revenue is earned from recurring customers and retained accounts. We assess satisfaction through analysis of customer retention. We target a retention rate of more than 90 percent, and have achieved this in 2020 and in prior years.

Group	Frequency	Key Topics	Response to Key Topics
All customers	Continuous and periodic	<ul style="list-style-type: none"> · Productivity · Competitive advantage 	<ul style="list-style-type: none"> · Work continuously to offer customers relevant technologies to improve their resource efficiency and positive environmental impacts, particularly in energy use and the reduction of GHG emissions.
All customers	Continuous and periodic	<ul style="list-style-type: none"> · Safety · Product knowledge · Quality 	<p>Globally, Linde assures customers of safe, reliable and quality supply of critical products. For example:</p> <ul style="list-style-type: none"> · Throughout the COVID-19 pandemic, Lincare has cared for 40,000 COVID-19 patients, among its 1.6 million patients across the U.S. Lincare provides in-home services to patients with underlying chronic medical conditions, which helps to increase critical hospital capacity by transitioning respiratory patients and others from in-patient to in-home care.
Subset concerned about ESG issues	Periodic	<ul style="list-style-type: none"> · Climate change · Energy efficiency 	<p>Globally, Linde works with customers to improve their energy efficiency and reduce GHG emissions. For example:</p> <ul style="list-style-type: none"> · Linde responds to dozens of customers each year from several geographies that seek information as part of the CDP supply chain assessment. Linde's 2020 Supplier Engagement Rating Score was A-, compared to an average rating of B- in our sector.
Collaboration for innovation	Continuous	<ul style="list-style-type: none"> · Competitive advantage and customer satisfaction 	<p>Consistent with our vision and mission, the company is committed to helping customers by delivering innovative and sustainable solutions. In many cases, its innovative technology solves environmental challenges, allowing its customers to be more productive while using fewer natural resources and energy, and producing fewer emissions.</p> <p>For example:</p> <ul style="list-style-type: none"> · In 2019, Linde and BASF won the ICIS Innovation Awards for Best Process: Linde's DRYREF™ syngas process in combination with BASF's SYNSPiRE™ catalyst enables steam reforming of methane in dryer conditions and the use of CO₂ as feedstock, contributing to energy savings and an improved CO₂ footprint.

Shareholders 102-40, 102-42, 102-43, 102-44

Linde has a strong shareholder focus. Meetings held with investors and broader ESG groups confirmed Linde's ongoing commitment to sustainability. We emphasized that priorities were to retain our respective strong programs, to develop our sustainability and climate change targets and to integrate sustainability globally across Linde.

Group	Frequency	Key Topics	Response to Key Topics
Regular investors	Continuous	<ul style="list-style-type: none"> Shareholder return 	In 2020, Linde's stock performance outpaced all major indices (e.g., DOW, S&P 500 and DAX).
ESG investors	Continuous	<ul style="list-style-type: none"> ESG and sustainability 	<p>Linde is frequently recognized for outstanding performance in sustainability. We consistently excel in premier sustainability investment indexes and rankings. Linde is listed on major investment indexes such as the S&P Global Corporate Sustainability Assessment, World Dow Jones Sustainability Index (DJSI), FTSE4Good and STOXX.</p> <p>Linde was awarded a Bronze Medal in S&P Global's Sustainability Yearbook 2021 and scored second highest in the global chemical sector. Results are based on the 2020 Corporate Sustainability Assessment, which assessed more than 7,000 companies across 60 industries. The Sustainability Yearbook is the world's most comprehensive publication on corporate sustainability, awarding recognition to 631 organizations. This is Linde's third consecutive acknowledgement by The Sustainability Yearbook since the Praxair-Linde merger closed in 2018.</p> <p>Linde also scored an A- on its 2020 CDP Climate Change Response.</p>

Suppliers 102-40, 102-42, 102-43, 102-44

Linde infuses its core values through supply chain engagement initiatives structured to cultivate supplier capacity. This drives better business performance, sustains higher quality and improves eco-proficiency and product development, including access to innovation. We optimize initiatives locally and across the globe by focusing on select commodities and distinct groups of suppliers.

Group	Frequency	Key Topics	Response to Key Topics
Electric utility and capital equipment suppliers	Continuous	<ul style="list-style-type: none"> Energy efficiency 	<ul style="list-style-type: none"> Linde works with our electricity and capital equipment suppliers around the globe to identify and implement programs that optimize energy efficiency in our offices and facilities. Energy supply contracts continue to bring additional carbon-free electricity to one of Linde's corporate headquarters in Danbury, Connecticut. This contract, together with the renewable energy from the solar panels in the parking lot, means that the Danbury headquarters energy sourcing will be entirely carbon-free.
Contract drivers	Continuous	<ul style="list-style-type: none"> Safety 	<ul style="list-style-type: none"> Contract drivers receive the same or comparable levels of training as Linde drivers.
Minority suppliers	Continuous	<ul style="list-style-type: none"> Capacity building 	<ul style="list-style-type: none"> Linde seeks to promote engagement and help build capacity among suppliers designated as diverse business enterprises. <p>For example:</p> <ul style="list-style-type: none"> Over the last few years, Afrox, Linde's subsidiary in South Africa, has been the driving force behind more than 10 small enterprises. This is part of Afrox's commitment to kick-start, support and build small black-owned businesses capable of meeting the needs of the company's strategy in terms of procurement, transport and penetrating new markets.

Communities 102-40, 102-42, 102-43, 102-44

Community is a Linde value. Linde is, at its core, a “local” company. We make long-term investments in communities where we build facilities, source locally for talent, leadership and suppliers. This, in turn, helps strengthen Linde’s reputation and business relationships.

Group	Frequency	Key Topics	Response to Key Topics
Corporate: Sustainability and Global Giving programs	Continuous	<ul style="list-style-type: none"> • Diversity • Education • Healthcare • Environment • Community resilience 	<ul style="list-style-type: none"> • Community engagement is a part of Linde’s culture and is encouraged by leadership. Linde engages with its communities by building close relationships with local providers of emergency services, with employee volunteer projects that help build community resilience and through the Linde Global Giving Program (see GRI 201-1, 203-1, 203-2, 413-1, 413-2). • Linde has a strong community engagement program and activity in all businesses (see GRI 203-1, 203-2, 413-1, 413-2). • For example in 2020, 150,000 children and students benefitted from our efforts in community engagement.

Government Agencies 102-40, 102-42, 102-43, 102-44

Linde has a strong global ethics and compliance program. Linde’s Government Relations department participates in discussions with international, national and sub-national governmental bodies regarding legislation that impacts our business, drives energy efficiency, delivers positive outcomes in electricity regulation and supports our unique technologies to produce clean energy. See GRI 415-1.

Group	Frequency	Key Topics	Response to Key Topics
Government agencies	Continuous	<ul style="list-style-type: none"> • Compliance 	<ul style="list-style-type: none"> • Linde maintains a detailed oversight process to ensure that its activities are conducted in a legal, ethical and transparent manner. • Linde trains employees on issues related to doing business with the government and complying with anti-trust and competition laws and the U.S. Foreign Corrupt Practices Act (FCPA). • Linde meets with international, national, sub-national and local government officials to discuss energy costs, energy efficiency, tax and trade-related issues and the environmental benefits of Linde technologies.

Industry Associations and Groups 102-40, 102-42, 102-43, 102-44

Linde is a member of a range of trade associations, business associations and alliances, including national chemical associations and industrial gas associations in the company’s key geographies, and manufacturers associations and chambers of commerce, through which it engages in dialogue with government officials and stakeholders about issues that are important to the company and its business. See GRI 102-13 for a full list of industry associations.

Group	Frequency	Key Topics	Response to Key Topics
Industry groups	Continuous	<ul style="list-style-type: none"> • Policy development 	<ul style="list-style-type: none"> • In many cases, a Linde executive holds a board seat and/or serves on a relevant committee, or Linde participates in projects where it views membership as a strategic partnership. See GRI 102-13. • Linde also participates in additional local and regional organizations.
Chemical industry	Continuous	<ul style="list-style-type: none"> • Responsible Care® 	<ul style="list-style-type: none"> • Linde is externally audited for conformance to the Responsible Care Management System® (RCMS®) and is a signatory of the Responsible Care® Global Charter.

Additional General Disclosures

102-11 Precautionary Principle or approach

Linde supports the Precautionary Principle as defined in Principle 15 of the Rio Declaration: "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."

102-12 External Initiatives

Linde's Code of Business Integrity (CBI) and corporate policies are provided on its website at: <https://www.linde.com>.

- Linde's CBI makes clear its commitment to values such as ethics, integrity, fairness, diversity, compliance and human rights.
- Linde's Code also confirms that Linde abides by the principles of the International Bill of Human Rights enacted by the United Nations and does not condone or engage in discrimination; harassment; violations of privacy, slavery or servitude; restrictions on free assembly; or unfair employment practices. Linde commits to adhering to these human rights principles and expects similar standards to be observed by all with whom it conducts business.
- Linde's global environment, health, safety and security program conforms to the Responsible Care Management System® (RCMS®) requirements, as verified by a third party. Management is committed to the new Responsible Care Global Charter and its Six Elements, and to Responsible Care Guiding Principles that are stated in Linde's Commitment to Stakeholders. Both are provided on the company's website at:
<https://www.linde.com/about-linde/safety>.

102-13 Memberships of associations

Memberships of Associations (such as industry associations) and national or International advocacy organizations where Linde:

	Holds a position on the governance body	Participates in project or committees	Provides substantive funding beyond routine membership dues	Views membership as strategic
Global				
Hydrogen Council	X	X	0	X
International Oxygen Manufacturers (IOMA)	X	0	0	0
Americas				
American Chemistry Council (ACC)	0	X	0	X
American Fuel and Petroleum Association (Associate Member)	0	X	0	X
American Institute of Chemical Engineers (AIChE)	0	X	0	X
American Iron and Steel Institute (Associate Member)	0	X	0	X
Business Council for International Understanding	0	X	0	X
California Manufacturers and Technology Association	X	0	0	X
Compressed Gas Association (CGA) (U.S.)	X	X	0	X
HR Policy Institute	0	X	0	X
Louisiana Chemical Association	0	X	0	X
National Enhanced Oil Recovery Initiative (NEORI)	0	X	0	X
NY Chemistry Council	0	X	0	X
Puerto Rico Manufacturers Association	0	X	0	X
Society of Human Resource Management	0	X	0	X
Texas Association of Manufacturers	0	X	0	X
Texas Chemical Council	0	0	0	X
Texas Taxpayers and Research Association	0	X	0	X
U.S. China Business Council	0	X	X	X
U.S. Chamber of Commerce	0	X	0	X
Asia-Pacific				
Asia Industrial Gas Association	X	X	0	X
Europe				
American Chamber of Commerce	0	X	0	0
Atlantik-Brücke e.V.	0	X	0	0
Clean Energy Partnership	0	X	0	0
Deutscher Wasserstoff- und Brennstoffstellenverband	X	X	X	0
Deutsches Aktieninstitut	X	0	0	0
econsense – Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e.V.	0	X	0	0
European Industrial Gas Association	X	X	0	X
European Petrochemical Association (EPCA)	0	X	0	0
Förderkreis der Deutschen Industrie e.V.	0	X	0	0
Hydrogen Europe	0	X	0	X
Ost – Ausschuss der Deutschen Wirtschaft	X	X	0	X
Stifterverband für die Deutsche Wirtschaft	X	X	X	0
Verband der Chemischen Industrie VCI	X	X	0	0
Verband Deutscher Maschinen- und Anlagenbauer (VDMA)	X	X	0	0
Verein d. Bayerischen Chemischen Industrie	X	X	0	0
Key				
yes	X			
no	0			

102-40 Stakeholder groups engaged by the organization

Selected stakeholder recognition:

Recognition by SRI Investors

See full listing in the Sustainable Development/Recognition area on the company's website at: <http://www.linde.com>. Linde is listed on major Environment, Social, and Governance (ESG) investment indexes, including the following:

- SAM Corporate Sustainability Assessment World Dow Jones Sustainability Index (DJSI)
- FTSE4Good
- STOXX

Business and Regional Recognition

Compliance and Ethics

- One of the 2021 World's Most Ethical Companies by the Ethisphere Institute

Employees

- Top Employer China 2021 for the seventh consecutive year
- 2020 Excellent Service Providers for Chemical Parks in China
- 2020 Top Noteworthy Company for Diversity by DiversityInc
- 2020 Bloomberg Gender-Equality Index
- 2020 Forbes The Best Employers for Diversity
- Exame Diversity Guide: Company of the Year award, Racial category for the second consecutive year (South America)
- Recognition as a "Super Company" by the business magazine CNN Expansión (Mexico)
- One of Greater Toronto's Top 100 Employers for the eighth year in a row by Mediacorp Canada Inc. (Canada)
- Women in Leadership Award (WILL) Valor Economico, O Globo Época Negócios and Marie Claire for the third consecutive year (South America)
- 2021 Buffalo Business First IDEA (Inclusion Diversity Equity Awareness) Award
- Reliable Employer Award 2020/2021 by German-Hungarian Chamber of Industry and Commerce (Hungary)
- Great Place to Work Turkey 2020/2021 (Turkey)

Safety

- PMTC-Aviva Canada Private Fleet Safety Award for the second year in a row (Canada)
- Omiya District Labor Standards Association Safety Award (Surface Technologies, Okegawa, Japan)
- Hyogo Safety Association (Surface Technologies, Kozuki, Japan)
- Bronze recognition from the Occupational Safety and Health Division, Ministry of Labour, for Zero Accident Campaign (Thailand)
- Merit Award for safety standards in manufacturing processes to Ceylon Oxygen Limited, National Occupational Safety & Health Excellence Awards (Sri Lanka)
- Transport and Logistics Safety Sector to Ceylon Oxygen Limited, National Occupational Safety & Health Excellence Awards (Sri Lanka)
- 31 Awards for Safe Working by IndustrieGaseVerband (Industry Gases Association), Germany
- "Highly Commended" award for occupational safety from National Irish Safety Organisation (NISO) for the BOC and Linde Total Materials Management (TMM) team in Leixlip, County Kildare – in first year of entry (Ireland)
- American Chemistry Council's 2020 Responsible Care Facility Safety Award
- EIGA Company Safety Award, Category 1 (Linde Gas Germany)
- EIGA Road Safety Award for Cylinder Transport (Linde Gas Denmark, BOC UK)
- EIGA Zero Accident Awards in Gold, Silver and Bronze for various sites (Czech Republic, Germany, Hungary, Italy, Romania, Russia and UK)

Communities and Community Groups

- Certificate of Appreciation for the participation and volunteerism on Brigada Eskwela (School Brigade) program by the Department of Education government of Philippines – Sta. Rosa and Davao Plants (2019 and 2020)
- Corporate Responsibility Magazine's (CR Magazine) 100 Best Corporate Citizens, seventh consecutive year (2020)
- Recognition as a socially responsible company by the Mexican Center for Philanthropy and the Alliance for Corporate Social Responsibility for the eleventh consecutive year (Mexico) and the eighth consecutive year (Costa Rica)

102-40**Customer and Customer-Related**

- “Best in Value” Supplier Award 2020 from the Global Samsung Appreciation Day (Korea)
- Consumidor Moderno in recognition of call center excellence (South America)
- President’s Special Award for Pandemic Service by Royal Academy of Engineering given to BOC’s Customer Engineering Services for largest ever oxygen supplying system of its kind (UK)
- “Company to watch award” for demonstration of best performance in terms of financial results and strategy execution by Cerved, an information provider in Italy, Linde Gas Italy
- Batho Pele Service Excellence Award to Afrox team in South Africa by the Eastern Cape Premier Oscar Mabuyane for the provision of bulk oxygen during the pandemic (South Africa)

Industry Associations, Professional Associations and Government Agencies

- Recognized and listed as a good example of demonstrating social and environmental contribution in doing business in South Korea 2020 by KOTRA (Korea Trade-Investment Promotion Agency). Linde’s ESG case was featured in the ‘Foreign Company Contribution to Social Value Creation’ best practice booklet (Korea)
- Recognition by Manpower Agency of Banten Province for successfully completing an assessment for government recognition, Zero Accident Award (Indonesia)
- Recognition for Job Creation Contribution by the Ministry of Employment and Labor (Korea)
- Youth-friendly Small Giants Certificate recognition by the Ministry of Employment and Labor (Korea)
- Gold Medal in the Fuel and Power category at the 7th ICSB National Awards for Corporate Governance Excellence 2019 from the Institute of Chartered Secretaries of Bangladesh (ICSB) (Bangladesh)
- Silver Medal in the MNC Manufacturing category at the Best Corporate Award 2019 from the Institute of Cost and Management Accountants of Bangladesh (ICMAB) (Bangladesh)

Environment

- Excellent Environmental Performance, Clean Transportation Program, Ministry of the Environment (Mexico)
- Blue Flag Ecological Program (Costa Rica)
- Commitment to the Environment, Ministry of the Environment (Mexico)
- “Sustainable Use of Water” Award by VCI (Association of the Chemical Industry) for a digital concept drastically reducing cooling water and chemicals in Linde’s large-scale plants (Linde Gas and Linde Engineering Germany)
- “Klima Positiv Auszeichnung” (climate positive award) by Deutsche Gesellschaft für Nachhaltiges Bauen (German Association for Sustainable Constructing) for a third-party highway service station and its self-sufficient operations generating solar energy and producing hydrogen with a contribution from Linde and ITM (Germany)
- French trade magazine’s “Ville, Rail & Transports” Award, category Europe, for a federal fuel-cell train project in Northern Germany; Linde delivered the technology for the world’s first hydrogen refueling station (Germany)
- “Best OutReach” award by Fuel Cells and Hydrogen Joint Undertaking (FCH JU) for the EVERYWH2ERE consortium - making hydrogen affordable to operate sustainably everywhere in European cities: Linde provides management and safety systems (such as pressure valves, etc.) for the integration of the hydrogen storage (Italy)
- “Contribution to Sustainable Transport” award at the 2020 Scottish Transport Awards for BOC’s Kittybrewster, Aberdeen hydrogen refueling station (UK)
- Recognized for Sustainable Environmental and Safety Organization by the Industrial Estate Authority of Thailand: Linde HyCO - Gold Star Flag, Rayong CSCM - Gold Star Flag and MTP2 - Green Star Flag (Thailand)

102-45 Entities included in the consolidated financial statements

See 2020 Annual Report ([10K](#)) for consolidated financial statements.

102-46 Defining report content and topic boundaries

Linde's 2020 Directors' Report and Financial Statements provides non-financial information in accordance with Irish rules for reporting. Linde's annual Sustainable Development Report (this report) provides additional quantitative and qualitative non-financial information the company believes to be relevant to stakeholders and key to driving long-term sustainable results and disclosures based on the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

In the sustainability reporting ecosystem, the GRI Sustainability Reporting Standards is one of several key frameworks and standards for voluntary disclosure. It is designed to provide sustainability information of relevance to a broad range of stakeholders, such as employees and potential employees, communities, customers, suppliers, regulators and the general public. Linde is also aligned with other reporting frameworks; see the "Reporting Frameworks Applied" section.

This report scope is for the full Linde plc organization and for the calendar year 2020.

Information is provided from entities where Linde is the majority shareholder (more than 50 percent) and certain joint ventures (JVs). It excludes data from entities where Linde has a minority interest.

Principles for Defining Report Content and Quality

Consistent with the GRI Standards and to define the content and the quality of data and narrative in this report, the company followed the principles of being context-driven, inclusive, material, responsive and complete, and had data externally assured in Priority Factor (PF) areas.

Data Consolidation and Reporting

Various databases are managed across Linde to aggregate data. Data is collected from the businesses and other corporate functions, including Safety, Health, Environment & Quality (SHEQ), Human Resources (HR), Finance, Operations, Center of Excellence (COE) (which includes Procurement and Productivity), R&D, Sales, Sustainable Development and the Global Giving Program. Consolidated information is housed in various corporate databases. Linde uses a licensed global sustainability reporting software program to integrate data reporting for sustainable development.

Performance data is reported against the Linde Sustainable Development 2028 (SD 2028) targets to a management team.

See 103-1, 103-2 and 103-2 for management discussion and analysis (MD&A) for economic, environmental and social topics.

Reporting Frameworks Applied

This report drew on these voluntary reporting frameworks:

GRI Sustainability Reporting Standards (GRI SRSs). This report has been prepared in Accordance with the GRI Standards: Core option. For the GRI Content Index Service, GRI Services reviewed that the GRI Content Index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report. See the Content Index at the end of this report.

Those standards that are considered material are marked within this Annex by the following symbol: 

1. The Task Force on Climate-Related Financial Disclosures (TCFD) framework was used to ensure that disclosures about climate change are linked to information about financial performance in mainstream financial reports. See Linde TCFD Index at: <https://www.linde.com/about-linde/sustainable-development/reporting-center>.
2. The International Integrated Reporting Framework provides a framework for investors and other stakeholders to gain greater insight into the medium- and long-term sustainability of a company. It proposes that a company should report how it manages all its six capital flows: financial capital as well as human, intellectual, manufactured, natural and social and relationship (sometimes referred to collectively as "social capital"), and the connectivity between them.
3. Sustainability Accounting Standards Board (SASB) Standard for the Chemicals Sector (Version 2018-10). This provides sector standards and KPIs that are considered materially relevant to ESG investors. See Linde SASB Index at: <https://www.linde.com/about-linde/sustainable-development/reporting-center>.

102-48 Restatements of information

- Linde updated its methodology for calculating steam consumption. Instead of an equivalent amount of electricity used, the thermal balance is now calculated, which accounts for efficiency losses during the generation of electricity from steam. This results in more accurate calculations and led to an increase in steam consumed as well as a corresponding increase in calculated Scope 2 emissions. Scope 3 emissions in the fuel- and energy-related emissions category also increased accordingly, as did Scope 3 emissions in the investments category. The new methodology has been applied from 2018 onwards; 2018 and 2019 values have been restated for steam consumption, total non-renewable energy consumption, total energy consumption, Scope 2 emissions, Scope 3 fuel and energy-related emissions, Scope 3 investments and, total GHG and GHG intensity.
- Linde is restating water withdrawal, discharge and consumption to align with GRI's updated Standard 303: Water and Effluents 2018. Linde transitioned to the 2018 version of the 303 Standard in 2020 and updated its fresh and non-fresh water classifications accordingly. This led to a decrease in fresh water withdrawn from municipal utilities and an increase in industrial/recycled (non-fresh) water withdrawn. Discharge and consumption figures were also adjusted accordingly. The revised reclassifications have been applied from 2018 onwards.
- Linde is restating NOx emissions for 2018 and 2019 due to updating the emission factor for diesel, which caused NOx emissions to increase. The updated emission factor has been applied from 2018 onwards.
- Linde is restating 2019 COD due to the updated reporting from one site.

102-49 Changes in reporting

See 102-48 for restatements

Reporting Pro Forma 2018 and Reporting of Numbers for Linde's SD 2028 Targets

Data is reported consistent with Linde's 2019 Sustainable Development Report and utilizes pro forma information.

"Pro forma" definition: Pro forma means a calculated number or result that is not related to the official financial boundaries, reporting scope or period. A pro forma number serves as an indicator of what the result of the new merged company would theoretically look like if the new company had reported for the complete year and applied new company reporting boundaries and methodologies. As an example, financial reporting for 2018 was based on a full year of Linde Inc. (formerly named Praxair, Inc.) results plus two months of Linde GmbH (previously Linde AG), as the merger legally took place at the end of October 2018. The 2018 pro forma result, in contrast, reflects the complete 2018 calendar year.

Please see Linde's 2019 Sustainable Development Report for more information on the use of pro forma information for 2018 and baselines.

103-1 Explanation of the material topic and its boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

Note: This section responds to 403-1, 403-2, 403-3, 403-4, 403-5, 403-6 and 403-7.

Economic Management approach for material aspects 103-1, 103-2, 103-3

Financial performance is reported in Linde's financial reports. The economic dimension of sustainability is broader: it concerns the organization's impacts on the economic conditions of its stakeholders and on economic systems at the local, national and global levels. The Economic category illustrates the flow of capital among different stakeholders as well as the main economic impacts of the organization on investors, governments, employees, customers, suppliers and communities where the company operates or has an effect. This section reports on Linde's contribution to the sustainability of a larger economic system: its economic performance, market presence and indirect economic impacts.

Organizational Responsibility, Accountability and Incentives

Linde's Chief Executive Officer (CEO) and the Board of Directors are accountable for the economic health of the company. Responsibility for performance lies with the businesses. Performance is consolidated and reported to the Board by the responsible executives: the Chief Operating Officer (COO), Chief Compliance Officer (CCO), Chief Human Resources Officer (CHRO), EVP, Clean Energy, the vice presidents of SHEQ, COE, and procurement leadership.

Sound integrity is a corporate value, an expectation of behavior and non-negotiable. Linde's CBI affirms its commitment to fairness, transparency and trust as the basis for growth and prosperity for employees, customers, suppliers, markets and its communities. The Board of Directors is responsible for monitoring the implementation of the CBI. Its responsibilities include the periodic review of the policy and overseeing management's preventive, reporting, investigation and resolution programs for implementing this policy. The Code is posted on the company website and is communicated to employees. It provides clear instructions on expected behavior to conform with the Code and for reporting of concerns about potential non-conformance. Employees also receive training and certification to the Code. Subcontractors and other stakeholders are expected to follow this standard. The Board Audit Committee is responsible to review the processes and results for certification of employees' understanding of, and compliance with, the company's Business Integrity and Ethics Policy.

Linde has appointed a CCO within the department of Global Legal and Compliance, who reports to the General Counsel, who reports to the CEO. Compliance with policies prohibiting corruption or anti-competitive behavior, the maintenance of Linde's reputation for strong ethics and integrity, and the protection of human rights are managed under the CCO.

The Board's Audit Committee reviews the company's key compliance risks and compliance program, including that program's design, implementation and effectiveness, with the CCO and the General Counsel.

Linde follows the law and is governed by all local laws wherever it is located. In the event of a conflict between local law and the CBI or company policy, Linde will follow the stricter standard within the framework of the applicable laws.

The issues of information and cybersecurity fall under the remit of the Board Audit Committee. In addition, the full Board reviews cybersecurity as part of its regular risk reviews. Linde has appointed a Global Chief Information Officer (CIO) reporting to the chief financial officer (CFO). The CIO is the senior functional head of information and cybersecurity. A Chief Cybersecurity Officer reports to the CIO.

Linde's executive annual variable compensation is impacted by performance in non-financial areas considered to be Strategic Business Objectives. These include achieving best-in-class performance in several areas, including global compliance.

Policies, Commitments, Goals and Targets

Linde's CBI and Supplier Code of Conduct are provided on its website: www.linde.com.

As described in the Sustainable Development Targets 2028 (102-47) on page 10, Linde's sustainability Priority Factors (PFs) are aligned from both legacy companies and have related KPIs. Linde's economic PF is Integrity and Compliance, which has a related SD 2028 target. In addition, several of the Climate Change targets are economic and environmental. See Performance Towards Targets on page 18. The 200 series disclosures report against the relevant GRI Standards for these PFs, in addition to GRI disclosures that are not PFs but that may be of interest to various external stakeholders.

103-1, 103-2, 103-3

Mechanisms for Grievance and Recourse

Values and policies are actively communicated to employees around the world to outline Linde's expectations of conduct wherever it does business. Linde takes these standards very seriously, and non-compliance can result in severe disciplinary action, up to and including termination of employment. Its employees are actively encouraged to report suspected complaints and concerns, or to anonymously report violations, through a number of channels, including the Integrity Hotline. It also encourages customers, vendors or other observers to use the hotline to submit complaints or allegations about these or other matters. The company provides an annual report of Linde incidences of substantiated hotline reports on its website at:

<http://www.linde.com/about-linde/sustainable-development/reporting-center/hotline-reports>.

Programs, Projects, Initiatives

These are described in the 200 series disclosures.

Environmental Management approach for material aspects [103-1, 103-2, 103-3](#)

The environmental dimension of sustainability concerns an organization's impacts on natural systems, including ecosystems, land, air and water. Linde's business depends on a natural resource (the air), and the company's mission and business model both aim to create more value with fewer resources. Its PFs in sustainable development include a range of environmental aspects aimed at reducing operational environmental impacts and maximizing environmental contributions — the benefits that Linde applications bring to customers and the planet.

Organizational Responsibility, Accountability and Incentives

Linde's CEO and the Board of Directors are accountable for environmental issues impacting the company. Linde's full Board of Directors has responsibility for reviewing safety and environmental risk at each Board meeting.

Responsibility for performance lies with the businesses. Performance is consolidated and reported to the Management Committee and to the Board. Linde's EVP and COO is the most senior officer responsible for environmental issues. He is responsible for the regional operating segments of the Americas, APAC, and EMEA, as well as Linde Engineering, Lincare and Global Functions of SHEQ, Applications Technology, Clean Energy, Sustainability and Digitalization. Linde environmental compliance and management are managed under the vice president, SHEQ, who reports to the COO. The SHEQ organization develops and maintains consistent methodologies, procedures and reporting. Safety, which includes the goal to do no harm to the environment, is one of Linde's values, and therefore, is non-negotiable.

Linde's water program and water target are led and maintained by COE, which also leads and maintains its program in Sustainable Productivity. The Zero Waste program is led and maintained by Sustainable Development. Linde's Sustainable Development Management System (SDMS) provides a monthly dashboard to review performance towards environmental targets. It is jointly coordinated by SD, COE and SHEQ. Climate change targets are also reported monthly from the SDMS to the finance organization and CFO.

Linde's executive annual variable compensation is impacted by performance in non-financial areas considered to be Strategic Business Objectives. These include achieving best-in-class performance in several areas, including productivity and environmental responsibility.

Policies, Commitments, Goals and Targets

Linde has a CBI and a global HSE Policy, both with commitments to environmental stewardship. Linde has issued a Sustainable Development and Climate Change Position Statement.

As described in Sustainable Development Targets 2028 (102-47) on page 10, Linde's Environmental PFs are Climate Change and Environment, Safety & Health. Each of these PFs has related SD 2028 targets; see Performance Towards Targets on page 18. The 300 series disclosures report against the relevant GRI Standards for these PFs, in addition to GRI disclosures that are not PFs but that may be of interest to various external stakeholders.

Mechanisms for Grievance and Recourse

Linde policies are communicated to employees around the world to outline its expectations of conduct wherever it does business. It takes these standards very seriously, and non-compliance can result in severe disciplinary action, up to and including termination of employment. Linde employees are actively encouraged to report suspected complaints and concerns, or to anonymously report violations, through a number of channels, including the Integrity Hotline. The company also encourages customers, vendors or other observers to use the hotline to submit complaints or allegations about these or other matters. The company provides an annual report of Linde incidences of substantiated hotline reports on its website at:

<http://www.linde.com/about-linde/sustainable-development/reporting-center/hotline-reports>.

Programs, Projects, Initiatives

In addition to the material below, see the 300 series disclosures.

Training

Environmental and safety training is conducted for all employees and all contractors, as defined in the SHEQ Management System and Standard Operating Procedures (see 404-1). Onboarding and ongoing training is conducted as part of the SDMS.

Environmental Management System (EMS)

[103-1, 103-2, 103-3](#)

Linde's strong worldwide environmental management system ensures that measures are in place to enable pollution prevention and control, the responsible management of direct and indirect atmospheric emissions and waste, the protection of natural resources and biodiversity, and the management of environmental impacts from transportation or from the use and disposal of products and services. Linde is a member of the chemical

industry Responsible Care program. It strives to continually improve its health, safety and environmental performance; listen and respond to public concerns; work with customers, carriers, suppliers, distributors and contractors to foster the safe and secure use, transport and disposal of chemicals; achieve optimum environmental performance; and report goals and progress to the public. Linde's global Environmental Management System (EMS) conforms to the American Chemistry Council's (ACC's) Responsible Care® Management System (RCMS) and is aligned with ISO 14001, the international standard for Environmental Management Systems (EMSS).

External EMS Certification

As a member of ACC, Linde's safety, health, environment and security (SHES) management system is audited by an accredited third party to ensure compliance with the ACC RCMS. Linde is audited by Bureau Veritas per the requirements of the RCMS, most recently in March 2019 (the certification cycle is three years). RCMS audits for ACC include Linde's Danbury, Connecticut, corporate office and a representative sampling of sites in the U.S. and Canada.

The scope of the audit includes sites that "manufacture and distribute industrial gases per the RCMS Technical Specification (TC) RC 101.03." As an outcome of the RCMS audit, Linde's SHES management system in the U.S. and Canada has been recognized as compliant with ACC requirements (see <https://www.linde.com/about-linde/safety-and-environment>).

Linde is signatory to and in compliance with the Responsible Care Global Charter, which includes active participation in Responsible Care programs in all countries where programs exist and where Linde has significant business interests.

Linde businesses around the world conform to Linde's worldwide SHES management system; in the company's major markets, they are certified to the international EMS standard, ISO 14001, to national standards for EMSS or to other related standards. For example:

- All Linde Germany is externally certified to ISO 5001, the international standard for energy management systems, as well as ISO 14001.
- Linde Engineering has obtained external certification to ISO 14001.
- White Martins sites in Brazil and APAC businesses maintain certifications to ISO 14001.
- Mexico sites are certified to their national environmental agency PROFEPA Clean Industry Standard.

By revenue, 87 percent of Linde's worldwide gases production and engineering sites are externally certified to RCMS, ISO 14001 or an equivalent national standard.

Internal SHEQ Assessment Program

All Linde sites, and other sites where Linde is a majority shareholder, are evaluated for safety, environment and quality (the latter for compliance with local medical regulations, where applicable). Quarterly assessment reports are provided to senior management. The full Board is committed to review safety and environmental risks at each board meeting. Regular assessments are a requirement of Linde's SHEQ standards and help ensure consistently high standards in all areas of safety, environmental protection, security and compliance.

Linde's internal SHEQ assessment program includes type "A" and "B" assessments and facility self-assessments. Type A assessments are led by Global SHEQ staff or their designated agent. Type B assessments are led by a member of one of the global business units. Both type A and B assessments are independent of the facility being audited, and the number of these assessments is tracked by Global SHEQ. Facility self-assessments are also conducted by local or regional personnel to help facilities self-identify areas in need of improvement and are not tracked outside of the local operating unit. In 2020, Linde conducted 26 "A" assessment audits, all at Linde sites, and 250 internal "B" assessment audits as per business safety plans. See GEN (2). Fewer assessments were conducted in 2020 due to travel and other restrictions associated with the COVID-19 pandemic.

Internal Assessments

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
"A" Assessment audits conducted	51	56	60	26
"B" Assessment audits	233	216	300	250

GEN (2): Internal Assessments

103-1, 103-2, 103-3

External Environmental Data Assurance

All eKPIs are externally assured. See 102-54 for the verification letter and <https://www.linde.com/sustainable-development/2020/ekpi-assurance-statement>.

Social Management approach for material aspects 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7

The social dimension of sustainability concerns an organization's impacts on people and social systems — employees, contractors, suppliers, customers, other business partners and local communities — and discloses how the risks that may arise from interactions with other social institutions are managed and mediated.

Organizational Responsibility, Accountability and Incentives

Linde's strong worldwide social policies and procedures include issues such as compliance and integrity, human resources, diversity and inclusion, safety, community engagement and Global Giving. These are managed as part of daily operations. In many cases, suppliers are expected to adhere to equivalent standards.

Linde's CEO and the Board of Directors are accountable for social issues impacting the company. Linde's full Board of Directors has responsibility for reviewing safety and environmental risk at each Board meeting. The Compensation Committee assists the Board in its oversight of Linde's compensation and incentive policies and programs, and management development and succession, particularly in regard to reviewing executive compensation for Linde's executive officers. The Committee also periodically reviews the company's diversity policies and objectives, and the programs to achieve those objectives. Charitable contributions are mainly made through the Global Giving Program. Employee community engagement in all businesses and functions is promoted from the Sustainable Development department.

Responsibility for performance lies with the businesses. Several executives are responsible for social issues:

- The CHRO is responsible for talent sourcing, management and retention, and diversity and inclusion. He reports to the CEO. The global leader of Diversity and Inclusion is the senior functional lead in this area and reports to the CHRO.
- The General Counsel is responsible for ethics and integrity and compliance and reports to the CEO. The CCO is the senior functional lead in this area. He reports to the General Counsel.
- The COO is responsible for SHEQ and reports to the CEO. The vice president of SHEQ is the senior functional lead in this area.
- The COO is responsible for sustainable development. The EVP, Clean Energy, reports to the COO and oversees sustainable development. The VP, Sustainability is the senior functional lead in this area.
- Procurement leadership exists within each business segment and region, and the vice presidents serve as the senior functional leads in this area. Together with the CCO, they coordinate activity to ensure adherence to Linde's supplier sustainability and human rights commitments, among others.

Safety, inclusion and community are Linde values, and, therefore, are non-negotiable. Linde's executive annual variable compensation is impacted by performance in non-financial areas considered to be Strategic Business Objectives. These include achieving best-in-class performance in several areas, including safety and talent management.

Policies, Commitments, Goals and Targets

Corporate policies are posted on the company website at www.linde.com. Linde's CBI, corporate HSE Policy, Human Rights Policy, Global Diversity & Inclusion Guidelines, Supplier Code of Conduct and other corporate and country-level policies make clear the company's commitment to and management processes for addressing relevant areas of potential human rights concern. These include:

- Safety and health protection; a safe work environment
- The prevention of discrimination and harassment of employees
- Equal opportunity and equal treatment
- Merit-based decisions on recruitment, hiring, promotion and compensation
- Compliance with regulations, including on working hours
- The right to privacy
- Freedom of association and freedom of peaceful assembly, including freedom to choose whether to engage in collective bargaining and employees' participation in works agreements in various countries

Specifically, the Linde CBI makes clear Linde's commitment to human rights. Linde recognizes every person's innate humanity and treats everyone with dignity and respect. In supporting the protection and promotion of human rights worldwide, Linde abides by the principles of the International Bill of Human Rights enacted by the United Nations, and does not condone or engage in discrimination; harassment; violations of privacy, slavery or servitude; restrictions on free assembly; or unfair employment practices. Linde commits to adhering to these human rights principles and expects similar standards to be observed by all with whom it conducts business. As described in Sustainable Development Targets 2028 (102-47) on page 10, Linde's social PFs and related SD 2028 targets include Environment, Safety & Health; and People Development & Communities, and they have related KPIs and SD 2028

[103-1](#), [103-2](#), [103-3](#)

targets; see the Performance Towards Targets. This section reports against the relevant GRI Standards for these PFs, in addition to GRI disclosures that are not PFs but that may be of interest to various external stakeholders.

Safety Management, Programming and Training [403-1](#), [403-2](#), [403-3](#), [403-4](#), [403-5](#), [403-6](#), [403-7](#)

Aspects of safety, including occupational health, are led by SHEQ. The function is also responsible for safety management, including hazard identification, risk assessment, and incident investigation are led by SHEQ, and management reviews are in place. SHEQ leads the identification and mitigation of potential health and safety impacts.

SHEQ also leads consultations and communications with employees on health and safety programs and initiatives. Safety training is conducted for all employees and all contractors, as defined in the SHEQ Management System and Standard Operating Procedures. See 404-1. Safety performance is reviewed by management and the board and reported. Benefits, including management of medical care coverage and associated communications, are managed by the Human Resources function. See also 401-2, 402-1, 403-9, 404-1 and 416-1.

Mechanisms for Grievance and Recourse

Policies are actively communicated to employees around the world to outline Linde's expectations of conduct wherever it does business. It takes these standards very seriously, and non-compliance can result in severe disciplinary action, up to and including termination of employment. Several channels are provided to encourage employees to report suspected complaints and concerns, or to anonymously report violations, including the Integrity Hotline. The company also encourages customers, vendors or other observers to use the hotline to submit complaints or allegations about these or other matters. The company provides an annual report of Linde incidences of substantiated hotline reports on its website at: <http://www.linde.com/about-linde/sustainable-development/reporting-center/hotline-reports>.

Programs, Projects, Initiatives

These are described in the 400 series disclosures.

Economic, Environmental, Social Topics

200 Series: Economic Topics



201-1 Direct economic value generated and distributed

Revenue

2020 revenue: \$27 billion

See [2020 Annual Report \(10K\)](#) for consolidated financial statements. A full description of Linde's financial results is provided in the Annual Report ([10K](#)).

See also EC (1) for earnings per share (EPS) performance.

Tax Strategy

Linde is a leading industrial gases and engineering company with more than 74,000 employees globally, serving customers in approximately 100 countries worldwide. Linde delivers innovative and sustainable solutions to customers and creates long-term value for all stakeholders. The company is making our world more productive by providing products, technologies and services that help customers improve their economic and environmental performance in a connected world.

The nature of Linde's industrial gases business is substantially local. As a result, Linde generates income and pays taxes in jurisdictions in which it has business operations. In case of cross-border transactions, the respective Linde parties endeavor to comply with the applicable transfer price regimes, including transfer price determination rules.

Linde's business, in particular in the industrial gases segment, is capital-intensive. Linde believes that capital investment provides the basis for economic growth; hence the company supports tax policies that promote capital investment.

Linde is committed to developing new technologies that help its customers increase productivity and achieve environmental benefits in a wide range of industries. Linde also supports tax policies that incent innovation and protect the value of intellectual property. Linde's intellectual property assets are primarily developed and maintained in the United States and Germany, both geographies that are not typically regarded as low-tax countries. Transfer of these assets to low-tax jurisdictions is not part of Linde's tax planning.

Linde, as a multinational company, supports the continued expansion of a network of bilateral income tax treaties to reduce barriers to cross-border investment and eliminate double taxation.

For all of these reasons, Linde advocates for tax policies that drive economic growth, particularly in areas of increased engineering efficiency and enhanced local production and development.

Linde has adopted a CBI and One Linde Philosophy. It explains Linde's corporate vision, mission and values —safety, integrity, accountability, inclusion and community. The principles in the CBI set out Linde's commitment to integrity, to its employees, to the company, to its customers and partners and to its communities. The CBI provides guidance and insight to navigate compliance and ethical questions and to promote an overall culture of compliance. One key guiding principle is full compliance with applicable laws and regulations.

In line with its CBI, Linde manages its tax affairs in a responsible and transparent manner and in compliance with applicable tax legislation. Linde maintains processes and controls designed to minimize the risk of errors that could impact the amount of tax that it pays. These processes and controls are regularly monitored, reviewed and tested, and underpin the preparation and submission of its tax returns.

Linde has a responsibility to its shareholders to maximize returns and structure its affairs in an efficient manner, including taxes.

Linde's effective tax rate and tax exposures are reviewed annually with the Audit Committee of the Board of Directors. Linde discloses its effective tax rate publicly, together with the associated risks for the company's future tax rate and exposures, in the company's annual 10-K filing on its website at: <https://investors.linde.com/-/media/linde/investors/documents/full-year-financial-reports/2020-linde-annual-report-to-shareholders.pdf?la=en>

Charitable Spend

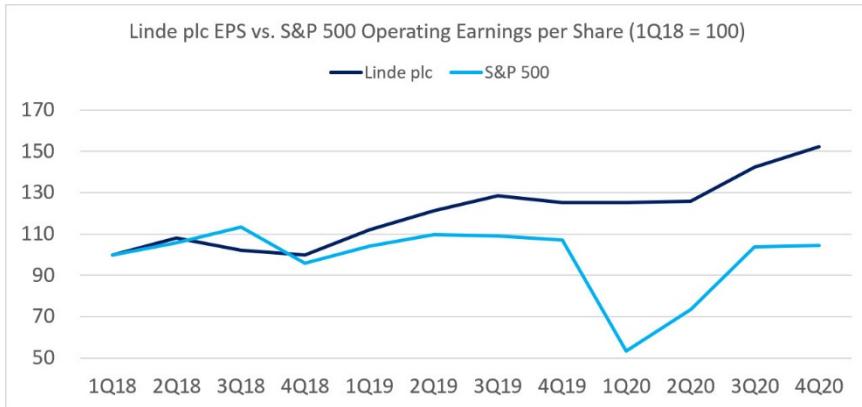
Linde Global Giving Program spend: \$9.4 million. See also 413-1.

201-1

In 2020, the Linde Global Giving Program donated approximately 10 percent of Global Giving funds toward efforts to increase diversity and inclusion. About forty percent of the funding was directed to education and approximately 6 percent was directed to the environment. Each of these three areas directly complements the company's strategic focus for philanthropy. The balance provided impact in communities through targeted community support, healthcare support and other areas; support for disaster relief in 2020 represented about 16 percent of charitable giving. Linde also reports the breakdown of Global Giving support by purpose and by region.

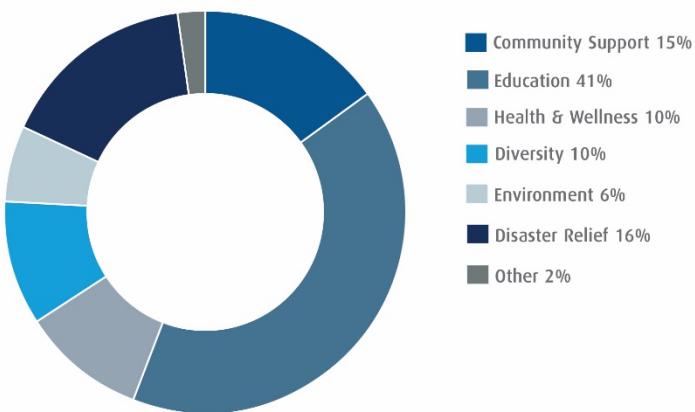
See also 413-1 for information on community engagement.

See also 203-1 for information on indirect economic impacts.



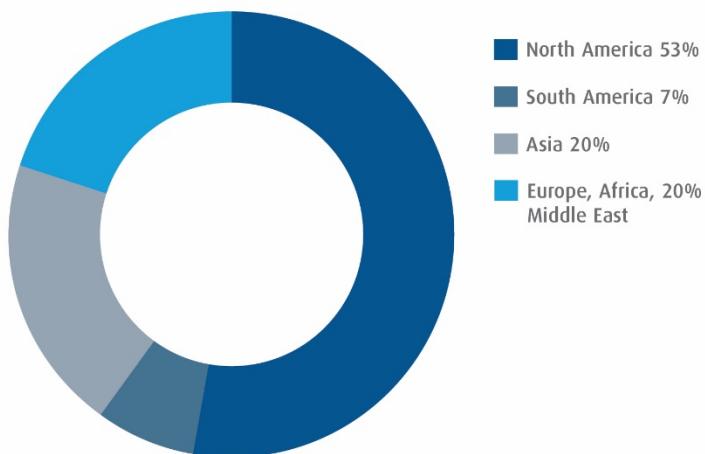
EC (1): Indexed Earnings per Share (EPS), Linde, 2018–2020

Note: 2018 based on pro forma values



EC (2): Global Giving Spending by Area, 2020

201-1



EC (3): Global Giving Spending by Geography, 2020

201-2 Financial implications and other risks and opportunities for the organization's activities due to climate change

For information on financial and other risks and opportunities from climate change, see Linde's 2020 CDP response. The document is available on its website: <https://www.linde.com/sustainable-development/2021/cdp-response-climate-change>.

201-3 Coverage of the organization's defined benefit plan obligations

A defined benefit and/or a defined contribution plan is available to all U.S. employees, as well as to employees in some other countries. Further detail is provided in Note 16, pages 83 and following, in Linde's 10-K filing.

Dependent upon the business and date of hire, employees may participate in legacy Praxair or Linde GmbH (previously Linde AG) programs, which may include defined benefits and contributions.

Retirement coverage for employees of the company's international subsidiaries is provided by those companies through separate plans that are typical for the country of employment.

201-4 Financial assistance received from government

The government is not present in Linde's shareholding structure. Linde periodically receives grants from government entities (e.g., the Department of Energy in the U.S., Department of Research and Education BMBF/ Department of Economy BMWI in Germany) to sponsor innovation. Linde also periodically receives local, state, country or regional economic development incentives related to capital investments.

202-1 Ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation

One hundred percent of employees in all business units earn at least the local minimum wage. Linde's CBI reinforces its commitment to "provide equal employment opportunity, and we recruit, hire, promote and compensate people based solely on merit and ability." This is reinforced by Linde's Diversity & Inclusion Guidelines, provided on the website at: https://www.linde.com/-/media/linde/merger/documents/diversity-and-inclusion/linde_global_di_policy.pdf?la=en. See also Linde's Human Rights Policy: <https://www.linde.com/sustainable-development/policies-and-position-statements/human-rights-policy>.

Linde's compensation policy assigns jobs into pay levels based on job descriptions so that people performing the same type of job functions are in the same pay range, regardless of age, gender or race. To help ensure that its compensation policy is being appropriately administered, the company conducts annual pay equity analyses in the United States and in other countries where required by law. Specific salary information is confidential.



202-2 Proportion of senior management hired from the local community at significant locations of operation

Linde's business model is locally focused: Consistent with its growth goals and goals to grow innovation capacity in emerging economies, Linde has a commitment to source and develop local talent. Many country or regional business leaders are local or regional nationals. In hiring and promotion, the company practices the consideration of local leadership who understands the culture and business practices of the area. This provides ideal role models for the local workforce and offers a more cost-effective option than moving leaders from another country.

The following activities help ensure that local talent receives leadership opportunities:

1. Increase local recruiting efforts.
2. Train and develop current workforce for advancement.
3. Offer opportunities for language learning to promote the ability to operate effectively in a multi-national environment.
4. Create opportunities for high-potential local nationals to have special assignments outside their home countries.
5. Collaborate with educational programs to develop the local workforce.

See 405-1.



203-1 Development and impact of infrastructure investments and services supported

A significant portion of the company's applications support the development of social and economic infrastructures. Linde gases help to enable safe drinking water for more than 200 million people each day. Industrial and specialty gases enable cleaner and more efficient economic growth in industries from cement to steel. Linde applications are also integral to the development of future energy infrastructures (e.g., applications for renewable energy and second-generation biofuels).

The company is committed to improving the quality of life in the communities it serves. Through financial contributions and the volunteer efforts of employees, Linde supports programs that address diversity, education, the environment and community resilience — all important aspects of community sustainability. In 2020, the company's Global Giving Program contributed \$9.4 million to a range of programs and charitable organizations around the world. See 201-1 for information on how the Global Giving contribution was distributed by focus area and by business region.

Employee and facility/business contributions from community engagement projects were estimated at more than \$800,000, and the dollar value of employee and facility in-kind contributions, such as food, clothing and supplies, was estimated at more than \$500,000. Global Giving also tracked more than \$500,000 in in-kind contributions of Linde products such as gases.

The total Linde contribution, including in-kind contributions, but not volunteer time, is estimated at approximately \$11 million. The estimated value of volunteer time is nearly \$500,000.



203-2 Significant indirect economic impacts

Linde's business helps countries modernize with technologies that enable environmentally responsible economic growth. Linde provides careers and benefits to nearly 75,000 employees, many of whom are hired locally, and to thousands of retirees. Indirect benefits accrue to Linde's vendors (also, often, contracted locally), as well as customers, shareholders and communities in which the company operates. For descriptions of how Linde's business model enables indirect economic, social and environmental benefits, see pages 8 and 9.

The company hires local talent:

- Most emerging economy business leaders are host country or regional nationals.
- It sources local contractors. Substantially all contract drivers, and most contract construction workers, are sourced locally.
- It helps build capacity in local communities. Linde employee volunteers provided a range of benefits to approximately 350,000 people, mostly in communities local to Linde sites.

All Linde community engagement projects are encouraged to help meet specific needs identified by community leaders, but there is no science to measure the impact of community outreach. Linde uses a methodology developed by the London Benchmarking Group (LBG)

203-2

to evaluate the indirect economic, environmental and social impacts of its community engagement activity for the company, its employees and beneficiaries (see 413-1 and 413-2).

In 2020, for 92 percent of projects, volunteers reported that community engagement had a direct positive impact on recipients' quality of life. In approximately 59 percent of projects, volunteers reported that community engagement provided the beneficiaries with value that could lead to economic benefits, such as job skills or opportunities for personal growth.

Community engagement is a component of Linde's SD 2028 goals, with the target to deliver 550 projects per year in communities by 2028 through Linde community engagement initiatives. In 2020, Linde employees delivered more than 300 such projects, as substantial portion of the 2020 goal, prioritizing support for the pandemic, remote education opportunities and virtual engagement. Many of the projects directed towards education support Linde's contribution to SDG Target 8 to achieve full and productive employment and decent work for all women and men.

The significance of Linde's economic and governance PFs and targets in the context of external benchmarks and stakeholder priorities is explained in the introduction to Sustainable Development Targets, page 11.

(*) 204-1 Proportion of spending on local suppliers

Note: This section responds to 204-1 and also responds to 102-9.

Policy

Linde's Supplier Code of Conduct (Supplier Code) is made available on its website at: <https://www.linde.com/about-linde/global-procurement>.

Suppliers, contractors and third parties play a critical role in Linde's ability to operate and provide products and services to its customers. Suppliers' actions and practices also reflect on Linde. Therefore, the company chooses suppliers carefully based on merit and a due diligence process. Linde expects suppliers to comply with legal requirements and to act in a manner that is consistent with Linde's values and the principles outlined in its Supplier Code and CBI.

The Supplier Code defines Linde's minimum requirements for its suppliers concerning their responsibilities towards Linde and its stakeholders, societies and the environment. As part of the standard documentation for all new and renewing contracts, suppliers must confirm conformance with the Supplier Code and with Linde's CBI or equivalent policies of their own. Specific expectations are laid out for Integrity and Legal Compliance; Human Rights and Labor Standards; Health, Safety and Environment; Accuracy of Books and Records; Intellectual Property; and Supply Chain. A grievance mechanism is provided.

Local Sourcing

Linde works with suppliers in many countries in which it does business — nearly 100 countries. Linde has a corporate value of community. This reflects the nature of Linde's industrial gas products: it is generally uneconomical to transport them distances greater than a few hundred miles from the production facility. As a result, the company invests in building local facilities and hires locally for management, employees and contractors.

The most significant sets of suppliers from the point of view of local sourcing are facility construction contractors and contract drivers. Installation of new equipment, as well as ongoing maintenance, is largely performed by local suppliers. Linde uses locally-sourced contract drivers in most of its Asia Pacific countries; in EMEA (except for Germany and the UK); in South America; and in parts of Central America. [102-9](#)

The company invests in supplier capacity-building to raise performance standards and share benefits at the same time. The company also values opportunities to engage suppliers and team members to better understand product offerings and applications. Past examples of supplier collaboration include the Supplier Innovation Fair at the Linde Technology Center, where suppliers discussed technology topics with Linde team members. Currently, Group Procurement Fleet Management is working with suppliers in some localities on initiatives for vehicles with lower fossil fuel consumption, as part of overall efforts to lower CO₂ emissions.

Promoting Supplier Diversity

Providing innovative and valuable solutions for customers around the globe requires diverse talents, perspectives and experiences. As part of this, Linde supports programs that assist it in fostering relationships with a variety of qualified, diverse businesses for its supply chain around the globe.

204-1, 102-9

Linde's Supplier Diversity Program in the U.S. encourages and supports the use of a variety of qualified distinct business enterprises. It seeks to provide maximum practical opportunities for diverse businesses to participate in the supply of goods and/or services that support the company's business model.

In South Africa, Afrox participates in the Broad Based Black Economic Empowerment program and successfully received the verification certificate for seven consecutive years. The company achieved a Level 1, the highest ranking, in 2020.

The program has championed companies classified as small and diverse businesses for nearly two decades. The vice president and controller serves as the small business liaison officer and oversees the Small Business Subcontracting Program. On an annual basis, in collaboration with management and support staff from the company's Procurement team, a detailed small business subcontracting plan is established with practical goals that the company strives to achieve with small businesses in procuring designated commodities. In 2020, the company spent a total of \$448 million with small and diverse business enterprises. Approximately \$340 million was procured from U.S. small businesses, representing products and services that covered approximately 447 different commodity codes. Some companies that identified as small also identified as a veteran-owned or service-disabled-veteran-owned businesses, corresponding to nearly one-tenth of total small business spend, or \$31 million. Approximately \$26 million was spent with women-owned businesses, and \$30 million with minority-owned businesses, including businesses identifying as ethnic minorities or non-ethnic minorities, such as LGBT or persons with disabilities. The company's U.S. Procurement team has collaborated with its global affiliates to understand the supplier diversity landscape and opportunities in each country in which it operates. By leveraging the knowledge and skills of the company's diverse employee population and continuing to provide cultural awareness training around the world, the company strives to achieve an organically inclusive environment where diversity is known as a valuable asset and competitive advantage in its supply chain.

Globally, the company continues to identify and enhance supplier diversity initiatives in areas with emerging programs and/or the potential to develop them. In 2020, the company renewed its membership with the Regional Councils of Minority Supplier Development Council (MSDC), Women's Business Enterprise National Council (WBENC), National Gay and Lesbian Chamber of Commerce, NY Chapter (NGLCC-NY) and National Gay and Lesbian Chamber of Commerce (NGLCC). Throughout 2019, the company continued to promote its pre-qualification program for potential suppliers by collecting advanced information on diverse businesses seeking sales opportunities, including, but not limited to, service geography, description of business capabilities and acquired certifications. Coupled with the company's existing business matchmaker program, the advanced business information has continued to provide opportunities for the company's procurement team and operations personnel to more efficiently identify experienced candidates for requests for proposals, leading to a higher percentage of diverse suppliers offering proposals and ultimately being awarded contracts.

Outreach and capacity-building with the company's prime supplier population allowed for the sharing of best practices in supplier diversity and yielded a commitment to enhance or establish mutually beneficial diversity metrics from suppliers with whom the company spends \$1 million or more with annually. In 2020, the company continued its Tier 2 diverse spend reporting program with U.S. prime suppliers, demonstrating the company's long-term commitment of sustaining diversity and inclusion in its supply chain. The program's goal is to develop diverse suppliers, beyond the company's direct supplier relationships, by providing additional economic growth opportunities. In its fourth year, the program identified \$14 million in combined direct and indirect diverse spend. Sixteen prime suppliers from various industry sectors, including telecom, logistics, healthcare and MRO, participated in the program. Capturing this information has allowed the team to advance its supplier diversity program for validating and tracking the company's spend with diverse businesses and has helped to identify collaboration opportunities for 2021 with companies that have established supplier diversity programs.

Investing in Supplier Relationships: A Win-Win-Win

Linde works hard to deepen relationships with suppliers and contractors while ensuring that they meet its standards and business values. This brings multiple benefits to the company and to the communities near to its operations. Linde puts a high priority on evaluating risks associated with its supply chain and collaborates with suppliers and other stakeholders where its involvement can make the most impact.

On a regular basis, Linde works with its carriers on safety training, initiatives and sharing best practices to continuously improve upon operational efficiency, reduce environmental hazards and promote security and human rights. For example, Procurement is championing a circular economy initiative, engaging with suppliers and academia on benefits of circular supply chains and life cycle analyses. Such engagements can unearth win-win approaches to reduce resources and provide social and environmental benefits throughout the supply chain.

Safety Training

Worldwide contractor safety training: One-hundred percent of contract drivers, and most contract construction workers, are hired from local firms. In addition to the jobs provided to locally based construction workers and drivers, in 2020, Linde invested more than 1.6 million hours in safety training to

204-1, 102-9

contractors in several categories. This included training for more than 33,000 contractors. Contractor training averaged 49 hours a year, more than a work week. If each contractor hour costs Linde \$20, this investment can be estimated at more than \$32 million. In all cases, this training is directed towards achieving safer construction of Linde facilities and safer, more secure and more fuel-efficient transportation of Linde products. Linde's world-class results for contractor and driver safety are a measurable consequence of this investment. See 403-2. In addition, the safety and other professional driver training results in a transfer of professional skills that increases the employability of the recipient.

For information on supplier and contractor training, see 414-2.



205-1 Operations assessed for risks related to corruption

Linde administers an annual risk assessment that is circulated to all business managers globally and functional leaders and covers 100 percent of all business units. Potential risks related to corruption are an explicit focus.

A Compliance Review Board (CRB) performs quarterly regulatory risk assessments. Dedicated Foreign Corrupt Practices Act (FCPA) and anti-bribery audits are also conducted. In the last 10 years, 37 audits have been conducted, an average of four audits per year.

Linde operates in certain jurisdictions identified as high risk based on the Corruption Perception Index from Transparency International. The company has not identified significant risks other than regular risks that are dealt with through training and certifications of employees.



205-2 Communication and training on anti-corruption policies and procedures

In 2020, Linde's Board of Directors received training on the CBI, which includes anti-corruption policies and procedures. The company also trains all its salaried employees globally on anti-corruption. The company has an established process to conduct thorough due diligence prior to contracting and sends training to 100 percent of all third parties and agents who interact with the government on the company's behalf.

Linde's CBI applies to the company's directors and employees, including its CEO, CFO and controller. This CBI, which includes elements of compliance with laws, business integrity and ethics, has been approved by the Linde Board of Directors. To assist employees and directors in complying with this code of ethics, management periodically develops specific standards implementing certain provisions of the code. Linde's CBI is posted on Linde's website.

One-hundred percent of salaried Linde management and employees, and some non-exempt employees, are required to annually certify that they have read and understand the company's CBI, which includes a rigorous outline of the FCPA and anti-bribery laws. This is an online training and survey. Training to targeted populations was conducted in 2020; the company achieved 100 percent compliance with this requirement.



205-3 Confirmed incidents of corruption and actions taken

Linde takes its commitment to integrity very seriously. Non-compliance with the CBI, depending on the circumstances, can result in serious disciplinary action up to and including termination of employment. Employees are actively encouraged to report suspected complaints and concerns, and are expected to report violations through a number of channels, including the Integrity Hotline. Reports through the Integrity Hotline may be made anonymously. It is a violation of company policy for any person to retaliate against any individual who has reported any matter in good faith.

Table SOC (12) provides the aggregate number of hotline reports and a summary of the types of reports received; see 406-1. All hotline reports are promptly handled, and identified issues are addressed. Further details are not provided in Linde's public reporting as they are business confidential. No confirmed incidents of corruption occurred in 2020.



206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

No anti-trust regulatory or enforcement action was initiated in 2020. Also refer to the "Contingent Liabilities" section of Linde's annual 10-K filing.

300 Series: Environmental Topics

Linde is a resource-intensive company. Linde's environmental performance year-on-year can best be evaluated on an intensity basis versus revenue. In most cases, this shows a positive trend. In addition, Linde's business model is resource efficiency — to make more value than it consumes. The environmental and other benefits of Linde applications are described in the "Business Model" section on page 6, the "Creating Economic, Environmental and Social Value" section on pages 6-7, and the "Linde Applications Enable >2x Carbon Productivity" section on page 14.

For ease of comparison and to follow Linde's performance year-on-year, Linde presents a full-year pro forma value for 2018 for each environmental KPI. These 2018 pro forma values are comparable to the 2019 and 2020 numbers, using the same reporting scope, definition and boundaries. Pro forma numbers for 2018 have either been fully re-audited (energy consumption, Scopes 1 and 2) or are calculated from audited 12+2 numbers, where two months of Linde GmbH (previously Linde AG) numbers have been scaled up to a full year (unless otherwise stated). Trend data needs to be understood in the context of the merger. For 2017, data is reported for legacy Praxair only, and this year is not a basis to understand trends.

Linde's reporting boundaries for eKPIs are consistent with the financial reporting boundaries and financial control definition to the greatest extent possible. Linde reports on all eKPIs for all subsidiaries, JVs and other holdings within its organizational boundaries whose revenues and Earnings Before Interests and Taxes (EBIT) are included in Linde's financial results. Linde does not collect eKPI data for minority holdings and other holdings that are not reporting their financials. EKPIs for JVs, which are not fully consolidated into the company financials (at-equity JVs), are collected but are only included in external GHG reporting under Scope 3.



301-1 Materials used by weight or volume

Raw materials are procured through a global procurement organization under global procurement standards and expectations that include requirements for material sustainability. Linde has Supplier Expectations that manage sustainability in its supply chain.

Non-Renewable Materials Used

Linde estimates that 1 percent by weight of the raw materials used in 2020 were non-renewable, including natural gas and naphtha, which are used in hydrogen production.

Linde also builds air separation units (ASUs) and steam methane reformers (SMRs). Construction materials for these are generally from non-renewable sources: aluminum, carbon steel, stainless steel, copper and brass alloys, brass and metals. The largest material by spend is steel.

Renewable Materials Used

Ninety-nine percent by weight of the raw materials used in 2020 to produce gaseous nitrogen, oxygen, argon, carbon dioxide and hydrogen were renewable raw materials. Renewable raw materials used by Linde include air, water, carbon dioxide and hydrogen. These products represent over 90 percent of the revenue Linde received for the products it manufactures. Examples of products not included are those manufactured by Surface Technologies and low-volume products, such as acetylene.

Using air as its raw material, Linde produces oxygen, nitrogen, argon and rare gases through several air separation processes, of which cryogenic air separation is the most prevalent. As air is a renewable natural resource, there is no negative environmental consequence to using this raw material.

Process gases, including carbon dioxide, hydrogen, carbon monoxide, helium, specialty gases and acetylene, are produced by methods other than air separation. In many cases, these are sourced as an industrial byproduct or waste. Some of these byproduct sources are renewable, but all offer a means to reuse products that would otherwise have been waste.

- Most carbon dioxide is purchased from byproduct sources, including chemical plants, refineries and industrial processes. These byproduct sources include ethanol manufacturing facilities, where the waste carbon dioxide is considered renewable. A portion is recovered from carbon dioxide wells.
- Hydrogen and carbon monoxide are produced by either steam methane reforming of natural gas or by purifying byproduct sources obtained from the chemical and petrochemical industries. In 2020, Linde procured 19 percent byproduct hydrogen.

301-1

- Most of the helium sold by Linde is sourced from helium-rich natural gas streams in the U.S., with additional supplies being acquired from outside the U.S.
- Acetylene can be produced from calcium carbide and water. A significant percentage is purchased as a chemical byproduct.

The volumes of process gases procured are considered business confidential.

301-2 Percentage of materials used that are recycled input materials

Also see 301-1 for information on renewable raw materials. As part of its sustainable supply chain program, Linde's Procurement organization works with vendors to reduce consumption of upstream, non-renewable natural resources. For some of its business lines, Linde actively sources recycled input materials by using byproducts from other industrial processes. The total weight of these byproducts as a percentage of total material use is not reported here.

From 2011–2020, most of the acetylene produced by Linde in the U.S. was sourced from byproduct acetylene, avoiding the mining of calcium carbonate and the recycling or disposal of carbide lime. Most Linde carbon dioxide sold in the U.S. was sourced from ethanol fermentation (a biomass source). As a business, Linde is constantly researching innovative ways to expand the use of this application.

Most gases are transported in pipelines or trucks, including cylinder trucks, and use little packaging (see 301-3).

Linde has a large engineering business, which designs and constructs new production plants. When building a new plant, the focus is put on the re-use of parts/components from other disassembled plants (e.g., refurbished parts) as much as possible. At the end-of-life of a production facility, parts and components are checked, refurbished if required, and directly re-used or put in stock for future usage. Thus, most of the materials are recycled and become input materials (e.g., for new plants).

In order to avoid procurement of new materials, the company has established several asset management programs that are actively identifying idle assets (e.g., cylinders) to ensure that they are put back into use rather than purchasing new materials. The programs actively track all assets, are well reported and yielding good results.

301-3 Reclaimed products and their packaging materials

Linde produces very little packaging waste. Linde delivers most of its product in pipelines or bulk cylinder trucks. As the products are consumable, there is nothing to reclaim and no packaging material for the majority of products. For the packaged gases product lines, either disposable cylinders or reusable cylinders are utilized. The metal cylinders last about 40 years, are returnable and are typically reused multiple times.

In its cylinder test shop in Wolverhampton, UK, with more than 100 employees, Linde refurbishes about 1.8 million cylinders per year in order to avoid unnecessary scrapping. Linde runs several of these large cylinder refurbishment centers worldwide as well as many smaller test shops and repair centers in many countries.

302-1 Energy consumption within the organization

Where MWh were converted to GJ, MWh were multiplied by 3.6.

Fuel Consumption

Linde's total non-renewable fuel consumption in 2020 was 76.7 million GJ, or 21.3 million MWh. This figure represents energy consumption and excludes fuel consumed as a feedstock for production. Fuel types used included natural gas, diesel, oil and "other," which includes naphtha and other refinery fuel gas. Linde did not consume any renewable fuel in 2020.

Electricity Consumed

Total non-renewable electricity consumed in 2020 was 39.1 million MWh, or 140.9 million GJ. Total renewable electricity purchased in 2020 was 2.5 million MWh, or 9.0 million GJ.

Linde also tracks low carbon electricity, which includes both active and passive renewable electricity as well as nuclear. Active RE is classified as electricity procured through Power Purchase Agreements (PPAs), directly connected 100 percent RE supplier contracts, or validated green energy certificates. Passively procured electricity from the grid was calculated using the latest location-based renewable energy grid factors from the IEA and, where available, plant-specific RE factors according to the supplier contract/utility bill. In 2020, active RE was 2.493 million MWh and passive RE was 9.176 million MWh, for a total of 11.669 million MWh. Nuclear was 4.750 million RE, bringing the total low carbon electricity to 16.419 million MWh of low carbon electricity, which represents 39 percent of Linde's total electricity consumption in 2020.

See page 20 in Performance Towards Targets for information about Linde's low carbon power sourcing target.

Steam Consumed

Linde did not consume any heating or cooling in 2020.

Linde consumed 6.4 million MWh, or 22.9 million GJ, of steam in 2020.

See 102-48 on page 38 for information on steam restatements.

Electricity, Heating, Cooling and Steam Sold

Linde sold 8.82 million MWh of steam in 2020.

Total Energy Consumed

Linde consumed a total of 69,277,000 MWh, or 249.4 million GJ, of energy in 2020. This is a 0.2 percent increase from the previous year. While Linde continued to implement energy efficiency projects, energy use was consistent with 2019 mainly due to changes in production volumes brought on by the COVID-19 pandemic: Some plants produced lower volumes of product' therefore, consumed less energy, while others saw increases in production volumes, with corresponding increases in energy use.

Total energy consumed has been restated for 2018 and 2019; see 102-48 on page 38.

Linde tracks energy consumption through meters and utility bills, collecting information for each plant and location in a global eKPI system. Newly constructed plants less than two months old and de-minimis locations consuming less than 1,500 MWh are excluded from reporting.

Non-renewable Fuel Consumption

	2018 Linde Pro Forma	2019 Linde	2020 Linde
Non-renewable fuels purchased and consumed	21,034,000	21,246,000	21,298,000

EN (1): Non-renewable Fuel Consumption

Units: MWh

Electricity

	2018 Linde Pro Forma	2019 Linde	2020 Linde
Active renewable electricity consumed	2,507,000	2,431,000	2,493,000
Passive renewable electricity consumed	8,596,000	8,933,000	9,176,000
Low carbon (nuclear) electricity consumed	4,090,000	4,146,000	4,750,000
Fossil electricity consumed	26,356,000	26,369,000	25,203,000
Total Electricity Consumed	41,549,000	41,879,000	41,622,000

EN (2): Electricity

Units: MWh

Steam

	2018 Linde Pro Forma	2019 Linde	2020 Linde
Steam consumption	5,943,000	6,012,000	6,357,000

EN (3): Steam

Units: MWh

Total Energy

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
a. Non-renewable fuels purchased and consumed	2,813,000	21,034,000	21,246,000	21,298,000
b. Non-renewable electricity consumed ¹	24,897,000	39,042,000	39,448,000	39,129,000
c. Steam consumption	1,229,000	5,943,000	6,012,000	6,357,000
d. Total non-renewable energy consumption (a+b+c)	28,939,000	66,019,000	66,706,000	66,784,000
e. Total renewable electricity purchased or generated ²	503,000	2,507,000	2,431,000	2,493,000
Total Energy Consumed (d+e)	29,442,000	68,526,000	69,137,000	69,277,000

1 Row b (non-renewable electricity consumed) includes both fossil-fuel based electricity and passive renewable electricity. Since passive renewables are consumed from the grid, Linde does not include this in row e since it did not directly purchase or generate this power.

2 Row e includes only active renewable energy consumed.

EN(4): Total Energy

Units: MWh

302-2 Energy consumption outside of the organization

Linde did not consume energy from outside the organization.

(*) 302-3 Energy intensity

It is key to Linde's business to manage energy use and energy use in production. The company considers production volumes to be business confidential. Internally, energy intensity is tracked monthly and is a basis for Linde's operational GHG intensity targets, see Performance Towards Targets, page 20.

(*) 302-4 Reduction of energy consumption

Linde has a 7% energy intensity improvement target by 2028 for air separation units, see Performance Towards Targets, page 20.

(*) 303-1 Interactions with water as a shared resource

(*) 303-2 Management of water discharge-related impacts

Note: This section responds to 303-1 and 303-2

Beginning with this report, Linde is reporting against GRI's Standard 303: Water and Effluents (2018).

Using GRI's definitions of fresh and other water, Linde has restated water values for 2018 and 2019; see 102-48 on page 38. Water sourced from municipal utilities, surface waters and ground water is considered fresh water (<= 1,000 mg/L Total Dissolved Solids); all other sources are considered "other" (> 1,000 mg/L Total Dissolved Solids).

For more information on the company's water impact, interactions with key stakeholders, management approach and commitment to water stewardship, see Linde's Water Position Statement at <https://www.linde.com/sustainable-development/policies-and-position-statements/water-position-statement> and the most recent CDP Water Security response at: <https://www.linde.com/sustainable-development/2021/cdp-response-climate-water>.

(*) 303-3 Water withdrawal

(*) 303-4 Water discharge

(*) 303-5 Water consumption

Note: This section responds to 303-3, 303-4, and 303-5

Water Withdrawal

In 2020, Linde withdrew 833.2 million m³ of water. Linde tracks water withdrawals primarily through utility bills. No water sources were significantly affected by Linde's withdrawal of water in 2020.

Of the 833.2 million m³ of water that Linde withdrew in 2020, 51 percent was from fresh water sources (municipal, surface water and groundwater), 24 percent from seawater, and 25 percent from third-party (industrial/recycled) sources. Linde estimates that more than 90 percent of the water withdrawn in 2020 at Linde production plants (excluding once-through) was recycled numerous times through cooling towers before discharge.

Overall, water withdrawal increased 4 percent compared to 2019, mainly due to increased production at certain sites that use water from non-fresh water sources and one new plant startup that uses a significant volume of third-party recycled water. Total water withdrawal from freshwater sources decreased by 6 percent compared to 2019 due to reduced production resulting from COVID-19 as well as continued efforts to improve fresh water use efficiency and implementation of water conservation projects.

[303-3](#), [303-4](#), [303-5](#)

Water Discharge

Linde did not have any unplanned water discharges in 2020. No water bodies or related habitats were significantly affected by Linde water discharges or runoff in 2020.

Where Linde facilities discharge process water, discharges are governed by discharge permits issued by a regulatory agency. Linde estimated chemical oxygen demand (COD) at these sites to be 2,007 metric tons in 2020, which is a 5.7 percent decrease from 2019.

Linde discharged 759.5 million m³ of water in 2020, of which 43.1 million m³ was wastewater. Linde also discharged once-through cooling water back to the source from which it came. In 2020, 716.4 million m³ of water was discharged in this manner, of which 47 percent was to fresh water sources, 28 percent was to seawater sources, and 25 percent was to third-party sources.

Water Consumption

Linde consumed 73.7 million m³ of water in 2020. Consumption is defined as total water withdrawn minus wastewater discharged, minus once-through cooling water that is returned to the original source with no impact to quality. Consumption decreased by 11 percent compared to 2019.

Consumption of fresh water was 93.1 million m³ in 2020, which is an 8 percent decrease compared to 2019. Overall, consumption decreased due to a combination of water efficiency improvements and more efficient cooling processes. Additionally, water discharge increased, due in part to a new plant startup that returns 100 percent of its water (27 million m³) as once-through cooling water.

Water-stressed Areas

Linde tracks water withdrawal, discharge and consumption from sites in areas of water stress. Areas of water stress are defined by the WRI Aqueduct Water Risk Atlas. Linde determines sites to be in a water-stressed area if the Atlas lists the baseline water stress as "high" or "extremely high."

See page 21 for information on Linde's target to implement water management plant at high-water-use sites in areas of water stress.

Total Water Withdrawal, Discharge & Consumption

	2019 Linde	2020 Linde
A. Fresh Water Withdrawal	456.0	427.9
B. Other Water Withdrawal – Seawater	175.7	202.4
C. Other Water Withdrawal – Third Party (Industrial/Recycled)	170.2	202.9
D. Total Water Withdrawal (A+B+C)	801.9	833.2
E. Fresh Water Returned to Original Source (once-through cooling water)	354.8	334.8
F. Other Water Returned to Original Source (once-through cooling water) – Seawater	175.7	202.4
G. Other Water Returned to Original Source (once-through cooling water) – Third Party	145.1	179.2
H. Wastewater Discharge (non-once-through)	43.4	43.1
I. Total Water Discharge (E+F+G+H)	719.0	759.5
J. Total Water Consumption (D-I)	82.9	73.7

EN (5): Total Water Withdrawal, Discharge & Consumption

Units: million m³

303-3, 303-4, 303-5

Fresh Water Withdrawal, Discharge & Consumption

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
A. Municipal Water Withdrawal	22.2	54.1	58.9	56.6
B. Surface Water Withdrawal	316.2	446.1	386.3	361.2
C. Ground Water Withdrawal	9.3	11.9	10.8	10.1
D. Total Fresh Water Withdrawal (A+B+C)	347.7	512.1	456.0	427.9
E. Discharge: Fresh Once-Through Cooling Water Returned to Surface Water Sources	280.3	419.7	354.8	334.8
F. Net Freshwater Consumption (D-E)	67.4	92.5	101.2	93.1

EN (6): Fresh Water

Units: million m³

Water-Stressed Areas: Withdrawal, Discharge & Consumption

	2020 Linde
A. Withdrawal	35.9
B. Discharge	18.9
C. Consumption (A-B)	17.0

EN (7): Water-Stressed Areas: Withdrawal, Discharge & Consumption

Units: million m³

304-1 Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas

304-2 Significant impacts of activities, products and services on biodiversity

304-3 Habitats protected or restored

304-4 Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk

Linde's operations do not have a significant impact on biodiversity. An evaluation of more than 600 production sites established that none of these sites are located in the vicinity of a protected area. Many sites are located in industrial zones or business parks.

When planning new sites, processes are in place to ensure that Linde minimizes any potential negative impacts on biodiversity. It follows internationally recognized guidelines when performing its evaluations, such as the Voluntary Guidelines on Biodiversity-Inclusive Impact Assessment issued by the United Nations.

Greenhouse Gas Emissions 305-1, 305-2, 305-3, 305-4, 305-5

GHG Inventory Methodology

Linde's GHG emissions disclosures have been prepared based on a reporting year of January 1 to December 31, the same as the financial reporting period. All GHG emissions figures are in metric tons of CO₂e and cover six gases: CO₂, CH₄, N₂O, PFCs, HFCs and SF₆. Linde does not have emissions of nitrogen trifluoride (NF₃).

Linde's GHG emissions information was prepared with reference to the World Resources Institute/World Business Council for Sustainable Development's Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, revised edition (the GHG Protocol®).

Global warming potentials (GWPs) are sourced from the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report.

- Timelines and Base Year GHG Emissions

Linde reports on its eKPIs for the last four years in order to reflect the trend and development of KPIs.

Linde defined new sustainable development targets in 2019, which set 2018 as a baseline year for the new company's targets. Those targets include targets relating to GHG emissions. The basis for those targets is a 2018 full-year pro forma value for the complete merged company according to the final organizational structure. For pro forma information and performance against GHG targets, see the "Performance Towards Targets" section, pages 19-20.

- Excluded Sources of GHG Emissions

Linde has very small office sites and smaller sales outlets (such as retail outlets) with fewer than five people, called "de-minimis" sites. Emissions from these sites are negligible and are therefore not included in the GHG inventory.

- Prior Year Revisions

The company has restated 2018 and 2019 Scope 2 to reflect an update to the calculation methodology for steam consumption. See 102-48 on page 38.

- External Verification

Linde's 2020 GHG inventory was verified by a third party. In 2021, a Limited Assurance was performed on Scopes 1 and 2 and a subset of Scope 3 emissions (2020 calendar year data). A copy of Linde's assurance statement is available at the end of this report.

305-1 Direct greenhouse gas (GHG) emissions (Scope 1)

Linde's total Scope 1 emissions in 2020 were 16,247,000 MT CO₂e, which is a decrease of 1.3 percent from 2019. The primary source of Scope 1 emissions for Linde is the combustion of natural gas at hydrogen plants, which represented 10.6 million metric tons of Scope 1 emissions in 2020. Another portion is from ASU plants using natural gas for energy generation, which amounted to 2.1 million metric tons CO₂e. Smaller sources of Scope 1 emissions are other GHGs (e.g., from methane plants or nitrous oxide plants) or other types of GHG emissions that are converted into CO₂ equivalents. The total of such "other GHG emissions" was 1.5 million metric tons in 2020. Carbon dioxide and other plants caused approximately 1.4 million metric tons. The combustion of diesel and gasoline from transport activities resulted in approximately 0.6 million metric tons CO₂e in 2020.

Scope 1 Emissions Covered by Emissions-limiting Regulations

In 2020, 1,478,000 metric tons of Scope 1 emissions (9 percent) were subject to a form of carbon legislation, over a cap-and-trade scheme, ETS or a form of carbon taxation. Most of this number (more than 80 percent) was covered by the EU ETS scheme; smaller amounts were subject to sub-national regulations like the California CAT scheme or the Singapore carbon tax. For details on the 2020 carbon regulation schemes applicable to Linde, see the Linde CDP report, which will be available at the end of July 2021 at: <https://www.linde.com/sustainable-development/2021/cdp-response-climate-change>.

Calculation Methodology

Hydrogen plants, which represent the largest source of Linde's Scope 1 emissions, consume natural gas, both for fuel and feedstock. To determine Scope 1 emissions, the amount of carbon produced as product is subtracted. In addition, Linde calculates Scope 1 emissions from gases losses (during production and filling processes). These are calculated for nitrous oxide manufacturing and filling facilities, carbon dioxide plants, on-site refrigeration equipment and cylinder filling operations associated with methane (CH₄), sulfur hexafluoride (SF₆), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs) and nitrogen trifluoride (NF₃).

To calculate Scope 1 emissions from natural gas, Linde uses the reported natural gas factors from each production plant (depending on the mix of hydrocarbons). If a specific natural gas factor is not available or known, Linde uses a chemical natural gas to CO₂ conversion factor from the Department for Environment, Food & Rural Affairs (DEFRA), from the Government of United Kingdom. For other fuels, Linde uses DEFRA factors to convert to CO₂ equivalents.

Emissions from transport are calculated based on actual kilometers driven for commercial and non-commercial vehicles, multiplied by average emission factors by vehicle type from the "Estimated U.S. Average Vehicle Emissions Rates per Vehicle by Vehicle Type using Gasoline and Diesel (Grams per mile)" from the U.S. Environmental Protection Agency, Office of Transportation and Air Quality, personal communication, Apr. 6, 2018.

Scope 1 GHG Emissions

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
Scope 1	8,820,000	16,872,000	16,461,000	16,247,000

EN (8): Scope 1 GHG Emissions

Units: Metric Tons CO₂e

305-2 Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Linde's Scope 2 GHG emissions in 2020 were 21 million metric tons CO₂e (market-based), which is a 5.8 percent decrease from 2019. These emissions were calculated using the market-based approach. The largest electricity user is ASUs, which account for approximately 90 percent of all electricity used.

Linde also calculated Scope 2 emissions for 2020 using the location-based approach, which applies IEA factors and eGRID emission factors in the U.S. Scope 2 emissions calculated with the location-based approach were 20.1 million metric tons CO₂e in 2020. The difference between market-based and location-based emissions are mostly due to certain plants where customers provide the electricity to Linde (which Linde purchases). Some of these plants have a very high market-based emissions factor compared to the location-based emissions factor.

Organizational Boundary

Beginning with 2018 pro forma and going forward, Linde reports on all electricity and its resulting Scope 2 emissions purchased by the company. Electricity for sites where Linde does not pay the utility bill is excluded from its reported electricity number as well as from the reported Scope 2; however, it is tracked internally for operational purposes and for Scope 3 reporting.

Calculation Methodology

The main methodology for calculating Scope 2 emissions from electricity is the market-based approach, using site-specific emissions factors by plant according to supplier contracts and utility bills where available. For sites where such market-based factors are not known, Linde uses the most recent location-based factors from the IEA and the EPA's eGRID factors for the U.S. See 102-48 on page 38 for information on restating Scope 2 emissions for 2018 and 2019 due to a methodology change in how Linde calculates steam consumption and corresponding GHG emissions.

Scope 2 GHG Emissions (Market-based)

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
Scope 2	12,836,000	22,333,000	22,250,000	20,969,000

EN (9): Scope 2 GHG Emissions

Units: Metric Tons CO₂e

305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)

Linde is reporting on the following six categories of Scope 3 emissions (by order of magnitude):

Fuel- and energy-related activities not included in Scopes 1 and 2

- Emissions due to investments
- Emissions due to down-stream leased assets
- Emissions from purchased goods and services
- Indirect emissions from capital goods purchases
- Downstream transportation and distribution (contractor driving)

Criteria for selecting Scope 3 reporting categories were:

- Relevance and transparency: This includes activity over which Linde has a level of operational control but where the GHG emissions are reported by another party.
- Relevance or materiality to Linde's footprint: This includes activity that may have a potentially significant GHG consequence.

Upstream Scope 3 Emissions

Linde's methodologies for upstream Scope 3 emissions are described below.

- Fuel- and energy-related activities not included in Scopes 1 or 2

Scope 3 emissions from fuel-and energy-related activities (including upstream emissions from purchased fuel, purchased electricity and transmission and distribution losses) are a significant source of Scope 3 emissions for Linde, as Linde's business is energy-intensive, and energy is a significant cost for Linde.

The methodology used is based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Category 3 for Scope 3 emissions caused in the extraction, production and transportation of fuels and energy purchased by Linde.

For electricity, Linde applies IEA factors for transmission and distribution (T&D) losses and DEFRA factors for Well-to-Tank (WTT) to calculate all the Scope 3 GHG emissions released into the atmosphere from the production, processing and delivery of energy. The calculation is done on a site level for each site for which Linde purchases the power. For thermal energy, a global WTT factor for heat and steam from DEFRA is applied. For Scope 3 emissions from transport fuels as well as other fuels consumed (excluding feedstocks), DEFRA factors for fuel- and energy-related emissions are used per relevant category.

See 102-48 on page 38 for information on restating Scope 3 emissions for 2018 and 2019 due to a methodology change in how Linde calculates steam consumption and corresponding GHG emissions.

- Purchased Goods and Services

After electricity and energy (reported as fuel-and energy-related Scope 3), the most important input/raw material used by Linde is natural gas. This represents over 80 percent of Scope 3 emissions from purchased goods and services (the rest is distributed over numerous small items and values). Linde's Scope 3 number is, therefore, based on this input material only as this represents the majority source of emissions from this category.

To calculate Scope 3 emissions from natural gas purchased and used as feedstock, Linde applies the same methodology and calculations as for natural gas purchased as fuel/energy, which is based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Category 3, for Scope 3 emissions caused in the extraction, production and transportation of fuels and energy.

- Capital Goods

The principal material Linde procures for capital projects is metal products, mainly steel, followed by electrical equipment and other non-ferrous materials.

Linde uses industry emission factors for emissions/spend to calculate its Scope 3 emissions for the most important materials by value. The last calculation of this type of Scope 3 emissions used for 2018 reporting was based on data accumulated from legacy companies. Since annual revenue and the size of the Linde business was similar in 2019 when compared to 2018, the same full-year value for 2018 was carried forward. In 2020, due to limited resources resulting from the COVID-19 pandemic, these emissions were estimated by pro-rating revenue.

Downstream Scope 3 Emissions

Linde's methodologies for downstream Scope 3 emissions are described below.

- Downstream Leased Assets

This category includes emissions for assets like smaller on-site facilities where the customer is paying for the power and, in many cases, operating the plant. This also includes several major plants where customers are paying for the power and where Linde is charging a facility fee to the customer. Emissions for those plants where the customer pays for the power are not included in Linde's Scope 2.

HyCO plants/facilities that are owned by Linde are fully reported under Scope 1, regardless of whether they are leased out or independent on who is running the plant or providing the fuel or feedstock.

Emissions from leased out or charged out entities are calculated on a plant level, using the same calculation methodology as for calculating indirect/ Scope 2 emissions for other Linde plants. For plants where the customer pays for the power and the plant-specific emissions factors are not known, Linde uses country emission factors from the IEA to calculate indirect emissions for those sites.

Emissions from downstream leased assets decreased by 10 percent compared to last year largely due to the COVID-19 pandemic and lower production volumes, which resulted in lower energy use from these plants.

- Downstream Transportation and Distribution (Contractor Driving)

Contractor miles driven are collected in each country and business or region and tracked. Linde's Scope 3 emissions resulting from delivery of products by third-party carriers were derived using the same methodology to calculate GHG emissions from owned trucks: Emissions from transport are calculated based on actual kilometers driven for commercial and non-commercial vehicles, multiplied by average emissions factors by vehicle type from the "Estimated U.S. Average Vehicle Emissions Rates per Vehicle by Vehicle Type using Gasoline and Diesel (Grams per mile)" from the U.S. Environmental Protection Agency, Office of Transportation and Air Quality, personal communication, Apr. 6, 2018.

- Emissions due to Investments

Linde includes in its Scope 1 and 2 reporting only subsidiaries/holdings that are reporting their financials to the company and whose results are consolidated into the company P&L. Holdings/investments that are reporting their results but are not consolidated into the P&L statement (mainly JVs consolidated at-equity) are not considered for Scope 1 and 2 emissions, but are reported as Scope 3 from investments. Linde has large JV operations, especially in China.

Linde is calculating its emissions due to investments on a plant level. All JVs are reporting their electricity and other fuel consumption into Linde's environmental reporting system. Linde is then calculating Scope 3 from such investments for all plants in this category, by adding reported direct emissions from HyCO plants and indirect emissions from ASUs and other plants, based on reported electricity consumption, multiplied by a country IEA factor.

Linde recalculated emissions in this category for 2018 and 2019 based on the company's updated methodology for calculating steam consumption; see 102-48 on page 38.

Emissions from investments decreased by 12% compared to 2019 due to the COVID-19 pandemic and lower production volumes - which resulted in lower energy use - from these sites.

Scope 3 Sources Not Reported

Linde does not report emissions in the following categories: upstream transportation and distribution, business travel, employee commuting, upstream leased assets and waste generated in operations. These emissions have been calculated or estimated and were determined to be not relevant due to their very small contribution to Linde's Scope 3 footprint. Linde also does not report emissions from processing of sold products, use of sold products and end-of-life treatment of sold products. Linde is at the beginning of numerous value chains and provides many intermediate products with many downstream applications, each of which has a very different GHG profile. Linde does not estimate the downstream emissions associated with the various end uses of all its products.

Scope 3 GHG Emissions

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
Upstream				
Fuel-and Energy-related activities	2,199,000	5,060,000	5,590,000	5,290,000
Purchased Goods and Services	N/A	1,540,000	1,540,000	1,640,000
Capital Goods	515,000	965,000	965,000	931,000
Downstream				
Investments	N/A	4,460,000	4,460,000	3,930,000
Downstream Leased Assets	N/A	2,163,000	2,280,000	2,050,000
Downstream Transportation and Distribution (Contractor Driving)	282,000	661,000	577,000	562,000
Total	2,996,000	14,849,000	15,412,000	14,403,000

EN (10): Scope 3 GHG Emissions

Units: Metric Tons CO₂e



305-4 Greenhouse gas (GHG) emissions intensity

Scope 1 and 2 emissions are as reported in 305-1 and 305-2 and include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs) and sulfur hexafluoride (SF₆). Sales revenue reported to calculate revenue intensity is reported in Linde plc's financial filings. See EN (11).

Linde is tracking emissions intensity versus EBITDA and has defined a 10-year target for this intensity figure (reduction of 35 percent). See details on GHG versus EBITDA intensity in the "Performance Towards Targets" section, page 20. See EN (12). Total Scope 1+2 emissions for 2018 and 2019 are restated due to restated Scope 2 values; see 102-48 on page 38.

GHG Intensity by Revenue

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
Total Scope 1+2 (thousands) in Metric Tons CO ₂ e	21,656	39,205	38,711	37,216
Revenue (million USD)	\$11,437	\$28,084	\$28,228	\$27,243
GHG Intensity	1.89	1.40	1.37	1.37

EN (11): GHG Intensity by Revenue

Units: Metric Tons CO₂e / Thousand USD Revenue

GHG Intensity by EBITDA

	2018 Linde Pro Forma	2019 Linde	2020 Linde
Total Scope 1+2 (thousands) in Metric Tons CO ₂ e	39,205	38,711	37,216
EBITDA (million USD)	\$7,603	\$8,178	\$8,645
GHG Intensity	5.2	4.7	4.3

EN (12): GHG Intensity by EBITDA

Units: Metric Tons CO₂e/Thousand USD EBITDA



305-5 Reduction of greenhouse gas (GHG) emissions

Scopes 1+2 GHG Emissions Reductions

Linde's total sustainable productivity in 2020 yielded savings equivalent to 576,000 metric tons CO₂e. It counts projects where benefits are fully realized as well as projects that were implemented in 2019 and are still accruing benefits. These projects provided GHG savings from enhancing the energy efficiency of buildings, processes and the transportation fleet. Information on the projects, including investment made and cost savings, can be found in Linde's 2021 CDP response, which is available at: <https://www.linde.com/sustainable-development/2021/cdp-response-climate-change>.

Customer GHG Benefits

A subset of Linde applications enabled customers and end users to avoid 85 million metric tons of CO₂e in 2020; see pages 14 and 19-20. Such emissions represent avoided emissions, which are sometimes referred to as Scope 4.



305-7 NOx, SOx, and other significant air emissions

NOx Emissions

The 13.5 percent increase in NOx emissions between 2019 and 2020 was driven by a single facility in Mexico that accounts for more than 75 percent of the company's NOx emissions. Unlike most ASUs, which rely on grid electricity for power, this facility – due to its remote location – generates its own power using combined cycle gas turbines. During typical maintenance activities, the turbines are shut down, reducing natural gas consumption and corresponding NOx emissions. Due to the COVID-19 pandemic, all major maintenance activities in 2020 were suspended. The plant can operate without staff onsite, so to meet social distancing and lockdown recommendations, staff did not come onsite to perform maintenance activities. Instead, the plant continued operating and producing product. Natural gas consumption at this plant was 25 percent higher in 2020 than 2019.

If 2020 had been a normal year, with maintenance shutdowns, we estimate this plant's NOx emissions would have been 3,200 metric tons lower, which would have resulted in a 0.2 percent increase in total NOx emissions in 2020.

NOx emissions from all other facilities and activities decreased by 5.7 percent between 2019 and 2020, in line with efforts across the globe to minimize fuel usage and increase the efficiency of transportation activities and combustion processes.

SOx Emissions

The 8 percent increase in SOx emissions between 2019 and 2020 can be attributed largely to one of Linde's largest plants in Singapore, and the source of 56 percent of Linde's total SOx emissions in 2020. The amount of SOx emissions is proportional to production volumes, as the feedstock contains inorganic sulfur. Production at this plant increased in 2020, as the plant did not discontinue operations during COVID-19 lockdowns, resulting in a 15 percent increase in this plant's SOx emissions.

The Singapore plant uses a sulfur-rich gas as feedstock that is provided by the customer. If Linde did not use this gas, it would likely be burned as fuel and 100 percent of the sulfur would be emitted. Instead, Linde uses the gas and has an air pollution control device installed on the plant, which captures more than 10 times the amount of sulfur than the plant emits.

VOC Emissions

VOC emissions decreased between 2019 and 2020 by nearly 19 percent, mainly due to the COVID-19 pandemic resulting in lower production volumes at plants with VOC emissions and decreases in transportation activities.

Calculation Methodology

NOx, SOx and VOC emissions from plants are taken from emissions monitoring systems or are estimated based on operations data where emissions monitoring is not required by local regulations. SOx emissions from transport are estimated based on sulfur concentration in local fuel using local transport knowledge and legislative limits. NOx and VOC emissions from transport are calculated based on estimated diesel consumption rates and local regulatory limits. Emissions factors are sourced from the U.S. Environmental Protection Agency Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2005.

See 102-48 on page 38 for information on restated NOx emissions.

305-7

NOx, SOx and VOC Emissions

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
NOx Emissions	1,550	10,003	10,596	12,030
SOx Emissions	105	591	730	790
VOC Emissions	460	1,312	1,297	1,053

EN (13): NOx, SOx and VOC Emissions

Units: Metric Tons



306-2 Waste by type and disposal method

Hazardous Waste

Linde uses local country regulations to define and report hazardous waste.

Linde tracks the amount of hazardous waste recycled but does not track the portion of this that is sold. Linde estimates that about half of recycled hazardous waste is marketable. In 2020, Linde recycled 9,800 metric tons of hazardous waste, including 4,900 metric tons of marketable and 4,900 metric tons of non-marketable hazardous waste. Linde reports the half that is not marketable in the table below in as part of “hazardous waste generated.”

In 2020, total hazardous waste generated (which does not include hazardous waste that is sold for recycling, as this is considered a product) was 24,900 metric tons, which is a 9 percent decrease from 2019, largely due to plant closures driven by the COVID-19 pandemic.

Non-hazardous Waste

Total non-hazardous waste disposed in 2020 was 30,800 metric tons, which is a 7 percent increase from 2019. The main reasons for the significant increase are: 1) a site closure in Sweden that resulted in a significant amount of waste from disposing of equipment, and 2) downtime during the COVID-19 pandemic allowed several sites to dispose of waste that would otherwise have been stored until the following year.

Zero Waste Program

Linde is committed to reducing hazardous and non-hazardous waste. Linde’s Zero Waste program is an effort that has existed for more than a decade. Sites work to divert at least 90 percent of the normal waste from going to landfill. The program encourages a practice, prioritizing reduction of waste generation at the source. Therefore, in addition to recycling and other reclamation efforts, many sites have incorporated initiatives that not only reduce waste but also extend conservation principles in the community and help foster economic opportunity. By the end 2020, more than 500 sites participated in the program, collectively diverting approximately 150 million pounds from landfill.

See page 22 of this report for information on the Zero Waste Program and performance against the SD 2028 Zero Waste target.

Hazardous Waste

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
Hazardous waste disposed	3,800	25,600	20,500	20,000
Hazardous waste recycled that is not marketable	3,200	2,200	6,800	4,900
Total hazardous waste generated	7,000	27,800	27,300	24,900
Hazardous waste recycled that is sold/ marketable	3,200	2,200	6,800	4,900

EN (14): Hazardous Waste

Units: Metric Tons

306-2

Non-Hazardous Waste

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
Non-hazardous waste disposed	10,200	32,100	28,700	30,800
Non-hazardous waste used/recycled/sold	111,800	45,300	35,000	34,900
Total non-hazardous waste generated	122,000	77,400	63,700	65,700

EN (15): Non-Hazardous Waste

Units: Metric Tons

306-3 Significant spills

There were no significant spills in 2020.

306-4 Transport of hazardous waste

Linde did not transport, import or export hazardous waste across international borders in 2020.



307-1 Non-compliance with environmental laws and regulations

The company reports significant fines in the year the violation occurred (not the year the fine was paid). Significant fines are those costing more than \$10,000. See EN(16). There were no significant fines assessed to Linde for non-compliance with environmental laws or regulations that occurred in 2020.

Linde is not aware of any non-monetary sanctions for environmental non-compliance or any actions brought through dispute resolution mechanisms involving independent third-party review.

Environmental Violations and Fines

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
Number of Violations	0	2	1	0
Value of Fines Related to Above	0	0	\$21,000	0

EN (16): Environmental Violations and Fines

Units: USD



308-1 New suppliers that were screened using environmental criteria

One hundred percent of suppliers that present environmental risk are screened using environmental criteria.

308-2 Significant actual and potential negative environmental impacts in the supply chain and actions taken

Linde values its supplier relationships and works to develop supplier capacity. Linde uses a risk-based approach to supplier management. Those suppliers at risk of negative environmental impacts are principally suppliers of chemicals, or process and specialty gas suppliers, and all are subject to additional pre-qualification requirements. These qualifications are revisited in periodic audits and in any contract re-qualification.

Those that show an unwillingness or inability to conform are subject to disciplinary action up to and including contract termination.

400 Series: Social Topics

(*) 401-1 New employee hires and employee turnover

Note: This section responds to 401-1 and also responds to 102-8.

Total Employment

The number of employees as of December 31, 2020, was 74,207, reflecting a decrease of 5,679 employees from December 31, 2019. See SOC (1).

The company's workforce includes professional/managerial-level employees, technical/administrative employees (drivers), and technical and administrative staff. Many of the company's truck drivers and administrative assistants in the U.S. are non-exempt employees. The company has implemented a centralized tracking system for workforce statistics and continues to phase this system globally.

U.S. employees who work more than a pre-defined number of hours per week are entitled to benefits. The distribution of employees by region is provided in SOC (2).

Overall, 73 percent of Linde employees are men and 27 percent are women. The percentage of female senior executives in the global organization is 17 percent. The company's workforce does not include a substantial portion of work performed by self-employed workers or by individuals other than employees. Regional HR is responsible for managing each respective region, and the company consolidates key metrics at the global level; these are reported here. This indicator is partially reported. The company does not typically employ seasonal labor. [102-8](#)

Turnover

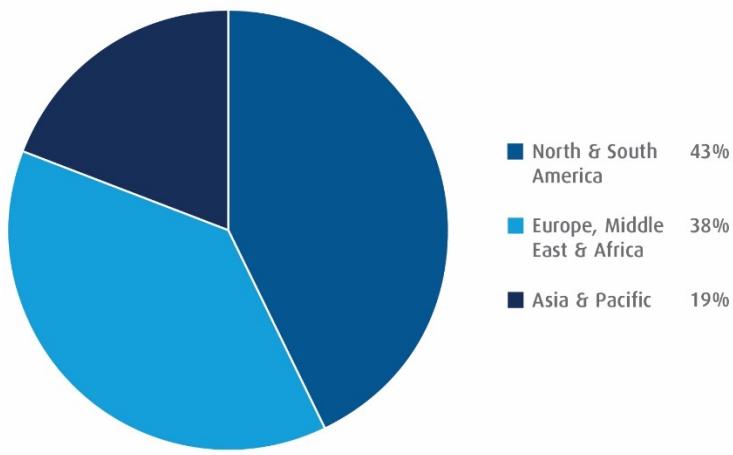
Linde's global voluntary turnover rate was 5.4 percent.

Globally, Linde does not provide additional details about the number and rate of new hires, as it considers this information to be confidential.

Number of Employees

	2017 Praxair	2018 Praxair	2019 Linde	2020 Linde
Total	26,461	80,820	79,886	74,207

SOC (1): Number of Employees



SOC (2): Employees by Region

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

The company offers a high-performance culture, values ambitious and creative employees, and incentivizes and rewards good performance. Employees can expect to receive a competitive pay package that recognizes the experience, skills and abilities they bring to the company.

Training and development are offered, as well as a full range of benefit programs ranging from wellness to work-life balance. Benefits are available to all full-time employees—in the U.S., those working more than 20 hours per week—and vary according to business unit. Paid vacations and holidays, life and accident insurance, healthcare, disability/invalidity coverage, primary caregiver leave (maternity/paternity leave, including for adoption), flextime, education reimbursement, wellness allowances and a range of personal and family insurance policies, options for professional services (legal, counseling, medical care, childcare, eldercare), purchasing subsidies (personal office equipment and supplies, gym membership/equipment) and retirement provisions are some of the types of benefits provided to employees of the organization. Many specific program descriptions here apply to U.S. programs, but equivalent programs may be offered in each country and referenced on that country's careers website. These benefits are generally not provided to temporary or part-time employees by major operations. [403-3](#)

- Flexible Work: The company understands that everyone has commitments outside of work. Recognizing this, the company has global policies that provide work arrangements that help employees meet enduring or shorter-term personal needs through formal and informal means. For example, in the U.S., Linde offers paid personal days and a Flexible Work Policy that allows flexible scheduling.
- Work/Life: The company offers a confidential resource and referral service for practical advice and referrals related to parenting and childcare, eldercare, financial and college planning, retirement planning, survivor support programs and more. Facilities offer accommodations to employees. Employee assistance programs are offered in many locations, including in the U.S. and in the U.K.
- Health and Wellness: A range of activities are offered to all employees to support employee health and wellness. They include seminars on such diverse topics as financial health/retirement; stress management information and stress management/reduction techniques and training; sleep management; managing work-life issues such as a family member with Alzheimer's disease; community engagement; office picnics/parties; and "bring your child to work day." Some activities are managed by an Employee Activity Council or similar and vary by site. For those participating in the company medical plan in the U.S., benefits include a Healthy Living Plan, nutritional/health support and a 24-hour nursing consultation. Some sites also have on-site fitness programs. In the U.K. for example, cycle to work programs are also offered. Some sites have onsite health or wellness personnel for occupational health. [403-3](#), [403-6](#)
- Volunteerism: Linde is committed to supporting the communities around the world where its employees live and work. Employees are encouraged to participate in volunteerism and community engagement activities. Its Global Giving Program provides substantial matches to a range of employee giving. Community engagement is part of the company culture, and employees at all levels of the company contribute their time and skills to help build resilient communities. Corporate policies allow employees to volunteer during work hours with the support of their managers. Options for employees include employee-driven projects, giving campaigns such as the annual United Way campaign held at various locations, and the year-round matching gift program. The matching gifts program provides a 100-percent match for all eligible donations, up to \$15,000. It was previously available to employees in the United States; a similar program has also been extended to other regions.

401-3 Return to work and retention rates after parental leave, by gender

Subject to country or region's laws, Linde employees of either gender are entitled to parental leave or benefit entitlement that may be used for parental leave purposes.

Additional employee benefits and entitlements in the U.S. fall under the Family and Medical Leave Act (FMLA) and Short-Term Disability (STD). To be eligible for FMLA leave benefits of 12 weeks in a year, an employee must meet some eligibility requirements, for example, time worked for the company (12 months). The FMLA covers birth, adoption or foster care of an employee's child within 12 months after the birth or placement of the child ("Bonding Leave"); care for an immediate family member (spouse, child or parent) with a serious health condition ("Family Care Leave"); and an employee's inability to work because of a serious health condition ("Serious Health Condition Leave"). Other countries have equivalent programs. In the United States, full-time employees, having one year or more of service, who are parents of newly birthed or adopted children are eligible for a Primary Caregiver Leave, which allows parents of newly birthed or adopted children up to 10 weeks of leave. This includes four weeks of paid leave in addition to any disability benefits that may be available. In addition, subject to management's discretions, all new parents may request flexibility or accommodations in the six months after birth or adoption.

At this time, the company does not report on the number of employees who took parental leave or their return to work retention rates.

(*) **402-1 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements**

Note: This section responds to 402-1 and also responds to 102-41 and 403-4.

Linde considers relations with its employees to be excellent.

Linde's CBI and Human Rights policy makes clear the company's commitment and management processes to address relevant areas of human rights concern, including freedom of association and freedom of peaceful assembly and the freedom to choose whether to engage in collective bargaining or to participate in works agreements in various countries. An estimated thirty-two percent of Linde employees worldwide belong to an independent trade union or are covered by collective bargaining agreements or are members of work councils.

The company has collective bargaining agreements with unions at numerous locations throughout the world, which expire at various dates. Most of the company's labor agreements have language that defines severance arrangements. In countries or companies where employees have third-party representation via a works council or collective bargaining, the company respects these relationships and works with these third parties in a mutually respectful manner. In the case of work councils, the company meets any predetermined notice periods mutually agreed to by the parties. [102-41](#)

As a matter of business practice, the company keeps employees well informed of operational changes through normal internal communications channels, most notably its corporate intranet, through which global/corporate information and business unit information (in home country language) is provided directly to employees. Business leaders also communicate through regular channels that include periodic business teleconferences, newsletters and issue communications.

The company makes every effort to be proactive and to provide reasonable notice to all employees if a significant change occurs, and it has a good record of employee relations in countries where it does business.

(*) **403-9 Work-related Injuries**

Note: This section also responds to 403-6.

Key KPIs for Linde's safety performance include days away from work (lost workday case rate), and the tracking of illnesses and injuries, including fatalities and occupational diseases. These and other safety key figures are reported monthly to the Office of the Chairman. In addition, Linde's full Board of Directors has responsibility to review safety and environmental risk at each Board meeting.

The Board has established a strategic business objective to maintain best-in-class performance in safety. Accidents and near misses are closely monitored, reported and investigated. Evaluations of these events are performed, and the lessons learned are communicated in safety training and special safety alerts for the relevant work groups. The benefit of these continuous efforts is that Linde's employee and contractor safety performance continues to be better than general industry benchmarks and among the best within the industrial gases and chemical industry.

To promote continuous improvement and recognize efforts contributing to a safe working environment, Linde recognizes its businesses through safety awards for reduction in recordable injuries, lost workday cases and/or product vehicle accidents. In addition, Linde annually holds a global "Safety Commitment Day," which provides information about different safety issues and various workshops around safety. External contractors are also invited to join in safety programming. In 2020, Linde also translated safety principles to reflect the COVID-19 pandemic and introduced safety protocols and measures due to the worldwide pandemic. [403-6](#)

Linde also promotes a healthy work environment by providing employees with information on ergonomics and lighting considerations. Linde controls workplace environmental factors, including noise, lighting, indoor air quality, humidity and temperature. [403-6](#)

Linde reports safety rates for Praxair in 2017, Linde pro forma for 2018, and Linde consolidated for 2019 and 2020. See tables SOC (3) and SOC (5). Contractor lost workday case rates are reported for construction contractors. See SOC (4). For ease to stakeholders, the company also reports lost time injury frequency rate (LTIFR) for employees and contractors and rates for Tier 1 process safety events in units of per million work hours. See SOC(6a), SOC(6b), and SOC(6c).

Vehicle safety rates are reported for commercial vehicles. See SOC (7a) and SOC (7b).

403-9

Pro forma rates for 2018 are estimates.

See also pages 18 and following for information related to 2020 performance and the SD 2028 targets.

Global Safety Performance

	Worldwide 2017 Praxair	Worldwide 2018 Linde Pro Forma	Worldwide 2019 Linde	Worldwide 2020 Linde	Americas 2020 Linde	Asia Pacific 2020 Linde	Europe Middle East & Africa 2020 Linde	Other Areas 2020 Linde
Rates of occupational diseases (Total: 1 worldwide)	0.010	0.010	0.011	0.001	0	0	0	0.003
Lost Workday Case Rate overall (Total: 204 worldwide)	0.062	0.28	0.210	0.245	0.086	0.112	0.231	0.415
Rates of injury (Total: 500 worldwide)	0.371	0.72	0.602	0.600	0.529	0.255	0.326	0.932
Rates of injury and illness (Total: 501 worldwide)	0.381	0.733	0.613	0.601	0.529	0.255	0.326	0.935
Global Work-Related fatalities, Employees	0	2	2	0	0	0	0	0
Global Work-Related fatalities, Contractors	0	5	2	1	0	1	0	0

SOC (3): Global Safety Performance by Region

Units: Rate per 100 employees, number of fatalities

Construction Contractor Lost Workday Case Rate

	2017 Praxair	2018 Praxair	2019 Linde	2020 Linde
Lost Workday Case Rate	0	0	0.09	0.086

SOC (4): Construction Contractor Lost Workday Case Rate

Units: Rate per 100 contractors

Tier 1 Process Safety Event Rate

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
Tier 1 Process Safety Event Rate	0.021	0.03	0.037	0.035

SOC (5): Tier 1 Process Safety Event Rate

Units: Rate per 100 contractors

403-9

Employee LTIFR per Million Work Hours

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
LTIFR Employees	0.31	1.4	1.05	1.22

SOC (6a): Employee LTIFR per Million Work Hours

Units: Rate per 1,000,000 work hours

Contractor LTIFR per Million Work Hours

	2017 Praxair	2018 Praxair	2019 Linde	2020 Linde
LTIFR Contractors	0	0	0.45	0.43

SOC (6b): Contractor LTIFR per Million Work Hours

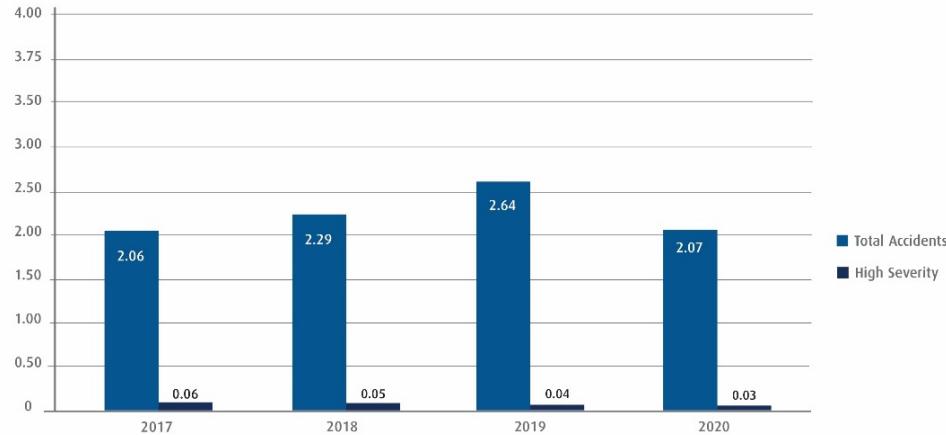
Units: Rate per 1,000,000 work hours

Tier 1 Process Safety Events per Million Work Hours

	2017 Praxair	2018 Linde Pro Forma	2019 Linde	2020 Linde
Tier 1 Process Safety Event Rate	0.105	0.15	0.186	0.175

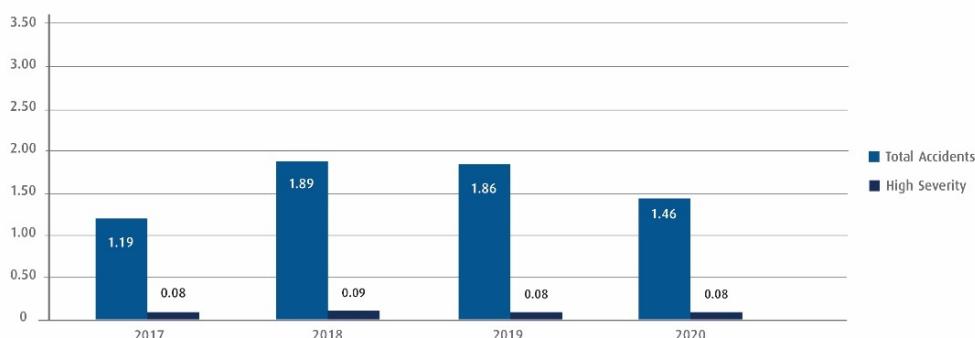
SOC (6c): Tier 1 Process Safety Event Rate per Million Work Hours

Units: Rate per 1,000,000 work hours



SOC (7a): Worldwide Product Vehicle Safety: Linde Drivers

Units: Rate per million km



SOC (7b): Worldwide Product Vehicle Safety: Contract Drivers

Units: Rate per million km

404-1 Average hours of training per year per employee by gender, and by employee category

Business Benefits from Training and Education

Like many companies, Linde must attract, hire and retain qualified personnel to develop, market or sell its products or successfully manage its business. Linde is dependent upon its highly skilled, experienced and efficient workforce to be successful. Much of Linde's competitive advantage is based on the expertise and experience of its key personnel in marketing, technology, manufacturing, distribution infrastructure, systems and products. The inability to attract and hire qualified individuals, or the loss of key employees in very skilled areas, could have a negative effect on the company's financial results. Investments in employee training and development bring value, but this is often hard to measure, or of indirect business benefit. The challenge in this area is to create training interventions that bring direct learning and measurable business benefits.

One example of the company's investment in development training demonstrates the multiple values of employee development programs to employees and to the company. The Talent Development team has conducted needs assessments to ensure that potential programs met the needs of the company. One key goal was to increase the engagement and efficiency of the company's people managers. Some key e-learning initiatives resulted, and these programs are now increasingly employing technology in training and development. Two examples of continued deployment of e-learning include the use of Skillsoft and the "Inclusion Boost" program. Due to the global pandemic, the use of e-learning and virtual platforms became the dominant mode of training, with widespread utilization in areas including compliance training, safety training, and inclusion. Examples below depict typical programs offered, although all may not have been offered in 2020 due to constraints due to the pandemic.

Many e-learning programs exist throughout the globe: The APAC team piloted an online platform to increase digitalization skills. Nearly 500 employees have participated in this pilot, and similar programming continues across the globe.

Employee Learning and Development

The careers and career paths of Linde employees are strategically managed. Employees and management use a range of competence-based and goal-setting tools. Employees store and maintain resumes, experience, completed training, certifications achieved, performance appraisals and career goals and aspirations. Career paths are planned in conversations with their managers against competency ladders. These plans are used for talent development and succession planning and in internal recruitment.

Linde has invested in Learning Management System (LMS) software that facilitates global reporting of formal training. The data reported below is a subset of all the company-sponsored formal training provided. The LMS system enables all businesses and functions to house, track and offer training and training-related information on a single enterprise platform. Linde expanded the system in 2020.

Linde reports an average of 9 hours of training globally (regional average); however, these hours vary depending on training needs and budgets. See SOC (8).

In 2020, the company continued to expand the use of technology to offer significant training with increased efficiency of time and cost:

- The company's e-learning offerings have reached more than 3,500 employees. Nearly 26,000 courses, videos and other resources were taken, representing more than 60,000 training hours.
- The company continued the use of e-learning for business integrity and sustainability training. Globally, this is typically more than 20,000 employees.

When added to standard compliance training and safety training, employees received an average of 59 hours of training in 2020. See SOC (9). This training consists of:

1. Ethics and compliance training: This is mandatory at all levels. The average employee receives 2 hours of training each year.
2. Employee development training: Linde employees received an average of 9 hours of formal training in 2020.
3. Professional skills training: Employees in specific businesses and functions receive additional training as needed or requested.
4. Management and development training: The company also provided additional management and development training as needed or requested.

Safety Training 403-5

Linde is committed to providing its employees with a safe operating environment by investing in state-of-the-art technology and driving a culture in which safety is the top priority. Accordingly, the company rigorously focuses on training to prevent work-related risks and/or occupational health hazards for employees, their families, contractors and, in many cases, for community members. Its industry-leading safety performance is the result of a program of continuous training and communication using a wide range of media.

In 2020, Linde invested nearly 5 million hours in safety training for its employees and contractors. The average Linde employee (at facilities and offices) received approximately 48 hours of formal safety training in 2020. (See 204-1 for information on safety training for contractors.) [403-5](#)

All sites in all regions and business units have periodic safety meetings and an annual Safety Commitment Program, which is held at every facility globally and represents Linde's commitment to safety (operations are shut down for Safety Commitment Programs). There are periodic "stand-down" meetings when operations are stopped for a safety program, continuous short "toolbox" reviews, and additional annual training for specific job functions and for compliance purposes. In addition, Linde conducts general safety training and communication through a range of global, regional and site-based channels on a needs basis, for example, in relation to safety changes in different seasons, a worldwide health threat or to communicate learnings after a safety incident. Safety training is conducted for all employees, in all functions.

Cultural Awareness, Diversity and Inclusion, and Unconscious Bias Training

Training is one of the four key tenets of Linde's diversity and inclusion strategy. Accordingly, training is offered globally through multiple platforms, with various contents and to various levels across the organization. Diversity and inclusion training goals are to enhance managerial and leadership capabilities in understanding the business case for diversity and building inclusive leadership skillsets, and also equipping employees to effectively manage talent in a multicultural, increasingly diverse environment.

Classroom training and e-learning are used to enhance personal and managerial skills and are offered on a mandatory and voluntary basis. Since 2015, the company has implemented unconscious bias training and tools for managers; more than 1,200 global managers have received this training. "Inclusion Boost" was introduced in 2018. This self-directed training uses videos to reinforce inclusion initiatives and prior unconscious bias training. In a series of short videos, employees can learn, reflect and share. More than 2,000 employees have participated in this training.

In South Latin America, Radar do Saber—translated as "Knowledge Radar"—sessions focus on various diversity topics. Examples of issues addressed in the last two years are "Green September," to increase awareness of issues regarding people with disabilities; "Pink October" and "Blue November", focused on women's and men's health and "Orange December" to highlight the importance of combating violence against women.

Informal diversity training is also offered at all global locations, embedded within celebrations of Global Diversity Day and International Women's Day events, during which time the company offers learning webinars and inclusion activities. The company also celebrates heritage days around the world to recognize the global diversity of its employees.

Leadership and Skills Development

Classroom training is only part of the education that employees receive. Mentoring, networking, skills training and work experience are all designed to enhance employee career opportunities. Some employees receive formal mentoring, and there are various networks for employees to join based on interest (e.g., Toastmasters clubs or "Success Network" events). Eligible employees receive tuition reimbursement for approved studies, including university degrees. Following are highlights of additional initiatives that promote the career development of employees:

- Widespread e-learning opportunities to increase technical and managerial skills and for personal development.
- The Personal Development Center, for example, provides online coaching and tools for developing competencies used in annual performance evaluations, and other valued skills.
- An enterprise-wide LMS system enables all businesses and functions to house, track and offer training and training-related information on a single enterprise platform.

Business Programs

The company's commercial and corporate programs offer challenging projects that help prepare dynamic sales and corporate talent within the business. Examples include the following rotational programs:

- Commercial Development Programs
 - Lincare's Sales Representative Training Program: This 10-day program prepares sales team members with customer relationship management tools, as well as clinical knowledge.
 - Commercial Leadership Program (CLP): The CLP is designed to expose employees to key areas within the company's sales arena and cylinder gas business.
 - Leadership and Technical Orientation Program (LTOP): LTOP is a one-year program designed to introduce employees to the operations and commercial aspects of the America's gases business in the U.S., such as plant startups or shutdowns, maintenance, project planning and execution, project management, sales and planning.

- International Leadership Development Program (ILDP): ILDP is a two-year international program designed to expose attendees to key business areas and help them to build their skills. Rotations can be across several functions, including the financial, business development and marketing areas.
- Corporate Development Programs
 - Leading in Linde (LIL): This three-day supervisory skills program is offered in all geographies. To date, more than 2,300 managers have benefitted from this training, helping them to expand their managerial skills. This program allows the company to standardize managerial practices around the world.
 - Career Development Program (CDP): This program was developed for early-career employees. "Train the Trainer" sessions for regional groups provide the capability to deliver the CDP to more employees, as millennials continue to enter the workforce.
 - General Managers Program (GMP): This program teaches employees how to create value using experiential techniques. The program enhances employees' ability to operate in a competitive business environment.
 - The Global Leadership Program (GLP): This program helps prepare future executives to develop the business management and leadership skills required to achieve both short- and long-term business objectives. Participants work to understand their leadership strengths and weaknesses and to develop the potential of their own direct reports.

Digitalization: Developing Skills for the Future

Linde also makes investments in employees so that they are prepared for the increasingly fast-moving and data-intensive world and better grasp opportunities from digitalization. Over the last three years, Linde has introduced “digital transformation” programs. The cornerstone program involves a three-month session, which includes coaching, immediately followed by opportunities to put the concepts into practice. The program includes digital boot camps, introduction to AGILE frameworks, demystification of digital technologies and use cases. The team’s focus is on solving real business challenges utilizing new methodologies, tools and digital technologies. They also explore alternative and more efficient modes of technology platforms. A key goal of the sessions is to simplify processes and to build digital solutions, products and tools that move decision-making from descriptive to predictive. This program continued in 2020, and to date, more than 1,000 cross-functional employees from all areas of the business have participated in these programs and increased their digital capabilities. Projects implemented have resulted in productivity improvements and new ways to solve business challenges.

This indicator is partially reported. Linde businesses are responsible for HR management at their respective regional level. Key metrics are consolidated at the global level and reported here.

Global Employee Development Training

	2020 Linde
Employee development training, not including safety	9
SOC (8): Global Employee Development Training, not Including Safety Training, Average	
Units: hours per employee	

Global Employee Training

	2017 Praxair	2018 Praxair	2019 Linde	2020 Linde
All employee compliance training (ethics, integrity)	2	2	2	2
Employee development training, not including safety	12	12	9	9
Safety training – all employee average	37	37	50	48
Total average recorded formal training hours	51	51	61	59

SOC (9): Global Employee Training, Average

Units: hours per employee



404-2 Programs for upgrading employee skills and transition assistance programs

Linde offers a wide variety of training programs to different groups of employees to support their professional development and help them advance in their respective functions. Examples include:

- Linde-provided training programs and university courses with a work experience element for young people, as well as training opportunities in various technical and commercial areas. In Germany, the company has offered vocational training in dozens of different professions. Many of the apprentices and student trainees have been offered job opportunities.
- The Emerging Leader Program is targeted at managers in transition (from first-line managers to middle managers). It was launched in 2018 in all three segments with 60 people participating.
- Eligible employees receive tuition reimbursement for eligible studies such as an MBA.
- Linde Engineering's Project Execution Academy (PEA) provides an opportunity for project managers to gain industry-recognized Project Management Professional (PMP) credentials. This fosters a better understanding of the project execution process and leads to better preparation to lead company construction projects.

Several learning and development tools are made available to employees allowing them to develop professional and interpersonal skills. Employees participate in industry conferences and seminars that facilitate best-practice sharing and professional networking. The company's financial services vendor routinely offers on-line and in-office seminars on financial planning, including financial planning for employees approaching retirement, in some areas. In the U.S., under the company's generally applicable severance plan, if employment terminates for certain reasons, U.S. employees are generally eligible for severance benefits of up to a maximum of 26 weeks of base pay, depending on their completed years of service. In addition to retirement savings plan benefits, the company offers access to financial planning tools and resources to aid in transition to retirement.



404-3 Percentage of employees receiving regular performance and career development reviews

Talent Management

At least annually, all eligible Linde employees meet formally with their supervisors to review their performance and development opportunities. Employees receive a performance appraisal through the systematic use of agreed-upon measurable targets and a multi-dimensional performance appraisal. Performance reviews and development plans are a part of a global talent management system, which is designed to effectively utilize and advance employees across all regions.

Performance

Every year, Linde ensures that managers and employees measure the results of individual objectives, creating a transparent link between performance and rewards. All employees around the world are expected to obtain results and demonstrate a series of competencies and behaviors that support the local business strategy.

The company's performance management process is designed to:

- Ensure alignment between employee and business unit/function goals.
- Enhance communication between employees and managers.
- Promote meaningful assessment and evaluation of individual performance.
- Promote alignment between individual performance and pay.

The focus on continuous improvement allows employees to update goals based upon business needs. This fosters collaboration between managers and employees. Goals are the driving force behind achievement and provide an opportunity to challenge employees and improve their skills. Goals serve the needs of the company and aid in the development of employees.



405-1 Diversity of governance bodies and employees

Global Diversity and Inclusion is a formal support function operating under Corporate HR and develops strategies and initiatives within four pillars: Talent Management, Inclusive Culture, Managerial Training and Marketplace Branding.

Linde's Board of Directors, CEO and Management Committee monitors results by business group in diverse representation at all levels of the talent pipeline, including senior leadership, talent acquisition, talent development and advancement, managerial training and workplace culture and

405-1

engagement. This oversight, which includes quarterly reviews, provides accountability for business leaders and ensures that diversity and inclusion is sustained as a top priority for the organization's long-term growth and viability. Each subsidiary and business is held accountable through the development and implementation of an annual Diversity Action Plan that includes both qualitative and quantitative aspirational goals.

Among other things, Linde (1) sponsors talent pipeline initiatives, including employee resource groups, for diverse talent segments; (2) celebrates heritage days and cultural awareness events; (3) offers Inclusive Leadership and Unconscious Bias training to employees; and (4) brands itself through social media and other forms of external communications. See also 404-1.

SOC (10) provides current and historical information on diversity to the Board, global senior leadership team and CEO senior management team.

The Linde Board of Directors consists of 12 members, including its CEO. In 2020, all were over 50 years old. Of the 12 Board members, three (25 percent) are female, and one board member is African-American.

In 2020, three-quarters of executive officers were over the age of 50, and one-quarter was 50 or below.

Globally, the percentage of women employees is 27 percent.

Linde is committed to sourcing and retaining local talent, particularly in its emerging economy countries. The company does not currently report global diversity breakdowns in all the ways requested in the GRI Standards.

In addition, Linde reports on the age distribution of its global workforce in the following categories: silent generation (those born in 1945 or before); baby boomers (those born from 1946 to 1964); generation X (those born from 1965 to 1980); millennials (those born from 1981 to 1996); and generation Z (those born in 1997 or later). See SOC (11).

Diversity in Global Leadership and Management

	2017 Praxair	2018* Linde	2019 Linde	2020 Linde
Board Diversity				
% Women	11	25	25	25
% U.S. minority	22	8	8	8
% Total board diversity	33	33	33	33
Executive Leadership*				
% Women	17	19	16	17
% U.S. minority**	42	39	18	19
% Total executive diversity	53	51	21	22
Global Diversity (Male/Female)*				
% Overall	81/19	81/19	73/27	73/27
% Management level and up	83/17	83/17	81/19	80/20

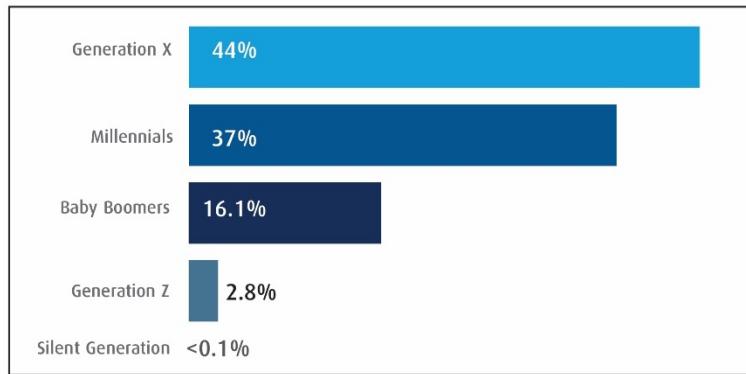
* For 2018, data provided for Executive Leadership and Global Diversity is for legacy Praxair.

**For 2017 and 2018 Executive Leadership, U.S. minority includes U.S. minority and non-US and is not directly comparable to 2019 and 2020.

SOC (10): Diversity in Global Leadership and Management

Units: percentage

405-1



SOC (11): Age Distribution, Linde Employees

Units: percentage



405-2 Ratio of basic salary and remuneration of women to men

Linde's compensation policy assigns jobs into pay grades based on job descriptions so that employees with comparable functions and responsibilities are compensated appropriately, regardless of age, sex, race or other prohibited characteristics. As part of its compensation program, Linde conducts annual pay equity analyses in the U.S. and in other countries where required by law.

Linde disclosed compensation information for named executive officers, both men and women, as well as the ratio of CEO pay to the median employee. See Linde's 2021 Proxy statement, pages 59 and 76. Other specific salary information is confidential.



406-1 Incidents of discrimination and corrective actions taken

Discrimination is prohibited by company policies. The Board of Directors has approved the CBI and related program(s) to provide additional, specific business conduct guidance to employees.

Linde is committed to recruiting, hiring, compensating and promoting people based solely on their abilities, performance and qualifications for their jobs, and to maintaining a professional work environment in which employees are treated with respect and dignity. As part of its commitment to equal employment opportunity, the company prohibits discrimination or harassment based on race, color, religion, sex, national origin, age, disability, veteran status, pregnancy or gender identity or expression. This prohibition is applicable to all employees worldwide whether such behavior is prohibited by the laws in the regions where it operates. The company is also committed to complying fully with applicable labor and employment laws wherever it operates.

The company takes these standards very seriously, and any non-compliance, depending on the circumstances, can result in serious disciplinary action, up to and including termination of employment. Information was distributed to employees worldwide to outline management's expectation of ethical conduct and integrity wherever Linde does business. Employees are required to annually certify that they have read and understood the material. This was conducted in 2020.

Employees are expected to report suspected complaints, concerns and violations through a number of channels, including the Linde Integrity Hotline. Reports may be made anonymously. All reports to the hotline are appropriately investigated and satisfactorily closed. It is a violation of company policy for any person to retaliate against any individual who has reported such a matter in good faith.

Reports to the company's Integrity Hotline include, but are not limited to, potential human rights violations and potential incidents of alleged discrimination involving internal and/or external stakeholders across operations in the reporting period. See 412-1, 412-2, 414-1 and 414-2. The year 2019 was the first year Linde reports for the consolidated company, and 2020 data is on the same basis. Prior year reports are for legacy Praxair and are not a basis of comparison with Linde in 2019. In 2019, Linde expanded categorizations; therefore, the data for 2019 and 2020 is not comparable with prior years.

406-1

In 2020, 573 reports were made to the Linde Integrity Hotline. Of these reports, 424 were substantiated. The range of issues were appropriately investigated and addressed. The director of internal audits is responsible for maintaining and retaining complete records about the receipt of all targeted complaints and their reporting, investigation and final resolution. The director of internal audits develops and maintains a control and follow-up system for targeted complaints, including to the extent he/she deems appropriate, a written tracking system to ensure that each complaint is promptly followed up and resolved, accountabilities are assigned and communicated, and each step in the handling of the complaint is described in detail.

See SOC (12). See also public reporting on Linde's website.

Hotline Reports

	2017 Praxair	2018 Praxair	2019 Linde	2020 Linde
Number Reported	393	340	776	573

SOC (12): Hotline Reports

Units: Number of Reports

 **407-1 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be at risk**

Note: This section responds to 407-1 and also responds to 409-1.

Linde's CBI, Human Rights Policy, Corporate HSE Policy and Supplier Code, as well as other corporate and country-level policies, make clear the company's commitment and management processes to address relevant areas of potential human rights concern. These include: freedom of peaceful assembly, including freedom to choose whether to engage in collective bargaining, and employees' participation in works agreements in various countries. Linde's Supplier Code of Conduct makes clear that suppliers are expected to recognize, as far as legally permitted, the right of free association and collective bargaining of employees. For actions taken, see 412-2.

 **408-1 Operations and suppliers identified as having significant risk for incidents of child labor**

Linde's CBI, Human Rights Policy and Corporate HSE Policy, as well as other corporate and country-level policies, make clear the company's commitment and management processes to address relevant areas of potential human rights concern. These include prohibition of any form of child labor. Linde's Supplier Code of Conduct makes clear that suppliers are expected to prohibit child labor and comply with minimum working age requirements prescribed by national laws and international conventions.

 **409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor**

Linde's CBI, Human Rights Policy and Corporate HSE Policy, as well as other corporate and country-level policies, make clear the company's commitment and management processes to address relevant areas of potential human rights concern. These include prohibition of any form of forced labor, including human trafficking. Linde's Supplier Code of Conduct makes clear that suppliers are expected to prohibit any form of forced labor, including forced prison labor, indentured labor, bonded labor, slave labor or any form of human trafficking.

 **410-1 Security personnel trained in the organization's human rights policies or procedures**

One hundred percent of Linde's security personnel were trained in Linde's CBI, which contains a section on human rights. See 412-2.



411-1 Incidents of violations involving rights of indigenous peoples

In 2020, there were no determinations of Linde's operations precluding employees from their rights to freedom of association, there was no likelihood of incidences of child labor or forced labor, and Linde was not involved in any incidents of violation of the rights of indigenous people, so action was not required.



412-1 Operations that have been subject to human rights reviews or impact assessments

An "adverse human rights impact" occurs when an action removes or reduces the ability of an individual to enjoy his or her human rights. Both because it is consistent with the company's values and because of potential risk, Linde actively seeks to avoid causing or contributing to adverse human rights impacts through its own activities with its employees, contractors and suppliers, and also with JVs, including those over which the company does not have management control. Linde may be required to address human rights impacts when required by national regulation and may choose to take voluntary action to support its values and reputation, even if the company has not contributed to those impacts.

Operational human rights issues include those connected to employee and contractor work conditions (e.g., safety, training, personal protective and other safety equipment, the prohibition of forced or child labor, and if appropriate, access to housing and to clean and sanitary facilities) and worker wellness (inclusion, development opportunities, diversity, access to healthcare and appropriate facilities). These are assured as part of the company's normal management processes in 100 percent of its sites and offices globally, as well as in JVs where it has management control. One hundred percent of operations were reviewed. This exceeds 1,000 sites. [412-1](#)

Human rights issues also may arise in Linde's value chain — among Linde's suppliers, customers or communities. For these and general human rights issues management, see 414-1 and 414-2.



412-2 Employee training on human rights policies or procedures

One hundred percent of targeted employees are trained annually in Linde's CBI, which deals specifically with human rights. Assuming a minimum of hour per person, this amounts to a minimum of 50,000 hours. In addition, 100 percent of employees are trained in relevant issues pertaining to safety and diversity and inclusion.

Training in Human Rights Relevant to Linde's Value Chain

One hundred percent of construction contractors and 100 percent of contract truck drivers are trained in Linde's operational safety requirements.

Linde has identified a salient human rights risk that it has an opportunity to help mitigate — the crime of sex trafficking along long-haul truck routes. Linde has worked with leading non-governmental organizations (NGOs) in the Americas to bring awareness of this crime to its drivers, contract drivers, management and employees. Since 2012, more than 5,000 employees and contractors have been trained across Linde Americas. Detail was provided in Linde's 2018 Sustainable Development Report.



412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

One hundred percent of significant investment decisions incorporated human rights screening in keeping with Linde's CBI. Potential investment agreements that would violate this policy are not pursued. This includes capital investments and acquisitions.



413-1 Percentage of operations with implemented local community engagement, impact assessments and development programs

Community is a core value at Linde:

We are committed to improving the communities where we live and work. Our charitable contributions, along with employee volunteerism, support initiatives that make important and sustainable contributions to our world.

413-1

The company's commitment to community is executed through two philanthropic program arms:

- Community engagement represents employee- and corporate-led programmatic efforts in communities where the company has a presence.
- Charitable contributions through Linde's Global Giving Program, which provides financial, philanthropic support in the form of scholarships, contributions and support for employee volunteerism and matching gifts.

Both of these strategic arms are aligned and work together to provide a significant, lasting value to local communities, to positively impact the company's reputation, and to develop and engage employees. Strategically, the programs work to deepen impact, engage employees and drive business goals, complementing the corporate mission of making our world more productive.

In Linde, many community engagement projects are also supported by the Global Giving Program. This financial support helps volunteer projects to potentially have more far-reaching, long-term impact.

One hundred percent of Linde businesses participated in employee volunteer community engagement activities in 2020. [413-1](#)

Businesses also provide charitable development through the company's Global Giving Program. Impact assessments are performed on all reported community engagement efforts and on significant and long-term projects supported by the Global Giving Program. [413-1](#)

Community Engagement Overview and Strategic Focus

Since being formally launched in 2009, community engagement remains strong. In 2020, all Linde businesses participated in employee volunteer community engagement activities, and Linde employees spearheaded approximately 317 projects across the globe. These projects represent the efforts of approximately 300 sites. Frequently, sites collaborate on projects. In 2020, 17 percent of Linde community engagement projects were sponsored by more than one site. The incidence of volunteerism — a measure of the number of times individual employees engaged with the community — reached more than 5,000.

The company has a healthy mix of established projects and a growing pipeline of new efforts launched to address changing needs. Approximately 7 percent of projects have continued for more than 10 years, and approximately one-third of projects in 2020 were new initiatives. Community engagement projects are classified by focus areas: environment, health, education, diversity and general community support. These focus areas parallel the focus areas of the Global Giving Program. See SOC (13) and EC(2). More than one-third of community engagement projects are in the priority focus areas of education, diversity and environment. These support the strategic priorities aligned with the business: Education—especially STEM education—and diversity are critical to a robust, talented pipeline. As well, environmental responsibility is a key priority for the company. In addition to several climate change targets, the SD 2028 targets include targets for diversity and increased philanthropic spend in the area of environment.

Examples of company projects include:

- Education:

Education Sponsorship Program: Over several years, the increased effort of Linde's Engineering team in India's Vadodara district has resulted in deep collaborations with the community, as exemplified with the unveiling of the Bhayali Girl's Primary School. This new school helps to foster a new learning environment for girls in the community and is expected to be one step toward lifelong success, confidence and increased self-sufficiency.

- Diversity

- MLK Literacy Kits: Linde employees in the United States donate books annually to support literacy in honor of the Rev. Dr. Martin Luther King, Jr. holiday.
- In North and South America, employees mentor underserved populations to help encourage career awareness and preparation.

- Environment

Earth Week celebration: In Toulouse, France, in addition to conservation activities, members of PST's team donated items to healthcare workers as a part of the Earth Week program.

Sustainable Development Goals (SDGs), Linde's SD 2028 Goals and Community Engagement

Community engagement efforts seek to make a lasting impact on communities and to address enduring problems. Linde has tracked projects against the Sustainable Development Goals (SDGs) for the past several years.

Linde's community engagement program supports the SDGs. More than 90 percent of the community engagement projects addressed specific SDGs. These foci also reflect congruence with Linde's priority areas, focusing on development in the areas of environment, diversity/inclusion and education.

Several programs contribute to SDG 8: Decent work and economic growth (to achieve decent work and employment for men and women by 2030) and its subsets. The company's SKILLS PIPELINE™ workforce development program is directly tied to the SDG for decent work and economic growth (to achieve decent work and employment for men and women by 2030). In 2016, the program was expanded from the Louisiana inaugural effort to China. In 2017, the program was expanded to Indiana in the area of advanced manufacturing. In 2018, the program was further expanded to other geographies in welding. In 2019, the program expanded to professional truck driving, in a program focused on transitioning soldiers.

In addition to the driving program, with the help of collaborating colleges, two other programs continued during the pandemic in 2020: First, the program's offering for dual-credit students in East Chicago, IN, which provides an early start to college and preparation for careers in production maintenance technology, continued into 2021. In addition, the advanced manufacturing program in Danbury, CT, welcomed a second cohort. In 2021, Linde looks forward to further geographic and skills area expansion for this program.

Recognition and Incentives to Grow Impact

Enthusiasm for community engagement is complemented by Linde's global award for Community Engagement. Introduced in 2009, this recognition from Linde's CEO honors successful efforts that demonstrate a high level of commitment and impact. In 2020, exemplary projects from each business or region were recognized, along with five global winners. Award-winning project teams are honored and receive a significant charitable donation. Projects are recognized for outcomes as well as strategic alignment with company goals.

Charitable awards, when possible, are designated to the original beneficiary organization to enable the project teams to deepen their efforts, and, ultimately, to increase the impact to communities.

Strategy

Three strategic elements for community engagement are deepen, engage and drive.

- Deepen

Community need is a primary driver of community engagement.

Projects are dictated by the needs of local communities combined with the desire and ability of local project teams to help address these needs. Linde community engagement is a proactive outreach to help build community resilience. In order to facilitate needs assessment, the company has conducted training on incorporating community needs assessments when determining projects, and guidance for needs assessment is included in the community engagement reporting tool.

Sites are encouraged to build strong relationships with local communities. In order to identify and meet local needs, community engagement is frequently conducted with partners, including local government agencies, suppliers, customers and community groups. These partnerships help deepen and extend the ability to help build resilient communities.

- Engage

Community engagement is considered a leadership activity and is initiated by volunteers. It is also a way to increase awareness of community needs.

Linde often incorporates community engagement at company-sponsored meetings and conferences, and the company uses these events to develop employee skills and company networks; the company has done so formally since 2012. With the support and participation of business leaders, these events continue to spur additional community engagement participation in locations around the globe.

A hallmark of engagement at Linde has been the annual Earth Week celebration. In place formally since 2012, Earth Week is an opportunity for employees and teams around the world to engage in personal and corporate acts of environmental responsibility, mirroring the culture at Linde every day.

Projects often involve community activities, including tree planting, roadside clean-ups and school educational events. Employees also share individual environmentally-friendly acts. Linde's Global Giving Program then "matches" each act with a donation.

The 2020 Earth Week celebration at Linde reflected the EarthDay Network theme, Global Citizenship and Science. Due to the COVID-19 health crisis, the focus of participation shifted from local activities and projects to online donation support by sharing personal acts of kindness. The emphasis was on sharing the gift of science with local children, schools, families and communities – in a time when many children were sheltered at home. In addition, Linde employees could share photos of rainbows as a global sign of hope. Thousands of employees worldwide participated on Linde's Earth Week site. These voluntary actions resulted in donations to Seed Programs International, supporting up to 75,000 pounds of vegetables in areas where hunger is a pressing concern.

Linde's Earth Week donations have supported irrigation and gardening projects with the AMDAE organization in Colombia (Asociación Mutual para el Desarrollo integral de la Afrocolombianidad y el Empresariado). The goal of the project is to help integrate displaced members of the Afro-Colombian community into their new homes in other parts of Colombia. The goal of the farm is to house, feed and economically support 40 people. They integrate knowledge and customs from their past into modern farming techniques. The farm is a cultural learning center available to all Colombians. The model farm shares all aspects of Afro-Colombian culture with the general community.

Such programs not only have social impact, but also environmental impact. They also support Linde's strategic goal to engage employees.

In addition to the camaraderie, community engagement also helps to develop leadership and other beneficial skills for all employees. Employees participate in design contests for museum exhibits and help to build skills by organizing activities in local communities. Employees continue to affirm the value of time spent in these activities, and community engagement has been cited as a factor that contributes to choosing to join Linde for employment.

Employees also direct much of the spending from Linde's Global Giving Program. Through matching gifts and employee volunteer grants, the Global Giving Program helps employees benefit charities in their communities. About 11 percent of the Global Giving Program is employee-directed. The matching gifts program also includes countries outside of the U.S.

- Drive

Driving impact through community engagement is the third main strategic objective.

Along with employee-led efforts, Linde's corporate-led community engagement efforts work to confirm its mission and align with business drivers through strategic initiatives, especially in the STEM fields. These programs directly help to increase the number of skilled men and women in the workforce. In addition, both illustrate that the Linde community engagement program and Linde's Global Giving Program work hand-in-hand.

The skills gap comprises problems for many stakeholders:

- Workers: Lack of preparedness for the underemployed and unemployed
- Colleges: Disconnects between training and industry expectations
- Industry: Increased cost or project delays due to training or retraining

In certain programs, students also earn college credit, allowing students to stack credits transferable to degree programs, in addition to gaining industry-relevant credentials and exposure to potential employment opportunities.

The SKILLS PIPELINE program offers a multi-faceted approach to workforce development, including community awareness campaigns, scholarships to provide training for skilled workers, professional development opportunities, support to increase the skills of incumbent workers and instructorships for teachers.

In 2020, Linde also saw the graduations from workforce development efforts, including transitioning soldiers in the company's SKILLS PIPELINE workforce development program in driving. Some of these graduates have found a place in industry post-transition, and some are working for Linde businesses, demonstrating the ability of programs such as those in the SKILLS PIPELINE family to address the skilled-crafts gap that exists in industry.

In 2021, the company is considering expansion to other skill areas critical for Linde, and to more geographical locations outside of the U.S.

Linde has supported schools and training centers for welding technology outside of the U.S., especially in regions with low levels of average income, by providing the necessary equipment and expertise. Such programs contribute to improving local living conditions and enhancing equal opportunities.

Community Input

With a presence in nearly 100 countries, Linde is, at its core, a “local” company. As the company is a member of numerous individual local neighborhoods, communities are one of its relevant stakeholders. For the process for determining Linde stakeholders and engaging those stakeholder groups see the section commencing on page 29. Linde integrates their feedback into its process to determine priority factors, key performance indicators and the company’s SD 2028 targets.

Community relations begin with the initial entry into a new area, and the company continues to be part of the neighborhoods where its facilities have a presence and where its team members live and work. Being a good neighbor includes not only understanding community needs to set up or volunteer in suitable community engagement activities but also to communicate crucial information, and to listen to and consider opinions, questions, and concerns.

In its Responsible Care Global Policy, the company defines general guiding principles regarding communications with external stakeholders like communities, periodically assess their questions and concerns, implementing suitable communication processes, and measuring performance. The policy also provides for the responsibilities for Business Heads and Operations Heads, accordingly. Linde communicates information about product hazards and safe handling, safety, health and environmental programs and performance, as appropriate. This also includes sharing emergency preparedness plans with community representatives. The effectiveness of the company’s stakeholder communications programs is evaluated regularly. As for all other stakeholders, the company’s standard of responsible behavior towards communities is confirmed by Linde’s Code of Business Integrity. Formal ways to contact Linde can be found on the website, for both email and phone inquiries.

Linde employees and teams pay close attention to local needs through activities, such as joining community committees, attending local town meetings, providing public safety awareness, hosting educational community events, and engaging with relevant nonprofit and/or community organizations. Linde hosts community informational events in neighborhoods near operations and builds close relationships with local providers of emergency services.

Community events are often a part of workforce development programming as well as engagement between businesses and neighborhoods. In addition, the company’s pipeline business has frequent events to educate the community about the business and the importance of safety.

As part of the continuing focus on community relations and as part of its SD 2028 goals, Linde has committed to including community needs considerations in 100 percent of its large engineering projects. Activity begins in 2021. The Community Impact Assessment is made by the business and project execution teams during the planning of new and/or significant expansions of Linde sites. It includes a discussion with key stakeholders in the community, which may include representatives from municipalities and community organizations; understanding community needs; and a proposal of potential ways to address these community needs and bring positive impact, especially through social, educational or environmental initiatives.

Assessment of Impact: Starting with Need... Ending with Impact

Linde assesses the short- and long-term impacts generated by its philanthropic activity. By understanding community needs and how the company can best help address them, impacts are anticipated at the beginning and then measured at appropriate times during projects. The company assesses the impact of its community engagement and Global Giving programs and performs environmental impact assessments.

Community Engagement Impact Assessment

Impactful projects are the goal of all community engagement efforts. Linde’s most recent Sustainable Development Materiality Assessment (SDMA) identified community engagement as a priority for Linde and its stakeholders. Goals and targets are developed and maintained based on the SDMA, managed and reported in the SDMS and published in this report, the 2020 Sustainable Development Report and in the annual Community Engagement Brochure. Linde’s strong culture of execution complements its efforts to measure the impact of community engagement. As in prior years, Linde measures and reports the social and environmental impact and outcomes, as well as the employee and company benefits, of community engagement based upon a methodology developed by the United Kingdom-based LBG report, Making a Difference.

Before the start of community engagement efforts, project teams focus on desired outcomes from the projects. At the conclusion of each project, the teams measure benefits, as reported by volunteers and/or beneficiaries. Increasingly, third parties help to validate project benefits.

- **Inputs**

Inputs are measured by number of hours, number of sites participating and incidence of volunteerism. Results in 2020 reflect the decreased activity in light of the pandemic. See SOC (14).

- **Outputs**

Outputs are measured by number of beneficiaries, money raised and goods donated. Linde volunteers brought direct benefits to approximately 350,000 people, including approximately 150,000 students. Results in 2020 reflect the decreased activity in light of the pandemic. See SOC (15).

Additionally, projects reported funds that employees and facilities raised or donated in support of community engagement. In addition to funding from the Linde Global Giving Program, employees and facilities raised or donated more than \$1.3 million in cash and in-kind donations, including food, clothing, trees/seedlings and other forms of in-kind support. This contribution included approximately \$800,000 in cash contributions from employees and facilities. As a part of efforts to continually validate the program, the cash component of this reported contribution was independently verified by an external party for 2020.

- **Impacts**

Key impacts are reported as benefits to project recipients, employee volunteers and to the company. Linde has compared the performance of these metrics over time, and continues to see positive impact overall. Trends seen in 2020 are due to the change in the type of volunteerism projects as well as reporting challenges due to the global pandemic. See SOC (16).

- **Beneficiary Benefits**

In 88 percent of projects, volunteers reported that community engagement created a positive impact on the attitudes of recipients. In 59 percent of projects, volunteers reported that community engagement provided recipients with job skills or opportunities for personal growth. In 92 percent of projects, volunteers reported that community engagement had a direct impact on the recipients' quality of life.

- **Employee Benefits**

In 84 percent of projects, volunteers reported that community engagement helped to increase their own personal growth and effectiveness. In 98 percent of projects, employees reported that volunteering helped increase their interpersonal development. In 80 percent of projects, volunteers reported that community engagement helped to increase their management effectiveness. Further, in 39 percent of projects, employees reported learning and/or developing skills that were transferable to the workplace.

Community engagement affects how employees view both Linde and their communities. In 94 percent of projects, volunteers reported that community engagement positively impacted their outlook on Linde and/or their job. In 96 percent of projects, volunteers reported that community engagement gave them a better awareness of the community.

- **Company Benefits**

Benefits to Linde are measured in terms of increased engagement with customers and employees and impact on reputation. In 27 percent of projects, volunteers reported that the community engagement projects allowed better engagement with customers. In 90 percent of projects, volunteers reported that community engagement helped to build employee engagement.

The impact on reputation is also assessed separately: In approximately 92 percent of projects, volunteers reported that community engagement projects were likely to increase awareness of Linde. In 41 percent of these instances, teams reported that third parties have provided validation of their efforts or the positive impact of their project(s).

Longer term, Linde assesses the impact on multiple stakeholders from signature efforts. Considered impacts are both qualitative and quantitative. For example, students who have participated in the company's SKILLS PIPELINE program have reported high levels of preparation and increased quality of life and self-sufficiency.

Linde has seen increased engagement with customers and suppliers, and, ultimately, available skilled talent to meet current demands for workers. It is truly a win-win.

Building Communities... Building Leaders

Community engagement programs often give employees opportunities to build leadership and other skills such as project management. Prior voluntary offerings at Linde included trainings where employees could learn more about voluntary board service and the multiple skills offered through such experiences. Several employees have expressed interest or have joined non-profit boards after attending such training, increasing engagement with the community.

Community Impact... Business Impact

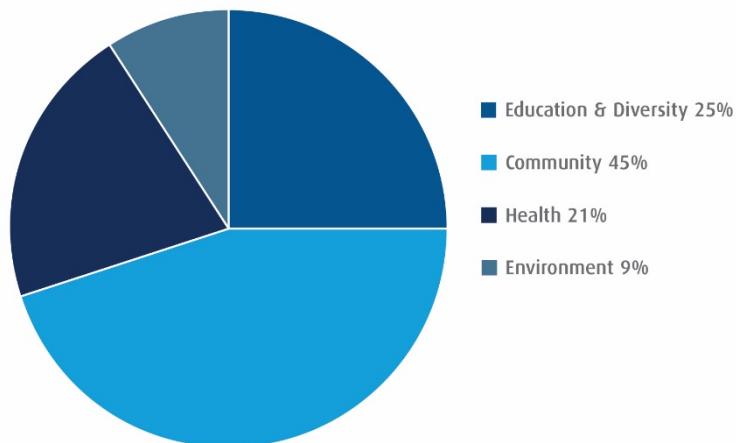
Linde has seen increased engagement with customers and suppliers, and ultimately, available skilled talent to meet current demands for workers. Graduates from the company's SKILLS PIPELINE program have been hired by Linde, its customers and other members of industry. Graduates leave the program with industry-recognized credentials. The program also introduces skills to diverse populations, including women and veterans. The program has also introduced welding to women, historically underrepresented in the field. Historically, the graduating classes have included a significant number of women graduates: The first graduating class in Louisiana was comprised of approximately 21 percent women. The second class, which graduated in 2017, was comprised of approximately 17 percent women.

Global Giving Impact Assessment

Since 2014, the company's Global Giving Program has strategically performed impact assessments, also based upon the LBG methodology. Large contributions above a predetermined threshold and long-term contributions are assessed to ensure that outcomes have been achieved. The result of such assessments is annually reviewed by the Global Giving advisory board.

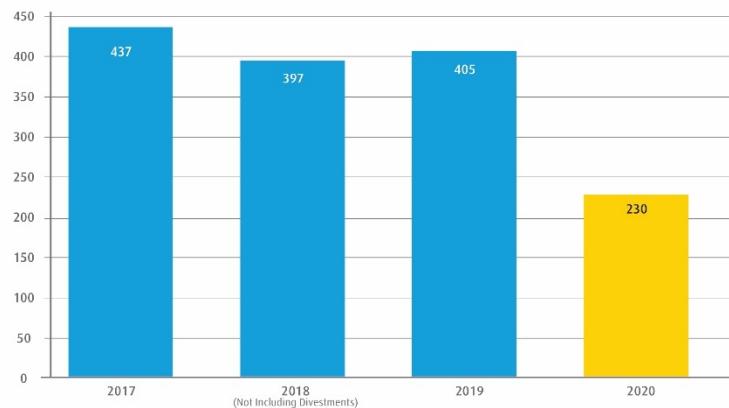
Environmental Impact Assessment

Community impact is a broad consideration at Linde and extends beyond employee philanthropy. Environmental impact assessments are performed in advance of all Linde capital investments. Plant leadership often participates in town meetings to provide information and answer questions. Ongoing monitoring is provided through Linde's cycle of safety and environmental internal assessments. Linde continues to consider ways to further reach and align with local communities.

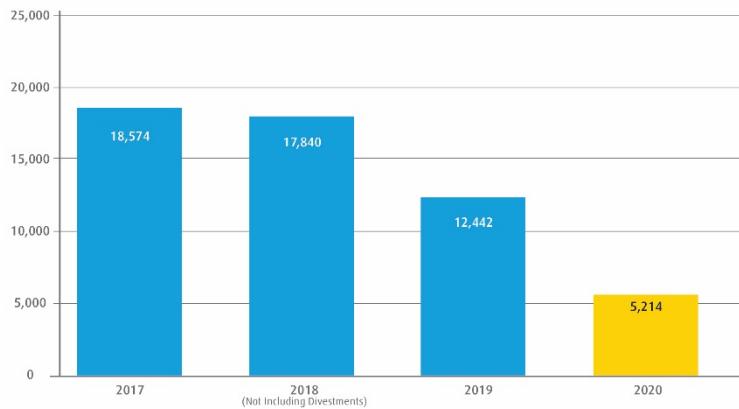


SOC (13):Community Engagement Projects by Focus Area

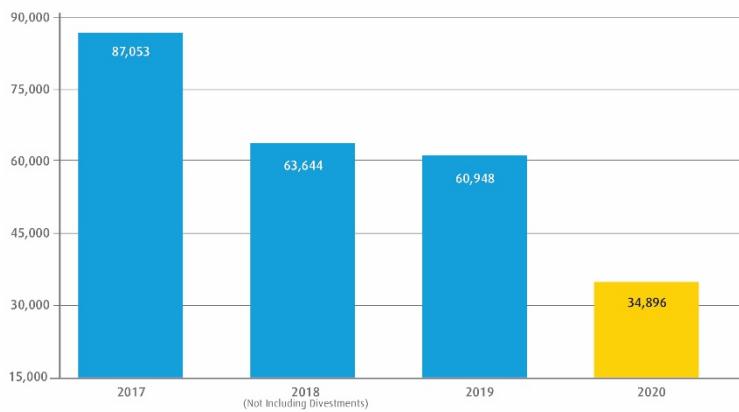
Number of Sites Participating



Incidences of Volunteerism

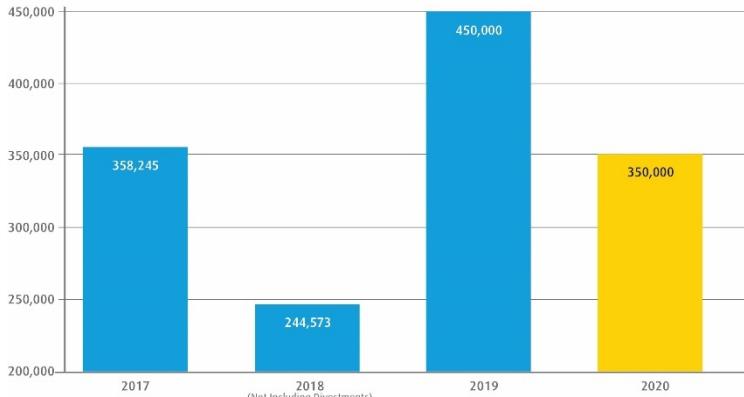


Hours of Volunteerism by Employees

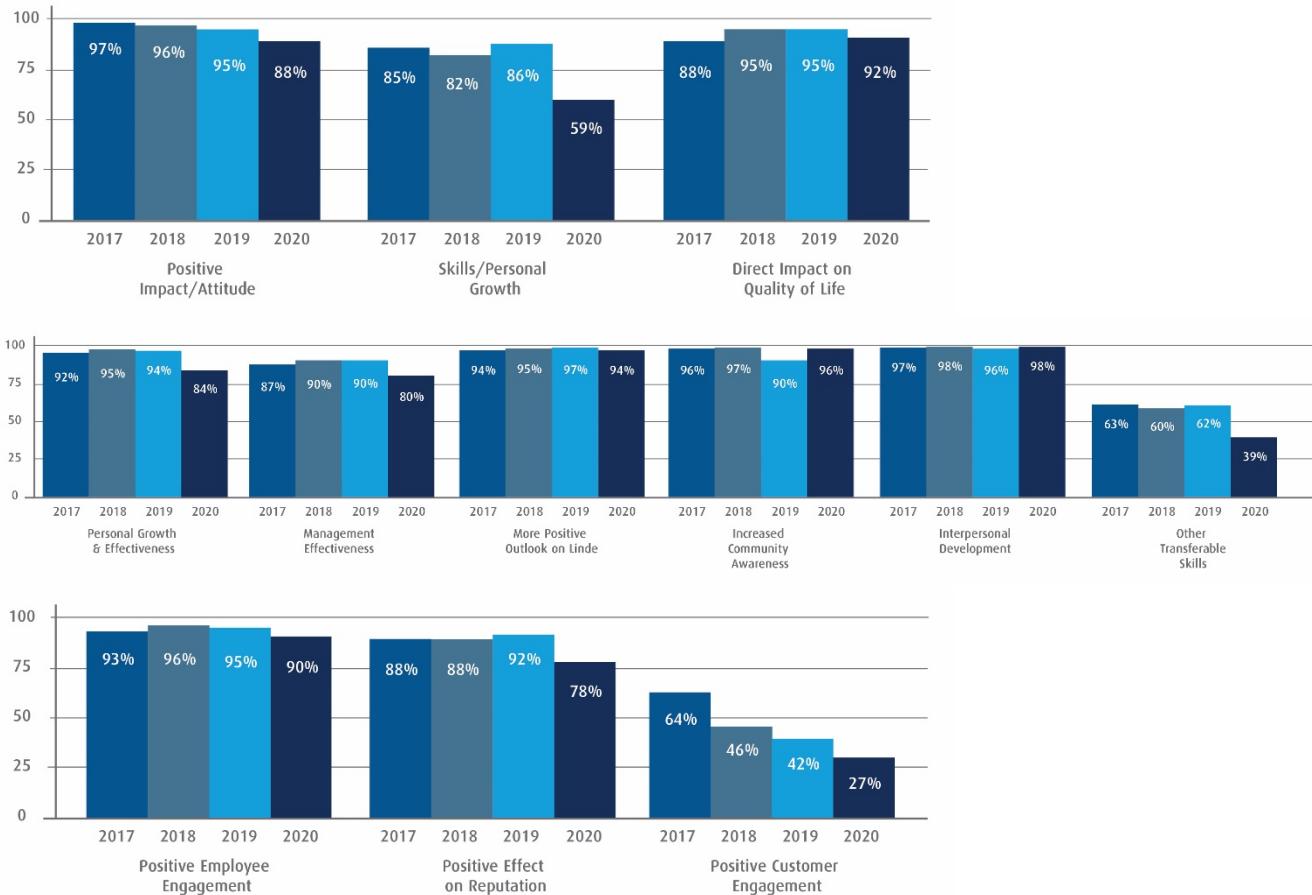


SOC (14): Community Engagement Projects Inputs

Number of Beneficiaries



SOC (15):Community Engagement Project Outputs



SOC (16): Community Engagement Project Outcomes



413-2 Operations with significant actual and potential negative impacts on local communities

Linde is unaware of situations where it has had a negative impact on local communities. The company exercises great care to ensure that its investments in local communities are positive and that local communities perceive the company as a safe place to work and as a good employer. Linde has had no reports of significant potential or actual negative impacts on local communities. Rather, community engagement efforts have demonstrated tangible positive outcomes. See 413-1.

Tree planting projects around the globe, such as those conducted by Linde teams in Seoul, not only help to beautify areas but also combat erosion.

Linde's pipeline community education events, STEM programs and workforce development programs are examples of the ways that Linde aims to make positive, relevant impact in communities. Programs also provide opportunities to develop skills and increase quality of life. Notably, Linde's SKILLS PIPELINE workforce development program has introduced many in the community, including women, to welding. Through the workforce development program in commercial truck driving, soldiers exiting from the military gain skills and credentials before they transition to civilian life.

Linde conducts community events in many neighborhoods, including those near its pipelines. Linde's pipeline safety team typically joins industry peers in co-hosting approximately 30 such events each year. These help to introduce communities to the importance of safety and to increase familiarity with the industry, facilities and products.

The company's SKILLS PIPELINE workforce development program is indicative of this collaboration with local communities as well as other members of industry, academia and/or government. These programs are intended to have positive economic impact for communities and for individuals and have been well regarded by legislators, industry groups and academic leadership as offering a creative solution to address a recognized need.

These programs build communities by providing resources that potentially impact long-term quality of life.

The company's teams also work with local communities as they enter new geographies. As part of its SD 2028 goals, Linde has a target to include community needs assessments in 100 percent of new, large execution projects, with pilots starting in the Americas.

Plant leadership often participates in town meetings to provide information and answer questions, and new projects are often an opportunity to learn about and help address community needs. In a recent execution project at a local customer, Linde's Bangalore teams discovered a need for improved water sanitation at a local school. Working with construction contractors, the teams improved the water system at the school, which serves more than 100 children. These types of needs assessments and conversations continue to formalize.

Additionally, charitable funds, in-kind donations and resources contribute to overall positive impact on local communities. In 2020, these included:

- Cash contributions from the Global Giving Program: \$9.4 million
- In-kind donations raised and donated, including food, clothing, seedlings, product donations and other, but not including cash raised or donated: \$1 million (including approximately \$500,000 through the Community Engagement program and an additional \$500,000 through the Global Giving Program representing product donations such as Linde gases.)
- Approximate value of service by Linde volunteers: \$485,000
- Approximate value of management support/overheads: \$530,000, including fees paid to external organizations for vetting and processing organizations, included in cash contributions above, as well as an approximation of the staff time to manage the Global Giving and Community Engagement programs. (Note: Programs are internally managed; Linde does not charge overhead to these programs.)



414-1 New suppliers that were screened using social rights criteria

Suppliers are key to Linde's ability to meet its customer needs. One hundred percent of new suppliers are screened at the prequalification stage for social issues, including compliance with labor and employment laws, ethics and integrity, safety, human rights, environmental aspects and financial stability.

For qualification, suppliers, vendors and contractors must agree to ensure compliance with their contractual commitments and Linde's CBI and Supplier Code of Conduct, including its Human Rights commitments therein, or demonstrate a comparable commitment to business integrity and human rights via their own policies.

The company's supplier agreements routinely include language that require its suppliers to obey international conventions and national and regional statutory requirements in the countries in which they operate, including any applicable national laws regarding human trafficking, forced labor and other forms of modern slavery. It is currently developing standard language for terms and conditions, which will be included, where applicable, in future contracts. The Procurement organization regularly discusses these expectations with suppliers upon qualification contracting and during any audits conducted, including for 100 percent of critical Tier 1 suppliers.

The executive management team communicates with the company's top-tier suppliers annually to reinforce its commitment to its policies and to remind suppliers of their obligations in contracting with the company. In particular, the executives reaffirm that the company expects business dealings with suppliers to be based on fairness, honesty, lawfulness, safety, environmental stewardship and social consciousness. It continues to assess the effectiveness of its strategy and, where appropriate, adopt policies and practices that improve its program.



414-2 Negative social impacts in the supply chain and actions taken

All suppliers are assessed for social impacts broadly defined, including safety and compliance, which are included within Linde's basic operational policies and procedures. In the areas that are integral to these operational policies and procedures, such as safety, integrity and compliance, labor standards and anti-discrimination, issues such as non-compliance and remediation are dealt with on an ongoing basis, and no additional action is required. A small number of suppliers were identified outside of these processes, in the area of potential suppliers of materials from conflict zones; see below.

Due Diligence

Linde's Human Rights Due Diligence Process is summarized in Table SOC (17). [414-2](#)

This process is informed by the UN Guiding Principles Reporting Framework. For policies and commitments, see 103 (social), 406-1, 207-1, 408-1 and 409-1.

A set of human rights risks relating to contractors relate to Linde's CBI and SHE Policy (safety, non-discrimination, ethics and integrity). As with employees, well-established processes assess and address these contractor risks, and mitigation action, if and where required, is taken. One hundred percent are assessed on a planned schedule through Linde Procurement and through SHEQ internal audits.

Process to identify and assess salient human rights risks

Linde uses four tools to identify, review and assess potential human rights risks across the company's own operations, its contractor operations and the operations of its JVs, including those over which it has no management control:

1. Internal global Business Risk Assessment process

Country management and functional leaders participate in quarterly enterprise-wide global risk assessments. In 2020, human rights as a specific topic was not identified as a top risk, directly or indirectly, nor was it so identified in the last several years.

2. Continuous review of emerging regulatory issues in human rights

It is the job of the CCO, together with the businesses and the VP, Sustainability, to stay current with emerging regulations in the area of human rights. In 2020, Linde reported, as required by regulation, to comply with the disclosure requirements of the U.S. SEC Conflict Minerals and the EU CSR Directive/Irish Regulation, which includes a request for information about human rights. The latter was provided in Linde's 2020 Director's Report and Financial Statement.

3. Linde's Compliance Review Board (CRB)

The CCO oversees compliance with the CBI and related policies, including human rights. He coordinates activity with business CRBs and with senior management to oversee emerging regulatory issues, review hotline reports and take appropriate action. If these reviews indicate an emerging potential risk, proactive measures are put in place.

Linde's CRB reviews information supplied to the Integrity Hotline monthly at the business level and each quarter at the corporate level (including the CEO, Management Committee, general counsel, CHRO, head of internal audit, controller and CCO).

In 2020, there were 573 reports to the Linde hotline, of which none related to potential human rights issues (which would be listed within concerns about "Other Policy Violations"). See Linde's Integrity Hotline Reports at: <http://www.linde.com/about-linde/sustainable-development/reporting-center/hotline-reports>. No reports were made about potential human rights concerns to the hotline from internal or external parties, and Linde has no knowledge of systematic discrimination by Linde employees against Linde colleagues or third parties (e.g., potential recruits, suppliers, customers) or potentially vulnerable groups (e.g., children, indigenous people, migrant labor or local communities) on the basis of race, color, religion, gender identity or expression, political opinion, national origin, age, disability, veteran status, pregnancy or sexual orientation, and it has no knowledge or reports of unfair compensation or hours of work, lack of access to a safe and sanitary work environment, restrictions on the right to choose or not choose employee organizations, or the use of child, compulsory or forced labor. All of these areas are protected under Linde's CBI.

The CBI prohibits any form of retaliation against any individual for good faith reporting what he/she believes to be non-compliance with this policy to his/her management, to the appropriate staff group or to the confidential Linde Integrity Hotline. Individual cases of misconduct are promptly investigated. Linde does not tolerate verified misconduct: appropriate measures are taken, up to and including dismissal. Reports to the hotline are reviewed locally by the business CRBs and by the corporate CRB.

The Linde CRB identifies human rights as a potential issue in its hotline classifications, among "Other Policy Violations." In 2020, Linde reported 40 substantiated incidents of "Other Policy Violation;" none was a human rights issue. If any issue was to arise and be substantiated, it would be managed in the company's standard process. Substantiated violations of the CBI are escalated to the Management Committee and subjected to a root cause analysis, and a corrective action plan is implemented.

4. Linde annual review of emerging country-level human rights risk

As part of an annual process, the VP, Sustainability, reviews trends in human rights risk on a country basis in countries where Linde operates. Groups that were specifically assessed include Linde employees, suppliers, third-party contracted labor and children/adolescents, women, migrant and minority populations. The VP, Sustainability, reviews material in the media and annual human rights reports issued by the U.S. Department of State (DOS). In 2019, this review was expanded to include all Linde countries. In 2020, it was determined that these reports did not indicate new human rights risks, and no new action was taken.

Human Rights Risk — Assessment

There is concern that a small portion of suppliers, or their suppliers, including Linde's Surface Technologies business and the company's engineering business, could be sourcing materials from "conflict zones" where there is a risk of human rights violations.

- Conflict Minerals in Electronic Materials: Based on Linde's commitment to governance, compliance and human rights, the most salient human rights issue associated with Linde activities and business relationships is the issue of potential "conflict minerals" in its supply chain. Certain minerals (including tin, tantalum, tungsten and gold) have been linked with funding killings, violence, rape and other human rights abuses in the Democratic Republic of Congo and other conflict zones. These affect all citizens in these regions, particularly women, children and adolescents.

A subset of Linde suppliers — approximately 1,000 suppliers— present a risk of sourcing minerals from conflict zones. To mitigate potential human rights violations in the "conflict minerals" supply chain, Linde's due diligence process conforms, in all material respects, with the framework set forth in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) and the related supplements for gold, tin, tantalum and tungsten. Linde has adopted a Conflict Materials Supply Policy. This policy is available on Linde's website at <https://www.linde.com/-/media/linde/merger/documents/global-procurement/linde-conflict-free-materials-supply-policy.pdf?la=en>. Linde's due diligence process includes monitoring the performance and continual improvement of its suppliers, and, where relevant, with their suppliers, and reporting to the U.S. Securities and Exchange Commission (SEC), on Linde's website at: <https://irpages2.eqs.com/websites/lindepcl/English/3210/us-sec-filing.html?shortDesc=Specialized%20Disclosure%20Report&format=html&secFilingId=0280c70a-1e34-4570-9e24-da630514358e>.

Linde continues to work with these suppliers to ensure conformance with its policy and standards and with applicable law.

- Slavery in Supply Chain: Linde has policies in conformance with country regulation. For example, in the UK, Linde has published a policy in conformance with The U.K. Modern Anti-Slavery Act of 2015 that reiterates its "opposition to the use of all forms of child, compulsory or forced labor at our operations and establishes the expectation that our business partners, suppliers and contractors will demonstrate similar intolerance for such practices."
- Sex Trafficking on Truck Driving Routes: Linde works with major NGOs active in this area to train its network of employee and contractor truck drivers to help mitigate this crime. Voluntary action is ongoing in Brazil, the U.S. and Canada, and in 2019, was extended to Mexico.

Monitoring, Communication and Training

Regular reviews are conducted across all regions to confirm that processes are set up to ensure compliance with corporate policies, including human rights, compliance, safety and employment, and labor standards. Many of these themes fall under regular Linde management and are managed through those functions. See 404-1 for a description of training and other programs to reinforce compliance, safety and fair labor practices.

Human Rights Grievances

To Linde's knowledge, in 2020, there were no grievances related to human rights filed through formal organizational grievance mechanisms by individuals or groups, internal or external to the organization and none through the integrity hotline.

Coverage	Policy & Due Diligence Process Action Plans	Remediation Activity
Employees- Employees - compliance and safety in offices and operations	<ul style="list-style-type: none"> CBI (2): Adherence is required by employees; employees are trained annually and certify acknowledgment. Health, Safety and Environmental Policy (1): Through ongoing training of employees and contractors and regular auditing of health and safety management, the company ensures that the requirements for health protection and safety precautions are systematically and sustainably implemented in its processes. Compliance, HR, SHEQ and business management ensure compliance with uniformly high safety standards and initiate necessary guidelines, strategies and programs. 	<ul style="list-style-type: none"> No actions required as no issues occurred that would require measures beyond the already established mitigation plans. Remediation actions are integral to the Compliance and SHEQ programs. Linde businesses record worldwide incidents that occur. A root cause evaluation is performed, and a report provided to executive leadership and best practices shared. Multiple actions are taken to prevent repetition.
Employees- Labor at operations and offices	<ul style="list-style-type: none"> Flexible working-time models (where possible) Market-rate compensation Wide-ranging measures to promote health and wellbeing at company sites (e. g., medical check-ups, training on stress management/ lifestyle options, availability of fitness centers). 	<ul style="list-style-type: none"> No actions required as no issues occurred that would require measures beyond the already established mitigation plans.
Employees- non-discrimination at operations and offices	<ul style="list-style-type: none"> Diversity & Inclusion (D&I) initiatives to enhance respect and diversity, including worldwide training in the CBI, D&I principles and policies, unconscious bias. Corporate goal established to increase the proportion of women overall and in management; monthly review with business and functional leaders and corporate management; Integrity Line (3). A range of avenues provided to report potential discrimination issues, including anonymously through the Integrity Line. All employees receive training in this. 	<ul style="list-style-type: none"> No actions required as the company received no indications of human rights violations which would require measures beyond the already established mitigation plans as the company has no reports or knowledge of any systematic discrimination. Verified misconduct is not tolerated and will result in appropriate disciplinary measures up to and including termination of employment.
Contractors & Suppliers (5)	<ul style="list-style-type: none"> Where applicable, general procurement Terms & Conditions (Ts&Cs) (4) include Linde's Supplier Code of Conduct (SCOC). By accepting applicable Ts&Cs, the supplier acknowledges Linde's SCOC and is required to comply with the SCOC (e.g., through self-assessments). As part of the standard documentation for all new and renewing contractors, suppliers under applicable Ts&Cs must confirm conformance with the SCOC and with Linde's CBI or equivalent policies of their own. Contractors working at Linde plants are required to receive safety induction training. Linde is committed to maintaining long-term relationships with its suppliers where they contribute continued business value. Certain suppliers are audited on a planned schedule and on a broad scope. If deviations are discovered, Linde is committed to work with suppliers on remedies through capacity-building, education and training. Continued, material and/or willful non-conformance are grounds for contract termination. Linde may inspect or appoint a third-party inspector if it believes a supplier may be in material breach of the SCOC. Material breaches of Linde's applicable Ts&Cs include, but are not limited to, incidents of forced or child labor, corruption and bribery and failure to comply with the SCOC's environmental protection requirements. Integrity Line (3) provides various ways of reporting potential issues for employees or third parties. 	<ul style="list-style-type: none"> No remediation actions as the company received no indications of human rights violations that would require measures beyond the already established mitigation plans. In case of material breach of the SCOC, Linde's Ts&Cs note that may terminate the business relationship, subject to contract conditions or other rights or legal grounds
Applicable Customers	<ul style="list-style-type: none"> Product safety management steers product stewardship. Worldwide tracking of relevant products and their application with respect to potential health and environmental impacts. Safety Data Sheets provided in >40 languages to inform customers about relevant safety measures. Integrity Line (3) provides various ways of reporting potential issues for employees or third parties. 	<ul style="list-style-type: none"> No actions required beyond the already established mitigation plans.
Communities where Linde invests and operates	<ul style="list-style-type: none"> Linde connects with community members by fostering activities that support community life and development, principally through Linde's employee Community Engagement activity. A new SD 2028 target is that the U.S. engineering organization conducts community relations outreach as part of pre-project planning. Integrity Line (3) provides various ways of reporting potential issues for employees or third parties. 	<ul style="list-style-type: none"> No actions required beyond the already established mitigation plans.

1) Health, Safety and Environmental (HSE) Policy: <https://www.linde.com/about-linde/safety-and-environment>2) CBI: <https://www.linde.com/-/media/linde/merger/documents/corporate-governance/code-of-business-integrity.pdf?la=en&rev=404a1922cef8448ea3c9342d28d94d02>3) Linde Integrity Line information is provided at: <https://www.linde.com/about-linde/sustainable-development/reporting-center>.4) Linde GmbH Procurement Terms & Conditions are available at: https://www.linde.com/-/media/linde/merger/documents/global-procurement/linde_general_terms_and_conditions_of_purchase_global-master.pdf?la=en&rev=d0377a9c0def441dbb6d8ae581fe98f5) Additional activity and reporting are provided for potential suppliers of materials from conflict zones. This is reported annually in Linde's Form SD and in its Sustainable Development Report, both posted on Linde's website at: www.linde.com.



415-1 Total value of political contributions by country and recipient/beneficiary

Linde does not make any political contributions as a company, neither to political parties nor candidates.

In the U.S., employees have formed a political action committee (PAC). Under the umbrella of this independent registered committee, employees collect donations to politicians, political parties and associations and make their own decisions as to how the funds will be used. The PAC Executive Committee has broad employee representation and approves all political contributions made on behalf of the PAC. The Linde PAC is governed by a series of internal policies and adheres to a strict set of by-laws. Following the merger, the PAC for Linde GmbH (previously Linde AG) North America was terminated in 2019, and all activities were conducted through the Praxair PAC, which is now the Linde PAC. In 2020 to the beginning of 2021, total PAC contributions totaled \$19,000 to local, state and federal candidates for elected office representing both political parties. (Scope: United States, not including Lincare, which has a separate PAC with contributions less than the Linde PAC.)

Linde's contributions include: contributions to political campaigns (from the PAC); contributions to trade associations, tax-exempt organizations and lobbying firms. In 2020, the total contribution was approximately \$3.8 million, of which more than half was for trade associations and tax-exempt organizations; this amount includes the policy-related portion of membership dues. Increases from 2019 to 2020 reflect improved data tracking of trade association dues and not a significant increase in spending. See SOC (18) and SOC (19).

There was no spending on ballot measures or referendums. Political contributions receipts and disbursements are reported in detail and disclosed publicly. This detail can be found on the U.S. Federal Elections Commission website at:

<https://www.fec.gov/data/committee/C00283440/?cycle=2020>.

Political contributions overview, more information on political activities, and a link to the U.S. Federal Elections Commission website for detailed reporting of data is provided at: <https://www.lindeus.com/our-company/corporate-responsibility/government-affairs>.

Public Advocacy Issues

The two largest public policy advocacy issues for 2020 were medical oxygen access in response to the COVID-19 pandemic and the promotion of hydrogen as a substitute for fossil fuels.

Priority: Medical oxygen access in response to COVID-19

Healthcare system and patient access to medical oxygen is a key priority, and healthcare represents a significant portion of Linde's business, approximately 20 percent of revenue in 2020.

Linde's products contribute positively to the health and wellbeing of our customers. Homecare and hospital patients worldwide benefit from our medical gases, devices, services and therapies, especially in respiratory care. For example, during the COVID-19 pandemic, Linde medical oxygen was crucial to healthcare responders and their patients in many of our countries. For example, in the U.S., Lincare is a leading provider of home respiratory-therapy products and services and has served approximately 40,000 patients during the pandemic. As COVID-19 overwhelmed healthcare facilities around the world, our local teams took extraordinary measures to deliver essential medical oxygen under challenging conditions, and the company's efforts to provide supply have been recognized by external parties.

Priority: Hydrogen as a Substitute for Fossil Fuels

Global progress and adoption of hydrogen and other alternatives to fossil fuels is key to global reduction of GHGs and Linde's commitment to its own climate change targets.

Linde is a global leader in the production, processing, storage and distribution of hydrogen. It has the largest liquid hydrogen capacity and distribution system in the world. The company also operates the world's first high-purity hydrogen storage cavern, coupled with a pipeline network of approximately 1,000 kilometers to reliably supply its customers. **Linde is at the forefront in the transition to clean hydrogen and has installed nearly 200 hydrogen fueling stations and 80 hydrogen electrolysis plants worldwide and includes decarbonization investments within its SD 2028 targets.**

Decarbonization is a priority for Linde, with the goal of investing more than \$1 billion investment in decarbonization technologies in large capital projects, where the primary aim of Linde and/or its customers is to reduce GHG emissions or advance the use of low-carbon fuels and energy. See the Performance Against Targets chapter for more details.

415-1

Trade Associations

In addition to reporting political contributions, Linde also reports on trade associations in which the company is a member. See 102-13. Two of the largest trade associations in which the company is a member include the ACC and CGA.

Political Contributions

	2018 Praxair	2019 Linde	2020 Linde
Political Contributions (USD)	0	0	0

SOC (18): Political Contributions

Units: USD

Policy-Related Spending

	2018 Praxair	2019 Linde	2020 Linde
Employee Contributions from PAC	\$72	\$13	\$19
Expenses for Memberships in Trade Associations and Tax-exempt Organizations*	\$1,528	\$1,487	\$3,809
Total	\$1,600	\$1,500	\$3,828

SOC (19): Policy-Related Spending

Units: USD, thousands

* includes policy-related portion of membership only



416-1 Assessment of the health and safety impacts of product and service categories

Minimizing Product Risk

Linde has a team of business, engineering, operations and safety professionals that examine the potential environmental, health and safety risks of every new product. The entire life cycle of the product — from raw material procurement through manufacturing, distribution, use and disposal — is reviewed. [403-7](#)

Significant product or service categories are covered by and assessed for compliance with these procedures.

- Risk Review: Identify the potential risks in each phase of the product's life cycle and the design features and management systems that minimize those risks.
- Product Design Safety: Consider how a product may be used or misused, and identify design features that could mitigate potential hazards.
- Procurement Specification and Control: Verify compliance with purchased material requirements and specifications.
- Manufacturing Control: Establish procedures and train personnel to ensure consistent product quality within product specifications.
- Distribution and Installation Control: Establish procedures and train personnel to ensure safe product deliveries, storage and customer application.
- Hazard Communication: Communicate information on the safe use and handling of each product in a timely manner through appropriate use of Safety Data Sheets (SDSs), product labelling, product use instructions, customer training and support.
- Product Disposal: Establish procedures to identify products that are no longer suitable for customer use and refurbish, replace or dispose of them in an environmentally safe manner.
- Incident Reporting and Investigation: Report, investigate and analyze incidents involving product misuse and disposal to learn more about product risks and to take corrective action.

Product Responsibility	
Stage	Health and safety impacts of products and services are assessed for improvement at all product life cycle stages
Development of product concept	Product Design Safety: Design reviews consider the ways that the product may be used or misused and include design features that mitigate associated hazards and help protect customer safety. Risk Review: During Linde's product risk review process, new products are evaluated to identify potential health, safety and environmental risks associated with each phase of the product's life, and to identify product design features and management systems that will adequately control those.
R&D	R&D evaluates commercialization projects, from ideation to launch, for environmental and health and safety impacts.
Certification	Linde's product stewardship conforms to the RCMS and is certified to applicable sections in the standard.
Manufacturing and production	Manufacturing control procedures are established, and personnel involved in the manufacturing process are trained to help ensure consistent product quality within product specifications.
Marketing and promotion	Procurement Specification and Control: The specifications for materials purchased from others are communicated to suppliers, and compliance with those requirements is adequately verified. Linde's program on Safety Leadership: Training, Resources, and Personal Commitment provides additional details.
Storage distribution and supply	Distribution and Installation Control: Procedures are established, and personnel involved in product distribution and customer site equipment installation are trained to help ensure safe product deliveries, storage and customer application.
Use and service	Incident Reporting and Investigation: Incidents involving misuse and disposal of products are reported, investigated and analyzed to learn more about product risks and, if necessary, provide a basis for corrective action. Hazard Communication: Information on the safe use and handling of each product, together with relevant health, safety and environmental protection information, is communicated to the customer in a timely manner through appropriate use of SDSs, product labeling, product use instructions, customer training and support upon request. Product Recall: Procedures are established to help ensure that products already in the marketplace can be recalled or upgraded, if necessary, when previously unidentified risks associated with those products are discovered.
Disposal, re-use or recycling	Product Disposal: When applicable, procedures are established to identify products or product components in inventory that are no longer suitable for customer use and, as appropriate, to refurbish, replace or dispose of them in an environmentally safe manner.
SOC (20): Product Responsibility	



416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

For 2020, the company is not aware of any reported substantial incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services during their life cycle.

417-1 Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements

Linde's Responsible Care Policy commits the company's organizations to "work with customers, carriers, suppliers, distributors, employees and contractors to foster the safe and secure use, transport and disposal of chemicals and provide hazard and risk information that can be accessed and applied in their operations and products."

One hundred percent of Linde's significant product and service categories have processes in place with requirements for product and service information and labelling.

- SDSs are prepared in accordance with either U.S. or European directives and are region- or country-specific. Activities required for compliance with the Global Harmonized System for Classification and Labeling (GHS) are being implemented.
- REACH and Chemicals of Concern: REACH and CLP regulations promulgated by the European Union require complete information on the chemical properties, hazard profile and uses of all products manufactured or imported into Europe. The company tracks the status of all substances that have to be registered through the European Chemicals Industry Association's REACH website.

TSCA and Prioritized Chemicals: Linde is subject to and in compliance with the Frank R. Lautenberg Chemical Safety for the 21st Century Act, which requires risk-based chemical assessments and increased public transparency for chemical information.

417-2 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes

The company is not aware of a significant, incidence of non-compliance with regulations or voluntary codes concerning Linde product and service information and labeling in 2020 that would have a material adverse effect.

418-1 Substantiated complaints received concerning breaches of customer privacy

Linde's CBI has a section on data protection that defines how important it is for employees to follow the law and comply with company procedures, protocols and guidelines. This issue has been strongly prioritized in recent years because of new complexities being created by the proliferation of electronic communication. In light of the high priority, policies and training are provided. Linde's 2020 10-K, page 10, is publicly available and identifies the risk regarding information related to technology systems, network failures and breaches.

Dedicated cybersecurity teams conduct surveillance for potential threats and implement both procedural and technological controls to protect data and to ensure safe, uninterrupted operations. As far as the company can determine, there have not been substantiated complaints regarding breaches of customer privacy and losses of data for 2020.

(*) 419-1 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

The company is unaware of any significant penalties imposed in 2020 resulting from the use of its gas products.

Assurance 102-56

Letters from the auditor follow on pages 100–102.



1178 Broadway, 3rd Floor
New York, NY 10001
646-499-0083
www.CarbonVerificationService.com

July 27, 2021

To the Management of Linde plc.

Carbon Verification Service, LLC was engaged by Linde plc to provide assurance of its global 2020 Key Performance Indicators (KPI) and other social metrics. 2020 was the eleventh consecutive year that Carbon Verification Service was retained by the company to verify its KPIs. (Carbon Verification Service was retained eight years by Praxair prior to the merger). Upon being retained, Carbon Verification Service conducted a conflict of interest review to ensure that its review would be free of bias and would be done on an independent basis. Carbon Verification Service provides only verification and auditing services to its clients, including Linde plc, to avoid conflict of interest concerns. Carbon Verification Service is not owned or operated by any other entity.

The objective of the verification was to provide limited assurance of the reported KPI values and to assess the accuracy, completeness, relevance, consistency and transparency of Linde plc's information and assertions. Carbon Verification Service assessed conformance of Linde plc's GHG emission inventory with The Greenhouse Gas Protocol.

The verification protocol employed for verification of Linde plc's 2020 GHG emissions was **ISO 14064-3 (2006): Specification with guidance for the validation and verification of greenhouse gas assertions**, and is consistent with the requirements for ISAE 3000. Consensus protocols for the verification of the KPI metrics, other than GHG emissions, do not currently exist. Carbon Verification Service utilized the same verification principles prescribed by ISAE 3000 to guide the verification of this data.

Carbon Verification Service, LLC reviewed selected quantitative KPIs. The verification was based on desk audits of data from 59 sites that were, as in past years, selected so as to be representative of Linde plc's global geographies and businesses. In addition, two virtual site visits were conducted at air separation units in Cantarell, Mexico and PSMI in Meishan, Jiangsu, China. (The site visits were by necessity virtual in nature due to coronavirus pandemic safety precautions). We did not review all information and supporting documentation associated with the KPIs for all of Linde plc's global locations and facilities.

Carbon Verification Service, LLC also re-verified 2018 and 2019 Scope 2 GHG emissions, steam consumption, NOx emissions and water consumption.

Linde plc management is responsible for the reported KPIs and for the process of assembling the data upon which the reported KPI values are based.

Based upon the verification work performed from March through July 2021, there is no evidence that Linde plc's KPI data assertions, which appear in the table below, are not materially correct and are not a fair representation of data and information and have not been prepared in accordance with accepted standards and practice.

For Carbon Verification Service, LLC

A handwritten signature in black ink, appearing to read "James J. Groome".

James J. Groome
President



1178 Broadway, 3rd Floor
New York, NY 10001
646-499-0083
www.CarbonVerificationService.com

LINDE PLC'S ASSERTIONS

Linde plc reported the following eKPI values:

Metric	Restated Values 2018	Restated Values 2019	2020 Value	Units of Measure
GHG Emissions Scope 1			16,247,000	Metric Tons CO2e
GHG Emissions Scope 2 (market-based)	22,332,941.6	22,250,261.2	20,969,000	Metric Tons CO2e
Proportion of reported Scope 1 and 2 emissions verified			100%	%
Year-over-Year Change - Scope 2 Emissions (market-based, versus 2019)			-5.8	%
GHG Emissions Scope 3 - Contractor Driving			562,000	Metric Tons CO2e
Total Electricity Consumption			41,622,000	MWh
Active Renewable Electricity Consumption*			2,493,000	MWh
Passive Renewable Electricity Consumption*			9,176,000	MWh
Other Low Carbon Electricity Consumption (nuclear)*			4,750,000	MWh
Fossil fuel-based Electricity Consumption*			25,203,000	MWh
Steam Consumption	5,943,000	6,012,000	6,357,000	MWh
Non-renewable Fuel Consumption			21,298,000	MWh
Non-renewable Energy Consumption			66,784,000	MWh
NOx Emissions	10,003	10,596	12,030	Metric Tons
SOx Emissions			790	Metric Tons
VOC Emissions			1,053	Metric tons
Total Non-hazardous Waste Generated			65,700	Metric tons
Non-hazardous Waste Used/ Recycled/Sold			34,900	Metric tons
Non-hazardous Waste Disposed			30,800	Metric tons
Total Hazardous Waste Generated			24,900	Metric tons
Total (Solid + Hazardous) Waste Not Landfilled from Zero Waste Program			150,000,000	Pounds
Municipal fresh water withdrawal	54,100,000	58,920,000	56,600,000	Cubic meters
Fresh surface water withdrawal	446,100,000	386,286,000	361,198,000	Cubic meters
Fresh ground water withdrawal	11,945,000	10,792,000	10,100,000	Cubic meters
Fresh once-through cooling water returned to surface water sources	419,652,000	354,833,000	334,800,000	Cubic meters
Total net fresh water consumption	92,493,00	101,165,000	93,073,000	Cubic meters
Chemical Oxygen Demand		2,129	2,007	Metric Tons
Fatalities, Employees			0	
Fatalities, Contractors			1	
Employee Lost Time Injury Frequency Rate			0.245	Lost time injuries per 200,000 hours worked
Employee Lost Time Injury Frequency Rate			1.224	Lost time injuries per 1,000,000 hours worked
Occupational Illness Frequency Rate			0.001	Occupational



1178 Broadway, 3rd Floor
New York, NY 10001
646-499-0083
www.CarbonVerificationService.com

				Illness Cases per 200,000 hours worked
Occupational Illness Frequency Rate			0.006	Occupational Illness Cases per 1,000,000 hours worked
Contractor Lost Time Injury Frequency Rate (Construction Contractor Groups)			0.09	Lost time injuries per 200,000 hours worked
Contractor Lost Time Injury Frequency Rate (Construction Contractor Groups)			0.043	Lost time injuries per 1,000,000 hours worked
Tier 1 Process Safety Events			0.035	Number of Events per 200,000 hours worked
Tier 1 Process Safety Events			0.175	Number of Events per 1,000,000 hours worked
Community Engagement: cash raised or donated by employees and facilities.			800,000	USD
Community Engagement: cash raised or donated by employees and facilities, and including in kind donations.			\$1.3 million	USD

*These eKPI metrics were not fully verified; they are calculated from the verified total electricity consumption value.

GRI Content Index 102-54, 102-55



This report has been prepared in Accordance with the GRI Standards: Core option.

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures are included and align with the appropriate sections in the body of the report.

GRI Standard	Disclosure	Direct Answer OR Page number(s) and/or URL(s)	Omission Part Omitted /Reason / Explanation
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	Organizational profile		
	102-1 Name of the organization	Linde plc	
	102-2 Activities, brands, products and services	See pages 4–5 of the 2020 Linde plc 10-K at: https://investors.linde.com/-/media/linde/investors/documents/full-year-financial-reports/2020-linde-annual-report-to-shareholders.pdf?la=en . See also Sustainable Development Report, pages 6 and 8.	
	102-3 Location of headquarters	United Kingdom (location of principal offices)	
	102-4 Location of operations	See page 5 of the 2020 Linde plc 10-K at: https://investors.linde.com/-/media/linde/investors/documents/full-year-financial-reports/2020-linde-annual-report-to-shareholders.pdf?la=en .	
	102-5 Ownership and legal form	Publicly traded	
	102-6 Markets served	See Sustainable Development Report, page 6.	
	102-7 Scale of the organization	See pages 19 and 25 of the 2020 Linde plc 10-K at: https://investors.linde.com/-/media/linde/investors/documents/full-year-financial-reports/2020-linde-annual-report-to-shareholders.pdf?la=en .	
	102-8 Information on employees and other workers	See Sustainable Development Report, Section 401-1, page 69; see also page 6 of the 2020 Linde plc 10-K at: https://investors.linde.com/-/media/linde/investors/documents/full-year-financial-reports/2020-linde-annual-report-to-shareholders.pdf?la=en .	
	102-9 Supply chain	See Sustainable Development Report, page 6, as well as Section 204-1, pages 51–53.	

102-10 Significant changes to the organization and its supply chain See pages 24–28 of the [2020 Linde plc 10-K](#) at: <https://investors.linde.com/-/media/linde/investors/documents/full-year-financial-reports/2020-linde-annual-report-to-shareholders.pdf?la=en>.

102-11 Precautionary principle or approach See Sustainable Development Report, page 33.

102-12 External initiatives See Sustainable Development Report, page 33.

102-13 Memberships of associations See Sustainable Development Report, page 34.

Strategy

102-14 Statement from senior decision-maker See Sustainable Development Report, page 4.

Ethics and integrity

102-16 Values, principles, standards and norms of behavior See Sustainable Development Report, page 6. See also <https://www.linde.com/about-linde/vision-mission-values>. See also pages 8 and 9 of the Code of Business Integrity at <https://www.linde.com/-/media/linde/merger/documents/corporate-governance/code-of-business-integrity.pdf?la=en>.

Governance

102-18 Governance structure See Sustainable Development Report, page 25. See also <https://www.linde.com/about-linde/board-of-directors>.

Stakeholder engagement

102-40 List of stakeholder groups See Sustainable Development Report, pages 29–31 and 35–36.

102-41 Collective bargaining agreements See Sustainable Development Report, Section 402-1, page 71.

102-42 Identifying and selecting stakeholders See Sustainable Development Report, pages 29–31.

102-43 Approach to stakeholder engagement	See Sustainable Development Report, pages 29-31.
102-44 Key topics and concerns raised	See Sustainable Development Report, pages 29-31.

Reporting practice

102-45 Entities included in the consolidated financial statements	See Sustainable Development Report, page 37. See also pages 19 and 24, as well as exhibit 21.01, of the 2020 Linde plc 10-K at: https://investors.linde.com/-/media/linde/investors/documents/full-year-financial-reports/2020-linde-annual-report-to-shareholders.pdf?la=en .
102-46 Defining report content and topic boundaries	See Sustainable Development Report, page 37.
102-47 List of material topics	See Sustainable Development Report, page 11.
102-48 Restatements of information	See Sustainable Development Report, page 38.
102-49 Changes in reporting	See Sustainable Development Report, page 38.
102-50 Reporting period	January 1, 2020 to December 31, 2020
102-51 Date of most recent report	2020 (2019 data year)
102-52 Reporting cycle	annual
102-53 Contact point for questions regarding the report	Tamara E. Brown, Vice President, Sustainability, Linde Email: tamara.brown@linde.com Or sustainable.development@linde.com Telephone: 203-837-2201
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in Accordance with the GRI Standards: Core option. Please see GRI Content Index on page 103 of the Sustainable Development Report.
102-55 GRI content index	Please see GRI content index, starting at page 103, of the Sustainable Development Report.
102-56 External assurance	See Sustainable Development Report, page 99.

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission Part Omitted /Reason / Explanation
Material Topics			
GRI 200 Economic Standard Series			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Value, Report, pages 39–40.	
	103-2 The management approach and its components	See Sustainable Value, Report, pages 39–40.	
	103-3 Evaluation of the management approach	See Sustainable Value, Report, pages 39–40.	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	See Sustainable Development Report, pages 47–49.	
	201-2 Financial implications and other risks and opportunities due to climate change	See Sustainable Development Report, page 49.	
	201-3 Defined benefit plan obligations and other retirement plans	See Sustainable Development Report, page 49.	
	201-4 Financial assistance received from government	See Sustainable Development Report, page 49.	
Market Presence			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Value, Report, pages 39–40.	
	103-2 The management approach and its components	See Sustainable Value, Report, pages 39–40.	
	103-3 Evaluation of the management approach	See Sustainable Value, Report, pages 39–40.	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	See Sustainable Development Report, pages 49.	
	202-2 Proportion of senior management hired from the local community	See Sustainable Development Report, pages 50.	
Indirect Economic Impacts			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Value, Report, pages 39–40.	
	103-2 The management approach and its components	See Sustainable Value, Report, pages 39–40.	
	103-3 Evaluation of the management approach	See Sustainable Value, Report, pages 39–40.	

GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	See Sustainable Development Report, page 50.
	203-2 Significant indirect economic impacts	See Sustainable Development Report, pages 50–51.
Procurement Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Value, Report, pages 39–40.
	103-2 The management approach and its components	See Sustainable Value, Report, pages 39–40.
	103-3 Evaluation of the management approach	See Sustainable Value, Report, pages 39–40.
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	See Sustainable Development Report, pages 51–53.
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Value, Report, pages 39–40.
	103-2 The management approach and its components	See Sustainable Value, Report, pages 39–40.
	103-3 Evaluation of the management approach	See Sustainable Value, Report, pages 39–40.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	See Sustainable Development Report, page 53.
	205-2 Communication and training about anti-corruption policies and procedures	See Sustainable Development Report, page 53.
	205-3 Confirmed incidents of corruption and actions taken	See Sustainable Development Report, page 53.
Anti-competitive Behavior		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	See Sustainable Value, Report, pages 39–40.
	103-2 The management approach and its components	See Sustainable Value, Report, pages 39–40.
	103-3 Evaluation of the management approach	See Sustainable Value, Report, pages 39–40.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	See Sustainable Development Report, page 53.

GRI 300 Environmental Standards Series

Materials

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 41–43.
	103-2 The management approach and its components	See Sustainable Development Report, pages 41–43.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 41–43.
GRI 301: Materials 2016	301-1 Materials used by weight or volume	See Sustainable Development Report, pages 54–55.
	301-2 Recycled input materials used	See Sustainable Development Report, page 55.
	301-3 Reclaimed products and their packaging materials	See Sustainable Development Report, page 55.

Energy

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 41–43.
	103-2 The management approach and its components	See Sustainable Development Report, pages 41–43.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 41–43.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	See Sustainable Development Report, pages 56–57.
	302-2 Energy consumption outside of the organization	See Sustainable Development Report, page 58.
	302-3 Energy intensity	See Sustainable Development Report, page 58.
	302-4 Reduction of energy consumption	See Sustainable Development Report, page 58.

Water

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 41–43.
	103-2 The management approach and its components	See Sustainable Development Report, pages 41–43.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 41–43.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	See Sustainable Development Report, page 58.

303-2 Management of water discharge-related impacts	See Sustainable Development Report, page 58.
303-3 Water withdrawal	See Sustainable Development Report, pages 58–60.
303-4 Water discharge	See Sustainable Development Report, pages 58–60.
303-5 Water consumption	See Sustainable Development Report, pages 58–60.

Biodiversity

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 41–43.
	103-2 The management approach and its components	See Sustainable Development Report, pages 41–43.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 41–43.
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	See Sustainable Development Report, page 60.
	304-2 Significant impacts of activities, products and services on biodiversity	See Sustainable Development Report, page 60.
	304-3 Habitats protected or restored	See Sustainable Development Report, page 60.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	See Sustainable Development Report, page 60.

Emissions

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 41–43.
	103-2 The management approach and its components	See Sustainable Development Report, pages 41–43.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 41–43.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	See Sustainable Development Report, pages 60 and 61–62.
	305-2 Energy indirect (Scope 2) GHG emissions	See Sustainable Development Report, pages 60 and 62.

305-3 Other indirect (Scope 3) GHG emissions	See Sustainable Development Report, pages 60 and 62–65.
305-4 Greenhouse gas (GHG) emissions intensity	See Sustainable Development Report, pages 60 and 65.
305-5 Reduction of greenhouse gas (GHG) emissions	See Sustainable Development Report, pages 60 and 66.
305-7 NOX, SOX, and other significant air emissions	See Sustainable Development Report, pages 66–67.

Effluents and Waste

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 41–43.
	103-2 The management approach and its components	See Sustainable Development Report, pages 41–43.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 41–43.
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	See Sustainable Development Report, pages 67–68.
	306-3 Significant spills	See Sustainable Development Report, page 68.
	306-4 Transport of hazardous waste	See Sustainable Development Report, page 68.

Environmental Compliance

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 41–43.
	103-2 The management approach and its components	See Sustainable Development Report, pages 41–43.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 41–43.
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	See Sustainable Development Report, page 68.

Supplier Environmental Assessment

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 41–43.
	103-2 The management approach and its components	See Sustainable Development Report, pages 41–43.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 41–43.

GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	See Sustainable Development Report, page 68.
	308-2 Negative environmental impacts in the supply chain and actions taken	See Sustainable Development Report, page 68.
GRI 400 Social Standards Series		
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	See Sustainable Development Report, page 69.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	See Sustainable Development Report, page 70. Partial omission. Rates of new hires are not disclosed. Also, voluntary turnover is disclosed, but not reported otherwise or by age group or by minority group. Reason: Confidentiality constraints. Linde considers additional information regarding human resources data as business confidential and does not disclose this publicly.
	401-3 Parental leave	See Sustainable Development Report, page 70.
Labor/Management Relations		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	See Sustainable Development Report, page 71.
Occupational Health and Safety		
	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.

GRI 103: Management Approach 2016	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	See Sustainable Development Report, pages 44–45.
	403-2 Hazard identification, risk assessment, and incident investigation	See Sustainable Development Report, pages 44–45.
	403-3 Occupational health services	See Sustainable Development Report, pages 44, 45, 70.
	403-4 Worker participation, consultation, and communication on occupational health and safety	See Sustainable Development Report, pages 44–45 and 71.
	403-5 Worker training on occupational health and safety	See Sustainable Development Report, pages 44, 45 and 74–75.
	403-6 Promotion of worker health	See Sustainable Development Report, pages 44, 45, 70 and 71.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See Sustainable Development Report, pages 44–45 and 96.
	403-9 Work-related injuries	See Sustainable Development Report, pages 71–73.
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	See Sustainable Development Report, pages 74–76.
	404-2 Programs for upgrading employee skills and transition assistance programs	See Sustainable Development Report, page 77.
	404-3 Percentage of employees receiving regular performance and career development reviews	See Sustainable Development Report, page 77.
Diversity and Equal Opportunity		

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.	
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.	
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	See Sustainable Development Report, pages 77–79.	Partial omission. The following is not disclosed: Percentage of employees by minority group. Reason: Confidentiality constraints. Linde considers additional information regarding human resources data as business confidential and does not disclose this publicly.
	405-2 Ratio of basic salary and remuneration of women to men	See Sustainable Development Report, page 79.	
Non-discrimination			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.	
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.	
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	See Sustainable Development Report, pages 79–80.	Partial omission. The following are not disclosed: The percentage of discrimination incidents and their corrective actions is not completely reported, separately within the total number of hotline reports. Reason: Confidentiality constraints. Linde considers additional information regarding human resources data as business confidential and does not disclose this publicly.
Freedom of Association and Collective Bargaining			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.	
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.	
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	See Sustainable Development Report, page 80.	
Child Labor			
	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.	

GRI 103: Management Approach 2016	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	See Sustainable Development Report, page 80.
Forced or Compulsory Labor		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	See Sustainable Development Report, page 80.
Security Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 410: Security Practices 2016	410-1 Security personnel trained in the organization's human rights policies or procedures	See Sustainable Development Report, page 80.
Rights of Indigenous Peoples		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	See Sustainable Development Report, page 81.
Human Rights Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.

	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	See Sustainable Development Report, page 81.
	412-2 Employee training on human rights policies or procedures	See Sustainable Development Report, page 81.
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	See Sustainable Development Report, page 81. Partial omission. The following is not disclosed: total number of contracts. Reason: Confidentiality constraints. Linde considers additional information regarding number of contracts as business confidential and does not disclose this publicly.
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	See Sustainable Development Report, pages 81–82.
	413-2 Operations with significant actual and potential negative impacts on local communities	See Sustainable Development Report, page 90.
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	See Sustainable Development Report, page 91.
	414-2 Negative social impacts in the supply chain and actions taken	See Sustainable Development Report, pages 91 and 94.

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 415: Public Policy 2016	415-1 Political Contributions	See Sustainable Development Report, pages 95–96.
Customer Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	See Sustainable Development Report, pages 96–97.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	See Sustainable Development Report, page 97.
Marketing and Labeling		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	See Sustainable Development Report, page 98.
	417-2 Incidents of non-compliance concerning product and service information and labeling	See Sustainable Development Report, page 98.
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.

	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	See Sustainable Development Report, page 98.
Socioeconomic Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	See Sustainable Development Report, pages 44–45.
	103-2 The management approach and its components	See Sustainable Development Report, pages 44–45.
	103-3 Evaluation of the management approach	See Sustainable Development Report, pages 44–45.
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	See Sustainable Development Report, page 98.