



Statement to Conflict Materials. Statement zu Konfliktmaterialien.

10-2019/October 2019

Statement issued by Linde to Conflict Materials.

Dear Sales Partner,

Recently we have received various inquiries regarding Conflict Materials. Hereby we would like to provide you with some fundamental information about this topic.

By joining the United Nations Global Compact Initiative in 2004, the Linde Hydraulics GmbH & Co. KG (LHY) emphasized the importance of Corporate Social Responsibility (CSR). For Linde Hydraulics, CSR includes, especially, the protection of human rights and the environment, compliance with health standards and labor laws, as well as ethical business conduct. In this context, we promote the procurement of materials with consideration of their impact on environmental and social factors.

For the development of effective countermeasures against existing social issues in the supply chain, we believe cooperation amongst industries using conflict raw materials is important. Amongst other initiatives, LHY joined the Responsible Minerals Initiative (RMI) in 2014 to support an industry-wide approach for mineral reporting and supplier education activities.

In July 2010, the United States passed the Dodd-Frank Financial Reform & Consumer Protection Act, section 1502(b) requiring all US public companies and their suppliers to disclose the chain of custody usage of conflict minerals. We demand from our suppliers respect and compliance with existing legal requirements concerning the mining of raw materials in conflict and high-risk territories – so called “conflict minerals” defined for instance in the Dodd-Frank Act and respective EU-regulations. The classification “conflict minerals” includes, independently of their geographical origin, the minerals cassiterite, coltan, wolframite, and their derivatives tin, tantalum, tungsten, as well as gold (together known as 3TG). These raw materials are often mined with the risk of human rights abuses, as well as the risk that armed conflicts will be financed by the sale of these minerals.



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While LHY is not subject to SEC reporting, LHY fully supports this legislation and its position is to avoid the use of conflict minerals.

LHY does not procure 3TG minerals directly from mines or smelters; nevertheless, in order to comply with the applicable SEC rules and, just as importantly, to adhere to our company values, LHY has begun to embark upon the process of working with our suppliers to ensure that no conflict minerals will be used in our products. LHY is adopting standards in line with the EICC/GeSI and OECD Standard of Diligence, regarding our process to obtain chain of custody declarations from all LHY sourced and managed suppliers ensuring transparency in our supply chain. In addition:

- LHY expects its suppliers to source materials from socially responsible suppliers.
- LHY expects all of its suppliers to comply with the Dodd-Frank regulation (<http://www.sec.gov/rules/final/2012/34-67716.pdf>) and provide all necessary declarations.
- Suppliers must pass this requirement through their own supply chain and determine the source of specified minerals.
- Suppliers who are non-compliant to these requirements shall be reviewed by our Purchasing Organization for future business.


This conflict minerals statement is in line with our sustainability commitment.

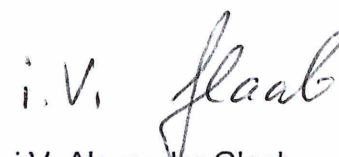
We will periodically review our conflict minerals position statement to ensure ongoing suitability in addition to our suppliers' basic obligations to comply with our standards.

Relevant suppliers and sub-suppliers are asked to collaborate with smelters and refiners that are conformant with the Responsible Minerals Assurance Process (RMAP) by RMI. The RMAP identifies smelters and refiners that can verify that their raw materials do not originate from suppliers contributing to conflicts in the high-risk areas. We also highly encourage our suppliers to participate in the RMI or similar relevant industry initiatives with the intention to improve the conditions in the extractive industry.

With best regards


Dr. Steffen Appel
(COO)


ppa. Robert Gallert
(Head of Purchasing)


i.V. Alexander Glaab
(Head of Quality)