# Report profile

Linde Material Handling gives an account of its corporate responsibility in the first Sustainability Report. The report describes the impact of the Company's activities on the environment and society, documents key performance indicators, as well as targets and measures which the Company uses to manage its activities.

The content of the report relates to Linde Material Handling GmbH and its consolidated units. 175 production and sales locations in 13 countries worldwide are included in determination of sustainability indicators. The data covers a total of 12,144 employees and therefore 87% of the entire Linde segment. The long-term objective is to extend the reporting boundaries to all consolidated units. All indicators relating to the entire segment are indicated (\*).

The reporting period is the business year 2014 (1 January to 31 December). Important developments that occurred during the course of 2015 are included in reporting. The report was prepared in accordance with the currently valid G4 Guidelines of the Global Reporting Initiative (GRI). Before the report was written, Linde Material Handling carried out a materiality analysis. The prioritised sustainability issues highlighted by the analysis determine the content of this report.

The editorial deadline was 31 October 2015. A follow-up report is currently planned for 2017. The Sustainability Report is available in German and English. The German version can also be accessed on the Internet at bericht.linde-mh.de, the English report at report.linde-mh.com. The values presented in the report are rounded on a case-by-case basis to improve readability.

# **GRI Content Index**

The Linde Material Handling Sustainability Report 2014 "A Review" was prepared in accordance with the Global Reporting Initiative (GRI) guidelines and fulfils the "in accordance" Core option. The G4 guidelines in force since May 2013 were applied. An external audit of the contents of the report was not performed.



#### Disclosure of G4 Indicators

|        | GRI Aspects and Indicators   | Page              | Omissions |
|--------|--|-------------------|-----------|
| Genera | l Standard Disclosures   |                   |           |
|        | Strategy and Analysis  |                   |           |
| G4-1   | Statement from the most senior decision-maker                              | 2-3               |           |
| G4-2   | Key impacts, risks, and opportunities concerning sustainability            | 3, 13, 15–17      |           |
|        | Organizational Profile   | -                 |           |
| G4-3   | Name of the organization   | 6                 |           |
| G4-4   | Primary brands, products, and services                                     | 6-7, 33           |           |
| G4-5   | Location of the organization's headquarters                                | 5                 |           |
| G4-6   | Countries with significant operations                                      | 5-6               |           |
| G4-7   | Nature of ownership and legal form   | 5-6               |           |
| G4-8   | Markets served   | 6                 |           |
| G4-9   | Scale of the organization  | f3, 5-6, 29       |           |
| G4-10  | Employees by employment type, gender and region                            | f3, 5, 38-39      |           |
| G4-11  | Percentage of employees covered by collective bargaining agreements        | 39                |           |
| G4-12  | Description of the supply chain  | 13                |           |
| G4-13  | Significant changes during the reporting period                            | 6                 |           |
| G4-14  | Implementation of the precautionary principle                              | 12-13             |           |
| G4-15  | External initiatives that the organization endorses                        | 45-48             |           |
| G4-16  | Significant memberships in industry and business associations              | 21                |           |
|        | Identified Material Aspects and Boundaries                                 |                   |           |
| G4-17  | Entities included in the consolidated financial statements                 | f3, 5-6           |           |
| G4-18  | Process for defining the report content                                    | f3, 15-16         |           |
| G4-19  | Material Aspects identified  | 17                |           |
| G4-20  | Aspect Boundaries within the organization                                  | 17                |           |
| G4-21  | Aspect Boundaries outside the organization                                 | 17                |           |
| G4-22  | Restatemtents of information provided in previous reports                  | <u>f3</u>         |           |
| G4-23  | Significant changes in the Scope and Aspect Boundaries                     | <u>f3</u>         |           |
|        | Stakeholder Engagement   |                   |           |
| G4-24  | Stakeholder groups engaged   | 15, 21            |           |
| G4-25  | Identification and selection of stakeholders                               | 21                |           |
| G4-26  | Approach to stakeholder engagement and frequency                           | 21, 30, 32, 40-41 |           |
| G4-27  | Key topics and concerns raised through stakeholder engagement and response | 21, 30, 32, 40-41 |           |
|        | Report Profile   |                   |           |
| G4-28  | Reporting period   | <u>f3</u>         |           |
| G4-29  | Date of most recent previous report  | <u>f3</u>         |           |
| G4-30  | Reporting cycle  | <u>f3</u>         |           |
| G4-31  | Contact point for questions regarding the report                           | f5                |           |
| G4-32  | "In accordance" option with GRI and Content Index chosen                   | f3, 50            |           |
| G4-33  | External verification of the report  | 50                |           |

## Disclosure of G4 Indicators

|          | GRI Aspects and Indicators   | <br>Page        | Omissions   |
|----------|--|-----------------|---|
| General  | Standard Disclosures   |                 |   |
| deneral  |  |                 |   |
|          | Governance   |                 | _   |
| G4-34    | Governance structure, incl. committees of the highest governance body                      | 2-3, 11, 20-21  |   |
| G4-35    | Process for delegating authority for economic, environmental and social topics             | 20-21           |   |
| G4-36    | Executive-level position with responsibility for economic, environmental and social topics | 19-21<br>—————— |   |
|          | Ethics and Integrity   |                 |   |
| G4-56    | Values, principles, standards and norms of behavior  | 7, 11-13, 16    |   |
| G4-58    | Mechanisms for reporting concerns about unethical or unlawful behaviour                    | 12-13           | _   |
| Specific | Standard Disclosures   |                 |   |
|          | Category: Economic   |                 |   |
|          | Economic Performance - Management approach   | 6               |   |
| G4-EC1   | Direct economic value created and distributed  | 6, 39           | Operating costs, payment to the region, donations will be reported in 2017. |
| G4-EC2   | Financial implications and other risks and opportunities due to climate change             | 13              | The proportion of outgoings will be reported in 2017.                       |
|          | Procurement Practices - Management approach  | 13              |   |
| G4-EC9   | Proportion of spending on local suppliers  | 13              | The proportion of outgoings will be reported in 2017.                       |
|          | Category: Environmental  | -               | _   |
|          | Materials - Management approach  | 26              |   |
| G4-EN2   | Percentage of materials used that are recycled input materials                             | 26-27           |   |
|          | Energy - Management approach   | 24-26           |   |
| G4-EN3   | Energy consumption within the organization   | 24-25           |   |
| G4-EN6   | Reduction of energy consumption  | 24-26           |   |
| G4-EN7   | Reductions in energy requirements of products and services                                 | 26, 29-35       |   |
|          | Water - Management approach  | 27              |   |
| G4-EN8   | Total water withdrawal by source   | 27              |   |
|          | Emissions - Management approach  | 24-26           |   |
| G4-EN15  | Direct greenhouse gas (GHG) emissions (Scope 1)  | 26              |   |
| G4-EN16  | Energy indirect greenhouse gas (GHG) emissions (Scope 2)                                   | 26              |   |
| G4-EN17  | Other indirect greenhouse gas (GHG) emissions (Scope 3)                                    | 26              |   |
| G4-EN19  | Reduction of greenhouse gas (GHG) emissions  | 26, 32-35       | _   |
| G4-EN21  | NOx, SOx and other significant air emissions   | 26              | _   |
|          | Effluents and Waste - Management approach  | 26-27           |   |
| G4-EN22  | Total water discharge by quality and destination   | 27              | <u> </u>  |
| G4-EN23  | Total weight of waste by type and disposal method  | 27              |   |
| G4-EN24  | Total number and volume of significant spills  | 24              | _   |
| G4-EN25  | Handling of hazardous waste  | 27              |   |
|          | Products and Services - Management approach  | 8, 30, 32-35    |   |
| G4-EN27  | Mitigation of environmental impacts of products and services                               | 31-35           | _   |
|          | Compliance - Management approach   | 12-13           | _   |
| G4-EN29  | Fines and sanctions for non-compliance with environmental regulations                      | 23              | _   |
|          | Transport - Management approach  | 24-25           |   |
| G4-EN30  | Significant environmental impacts of transporting products                                 | 24-26           |   |
|          | Supplier Environmental Assessment - Management approach                                    | 11, 13, 26      |   |
| G4-EN32  | Percentage of new suppliers that were screened using environmental criteria                | 13              | Reviews of suppliers start in 2016.   |
|          | Category: Social   |                 |   |
|          | Labor Practices and Decent Work  |                 | _   |
|          | Employment - Management approach   | 37-40           | _   |

## Disclosure of G4 Indicators

|          | GRI Aspects and Indicators   | Page      | Omissions   |
|----------|--|-----------|---|
| Specific | Standard Disclosures   |           |   |
| G4-LA1   | New employee hires and employee turnover   | 39        | Newly appointed employees by age group and region,<br>turnover by gender, age group and region will be report-<br>ed in 2017. |
|          | Occupational Health and Safety - Management approach   | 43        |   |
| G4-LA6   | Injuries, occupational diseases, lost days, and work-related fatalities  | 43        | Type of injury, occupational health rate, fatalities by region will be reported in 2017.                                      |
|          | Training and Education - Management approach   | 37, 41-42 |   |
| G4-LA9   | Average hours of training  | 42        |   |
| G4-LA11  | Percentage of employees receiving regular performance and career development reviews   | 39        | Reporting by gender and employee category will be introduced in 2017.   |
|          | Diversity and Equal Opportunity - Management approach  | 37-38     |   |
| G4-LA12  | Composition of governance bodies and breakdown of employees by aspects of diversity  | 37-38     | Reporting by employee category will be introduced in 2017. A survey for membership of minorities is not permitted in Germany. |
|          | Supplier Assessment for Labor Practices - Management approach  | 11-13     |   |
| G4-LA14  | Percentage of new suppliers that were screened using labor practices criteria  | 13        | Reviews of suppliers start in 2016.   |
|          | Human Rights   |           |   |
|          | Investment - Management approach   | 11-13     | _   |
| G4-HR2   | Employee training on human rights issues   | 12        | _   |
|          | Non-discrimination - Management approach   | 38        | <u> </u>  |
| G4-HR3   | Incidents of discrimination and corrective actions taken   | 39        |   |
|          | Freedom of Association and Collective Bargaining - Management approach   | 38-39     | _   |
| G4-HR4   | Operations and suppliers identified in which the right to exercise freedom of association may be violated or at risk, and measures taken | 13, 39    |   |
|          | Child Labor - Management approach  | 11-13, 38 |   |
| G4-HR5   | Operations and suppliers having significant risk for incidents of child labor, and measures taken  | 13, 39    | Reviews of suppliers start in 2016.   |
|          | Forced or Compulsory Labor - Management approach   | 11-13, 38 |   |
| G4-HR6   | Operations and suppliers having significant risk for incidents of forced or compulsory labor, and measures taken                         | 13, 39    | Reviews of suppliers start in 2016.   |
|          | Assessment - Management approach   | 11-13     |   |
| G4-HR9   | Operations that have been subject to human rights reviews  | 11-13, 39 | Reviews of suppliers start in 2016.   |
|          | Supplier Human Rights Assessment - Management approach   | 11, 13    |   |
| G4-HR10  | Percentage of new suppliers that were screened using human rights criteria   | 13        | Reviews of suppliers start in 2016.   |
|          | Society  |           |   |
|          | Anti-corruption - Management approach  | 11-13     |   |
| G4-S04   | Communication and training on anti-corruption  | 12        |   |
| G4-S05   | Confirmed incidents of corruption and actions taken  | 12        |   |
| G4-S08   | Compliance - Management approach Fines and sanctions for non-compliance with laws and regulations  | 11-13     |   |
|          | Product Responsibility   |           |   |
|          | Customer Health and Safety - Management approach   | 30-31     |   |
| G4-PR1   | Percentage of significant product and service categories for which health and safety impacts are assessed                                | 30-31     |   |
| G4-PR2   | Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services       | 30        |   |
|          | Compliance - Management approach   | 11, 30    |   |
|          |  |           |   |