

WHEREAS: Investor demand for corporate greenhouse gas (“GHG”) emissions reduction reflects the reality that climate change poses direct risk to companies and systemic risk to the economy and investor portfolios. Experts agree that the window for limiting global warming to 1.5 degrees Celsius (“1.5°C”) is quickly narrowing, requiring immediate and 1.5°C aligned reductions from all market sectors.¹

The chemical industry is the third largest emitter of carbon dioxide emissions.² Linde PLC (“Linde”) is the largest industrial gas company worldwide, relying on fossil fuels and energy-intensive processes to manufacture its primary products. Linde’s 2021 emissions totaled almost 60 million tons.³

While Linde has adopted GHG reduction targets for its Scope 1 and 2 emissions, it has not yet set a target for its significant Scope 3 value chain emissions, which comprise over a third of Linde’s total climate impact. Its Scope 3 emissions include value chain goods and services, capital goods, value chain energy production and use, and transportation and distribution.⁴ Reducing its Scope 3 emissions provides opportunities for technological innovation, efficiency gains, and lower costs, while also reducing climate-related risk.

Investor groups, such as the CA100+ initiative, outline an expectation that companies should address relevant Scope 3 emissions.⁵ Major competitor Air Liquide S.A. has adopted validated reduction targets for its Scope 1, 2, and 3 emissions through the Science Based Targets initiative.⁶ Air Products expanded its existing climate commitments to include a goal to reduce its Scope 3 emissions intensity by 2030.⁷

By setting science-based reduction targets for its Scope 3 emissions, disclosing a decarbonization plan, and demonstrating progress towards these goals, Linde can align with peers and provide investors with assurance that Linde’s capital expenditure plans,

¹ https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

² <https://www.iea.org/reports/chemicals>, p. 2

³ See <https://www.linde.com/-/media/linde/merger/documents/sustainable-development/2022-cdp-response-climate-change.pdf%20%20> (calculated)

⁴ <https://www.linde.com/-/media/linde/merger/documents/sustainable-development/2022-cdp-response-climate-change.pdf>, see p. 85-93, 134

⁵ <https://www.climateaction100.org/wp-content/uploads/2021/03/Climate-Action-100-Benchmark-Indicators-FINAL-3.12.pdf>

⁶ <https://sciencebasedtargets.org/companies-taking-action>

⁷ <https://www.airproducts.com/news-center/2022/07/0725-air-products-announces-additional-sustainability-commitments>



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growth strategies, and value chain engagements are aligned in achieving a 1.5°C trajectory.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing if and how Linde PLC intends to reduce the full range of its value chain greenhouse gas emissions in alignment with the Paris Agreement’s 1.5°C goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents recommend, at Board discretion, the report:

- Disclose emissions from all relevant Scope 3 categories;
- Provide a timeline for setting 1.5°C-aligned near-term and long-term Scope 3 emissions reduction goals to achieve net zero by 2050;
- A climate transition plan to achieve emission reduction goals across all relevant emissions scopes;
- A rationale for any decision not to set 1.5°C-aligned Scope 3 targets.