

Emissions from leased out or charged out entities are calculated on a plant level, using the same calculation methodology as for calculating indirect/ Scope 2 emissions for other Linde plants. For plants where the customer pays for the power and the plant-specific emissions factors are not known, Linde uses country emission factors from the IEA to calculate indirect emissions for those sites.

Emissions due to Investments (category 15)

Linde includes in its Scope 1 and 2 reporting only subsidiaries/holdings that are reporting their financials to the company and whose results are consolidated into the company P&L. Holdings/investments that are reporting their results but are not consolidated into the P&L statement (mainly JVs consolidated at-equity) are not considered for Scope 1 and 2 emissions but are reported as Scope 3 from investments. Linde has large JV operations, especially in China.

Linde calculates its emissions due to investments on a plant level. All JVs are reporting their electricity and other fuel consumption into Linde's environmental reporting system. Linde is then calculating Scope 3 from such investments for all plants in this category, by adding reported direct emissions from HyCO plants and indirect emissions from ASUs and other plants, based on reported electricity consumption, multiplied by a country IEA factor.

Emissions in this category increased, in part, in 2021 due to the change in ownership of the company's business in Taiwan. As of 2021, the entity is now held as a joint venture, and emissions from that entity are now accounted as Scope 3 emissions.

Scope 3 Sources Not Reported

As demonstrated in this year's reporting, Linde continues to assess ways to expand and refine Scope 3 reporting, in ways that lend transparency and repeatability.

Linde does not report emissions in the following categories: employee commuting, upstream leased assets, downstream transportation and distribution, franchises and waste generated in operations. These emissions have been calculated or estimated and were determined to be not relevant due to their very small contribution to Linde's Scope 3 footprint.

Linde currently does not report emissions from processing of sold products, use of sold products and end-of-life treatment of sold products. Linde is at the beginning of numerous value chains and provides many intermediate products with many downstream applications, each of which has a very different GHG profile. Linde does not estimate the downstream emissions associated with the various end uses of all its product but is currently evaluating methodologies that will provide feasible estimates. The company expects to continue to expand its reporting in the future.

Scope 3 GHG Emissions

	2018 Linde Pro Forma	2019 Linde	2020 Linde	2021 Linde
Upstream				
Fuel-and Energy-related activities	5,060,000	5,590,000	5,290,000	7,430,000
Purchased Goods and Services	1,540,000	1,540,000	1,640,000	4,250,000
Capital Goods	965,000	965,000	931,000	810,000
Upstream Transportation (including Contractor Driving)	661,000	577,000	562,000	780,000
Business Travel				21,000
Downstream				
Investments	4,460,000	4,460,000	3,930,000	5,450,000
Downstream Leased Assets	2,163,000	2,280,000	2,050,000	2,520,000
Total	14,849,000	15,412,000	14,403,000	21,261,000

EN (10): Scope 3 GHG Emissions

Units: Metric Tons CO₂e