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Good  
employer

# Satisfied employees are the key

Engineered for your performance – supporting customers in improving their capability – is the brand promise of Linde Material Handling. The company strives to give customers the best possible performance through continuous improvement and further development. The platform for this is provided by clearly defined targets, unambiguous requirements for the managers and a corporate culture which fosters committed and motivated employees who are willing to embrace change.



## Identifying and managing challenges

The success of the KION Group and Linde Material Handling is based on the capabilities and the dedication and commitment of its employees. The human resource strategy of the Group is directed towards supporting advanced strategic development and international growth in the best possible way. Linde Material Handling intends to employ an adequate number of qualified and committed employees on all operational levels and at all times, and to offer them attractive working conditions and perspectives in an international group of companies.

### Key challenges

Key challenges for human resources are the increasing international nature and complexity of the Company. At the same time, the coming years will see the impacts of demographic change undergo

a tangible increase, particularly in Germany and Europe. Appointment of qualified employees to specialist and management positions is therefore a factor that is critical to the success of the KION Group. Recruitment and development of the appropriate specialists and managers of the future is a focus of group-wide work in human resources.

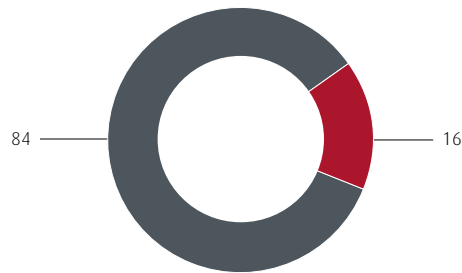
The KION Group meets the challenges of demographic change with working conditions and healthcare programmes geared to different life phases, alongside models for phased-in retirement. This approach enables the valuable experience of older employees to be retained within the Company. In 2014, 16 % of the employees were female – a proportion that should be increased further in the future. This will be driven forward by family-friendly framework conditions and strategic promotion of female staff. During the year under review, 320 employees took parental leave (of which 63 % were male).

<sup>1</sup> Operationalisation of the sustainability targets defined in 2014 can be found on p. 18

In 2014, 6 % of our 126 executive employees were female – a proportion that will undoubtedly be expanded. In 2014, one out of five members of the Management Board were female, two out of 12 members of the Supervisory Board were women.

#### Gender ratio total (in %)

■ male ■ female



#### Principles and instruments for work in human resources

The principles applicable for work in human resources at Linde Material Handling across the world are anchored in the following reference standards:

- **HR Policy Employment Standards:** Define the minimum social standards for hiring employees based on the core working standards of the International Labour Organization (ILO).
- **Health, Safety and Environment Policy:** Guideline on workplace safety, health and environmental protection relating to employees, customers and the general public.
- **Diversity Principles:** Commitment to diversity within the Company.

Linde uses this platform to implement its targets for work in human resources and in health and safety using the following systems and instruments:

#### Targets and measures in personnel management

##### Personnel targets

Management

Ensuring talented staff for the future

Qualification and human resource development

Performance and participation

Health and safety

Mobility and intercultural management

Diversity

##### System and instruments

- Employee standards
- LMH guiding principles

- Dual occupational training
- Dual degree courses in cooperation with different universities
- School work placements and student internships

- Continuous and flexible advanced training
- Talent management programmes
- “KION Campus” for management development in cooperation with the European School of Management and Technology (ESMT)

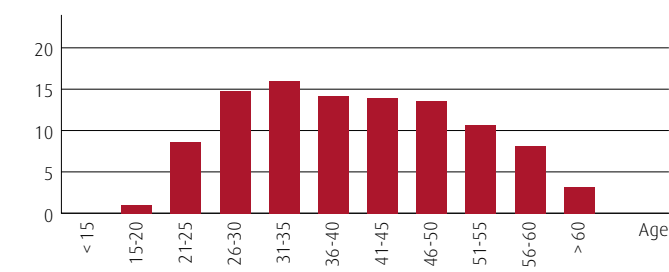
- Annual performance assessment
- Staff survey
- KION Employee Equity Program (KEEP)
- KION Long Term Incentive Plan for Top Management (“LIFT”)

- Internal HSE audit programme at all production locations
- Integrated management of environmental and occupational safety
- Promotion and training sessions for safety culture
- Healthcare promotion programme for employees

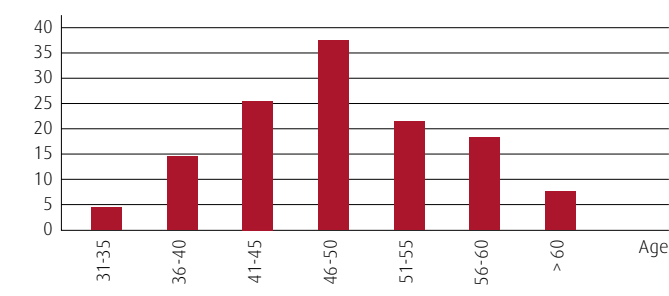
- Linde Mobility Programme

- Recruitment and development of talented female employees
- Flexible working time models for parents and older employees

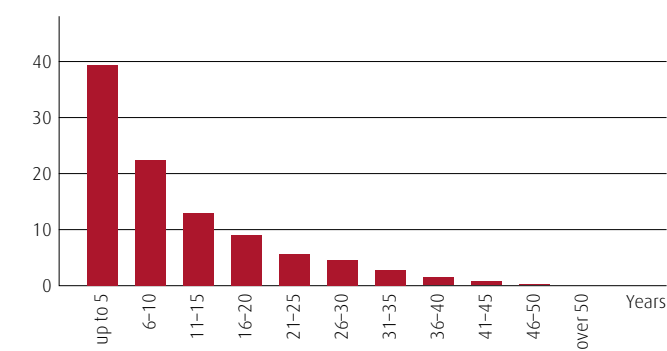
Age structure at Linde (in %)



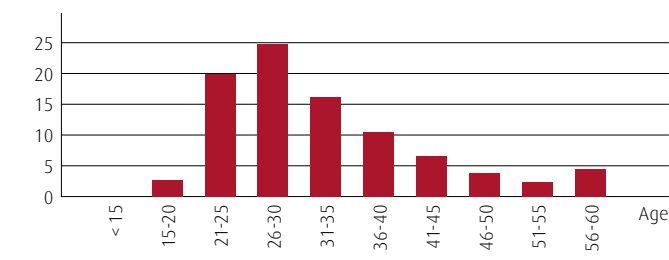
Age groups for executive employees (in %)



Service life by years (in %)



Employees leaving the Company by age (in %)



In 2014, one case of discrimination was notified within Linde Material Handling, although this had been fully resolved by the time this report was published.

### Employment development

At the end of the year under review, 13,945\* employees (full-time equivalents, FTE) were working in the segment Linde Material Handling (not including apprentices). This is 1 % more than in the previous year. 12,144 employees (FTE) were working in the companies included in the report. Of these, 168 employees were temporary (contracts with a term of less than two years). In Germany, out of 2,877 employees 56.3 % were industrial, 34.0 % were commercial and 9.7 % were trainees or interns. Turnover rate worldwide was 7.1 % (Europe: 5.9 %). Worldwide termination rate was 3.5 % (Europe 2.2 %). Personnel expenses incurred worldwide at Linde Material Handling amounted to € 623 million\* in 2014.

Our employees were 40 years old on average. The biggest group of our employees at 15 % were in the age range 31 to 35 years. 29.4 % of executive employees were in the age range between 46 and 50 years old. The average length of service was 11 years. As an answer to demographic change Linde consists of a balanced personnel structure and high employee loyalty. Linde Material Handling employed nearly 4 % temporary staff worldwide to provide sufficient capacity for production peaks. Nearly 58 % of our employees worldwide are covered by collective payscale agreements. In 2014, there was no case of denying the right to participate in collective payscale agreements. Linde Material Handling employed 238 people with disabilities worldwide. The disabled employee quota in Germany was approximately 5 %.

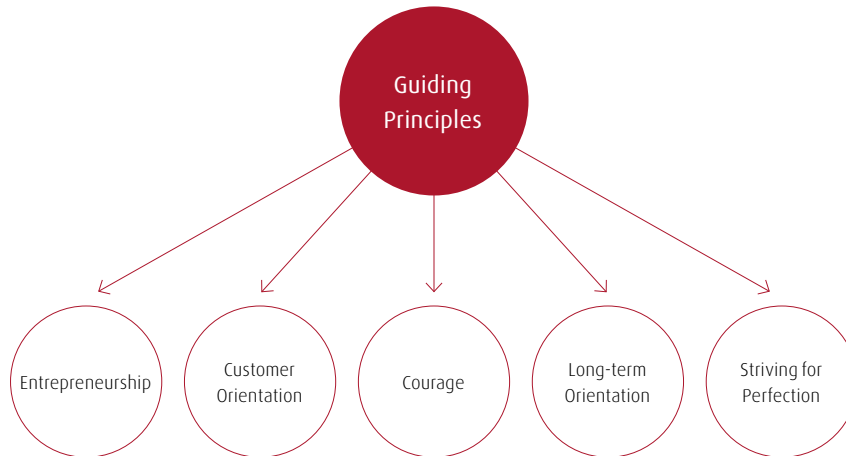
## Management and promotion

Committed and capable employees combined with a strong corporate culture form the backbone of any company and are a key factor for economic success. Linde Material Handling promotes this approach through its own interpretation of good leadership and strategic instruments and projects.

### The Linde concept of good leadership

The willingness and understanding of companies to change and learn depends significantly on management and leadership skills. More than 89 % of all employees worldwide therefore regularly receive an assessment of their career development – e.g. through discussions with their supervisors. Linde Material Handling has also defined its own interpretation of good management. This is manifested in a management behaviour which actively supports employees in implementing the vision of the Company – through motivation, pro-

## Good leadership at Linde Material Handling



### Leadership Goals

Our employees ...

- know what is expected of them.
- receive regular feedback about their performance.
- are encouraged and supported to engage in continuous career development
- get recognised for good work.
- know why their job is important.
- have the tools and resources to perform their duties.
- address every challenge proactively: see it, own it, solve it.
- can openly voice their opinions.

motion and provision of the necessary resources. The basis of this interpretation is provided by the employee standards of Linde and the leadership principles based on these standards (see also chart above). The values anchored in these principles and the fundamental attitude informing the conduct of management at Linde is defined by a management guideline which also gives orientation and provides support for decision-making in situations that are not clear-cut.

### Feedback, dialogue, improvements

The Company has to give committed employees the opportunity to contribute their ideas for improvements and innovations. In March 2014, Linde Material Handling launched an international staff survey for the first time as a broadly based instrument for feedback, dialogue and change. Three targets were linked with this tool: carrying out a survey to obtain feedback from employees on the Company and on the conduct of managers, initiating a dialogue on this basis and finally deriving concrete improvements for the employees' own specific section. Linde regards this instrument as a major opportunity to secure the long-term success of the Company.

### Company-wide staff survey

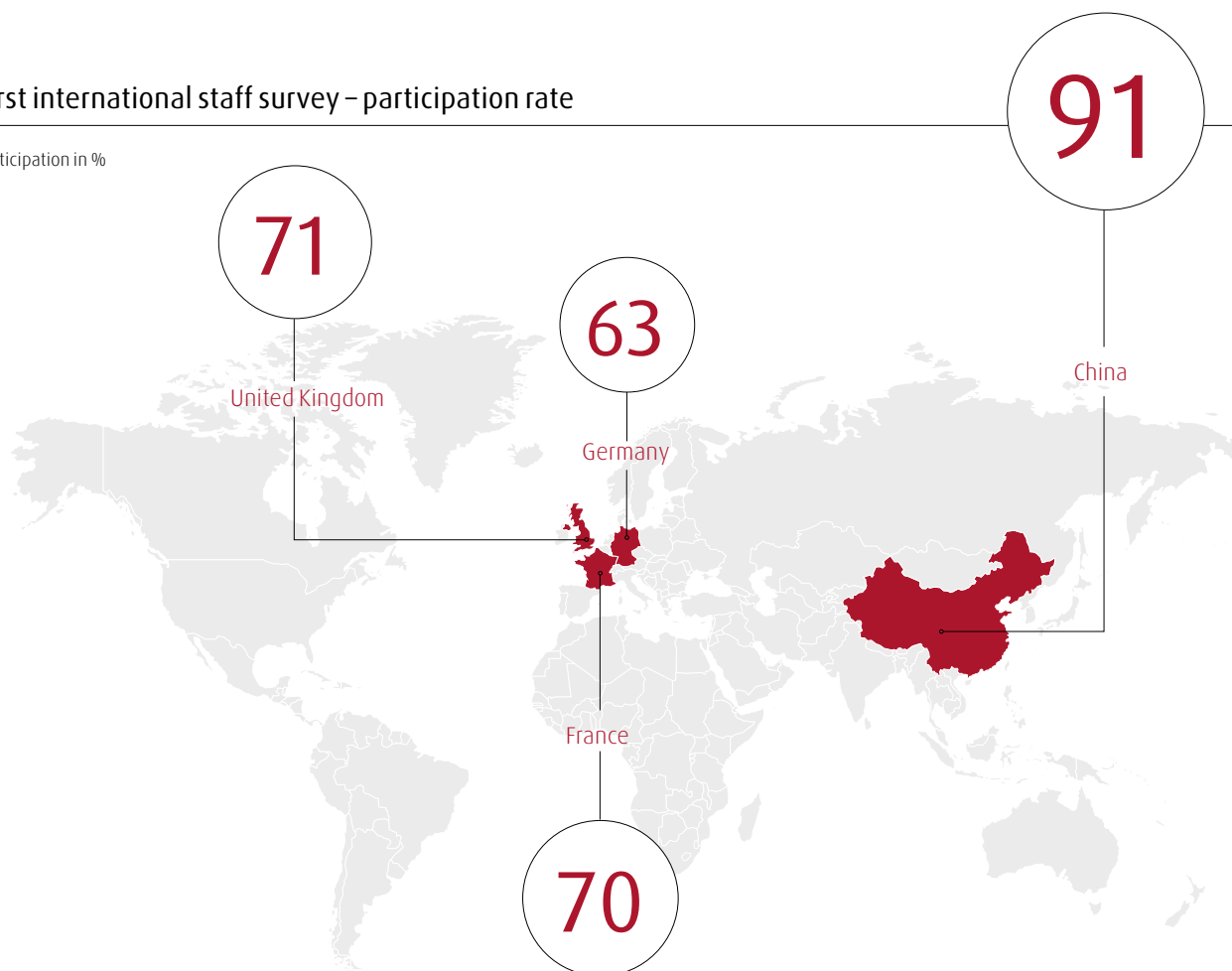
How do employees assess their present employment situation? What is currently good and what would have to be changed so that operations run even better? How can we work together to create a successful future? The staff survey comprising 79 questions defined these focuses. Employees from the four countries with the highest number of employees were able to take part in the survey: China, Germany, France and the United Kingdom.

This amounts to nearly 70 % of the total workforce. 74 % of the employees surveyed took this opportunity to provide feedback – an above-average result for first surveys. 77 % of those surveyed responded that they were satisfied with Linde Material Handling as an employer. 75 % of employees also confirmed that the actions of the executive management are based on the ethical principles of the company.

The staff survey highlights the fact that cultural differences frequently lead to varying assessments for questions and even to assessment

## First international staff survey – participation rate

Participation in %



of the results – this applies to the individual country companies and for specific areas. For example, employees in production evaluate specific aspects differently from employees in sales. The results were therefore processed in the same country and in the same functional area so as to be able to draw comparable conclusions.

### Launch for dialogue

In June 2014, all managers received result reports on their individual areas of responsibility. A total of some 280 reports were generated and a similar number of discussions were held in the departments. The objective has been clearly defined: Working together with the workforce to crystallise the key findings, assess them and define measures that will contribute to improvements in the immediate surroundings. These feedback dialogues were also held at the executive management levels of all the countries involved and on a global level.

## Basic and advanced training

### Training in the network

The training network of Linde Material Handling and Linde Hydraulics in Germany has been the biggest training enterprise in the Bavarian Untermain region for more than 75 years. In the past 25 years, more than 1,500 apprentices have completed their vocational training at the training centre in Nilkheim. The training centre uses targeted campaigns like the annual Training Day, the Career Path Compass and the Girls' Day to promote the options available to engage in vocational training for a particular occupation at Linde Material Handling.

There is a choice of twelve different industrial and commercial occupations, for example manufacturing, industrial and design technician, mechatronics technician, technical model-maker or industrial clerk. In 2014, Linde Material Handling trained 350 young people. The training rate is there retained at a constant level. The apprentices are supported by experienced and qualified trainers – initially in the training workshop and subsequently at different stations in the



relevant specialist departments. However, part of the apprenticeship also relates to communicating the core competences which define the corporate culture at Linde: independence, development of ideas and critical thinking, as well as respect and acceptance in dealings with each other.

Alongside apprenticeship pay, the apprenticeship alliance offers comprehensive social benefits, such as travel cost allowances or lunch at half price. All apprentices are also offered one month's practical training abroad at a production or sales location. After the apprenticeship has been concluded, many different opportunities are presented for employment going forward at Linde.

### Promoting the development of employees

Linde Material Handling offers a broadly based advanced training programme in order to promote the development of employees over all hierarchical levels. Alongside specialist training, this includes methodological training, for example relating to the issues of dealing with conflicts, self-management and project management, and moderation techniques. An e-learning tool is used for training sessions in office communication and for language courses. Manag-

ers and their trainees can also make use of special packages and coaching sessions. In 2014, 2,877 Linde employees from four German plants each spent an average of 14.5 hours on central advanced training and special HSE training courses (excl. workplace related safety instruction courses). Out of this, 2.3 hours per person were spent on specialist safety training.

### Linde Mobility

Linde Material Handling is a global provider with intercultural competence. The Company strategically promotes international cooperation between employees with the Linde Mobility programme. The focus is on the occupational mobility of employees across national and cultural borders. This enables them to gain practical, personal knowledge of different cultures as well as gathering experience about workflows in other countries.

Temporary appointments of experienced employees to management or specialist functions extending beyond this knowledge exchange are part of the programme – until a local successor can be found and receive induction. Linde Mobility has a range of different types of deployment, for example secondments of at least one year



### linde-bewegt-dich.de

The Company is addressing potential employees of tomorrow with the website [linde-bewegt-dich.de](http://linde-bewegt-dich.de) – apprentices, degree students and interns. The profiles of the individual apprenticeship occupations and dual courses of study combining a degree with in-service training will give you an insight into the multifarious opportunities for getting started in the world of work at Linde Material Handling.



### Dual training in China – for the past 20 years

In 1995, Linde Forklift Truck Corp. Ltd. already opened a training and education centre in the Chinese city of Xiamen. Young people take a dual training there combining a degree with in-service training based on the German model. Additional focuses of basic and advanced training there include courses leading to skilled workers and regular theoretical and practical training for employees.



to a foreign Linde company, business trips of up to three months, extended business trips up to a maximum of six months, and transfers, which involve a permanent change in location. International virtual teams, which are brought together with the assistance of modern communication media and work together on joint projects, are part of this programme.

## Occupational health and safety

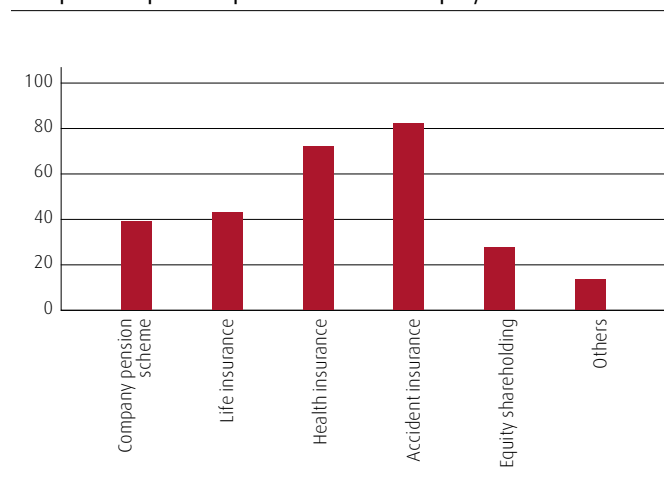
As an employer, Linde Material Handling bears major responsibility for the health of its employees. The Company depends on the willingness of individual employees themselves to make use of the packages offered by the Company for medical prevention and selective health and safety training sessions.

### Enhancing the health of employees

The principles of health and safety for employees are well established in the Health, Safety and Environment (HSE) Policy of the KION Group. Regulations on these issues are provided for employees in Sales & Service in the Linde Service Guide. In 2012, Linde launched a comprehensive project with the objective of establishing uniform systems and processes, and the highest standards of occupational safety throughout the Company.

Following a review of the situation, a plan with a timeframe of several years was developed to improve health and safety in the workplace. The long-term programmes and initiatives are an element of this. 73 % of our employees across the world are entitled to health insurance – not infrequently beyond statutory requirements.

Occupational pension provision as % of employees



Regular health checks are offered in more than 80 % of the units. In 2014, all our employees took part in training sessions on HSE.

### Lifelong health and safety

This initiative includes both health and safety. Linde has bespoke promotion programmes, incentive systems and comprehensive internal communication in both areas. This includes, for example, a comprehensive medical preventive package at all German plants. It encompasses voluntary, individual health checks including provision of advice by the company medical service and various preventive screening investigations, care services in the event of accidents, acute diseases and emergencies, alongside reintegration management. A company social counselling service also provides assistance for occupational problems and private issues.

All these instruments make a contribution to safeguarding and improving employees' health. During the period under review, the health rate of Linde Material Handling was more than 96 % and the objective is to continue increasing this.

In the year under review, Linde Material Handling recorded 8,362 lost days internationally as a result of 360 occupational accidents and 41 commuting accidents. This is equivalent to an accident rate of 17.04 per 1,000,000 working hours. In 2014, six out of eight production facilities in all the national companies were certified in conformity with the occupational health and safety standard OHSAS 18001 or were engaged in the process of certification. During the year under review, 201 internal and 22 external audits were carried out to review the safety management system at Linde Material Handling.

Accidents and health rate (in %)

	2014	Target 2015
Accident rate (LTIFR)	17.04	15.70
Health rate	96.36	97.00

### Safety championship

Since 2014, the KION Group has awarded an annual prize for the best progress in occupational safety at the locations with the objective of further enhancing group-wide awareness for safety in the workplace. The criteria assessed are frequency and total number of occupational accidents with at least one lost day of work, health rate and site-specific initiatives for promoting health and safety. In 2015, more than 40 groups took part in the championship and the prize went to the KION location in Summerville, North America.