

Linde Canada Inc. 2024 Annual Report – Bill S-211

1. The organization’s structure, activities and supply chains:

About the Company: Linde Canada Inc. (“LCI” or the “Company”), a corporation incorporated under the laws of Nova Scotia with its head office in Ontario, is Canada’s largest industrial, medical, and special gases provider with approximately 2,300 employees. The Company serves a variety of end markets such as chemicals & energy, food & beverage, electronics, healthcare, manufacturing, metals and mining. LCI’s industrial gases and technologies are used in countless applications including production of clean hydrogen and carbon capture systems critical to the energy transition, life-saving medical oxygen and high-purity & specialty gases for electronics. LCI also delivers state-of-the-art gas processing solutions to support customer expansion, efficiency improvements and emissions reductions.

LCI is a wholly-owned subsidiary of Linde plc. (“Linde”), a public limited company formed under the laws of Ireland with its principal offices in the United Kingdom and United States. Linde is the largest industrial gas company in the world, with revenues exceeding \$33 billion USD and approximately 66,000 employees operating in more than 80 countries in 2023. Linde and its affiliates, including LCI (“the Linde Group”) acts responsibly towards its shareholders, business partners, employees, society, and the environment in all its business areas and regions across the globe and is committed to technologies and products that unite the goals of customer value and sustainable development. Linde strives to achieve its goals ethically and with the highest of integrity.

Linde entities have fulfilled similar reporting requirements under the United Kingdom’s *Modern Slavery Act 2015* and Australia’s *Modern Slavery Act 2018*.

LCI has 3 main business units:

Merchant & On-Site – The Merchant business is generally associated with distributable liquid oxygen, nitrogen, argon, carbon dioxide, hydrogen and helium. The deliveries are generally made from LCI’s plants by tanker trucks to storage containers at the customer’s site. Customers that require the largest volumes of product and that have a relatively constant demand pattern are supplied by cryogenic and process gas on-site plants. LCI constructs plants on or adjacent to these customers’ sites and supplies the product directly to customers by pipeline.

Packaged Gases – Customers requiring small volumes of gases are supplied products in metal containers called cylinders, under medium to high pressure. Packaged gases include atmospheric gases, carbon dioxide, hydrogen, helium, acetylene and related products. LCI also produces and distributes in cylinders a wide range of specialty gases and mixtures. Cylinders may be delivered to the customer’s site or picked up by the customer at a packaging facility or retail store. In addition to gases, this business sells hardgoods, which consist of consumables and equipment directly or indirectly relating to the end use of the gases, and ranging from small items such as welding gloves and wires to larger pieces of machinery and equipment.

Healthcare (operating as “Medigas”) – Medigas provides home oxygen therapy services, sleep services, and medical equipment to both medical institutions and end-users. Home oxygen therapy services are offered to adult, pediatric, and neonatal clients for both short-term and long-term use, as well as palliative and end of life care. Sleep services include screening for sleep apnea, level 1 sleep laboratory diagnostic systems, CPAP therapy, positional therapy, and light therapy. In addition to these services, Medigas supplies customers with a variety of oxygen devices, sleep products, and respiratory devices.

Supply Chain:

LCI’s supply chain and the sourcing and selection of its suppliers is conducted in accordance with Linde’s Global Procurement Standards. Depending on the nature of the product or service, sourcing may be managed on a local, regional, or global basis. The majority of LCI’s gases are produced or sourced domestically or from the USA, however some specialty gases are sourced internationally through other entities in the Linde Group network or through accredited scientific laboratories. High volumes of industrial gases may be sourced from other entities in the Linde Group if local supply is unable to meet demand. Of LCI’s top 150 suppliers, which account for 80% of total spend, only 3 are located outside of Canada and the USA (Italy and France).

The supply chain structure of each business unit is as follows:

Merchant & On-Site: Since the On-Site business constructs plants on customer sites to produce gases, it therefore does not purchase gases from external sources. The Merchant business sources its gases from the On-Site business in its ordinary operations, and may alternatively source gases from Linde’s USA entity, Linde, Inc. as needed. Large pieces of equipment related to the construction of sites, including motors and tanks, as well as parts and components used to maintain existing sites, are purchased on an as-needed basis. These goods may be purchased from suppliers in North America or overseas, and are typically procured with the support of Linde, Inc., as outlined in section 3 of this report.

Packaged Gases:

Gases: Across Canada, this business fills high pressure gases in 11 facilities, produces Dry Ice in 3 facilities, and produces acetylene in 3 facilities. The cryogenic raw material for both the atmospheric gases and the bulk CO₂ for dry ice is provided by the Merchant & On-Site business. Any high pressure gas that LCI does not have the capability of filling in Canada, typically being specialty gases and component mixtures, is sourced from “Linde, Inc.” via intercompany transfers. The raw material for acetylene is sourced from a single supplier in the USA. Lastly, LCI purchases gases which it does not produce itself from 3rd parties in both Canada and the USA, including propane, propylene, bulk hydrocarbons, and refrigerants.

Hardgoods: Unlike gases, LCI does not manufacture any hardgoods. All purchases are from OEMs on a resale basis. LCI sources hardgoods from hundreds of vendors, the top 10 of which make up 80% of total spend. More than 90% of hardgoods are sourced from suppliers in Canada and the United States, with one Italian vendor accounting for more than 75% of the overseas spend.

Linde, Inc., generally vets and signs agreements with hardgoods vendors, with LCI signing a participation agreement to purchase the goods on the same terms.

Healthcare (operating as “Medigas”):

Medigas does not produce or manufacture any of the products it sells. Medical equipment is sourced from suppliers in Canada and the USA for resale, with those suppliers being responsible for manufacturing, sourcing of raw materials and components, and ensuring compliance and certification for use of each product in Canada. Medigas has confirmed that at least 8 of its top 10 suppliers have policies in place addressing forced labour and/or child labour in their respective supply chains.

2. Steps taken in the last year to prevent and reduce the risk that forced labour or child labour is used at any step of LCI’s production of goods in Canada or elsewhere by the entity or of goods imported into Canada by LCI:

Throughout this report, actions taken by the Linde Group to reduce the risk of forced labour and/or child labour in the Company’s supply chain are outlined in depth.

Actions commenced in the last year include:

- The 2023 update to Linde’s Supplier Code of Conduct and subsequent communication to Suppliers;
- The ongoing implementation of a new Supplier Qualification and Onboarding Portal (“SQP”); and
- Confirmation that the top Medigas suppliers have policies in place to prevent forced labour and child labour in their supply chains.

Actions which commenced prior to the last year, but remain integral to the Linde Group’s efforts to reduce the risk of forced labour and child labour include:

- Requiring formal agreements with “A” suppliers, being those accounting for 80% of spend, which include the requirement to comply with laws and regulations and/or Linde’s Global Policies;
- Site visits and/or audits depending on supplier location and industry; and
- Employee training

3. The organization’s policies and its due diligence processes in relation to forced labour and child labour:

Linde Global Policies:

The Linde Group abides by the principles of the International Bill of Human Rights, enacted by the United Nations. Linde’s Global Corporate Policies and position statements make clear the Linde Group’s commitment to its support of human rights and labour standards, and these are

integrated into our business and management processes. The Linde Group's compliance programme aims to ensure adherence to all applicable laws and regulations wherever we operate and for the highest standards when conducting business. The Linde Group seeks to ensure that the value of sustainability and a culture of compliance is understood by our employees and partners.

As stated in Linde's *Human Rights Policy*, the Linde Group strives to prevent adverse human rights impacts that have a direct link to the Group's operations, products or services. The following policies directly address the issues of forced labour and/or child labour:

Human Rights Policy:

Prohibition of Child or Forced Labour – The Linde Group opposes the use of all forms of child, compulsory or forced labour at our operations and expects our customers and suppliers to demonstrate similar intolerance for such practices. "Forced" labour includes labour as defined by the ILO Convention 29 on Forced Labour and ILO Convention 105 on Abolition of Forced Labour and includes labour exacted by an employer through the use of coercion, including withholding food or land or wages, physical violence or sexual abuse, restricting peoples' movements or locking them up, and debt bondage. The term "child" is consistent with the ILO Convention 138 on Minimum Age and refers to any person employed under the age of 15 (or younger where applicable law specifies). Prohibited forms of labour include those detailed in ILO Convention 182: Worst Forms of Child Labor.

Supplier Code of Conduct:

Human Rights and Labour Standards – The Linde Group expects suppliers to comply with legal requirements and to act in a manner that is consistent with The Linde Group's values and the principles outlined in its policies, including:

- Prohibiting Child Labour and complying with minimum working age requirements prescribed by national laws and international conventions.
- Prohibiting any form of forced or compulsory labour including, but not limited to, forced prison labour, indentured labour, bonded labour, slave labour or any form of human trafficking.
- Promoting non-discrimination and respect for employees. All employees must be treated with dignity and respect. Principles of equal opportunity and treatment of employees to be applied, irrespective of skin colour, race, nationality, ethnicity, political affiliation, social background, disabilities, gender, sexual identity, and orientation, marital status, religious conviction, or age.
- Promoting a safe environment, including zero tolerance for any unacceptable treatment of individuals such as mental cruelty, sexual harassment or discrimination including gestures, language, and physical contact, that is sexual, coercive, threatening, abusive, or exploitative.
- Complying with the applicable law and sector-specific labour regulations concerning working time, including overtime laws.

- Providing wages and benefits at least as prescribed by the respective national laws, including minimum wage legislation, and in line with existing practice in the industry and local labour markets.
- Adopting measures to monitor for and prevent human trafficking in its operations.

In complying with the Supplier Code of Conduct, suppliers are expected to:

- Undertake reasonable efforts to implement the principles of this Code of Conduct, or equivalent industry standards or codes, in their own supply chains.
- Establish processes to perform due diligence in their own supply chains.
- Promote principles of non-discrimination for supplier selection and treatment.
- Establish and communicate appropriate grievance mechanisms for confidential reporting of unlawful behaviour.
- Respond timely to requests to complete any Linde assigned training.
- Respond timely to requests for information to verify compliance with the law, regulations, or Linde policies.
- Implement corrective action plans for any identified deviations or non-conformances.

Code of Business Integrity:

The Linde Group recognizes every person’s innate humanity and treats everyone with dignity and respect. In supporting the protection and promotion of human rights worldwide, the Linde Group abides by the principles of the International Bill of Human Rights enacted by the United Nations, and does not condone nor engage in discrimination, harassment, violations of privacy, slavery or servitude, human trafficking, restrictions on free assembly or unfair employment practices. The Linde Group adheres to these human rights principles and expects that everyone with whom Linde conducts business to observe similar standards.

Conflict-Free Materials Supply Policy:

The Linde Group expects its suppliers or potential suppliers of conflict minerals or other materials, and their sub-suppliers, to only source materials from environmentally and socially responsible sources. In furtherance of the organization’s goal of utilizing “conflict-free” materials, the Linde Group has developed procedures that communicate our expectation that suppliers of conflict minerals (1) will implement due diligence processes to determine the origin of raw materials within their supply chain, and (2) will not supply to the Linde Group any conflict minerals known to come from the conflict region that are not either (a) from a compliant smelter or refiner, or (b) from recycled or scrap sources. Suppliers of conflict minerals must submit written evidence of due diligence documentation to the Linde Group which may include completing the standardized Responsible Minerals Initiative Conflict Minerals Reporting Template (CMRT) or other certifications. If the Linde Group identifies a reasonable risk that a supplier, or any of its affiliates or sub-suppliers, is (i) sourcing conflict minerals from the conflict region and such conflict minerals are not from a compliant smelter or refiner or from recycled or scrap sources, and/or (ii) engaged in conduct inconsistent with Linde’s Code of Business Integrity

and the Linde Group's commitment to human rights, the Linde Group will reassess its business relationship with such supplier.

Ethical Performance Recognition

As a result of the Linde Group's conduct in connection with the policies noted above, the Linde Group has developed a strong reputation globally for promoting an ethical culture, as demonstrated by the following recent awards:

Linde was included in the FTSE4Good Index Series, created by FTSE Russell, for the eighth consecutive year in July 2023. The FTSE4Good Index Series is a tool for investors seeking companies that demonstrate strong sustainability practices. Inclusion is based on an independent analysis of environmental, social and governance data. The strict criteria aligns with the UN Sustainable Development Goals. Within the social pillar, there are three relevant aspects: human rights, labour standards and supply chains.

In March 2024, Linde was recognised, for the fourth consecutive year, as one of the World's Most Ethical Companies by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices. Honourees were selected from 20 countries and 44 industries. Linde was one of only two companies recognised in the chemicals category. The evaluation framework includes ethics and compliance, culture, corporate citizenship & responsibility, governance and leadership & reputation.

Supplier Selection & Due Diligence Process:

The Linde Group expect the same level of commitment and conduct from our suppliers that we expect from our employees. All of our business dealings must be based on fairness, honesty, lawfulness, safety, environmental stewardship and social consciousness. All suppliers must also ensure compliance with our contractual agreements, Business Integrity & Ethics Policy, and supplier expectations.

In accordance with Linde Global Policies, the Linde Group measures suppliers in six key target areas:

- Total Cost of Ownership
- Assurance Supply
- Responsiveness
- Global Reach & Human Rights
- Environment & Safety
- Technology

The Global Reach & Human Rights criterion outlines our commitment to recognizing and safeguarding human rights in all the countries in which we operate. We seek to do business with customers, suppliers and contractors who share our same commitment to human rights, specifically in relation to:

- Compensation
- Right to Work
- Prevention of Harassment
- Safety
- Freedom of Association
- Prohibition on the use of Child or Forced Labor

The Linde Group carefully chooses suppliers based on merit and, where the supplier is key to the Linde Group's business, a due diligence and approval process is followed by a dedicated team who authorize suppliers before use. The Linde Group expects suppliers to comply with legal requirements and to act in a manner that is consistent with the Linde Group's values and principles outlined in the Code of Conduct and the Human Rights Policy. The Linde Group makes its supplier expectations known. Our global procurement organization regularly discusses these expectations with suppliers upon qualification, contracting and during any audits conducted.

Depending on the type of goods being purchased, the cost of the goods being purchased, and the location of a supplier, an in-person site visit may be conducted before onboarding a given supplier. This audit protocol associated with a site visit includes a safety evaluation, technical evaluation, and an assessment regarding the supplier's compliance with Linde's Code of Conduct. If a Supplier "passes" this initial evaluation, the procurement team ensures that the supplier does not appear on any government lists restricting import and export activities.

Certain goods which LCI purchases, including high pressure cylinders and valves, are considered Safety Critical Commodities, defined as "a purchased component which, if it malfunctions, fails, or otherwise does not function as designed, could cause or contribute to death or life-threatening injuries". A site visit is required before onboarding a new supplier offering such commodities, with a follow-up visit taking place in 8 year intervals thereafter.

The majority of LCI's sourcing from overseas suppliers takes place indirectly through Linde, Inc.. For example, Linde, Inc. may conduct a site visit, import/export check, and/or negotiate a formal agreement with the supplier, and LCI will sign a participation agreement in order to make purchases from the supplier on the same terms. Depending on the type of agreement being negotiated, one of two clauses will be included in the agreement: a) a clause requiring the supplier to comply with Linde's Supplier Code of Conduct and Human Rights Policy, or b) a clause requiring the supplier to comply with all applicable laws and regulations based on the supplier's location and industry, including a specific mandate that the supplier comply with laws and/or regulations relating to the safety, health, welfare, and conduct of employees.

As mentioned, "A" suppliers are those which account for the top 80% of spend. Linde's global procurement standards require that formal agreements be in place with all "A" suppliers, thus these suppliers are required to comply with at least one of the clauses outlined above.

4. The parts of the organization’s business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk:

LCI has considered its operations and supply chains to identify potential forced labour or child labour risks and determine appropriate actions to address these risks. Given LCI’s values, internal policies, and labour hire arrangements, there is a relatively low risk of forced labour or child labour occurring in its internal operations. All LCI employees must comply with, and are protected by, the Company’s Code of Business Integrity. LCI’s Human Resources and Employee Relations policies meet all Canadian legal requirements including minimum wage legislation and respect for employee trade union membership and collective bargaining rights. LCI also undertakes appropriate periodic checks to ensure that no employee is paid below the minimum wage and conducts due diligence when recruiting employees, carrying out stringent pre-employment checks to ensure proof of identity and the right to work in Canada.

As LCI self-produces the vast majority of the gas products it distributes, potential risks are higher when dealing with third-party suppliers where LCI does not have direct oversight or involvement in their upstream operations and supply chains. This is particularly the case where such suppliers are located overseas in countries where modern slavery, human rights and labour laws are not as robust as those in Canada, the USA or Western Europe. As mentioned, the majority of LCI’s purchases are from suppliers in Canada or the USA, and of those who are located overseas, the majority have been vetted by another entity in the Linde Group, in which case the due diligence process outlined in section 3 is undertaken, with LCI then signing a participation agreement.

In 2023, Linde’s Supplier Code of Conduct was updated to include a section covering “supply chain compliance”. This new section directly addresses the issues of forced labour and child labour. Global procurement staff were trained on the updates and 22,000 suppliers, including “A” suppliers, critical component suppliers, and those deemed higher risk based on location were notified of the updates. Acknowledgments of the updated requirements in complying with the Code of Conduct were received by the Linde Group from suppliers via email and/or through the Linde Group’s supplier portal.

An initiative is in its initial stages of implementation among Linde entities in the Americas, whereby a new supplier qualification and onboarding platform (“SQP”) is being deployed. Linde entities in Latin America have transitioned to this SQP in early 2024, Linde, Inc. will transition later in 2024, and LCI will do so thereafter. The new SQP contains a library of thousands of possible questions to ask suppliers as part of the onboarding process, including many which specifically address the supplier’s human rights policies and practices. Different sets of questions can be posed to suppliers operating in different countries or industries. When this SQP is deployed in Canada, LCI will ensure that all suppliers will be required to answer certain questions targeting these issues, with an additional subset of questions to be required for those suppliers deemed to be operating in higher risk locations or industries.

5. Measures taken to remediate any forced labour or child labour or to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains:

As mentioned, the majority of LCI's products are sourced from Canada and the USA, where the risk of forced labour and child labour is relatively low. LCI has not encountered any instances of forced labour and/or child labour among its suppliers to date, and as such, LCI does not currently have measures in place regarding the remediation of forced labour or child labour or the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains. If such instances are discovered in the future, the Company will ensure that appropriate remediation measures are implemented.

6. The training provided to employees on forced labour and child labour;

All sourcing associates and managers receive training in the Linde Group's supplier expectations and human rights policy. Additionally, annual training in Linde's Code of Business Integrity is compulsory for all employees and includes an online quiz. Each employee must achieve a passing grade on the quiz in order to complete the training module. LCI sets an annual 100% targeted employee certification goal for this training.

LCI has a "see something, say something" culture, without fear of retaliation or fear of punishment. All employees are made aware of the Linde Integrity Line, a reporting facility run by an independent third party which is available to employees, sub-contractors, and others. The Hotline is available others 24/7 through an online Integrity portal and dedicated telephone number. It allows for confidential and anonymous reporting of all legal and policy violations, including instances of forced labour and unfair employment practices. Retaliation against any person raising an issue is not tolerated.

7. How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

LCI is committed to the ongoing review of its operations and supply chains to identify potential modern slavery risks and determine appropriate actions to address these risks. With Linde's Supplier Code of Conduct having been updated to include Supply Chain Compliance in 2023, along with the ongoing implementation of the new SQP throughout the Americas, LCI strives to continue to improve both its due diligence process and subsequent evaluation of the effectiveness of these strengthened measures. Additionally, LCI strives to increase the number of formal agreements in place with those suppliers beyond the "A" category, thus imposing the same requirements regarding Linde's Code of Conduct and/or applicable laws and regulations. Additionally, LCI plans to implement the addition of similar language to its purchase order forms such that even those without formal agreements may be bound by Linde's Global Policies and/or applicable laws and regulations.