Professor Belloni, the past year has been a challenging one for Linde. How is Linde dealing with change?

2017 was undoubtedly an exciting year. We experienced far-reaching changes and upheavals, such as those caused by digitalisation. There were some surprising election and referendum results. And our proposed merger with Praxair created some additional work. Change is permeating our business activities in many areas, whether as a result of regulatory requirements, changing circumstances or new customer needs. Global competition is increasing. Our employees are working continuously with our customers, as well as with suppliers, partners and researchers, to develop new solutions and more efficient processes. These efforts are key to ensuring that Linde can continue to succeed in the market in the future. Most importantly, change motivates us to continue to improve.

Does that also apply to sustainable management?

Of course. As a global company, we are aware of the role we play in society. Sustainability is one of Linde’s foundational principles and the basis for long-term success. We are committed to the principles set out in the UN Global Compact and we support the United Nations Sustainable Development Goals, especially in areas such as clean energy, innovation and health. We are working, for instance, on numerous projects designed to increase energy efficiency. To give an example from our own processes, we were able to reduce local CO₂ emissions in 2017 by around 10,000 tonnes per year as a result of the overhaul of an air separation plant in China. Another example, this time from our product portfolio: In the healthcare sector, we continued to develop our Hospital IQ data platform, which improves hospital care processes for patients receiving oxygen therapy, while at the same time reducing the burden on healthcare staff.
Where do you see room for improvement?

At Linde, we are constantly reviewing our performance and progress at every level. So we are also aware of the areas where we still have work to do. For example, when we transport our products, every accident is one too many. That’s why we not only provide training for our own drivers, but also for the employees of our transport service providers, and we invest in vehicle safety. In a pilot project in Asia, for example, we tested technologies that can recognise when a driver is about to nod off at the wheel, identify possible distractions and intervene immediately. We want to use in-depth training to improve the safety culture and increase each individual’s sense of personal responsibility for safety.

Which sustainable products and technologies is Linde pioneering to drive forward the necessary changes in today’s society?

We are researching and investing in numerous promising technologies and products, such as extracting fuel and energy from waste and recycling and storing CO₂. In Saudi Arabia, we completed the largest CO₂ purification and liquefaction plant in the world in 2017. And we have assumed a pioneering role in eco-friendly hydrogen technology. Fuel-cell vehicles generate no emissions. They also have a long operating range and can be refuelled just as quickly as conventional vehicles. It’s important to realise that hydrogen-powered vehicles are not some distant vision of the future. The technology for cars, buses, trucks and trains is well advanced and ready for use. In 2017, for example, we were awarded the contract to supply hydrogen for 14 fuel-cell trains in Germany. The trains are expected to carry passengers from 2021 and will replace existing diesel railcars. But hydrogen has huge potential beyond the mobility sector. “Green hydrogen” has been produced from wind energy in the Mainz Energy Park for two years now. There we are responsible for the processing and distribution of the hydrogen. Our experts are also looking into the role hydrogen can play as a storage medium for energy from renewable sources. A real challenge for a modern society and an incentive for us to continue to be active in shaping change.

MORE ABOUT

- Sustainability management
- Global Compact website
- Executive Board Linde AG
ABOUT THIS REPORT

Reporting period

Financial year: 1 January to 31 December 2017

Reporting cycle

Annual

Publication

8 March 2018

Format

The report is available as an online publication. The contents of the report (either the whole report or individual sections) can also be downloaded as PDF files.

Integrated reporting

We publish material non-financial key performance indicators (KPIs) and qualitative information about sustainability in our Annual Report. The Corporate Responsibility Report supplements the disclosures in the Annual Report. More information about sustainable business practices can be found inter alia in the following publications and communication channels of the Group:

- The Linde Group’s website contains information on the corporate responsibility focus areas.
- The websites of our Gases and Engineering Divisions provide information about sustainability specific to their own business operations.
- Some Linde subsidiaries produce regional publications which address sustainability issues.
- Product brochures also contain information about the environmental benefits of our technologies.
- Our investor relations presentations (which are open to the public) provide information about market opportunities for Linde arising from technologies relating to the energy and environmental sectors and from healthcare.
- We use social media to provide corporate responsibility updates.

In this report, we include links to these sources where appropriate.

Topics

We analyse the opportunities and risks arising for our Group on a regular basis. In this context, we review the topics we address to ensure that we are meeting the needs of our stakeholders such as employees, customers and shareholders. Information about this materiality analysis is made publicly available.

The content of our report is also based on the requirements set out in the Global Reporting Initiative (GRI, G4) and on external sustainability ratings in the capital market.

Scope of the report

The report relates to all companies in The Linde Group over which Linde AG is able to exercise control (the power to govern the financial and operating policies of the entity) or joint control together with other parties. In the case of companies over which Linde AG can exercise joint control, the KPIs are recorded pro rata, with the exception of figures for workplace accidents, which are shown in full even for jointly controlled entities. The KPIs presented in the report relate solely to continuing operations. As the business of our logistics service provider Gist is to be sold, it has been disclosed as a discontinued operation.

The financial data of the Group has been extracted from the 2017 Annual Report and has not been modified.

KPIs, data collection methods, bases of calculation

Key performance indicators enable us to track our economic, ecological and social performance. We measure our progress and identify potential for improvement. We use our global reporting systems to collect most of the data needed to generate KPIs for safety, health and environmental protection and for employees. Our financial KPIs are calculated and published in accordance with International Financial Reporting Standards (IFRS). KPIs are generally disclosed over a five-year period.
Independent assurance provided by a third party

Material KPIs and selected non-material KPIs have been reviewed by KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG). Those KPIs which were within the scope of KPMG’s engagement are identified as such in the tables presented in this report. The scope of the engagement and the conclusion reached by KPMG are disclosed in the independent assurance report.

The engagement was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000, which covers assurance reports on sustainability reports, and ISAE 3410 Assurance Engagements on Greenhouse Gas Statements.

UN Global Compact, Global Reporting Initiative and Non-Financial Declaration

In this report, we comply with the GRI G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). We have chosen to comply with the more demanding of the two reporting options, the comprehensive option. The Corporate Responsibility Report also serves as a Communication on Progress (COP) report within the framework of our commitment to the United Nations Global Compact. We report on how we implement the ten Global Compact principles in our Group. Content relevant to the Global Compact is indicated as such in the report by the Global Compact logo. A combined GRI and Global Compact Index gives a summary and overview of all the focus areas. We are again reporting in accordance with the Advanced Level of the UN Global Compact. We also consider the Blueprint for Corporate Sustainability Leadership, which is an action plan initiated by the Global Compact LEAD platform. Non-financial performance indicators required to be disclosed in accordance with the EU Non-Financial Reporting Directive 2014/95/EU are reported by us in a special section of the Annual Report entitled “Combined Non-Financial Report”.

UN Sustainable Development Goals

In this report, we present the contribution made by Linde to the implementation of the United Nations Sustainable Development Goals (SDG).

Terminology used

Specialist terminology and abbreviations are explained in the report’s glossary.

Statements relating to the future

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

Prior-year reports

Since 2005, the Group has published reports covering issues such as the environment, employees, sustainability and corporate responsibility. All these reports can be accessed from the archive on the Group’s website.

Contact

Your views are important to us. Please e-mail us any questions or suggestions you may have.

MORE ABOUT

→ Assurance report
→ Material topics
↗ GRI website
↗ Global Compact website