DELIVERING GROUP SUSTAINABILITY OBJECTIVES IN 2022

Fabienne Lecorvaisier, Executive Vice President in charge of Sustainable Development, Public and International Affairs as well as the supervision of the General Secretariat

Ashutosh Misra, Group VP in charge of Sustainable Development

Jean-Marc de Royere, Senior Vice President in charge of societal programmes and Chairman of the Air Liquide Foundation

Claire Dessertine, Group VP in charge of Talent Management
Topics

- Sustainability Strategy
- 2022 Performance
- Deploying the Action Plan
- Advancing for the environment
- Advancing for Health
- Advancing for All
Our Sustainability Strategy

Fabienne Lecorvaisier
### March 2021: First Complete Set of ESG Commitments

#### Abatement of CO₂ Emissions
- Inflection in absolute emissions
- <30% reduction in carbon intensity vs. 2015
- <33% reduction in absolute emissions vs. 2020
- Carbon Neutrality

#### Care for patients
- In Mature economies - increase personalized care for patients
- In Low & Middle Income Countries: Facilitate access to O₂

#### Trust as the base to engage with employees & to build best-in-class governance
- 35% Women among M&P
- 100% of employees to have common basis of care coverage
- All employees to have access to local volunteering initiatives

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**Delivering Group Sustainability Objectives, March 24, 2023**
March 2022: Concept of Global Performance is Enacted

Sustainability Ambition
March 2021

A Acting for a low-carbon society
C Acting for Health
T Acting as a Trusted Partner

Group's New Strategic Plan
March 2022

ADVANCE

Delivering financial performance
And beyond,
Decarbonizing the planet
Unlocking progress via technologies
Acting for all

THIS DOCUMENT IS PUBLIC

Group Sustainability Objectives, March 24, 2023
With CO2 emissions reduction becoming one of the 3 strategic objectives:

- **Subject to favorable long-term policy and regulatory frameworks, and availability of new low-carbon energy infrastructure**

**Performance Objectives**

- **CO2 emissions inflection around 2025**
- **ROCE >10% by 2023 and forward**
- **Sales growth +5-6% CAGR**
- **Carbon Neutrality 2050**

**Absolute Scope 1+2 emissions**

<table>
<thead>
<tr>
<th>Year</th>
<th>MtCO2</th>
</tr>
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<tbody>
<tr>
<td>2020</td>
<td>30</td>
</tr>
<tr>
<td>2025</td>
<td>25</td>
</tr>
<tr>
<td>2035</td>
<td>20</td>
</tr>
<tr>
<td>2050</td>
<td>15</td>
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</table>

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Subject to favorable long-term policy and regulatory frameworks, and availability of new low-carbon energy infrastructure.

(1) Group comparable growth 2021-2025 CAGR (2) Recurring ROCE based on Recurring Net Profit.
... And Sustainability Fully Embedded in Strong Governance and Processes

- Board reviews of Sustainability Strategy & Progress
- Env. & Society Committee oversight
- COMEX oversight
- Executive sponsorship of Financial and Extra Financial programs
- Strategy, Methodologies, Systems
- Investment process, Global Performance Monitoring
- Incorporation into business line strategies
- Deployment in Operations
- Example for CO₂ Trajectory Management
- Similar governance and process in place for other Environmental Objectives
... With an Organization in Place to Achieve the Objectives

- **Yearly Carbon Budget** allocated to Hubs and countries
  → Tight CO₂ management system embedded in the investment decision process

- Revision of **investment decision process** with **integration of CO₂ trajectory**
  → Control of geographical CO₂ trajectories, accountability

- **New reporting tool** for CO₂ Emissions & other industrial KPIs at site level
  → Granular view of emissions and associated decarbonization plans

- **Alignment of the company around our ESG objectives**
  → Training programs, Sustainability Networks (Climate Champions, Sustainability Ambassadors)
  → ESG targets in Remuneration and incentives for managers
Total investment decisions €16\textsuperscript{(1)}bn 2022-2025

(1) Cumulated industrial and financial investments decisions over 4 years 2022-2025

In Energy Transition

>50%

Large Industries

Electronics

Energy Transition

H\textsubscript{2} mobility

Others thereof ~1/2 IM

Industrial Investment Decisions above €5m

… And investments being selective
... Which is Producing Concrete Results

<table>
<thead>
<tr>
<th>Objectives and KPIs</th>
<th>2021 Results</th>
<th>2022 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advancing for the Environment</strong></td>
<td>By 2035, a 33% reduction in Scope 1 &amp; 2 emissions vs. 2020</td>
<td>&lt; +1%&lt;sup&gt;(a)&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>By 2025, a 30% reduction Carbon Intensity vs. 2015</td>
<td>-24%</td>
</tr>
</tbody>
</table>

| **Advancing for Health** | In mature economies, improve quality of life of chronic patients at home | 38% Patients with Personalized Care | 49% |
|                         | In LMICs, facilitate access to oxygen | 1,032,000 people | 1,778,000 |

| **Advancing for All** | 35% women among Manager & Professional population by 2025 | 31% | 31.5% |
|                       | 100% of employees with common care coverage package by 2025 | 34% | 42% |

(a) After 2020 baseline adjustments per Greenhouse Gas Protocol guidelines
Air Liquide remained a **Level A leader**, scoring an **A** on Climate and Water performance. *Higher than EU & Chemical sector average*

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDP</td>
<td>Air Liquide ranked #5 out of 295 industrial companies, placing it in the top 2%</td>
</tr>
<tr>
<td>Corporate Knights</td>
<td>Air Liquide has maintained its A grade</td>
</tr>
<tr>
<td>MSCI</td>
<td>For the 6th consecutive year, Air Liquide has won a Gold EcoVadis Sustainability medal, and ranks in the top 3%</td>
</tr>
<tr>
<td>SUSTAINALYTICS</td>
<td>Recognized as “ESG Industry Leader Top Rated”, Air Liquide has received a “low risk” rating and ranks in the top 2%</td>
</tr>
<tr>
<td>FTSE4Good</td>
<td>Air Liquide remains a constituent of the FTSE4Good Index Series for 2023.</td>
</tr>
<tr>
<td>Moody's ESG Solutions</td>
<td>Air Liquide ranks in the top 3%.</td>
</tr>
<tr>
<td>S&amp;P Global CSA</td>
<td>For the first time, Air Liquide becomes a constituent of DJSI Europe index with a significant improvement in score</td>
</tr>
<tr>
<td>ChemSec Chemscore</td>
<td>Air Liquide ranked #4 out of 54 chemical companies, placing it in the top 7%.</td>
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</table>

**Top quartile of most leading extra-financial rating agencies**
2022 Performance

Ashutosh Misra, Jean-Marc De Royere, Claire Dessertine
Delivering Group Sustainability Objectives, March 24, 2023

Ashutosh Misra
2022 CO₂ Emissions Profile by Scopes

**TOTAL EMISSIONS**
61.4 Mt

- **Scope 1:** 16.3 Mt (27 %)
- **Scope 2 (a):** 23.0 Mt (37 %)
- **Scope 3:** 22.1 Mt (36 %)

**AVOIDED EMISSIONS**
77.4 Mt

- 13.3 Mt
- Avoided emissions from end-uses: 64.1 Mt
- Avoided emissions from efficiencies and clients’ applications

(a) Market Based
With Decarbonization Levers Depending on Geographies (a) & Business Mix

Scope 1 Focus
- Benelux, France
- USA, KSA

Scope 2 Focus
- China, NEAPAC
- Central & SW Europe
- South Africa

Business mix
- Large Industries
- Industrial Merchant
- Electronics
- Healthcare

(a) Emissions from IDD, EHO and Orsay hubs are not shown on the figure. Combined they represent less than 0.1 MtCO2e of total scope 1+2 emissions.
(b) Steam Methane Reformers for production of Hydrogen
(c) Air Separation Units for production of air gases (oxygen, nitrogen, argon)
... And ADVANCE Levers Deployed to Meet CO₂ Trajectory

- ASUs electrification in China
- Assets revamping with CO₂ recycling
- Energy efficiency projects
- >50 new on-site contracts

2035 emission reduction levers

- ⅓
- Asset Management

- ⅓
- Carbon Capture Usage / Storage
- Assets selected for subsidies
- Kairos@C
- Antwerp@C
- Porthos

- ⅓

Low-Carbon Electricity Sourcing +350 MW

- Renewable PPAs⁽¹⁾ signed

⁽¹⁾ Power Purchase Agreement
... Resulting in 2 Years of Stable Emissions While Delivering Strong Growth

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<th>Objectives and KPIs</th>
<th>2021 FY Achievement</th>
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<td>By 2035, a 33% reduction in Scope 1 &amp; 2 emissions vs. 2020</td>
<td>&lt; +1% (vs. 2020)</td>
<td>-0.3% (vs. 2020)</td>
</tr>
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Our CO₂ emissions reduction target was validated by the Science Based Targets Initiative (SBTi) in May 2022 as aligned with “well below 2°C”
... And Several Energy Transition Projects Initiated and Developed in 2022 to Continue the Decarbonization Journey into the Future

**Carbon Capture**
- Kairos@C
- €K6 - Cement plant
- €Lime plant
- Shipping JV
- Low-Carbon H₂ for Chemicals

**Electrolysis**
- Normand’Hy 200 MW ELY
- Manufacturing JV
- €ELYgator 200 MW ELY

**H₂ Mobility**
- Infrastructure for Airport
- H₂ heavy-duty trucks
- H₂ liquefier
- Airport
- Infrastructure & fleet
- JV Airport

**Q1 2022**
- Validation by SBTi

**Q2 2022**
- Renewable PPA * 40 MW
- Renewable PPA * 115 MW

**Q3 2022**
- Renewables

**Q4 2022**
- Renewable PPA * 220 MW

* PPA=Power Purchase Agreement; ELY=Electrolyzer; SBTi=Science Based Targets initiative
... With the Goal to Decarbonize our Full Value Chain

Air Liquide is participating in the SBTi led Expert Advisory Group to develop SDA* for chemical sector, with special focus on scope 3 emissions

* Sector Decarbonization Approach

2 Products

CO₂ - Food, pharma, welding, water treatment, cooling, applications

N₂O - Anesthetic, pain relief, Food, heat treatment, petrochemicals, semiconductor applications
## Key Progress in 2022: Scope 3 Emissions

<table>
<thead>
<tr>
<th>Measuring &amp; Monitoring</th>
<th>Comprehensive and transparent reporting</th>
<th>Enhanced methodologies</th>
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<td>Engaging with suppliers</td>
<td>Suppliers’ mapping &amp; dialogue</td>
<td>“Procure to neutrality” roadmap</td>
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<tr>
<td>Engaging with Customers</td>
<td>Solutions to support customers' own decarbonization</td>
<td></td>
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**2035 Objective**
- 100% of Top 50 customers committed to 2050
- Carbon neutrality by 2035
- (75% by 2025)
Key Progress in 2022: Water Management

Water management Objectives

**Objective 1**
For high water use operations in high water stress areas, to have a documented water management plan that addresses water withdrawal / usage risk, by 2025

**Objective 2**
For all operations, to implement a global standard at the Group level, which ensure that discharged water quality meets or exceeds the applicable local criteria

**2022 Achievements**

- **78 sites** identified as high water use operations in high water stress areas
- Tools, guidelines and templates prepared, Pilots launched
- Exhaustive view on all Local regulations
- Group Technical Standard draft
Key Progress in 2022: Biodiversity

1st Set of Biodiversity Commitments

- **Act4Nature** Commitment in 2023
- Develop and implement **Biodiversity KPI** by 2025
- **Biodiversity assessment criteria** integrated in **investment process** for all new projects by 2024

2022 Achievements

Assessment of **biodiversity related risks**

- (1) Access to Natural Resources
- (2) Impact on Natural resources

**Mapping of Air Liquide assets** in Key Biodiversity Areas

Launch of **biodiversity awareness trainings** across the Group
Key Progress in 2022: EU Taxonomy

2022 Achievements

Roll out of the full (eligibility + alignment) reporting, incl. Technical Screening Criteria and DNSH across relevant activities

Eligible turnover: 17.5% of Group turnover

Most Air Liquide operations do not lead to direct CO₂ emissions

Aligned/Eligible Turnover : 6.6 %
Aligned/Eligible CAPEX   : 30%

Focus: CAPEX(*)

Eligible
380.6 M€

Aligned
114.3 M€

Biogas activities

H₂ manufacturing

Equipment Manufacturing

Others

(*) dark color indicates Eligible not Aligned; light color indicates Eligible and Aligned
Advancing for the environment

Advancing for health

Advancing for all

Jean-Marc De Royere
Strong Progression on Personalized Care in Mature Economies

**SCOPE**

- Personalized care plans for HHC* patients
  - L1: Compliance-driven
  - L2: Outcome-driven

- Patient-focused partnerships
  - To increase awareness
  - Improve patients’ autonomy and quality of life

**2022 ACHIEVEMENTS**

- 49% of Air Liquide’s HHC* 1,860,000 patients were under a personalized care plan

- > 80 patient-focused initiatives were active
  - With over 200 partners, most of them in Europe

**Example from Portugal**

**Partners**
Portuguese Sleep Association (APS) and Portuguese Pneumology Society (SPP)

**Personalized Care Model**
Omnichannel service of personalized support for people with sleep apnea.

**Benefits**
Improved compliance with the therapy and better quality of life.

* Home Health Care
1.8 Million People with Facilitated Access to O₂ in LMICs*

SCOPE

- Millions in rural communities lack ready access to oxygen
- Access Oxygen™: safe, reliable, patient-focused O₂ services
- Delivered by AL teams or social entrepreneurs to primary care centers
- Supported by a dedicated entity, Access Oxygen SAS.

2022 ACHIEVEMENTS

- “Access Oxygen” started in Kenya; 50,000 pop. covered so far
- South Africa, Senegal: added AO** to > 100 primary care centers
- Reached ~ 1.8 million population coverage overall
- Market studies underway in several countries.

* Low & Middle Income Countries (138 countries as per World Bank definition)
** Access Oxygen™
Advancing for the environment

Advancing for health

Advancing for all

Claire Dessertine
Acting for All - Objectives and 2022 Results

**Diversity**, a source of performance
- **2022**: 31.5%
- **2025**: 35%
- Of **women** among managers & professionals by 2025

**Wellbeing** beyond the workplace
- **2022**: 42%
- **2025**: 100%
- Of employees under a common basis of care coverage by 2025

**Citizen at Work**
- **2022**: 43%
- **2025**: 100%
- Of employees encouraged to engage in local initiatives
## Diversity Performance: Challenging, But On Track

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<td>31.0%</td>
<td>31.5%</td>
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### Examples

**Publication of "Inspiring Women: 120 inspiring stories for the 120 years of Air Liquide"**
Women share their unique experiences, backgrounds and encouragement for the role women play in the present and future of Air Liquide.

**Annual HandivAirsity celebration on the occasion of European Disability Employment Week.**
An essential part of inclusion and diversity is empowering and integrating people with disabilities into work at all levels.
Common Care Coverage: Progressing Well Toward Objective

### Key Elements of Common Care Coverage

- **Life insurance**
- **Health insurance**
- **14 weeks paid Maternity leave**

Each Hub of the Group has a 2023-2025 roadmap to achieve the 2025 objective.

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<td>100% of employees with common care coverage package by 2025</td>
<td>34%</td>
<td>42%</td>
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RESULTS
Citizen at Work: Launched Across 15 Entities

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<th>Objectives and KPIs</th>
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<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of employees to have access to local volunteering activities by 2025</td>
<td>Early adopters</td>
<td>43%</td>
</tr>
<tr>
<td></td>
<td>17,000 employees</td>
<td>29,000 employees</td>
</tr>
</tbody>
</table>

**RESULTS**

- Program Launched; 15 entities; governance guidelines established
- Supported by the Air Liquide Foundation, the program played a key role in providing assistance to Ukrainian refugees in recent months

AL S. Africa - 2022 Mandela Day

AL US - Houston Food Bank

AL Korea - ALTogether with children
Best In Class Governance: New Actions Undertaken

Board & Shareholders

A diversified and independent Board:
- 50% of women, as of Dec. 31, 2022 (stable vs. 2021);
- 80% of independent members, as of Dec. 31, 2022 (vs. 92% as of Dec. 31, 2021)

Promote a responsible dialogue with our business stakeholders

Expansion of [Ethicall] platform to external stakeholders

Deployment of the updated Code of Conduct, taking into account the latest regulatory developments, best practices and our risk mapping

Publication of lobbying charter, due diligence on main associations

Make a positive impact on society

>30 new jobs-integration initiatives backed by the Group in Europe & N. America

Air Liquide’s European operations and the [Fondation Air Liquide] have been working with charities to help Ukrainian refugees.
- 41 employee-sponsored charity projects earned grants from the Foundation in 2022
- The projects benefited > 60,000 refugees in Poland and 6 other countries.
- ALSA and donations from shareholders and employees fund the €1.3m programme

Operations donated an additional €227k in 2022 directly to charities for refugee support
Conclusions

Concrete actions to achieve our short- and mid-term ESG objectives initiated

- Flattening of $\text{CO}_2$ emissions for 2 years in row
- Several new PPAs for Renewable Energy
- Large scale carbon capture & electrolysis projects launched
- New set of commitments on Biodiversity and Scope 3

Recognition of our ESG performance

- Ranked in top quartile by leading ESG rating agencies
- $\text{CO}_2$ trajectory validated by SBTi

Next steps on Environmental Objectives

- **Accelerate** in line with $\text{CO}_2$ trajectory
- Participate in development of **chemical sector SDA*** with SBTi
- Development of **additional Scope 3 objectives**
- Deploy **Water Policy** at relevant sites
- **Biodiversity** assessment and KPI development

* Sector Decarbonization Approach
To learn more...

Sustainability Report 2022
Downloadable Reporting for Stakeholders
2022 Universal Registration Document
Vigilance Plan
Air Liquide Foundation