Air Liquide

Universal Registration Document 2024

Including the Annual Financial Report

Universal Registration Document

INCLUDING THE ANNUAL FINANCIAL REPORT

2024

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This Universal Registration Document has been filed on March 6, 2025 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document including the Annual Financial Report is a reproduction of the official version, which has been prepared in ESEF format and is available on the issuer's website www.airliquide.com.

This document is a non-binding "free" translation from French into English and has no legal value other than an informative one. Should there be any difference between the French and the English version, only the text in French language shall be deemed authentic and considered as expressing the exact information published by Air Liquide.

A financial and technical glossary is provided at the end of the document – pages 434 to 437.

VISIT OUR WEBSITE

www.airliquide.com

4 Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

For the year ended December 31

(in millions of euros)	Notes	2023	2024
Revenue	**(3)**	**27,607.6**	**27,057.8**
Other income	(4)	233.9	234.0
Purchases	(4)	(11,146.8)	(10,008.2)
Personnel expenses	(4)	(5,099.5)	(5,165.7)
Other expenses	(4)	(4,045.2)	(4,221.4)
Operating income recurring before depreciation and amortization		**7,550.0**	**7,896.5**
Depreciation and amortization expense	(4)	(2,482.0)	(2,505.1)
Operating income recurring		**5,068.0**	**5,391.4**
Other non-recurring operating income	(5)	242.3	64.8
Other non-recurring operating expenses	(5)	(738.8)	(510.6)
Operating income		**4,571.5**	**4,945.6**
Net finance costs	(6)	(265.5)	(258.4)
Other financial income	(6)	15.4	8.5
Other financial expenses	(6)	(166.1)	(168.5)
Income taxes	(7)	(971.8)	(1,086.5)
Share of profit of equity affiliates	(14)	4.9	(0.7)
PROFIT FOR THE PERIOD		**3,188.4**	**3,440.0**
■ Minority interests		110.4	133.9
■ Net profit (Group share)		3,078.0	3,306.1
Basic earnings per share *(in euros)*	**(8)**	**5.35**	**5.74**
Diluted earnings per share *(in euros)*	**(8)**	**5.33**	**5.72**

Accounting principles and notes to the Financial Statements begin on page 199.

Statement of net income and gains and losses recognized directly in equity

For the year ended December 31

(in millions of euros)	2023	2024
Profit for the period	**3,188.4**	**3,440.0**
Items recognized in equity		
Change in fair value of financial instruments	(47.9)	25.9
Change in foreign currency translation reserve	(1,118.4)	912.4
Items that may be subsequently reclassified to profit	**(1,166.3)**	**938.3**
Actuarial gains/(losses)	(26.4)	2.4
Items that may not be subsequently reclassified to profit	**(26.4)**	**2.4**
Items recognized in equity, net of taxes	**(1,192.7)**	**940.7**
Net income and gains and losses recognized directly in equity	**1,995.7**	**4,380.7**
■ Attributable to minority interests	66.6	150.7
■ Attributable to equity holders of the parent	1,929.1	4,230.0

Consolidated balance sheet

For the year ended December 31

ASSETS *(in millions of euros)*	Notes	December 31, 2023	December 31, 2024
Goodwill	(10)	14,194.2	14,977.4
Other intangible assets	(11)	1,631.3	1,691.5
Property, plant and equipment	(12)	23,652.2	25,538.7
Non-current assets		**39,477.7**	**42,207.6**
Non-current financial assets	(13)	696.7	746.3
Investments in equity affiliates	(14)	180.1	198.3
Deferred tax assets	(15)	225.2	335.0
Fair value of non-current derivatives (assets)	(25)	35.1	32.9
Other non-current assets		**1,137.1**	**1,312.5**
TOTAL NON-CURRENT ASSETS		**40,614.8**	**43,520.1**
Inventories and work-in progress	(16)	2,027.6	2,189.6
Trade receivables	(17)	2,993.7	2,996.7
Other current assets	(19)	862.7	1,068.2
Current tax assets		42.9	96.7
Fair value of current derivatives (assets)	(25)	70.7	77.3
Cash and cash equivalents	(20)	1,624.9	1,915.3
TOTAL CURRENT ASSETS		**7,622.5**	**8,343.8**
ASSETS HELD FOR SALE		**95.1**	**3.6**
TOTAL ASSETS		**48,332.4**	**51,867.5**

EQUITY AND LIABILITIES *(in millions of euros)*	Notes	December 31, 2023	December 31, 2024
Share capital		2,884.8	3,180.4
Additional paid-in capital		2,447.7	2,064.1
Retained earnings		16,063.7	18,534.2
Treasury shares		(152.7)	(224.8)
Net profit (Group share)		3,078.0	3,306.1
Shareholders' equity		**24,321.5**	**26,860.0**
Minority interests		**721.6**	**761.3**
TOTAL EQUITY [(a)]	**(21)**	**25,043.1**	**27,621.3**
Provisions, pensions and other employee benefits	(22, 23)	2,004.8	2,025.6
Deferred tax liabilities	(15)	2,329.0	2,527.1
Non-current borrowings	(24)	8,560.5	8,403.1
Non-current lease liabilities	(12)	1,046.3	1,133.8
Other non-current liabilities	(26)	454.7	642.8
Fair value of non-current derivatives (liabilities)	(25)	48.0	29.7
TOTAL NON-CURRENT LIABILITIES		**14,443.3**	**14,762.1**
Provisions, pensions and other employee benefits	(22, 23)	363.8	418.9
Trade payables	(27)	3,310.5	3,319.0
Other current liabilities	(26)	2,310.1	2,483.7
Current tax payables		236.4	273.1
Current borrowings	(24)	2,285.3	2,671.4
Current lease liabilities	(12)	219.7	239.8
Fair value of current derivatives (liabilities)	(25)	76.2	76.9
TOTAL CURRENT LIABILITIES		**8,802.0**	**9,482.8**
LIABILITIES HELD FOR SALE		**44.0**	**1.3**
TOTAL EQUITY AND LIABILITIES		**48,332.4**	**51,867.5**

(a) A breakdown of changes in shareholders' equity and minority interests is presented on pages 197 and 198.

Consolidated cash flow statement

For the year ended December 31

(in millions of euros)	Notes	2023	2024
Operating activities			
Net profit (Group share)		**3,078.0**	**3,306.1**
Minority interests		**110.4**	**133.9**
Adjustments:			
■ Depreciation and amortization expense	(4)	2,482.0	2,505.1
■ Changes in deferred taxes	(7)	(59.8)	(42.3)
■ Changes in provisions		471.2	304.0
■ Share of profit of equity affiliates	(14)	(4.9)	0.7
■ Profit/loss on disposal of assets [a]		(126.9)	(7.0)
■ Net finance costs [a]	(24)	192.9	178.2
■ Other non cash items [b]		214.4	160.6
Cash flows from operating activities before changes in working capital [a]		**6,357.3**	**6,539.3**
Changes in working capital	(18)	(154.4)	(155.1)
Other cash items		60.1	(62.0)
Net cash flows from operating activities		**6,263.0**	**6,322.2**
Investing activities			
Purchase of property, plant and equipment and intangible assets [c]	(11,12)	(3,393.4)	(3,525.1)
Acquisition of consolidated companies and financial assets		(103.0)	(269.0)
Proceeds from sale of property, plant and equipment and intangible assets [a]		63.2	80.1
Proceeds from the sale of subsidiaries, net of net debt sold and from the sale of financial assets		339.7	113.0
Dividends received from equity affiliates	(14)	14.5	17.6
Net cash flows used in investing activities		**(3,079.0)**	**(3,583.4)**
Financing activities			
Dividends paid [d]			
■ L'Air Liquide S.A.		(1,581.2)	(1,718.1)
■ Minority interests		(85.4)	(90.3)
Proceeds from issues of share capital [d]		128.8	34.4
Purchase of treasury shares [d]		(81.9)	(230.8)
Net financial interests paid [a]		(222.5)	(218.2)
Increase (decrease) in borrowings [e]		(1,215.6)	(266.8)
Lease liabilities repayments		(240.1)	(239.1)
Net interests paid on lease liabilities		(39.8)	(45.3)
Transactions with minority shareholders		(142.0)	(33.4)
Net cash flows from (used in) financing activities		**(3,479.7)**	**(2,807.6)**
Effect of exchange rate changes and change in scope of consolidation		(61.6)	(32.4)
Net increase (decrease) in net cash and cash equivalents		**(357.3)**	**(101.2)**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**1,760.9**	**1,403.6**
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**1,403.6**	**1,302.4**

(a) In accordance with IAS 7.35, the Group classifies cash flows from income taxes as operating flows, unless they can be specifically attributed to financing and investing activities. Consequently, the Group presents the cost of net debt, proceeds from disposals, capital gains or losses on asset disposals and interest paid net of tax.
(b) This item includes net non-cash charges relating to IAS 19, IFRS 16 unwinding of discounting, IFRS 2 charge.
(c) This item includes in particular the increase in tangible and intangible assets (excluding right of use assets) and the change in supplier debts for fixed assets for 15.7 million euros in 2024 (56.3 million euros in 2023).
(d) A breakdown of dividends paid, share capital increases and treasury share purchases is provided on pages 197 and 198.
(e) This item includes in particular the change in other non current and current financial assets.

The analysis of net cash and cash equivalents at the end of the period is as follows:

(in millions of euros)	Notes	December 31, 2023	December 31, 2024
Cash and cash equivalents	(20)	1,624.9	1,915.3
Bank overdrafts (included in current borrowings)		(221.3)	(612.9)
NET CASH AND CASH EQUIVALENTS		**1,403.6**	**1,302.4**

Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1, 2024 TO DECEMBER 31, 2024

(in millions of euros)	Notes	Share capital	Additional paid-in capital	Retained earnings (including net profit)	Fair value of financial instruments	Translation reserves	Treasury shares	Shareholders' equity	Minority interests	Total equity
Equity and minority interests as of January 1, 2024		**2,884.8**	**2,447.7**	**20,495.4**	**(217.3)**	**(1,136.4)**	**(152.7)**	**24,321.5**	**721.6**	**25,043.1**
Profit for the period				**3,306.1**				**3,306.1**	**133.9**	**3,440.0**
Items recognized directly in equity				2.4	25.9	895.6		923.9	16.8	940.7
Net income and gains and losses recognized directly in equity [(a)]				**3,308.5**	**25.9**	**895.6**		**4,230.0**	**150.7**	**4,380.7**
Increase (decrease) in share capital		2.5	27.6					30.1	4.2	34.3
Free shares attribution [(b)] [(c)]		296.5	(296.5)						—	
Distribution	(9)			(1,719.6)				(1,719.6)	(90.3)	(1,809.9)
Cancellation of treasury shares [(c)]		(3.4)	(114.7)				118.1	—		—
Purchase/Sale of treasury shares [(c)]							(230.4)	(230.4)		(230.4)
Share-based payments				(0.4)			40.2	39.8		39.8
Transactions with minority shareholders recognized directly in equity				(10.3)				(10.3)	(24.9)	(35.2)
Others [(d)]				198.9				198.9		198.9
EQUITY AND MINORITY INTERESTS AS OF DECEMBER 31, 2024		**3,180.4** [(b)]	**2,064.1**	**22,272.5**	**(191.4)**	**(240.8)**	**(224.8)** [(c)]	**26,860.0**	**761.3**	**27,621.3**

(a) The statement of net income and gains and losses recognized directly in equity is presented on page 194.

(b) Share capital as of December 31, 2024 was made up of 578,259,263 shares at a par value of 5.50 euros. During the fiscal year, movements affecting share capital were as follows:
- *on June 12, 2024, share capital increase by capitalizing share premiums, and attribution of 53,911,973 free shares at an exchange rate of one new share for 10 existing shares and one new share for 100 existing registered shares held continuously from December 31, 2021 to June 11, 2024 inclusive*
- *creation of 301,422 shares in cash with a par value of 5.50 euros resulting from the exercise of options before the attribution of free shares;*
- *creation of 156,090 shares in cash with a par value of 5.50 euros resulting from the exercise of options after the attribution of free shares;*
- *share capital decrease by canceling 627,000 shares bought under the approval of the Combined Shareholders' Meeting on April 30, 2024;*

(c) The number of treasury shares as of December 31, 2024 totaled 1,815,681 (including 1,526,236 held by L'Air Liquide S.A.). During the fiscal year, movements affecting treasury shares were as follows:
- *acquisitions, net of disposals, of 926,379 shares before the attribution of free shares;*
- *acquisitions, net of disposals, of 352,771 shares after the attribution of free shares;*
- *cancellation of 627,000 shares by capital decrease;*
- *allocation of 371,826 shares as part of performance shares;*
- *creation of 171,663 shares related to the attribution of free shares*

(d) Including the effects of hyperinflation in Argentina and Türkiye.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1, 2023 TO DECEMBER 31, 2023

(in millions of euros)	Share capital	Additional paid-in capital	Retained earnings (including net profit)	Fair value of financial instruments	Translation reserves	Treasury shares	Shareholders' equity	Minority interests	Total equity
Equity and minority interests as of January 1, 2023	**2,879.0**	**2,349.0**	**18,858.0**	**(169.4)**	**(61.8)**	**(118.4)**	**23,736.4**	**835.6**	**24,572.0**
Profit for the period			**3,078.0**				**3,078.0**	**110.4**	**3,188.4**
Items recognized directly in equity			(26.4)	(47.9)	(1,074.6)		(1,148.9)	(43.8)	(1,192.7)
Net income and gains and losses recognized directly in equity [(a)]			**3,051.6**	**(47.9)**	**(1,074.6)**		**1,929.1**	**66.6**	**1,995.7**
Increase (decrease) in share capital	6.5	116.2					122.7	6.2	128.9
Distribution			(1,582.8)				(1,582.8)	(85.4)	(1,668.2)
Cancellation of treasury shares	(0.7)	(17.5)				18.2	—		—
Purchase/Sale of treasury shares						(82.0)	(82.0)		(82.0)
Share-based payments			37.4			29.5	66.9		66.9
Transactions with minority shareholders recognized directly in equity			(36.5)				(36.5)	(101.4)	(137.9)
Others [(b)]			167.7		—		167.7		167.7
EQUITY AND MINORITY INTERESTS AS OF DECEMBER 31, 2023	**2,884.8**	**2,447.7**	**20,495.4**	**(217.3)**	**(1,136.4)**	**(152.7)**	**24,321.5**	**721.6**	**25,043.1**

(a) *The statement of net income and gains and losses recognized directly in equity is presented on page 194.*
(b) *Including the effects of hyperinflation in Argentina and Türkiye.*

Accounting principles

BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Due to its listing on the Paris Stock Exchange and pursuant to EC Regulation No. 1606/2002 of July 19, 2002, the Consolidated Financial Statements of the Air Liquide Group for the year ended December 31, 2024 have been prepared in accordance with IFRS (International Financial Reporting Standards), as endorsed by the European Union as of December 31, 2024. The IFRS standards and interpretations as adopted by the European Union are available at the following website:

https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/international-accounting-standards-regulation_en

The Group has not anticipated any new standards, amendments to existing standards or new interpretations published by the IASB but not yet approved or not yet mandatory in the European Union, as of December 31, 2024.

The Financial Statements are presented in millions of euros. They were approved by the Board of Directors on February 20, 2025. They will be submitted for approval to the Shareholders' Meeting on May 6, 2025.

NEW IFRS AND INTERPRETATIONS

1. Standards, interpretations and amendments endorsed by the European Union whose application is mandatory as of January 1, 2024

The following texts have no significant impact for the Group:

- amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures: Supplier Finance Arrangements", issued on May 25, 2023;
- amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – Deferral of Effective Date" and "Presentation of Financial Statements: Non-current Liabilities with Covenants", issued on January 23, 2020, July 15, 2020 and October 31, 2022 respectively;
- amendments to IFRS 16 "Lease Liability in a Sale and Leaseback", issued on September 22, 2022.

2. Standards, interpretations and amendments endorsed by the European Union whose application is optional in 2024

The Group Financial Statements for the year ended December 31, 2024 do not include any potential impacts from the standards, interpretations and amendments endorsed by the European Union as of December 31, 2024, for which adoption is only mandatory as of fiscal years beginning after January 1, 2024. These texts are as follows:

- amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability" issued on August 15, 2023.

3. Standards, interpretations and amendments not yet endorsed by the European Union

The impacts on the Financial Statements of texts published by the IASB as of December 31, 2024 and not yet endorsed by the European Union are currently being analyzed. These texts are as follows:

- IFRS 18 "Presentation and Disclosure in Financial Statements" issued on April 9, 2024;
- amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" issued on May 30, 2024;
- annual improvements Volume 11 issued on July 18, 2024;
- amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity" issued on December 18, 2024

In addition, the following texts are not applicable to the Group:

- IFRS 19 "Subsidiaries without Public Accountability: Disclosures" issued on May 9, 2024.

USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Statements requires Group or subsidiary management to make estimates and use certain assumptions which have a significant impact on the carrying amounts of assets and liabilities recorded in the consolidated balance sheet, the notes related to these assets and liabilities, the profit and expense items in the income statement and the commitments relating to the period-end. Balance sheet, income statement and cash flow statement line items could differ should the subsequent actual results differ from the estimates. The most significant estimates and assumptions concern namely:

- the estimated useful life of property, plant and equipment used for calculation of depreciation and amortization: these estimates are described in section 5.e of the accounting policies;
- the assumptions used to determine provisions for employee retirement benefit obligations: the actuarial assumptions used (employee turnover, mortality, retirement age, salary increase, etc.), and the discount rates used to determine the present value of obligations, as described in section 9.b of the accounting policies and in note 23.3;
- the estimates and assumptions concerning assets' impairment tests, as described in section 5.f of the accounting policies and in note 10.2;
- the methods used to recover deferred tax assets on the balance sheet disclosed in note 15.1;
- the risk assessment to determine the amount of provisions for contingencies and losses on the balance sheet disclosed in note 22;
- the accounting methods for the margin of the Engineering & Construction contracts that are set out in section 3.b of the accounting policies;
- the assumptions retained to evaluate the lease liability (IFRS 16): lease term and discount rate. They are described in section 5.g of the accounting principles.

In addition, the Group considers that climate risks are material, even though their quantified impact on the Consolidated Financial Statements of the Group is not material. The Group takes into account these risks in its closing assumptions and incorporates their potential impact in its Financial Statements. In particular, climate risks are taken into account when carrying out closing procedures, in particular the analysis of the useful lives of property, plant and equipment used for calculation of depreciation and amortization, the review of the estimates and assumptions concerning assets' impairment tests, and the risk assessment to determine the amount of provisions for contingencies and losses. The consideration of climate risks by the Group is described in particular in note 31.

ACCOUNTING POLICIES

The Consolidated Financial Statements were prepared under the historical cost convention, except for financial assets and liabilities measured at fair value through profit or loss or through other comprehensive income in accordance with IAS 32/IFRS 9. The carrying amount of other assets and liabilities hedged against fair value risk is adjusted to take into account the changes in fair value attributable to the hedged risks. In addition, the principles of fairness, going concern, and consistency were applied.

1. CONSOLIDATION METHODS

The consolidation methods used are:

- full consolidation method for subsidiaries;
- assets, liabilities, expenses and revenue of joint operations are recognized in relation to the Group's interest in these entities;
- equity method for joint ventures and associates.

a. Subsidiaries

All the subsidiaries or companies in which the Air Liquide Group exercises exclusive control are fully consolidated. Control exists when all the following conditions are met:

- the Group has existing rights that give it the current ability to direct the relevant activities;
- the Group is exposed, or has rights, to variable returns from its involvement with the entity;
- the Group has the ability to use its power over the entity so that it affects the amount of the returns.

Companies are fully consolidated from the date on which the Group obtains control and until the date on which control is transferred outside the Group.

b. Joint operations

Joint operations are joint arrangements whereby the Air Liquide Group has joint control with one or several parties through a contractual agreement, which gives it rights to the assets and obligations for the liabilities of the entity.

Assets, liabilities, expenses and revenue of joint operations are recognized in relation to the Group's interest in these entities. These amounts are recorded on each relevant line of the Financial Statements as for the consolidated entities.

c. Joint ventures

Joint ventures are joint arrangements whereby the Air Liquide Group has joint control with one or several parties through a contractual agreement, which gives it rights to the net assets of the entity.

Joint ventures are consolidated using the equity method. Under this one, the net assets and net profit of a company are recognized pro rata to the interest held by the Group in the share capital.

On acquisition of an investment in a joint venture, goodwill relating to the joint venture is included in the carrying amount of the investment.

d. Associates

Associates are investments over which the Air Liquide Group has significant influence (generally when the Group has more than a 20% interest), but no control.

Associates are consolidated using the equity method. Under this one, the net assets and net profit of a company are recognized pro rata to the interest held by the Group in the share capital.

On acquisition of an investment in an associate, the goodwill relating to the associate is included in the carrying amount of the investment.

The financial statements of subsidiaries, joint arrangements and associates are prepared as of December 31.

2. FOREIGN CURRENCY TRANSACTIONS AND BALANCES AND TRANSLATION OF THE FINANCIAL STATEMENTS OF COMPANIES WHOSE FUNCTIONAL CURRENCY IS NOT THE EURO

The functional currency of an entity is the currency of the primary economic environment in which it carries out its operations. In the majority of cases, the functional currency corresponds to the local currency. However, a functional currency other than the local currency can be retained for certain entities, provided that it represents the currency of the main transactions carried out by the entity and that it ensures faithful representation of its economic environment. Foreign currency transactions are recognized according to the following principles:

- foreign currency transactions are translated by each company into its functional currency at the exchange rate prevailing on the date of the transaction;
- at year-end, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate.

Exchange differences relating to commercial transactions are recognized in operating profit. For financial transactions, exchange differences are recognized in financial income and expenses except for differences resulting from the hedge of a net investment in a foreign entity that are directly recognized in equity until the net investment is removed from the consolidation scope.

The presentation currency of the Group's Consolidated Financial Statements is the euro. At the balance sheet date, the financial statements of companies whose functional currency is not the euro are translated into euros as follows:

- balance sheet items, at the official year-end exchange rates;
- income statement and cash flow statement items, using the average exchange rate over the period for each currency.

Exchange differences are recognized under a separate item "Translation reserves" in gains and losses recognized directly in equity.

Cumulative foreign exchange gains and losses as of January 1, 2004 arising from the translation into euros of the financial statements of subsidiaries whose functional currency is not the euro have been maintained as a separate component of equity.

On removal from the scope of consolidation, the cumulative exchange differences of a company whose functional currency is not the euro are recognized in the income statement.

3. REVENUE RECOGNITION

The analysis of revenue recognition is based on the Group's activities, as follow:

a. Gas & Services

The supply of gas involves local production in order to limit transport costs. Therefore, Air Liquide gas production units are located throughout the world and can supply several types of customers and industries, with the relevant volumes and services required:

Large Industries

This business is characterized by the supply of large quantities of gas contracted for a period of 15 years or longer with a limited number of customers. The Group guarantees a high level of reliability and availability of gas supply with continued service, over the long-term. In return, these contracts include guaranteed minimum volumes through firm purchase clauses (take-or-pay). Due to the volume of gas to be supplied, Air Liquide supplies its Large Industries customers directly by pipelines, from a dedicated plant or different plants connected by a network.

These plants represent significant investments that are generally made in a way to share the production assets with the other business lines of the Group, particularly the Industrial Merchant business, or intended to serve the customers in an industrial basin that is connected on a pipeline network. In these cases, the assets are not identified under the meaning of IFRS 16 "Leases" and no lease contract is contained in the contracts with customers. When the customer's gas supply comes from a dedicated plant, the Group may decide on the use of these plants under the meaning of IFRS 16 "Leases". Consequently, the gas supply contracts for the Large Industries business do not contain leases.

Customers of the Large Industries business simultaneously receive and consume the benefits granted by the gas supply service or its availability. As a result, the revenue recognition related to these contracts occurs when the gas is supplied or when the reserved capacity is made available.

Industrial Merchant, Healthcare and Electronics

The Industrial Merchant business relies mainly on the gas production capacity of Large Industries and thereafter develops its own distribution logistics. This business is characterized by a wide range of customers and markets. The contract terms can be up to five years for cylinders and liquid gas supply and up to 15 years for small on-site gas generators.

Healthcare business supplies medical gases, services as well as medical devices to hospitals and patients in their homes. It also produces and distributes healthcare specialty ingredients for the cosmetics, pharmaceutical and vaccine markets.

The Electronics business supplies its customers with (i) carrier gases with a business model based on long-term contracts and on guaranteed minimum volumes with take-or-pay type clauses, (ii) electronics specialty materials in the form of pure or mixed gases, (iii) advanced materials, (iv) equipment and installations and (v) services notably on-site quality control and fluid management services.

For safety and quality reasons, Air Liquide supplies gas with its own equipment (small generators, storage tank, cylinders). Customers have no right of control on the identified assets under the meaning of IFRS 16 "Leases".

Consequently, the gas supply contracts for these businesses do not contain leases and the revenue recognition occurs as follows:

- gas supply: the revenue recognition occurs when the gas is supplied or when the reserved capacity is made available;
- sale of standard equipment and materials: the revenue recognition occurs when the control of these equipment and materials is transferred, which generally takes place at their delivery;
- specific equipment and installations: the transfer of control occurs over the time, together with their construction. Consequently, the revenue recognition occurs based on the stage of completion of the contracts at the balance sheet date;
- service: the revenue recognition occurs when the service is provided.

b. Engineering & Construction

Air Liquide enters into contracts to design and build production units worldwide for the Group's own account and for third-party customers.

The control of installations is transferred progressively with their design/construction. Consequently, the revenue recognition is based on the stage of completion of the contracts at the balance sheet date. The costs associated are recognized as an expense in the period when incurred. The stage of completion is assessed by using the ratio of contract costs incurred at the balance sheet date versus total estimated contract costs.

The margin realized at the stage of completion is recognized only when it can be reliably measured. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as a provision for onerous contracts.

c. Global Markets & Technologies

The Global Markets & Technologies business focuses on new markets requiring a global approach. This business is growing mainly within the following markets:

- new markets relating to the energy transition, as well as space, and extreme cryogenics markets. As a consequence of its nature, the analysis of the revenue recognition on this market is done on a case-by-case basis depending on the nature of performance obligations;
- gas usages by the actors in the maritime sector, namely offshore oil and gas platforms, offshore wind turbines, or cryogenic transportation by sea. The analysis carried out for Industrial Merchant is applicable to this market.

4. TAXES

a. Income tax expense

The tax rate is calculated on the basis of the fiscal regulations enacted or substantively enacted at the fiscal year closing date in each of the countries where the Group's companies carry out their business.

The Group's applicable tax rate corresponds to the average of the theoretical tax rates in force in each of the countries, weighted according to profit obtained in each of these countries.

The average effective tax rate is calculated as follows: (current and deferred income tax expense)/(net profit before tax less share of profit of equity affiliates, dividends received and net profit from discontinued operations).

b. Deferred taxes

Deferred taxes are recognized for all temporary differences between the carrying amount of assets and liabilities and their tax base (excluding non-deductible goodwill and the other exceptions provided in IAS 12), the tax loss carryforwards and the unused tax credits. Deferred tax assets are recognized on all deductible temporary differences provided that it is highly probable that the tax benefits will be realized in future years.

Deferred taxes are calculated at the tax rate applicable when the temporary difference is reversed and allowed under local regulations at the period-end date. The liability method is applied and any changes to the tax rates are recognized in the income statement, except those related to items directly recognized in equity.

Deferred tax assets and liabilities are offset if the entities have a legally enforceable right to offset and if they relate to income tax levied by the same taxation authority. Deferred taxes are not discounted.

Deferred taxes are mainly due to temporary differences between the tax and economic depreciation of assets, the carryforward of tax losses and provisions not immediately deductible for tax purposes, such as employee benefit provisions.

When the Group decides not to distribute profits retained by the subsidiary within the foreseeable future, no deferred tax liability is recognized.

5. NON-CURRENT ASSETS

a. Goodwill and business combinations

The Group has prospectively applied IFRS 3 revised since January 1, 2010.

When the Group obtains control of an acquiree, the business combination is accounted for by applying the acquisition method on the acquisition date, in accordance with IFRS 3 revised:

- the identifiable assets acquired and the liabilities and contingent liabilities assumed are measured at fair value;
- any minority interests in an acquiree are measured as the minority interest's proportionate share of the acquiree's net identifiable assets or at fair value. This option is applied on a case-by-case basis;
- the consideration transferred and any contingent consideration are measured at fair value;
- acquisition-related costs are recorded as other operating expenses in the periods in which they are incurred.

For a business combination achieved in stages, any previously held equity interests in the acquiree are measured at the acquisition-date fair value. Any resulting gains or losses are recognized in profit or loss.

The measurement period of a business combination shall not exceed 12 months as of the acquisition date. Any adjustments, after the measurement period, of the consideration transferred and the fair values of acquired assets and assumed liabilities are recorded in the income statement.

On the acquisition date, goodwill is recognized in the consolidated balance sheet as the difference between:

- the consideration transferred plus the amount of minority interests in the acquiree and the fair value of the previously held equity interest; and,
- the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

Negative goodwill is recognized immediately through profit or loss.

Goodwill is allocated to cash-generating units (CGUs) or groups of CGUs that benefit from business combination synergies. Subsequently, goodwill is not amortized but is tested for impairment annually or more frequently if there are any indications of impairment, in accordance with the method described in section 5.f.

In addition, at the time of the transition to IFRS and in accordance with the exemption offered by IFRS 1, the Group decided not to apply IFRS 3 "Business combinations" retrospectively for acquisitions that took place prior to January 1, 2004.

b. Research and Development expenditures

Research and Development expenditures include all costs related to the scientific and technical activities, patent work, education and training necessary to ensure the development, manufacturing, start-up, and commercialization of new or improved products or processes.

According to IAS 38, development costs shall be capitalized if, and only if, the Group can meet all of the following criteria:

- the project is clearly identified and the related costs are itemized and reliably monitored;
- the technical and industrial feasibility of completing the project is demonstrated;
- there is a clear intention to complete the project and to use or sell the intangible asset arising from it;
- the Group has the ability to use or sell the intangible asset arising from the project;
- the Group can demonstrate how the intangible asset will generate probable future economic benefits;
- the Group has adequate technical, financial and other resources to complete the project and to use or sell the intangible asset.

When these conditions are not satisfied, development costs generated by the Group are recognized as an expense when incurred.

Research expenditure is recognized as an expense when incurred.

c. Internally generated intangible assets

Internally generated intangible assets primarily include the development costs of information management systems. These costs are capitalized only if they satisfy the criteria as defined by IAS 38 and described above.

Internal and external development costs on management information systems arising from the development phase are capitalized. Significant maintenance and improvement costs are added to the initial cost of assets if they specifically meet the capitalization criteria.

Internally generated intangible assets are amortized over their useful lives.

d. Other intangible assets

Other intangible assets include separately acquired intangible assets such as software, licenses, and intellectual property rights. They also include the technology, brands and customer contracts valued upon the acquisition of companies in accordance with IFRS 3 "Business Combinations".

With the exception of certain brands, intangible assets are amortized using the straight-line method over their useful lives. Information management systems are generally amortized over a period comprised between five and eight years and customer contracts over a maximum period of 25 years, considering the probabilities of renewal.

e. Property, plant and equipment

Land, buildings and equipment are carried at their acquisition cost less any accumulated depreciation and impairment losses. In the event of mandatory dismantling or asset removals, related costs are added to the initial cost of the relevant assets and provisions are recognized to cover these costs.

Interest costs on borrowings to finance the construction of property, plant, and equipment are capitalized during the period of construction when they relate to the financing of industrial projects over a twelve-month construction period, or longer.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted separately and depreciated over their own useful lives.

Repair and maintenance costs are recognized as expenses when incurred. The costs of major inspections and overhauls are recognized as a separate component of the asset and are depreciated over the period between two major overhauls.

Depreciation is calculated according to the straight-line method over the estimated useful lives as follows:

- buildings: 20 to 30 years;
- cylinders: 10 to 40 years;
- production units: 15 to 20 years;
- pipelines: 15 to 35 years;
- other equipment: 5 to 30 years.

The estimated useful lives are reviewed regularly and changes in the estimates are recorded prospectively from the date of change.

Land is not depreciated.

f. Impairment of assets

The Group regularly assesses whether there are any indications of asset impairment. If such indications exist, an impairment test is performed to assess whether the carrying amount of the asset is greater than its recoverable amount, defined as the higher of the fair value less costs to sell (net fair value) and the value in use.

Impairment tests are performed systematically once a year for goodwill and intangible assets with indefinite useful lives.

Assets that do not generate largely independent cash flows are grouped according to the cash-generating units (CGUs) to which they belong. A cash-generating unit is an identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. They are mainly determined on a geographical basis and by reference to the markets in which the Group operates.

In practice, the Group performs impairment tests at various levels pursuant to these principles:

- dedicated and on-site plants are tested individually;
- pipelines and plants that provide these pipelines are tested at the network level;
- liquid gas and hydrogen/CO plants are grouped together according to the plants' customer market;
- other assets are allocated to cash-generating units or groups of cash-generating units.

The cash-generating units of the Gas & Services activities are determined on a geographical basis. The other activities are managed at a worldwide level (Engineering & Construction and Global Markets & Technologies).

Goodwill is allocated to cash-generating units or groups of cash-generating units that benefit from business combination synergies and which represent the levels at which goodwill is monitored by the Group.

When performing impairment tests on cash-generating units or groups of cash-generating units comprising goodwill, the Group uses the market multiples approach. The multiples of revenue and operating income recurring before depreciation and amortization are based on the Air Liquide Group's stock market valuation. They are comparable with those of companies whose business is similar to that of the Group. The resulting multiples are applied to aggregates (revenue and operating income recurring before depreciation and amortization) of each CGU. Where the fair value obtained using the multiples method is not significantly greater than the net carrying amount of the cash-generating unit or group of cash-generating units, the Group confirms the recoverable amount of the cash-generating unit or group of cash-generating units using the estimated future cash flow approach (value in use).

For cash-generating units or groups of cash-generating units not including goodwill, and assets whose value is tested on an individual basis, the Group determines the recoverable amount using the estimated future cash flow approach (value in use).

The growth rates, taken into account with respect to the cash flow estimates for future cash-generating units or groups of cash-generating units, are determined based on the activity and geographical location of the CGU considered.

The Group takes into account climate risk and the challenges and opportunities presented by the energy transition when carrying out all impairment tests (including goodwill or individually tested assets).

In assessing value in use for property, plant and equipment, the estimated future cash flows are discounted to their present value. Cash flows are measured over the asset's estimated period of use, taking into account customer contract terms and technical obsolescence.

The discount rate depends on the nature, the location of the asset and the customer market. It is determined according to the minimum level of profitability expected from the investment considering industrial and commercial risks and credit terms.

When the recoverable amount of an asset, a cash-generating unit or a group of cash-generating units is lower than its carrying amount, an impairment loss is recognized immediately through profit and loss. An impairment loss of a cash-generating unit is first allocated to goodwill.

When the recoverable amount exceeds the carrying amount again, the previously recognized impairment loss is reversed to the income statement, with the exception of impairment losses on goodwill, which cannot be reversed.

g. Leases

In the course of its activity, the Group enters as a lessee in contracts mainly for the following types of assets:

- land, buildings and offices;
- transportation equipment, in particular for Industrial Merchant and Healthcare business lines;
- other equipment.

According to IFRS 16, any contract (apart from exceptions mentioned below) containing a lease leads to recognition on the lessee's balance sheet of a right-of-use of the leased asset and a lease liability related to the present value of the commitments for future lease payments (lease liability).

A contract is, or contains, a lease if it conveys to the Group the right to control the use of an identified asset for a period of time in exchange of consideration. In particular, the Group has concluded that transportation contracts which confer to the supplier the substantive right to substitute the vehicle throughout the period of use and/or the control on the choice of the route, the driver and maintenance policy, are service contracts and do not meet the definition of a lease under IFRS 16.

In addition, the Group has chosen to use the following exemptions and not to apply IFRS 16:

- to the lease contracts having a lease terms of 12 months or less;
- to the lease contracts for which the underlying asset is of low value, in particular, office and telephony equipment, computers and small IT equipment. Lease contracts for data centers are analyzed on a case-by-case basis.

The main assumptions used to measure the right-of-use and the lease liability are:

- lease term. It corresponds to the non-cancellable period for which a lessee has the right to use an underlying asset, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise (for options to extend) or not to exercise (for options to terminate) such options. The probability to exercise or not an option is determined by type of contracts or on a case-by-case basis according to contractual terms, regulatory environment and the nature of the underlying asset (in particular, its technical specificity and strategic location);
- the discount rate used for evaluation of the lease liability. The discount rate retained is the lessee's incremental borrowing rate. Due to the centralized financing in the Group, it corresponds for each subsidiary to the interest rate for intragroup borrowings determined according to the currency of the lease contract, the country and the lease term taking into account the repayment profile (linear amortization of the lease liability).

Deferred taxes relating to the right of use asset and lease liability arising from a single transaction are recognized on a net basis.

6. FINANCIAL INSTRUMENTS

a. Non-consolidated investments

Investments in non-consolidated companies that are not accounted for using the equity method are classified as assets measured at fair value. These investments are not held for trading, consequently, at initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. In this case, changes in fair value are not reclassified to net result upon disposal of these investments.

Dividends from these investments are recognized in other financial income.

b. Trade and other receivables

Trade and other receivables are measured at their transaction price upon initial recognition and then at amortized cost less any impairment losses based on expected credit losses model.

Expected credit losses are estimated on the basis of a matrix consisting in using historical loss rates adjusted depending on actual observable conditions. Expected credit losses are estimated at each closing date in the following manner:

- segregating trade receivables into appropriate groups, in particular depending on the activities of the Group, type and size of client and its market segment;
- within each group of trade receivables, determining of age-bands;
- for each age-band identification of losses realized in previous financial year;
- adjusting if necessary historical loss rate depending on actual observable conditions in order to take into account, in particular, current market conditions, type of client, credit management practices of the Group as well as specific information concerning individual customers;
- application of loss rates estimated in this way to each age-band of trade receivables.

For all construction contracts in progress at the year-end, the gross amounts payable by and to customers represent the sum of costs incurred plus profits recognized using the percentage of completion method, equivalent to total revenue recorded using the percentage of completion method, less the amount of advances received.

Amounts payable by customers are presented in trade receivables. Amounts due to customers are presented in other current liabilities.

Assignments of trade receivables

Assignments of trade receivables are derecognized from the balance sheet when:

- the Group transfers the contractual rights to receive the cash flows related to these receivables to the assignee; or
- the Group retains the contractual rights to receive the cash flows related to these receivables, but assumes a contractual obligation to pay the cash flows to the assignee in an arrangement that cumulatively meets the following three conditions:
  - the Group has no obligation to pay to the assignee unless it collects the equivalent amount,
  - the Group is prohibited from selling or pledging the receivables other than as security for the obligation to pay cash flows to the assignee,
  - the Group has an obligation to remit any cash flows it collects on behalf of the assignee without material delay;
- and the Group transfers substantially all the risks and awards of ownership of the receivables, in particular credit risk and risk of late payment.

c. Cash and cash equivalents

Cash and cash equivalents include cash balances, current bank accounts, and short-term highly liquid investments that are readily convertible into cash and which are exposed to a negligible risk of change in value.

Short-term investments include temporary cash investments maturing in less than three months (commercial paper, certificates of deposit and money market funds) whose minimum long-term rating is A (S&P) or A2 (Moody's).

As cash investments maturing in less than three months are exposed to a negligible risk of a change in value, they are recognized at historical cost (including accrued interest) which is considered to approximate fair value.

d. Trade payables

The Group sets up supplier paying services agreements with partner banks to facilitate the processing of supplier invoices payments. The Group analyzes the main contract features that enable to keep the trade payables qualification. In particular, the Group ensures that the following characteristics are met:

- no deviation of the payment terms of the underlying payable between the financing party and the original supplier. In other words, the Group must pay to the bank no later than the payment term of invoice;
- payment terms negotiations between Air Liquide and supplier must be conducted independently of any negotiation on paying service agreement. In particular, payment terms shall not be subject to the supplier's success in selling invoices to the bank;
- the terms of contract with the supplier shall not be explicitly linked to any payment term extension. Payment term with a particular supplier must be homogenous, independently of the participation of a particular invoice in the program or not;
- payment terms should stay within the ordinary industry/sector norms and local regulation, and should not be tied to the participation in the paying services agreement;
- program structures should avoid debt-like features such as interest and fees paid by Air Liquide to the bank or supplier;
- tri-party agreements between Air Liquide, the supplier and the bank that pre-arrange the financing of the invoices owed by Air Liquide to the supplier shall be avoided.

e. Current and non-current borrowings

Borrowings include bonds and other bank borrowings (including the put options granted to minority shareholders).

At inception, borrowings are recognized at fair value corresponding to the net proceeds collected. At each balance sheet date, except for put options granted to minority shareholders, they are measured at amortized cost using the effective interest rate (EIR) method. Under this method, the borrowing cost includes the redemption premiums and issuance costs initially deducted from the nominal amount of the borrowing in liabilities.

Borrowings maturing in less than one year are classified as current borrowings.

Borrowings hedged by interest rate swaps are recognized on a hedge accounting basis.

Put options granted to minority shareholders

Put options granted to minority shareholders are recorded as borrowings at the option's estimated strike price. The share in the net assets of subsidiaries is reclassified from "Minority interests" to "Borrowings". Due to the absence of any specific IFRS guidance, the Group has elected to recognize the consideration for the difference between the strike price of the option granted and the value of the minority interests reclassified as borrowings in shareholders' equity – Group share. Minority interests in profit and loss do not change and still reflect present ownership interests.

f. Derivative assets and liabilities

Derivative financial instruments are used to manage exposures to foreign exchange, interest rate and commodity risks relating to the Group's financial and operating activities. For all these transactions, the Group applies hedge accounting and documents, at the inception of the transaction, the type of hedging relationship, the hedging instruments, and the nature and term of the hedged item.

Applying hedge accounting has the following consequences:

- fair value hedges for existing assets and liabilities: the hedged portion of the item is carried at fair value in the balance sheet. Any changes in fair value are recognized in the income statement, where they are offset by the corresponding changes in fair value of the hedging instruments (except for the impact of premiums/discounts);
- future cash flow hedges: the effective portion of the change in fair value of the hedging instrument is recorded directly in equity (items that may be subsequently reclassified to income statement), while the change in the fair value of the hedged item is not recognized in the balance sheet. The change in fair value of the ineffective portion is recognized in other financial income or expenses. When the hedged transactions occur and are recorded, amounts recorded in other comprehensive income are reclassified in the income statement;
- hedges of net investments in a foreign entity: the effective portion of the changes in fair value of the derivative instrument is recognized in gains and losses recognized directly in equity under "Translation reserves". The ineffective portion of changes in fair value is recognized in "Other financial income and expenses". Once the foreign entity subject to the net investment hedge is sold, the loss or profit initially recognized in translation reserves is recognized in profit or loss, within the gain or loss generated.

However, in limited circumstances, certain types of derivatives do not qualify for hedge accounting; they are carried at fair value through "Other financial income and expenses" with an offsetting entry in financial assets and financial liabilities.

The fair value of assets, liabilities and derivatives is based on the inputs observable on the market at the balance sheet date.

7. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

a. Assets classified as held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This classification occurs when the Group takes the decision to sell them and that the sale is considered highly probable.

The assets and liabilities held for sale are presented on different lines of the balance sheet. They are measured at the lower of their carrying amount or fair value less costs to sell. Assets classified as held for sale are no longer depreciated (amortized) as of the date they are classified as assets or disposal groups held for sale.

When a sale involving the loss of control of the subsidiary is considered highly probable, all the assets and liabilities of this subsidiary are classified as being held for sale, independently of whether or not the Group retains a residual interest in the entity after its sale.

b. Discontinued operations

A discontinued operation is a clearly identifiable component that the Group either has abandoned or that is classified as held for sale:

- representing a separate major line of business or geographical area of operations;
- being part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or,
- being a subsidiary acquired exclusively with a view to resale.

Once the criteria are met, the profit and loss and the cash flow from discontinued operations are presented separately in the income statement and the consolidated cash flow statement for each period.

8. SHARE CAPITAL, RESERVES AND TREASURY SHARES

Air Liquide's share capital is composed of ordinary shares.

Retained earnings include the following items:

- translation reserves: exchange differences arising from the translation into euros of financial statements prepared by foreign subsidiaries whose functional currency is not the euro are recorded in translation reserves. Fair value changes in net investment hedges of these foreign subsidiaries are also recorded in this reserve;
- fair value of financial instruments: this item records accumulated fair value changes in the effective portion of cash flow hedge derivatives (transactions not yet recognized in the accounts);
- actuarial gains and losses: all actuarial gains and losses and adjustments arising from the asset ceiling, net of deferred taxes, are recognized in consolidated reserves in the period in which they occur.

When the Group buys back its own shares, they are classified as treasury shares at the purchase price and presented as a deduction from equity for the consideration paid. The profit or loss from the sale of treasury shares is recognized directly in equity, net of tax.

Furthermore, acquisitions or disposals of minority interests, without change in control, are considered as transactions with the Group's shareholders. Thus, the difference between the price paid to increase the percentage of interest in entities that are already controlled and the additional share of equity thus acquired is recognized in Shareholders' equity. Similarly, a decrease in the Group's percentage interest in a controlled entity is accounted for as an equity transaction with no impact on profit or loss.

Disposals of shares with loss of control give rise to the recognition in disposal gains or losses of the change in fair value calculated for the total investment at the date of disposal. Any investments retained, where applicable, will be measured at fair value at the date when control is lost.

9. PROVISIONS

a. Provisions

Provisions are recognized when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Restructuring provisions include only the direct costs arising from the restructuring and are recognized in the period in which the Group has approved a detailed and formal restructuring plan and the restructuring has either begun or been announced. When these plans involve termination benefits, the resulting provisions are recognized at the earlier of the following dates:

- when the Group can no longer withdraw the offer of those benefits;
- when the provision of the related restructuring is recognized.

A provision for losses on contracts is recognized when the expected benefits from the contract are lower than the cost of satisfying the obligations under the contract.

b. Pensions and employee benefits

The Group provides its employees with various pension plans, termination benefits, jubilees and other post-employment benefits for both active and retired employees. The characteristics of each plan vary according to the laws and regulations applicable in each country as well as each subsidiary policy.

These benefits are covered by two types of plan:

- defined contribution plans;
- defined benefit plans.

The Group grants both defined benefit and defined contribution plans.

Defined contribution plans are plans under which the employer's sole obligation is to pay regular contributions. The employer's obligation is limited to payment of the planned contributions. The employer does not grant any guarantees on the future level of benefits paid to the employee or retiree (means-based obligation). The annual pension expense is equal to the contribution paid during the fiscal year which relieves the employer from any further obligation. It is recognized in "Personnel expenses".

Defined benefit plans are those by which the employer guarantees the future level of benefits defined in the agreement, most often depending on the employee's salary and seniority ("result-based obligation"). Defined benefit plans can be:

- either financed by contributions to a fund specialized in managing the amounts received;
- or managed internally.

In the case of defined benefit plans, retirement and similar obligations are measured by independent actuaries, according to the projected unit credit method. The actuarial calculations mainly take into account the following assumptions: salary increases, employee turnover, retirement date, life expectancy, inflation and appropriate discount rates for each country.

Defined benefit plans are covered by external pension funds in certain cases. The assets of these plans are mostly invested in bonds or equities carried at their fair value.

All actuarial gains and losses as well as any adjustment arising from the asset ceiling are recognized in the period in which they occur.

Actuarial assumptions used vary according to the demographic and economic conditions prevailing in each country where the Group has pension plans.

Discount rates used to measure the present value of the Company's obligations and the net interest cost are determined by reference to market yields on High-Quality corporate bonds. Where there is no deep market in such bonds, the market yields on government bonds with the same maturity at the valuation date shall be used. In the Euro zone, the United States, the United Kingdom and Canada, discount rates were determined using tools designed by independent actuaries. Their database uses several hundred different corporate bonds with a minimum AA-rating and maturities ranging from one to 30 years. Cash flows of expected benefits are subsequently discounted using rates associated to each maturity.

Valuations are carried out annually by independent actuaries for significant plans and every three years for other plans unless there are material changes in assumptions or major events that require a new calculation. Impacts related to defined benefit plans are registered as follows:

- the service cost, the gain relating to curtailments and settlements, and the actuarial gains and losses from other long-term benefits and recognized in "Personnel expenses". In addition, the service cost of defined benefit plans which are capped, linked to length of service and require the presence of the beneficiary in the company at the time of retirement is spread over the period between the date on which the services rendered began to generate rights and the date on which the additional services cease to generate rights;
- net interest cost for defined benefits is registered in "Other financial income and expenses";
- past service cost is recorded in profit or loss according to the nature of the change to the plan that generated it (i.e. either in "Personnel expenses" or in "Other operating income and expenses");
- actuarial gains and losses from defined benefit plans, retirement termination payments, and medical plans are recorded in "Gains and losses recognized directly in equity".

10. GOVERNMENT GRANTS

Government grants received are initially recognized in "Other non-current liabilities". They are then recognized as income in the income statement for the period:

- on the same basis as the subsidized assets are depreciated in the case of government grants related to assets;
- deducted from the costs intended to be compensated in the case of government grants other than those related to assets.

The Group analyzes the substance of government incentives delivered through the tax system and selects an accounting treatment consistent with such substance.

11. SHARE-BASED PAYMENTS

The Group grants stock options and performance shares to Executive Officers and some employees.

Stock options and performance shares are measured at fair value on the grant date. Their fair value is recognized as a "Personnel expense" in the income statement with a corresponding increase in equity, and amortized on a straight-line basis over the vesting period.

The valuation is performed by an independent expert, using mathematical models appropriate to the characteristics of each plan. It takes into account the market vesting conditions associated to each one. The fair value measured at the grant date is not subject to re-evaluation due to changes in market conditions.

Vesting conditions, other than market ones, have no impact on the fair value measurement of services received but adjust the expense that is recognized according to the number of equity instruments actually granted.

The dilution effect of non-vested stock option plans and performance share allocations is reflected in the calculation of diluted earnings per share.

Share subscription option plans

Options are valued using the following main underlying assumptions:

- volatility: implicit;
- risk-free interest rate: zero-coupon benchmark rate at the plan issue date and matching the various maturities retained;
- dividend growth rate: based on the historical average annual growth rate;
- employee resignation rate: that of individuals belonging to the same age group as the plan beneficiaries. The resignation rate is used to extrapolate the number of options which will not be exercised due to the resignation of beneficiaries;
- the probability of achieving the market vesting conditions.

Performance shares allocation plans

Performance shares are measured at fair value, taking into account a discount on non-transferable shares. The cost of non-transferability is measured as the cost of a two-step strategy consisting in the forward sale of shares being non-transferable for four years (or five years depending on the plan) and the purchase on the spot market of the same number of shares funded by an amortizable loan with an in fine capital repayment.

Valuation is based upon the following main underlying assumptions:

- risk-free interest rate: four-year zero-coupon benchmark rate (or five-year depending on the plan) at the plan issue date plus a credit margin that would be proposed to employees;
- dividend growth rate: based on the historical average annual growth rate;
- employee resignation rate: that of individuals belonging to the same age group as the plan beneficiaries. This resignation rate is used to extrapolate the shares which will not be allocated due to the resignation of beneficiaries;
- the probability of achieving the market vesting conditions.

12. GREENHOUSE GAS EMISSION QUOTAS

In certain countries, the Group is subject to greenhouse gas emission quota systems.

In the absence of any specific IFRS guidance, the Group has elected to apply the ANC Regulation No. 2014-03. The Group does not buy CO_2 quotas for the purpose of generating profits from fluctuations in price; therefore, at each closing date:

- a liability is recognized if the greenhouse gas emissions are higher than the CO_2 quotas held by the Group. It corresponds to the cost of CO_2 quotas in shortfall to cover the greenhouse gas already emitted; or,
- an asset is recognized if the greenhouse gas emissions are lower than the CO_2 quotas held by the entity. It corresponds to the CO_2 quotas available to cover the future greenhouse gas emissions, valued at historical cost.

13. RENEWABLE POWER PURCHASE AGREEMENTS

In order to reduce its indirect emissions related to energy purchases (Scope 2 emissions), the Air Liquide Group signs long-term renewable energy purchase agreements (Power Purchase Agreements or PPAs). The Group analyzes the main features of these contracts, in particular verifying that:

- regarding IFRS 10/11:
  - Air Liquide neither has the right nor is exposed to variable returns from the entity supplying the energy,
  - Air Liquide has no power over the activities of the entity supplying the energy;
- regarding IFRS 16: the volume to be purchased by Air Liquide under these contracts represents a portion of the sites' electricity production that does not represent substantially all of their capacity or, if this is the case, the Group has neither participated in its design nor has the right to control the use of the asset;
- regarding IFRS 9:
  - site/basin cumulative consumption exceeds the volume of renewable energy contracted over the duration of the contract,
  - the Group does not resell with a view to generate a profit resulting from market price variations,
  - the terms of the contracts do not allow for net settlement in cash, in other financial instruments or by exchanging financial instruments, and Air Liquide's has no practice, for similar contracts, of such net settlements,
  - the PPA price structure is closely linked to the economic characteristics and risks of the energy supply contract.

Consequently, PPAs are classified as purchase contracts for own use, and are presented as off-balance sheet commitments.

Considerations for Virtual Power Purchase Agreements (or VPPAs)

VPPAs are financial instruments (derivatives) to be recognized at fair value at inception. The Group qualifies them as cash flow hedges by verifying:

- the highly probable nature of the underlying, i.e. electricity purchases over the entire term of the contract;
- the expected effectiveness of the hedge.

Basis for presentation of financial information

1. SEGMENT INFORMATION

The Group is structured according to the following activities: Gas & Services, Engineering & Construction and Global Markets & Technologies.

The Group's main operational decision-making body is the Executive Management assisted by the Executive Committee.

The Gas & Services activities are organized by geographical area, which is the responsible level for operations management and performance monitoring. These geographical areas are as follows:

- Europe, Middle East & Africa;
- Americas;
- Asia Pacific.

Within the Gas & Services segment, the geographical areas determine sales policies and development projects in liaison with the four business lines (Large Industries, Industrial Merchant, Healthcare and Electronics).

The Engineering & Construction segment is managed separately on a worldwide scale. The segment designs, develops and builds industrial gas production plants for the Group and third parties. It also designs and manufactures plants in the traditional, renewable and alternative energy sectors.

The Global Markets & Technologies segment is also managed separately on a worldwide scale. It focuses on new markets which require a global approach, drawing on science, technologies, development models, and usages related to digital transformation.

Research and Development and corporate activities do not meet the operating segments definition and are thus presented within reconciliation.

The information communicated in the tables covering segment information is presented according to the same accounting principles as those used for the Group Consolidated Financial Statements.

Revenue is analyzed by geographical area of production (country of origin).

Inter-segment revenue between Gas & Services, Engineering & Construction and Global Markets & Technologies activities corresponds to the sales between these operating segments.

The Group operating performance is assessed on the basis of each segment's Operating income recurring.

Segment assets include non-current assets, with the exception of "Deferred tax assets", "Investments in associates", "Fair value of non-current derivatives (assets)", as well as "Inventories and work-in-progress", "Trade receivables" and "Other current assets".

Segment liabilities correspond to "Provisions, pensions and other employee benefits", "Trade payables", "Other current liabilities" and "Other non-current liabilities".

Segment profits, assets and liabilities consist of amounts directly attributable to each segment, provided they can be allocated to the segment on a reasonable basis.

2. NET DEBT

The net debt includes:

- current and non-current borrowings, as defined in section 6.e of accounting policies;

reduced by:

- cash and cash equivalents, as defined in section 6.c of accounting policies.

The net debt does not include the lease liabilities as defined in section 5.g of accounting policies.

3. INFORMATION ON INTERESTS IN JOINT ARRANGEMENTS OR ASSOCIATES

The materiality of the interests in joint arrangements or associates is assessed according to the following criteria:

- contribution of the entity to the Group's Operating income recurring;
- share of these interests in the Group's net assets;
- dividends paid to these interests.

4. INFORMATION ON MINORITY INTERESTS

The materiality of the minority interests is assessed according to an analysis of:

- the minority interests' share in the Group's net assets;
- the contribution to the Group's Operating income recurring of the subsidiary having minority interests;
- dividends paid to minority interests.

5. OPERATING INCOME RECURRING

The Group's operating performance is measured based on Operating income or loss recurring determined in accordance with ANC recommendation No. 2020-01.

6. OTHER NON-RECURRING OPERATING INCOME AND EXPENSES

Material non-recurring operations that could affect operating performance readability are classified under "Other non-recurring operating income" and "Other non-recurring operating expenses". They may include:

- gains or losses on the disposal of activities or groups of assets;
- acquisition-related and integration-related costs relating to business combinations;
- restructuring costs resulting from plans whose unusual and material nature distort the readability of the Operating income recurring;
- significant provisions and impairment losses for property, plant and equipment and intangible assets;
- incurred or estimated costs relating to significant political risks or litigations;
- costs relating to capital increases reserved for employees;
- costs of projects to comply with regulatory changes impacting several geographical areas and for significant amounts.

7. NET EARNINGS PER SHARE

a. Basic earnings per share

Basic earnings per share is calculated by dividing net profit (Group share) attributable to ordinary shareholders of Air Liquide by the weighted average number of shares outstanding during the year, excluding ordinary shares purchased by Air Liquide and recognized in equity.

b. Diluted earnings per share

Diluted earnings per share take into account share subscription options and performance shares allocated to employees and Executive Officers if:

- the issue price, adjusted for unrecognized expenses at the year-end pursuant to IFRS 2, is lower than the Air Liquide annual average share price;
- the performance requirements meet the criteria set out in IAS 33 § 52.

Notes to the consolidated financial statements for the year ended December 31, 2024

Note 1 Significant events

There were no significant events during fiscal year 2024.

Note 2 Segment information

Following an organizational change in 2024, performance monitoring for Europe, the Middle East and Africa is now carried out within a single operating segment. 2023 data has been restated accordingly.

2.1. INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

	Gas & Services							
(in millions of euros)	Europe, Middle East and Africa	Americas	Asia Pacific	Sub-total	Engineering & Construction	Global Markets & Technologies	Reconciliation	Total
Revenue	**10,186.1**	**10,321.3**	**5,302.7**	**25,810.1**	**412.1**	**835.5**		**27,057.8**
Inter-segment revenue					*702.1*	*792.3*	*(1,494.4)*	
Operating income recurring	**2,037.8**	**2,334.0**	**1,183.5**	**5,555.3**	**61.8**	**173.1**	**(398.8)**	**5,391.4**
incl. depreciation and amortization	*(880.7)*	*(983.2)*	*(478.1)*	*(2,342.0)*	*(25.7)*	*(84.0)*	*(53.5)*	*(2,505.1)*
Other non-recurring operating income								64.8
Other non-recurring operating expenses								(510.6)
Net finance costs								(258.4)
Other financial income								8.5
Other financial expenses								(168.5)
Income taxes								(1,086.5)
Share of profit of equity affiliates								(0.7)
Profit for the period								**3,440.0**
Purchase of property, plant and equipment and intangible assets	(1,464.7)	(1,167.7)	(779.9)	(3,412.3)	(14.9)	(132.2)	34.3	(3,525.1)

The Research and Development and Holdings activities (corporate) are presented in the "Reconciliation" column.

2.2. INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

	Gas & Services							
(in millions of euros)	Europe, Middle East and Africa	Americas	Asia Pacific	Sub-total	Engineering & Construction	Global Markets & Technologies	Reconciliation	Total
Revenue	**10,781.5**	**10,168.7**	**5,409.7**	**26,359.9**	**389.9**	**857.8**		**27,607.6**
Inter-segment revenue					*578.1*	*763.9*	*(1,341.9)*	—
Operating income recurring	**1,932.0**	**2,124.5**	**1,214.1**	**5,270.6**	**43.1**	**143.3**	**(389.0)**	**5,068.0**
incl. depreciation and amortization	*(868.6)*	*(958.4)*	*(503.1)*	*(2,330.1)*	*(25.5)*	*(76.7)*	*(49.7)*	*(2,482.0)*
Other non-recurring operating income								242.3
Other non-recurring operating expenses								(738.8)
Net finance costs								(265.5)
Other financial income								15.4
Other financial expenses								(166.1)
Income taxes								(971.8)
Share of profit of equity affiliates								4.9
Profit for the period								**3,188.4**
Purchase of property, plant and equipment and intangible assets	(1,256.9)	(1,051.5)	(836.0)	(3,144.4)	(8.7)	(181.5)	(58.8)	(3,393.4)

2.3. BALANCE SHEET AS OF DECEMBER 31, 2024

	Gas & Services							
(in millions of euros)	Europe, Middle East and Africa	Americas	Asia Pacific	Sub-total	Engineering & Construction	Global Markets & Technologies	Reconciliation	Total
Segment assets	**14,039.4**	**22,769.0**	**8,870.7**	**45,679.1**	**757.0**	**2,349.3**	**423.0**	**49,208.4**
Goodwill	3,344.2	9,787.7	1,454.3	14,586.2	249.9	140.7	0.6	14,977.4
Intangible assets and property, plant and equipment, net	8,154.2	11,301.3	6,108.2	25,563.7	194.1	1,112.4	359.9	27,230.2
Other segment assets	2,540.9	1,680.0	1,308.2	5,529.2	313.0	1,096.2	62.4	7,000.8
Non-segment assets								2,655.5
Assets held for sale								3.6
Total assets								**51,867.5**
Segment liabilities	**3,579.1**	**1,828.1**	**1,062.6**	**6,469.8**	**1,230.2**	**804.2**	**385.8**	**8,890.0**
Non-segment liabilities								15,354.9
Equity including minority interests								27,621.3
Liabilities held for sale								1.3
Total equity and liabilities								**51,867.5**

2.4. BALANCE SHEET AS OF DECEMBER 31, 2023

	Gas & Services							
(in millions of euros)	Europe, Middle East and Africa	Americas	Asia Pacific	Sub-total	Engineering & Construction	Global Markets & Technologies	Reconciliation	Total
Segment assets	**13,385.6**	**21,020.8**	**8,271.4**	**42,677.8**	**723.3**	**2,280.3**	**376.9**	**46,058.3**
Goodwill	3,334.0	9,141.5	1,346.7	13,822.2	236.7	135.3	—	14,194.2
Intangible assets and property, plant and equipment, net	7,564.8	10,371.3	5,660.2	23,596.3	185.6	1,104.8	396.8	25,283.5
Other segment assets	2,486.8	1,508.0	1,264.5	5,259.3	301.0	1,040.2	(19.9)	6,580.6
Non-segment assets								2,179.0
Assets held for sale								95.1
Total assets								**48,332.4**
Segment liabilities	**3,520.6**	**1,668.7**	**1,020.8**	**6,210.1**	**1,172.0**	**662.9**	**399.0**	**8,444.0**
Non-segment liabilities								14,801.3
Equity including minority interests								25,043.1
Liabilities held for sale								44.0
Total equity and liabilities								**48,332.4**

2.5. OTHER INFORMATION ON GEOGRAPHICAL AREAS

2024 *(in millions of euros)*	France	Europe, Middle East and Africa excl. France	United States	Americas excl. United States	Asia Pacific	Total
Revenue	3,249.3	7,745.2	9,045.8	1,590.2	5,427.3	27,057.8
Non-current assets [(a)]	3,708.6	9,147.0	20,064.1	1,742.6	7,743.6	42,405.9
incl. Investments in equity affiliates	*39.7*	*126.4*	*4.0*	—	*28.2*	*198.3*

(a) Excluding non-current financial assets, deferred taxes and non-current derivative assets.

2023 *(in millions of euros)*	France	Europe, Middle East and Africa excl. France	United States	Americas excl. United States	Asia Pacific	Total
Revenue	3,427.8	8,202.5	8,912.1	1,535.2	5,530.0	27,607.6
Non-current assets [(a)]	3,416.2	8,864.6	18,554.4	1,643.7	7,178.9	39,657.8
incl. Investments in equity affiliates	*24.5*	*118.9*	*5.5*		*31.2*	*180.1*

(a) Excluding non-current financial assets, deferred taxes and non-current derivative assets.

Due to the substantial number of customers served by the Group (more than two million worldwide), to their significant diversity in multiple sectors and to their wide geographical dispersion, the Group's main customer represents only 2.1% of Air Liquide's revenue.

Note 3 Revenue

In 2024, consolidated revenue amounted to 27,057.8 million euros, down -2.0% compared to 2023.

3.1. REVENUE BY GEOGRAPHY AND BUSINESS LINE FOR THE YEAR ENDED DECEMBER 31, 2024

(in millions of euros)	Europe, Middle East and Africa	Americas	Asia Pacific	Total
Industrial Merchant	3,209.0	7,199.7	1,497.7	11,906.4
Large Industries	3,815.9	1,497.4	1,806.6	7,120.0
Healthcare	2,965.5	1,118.0	190.3	4,273.8
Electronics	195.7	506.1	1,808.2	2,510.0
Gas & Services Revenue	**10,186.1**	**10,321.3**	**5,302.7**	**25,810.2**
Engineering & Construction				412.1
Global Markets & Technologies				835.5
TOTAL REVENUE				**27,057.8**

3.2. REVENUE BY GEOGRAPHY AND BUSINESS LINE FOR THE YEAR ENDED DECEMBER 31, 2023

(in millions of euros)	Europe, Middle East and Africa	Americas	Asia Pacific	Total
Industrial Merchant	3,356.2	7,060.0	1,559.0	11,975.2
Large Industries	4,365.2	1,607.6	1,851.8	7,824.6
Healthcare	2,846.8	1,033.2	197.5	4,077.5
Electronics	213.3	467.9	1,801.4	2,482.6
Gas & Services Revenue	**10,781.5**	**10,168.7**	**5,409.7**	**26,359.9**
Engineering & Construction				389.9
Global Markets & Technologies				857.7
TOTAL REVENUE				**27,607.6**

Note 4 Operating income recurring

Operating income recurring includes purchases, personnel expenses, depreciation and amortization, other recurring income and other recurring expenses.

The Group purchases mainly consist of electricity, natural gas as well as industrial and medical products.

4.1. OTHER INCOME

Other income is primarily made up of net proceeds from the sale of property, plant, and equipment and intangible assets and various indemnities.

4.2. PERSONNEL EXPENSES

(in millions of euros)	2023	2024
Wages and social security charges	(4,923.2)	(4,943.6)
Defined contribution pension plans	(109.7)	(150.7)
Defined benefit plans	(27.0)	(31.6)
Share-based payments	(39.6)	(39.8)
TOTAL	**(5,099.5)**	**(5,165.7)**

Fully consolidated companies employed 66,657 individuals as of December 31, 2024 (67,778 individuals as of December 31, 2023).

4.3. OTHER OPERATING EXPENSES

Other operating expenses primarily include transport, maintenance, distribution costs and sub-contracting costs.

The operating leases costs included in other operating expenses are not significant and correspond to the contracts that do not fall within the scope of IFRS 16 (cf. paragraph 5.g. of the Accounting principles).

4.4. RESEARCH AND DEVELOPMENT EXPENDITURES

In 2024, innovation costs amounted to 309 million euros as in 2023 including Research and Development costs of 205 million euros stable compared to 2023.

4.5. DEPRECIATION AND AMORTIZATION EXPENSES

(in millions of euros)	**2023**	**2024**
Intangible assets	(204.4)	(203.1)
Property, plant and equipment [(a)]	(2,277.6)	(2,302.0)
TOTAL	**(2,482.0)**	**(2,505.1)**

(a) Including the depreciation expense after deduction of investment grants released to profit.

Note 5 Other non-recurring operating income and expenses

(in millions of euros)	**2023**	**2024**
Income		
Net gain on the disposals of activities or group of assets	212.8	34.4
Political risks and legal procedures	26.3	22.7
Others	3.2	7.7
TOTAL OTHER NON-RECURRING OPERATING INCOME	**242.3**	**64.8**
Expenses		
Reorganization, restructuring and realignment programs costs	(152.8)	(223.3)
Acquisition costs	(11.0)	(2.8)
Political risks and legal procedures	(45.9)	(23.7)
Net loss on the disposals of activities or group of assets and impairments of assets	(488.5)	(243.5)
Others	(40.6)	(17.3)
TOTAL OTHER NON-RECURRING OPERATING EXPENSES	**(738.8)**	**(510.5)**
TOTAL	**(496.5)**	**(445.7)**

In 2024, the Group recognized:

- Net loss on the disposals of activities or group of assets and impairments of assets amounting to -243.5 million euros including -215.7 million euros following the impairment of certain tangible assets;
- Restructuring costs corresponding to realignment programs primarily in Gas & Services activities mainly on South Europe (France, Iberia and Italy) activities;

In 2023, the Group recognized:

- Net gain on the disposals of activities or group of assets amounting to 212.8 million euros including 173.3 million euros related to the disposal of non-consolidated investments;
- Net loss on the disposals of activities or group of assets and impairments of assets amounting to -488.5 million euros including -344.9 million euros following a strategic review that led to the impairment of some tangible and intangible assets in several countries and -129.9 million euros related to another intangible asset and assets held for sale;
- Income and expenses related to political risks and legal procedures, including a 21 million euros payment related to the equalization charge procedure. Indeed, in March 2023, Council of State “Conseil d'Etat” partially questioned the favorable judgment from the European Court of Justice of May 12, 2022 by referring the case to an Administrative Court of Appeal;
- Restructuring costs corresponding to realignment programs primarily in Gas & Services, especially in the Healthcare activity;
- Costs related to the capital increase reserved for employees, included in the “Others” line of the other non-recurring operating expenses.

Note 6 Net finance costs and other financial income and expenses

6.1. NET FINANCE COSTS

(in millions of euros)	2023	2024
Gross finance costs	(334.9)	(333.4)
Financial income from short-term investments and loans	69.4	75.0
TOTAL	**(265.5)**	**(258.4)**

The average cost of net debt, excluding capitalized finance costs of +67.0 million euros (+48.7 million euros in 2023), stood at 3.4% in 2024, stable compared to 2023 (excluding impact related to the early repayment of bonds denominated in US dollars and euros).

6.2. OTHER FINANCIAL INCOME AND EXPENSES

(in millions of euros)	2023	2024
Other financial income	15.4	8.5
TOTAL OTHER FINANCIAL INCOME	**15.4**	**8.5**
Other financial expenses	(93.0)	(89.6)
Interest expense on the net defined benefit liability	(35.1)	(33.4)
Interest on lease liabilities	(38.0)	(45.5)
TOTAL OTHER FINANCIAL EXPENSES	**(166.1)**	**(168.5)**

Note 7 Income taxes

7.1. INCOME TAX EXPENSES

(in millions of euros)	2023	2024
Current income tax expenses	(1,022.2)	(1,128.9)
TOTAL CURRENT TAX	**(1,022.2)**	**(1,128.9)**
Temporary differences	46.7	42.4
Impact of tax rate changes	3.7	—
TOTAL DEFERRED TAX	**50.4**	**42.4**
TOTAL	**(971.8)**	**(1,086.5)**

7.2. RECONCILIATION BETWEEN THE STANDARD TAX RATE AND THE GROUP EFFECTIVE TAX RATE

(in %)	2023	2024
Standard tax rate	**25.0**	**24.8**
Impact of transactions taxed at reduced rates	(2.3)	(1.9)
Impact of tax exemptions and others	0.7	1.1
Average effective tax rate	**23.4**	**24.0**

The enforcement of Pillar 2 rules has no significant impact on the Group's average effective tax rate.

In France, L'Air Liquide S.A. has elected to determine French income taxes on a consolidated basis. This scheme applies to all French subsidiaries complying with the legal requirements.

Foreign subsidiaries have elected to apply for similar rules wherever this is allowed under local regulations.

Note 8 Net earnings per share

8.1. BASIC EARNINGS PER SHARE

	2023	2024
Net profit (Group share) attributable to ordinary shareholders of the parent *(in millions of euros)*	3,078.0	3,306.1
Weighted average number of ordinary shares outstanding	575,808,001	576,457,564
Basic earnings per share *(in euros)*	**5.35**	**5.74**

The average number of outstanding ordinary shares and net earnings per share for December 31, 2023 include the impact of the free share attribution performed by L' Air Liquide S.A. on June 12, 2024.

8.2. DILUTED EARNINGS PER SHARE

	2023	2024
Net profit used to calculate diluted earnings per share *(in millions of euros)*	**3,078.0**	**3,306.1**
Weighted average number of ordinary shares outstanding	575,808,001	576,457,564
Adjustment for dilutive impact of share subscription options	669,840	376,963
Adjustment for dilutive impact of performance shares	1,452,901	1,377,985
Adjusted weighted average number of shares outstanding used to calculate diluted earnings per share	**577,930,742**	**578,212,512**
Diluted earnings per share *(in euros)*	**5.33**	**5.72**

All instruments that could dilute net profit – Group share, are included in the calculation of diluted earnings per share.

The Group has not issued any other financial instruments that may result in further dilution of net earnings per share.

Note 9 Dividend per share

The 2023 dividend on ordinary shares declared and paid on May 22, 2024 to the Group Shareholders was 1,719.5 million euros (including fidelity premium) and amounted to 3.20 euros per share and a fidelity premium of 0.32 euro per share.

A dividend payment of 3.30 euros per ordinary share and a fidelity premium of 0.33 euros per share amounting to 1,962.2 million euros (estimated amount taking into account share buybacks and cancellations) will be proposed to the Annual General Meeting in respect of the financial year ended December 31, 2024.

Note 10 Goodwill

10.1. MOVEMENTS DURING THE PERIOD

(in millions of euros)	As of January 1	Goodwill recognized during the period	Goodwill removed during the period	Foreign exchange differences	Other movements	As of December 31
2023	14,587.2	43.3	(30.7)	(405.6)	—	14,194.2
2024	**14,194.2**	**209.3**	**(9.2)**	**582.6**	**0.5**	**14,977.4**

10.2. SIGNIFICANT GOODWILL

	2023	2024		
(in millions of euros)	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Gas & Services	13,822.2	14,586.9		14,586.9
Europe, Middle East and Africa	*3,334.0*	*3,344.9*	—	*3,344.9*
Americas [(a)]	*9,141.5*	*9,787.7*		*9,787.7*
Asia Pacific	*1,346.7*	*1,454.3*		*1,454.3*
Engineering & Construction	236.7	249.9		249.9
Global Markets & Technologies	135.3	142.0	(1.4)	140.6
TOTAL GOODWILL	**14,194.2**	**14,978.8**	**(1.4)**	**14,977.4**

(a) Goodwill recognized within Gas & Services Americas mainly comes from the United States contributing up to 9,557.5 million euros as of December 31, 2024.

Following the organizational change that occurred in 2024 (see note 2), goodwill relating to Europe, the Middle East and Africa are tested within the same group of cash-generating units.

In the last two fiscal years, the Group has not recorded any goodwill impairment losses.

Impairment tests were carried out using the methods detailed in note 5.f of the accounting policies.

As of December 31, 2024, the recoverable amounts of each cash-generating unit or groups of cash-generating units, calculated using market multiples, significantly exceeded their net carrying amounts. Consequently, as stated in note 5.f of the accounting policies, the method of future estimated cash flow was not used to determine the recoverable amount of cash-generating units.

Considering the activity of the Air Liquide Group, no reasonably possible change in key assumptions would result in an impairment loss. The Gas & Services activities favor synergies between the different business lines by pooling assets for a given geographical area. The geographical development of an activity is generally based on local industrial investments and external growth operations through the Large Industries business line. The supply of gas to clients of the Large Industries business is contracted for a minimum duration of 15 years. These customer contracts provide a good visibility and guarantee of future income.

Note 11 Other intangible assets

11.1. GROSS CARRYING AMOUNTS

2024 *(in millions of euros)*	As of January 1	Additions	Disposals	Foreign exchange differences	Acquisitions related to business combinations	Other movements [a]	As of December 31
Internally generated intangible assets	889.4	111.9	(131.2)	16.3	—	(13.9)	872.5
Other intangible assets	3,031.4	88.3	(25.7)	96.4	11.5	(46.3)	3,155.6
TOTAL GROSS INTANGIBLE ASSETS	**3,920.8**	**200.2**	**(156.9)**	**112.7**	**11.5**	**(60.2)**	**4,028.1**

(a) *Other movements primarily include account reclassifications and changes in the scope of consolidation.*

2023 *(in millions of euros)*	As of January 1	Additions	Disposals	Foreign exchange differences	Acquisitions related to business combinations	Other movements [a]	As of December 31
Internally generated intangible assets	814.0	107.0	(2.2)	(9.9)	—	(19.5)	889.4
Other intangible assets	3,037.2	86.0	(20.3)	(81.2)	0.7	9.0	3,031.4
TOTAL GROSS INTANGIBLE ASSETS	**3,851.2**	**193.0**	**(22.5)**	**(91.1)**	**0.7**	**(10.5)**	**3,920.8**

(a) *Other movements primarily include account reclassifications and changes in the scope of consolidation.*

11.2. AMORTIZATION AND IMPAIRMENT LOSSES

2024 *(in millions of euros)*	As of January 1	Charge for the period	Impairment losses	Disposals	Foreign exchange differences	Acquisitions related to business combinations	Other movements [a]	As of December 31
Internally generated intangible assets	(630.2)	(61.4)	—	128.0	(11.2)	—	78.9	(495.9)
Other intangible assets	(1,659.3)	(141.7)	(2.9)	17.2	(43.6)	—	(10.4)	(1,840.7)
TOTAL INTANGIBLE ASSET AMORTIZATION	**(2,289.5)**	**(203.1)**	**(2.9)**	**145.2**	**(54.8)**	**—**	**68.5**	**(2,336.6)**
TOTAL NET INTANGIBLE ASSETS [b]	**1,631.3**	**(2.9)** [c]	**(2.9)**	**(11.7)**	**57.9**	**11.5**	**8.3**	**1,691.5**

(a) *Other movements primarily include account reclassifications and changes in the scope of consolidation.*
(b) *Other intangible assets mainly include trademarks and customer relationship valuation as part of business combination.*
(c) *This amount is the net of additions and charges for the period.*

2023 *(in millions of euros)*	As of January 1	Charge for the period	Impairment losses	Disposals	Foreign exchange differences	Acquisitions related to business combinations	Other movements [a]	As of December 31
Internally generated intangible assets	(577.6)	(53.7)	(4.5)	2.7	6.8	—	(3.9)	(630.2)
Other intangible assets	(1,462.2)	(150.7)	(90.0)	13.3	26.6	—	3.7	(1,659.3)
TOTAL INTANGIBLE ASSET AMORTIZATION	**(2,039.8)**	**(204.4)**	**(94.5)**	**16.0**	**33.4**	**—**	**(0.2)**	**(2,289.5)**
TOTAL NET INTANGIBLE ASSETS [b]	**1,811.4**	**(11.4)** [c]	**(94.5)**	**(6.5)**	**(57.7)**	**0.7**	**(10.7)**	**1,631.3**

(a) *Other movements primarily include account reclassifications and changes in the scope of consolidation.*
(b) *Other intangible assets mainly include trademarks and customer relationship valuation as part of business combination.*
(c) *This amount is the net of additions and charges for the period.*

As of December 31, 2024, the Group had no material commitment to acquire intangible assets and was not subject to any restrictions over the use of existing intangible assets.

Note 12 Property, plant and equipment

12.1. GROSS CARRYING AMOUNTS

2024 *(in millions of euros)*	As of January 1	Additions	Disposals	Foreign exchange differences	Acquisitions related to business combinations	Other movements [a]	As of December 31
Land	463.3	0.1	(1.5)	8.4	0.2	16.6	487.1
Buildings	2,685.2	20.7	(22.5)	64.9	2.9	145.9	2,897.1
Equipment, cylinders, installations	42,671.5	391.1	(539.8)	852.6	40.6	2,665.6	46,081.6
Rights of use	2,077.2	166.8	(16.6)	62.9	2.6	(4.4)	2,288.5
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE	**47,897.2**	**578.7**	**(580.4)**	**988.8**	**46.3**	**2,823.7**	**51,754.3**
Construction in progress	3,797.7	2,970.9	—	48.0	—	(2,784.7)	4,031.9
TOTAL PROPERTY, PLANT AND EQUIPMENT	**51,694.9**	**3,549.6**	**(580.4)**	**1,036.8**	**46.3**	**39.0**	**55,786.2**

(a) Other movements primarily include account reclassifications and changes in the scope of consolidation.

2023 *(in millions of euros)*	As of January 1	Additions	Disposals	Foreign exchange differences	Acquisitions related to business combinations	Other movements [a]	As of December 31
Land	474.0	—	(1.9)	(18.7)	0.1	9.8	463.3
Buildings	2,491.6	21.2	(32.0)	(75.7)	0.9	279.2	2,685.2
Equipment, cylinders, installations	42,138.2	382.8	(660.1)	(1,273.3)	4.5	2,079.4	42,671.5
Rights of use	1,954.1	180.3	(25.5)	(53.4)	0.9	20.8	2,077.2
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE	**47,057.9**	**584.3**	**(719.5)**	**(1,421.1)**	**6.4**	**2,389.2**	**47,897.2**
Construction in progress	3,395.5	2,879.5		(149.0)	—	(2,328.3)	3,797.7
TOTAL PROPERTY, PLANT AND EQUIPMENT	**50,453.4**	**3,463.8**	**(719.5)**	**(1,570.1)**	**6.4**	**60.9**	**51,694.9**

(a) Other movements primarily include account reclassifications and changes in the scope of consolidation.

Purchases of property, plant and equipment and intangible assets presented in the consolidated statement of cash flows relate to the increase in property, plant and equipment and intangible assets (excluding right of use) adjusted in particular for the change in the fixed asset suppliers' balance during one year.

12.2. DEPRECIATION AND IMPAIRMENT LOSSES

2024 *(in millions of euros)*	As of January 1	Charge for the period	Impairment losses	Disposals	Foreign exchange differences	Acquisitions related to business combinations	Other movements [(a)]	As of December 31
Buildings	(1,298.5)	(115.1)	—	11.9	(22.8)	—	31.3	(1,393.2)
Equipment, cylinders, installations	(25,829.9)	(1,956.1)	(148.3)	404.5	(378.0)	—	92.2	(27,815.6)
Rights of use	(914.3)	(239.7)	(3.9)	14.3	(22.9)	—	127.8	(1,038.7)
TOTAL PROPERTY, PLANT AND EQUIPMENT DEPRECIATION	**(28,042.7)**	**(2,310.9)**	**(152.2)**	**430.7**	**(423.7)**	**—**	**251.3**	**(30,247.5)**
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	**23,652.2**	**1,238.7** [(b)]	**(152.2)**	**(149.7)**	**613.1**	**46.3**	**290.3**	**25,538.7**

(a) Other movements primarily include account reclassifications and changes in the scope of consolidation.
(b) This amount is the net of additions and charges for the period.

2023 *(in millions of euros)*	As of January 1	Charge for the period	Impairment losses	Disposals	Foreign exchange differences	Acquisitions related to business combinations	Other movements [(a)]	As of December 31
Buildings	(1,280.2)	(98.9)		33.1	33.2	—	14.3	(1,298.5)
Equipment, cylinders, installations	(24,756.7)	(1,948.1)	(296.1)	548.3	592.0	—	30.7	(25,829.9)
Rights of use	(769.6)	(239.3)	(1.9)	24.7	19.8	—	52.0	(914.3)
TOTAL PROPERTY, PLANT AND EQUIPMENT DEPRECIATION	**(26,806.5)**	**(2,286.3)**	**(298.0)**	**606.1**	**645.0**	**—**	**97.0**	**(28,042.7)**
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	**23,646.9**	**1,177.5** [(b)]	**(298.0)**	**(113.4)**	**(925.1)**	**6.4**	**157.9**	**23,652.2**

(a) Other movements primarily include account reclassifications and changes in the scope of consolidation.
(b) This amount is the net of additions and charges for the period.

The charge for the period corresponds to the increase in depreciation, net of investment grants released to the income statement.

12.3. MATURITY OF LEASE LIABILITY

The maturity of the lease liabilities related to rights-of-use is as follows:

2024	Carrying	Maturity								
			≥ 1 year and ≤ 5 years				> 5 years			
(in millions of euros)	amount	< 1 year	2025	2026	2027	2028	2029	2030	2031	> 2031
Non-current lease liabilities	1,133.8		242.5	175.7	148.6	122.2	90.9	76.9	53.0	224.0
Current lease liabilities	239.8	239.8								
TOTAL LEASE LIABILITIES	**1,373.6**	**239.8**	**242.5**	**175.7**	**148.6**	**122.2**	**90.9**	**76.9**	**53.0**	**224.0**

2023	Carrying	Maturity								
			≥ 1 year and ≤ 5 years				> 5 years			
(in millions of euros)	amount	< 1 year	2024	2025	2026	2027	2028	2029	2030	> 2030
Non-current lease liabilities	1,046.3	—	226.5	156.8	129.5	103.3	88.6	80.4	45.9	215.3
Current lease liabilities	219.7	219.7	—	—	—	—	—	—	—	—
TOTAL LEASE LIABILITIES	**1,266.0**	**219.7**	**226.5**	**156.8**	**129.5**	**103.3**	**88.6**	**80.4**	**45.9**	**215.3**

Note 13 Non-current financial assets

(in millions of euros)	2023	2024
Non-consolidated investments	335.2	326.3
Loans	44.7	39.9
Other long-term receivables	246.8	296.1
Employee benefits	70.0	83.9
NON-CURRENT FINANCIAL ASSETS	**696.7**	**746.3**

Non-consolidated investments include fully-depreciated shares in Russian entities. As of December 31, 2024, given the geopolitical context and reinforced sanctions and counter-sanctions, the Group continues to consider that it no longer has control of its activities in Russia since September 1, 2022.

Note 14 Investments in equity affiliates

14.1. FINANCIAL INFORMATION RELATED TO JOINT VENTURES AND ASSOCIATES

Group share of associates and joint ventures as of December 31, 2024 *(in millions of euros)*	Share of profit for the period	Share of equity [(a)]	Share of net income and gains and losses recognized directly in equity [(b)]
Joint ventures and associates	(0.7)	198.3	27.7

(a) Including goodwill relating to associates and joint ventures.
(b) The share of net income and gains and losses recognized directly in equity primarily comprises the translation reserves.

Group share of associates and joint ventures as of December 31, 2023 *(in millions of euros)*	Share of profit for the period	Share of equity [(a)]	Share of net income and gains and losses recognized directly in equity [(b)]
Joint ventures and associates	4.9	180.1	22.3

(a) Including goodwill relating to associates and joint ventures.
(b) The share of net income and gains and losses recognized directly in equity primarily comprises the translation reserves.

14.2. MOVEMENTS DURING THE YEAR

(in millions of euros)	As of January 1	Share of profit for the period	Dividend distribution	Foreign exchange differences	Other movements	As of December 31
2023	185.7	4.9	(14.5)	(6.8)	10.8	180.1
2024	**180.1**	**(0.7)**	**(17.6)**	**5.5**	**31.0**	**198.3**

No company consolidated under equity method is individually significant.

Note 15 Deferred taxes

15.1. DEFERRED TAX ASSETS

The change in deferred tax assets over the fiscal year is as follows:

(in millions of euros)	2023	2024
AS OF JANUARY 1	**232.3**	**225.2**
Income (charge) to the income statement	25.1	84.3
Income (charge) to equity	1.0	(18.8)
Changes related to scope	0.4	(5.4)
Foreign exchange differences	(0.4)	(3.6)
Others [(a)]	(33.2)	53.3
AS OF DECEMBER 31	**225.2**	**335.0**

(a) Other movements primarily include reclassifications between accounts.

As of December 31, 2024, unrecognized deferred tax assets amounted to 67.8 million euros (54.2 million euros as of December 31, 2023).

15.2. DEFERRED TAX LIABILITIES

The change in deferred tax liabilities over the fiscal year is as follows:

(in millions of euros)	2023	2024
AS OF JANUARY 1	**2,465.4**	**2,329.0**
Charge (income) to the income statement	(25.3)	42.1
Charge (income) to equity	(16.8)	(16.9)
Changes related to scope	(0.3)	1.6
Foreign exchange differences	(74.1)	131.1
Others [(a)]	(19.9)	40.2
AS OF DECEMBER 31	**2,329.0**	**2,527.1**

(a) Other movements primarily include reclassifications between accounts.

15.3. DEFERRED TAXES BY NATURE

The net deferred taxes are broken down as follows:

(in millions of euros)	2023	2024
Amortization/depreciation	(2,418.9)	(2,584.7)
Provisions, pensions and other employee benefits	162.1	213.4
Other provisions	332.5	428.9
Tax loss carryforwards	114.4	129.4
Other	(293.9)	(379.1)
TOTAL	**(2,103.8)**	**(2,192.1)**

Note 16 Inventories and work-in-progress

(in millions of euros)	2023	2024
Raw materials and supplies	614.4	607.0
Finished and semi-finished goods	1,242.9	1,410.7
Work-in-progress	170.3	171.9
NET INVENTORIES	**2,027.6**	**2,189.6**

(in millions of euros)	2023	2024
Write-down of inventories	(20.2)	(24.4)
Reversals of write-down	24.6	11.7
NET WRITE-DOWN RECOGNIZED IN THE INCOME STATEMENT	**4.4**	**(12.7)**

Note 17 Trade receivables and other operating receivables

(in millions of euros)	2023	2024
Trade and other operating receivables	3,225.5	3,231.1
Provisions for impairment	(231.8)	(234.4)
TRADE RECEIVABLES	**2,993.7**	**2,996.7**

Trade and other operating receivables include gross amounts relating to Engineering & Construction contracts for 101.9 million euros (104.6 million euros as of December 31, 2023).

As of December 31, 2024, cumulative revenue recognized using the percentage of completion method and cumulative cash in since the beginning of the ongoing projects amounted respectively to 2,203.7 million euros (1,992.7 million euros as of December 31, 2023) and 2,286.1 million euros (2,076.9 million euros as of December 31,2023).

17.1. BREAKDOWN OF TRADE AND OTHER OPERATING RECEIVABLES

As of December 31, 2024, the breakdown of receivables and associated impairment is as follows:

			Overdue					
2024 *(in millions of euros)*	Total	Not yet due	0-1 month	1-3 months	3-6 months	6-12 months	> 12 months	Total
Trade and other operating receivables	3,231.1	2,462.7	257.9	152.9	100.3	76.3	181.0	768.4
Provisions for impairment	(234.4)	(2.6)	(14.1)	(10.0)	(12.0)	(22.1)	(173.6)	(231.8)
TRADE RECEIVABLES	**2,996.7**	**2,460.1**	**243.8**	**142.9**	**88.3**	**54.2**	**7.4**	**536.6**

As of December 31,2023, the breakdown of receivables and associated impairment is as follows:

			Overdue					
2023 *(in millions of euros)*	Total	Not yet due	0-1 month	1-3 months	3-6 months	6-12 months	> 12 months	Total
Trade and other operating receivables	3,225.5	2,432.9	253.4	148.0	117.4	88.1	185.7	792.6
Provisions for impairment	(231.8)	(6.1)	(11.9)	(8.3)	(12.4)	(16.9)	(176.2)	(225.7)
TRADE RECEIVABLES	**2,993.7**	**2,426.8**	**241.5**	**139.7**	**105.0**	**71.2**	**9.5**	**566.9**

The accounting principles relating to trade receivables impairment (expected credit losses) are described in section 6.b of the accounting principles.

17.2. PROVISION FOR IMPAIRMENT

(in millions of euros)	As of January 1	Charges	Reversals	Foreign exchange differences	Other movements	As of December 31
2023	(223.7)	(65.2)	49.6	2.3	5.2	(231.8)
2024	**(231.8)**	**(80.2)**	**74.5**	**1.3**	**1.8**	**(234.4)**

17.3. INFORMATION RELATING TO NON-RECOURSE ASSIGNMENTS OF TRADE RECEIVABLES

Non-recourse factored receivables in Europe, in Asia and in the Americas, amounted to 1,340 million euros in 2024 compared to 1,393 million euros at the end of 2023.

The European program, set up in 2015 and renewed in 2020 was amended in March 2024 to change its coverage to 540 million euros (593 million euros including 9% of deferred purchase price). Its maturity is February 28, 2026. The assigned receivables, in the amount of 447 million euros, were derecognized as of December 31, 2024 (572 million euros as of December 31, 2023).

The American program held by Airgas and set up in December 2018, was amended in December 2024 to extend its maturity to March 2026. As of December 31, 2024, the program covers 800 million US dollars (770 million euros) and 677 million US dollars (652 million euros) were derecognized.

Other non-recourse factoring programs exist in various countries and activities, mainly in Asia and Healthcare.

The Group has analyzed the main characteristics of these programs according to the principles described in section 6.b of the accounting principles and concluded that almost all the risks and rewards were transferred to the assignees.

Note 18 Working capital requirement

2024 *(in millions of euros)*	As of January 1	Changes with cash impact	Others changes [b]	As of December 31
Inventories and work-in progress	2,027.6	145.5	16.5	2,189.6
Trade receivables	2,993.7	32.9	(29.9)	2,996.7
Trade payables	(3,310.5)	92.5	(101.0)	(3,319.0)
Others [a]	(1,646.5)	(115.8)	170.8	(1,591.5)
Working capital requirement	**64.3**	**155.1**	**56.4**	**275.8**

(a) The Others items accounts mainly for the others current assets and liabilities as well as current tax balances.
(b) The Others changes account include reclassifications from one item to another, the impact of exchange rates and changes in the scope of consolidation.

Note 19 Other current assets

(in millions of euros)	2023	2024
Advances and down-payments made	162.3	133.2
Prepaid expenses	165.9	183.2
Other sundry current assets	534.5	751.8
OTHER CURRENT ASSETS	**862.7**	**1,068.2**

Other sundry current assets mainly include tax receivables and subsidies to received.

Note 20 Cash and cash equivalents

(in millions of euros)	2023	2024
Short-term loans	26.1	32.4
Short-term marketable securities	200.7	329.5
Cash in bank	1,398.1	1,553.4
CASH AND CASH EQUIVALENTS	**1,624.9**	**1,915.3**

As of December 31, 2024, cash and cash equivalents include 148 million euros subject to restrictions mainly in Argentina and Luxembourg (regulatory restrictions within the framework of the Group's captive reinsurance company).

Furthermore, 49 million euros of cash and cash equivalents are held in countries in which a prior authorization is necessary to transfer funds abroad. These liquidities are at the Group’s disposal within a reasonable time period, if preliminary formalities are respected.

Note 21 Shareholders' equity

21.1. SHARES

Number of shares

	2023	2024
NUMBER OF SHARES AS OF JANUARY 1	**523,450,271**	**524,516,778**
Free share attribution	—	53,911,973
Capital increase reserved for employees	746,401	—
Options exercised during the period	440,106	457,512
Cancellation of treasury shares	(120,000)	(627,000)
NUMBER OF SHARES AS OF DECEMBER 31	**524,516,778**	**578,259,263**

Shares have a par value of 5.50 euros each and are all issued and fully paid-up.

In 2024, a total of 1,279,150 shares were repurchased (net of disposals), of which net repurchase for 926,379 shares before the free shares attribution and net repurchase for 352,771 share after the free shares attribution.

21.2. FREE SHARES ATTRIBUTION

François Jackow as Chief Executive Officer and under the authority conferred to him by the Board of Directors of April 30, 2024, decided, on June 4, 2024, to create 52,419,120 new shares at a par value of 5.50 euros and ranking for dividends as of January 1, 2024. These shares were freely attributed on June 12, 2024 to Shareholders by capitalization of premiums, at a rate of one new share for ten existing shares.

In addition, pursuant to article 21 of the articles of the association, 1,492,853 new shares were created at a par value of 5.50 euros and ranking for dividends as of January 1, 2024. These shares were granted on June 12, 2024 as free shares to Shareholders at the parity of one share for one hundred existing shares, by capitalization of premiums. The shares subject to this additional free share attribution are the shares held in registered form continuously from December 31, 2021 to June 11, 2024 inclusive.

21.3. CAPITAL DECREASE

Under the authority of the 18th resolution adopted by the Annual General Meeting held on May 3, 2023, the Board of Directors of April 30, 2024, carried out the capital decrease of 3,448,500.00 euros to bring the capital back from 2,884,842,279.00 euros to 2,881,393,779.00 euros by cancelling 627,000 shares.

21.4. COMPANY TREASURY SHARES

Treasury shares are Air Liquide shares held by the Group, including shares which are part of the liquidity contract, compliant with an Ethics Charter recognized by the French financial markets authority (Autorité des marchés financiers). As of December 31, 2024, the Group held 1,815,681 treasury shares (1,363,694 as of December 31, 2023) including 25,250 treasury shares under a liquidity contract (2,100 as of December 31, 2023). Changes in the number of treasury shares are explained in the consolidated statement of changes in equity.

21.5. SHARE-BASED PAYMENTS

Share subscription option plans

Pursuant to the decisions of the Board of Directors, following the approval by the Annual General Meeting and based on the recommendations of the Remuneration Committee, the Company had adopted share subscription option plans for some of the senior executives of the Company and its subsidiaries worldwide, as well as corporate officers.

Stock options are granted for a minimum price which cannot be lower than the average closing market price over the 20 trading days preceding the grant date. Options granted since October 14, 2011 must be exercised within 10 years. A four-year vesting period applies to stock options granted.

As of December 31, 2024, the number of outstanding share options granted by the Board of Directors under the plans approved by Annual General Meetings amounted to 494,684 options after adjustment (average price of 69.22 euros), or 0.09% of share capital.

Out of the total number of options issued pursuant to the approval by the Annual General Meeting on May 4, 2022, 11,565,185 options were retained for possible grant by the Board of Directors as of December 31, 2024.

Performance shares plans

An additional compensation system involving performance shares was set up in 2008 as a way to reward best employees and associate their medium-term performance with the Company's objectives.

The 21st resolution adopted by the Extraordinary Annual General Meeting held on May 4, 2022 authorizes the Board of Directors to grant free shares to Group employees, up to a maximum of 0.5% of the Company's share capital over a 38-month period. As part of this maximum attribution, free shares representing up to 0.1% of the Group's share capital can be granted to corporate officers over the same period.

Under this authority, the Board of Directors adopted two different general regulations on September 25, 2024 ("France" Plan and "World" Plan) governing the attribution of performance shares to beneficiaries determined by the Board of Directors. The differences between the "France" and "World" Plans mainly refer to the number of years of service required – paragraph a) below, and to the correlative absence of any holding requirement for the "World" Plan – paragraph c) below.

The granted shares shall be either shares issued through a capital increase performed by the Company by no later than the definitive vesting date or shares bought back by the Company on the market prior to such date.

To date, performance shares granted are treasury shares bought back as part of the Company's shares buyback program.

The granted shares shall be of the same nature and category as those making up the Company's share capital at the date on which the plans are approved by the Board of Directors.

On September 25, 2024, the Board of Directors decided to grant 318,931 performance shares to employees (2,760 beneficiaries).

Performance shares are subject to:

a) a continued service requirement during the vesting period: the shares granted to a beneficiary shall only finally vest if he or she has been an employee or corporate officer of a Group company during a vesting period, calculated as from the grant date, of three years for "France" Plan beneficiaries and four years for "World" Plan beneficiaries. In the event of retirement, the beneficiary retains his rights, being no longer required to satisfy the continued service requirement;
b) performance requirements for all performance shares allocated to all beneficiaries;
c) a holding requirement for performance shares: as from the final grant date, the beneficiaries of the "France" Plan are required to hold their shares for two additional years during which such shares may not be transferred (except in the event of disability or death).

Options granted to the ten employees of the Company and its subsidiaries (excluding corporate officers) who were attributed the highest number of options

In 2024, no options have been granted.

Options exercised in 2024 by the ten employees of the Company and its subsidiaries (excluding corporate officers) with the highest number of options exercised

Grant date	Number of options exercised	Average price *(in euros)* [(a)]
09/22/2014	188,262	69.67
09/28/2015	28,742	69.25
11/29/2016	49	69.33
09/25/2018	910	87.25
TOTAL	**215,963**	**69.69**

(a) Historical data adjusted of the past attribution of free shares.

Options exercised in 2023 by the ten employees of the Company and its subsidiaries (excluding corporate officers) with the highest number of options exercised

Grant date	Number of options exercised	Average price *(in euros)* [(a)]
09/26/2013	103,640	67.15
09/22/2014	35,122	70.42
09/28/2015	10,229	76.23
11/29/2016	891	69.33
TOTAL	**149,882**	**68.55**

(a) Historical data.

Number of share subscription options and weighted average strike price

	2023		2024	
	Options [(a)]	Weighted average strike price *(in euros)*	Options	Weighted average strike price *(in euros)*
Total number of options outstanding as of January 1 (adjusted number and price)	**1,417,704**	**67.06**	**956,176**	**67.10**
Options exercised during the period (adjusted number and price)	455,339	66.96	457,512	69.19
Options canceled during the period (adjusted number and price)	6,189	67.44	3,980	66.68
Total number of options as of December 31 (adjusted number and price)	**956,176**	**67.10**	**494,684**	**69.22**
Of which total number of options eligible for exercise	***956,176***	***67.10***	***494,684***	***69.22***

(a) The total number of outstanding options at the beginning of the period was adjusted following the capital increase with free shares attribution in 2024.

Information on the fair value of share subscription options and attribution of performance shares

Share subscription options

No options have been granted in 2023 and 2024.

Attribution of performance shares

The fair value of performance shares attributed to employees depends for 50% on performance conditions linked to the Group's results, 40% on Shareholder's return and 10% on the reduction of carbon emissions in absolute value of Air Liquide.

The achievement of performance conditions linked with Group result together with the achievement of performance condition linked to the reduction of carbon emissions in absolute value are not considered as underlying assumptions and were deemed to have been fully achieved at the valuation date.

	2023		2024	
	Plan 1 [(a)]		Plan 1 [(a)]	
	09/28/2023		09/25/2024	
	France	Outside of France	France	Outside of France
Duration of performance shares	5 years	4 years	5 years	4 years
Fair value of performance shares *(in euros)*	136.87	135.26	149.08	148.12

(a) Fair value at the attribution date, not restated for the effect of the later share capital increase with preferential subscription rights in the market and attributions of free shares.

An expense of 39.8 million euros (excluding taxes) relating to the attribution of performance shares was recognized in the income statement in 2024 compared to 39.6 million euros in 2023. The corresponding entry is recorded in equity.

Note 22 Provisions, pensions and other employee benefits

2024 *(in millions of euros)*	As of January 1	Increase	Utilized	Other reversals	Discounting	Foreign exchange differences	Acquisitions related to business combination	Other movements [(a)]	As of December 31
Pensions and other employee benefits	1,129.8	64.7	(94.1)		(4.4)	5.7	25.9		1,127.6
Restructuring plans	83.7	82.4	(40.5)	(0.4)		0.1		1.8	127.1
Guarantees and other provisions related to engineering contracts	178.4	55.6	(37.0)	(15.5)		1.1		(2.9)	179.7
Dismantling	273.5		(7.8)		9.1	1.2		9.8	285.8
Provisions and contingent liabilities as part of a business combination	130.1	4.8	(11.5)	(7.5)	1.5	6.3	8.9	0.6	133.2
Other provisions	573.1	147.8	(124.0)	(21.2)	1.7	4.0	0.4	9.3	591.1
TOTAL PROVISIONS	**2,368.6**	**355.3**	**(314.9)**	**(44.6)**	**7.9**	**18.3**	**35.2**	**18.6**	**2,444.5**

(a) Other movements correspond to account reclassifications, changes in scope of consolidation and provisions for dismantling, with no impact on the consolidated cash flow statement.

2023 *(in millions of euros)*	As of January 1	Increase	Utilized	Other reversals	Discounting	Foreign exchange differences	Acquisitions related to business combination	Other movements [(a)]	As of December 31
Pensions and other employee benefits	1,091.4	61.5	(96.5)		98.0	(7.9)		(16.7)	1,129.8
Restructuring plans	15.8	73.1	(8.9)	(0.4)		(0.8)		4.9	83.7
Guarantees and other provisions related to engineering contracts	185.6	52.5	(41.9)	(12.8)	0.1	(1.6)		(3.5)	178.4
Dismantling	259.9	1.0	(8.5)	(1.4)	7.7	(5.8)		20.6	273.5
Provisions and contingent liabilities as part of a business combination	164.9	14.0	(13.6)	(24.0)	1.6	(5.5)	0.5	(7.8)	130.1
Other provisions	555.9	190.5	(115.2)	(45.7)	1.6	(3.3)	0.2	(10.9)	573.1
TOTAL PROVISIONS	**2,273.5**	**392.6**	**(284.6)**	**(84.3)**	**109.0**	**(24.9)**	**0.7**	**(13.4)**	**2,368.6**

(a) Other movements correspond to account reclassifications, changes in scope of consolidation and provisions for dismantling, with no impact on the consolidated cash flow statement.

In the normal course of its operations, the Group is party to arbitration, judicial or administrative proceedings. The potential costs of such proceedings are provided for, when they are probable, only if the amount can be quantified or estimated within a reasonable range. In the latter case, the amount provided for represents the best estimate of the Group's management. Provisions are determined based on a case-by-case risk assessment and events occurring during ongoing proceedings may result in a risk reappraisal at any time. These litigations are by nature diverse and involve various Group subsidiaries. Provisions recorded with respect to all Group litigations amounted to 151.4 million euros as of December 31, 2024 (138 million euros as of December 31, 2023) and are presented in "Other provisions". They include provisions for industrial disputes and for tax risks, excluding income taxes, respectively for 109.6 and 41.8 million euros.

The Group does not provide the detail of these provisions, considering that disclosing the amount provided for each individual litigation could be prejudicial to the Group. Nevertheless, no single litigation is likely to have a material effect on the Group's financial position or its profitability.

Note 23 Employee benefit obligations

23.1. PENSION PLANS

The most significant pension plans relate to France, Germany and the United States.

In France, Air Liquide provides an additional retirement benefit based on the final salary which is paid in addition to other normal pension plans. On December 31, 1995, this plan was closed to employees under age 45 or with less than 20 years of service as of January 1, 1996; the latter being covered by a defined contribution plan. This plan is unfunded. The annual amounts paid with regards to additional benefits cannot exceed a threshold set originally at 12% of total payroll or 12% of pre-tax profits of companies involved. This 12% threshold will be proportionately reduced by comparing the number of plan beneficiaries for the year to the number of plan beneficiaries for the previous year. In 2017, this additional benefit was funded subsequently to the Article 50 of the law of January 20, 2014 securing the future and fairness of pensions plans.

IAS 19 “Employee Benefits” provides a very restrictive definition of defined contribution plans; any plans not complying fully with the conditions required are defined benefit plans by default.

This restrictive definition of defined contribution plans requires Air Liquide to account for these additional benefits as a defined benefit plan in spite of the limited obligations for the Company and the nature of the obligations not being stable or continuous.

The qualification as a defined benefit plan results in the recognition of a provision with regards to the future obligations.

With the Company’s obligations being limited, the valuation of what will actually be paid to retirees is uncertain. Since the effect of this threshold cannot be measured reliably, the provision recognized represents the actuarial value of the amounts to be paid out to retirees until the plan is closed, excluding any potential threshold effect. The additional retirement benefit paid by Air Liquide is aligned with the indexation of French statutory and supplementary pension plans up to a maximum annuity. Any additional annuity will not be subject to any indexation.

In Germany, there are two main Air Liquide pension plans.

The first plan provides the retirees of Lurgi (Engineering & Construction activity) with a lifetime annuity, based on the income and length of service vested in the plan at the time of retirement, the normal retirement age being 65. The plan also provides disability and widowhood pensions. This plan is now closed to new entrants, the latter benefiting from a defined contribution plan.

The second plan is an old plan covering employees of the Gas & Services activities. The plan provides a lifetime annuity, based on the average income earned over the employee’s career and the length of service vested at the time of retirement, the normal retirement age being 65. The plan also provides disability, pre-retirement and widowhood pensions. It is now closed to new entrants, with new employees benefiting from another defined benefit plan. Providing a minimum length of service of ten years, the plan provides a lifetime annuity based on the average income earned over the employee’s career and the length of service vested at the time of retirement, the normal retirement age being 65. The plan also provides disability, pre-retirement and widowhood pensions.

In accordance with common market practice in Germany, limited funding contributions are made to pension funds as both plans are mainly managed internally.

In the United States, Air Liquide grants retirees supplemental benefits in addition to the normal pension plans. The US plan provides a traditional final average pay benefit to those who continue to accrue benefits. A retiring employee may elect to receive their pension benefit as a lump sum or a lifetime annuity. This plan was closed to new participants in 2004 and was frozen in 2016. Therefore, employees who joined the Company before 2004 are no longer acquiring new rights on this defined benefit plan, but benefit from the defined contribution plan that has been opened since 2004 to new employees.

A new plan was implemented on January 1, 2017 (Supplemental Saving plan). This plan comes on top of the basic savings plan offering additional retirement benefits beyond the tax limit of the basic plan. It represents an annual cost of around 6 million US dollars.

23.2. OBLIGATIONS

Group obligations related to pension plans and similar benefits as of December 31, 2024 are shown below:

2024 *(in millions of euros)*	Defined benefit plans	Retirement termination payments	Other long term benefits	Medical Plans	Total
A. Change in net liabilities					
Net liabilities at the beginning of the period	(856.0)	(158.7)	(19.7)	(25.3)	(1,059.7)
(Acquisition) divestiture/transfer	(2.5)	0.7	0.1		(1.7)
(Expense) income recognized	(41.6)	(14.6)	(3.4)	(0.9)	(60.5)
Employer contributions	74.9	8.9	4.0	2.0	89.8
Gains (losses) for the period	(5.6)	0.2		(0.1)	(5.5)
Exchange rate movements	(6.4)		0.3		(6.1)
Net liabilities at the end of the period	**(837.2)**	**(163.5)**	**(18.7)**	**(24.3)**	**(1,043.7)**
B. Expense recorded in 2024					
Service cost	15.4	10.3	2.6	0.1	28.4
Interest expense on the net defined benefit liability	26.5	5.5	0.7	0.8	33.5
Actuarial (gains) losses			0.1		0.1
Curtailment/settlement	(0.3)	(1.2)	(0.1)		(1.6)
Expense (income) recognized	**41.6**	**14.6**	**3.4**	**0.9**	**60.5**
C. Change in present value of obligations in 2024					
DBO at the beginning of the period	1,870.0	158.9	21.6	25.5	2,076.0
Acquisition (divestiture)/transfer	2.5	(0.7)	(0.1)		1.7
Service cost	15.4	10.3	2.6	0.1	28.4
Interest cost	64.7	5.5	0.8	0.8	71.8
Employee contributions	2.3				2.3
Curtailment/settlement	(0.3)	(1.2)	(0.1)		(1.6)
Benefit payments	(144.8)	(8.8)	(3.1)	(2.0)	(158.7)
Actuarial (gains) losses	(10.7)	(0.2)	(0.2)	0.2	(10.9)
Exchange rate movements	27.3			(0.1)	27.2
Obligations at the end of the period	**1,826.4**	**163.8**	**21.6**	**24.5**	**2,036.3**
D. Change in plan assets in 2024					
Fair value of assets at the beginning of the period	1,014.3	0.2	1.9	0.2	1,016.6
Acquisition (divestiture)/transfer					
Actual return on plan assets	21.8		0.1		21.9
Employer contributions	7.2		1.0		8.2
Employee contributions	2.3				2.3
Benefit payments	(77.0)				(77.0)
Exchange rate movements	20.8				20.8
Fair value of assets at the end of the period	**989.4**	**0.2**	**3.0**	**0.2**	**992.8**
E. Funded status at the end of 2024					
Present value of obligations	(1,826.4)	(163.8)	(21.6)	(24.5)	(2,036.3)
Fair value of plan assets	989.4	0.2	3.0	0.2	992.8
Surplus management reserve	(0.2)				(0.2)
Net liabilities	**(837.2)**	**(163.6)**	**(18.6)**	**(24.3)**	**(1,043.7)**
F. Actuarial (gains) and losses recognized directly in equity					
(Gains) and losses at the beginning of the period	975.9	3.5	0.1	(1.5)	978.0
(Gains) and losses on obligations	(10.7)	(0.2)	(0.2)	0.2	(10.9)
(Gains) and losses on plan assets	16.4				16.4
Acquisition (divestiture)/transfer	0.3	(0.4)			(0.1)
Exchange rate movements	22.0	0.1		0.1	22.2
(Gains) and losses at the end of the period [a]	**1,003.9**	**3.0**	**(0.1)**	**(1.2)**	**1,005.6**

(a) Losses (gains), net of tax, recognized in equity, amounted to 740 million euros as of December 31, 2024.

Group obligations related to pension plans and similar benefits as of December 31, 2023 are shown below:

2023 *(in millions of euros)*	**Defined benefit plans**	**Retirement termination payments**	**Other long term benefits**	**Medical Plans**	**Total**	
A. Change in net liabilities						
Net liabilities at the beginning of the period	(839.8)	(145.4)	(18.2)	(27.1)	(1,030.5)	
(Acquisition) divestiture/transfer	(3.2)	(2.8)			(6.0)	
(Expense) income recognized	(48.1)	(1.8)	(4.8)	(0.9)	(55.6)	
Employer contributions	82.4	3.5	3.6	2.2	91.7	
Gains (losses) for the period	(53.3)	(15.6)		0.1	(68.8)	
Exchange rate movements	6.0	3.4	(0.3)	0.4	9.5	
Net liabilities at the end of the period	**(856.0)**	**(158.7)**	**(19.7)**	**(25.3)**	**(1,059.7)**	
B. Expense recorded in 2023						
Service cost	20.1	2.8	2.7	0.1	25.7	
Interest expense on the net defined benefit liability	28.0	5.5	0.8	0.8	35.1	
Actuarial (gains) losses			1.3		1.3	
Curtailment/settlement	—	(6.5)	—	—	(6.5)	(a)
Expense (income) recognized	**48.1**	**1.8**	**4.8**	**0.9**	**55.6**	
C. Change in present value of obligations in 2023						
DBO at the beginning of the period	1,824.5	145.6	18.7	27.2	2,016.0	
Acquisition (divestiture)/transfer	3.2	2.8			6.0	
Service cost	20.1	2.8	2.7	0.1	25.7	
Interest cost	69.7	5.5	0.8	0.8	76.8	
Employee contributions	2.1				2.1	
Curtailment/settlement		(6.5)			(6.5)	(a)
Benefit payments	(148.5)	(3.4)	(2.1)	(2.2)	(156.2)	
Actuarial (gains) losses	112.7	15.6	1.3	(0.1)	129.5	
Exchange rate movements	(13.8)	(3.5)	0.2	(0.3)	(17.4)	
Obligations at the end of the period	**1,870.0**	**158.9**	**21.6**	**25.5**	**2,076.0**	
D. Change in plan assets in 2023						
Fair value of assets at the beginning of the period	1,031.9	0.2	0.4	0.2	1,032.7	
Actual return on plan assets	54.7	(0.1)			54.6	
Employer contributions	5.3	0.2	1.4		6.9	
Employee contributions	2.1				2.1	
Benefit payments	(71.5)	(0.1)			(71.6)	
Exchange rate movements	(8.2)		0.1		(8.1)	
Fair value of assets at the end of the period	**1,014.3**	**0.2**	**1.9**	**0.2**	**1,016.6**	
E. Funded status at the end of 2023						
Present value of obligations	(1,870.0)	(158.9)	(21.6)	(25.5)	(2,076.0)	
Fair value of plan assets	1,014.3	0.2	1.9	0.2	1,016.6	
Surplus management reserve	(0.3)				(0.3)	
Net liabilities	**(856.0)**	**(158.7)**	**(19.7)**	**(25.3)**	**(1,059.7)**	
F. Actuarial (gains) and losses recognized directly in equity						
(Gains) and losses at the beginning of the period	934.6	(9.4)	0.1	(1.5)	923.8	
(Gains) and losses on obligations	112.7	15.6		(0.1)	128.2	
(Gains) and losses on plan assets	(13.0)	0.1			(12.9)	
Change in surplus management reserve	(46.4)				(46.4)	
Exchange rate movements	(12.0)	(2.8)		0.1	(14.7)	
(Gains) and losses at the end of the period [b]	**975.9**	**3.5**	**0.1**	**(1.5)**	**977.9**	

(a) Past service costs and plan amendments mainly relate to pension plans in France.
(b) Losses (gains), net of tax, recognized in equity, amounted to 726 million euros as of December 31, 2023.

The amounts mentioned above can be broken down as follows by geographical area as of December 31, 2024:

2024 *(in millions of euros)*	Obligations	Plan assets	Provisions in the balance sheet	Surplus management reserve
Europe/Africa	(1,262)	335	(927)	—
Americas	(733)	622	(111)	—
Asia Pacific	(41)	36	(6)	—
TOTAL	**(2,036)**	**993**	**(1,044)**	**—**

The amounts mentioned above can be broken down as follows by geographical area as of December 31, 2023:

2023 *(in millions of euros)*	Obligations	Plan assets	Provisions in the balance sheet	Surplus management reserve
Europe/Africa	(1,304)	349	(955)	—
Americas	(725)	630	(95)	—
Asia Pacific	(47)	37	(10)	—
TOTAL	**(2,076)**	**1,016**	**(1,060)**	**—**

23.3. MAIN ASSUMPTIONS

The main discount rates used are as follows:

	2023	2024
Euro zone	3.2%	3.4%
Canada	4.7%	4.6%
Japan	1.5%	1.7%
Switzerland	1.4%	0.9%
United States	5.0%	5.5%
United Kingdom	4.5%	5.4%

Differences between expected returns on plan assets and the main discount rates are as follows:

2024	Expected return on assets [(a)]	Discount rate 2023	Impact *(in bp)*
Euro zone	0.3%	3.2%	290
Canada	13.9%	4.7%	(920)
Japan	9.9%	1.5%	(840)
Switzerland	16.9%	1.4%	(1,550)
United States	0.8%	5.0%	420
United Kingdom	0.4%	4.5%	410

(a) The expected return on long-term assets was determined by taking into account, in each country, the asset allocation in the portfolio.

2023	Expected return on assets [(a)]	Discount rate 2022	Impact *(in bp)*
Euro zone	2.5%	3.8%	130
Canada	6.5%	5.0%	(150)
Japan	2.3%	1.4%	(90)
Switzerland	5.3%	2.2%	(310)
United States	5.6%	5.4%	(20)
United Kingdom	4.9%	4.8%	(10)

(a) The expected return on long-term assets was determined by taking into account, in each country, the asset allocation in the portfolio.

23.4. BREAKDOWN OF GAINS AND LOSSES FOR THE PERIOD

(in millions of euros)	2023	2024
Experience gains and losses on present value of the obligation	31	15
Gains and losses on present value related to changes in assumptions	(161)	(4)
Experience gains and losses on fair value of assets	13	(16)

Breakdown of experience gains and losses on financial assets

2024 *(in millions of euros)*	Interest income on financial assets	Actual return on assets	Gains and losses on assets
Europe/Africa	8.1	(3.8)	(11.9)
Americas	29.6	24.9	(4.7)
Asia Pacific	0.6	0.8	0.2
TOTAL	**38.3**	**21.9**	**(16.4)**

2023 *(in millions of euros)*	Interest income on financial assets	Actual return on assets	Gains and losses on assets
Europe/Africa	10.2	8.4	(1.9)
Americas	30.8	48.0	17.3
Asia Pacific	0.7	(1.8)	(2.5)
TOTAL	**41.7**	**54.6**	**12.9**

23.5. PENSION PLAN RISK ANALYSIS

Sensitivity to movements in discount rates and other variables

The present value of obligations related to defined benefit plans is measured by discounting estimated future cash flows. Discount rates are determined based on Government bonds rates or, when the financial markets are sufficiently liquid, on “high-quality” corporate bond rates, which can vary from one period to another.

Changes in discount rates can materially change the present value of the Group’s obligations and the expense recorded in the year.

The amount of obligations is affected to a lesser extent by revised wages and inflation indexes, as well as legal changes regarding retirement age or official mortality tables.

Impact of a -0.25% decrease in discount rates

	Impact on obligations as of December 31, 2024 *(in millions of euros)*	% of total obligations as of December 31, 2024
Europe/Africa	33	2.6%
Americas	14	1.9%
Asia Pacific	1	1.3%
TOTAL	**48**	**2.4%**

	Impact on obligations as of December 31, 2023 *(in millions of euros)*	% of total obligations as of December 31, 2023
Europe/Africa	35	2.6%
Americas	16	2.3%
Asia Pacific	2	3.2%
TOTAL	**53**	**2.5%**

Impact of a +0.25% increase in discount rates

	Impact on obligations as of December 31, 2024 *(in millions of euros)*	% of total obligations as of December 31, 2024
Europe/Africa	(32)	-2.5%
Americas	(14)	-1.9%
Asia Pacific	(2)	-4.2%
TOTAL	**(48)**	**-2.3%**

	Impact on obligations as of December 31, 2023 *(in millions of euros)*	% of total obligations as of December 31, 2023
Europe/Africa	(34)	-2.5%
Americas	(16)	-2.3%
Asia Pacific	(1)	-3.0%
TOTAL	**(51)**	**-2.4%**

Sensitivity of the value of plan assets to market conditions

For the Group's defined benefit plans subject to funding requirements, the fair value of plan assets is primarily dependent on interest rates, the performance of plan assets and amendments to local regulations. Any adverse change on these variables would require additional Group contributions to the pension funds on a timely basis.

Plan assets consist of shares, bonds and other assets whose value is generally subject to market fluctuations. A downturn in the financial markets would increase the net liabilities of defined benefit plans. The plans' coverage ratios would decrease accordingly, requiring additional Group contributions on a timely basis.

Within the Group, plan assets are piloted and managed at local level, especially through investment committees and monitoring of performance and allocations based on the social liabilities covered.

2024	Shares		Bonds		Real estate		Cash		Others		TOTAL	
(in millions euros)	Amounts	%	Amounts	%	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Europe/Africa	81	24.2%	15	4.6%	98	29.1%	10	3.0%	131	39.1%	335	100.0%
Americas	135	21.7%	373	59.9%	28	4.5%	7	1.1%	79	12.8%	622	100.0%
Asia Pacific	4	12.3%	26	73.3%	1	1.4%	4	10.0%	1	3.1%	36	100.0%
TOTAL	**220**		**414**		**127**		**21**		**211**		**993**	

2023	Shares		Bonds		Real estate		Cash		Others		TOTAL	
(in millions euros)	Amounts	%	Amounts	%	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Europe/Africa	87	24.9%	60	17.2%	99	28.4%	5	1.4%	98	28.1%	349	100.0%
Americas	171	27.1%	406	64.4%	34	5.4%	10	1.6%	9	1.5%	630	100.0%
Asia Pacific	5	13.5%	28	75.7%	—	0.0%	3	8.1%	1	2.7%	37	100.0%
TOTAL	**263**		**494**		**133**		**18**		**108**		**1,016**	

Note 24 Borrowings

This note provides information on the breakdown of the Group's borrowings by instrument. For further information on financial instruments and the exposure to foreign exchange and interest rate risks, please refer to note 25.

Net debt calculation

(in millions of euros)	December 31, 2023	December 31, 2024
Non-current borrowings	(8,560.5)	(8,403.1)
Current borrowings	(2,285.3)	(2,671.4)
TOTAL GROSS DEBT	**(10,845.8)**	**(11,074.5)**
Cash and cash equivalents	**1,624.9**	**1,915.3**
TOTAL NET DEBT AT THE END OF THE PERIOD	**(9,220.9)**	**(9,159.2)**

Statement of changes in net debt

(in millions of euros)	2023	2024
Net debt at the beginning of the period	**(10,261.3)**	**(9,220.9)**
Net cash flows from operating activities	6,263.0	6,322.2
Net cash flows used in investing activities	(3,079.0)	(3,583.4)
Net cash flows from (used in) financing activities excluding changes in borrowings	(2,041.6)	(2,322.6)
Total net cash flows	**1,142.4**	**416.2**
Effect of exchange rate changes, opening net debt of newly acquired companies and others	150.7	(134.2)
Adjustment of costs and expenses related to net debt	(252.7)	(220.3)
Change in net debt	**1,040.4**	**61.7**
TOTAL NET DEBT AT THE END OF THE PERIOD	**(9,220.9)**	**(9,159.2)**

The Air Liquide Group net debt breaks down as follows:

	2023			2024		
	Carrying amount			Carrying amount		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Bonds and private placements	7,713.1	1,151.2	8,864.3	7,362.1	1,049.1	8,411.2
Commercial paper programs		398.8	398.8		352.6	352.6
Bank debt and other financial debt	813.4	695.1	1,508.5	1,006.2	1,250.0	2,256.2
Put options granted to minority shareholders	34.0	40.2	74.2	34.8	19.7	54.5
TOTAL BORROWINGS (A)	**8,560.5**	**2,285.3**	**10,845.8**	**8,403.1**	**2,671.4**	**11,074.5**
Short-term loans		26.1	26.1		32.4	32.4
Short-term marketable securities		200.7	200.7		329.5	329.5
Cash in bank		1,398.1	1,398.1		1,553.4	1,553.4
TOTAL CASH AND CASH EQUIVALENTS (B)		**1,624.9**	**1,624.9**		**1,915.3**	**1,915.3**
NET DEBT (A) - (B)	**8,560.5**	**660.4**	**9,220.9**	**8,403.1**	**756.1**	**9,159.2**

In accordance with the Group's policy to diversify funding sources, long-term bonds and private placements are the primary sources of funding and represent 76% of gross debt as of December 31, 2024. Outstanding notes under these sources amounted to 8.4 billion euros at the end of 2024.

The carrying amount of commercial paper amounted to 0.4 billion euros as of December 31, 2024, stable compared to December 31, 2023.

Gross debt increased by 0.2 billion euros. Bond debt decreased by 0.5 billion euros. Indeed, bond issues matured in 2024 or early redempted were only partially renewed. In addition, bank debt increased by 0.7 billion euros, notably in China and Taiwan.

In 2024, one bond was issued by Air Liquide Finance, guaranteed by L'Air Liquide S.A.: a 500 million euros Green Bond to finance the energy transition, maturity May 29, 2034, at a reorder yield of 3.466% (3.375% coupon).

In consideration thereof, Air Liquide Finance repaid:

- a bond issue issued in 2014 and maturing June 5, 2024, initially for 500 million euros and whose nominal value had been reduced to 441 million euros following an early redemption carried out in 2023;
- a bond issue issued in 2016 and maturing June 13, 2024, initially for 500 million euros and whose nominal value had been reduced to 451 million euros following an early redemption carried out in 2023.
- a US Private Placement issue issued in 2012 and maturing on September 13, 2024 for 200 million US dollars (181 million euros equivalent).

The carrying amount of borrowings in the balance sheet is as follows:

	2023	2024		
(in millions of euros)	Carrying amount	Amount issued [a]	Amortized cost ajustments [b]	Carrying amount [(a)+(b)]
Bonds in the EMTN program	6,087.2	5,671.6	24.4	5,696.0
Bonds not in the EMTN program	1,919.3	2,038.0	5.8	2,043.8
Private placements in the EMTN program	583.7	564.6	9.5	574.1
Private placements not in the EMTN program	274.1	96.3	1.0	97.3
TOTAL BONDS AND PRIVATE PLACEMENTS	**8,864.3**	**8,370.5**	**40.7**	**8,411.2**
Commercial paper programs	398.8	354.4	(1.8)	352.6
Bank debt and other financial debt	1,508.5	2,242.8	13.4	2,256.2
Put options granted to minority shareholders	74.2	54.5		54.5
LONG-TERM BORROWINGS	**10,845.8**	**11,022.2**	**52.3**	**11,074.5**

(a) Nominal amount.
(b) Amortized cost including accrued interest.

24.1. CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial assets or liabilities with a carrying amount differing from their fair value are unhedged fixed-rate borrowings.

	2023		2024	
(in millions of euros)	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL LIABILITIES				
Non-current borrowings	8,560.5	9,287.5	8,403.1	7,797.2

The fair value of the Group's financial instruments is calculated using financial market data, which allows a relevant estimate of their market value from a non-liquidation perspective. This valuation technique is level 1 according to IFRS 13 (prices quoted on an active market).

Given their short maturity, the other components of the debt, as well as supplier debts and trade receivables, have a fair value close to their book value.

24.2. MATURITY OF BORROWINGS

It is the Group policy to spread over time the maturity of long-term debt (bonds, private placements and bank credit facilities) in order to limit the annual refinancing needs.

2024			Maturity									
					≥ 1 year and ≤ 5 years				> 5 years			
(in millions of euros)	Nominal amount	Carrying amount	On demand	< 1 year	2026	2027	2028	2029	2030	2031	2032	> 2032
Bonds and private placements	8,370.5	8,411.2		1,049.1	1,048.6	694.5	997.0	577.9	1,093.2	618.9	594.4	1,737.7
Commercial paper programs	354.4	352.6		352.6								
Bank debt, overdraft and other financial debt	2,242.8	2,256.2		1,250.0	256.5	302.6	183.7	127.4	77.3	54.7	2.5	1.6
Put options granted to minority shareholders	54.5	54.5	34.8	19.7								
TOTAL BORROWINGS	**11,022.2**	**11,074.5**	**34.8**	**2,671.4**	**1,305.1**	**997.1**	**1,180.7**	**705.3**	**1,170.5**	**673.6**	**596.9**	**1,739.3**

2023			Maturity									
					≥ 1 year et ≤ 5 years				> 5 years			
(in millions of euros)	Nominal amount	Carrying amount	On demand	< 1 year	2025	2026	2027	2028	2029	2030	2031	> 2031
Bonds and private placements	8,825.3	8,864.3		1,151.2	970.9	993.9	687.9	996.2	548.3	1,092.0	623.5	1,800.4
Commercial paper programs	405.6	398.8		398.8								
Bank debt, overdraft and other financial debt	1,492.9	1,508.5		695.1	219.9	266.7	165.8	72.9	59.0	20.3	2.2	6.6
Put options granted to minority shareholders	74.2	74.2	21.6	40.2	12.4							
TOTAL BORROWINGS	**10,798.0**	**10,845.8**	**21.6**	**2,285.3**	**1,203.2**	**1,260.6**	**853.7**	**1,069.1**	**607.3**	**1,112.3**	**625.7**	**1,807.0**

24.3. FIXED-RATE PORTION OF GROSS DEBT

Portion of fixed-rate gross debt *(as % of total debt)*	2023	2024
EUR debt	100%	97%
USD debt	79%	80%
CNY debt	100%	79%
JPY debt	100%	100%
TWD debt	93%	88%
Total debt	**93%**	**88%**

As of December 31, 2024, fixed-rate debt represented 88% of the total debt.

24.4. DETAIL OF BOND DEBT

The table below details the main characteristics of the Group's bond issues in progress as of December 31, 2024. They represent 76% of the Group's debt (82% as of December 31, 2023).

Currency	Nominal value still due *(in millions)*	Issue date	Maturity	Issuer	Coupon
EUR	500	2024	2034	AL Finance	3.375%
EUR	600	2022	2032	AL Finance	2.875%
EUR	500	2021	2033	AL Finance	0.375%
EUR	500	2021	2031	AL Finance	0.375%
EUR	500	2020	2030	AL Finance	1.375%
EUR	372	2020	2025	AL Finance	1.000%
EUR	100	2020	2025	AL Finance	1.081%
EUR	600	2019	2030	AL Finance	0.625%
EUR	600	2017	2027	AL Finance	1.000%
EUR	1,000	2016	2028	AL Finance	1.250%
EUR	500	2015	2025	AL Finance	1.250%
EUR	100	2014	2029	AL Finance	3.000%
EUR	150	2014	2026	AL Finance	3.000%
USD	500	2019	2029	AL Finance	2.250%
USD	682	2016	2046	AL Finance	3.500%
USD	935	2016	2026	AL Finance	2.500%
USD	100	2012	2027	AL Finance	3.460%
JPY	20,000	2023	2031	AL Finance	0.829 %
JPY	15,000	2008	2038	AL Finance	3.160%

24.5. NET DEBT BY CURRENCY

The Group ensures a natural hedge and reduces its exposure to currency fluctuations by raising debt mainly in the currency of the cash flows that are generated to repay the debt. In most countries, and especially outside the euro, US dollar, Japanese yen and Chinese renminbi zones, financing is raised in either local or foreign currency (EUR or USD) when sales contracts are indexed to foreign currency. Debt in other currencies is mainly denominated in Taiwan dollar, South African Rand and in Canadian dollar.

As part of intra-group multi-currency financing, the Central Treasury Department converts the debt raised in financial markets into various currencies to finance subsidiaries in their functional currencies or their cash flow currencies. The breakdown of this hedging portfolio is shown in the table below.

Accordingly, a portion of the euro debt raised was converted (1,365.6 million euros) to other currencies to finance foreign subsidiaries. As an example, 2,511.5 million euros equivalent were raised initially in US dollar, and 520.7 million euros equivalent were raised in euros and converted in US dollar using currency swap contracts. 270.2 million euros were in cash or cash equivalent, leading to an adjusted net debt in US dollars of 2,762.0 million euros equivalent.

2024 *(in millions of euros)*	Gross debt – original issue	Interest rate and currency swaps	Cash and cash equivalents	Adjusted net debt
EUR	6,700.1	(1,365.6)	(661.3)	4,673.2
USD	2,511.5	520.7	(270.2)	2,762.0
JPY	217.2	67.3	(12.0)	272.5
CNY	569.7	(5.9)	(455.2)	108.6
TWD	548.7	—	(27.8)	520.9
Other currencies	527.3	783.5	(488.8)	822.0
TOTAL	**11,074.5**	**—**	**(1,915.3)**	**9,159.2**

2023 *(in millions of euros)*	Gross debt – original issue	Interest rate and currency swaps	Cash and cash equivalents	Adjusted net debt
EUR	6,885.1	(1,443.0)	(642.2)	4,799.9
USD	2,498.3	512.1	(244.5)	2,765.9
JPY	226.2	107.9	(18.6)	315.5
CNY	310.8	3.6	(263.5)	50.9
TWD	453.7	—	(30.1)	423.6
Other currencies	471.7	819.4	(426.0)	865.1
TOTAL	**10,845.8**	**—**	**(1,624.9)**	**9,220.9**

24.6. BREAKDOWN OF AVERAGE NET FINANCE COSTS

Net debt depends on the original gross debt raised on the financial markets, on the swap of this debt into foreign currencies to finance the subsidiaries, and on surplus cash positions. The average cost of net debt presented in the following table takes into account these various components, i.e. financing expenses, amortization and commission fees, income and expenses related to foreign currency translation and income or expenses related to cash surpluses.

	2023			2024		
(in millions of euros)	Average outstanding debt	Net interests	Average net finance costs	Average outstanding debt	Net interests	Average net finance costs
EUR	4,830.9	104.5	2.2%	4,660.8	107.1	2.3%
USD	3,641.8	162.8	4.5%	2,777.9	140.2	5.0%
JPY	311.2	4.0	1.3%	319.8	3.5	1.1%
CNY	184.0	12.1	6.6%	273.8	17.4	6.4%
TWD	376.5	8.8	2.3%	483.0	12.1	2.5%
Other currencies	758.5	49.1	6.5%	1,012.8	45.1	4.5%
TOTAL	**10,102.9**	**341.3**	**3.4%**	**9,528.1**	**325.4**	**3.4%**
Non-recuring costs		(27.1)				
Capitalized interests		(48.7)			(67.0)	
TOTAL COST OF DEBT		**265.5**			**258.4**	

The net finance costs, excluding capitalized interests and non-recurring costs decreased by 15.9 million euros. They stand at 3.4% of the average outstanding debt in 2024. The total cost of debt, including exceptional elements and capitalized finance costs, stands at 258.4 million euros, decreasing by 7.1 million euros.

The cost of net debt in the cash flow statement in accordance with IAS 7.35 is presented net of tax.

24.7. OTHER FINANCING INFORMATION

Four financial covenants are associated to bank debt facilities exceeding 50 million euros: they are long term loans used by Air Liquide Large Industries South Africa (South Africa) for two of them, AL China (China), AL Arabia (Arabia) for a total outstanding amount of 331 million euros as of December 31, 2024. Financial covenants were all met as of December 31, 2024.

The total amount of bank credit facilities subject to financial covenants represents around 4.2% of the Group's gross debt as of December 31, 2024.

Bonds issued by Air Liquide Finance, and making up the carrying amount of bonds as of December 31, 2024, include a change of control clause, with the exception of the 20 billion Japanese yen (128 million euros equivalent) private placement maturing in September 2031.

Note 25 Financial risk policy and management

25.1. FINANCIAL RISK MANAGEMENT

Risk management is a priority for the Group. Consequently, the Finance Department governance relies on Strategic Finance Committees and Operational Finance Committees.

The Finance Department centrally manages the main financial risks, in accordance with decisions taken by the Strategic Finance Committee to which it reports on a regular basis. The Finance Department also performs country and customer risks analyses associated with investment decisions and attends Investment Committee meetings.

The financial policy adopted by Air Liquide, the purpose of which is to minimize the risks incurred by the Group and its subsidiaries, enables the Group to ensure sustainable funding sources. To minimize the refinancing risk related to debt maturity schedules, the Group diversifies financing sources and spreads maturities over several years. In 2024, the average debt maturity was 5.2 years. As of December 31, 2024, the long-term debt (gross debt maturing in more than one year) represented 76% of the overall Group debt, compared to 79% as of December 31, 2023.

Interest rate, commodities and foreign currency hedging strategies validated by the Operational Finance Committee are set up depending on market opportunities, while complying with prudence and risk limitation principles. Negotiated market operations can be governed by Fédération Bancaire Française ("FBF") contracts or by International Swaps and Derivatives Associates ("ISDA") contracts. These do not include collateralization commitments or margin calls.

The Group also pays continuous attention to its bank and customer counterparty risks by regularly monitoring ratings issued by main international rating agencies and the level of risk associated with these counterparties. An internal ratings system, set-up in 2018, is used for the most important clients when no leading credit ratings agency information is available.

a) Foreign exchange risk

Principles

Financial instruments are only used to hedge transaction-based foreign exchange risk. The risk is attached on the one hand to financial cash flows arising from royalties, dividends, intra-group loans and borrowings denominated in foreign currencies and on the other hand to foreign currency commercial cash flows from operating entities in foreign currencies other than their functional currency. Although in slight increase, commercial cash flows denominated in foreign currencies do not represent significant amounts compared to consolidated revenue.

Foreign exchange risk related to royalties, dividend flows and intra-group loans and borrowings in foreign currencies is hedged by the Central Treasury Department using currency forwards or options with an overall term of less than 18 months.

Foreign currency commercial cash flows from operating entities are hedged either as part of the annual budgetary process for subsidiaries with recurring flows in foreign currency or at the signing date of a sale or purchase contract for non-recurring flows for the Engineering & Construction business line. Around a hundred subsidiaries are exposed to foreign exchange risk. These subsidiaries mainly use currency forwards set up by Air Liquide Finance (internal counterparty for hedging transactions) except in countries where it is prohibited by local regulations. The majority of these contracts have short maturities (three to twelve months) and market transactions are regulated by master agreements of the French Banking Federation ("FBF") or by master agreements of the International Swaps and Derivative Association ("ISDA") for local hedging operations. These do not include collateralization commitments or margin calls.

When preparing their budget at the year-end, subsidiaries report their foreign exchange risk exposure to the Central Treasury Department in order to hedge the commercial cash flows expected in the following year. In each case, the Central Treasury Department monitors the adequacy of the hedges with the identified risks and performs a full revaluation of all hedges, every six months.

The foreign exchange translation risk (consolidation in euros of the assets and liabilities in currencies) is not subject to hedging. Indeed, investments are essentially funded in the currency in which the cash flows are generated, thus creating a natural currency hedging.

Sensitivity of derivatives and their underlying hedged items to foreign currency fluctuations

The table below shows the effect of a 10% fluctuation in hedging currency exchange rates on the recognition of the foreign exchange derivatives portfolio in the Group's net profit and equity as of December 31, 2024. The sensitivity of net profit and equity primarily reflects the effect of foreign exchange swaps relating to the intragroup financing activity of the subsidiary Air Liquide Finance, and currency forward hedging instruments contracted at head office level.

	Foreign exchange risk			
	+10%		-10%	
(in millions of euros)	P&L impact	Equity impact	P&L impact	Equity impact
Foreign exchange derivatives and their hedged underlying items	(0.5)	57.3	0.5	(57.3)

b) Interest rate risk

Principles

Air Liquide centrally manages interest rate risk on the main currencies: euro, US dollar and Japanese yen which represented 84% of the Group's total net debt as of December 31, 2024. Regarding other currencies, the Finance Department provides subsidiaries with advice as to the different types of bank loans and/or hedging transactions to enter into according to the characteristics of local financial markets.

The Group policy is to maintain the major portion of total debt at fixed rates and to protect the residual balance using optional hedging instruments. This approach enables the Group to limit the effect of interest rate fluctuations on financial expenses.

Consequently, at the 2024 year-end, 88% of the total debt was fixed-rate debt. The fixed-rate/floating-rate breakdown is reviewed on a regular basis by the Finance Committees, depending on interest rate fluctuations and the level of Group debt.

Sensitivity to interest rate fluctuations on cost of floating-rate debt

The Group net debt exposed to interest rate fluctuations amounted to around 541 million equivalent euros as of December 31, 2024, for an average outstanding amount over the year of 0.7 billion equivalent euros (total debt adjusted for interest rate hedging instruments and short-term securities) increasing compared to December 31, 2023 (0.6 billion equivalent euros).

An increase or decrease in interest rates by 100 basis points (±1%) on all yield curves would have an effect of approximately ±7 million euros on the Group's annual cost of debt (accounted in financial charges) before tax, assuming outstanding floating debt remains constant.

Sensitivity to interest rate fluctuations on derivatives and their underlying hedged items

The table below shows the effect of a 1% fluctuation of interest rates in all foreign currencies on the interest rate derivatives portfolio in the Group's net profit and equity, as of December 31, 2024.

	Interest rate risk			
	+1.0%		-1.0%	
(in millions of euros)	P&L impact	Equity impact	P&L impact	Equity impact
Interest rate derivatives and their hedged underlying items	(4.5)	74.1	4.5	80.5

To protect the Group against the increase of variable rates in 2024 applicable to short-term financing (commercial papers) and to other exposure to variable rates, Air Liquide Finance set up six firm hedges for 400 million euros and 250 million US dollar. They were completed by optional hedges for a total amount of 200 million euros and 200 million US dollar.

To protect the Group against new rate increases in 2025 applicable to short-term financing (commercial papers) and to other exposure to variable rates, Air Liquide Finance set up firm hedges for a total amount of 700 million euros and 450 million US dollar.

All hedging instruments used for interest rate or foreign exchange risk management purposes relate to identified risks and were set up to comply with the Group's financial policy. The effect on equity primarily stems from the fixed-rate hedging instruments contracted by the subsidiary Air Liquide Finance.

c) Counterparty risk

Counterparty risks for Air Liquide potentially include customers and bank counterparties.

The Group's subsidiaries serve a large number of customers (more than two million worldwide) located in extremely diverse markets: chemicals, steel, refining, food, pharmaceuticals, metals, automotive, manufacturing, healthcare, research laboratories, electronics, etc. In 2024, the Group's main customer represents around 2% of revenue, the Group's 10 main customers around 12% of sales, and the Group's 50 main customers around 28% of sales. The geographical risk is limited by the Group's sustainable coverage in 60 countries [(1)] on all continents. This diversity reduces customer and market risk.

To better assess its exposure, the Group has implemented procedures to regularly monitor the financial situation of its major customers as well as a monthly reporting for the Group's 162 main transnational customers in order to monitor the related consolidated risk.

(1) *Excluding Russia, where the entities are no longer consolidated following the loss of control on September 1, 2022.*

Moreover, customer risk assessment and in particular the quality of the customer's site is an important component of the investment decision process.

Bank counterparty risk relates to the outstanding amounts of deposits, current accounts, market values of derivatives and to the credit lines contracted with each bank. Pursuant to its financial policy, in the majority of cases, the Group requires a long-term Standard & Poor's "A" credit rating or a Moody's "A2" rating from its counterparties to accept commitments on financial instruments. The Group's credit lines are also spread among several banks from various geographical areas to avoid the risk of concentration while complying with the same credit rating requirements. The Operational Finance Committee regularly reviews and approves the list of bank counterparties related to investments and the list of financial instruments. With regards to short-term investments, outstandings are subject to strict limits per counterparty and are monitored daily.

IFRS 13 Fair Value Measurement specifies that the valuation of currency, interest rate and commodity hedging instruments must take into account the counterparty credit risk attached to these transactions. Considering the aforementioned counterparty selection criteria, the effect on the periodic valuations, by applying the secondary bonds spread method is immaterial.

d) Liquidity risk

It is Group financial policy to spread over time the maturity of long-term debt in order to avoid concentration of annual refinancing needs. Liquidity risk is also reduced by the stability of cash flows generated from operations as well as by having confirmed credit lines in place. The financial covenants attached to the current financing arrangements described in note 24.7 do not affect the Group's access to liquidity.

The carrying nominal amount of short-term financing in the form of commercial paper amounted to 354.4 million euros as of December 31, 2024, a decrease by 46.6 million euros compared to the end of 2023. The average amount of commercial paper amounted to 1,025 million euros in 2024, compared to 617 million euros in 2023.

The Group policy requires that commercial paper in issue be backed by confirmed long-term credit lines. In 2024, this requirement was met, with an amount of confirmed credit lines of 4,000 million euros largely exceeding maximum outstanding commercial paper.

The table below presents the maturities of the bilateral and syndicated credit lines:

(in millions of euros)	2025	2026	2027	2028	2029	2030	Total
Bilateral lines and syndicated credit lines	80	300	470	150	3,000		4,000

When the Group makes short-term financial investments other than bank deposits, it systematically favors monetary instruments with a short-term maturity in order to limit the risk of non-liquidity or high volatility.

The following tables represent the future cash flows related to the main balance sheet items and to the derivative financial instruments recognized at the end of the last two periods. Interest flows are calculated in accordance with IFRS 7 and represent the interest payable for each relevant period. Interest flows related to floating interest rate or foreign currency instruments were calculated using the closing interest and exchange rates as of December 31, 2023 and 2024. The flows related to debt repayment obligations differ from the amounts recognized in the Group's balance sheet due to the accounting treatment applied to borrowings and the exclusion of hedging instruments.

2024 *(in millions of euros)*	Book value as of December 31, 2024	Cash Flow < 1 year		Cash flow ≥ 1 year and ≤ 5 years		Cash Flow > 5 year	
		Interest	Capital refund	Interest	Capital refund	Interest	Capital refund
Derivative instruments							
Assets							
Fair value of derivatives (assets)	110.2	173.3	261.3	40.5	630.7	5.4	103.2
Liabilities							
Fair value of derivatives (liabilities)	(106.6)	(178.1)	(257.4)	(66.9)	(628.6)	(5.9)	(98.3)
SUB-TOTAL DERIVATIVE INSTRUMENTS		**(4.8)**	**3.9**	**(26.4)**	**2.1**	**(0.5)**	**4.9**
Assets							
Loans and other non-current receivables					—		
Trade receivables	2,996.7		2,996.7				
Cash and cash equivalents	1,915.3	7.3	1,908.0				
SUB-TOTAL ASSETS		**7.3**	**4,904.7**		**—**		
Liabilities							
Non-current borrowings	(8,403.1)	(149.6)		(495.2)	(4,168.5)	(549.3)	(4,199.9)
Other non-current liabilities	(642.8)				(642.8)		
Trade payables	(3,319.0)		(3,319.0)				
Current borrowings	(2,671.4)	(55.4)	(2,463.9)				
SUB-TOTAL LIABILITIES		**(205.0)**	**(5,782.9)**	**(495.2)**	**(4,811.3)**	**(549.3)**	**(4,199.9)**

2023 *(in millions of euros)*	Book value as of December 31, 2023	Cash Flow < 1 year		Cash flow ≥ 1 year and ≤ 5 years		Cash Flow > 5 year	
		Interest	Capital refund	Interest	Capital refund	Interest	Capital refund
Derivative instruments							
Assets							
Fair value of derivatives (assets)	105.8	145.9	204.4	42.0	719.1	7.7	143.8
Liabilities							
Fair value of derivatives (liabilities)	(124.2)	(127.2)	(196.9)	(84.1)	(720.5)	(9.1)	(134.6)
SUB-TOTAL DERIVATIVE INSTRUMENTS		**18.7**	**7.5**	**(42.1)**	**(1.4)**	**(1.4)**	**9.2**
Assets							
Loans and other non-current receivables					—		
Trade receivables	2,993.7		2,971.2		22.5		
Cash and cash equivalents	1,624.9	5.0	1,619.9				
SUB-TOTAL ASSETS		**5.0**	**4,591.1**		**22.5**		
Liabilities							
Non-current borrowings	(8,560.5)	(135.8)		(551.8)	(4,370.1)	(516.2)	(4,156.2)
Other non-current liabilities	(454.7)				(454.7)		
Trade payables	(3,310.5)		(3,245.9)		(64.6)		
Current borrowings	(2,285.3)	(46.8)	(2,157.3)				
SUB-TOTAL LIABILITIES		**(182.6)**	**(5,403.2)**	**(551.8)**	**(4,889.4)**	**(516.2)**	**(4,156.2)**

e) Hierarchy of financial instruments fair value

(in millions of euros)	2023	2024
Level 1	**70.2**	**46.6**
Non-consolidated shares (listed shares)	70.2	46.6
Level 2	**230.0**	**216.8**
Derivative instruments	230.0	216.8
Level 3	**74.2**	**54.5**
Put options granted to minority shareholders	74.2	54.5

f) Commodity risk (energy contracts)

A portion of Air Liquide's energy supplies, with limited volume commitments, is obtained through forward purchase contracts, at a fixed or indexed price.

IFRS 9 provides for the inclusion within its scope of forward purchases and sales of non-financial assets as soon as these transactions are deemed similar to derivative instruments.

However, IFRS 9 considers that forward contracts for non-financial assets should not be considered as derivatives when they have been entered into to meet the Company's "normal" business requirements, resulting in the delivery upon maturity of the underlying item for use in the Company's industrial process. As Air Liquide does not purchase electricity or natural gas for speculation or arbitrage on commodity price trends purposes, no forward contracts relating to energy meet the definition of a derivative instrument. The contracts enter into as part of the Company's normal business to be used in the industrial process and do not meet the definition of a derivative instrument.

Furthermore, in a global context of highly volatile electricity and natural gas market prices, Air Liquide continues to index long-term customer contracts to hedge these risks. For natural gas and electricity prices, the opening of some markets led the Group, under these circumstances, to replace the regulated tariffs by local market indices.

Nonetheless, a few contracts remain for which price indexation alone cannot guarantee a total and effective hedge against the risk of energy prices fluctuations. These risks are therefore hedged by Air Liquide, particularly by Air Liquide Finance, using adequate commodity derivatives, which are mainly swaps with maturities of generally less than two years.

For contracts for the supply of industrial gas produced from renewable energy, new risks to be taken into account (long-term commitment, fixed price, intermittency, management of environmental certificates, etc.) can lead the Group to make greater use of appropriate hedging instruments. Furthermore, the Group analyses the main characteristics of long-term renewable energy purchase agreements (PPAs) as described in paragraph 13 of the accounting policies in order to qualify them as purchase contracts for own-use. Virtual renewable energy purchase agreements (VPPAs) are derivative instruments that the Group designates in a hedging relationship in accordance with the principles described in paragraph 13 of the accounting policies.

The fair value recognition of these derivative instruments had no material impact on Group equity or profits as of December 31, 2024.

25.2. INFORMATION ON DERIVATIVE INSTRUMENTS

The Group policy consists in using financial derivatives only when hedging actual financial flows. As a result, the majority of derivative financial instruments used by the Group benefit from hedge accounting. Derivative instruments that do not benefit from hedge accounting are not used for speculative purposes.

Impact of the fair value recognition of derivative instruments on the balance sheet:

		Assets					Liabilities						
				Fair value of derivatives (assets)							Fair value of derivatives (liabilities)		
2024 *(in millions of euros)*	IFRS classification	Deferred tax assets	Trade receivables	Assets - non current	Assets - current	Total	Net income recognized in equity	Profit for the period	Borrowings	Trade payables	Assets - non current	Assets - current	Total
Foreign exchange risk													
Forwards hedging future cash flows	CFH [a]	(0.6)		2.6	53.5	55.5	1.9				5.3	48.3	55.5
Currency forwards hedging transactions recorded in the accounts and Cross Currency Swaps	FVH [b]	0.5	7.4	32.6	23.6	64.1		(1.5)	14.8	2.8	23.7	24.3	64.1
Other derivatives	[c]												
Interest rate risk													
Interest rate swaps	FVH [b]												
Swaps, options and Cross Currency Swaps	CFH [a] and NIH [d]	1.2		(2.3)	0.3	(0.8)	(3.3)				2.4	0.1	(0.8)
Commodity risk (Energy)													
Forwards hedging future cash flows	CFH [a]	0.6				0.6	(1.9)				(1.7)	4.2	0.6
TOTAL		**1.7**	**7.4**	**32.9**	**77.4**	**119.4**	**(3.3)**	**(1.5)**	**14.8**	**2.8**	**29.7**	**76.9**	**119.4**

(a) CFH: Cash Flow Hedge.
(b) FVH: Fair Value Hedge.
(c) Derivative instruments not benefiting from hedge accounting.
(d) NIH: Net Investment Hedge.

		Assets					Liabilities						
				Fair value of derivatives (assets)							Fair value of derivatives (liabilities)		
2023 *(in millions of euros)*	IFRS classification	Deferred tax assets	Trade receivables	Assets - non current	Assets - current	Total	Net income recognized in equity	Profit for the period	Borrowings	Trade payables	Assets - non current	Assets - current	Total
Foreign exchange risk													
Forwards hedging future cash flows	CFH [a]	6.0		(1.1)	37.1	42.0	(16.9)				5.7	53.2	42.0
Currency forwards hedging transactions recorded in the accounts and Cross Currency Swaps	FVH [b]	0.8	1.6	37.4	33.8	73.6		(2.3)	33.7	4.2	24.7	13.3	73.6
Other derivatives	[c]												
Interest rate risk													
Interest rate swaps	FVH [b]												
Swaps, options and Cross Currency Swaps	CFH [a] and NIH [d]	4.7		(1.2)	(0.2)	3.3	(12.8)	(0.7)			16.8		3.3
Commodity risk (Energy)													
Forwards hedging future cash flows	CFH [a]	2.6				2.6	(7.9)				0.8	9.7	2.6
TOTAL		**14.1**	**1.6**	**35.1**	**70.7**	**121.5**	**(37.6)**	**(3.0)**	**33.7**	**4.2**	**48.0**	**76.2**	**121.5**

(a) CFH: Cash Flow Hedge.
(b) FVH: Fair Value Hedge.
(c) Derivative instruments not benefiting from hedge accounting.
(d) NIH: Net Investment Hedge.

Note 26 Other liabilities (non-current/current)

26.1. OTHER NON-CURRENT LIABILITIES

(in millions of euros)	2023	2024
Investment grants	187.0	334.2
Advances and deposits received from customers	28.4	44.0
Other non-current liabilities	239.3	264.6
TOTAL OTHER NON-CURRENT LIABILITIES	**454.7**	**642.8**

26.2. OTHER CURRENT LIABILITIES

(in millions of euros)	2023	2024
Advances received	560.2	639.4
Deposits received from customers	70.7	69.2
Other payables	1,395.4	1,556.2
Accruals and deferred income	283.8	218.9
TOTAL OTHER CURRENT LIABILITIES	**2,310.1**	**2,483.7**

Amounts payable to customers under Engineering & Construction contracts amount to 184,3 million euros and are included in other current liabilities as of December 31, 2024 (188.8 million euros in 2023).

Other payables mainly include tax and employment-related liabilities.

Note 27 Trade payables

(in millions of euros)	2023	2024
Operating suppliers	2,807.0	2,799.3
Property, plant and equipment and intangible assets suppliers	503.5	519.7
TOTAL TRADE PAYABLES	**3,310.5**	**3,319.0**

A suppliers payment platform which aims at facilitating the payment process of suppliers trade payables has been set up in the United States in 2020.The Group has analyzed the main features of the contract according to the principles described in paragraph 6.d of the accounting principles and has concluded that the qualification of trade payables should not be challenged as the contract does not constitute a reverse factoring contract.

Note 28 Related party disclosures

28.1. TRANSACTIONS WITH COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

The Consolidated Financial Statements include the Financial Statements of L'Air Liquide S.A. and all the subsidiaries listed on pages 252 to 253. L'Air Liquide S.A. is the ultimate parent company.

Due to the activities and legal organization of the Group, only executives, associates and joint ventures are considered to be related parties to the Group. Transactions performed between these individuals or these companies and Group subsidiaries are not material.

Information related to associates and joint ventures is disclosed in note 14.

28.2. REMUNERATION ALLOCATED TO MEMBERS OF THE BOARD OF DIRECTORS AND MANAGEMENT BODIES

The remuneration of Group executives includes the remuneration allocated to the Board of Directors and the Company's management bodies as compensation for their duties within the entire Group as employees and corporate officers for the respective fiscal years. The Company's management bodies include all the members of Executive Management and the Executive Committee. The amounts expensed in this respect are as follows:

(in thousands of euros)	2023	2024
Short-term benefits	20,480	20,714
Post-employment benefits: retirement and non-competition clauses	2,683	2,403
Termination benefits paid in case of retirement	—	—
Share-based payments	9,762	9,017
TOTAL	**32,925**	**32,134**

Short-term benefits

Short-term benefits include fixed remuneration, variable remuneration, benefits in kind and attendance fees. The entire variable remuneration portion due for any given year is paid the following year after the Financial Statements have been approved.

The remuneration policy for members of the executive team takes into account market practices. It includes a substantial variable portion depending on the achievement of earnings and individual performance objectives.

Post-employment benefits

Post-employment benefits mainly include the contributions paid to external pension funds. Retirement commitments amounted to 5,156 thousand euros in 2024 and 5,331 thousand euros in 2023.

Share-based payments

Stock options and performance shares granted to Executive Management and to the Executive Committee have the following expiry dates and strike prices:

Year of Stock option Plan	Expiry date	Strike price [(a)] *(in euros)*	Number of rights 2023	Strike price [(b)] *(in euros)*	Number of rights 2024
2015 (September 28)	09/27/2025	76.23	34,120	69.12	14,065
2016 (November 29)	11/28/2026	69.33	5,561	62.86	5,397
2017 (September 20)	09/19/2027	77.54	1,075	70.30	1,186
2018 (September 25)	09/24/2028	87.97	902	79.76	995

(a) Adjusted for share capital increases by attributions of free shares (2022, 2019, 2017) and for the share capital increase in cash of October 11, 2016.
(b) 2024 data adjusted for the share capital increase by attribution of free shares in 2024.

Year of Performance Shares Plan	Number of rights 2023	Number of rights 2024
2020 (September 29)	29,269	-
2021 (September 29)	71,918	15,878
2022 (September 29)	87,150	66,193
2023 (September 28)	72,200	58,435
2024 (September 25)	-	51,480

The fair value of performance shares granted in 2024 is disclosed in note 21. These amounts are expensed over the lock-in period of the option and performance shares. The amounts that will be recognized in future periods in respect of the granted stock options and performance shares amount to 15,759 thousand euros as of December 31, 2024 (17,117 thousand euros as of December 31, 2023.

The 2024 plan performance shares granted to corporate officers and Executive Committee members are definitely acquired subject to the achievement of certain performance conditions.

No stock options or performance shares were granted to other non-executive Directors under these plans.

Note 29 Commitments

29.1. DETAILED COMMITMENTS

Commitments are given in the normal course of the Group's business.

(in millions of euros)	2023	2024
Firm purchase orders for fixed assets	1,661.1	1,876.7
Other commitments related to operating activities [(a)]	7,624.4	6,533.1
Commitments relating to operating activities	**9,285.5**	**8,409.8**
Commitments relating to financing operations and consolidation scope	**198.1**	**340.9**
TOTAL	**9,483.6**	**8,750.7**

(a) A contract contains an exit clause at the hands of Air Liquide which can be exercised until June 2027.

Commitments to purchase molecules as part of take-or-pay contracts amounted to 5,235.9 million euros as of December 31, 2024 (6,348.9 as of December 31, 2023), and are reported in other commitments related to operating activities. These amounts include in particular Helium purchase commitments.

Air Liquide owns a 13.7% stake in Exeltium S.A.S. amounting to 24.5 million euros. On March 24, 2010, Exeltium and EDF entered into an industrial partnership agreement under which Exeltium can acquire rights on a portion of EDF's electronuclear production. In consideration, Exeltium and its shareholder clients signed long-term electricity supply contracts. This project was approved by the European Commission. The contract signed by Air Liquide has a 20-year term and can be suspended by Air Liquide after 10 years. This contract provides long-term visibility over the price of the electricity to be supplied.

The Group's energy purchase commitments amounted to 2,167.9 million euros as of December 31, 2024 (2,464.2 million euros as of December 31, 2023). This amount includes the energy purchase commitments relating to the Exeltium contract. Almost all of these commitments are covered by mutual commitments received from clients in connection with long-term gas supply contracts. As a consequence, these commitments are not disclosed in the table above.

29.2. DETAILED COMMITMENTS LINKED TO POWER PURCHASE AGREEMENTS

In addition, as of December 31, 2024, the Group holds power purchase agreements (PPA), summarized below:

December 31, 2024	Number of contracts	Start-up dates	Average duration *(in years)*	Production [(a)] *(in GWh/year)*	Amount *(in millions of euros)*
Europe, Middle East and Africa [(b)]	16	2021-2026	15	2,977.6	3,014.8
Americas	7	2021-2024	11	621.8	102.4
Asia Pacific	7	2022-2025	6	2,231.5	474.7
TOTAL PPAs	**30**			**5,831.0**	**3,591.9**

(a) Estimated production volume on the date of signature of the contract (full year amount after the start-up of the renewable production units).
(b) One contract contains an exit clause at Air Liquide's discretion which can be exercised until June 2025.

December 31, 2023	Number of contracts	Start-up dates	Average duration *(in years)*	Production *(in GWh/year)*	Amount *(in millions of euros)*
Europe, Middle East and Africa	12	2021-2026	15	2,682.0	2,317.7
Americas	5	2021-2024	11	342.0	86.2
Asia Pacific	3	2022-2024	9	212.0	108.5
TOTAL PPAs	**20**			**3,236.0**	**2,512.4**

Note 30 Contingent liabilities

To the best of the Group's knowledge, there is no exceptional event or litigation which has affected in the recent past or which is likely to materially affect its financial situation or profitability.

Note 31 Climate risks consideration [(1)]

31.1. BUSINESS MODEL

Air Liquide offers to its customers in the metals, chemicals, refining and energy industries gas and energy solutions essential to their own core businesses, enabling them to improve the efficiency of their processes and to make their plants more environmentally friendly.

Air Liquide's business model is based on the outsourcing of the industrial gas needs of its customers who often emit greenhouse gases themselves, in particular in the metals, chemicals and refining industries. This outsourcing is justified by Air Liquide's expertise which grants them access to state of the art technologies, optimized energy consumption of production tools, while ensuring the reliability of the supply in the long term. However, it leads to the transfer of a portion of the customer's greenhouse gas emissions to the Group.

Industrial gases are used in most industries today and they will be even more so during the energy transition because they are at the heart of industry decarbonization solutions. Indeed, these production units also provide essential products for industry and health, in particular to reduce emissions and the energy and resource consumption of the Group's customers. In a scenario of limiting global warming to the level targeted by the Paris Agreement (at a level well below 2 °C, and ideally at a level of 1.5 °C compared to the pre-industrial level), demand will increasingly turn to low-carbon gases and solutions, in line with changing regulations.

For the Large Industries activity, which bears most of the assets described below, the supply of gas is contracted for 15 years or more. Such assets are depreciated over the term of the contract, which significantly reduces the risk of impairment. Within these contracts, the Group guarantees long-term service continuity and a high level of reliability with respect to the gas supply via a high-performing industrial solution. In return, long-term gas supply contracts include guaranteed minimum volumes through take-or-pay clauses, as well as the indexation to variable costs (mainly electricity and natural gas), including any CO_2 cost (for example ETS schema in Europe), and inflation.

31.2. GROUP'S ASSETS AND CO_2 EMISSIONS

The main Group assets that impact the CO_2 balance are:

- Air Separation Units (ASU), producing oxygen and nitrogen in particular, which do not use any combustion processes, and therefore do not emit CO_2 directly. These units use air as their only raw material, while the energy required for the separation of the air is consumed almost exclusively in the form of electricity. The electricity used by the Group to operate these units generates CO_2 emissions, known as indirect emissions or Scope 2. The CO_2 emissions reductions can be in this case done mostly through renewable electricity purchases and improvements in energy efficiency;
- hydrogen production units by hydrocarbon reforming, which generate CO_2 emissions from natural gas consumption; these emissions are classified as direct emissions (Scope 1). Several levers for reducing CO_2 emissions are possible for these assets: first, carbon capture and sequestration (Carbon Capture and Sequestration – CCS), using technologies owned by the Group, but also the use of biomethane. In addition, the Group is developing the use of low-carbon or renewable ammonia, which also helps to reduce the emissions of these units;

(1) *ESRS 2 SBM-3 §48 (d).*

- steam and electricity production units (cogeneration plants), which generate CO_2 emissions from the consumption of natural gas; these emissions are classified as direct emissions (Scope 1). Several levers for reducing CO_2 emissions are possible for these assets, in particular making the plants more flexible with the use of boilers powered by electricity and low-carbon alternative fuels.

Air Liquide carries out a complete inventory of its greenhouse gas emissions, which are reported in different categories based on recognized standards such as the greenhouse gas (GHG) Protocol.

Thus, in 2024, the Group's direct reported emissions (Scope 1) and indirect reported emissions (Scope 2) amount respectively to 14.9 million tonnes and 20.1 million tonnes in CO_2-equivalent.

31.3. GROUP'S CLIMATE OBJECTIVES

Air Liquide acknowledges the importance and urgency of climate issues. The Group intends to play an active role in achieving the targets set out in the Paris Agreement, which defines a global framework to avoid dangerous climate change by limiting global warming to well below 2 °C compared with the pre-industrial level, and by continuing efforts to limit it to 1.5 °C.

In this regard, the Group has committed to contributing to achieving carbon neutrality by 2050. This long-term objective is based primarily on a massive reduction in CO_2 emissions, with two major intermediate milestones:

- the start of reduction of absolute CO_2 emissions around 2025;
- followed by a -33% reduction in Scope 1 and Scope 2 emissions in 2035 compared with a 2020 baseline [(1)].

Moreover, the Group has maintained the objective set in 2018 to reduce its carbon intensity by -30% by 2025 compared with 2015 [(2)]. Carbon intensity amounts to 4.3 kg of CO_2-equivalent/euro of operating income recurring before depreciation and amortization in 2024, down -12% compared to 2023 and -41% compared to 2015.

31.4. TRANSITION RISK – GREENHOUSE GAS EMISSIONS

The main climate risk identified by the Group at the 2024 closing period relates to greenhouse gas emissions.

The climate transition risk (greenhouse gas emissions) is closely linked to the need to reduce greenhouse gas emissions, particularly through implementation by public authorities of binding greenhouse gas emission reduction policies such as, for example, the introduction of a carbon price or more stringent product regulations, that may impact:

- either the Group's plants (direct impact on the operational scope), resulting in increased production costs, which by contract would be transferred to the customers, and the need for new investments;
- or those of its suppliers, resulting in suppliers price increases;
- or customers (indirect impact on the value chain), impacting for instance their market, processes and industrial gases needs.

Air Liquide's main production units can be competitively decarbonized in a 1.5 °C transition scenario. This requires the rollout of infrastructure, in particular energy, provided for by these scenarios (electricity networks, massive availability of renewable energy in particular, access to carbon storage sinks), as well as the necessary evolution of regulatory and political frameworks, supporting the emergence of new low-carbon value chains.

The Group's Scopes 1 and 2 CO_2 emissions come from a limited number of assets and countries. Indeed, 60% of direct Scope 1 emissions come from less than 15 production units and 80% of indirect Scope 2 emissions related to electricity consumption come from six countries. Emission reduction targets therefore require the activation of a few carefully-identified levers, which are closely linked to global actions to mitigate climate change.

The following governance and actions have been implemented to limit the risk on the Group's assets:

- for all its projects, for all geographies, even those without a current price for CO_2, Air Liquide integrates a sensitivity analysis around the carbon price into its investment decision process to assess the project's viability for the client. This sensitivity analysis is done with the local current price and a value of 100 euros or more per tonne, chosen in function of the geography and context. As a reminder, any CO_2 cost is contractually passed through to the customer, significantly reducing any impairment risk on the related asset;
- in cases where the public carbon price exceeds a certain cap, contracts with some customers contemplate additional investment to decarbonize the facility (for example by using carbon capture and sequestration solutions – CCS) and the corresponding additional revenue for the Group;
- the Group's electricity procurement initiatives have been reinforced, in particular the procurement of renewable electricity, in order to reduce the Scope 2 emissions figures (see note 29.2);
- the trajectory of the climate objectives is centrally managed via a carbon budget allocated to the regions which is revisited every year, in line with intermediary objectives. The Environment and Society Committee of the Board of Directors meets three times a year and at least once more in a joint session with the Audit and Accounts Committee. The trajectory of climate objectives and associated risks are reviewed during these sessions. The implementation of these climate objectives is part of the criteria for the Long Term Incentive plans for the CEO and for more than 2,000 beneficiaries.

Air Liquide's actions to limit transition risk impacts include:

Scope 2 reduction:

- related to the large air gas production units or ASUs, mainly by using renewable electricity. Since 2018, Air Liquide has already signed 30 long-term renewable energy supply contracts (PPA) for an estimated annual quantity of 5,831 GWh/y (in a full year after start-up of renewable production units), as well as a Virtual Power Purchase Agreement (VPPA).

(1) *In tonnes of CO_2-equivalent for Scopes 1 and 2, in a "market-based" methodology, restated, from 2020 and each subsequent year, to include the emissions of the assets for the full year, taking into account (upwards and downwards) changes in scope having a significant impact on CO_2 emissions.*

(2) *In kg CO_2-equivalent/euro of operating income recurring before depreciation and amortization and excluding IFRS 16 at 2015 exchange rates on Scopes 1 and 2 of greenhouse gas emissions in a "market-based" methodology.*

As the ASUs are almost all electrified, they do not require any significant specific investment for the transition, because emission reduction will be managed by the purchase of renewable energy depending on access to these sources (see note 29.2). For the few steam-driven air gas production assets, the Group has started their electrification, which will allow them to be completely decarbonized via the supply of renewable electricity;

- **energy costs, including renewable energy costs do not represent a significant financial risk** as they are reflected in the prices charged to customers according to the terms of the 15 years or more contracts.

***Scope 1 reduction*:**

- related to the large hydrogen production units, by mobilizing various levers, in particular by capturing CO_2. Air Liquide masters a complete portfolio of proprietary technologies for capturing CO_2. For example, an advanced Cryocap™ system has been in industrial operation since 2015 on a hydrogen production unit in France. For cogeneration units, Air Liquide seeks to make them more flexible with the use of boilers powered by electricity and low-carbon alternative fuels. The future of these assets and their emission trajectory is analyzed in the decarbonization plans developed for each cluster (group of countries), taking into account technology, unit capacity, products, customers served, and the decarbonization policies of the countries and sectors served. The most suitable reduction levers are identified and give rise to targeted studies and, in the most advanced cases, the development and implementation of reduction projects, such as CO_2 capture projects;
- the innovation capacity and technological know-how of Air Liquide's teams enable the Group to offer cleaner and more sustainable solutions to reduce its own emissions and those of its industrial customers. The Group focuses on technologies for climate solutions and energy transition. In 2024, Air Liquide had more than 500 patent families on hydrogen.The Group's Innovation expenses amounted to 309 million euros in 2024;
- in a scenario of limiting global warming to a level significantly below 2 °C compared to the pre-industrial level, the demand for low-carbon industrial gas at a higher price is growing and makes it possible to remunerate the Group's investment in low-carbon assets, in particular for the production of hydrogen, as well as any additional costs linked to the supply of renewable electricity for developing energy transition markets. In addition, financing programs in the form of subsidies or tax credits are also implemented, in particular in Europe, in order to support, during a transition period, the decarbonization of existing industrial assets and new units of production. For example, the Group has recently been selected for financing via European grants for a project for the production, liquefaction and distribution of low-carbon and renewable hydrogen from ammonia, a carbon capture project with a customer and a CO_2 infrastructure project;
- **costs related to CO_2 emissions** (ex ETS scheme in Europe) **are passed-through to the customers** according to the terms of the 15 years or more contracts. The Group also applies this business model to the supply of low carbon industrial gas, therefore, **Air Liquide does not bear significant risks associated with energy and CO_2 costs.**

At the end of 2024, no significant impact has been identified, either on the useful life or on the value of the assets, on the client portfolio or on the cash flows generated by existing activities or on provisions for risks and charges.

31.5. PHYSICAL RISKS

Air Liquide operates in certain regions of the world exposed to changes (in amplitude or frequency) in exceptional meteorological phenomena due to climate change. These phenomena can slow down or interrupt the Group's operations or make them more expensive. Its suppliers and customers are also confronted with this same issue.

These can be broken down into:

- acute risks triggered by events such as natural disasters, the frequency and severity of which are increasing: storms, hurricanes, flooding, etc. These risks may relate to Air Liquide sites located near the coast for example, or in regions affected by hurricanes (the US Gulf Coast, South Asia, etc.);
- chronic risks related to more long-term changes in climate models and rising temperatures: rising sea levels, chronic heat waves in certain regions, changes in rainfall patterns and an increase in their variability, the disappearance of certain resources, etc.

Air Liquide's actions to limit physical impacts include:

- physical risks (water availability, frequency of extreme events, etc.) are appraised during the review of investment requests, in the same way as financial criteria, to ensure that the associated risk management measures are adapted, for example in the design of equipment;
- Group operations which are regularly exposed to the acute risks described above have risk management systems in place aimed at adopting suitable preventive operational measures, and at managing these crises by, first and foremost, protecting individuals and the production facilities in close cooperation with customers. These systems are regularly updated and improved;
- chronic risks are taken into account, in particular in the design of production units, in the same way and to the same extent as their energy efficiency and carbon footprint;
- losses caused by natural disasters are covered by the Group property and business interruption program;
- in 2023, Air Liquide initiated a study to identify the perils linked to the physical impacts of climate change according to 2 high-emission scenarios (SSP2-4.5 used as "business as usual" leading to +2.7 °C by 2100 and the SSP5-8.5 scenario or "worst case scenario" leading to +4.4 °C by 2100) and to consolidate and improve the physical risk management process. This study is continuing to refine the understanding of the issues at the level of the Group's different types of assets, with a refocusing on the main industrial basins.

At the end of 2024, no significant impact has been identified, either on the useful life or on the value of the assets, on the client portfolio or on the cash flows generated by existing activities or on provisions for risks and charges.

To be noted for both transition risks and physical risks, there is no impact on the dismantling provision, as this is an obligation provisioned from the date of the Large Industries contract signature.

Note 32 Post-balance sheet events

There are no significant post-balance sheet events.

Foreign exchange rates and main consolidated companies

FOREIGN EXCHANGE RATES

Main foreign exchange rates used

Average rates

Euros for 1 currency	2023	2024
CAD	0.69	0.67
CNY	0.13	0.13
JPY (1,000)	6.60	6.11
SGD	0.69	0.69
TWD	0.03	0.03
USD	0.92	0.92

Closing rates

Euros for 1 currency	2023	2024
CAD	0.68	0.67
CNY	0.13	0.13
JPY (1,000)	6.40	6.13
SGD	0.69	0.71
TWD	0.03	0.03
USD	0.90	0.96

MAIN CONSOLIDATED COMPANIES

Companies marked with JO are consolidated by joint operation and those marked with E by the equity method. Other companies are fully consolidated.

The total Group interest is given after the name of each company.

Main consolidated companies	Country	Integration	% interest
GAS AND SERVICES			
EUROPE, MIDDLE EAST AND AFRICA			
Air Liquide Austria GmbH	AUT		100.00%
L'Air Liquide Belge S.A.	BEL		100.00%
Air Liquide Homecare Belgium SRL	BEL		100.00%
Air Liquide Industries Belgium S.A.	BEL		100.00%
Air Liquide Large Industry S.A.	BEL		100.00%
Air Liquide Medical S.A.	BEL		100.00%
Société Européenne de Gestion de l'Energie	BEL		100.00%
Air Liquide Bulgaria EOOD	BGR		100.00%
Carbagas AG	CHE		100.00%
Air Liquide Deutschland GmbH	DEU		100.00%
Air Liquide Electronics GmbH	DEU		100.00%
Air Liquide Industriegase GmbH & Co. KG	DEU		100.00%
VitalAire GmbH	DEU		100.00%
Air Liquide Danmark A/S	DNK		100.00%
Air Liquide España S.A.	ESP		99.90%
Air Liquide Ibérica de Gases S.L.U.	ESP		100.00%
Air Liquide Healthcare España, S.L.U.	ESP		100.00%
Air Liquide Finland Oy.	FIN		100.00%
Air Liquide Eastern Europe S.A.	FRA		100.00%
Air Liquide France Industrie S.A	FRA		100.00%
Air Liquide Medical Systems S.A.	FRA		100.00%
Air Liquide Réunion S.A.	FRA		98.49%
Air Liquide Santé (International) S.A.	FRA		100.00%
Air Liquide Santé France S.A.	FRA		100.00%
Air Liquide Santé Domicile France S.A.	FRA		100.00%
Air Liquide Spatial Guyane S.A.	FRA		99.06%
Air Liquide Ukraine S.A.	FRA		100.00%
Pharma Dom S.A.	FRA		100.00%
Société d'Exploitation de Produits pour les Industries Chimiques S.A.	FRA		99.99%
Air Liquide Antilles Guyane	FRA		96.76%
VitalAire S.A.	FRA		100.00%
Air Liquide Ltd	GBR		100.00%
Air Liquide Healthcare Limited	GBR		100.00%
Air Liquide UK Ltd	GBR		100.00%
Energas Ltd	GBR		100.00%
Air Liquide Italia S.p.A.	ITA		99.77%
Air Liquide Italia Service S.r.l	ITA		99.77%
Air Liquide Sanità Service S.p.A.	ITA		99.77%
Air Liquide Italia Produzione S.r.l	ITA		99.77%
Medicasa Italia S.p.A.	ITA		99.77%
VitalAire Italia S.p.A.	ITA		99.77%
Supra Cali S.R.L	ITA		51.00%
Air Liquide Healthcare Ireland Limited	IRL		100.00%
Air Liquide Munay Tech Gases	KAZ		75.00%

Main consolidated companies	Country	Integration	% interest
L'Air Liquide Luxembourg S.A.	LUX		100.00%
Air Liquide Acetylene B.V.	NLD		100.00%
Air Liquide B.V.	NLD		100.00%
Air Liquide Homecare Netherlands BV	NLD		100.00%
Air Liquide Industrie B.V.	NLD		100.00%
Air Liquide Nederland B.V.	NLD		100.00%
Scott Specialty Gases Netherlands B.V.	NLD		100.00%
Hatek Lastechniek NH B.V.	NLD		100.00%
Handelsonderneming Hatek B.V.	NLD		100.00%
Air Liquide Norway A.S.	NOR		100.00%
BetaMed S.A.	POL		80.00%
Air Liquide Katowice Sp.z.o.o.	POL		79.25%
Air Liquide Polska Sp.z.o.o.	POL		100.00%
Air Liquide Medicinal S.A.	PRT		99.85%
Sociedade Portuguesa do Ar Liquido Lda	PRT		99.93%
Air Liquide Romania S.r.l	ROM		100.00%
Air Liquide Gas A.B.	SWE		100.00%
NordicInfu Care A.B	SWE		100.00%
Air Liquide Gaz San. Ve Tic. A.S.	TUR		100.00%
Air Liquide Afrique S.A.	FRA		100.00%
Air Liquide Middle East & North Africa FZCO	ARE		100.00%
Air Liquide Gulf FZE	ARE		100.00%
Air Liquide Botswana Proprietary Ltd	BWA		99.96%
Air Liquide Alexandria for Medical & Industrial Gases S.A.E.	EGY		100.00%
Air Liquide El Soukhna for Industrial Gases S.A.E.	EGY		100.00%
Air Liquide Misr S.A.E.	EGY		100.00%
Air Liquide Middle East S.A.	FRA		100.00%
Air Liquide India Holding Pvt. Ltd	IND		100.00%
Air Liquide India Speciality Gases Pvt. Ltd.	IND		100.00%
Shuaiba Oxygen Company K.S.C.C. [(a)]	KWT		49.81%
Air Liquide Maroc S.A.	MAR		98.93%
Air Liquide Namibia Proprietary Ltd	NAM		100.00%
Air Liquide Nigeria Plc	NGA		87.31%
Air Liquide Sohar Industrial Gases LLC	OMN		50.10%
Gasal Q.S.C.	QAT	E	40.00%
Vitalaire Arabia LLC.	SAU		60.00%
Air Liquide Arabia LLC	SAU		100.00%
Air Liquide Tunisie S.A.	TUN		59.17%
Air Liquide Large Industries (Pty) Ltd	ZAF		100.00%
Air Liquide Large Industries South Africa (Pty) Ltd	ZAF		75.00%
Air Liquide Proprietary Ltd	ZAF		99.96%

(a) Consolidation method differs from percentage of shares due to a contractual agreement.

Main consolidated companies	Country	Integration	% interest
AMERICAS			
Air Liquide Argentina S.A.	ARG		100.00%
Air Liquide Brasil Ltda	BRA		100.00%
Air Liquide Canada, Inc.	CAN		100.00%
Barry Hamel Equipment Ltd.	CAN		100.00%
Air Liquide Home Healthcare Canada Inc.	CAN		100.00%
Air Liquide Chile S.A.	CHL		100.00%
Air Liquide Colombia S.A.S	COL		100.00%
Air Liquide Dominicana S.A.S	DOM		100.00%
La Oxigena Paraguaya S.A.	PRY		87.96%
Air Liquide Uruguay S.A.	URY		96.68%
Airgas USA, LLC	USA		100.00%
Airgas Specialty Products	USA		100.00%
Red-D-Arc, Inc.	USA		100.00%
Airgas Safety, Inc.	USA		100.00%
Air Liquide Electronics U.S. LP	USA		100.00%
Air Liquide Large Industries U.S. LP	USA		100.00%
Air Liquide Advanced Materials, Inc.	USA		100.00%
ASIA PACIFIC			
Air Liquide Australia Ltd	AUS		100.00%
Air Liquide Healthcare Pty Limited	AUS		100.00%
Air Liquide W.A. Pty Ltd	AUS		100.00%
Brunei Oxygen SDN [(a)]	BHD		50.00%
Air Liquide Cangzhou Co., Ltd	CHN		100.00%
Air Liquide China Holding Co., Ltd	CHN		100.00%
Air Liquide Shanghai Co., Ltd	CHN		100.00%
Air Liquide Shanghai International Trading Co. Ltd	CHN		100.00%
Air Liquide Tianjin Co., Ltd	CHN		100.00%
Air Liquide Yongli Tianjin Co., Ltd	CHN		55.00%
Air Liquide Zhangjiagang Industrial Gases Co., Ltd	CHN		100.00%
Shanghai Chemical Industry Park Industrial Gases Co., Ltd	CHN		51.00%
Hangzhou Best Gas Co., Ltd	CHN		100.00%
Société d'Oxygène et d'Acétylène d'Extrême-Orient S.A.	FRA		100.00%
Celki International Ltd	HKG		100.00%
P.T. Air Liquide Indonesia	IDN		100.00%
Air Liquide Japan G.K.	JPN		100.00%
Toshiba Nano Analysis K.K.	JPN		51.00%
VitalAire Japan K.K.	JPN		94.13%
Air Liquide Korea Co., Ltd	KOR		100.00%
VitalAire Korea Inc.	KOR		100.00%
Southern Industrial Gas Sdn Bhd	MYS		100.00%
Air Liquide Malaysia Sdn Bhd	MYS		100.00%
Air Liquide New Zealand Ltd	NZL		100.00%
Air Liquide Phils Inc.	PHL		100.00%

Main consolidated companies	Country	Integration	% interest
Air Liquide Singapore Pte Ltd	SGP		100.00%
Air Liquide Thailand Ltd	THA		100.00%
Air Liquide Electronics Systems Asia Ltd	TWN		100.00%
Air Liquide Far Eastern Ltd	TWN		65.00%
Air Liquide Vietnam Co., Ltd	VNM		100.00%
ENGINEERING & CONSTRUCTION			
Air Liquide Global E&C Solutions Canada LP	CAN		100.00%
Air Liquide Global E&C Solutions Hangzhou Co., Ltd	CHN		100.00%
Air Liquide Global E&C Solutions (Yantai) Co., Ltd.	CHN		100.00%
Air Liquide Global E&C Solutions Germany GmbH	DEU		100.00%
Air Liquide Global E&C Solutions France S.A.	FRA		100.00%
Air Liquide Global E&C Solutions Japan K.K	JPN		100.00%
JJ-Lurgi Engineering Sdn. Bhd.	MYS	E	50.00%
Air Liquide Global E&C Solutions Singapore Pte. Ltd	SGP		100.00%
Air Liquide Global E&C Solutions US, Inc.	USA		100.00%
GLOBAL MARKETS & TECHNOLOGIES			
Air Liquide Advanced Technologies US LLC	USA		100.00%
Alizent France S.A.	FRA		100.00%
Air Liquide Advanced Technologies S.A.	FRA		100.00%
Cryolor S.A.	FRA		100.00%
Air Liquide Electronics Systems S.A.	FRA		100.00%
FerdinandsGas Sverige AB	FRA		100.00%
Air Liquide Maritime SAS	FRA		100.00%
The Hydrogen Company	FRA		100.00%
Offshore Hire and Services	GBR		100.00%
HOLDING COMPANIES AND R&D ACTIVITIES			
Air Liquide Finance S.A.	FRA		100.00%
Air Liquide International S.A.	FRA		100.00%
L'Air Liquide S.A.	FRA		100.00%
Orsay-Re S.A.	LUX		100.00%
Air Liquide International Corp.	USA		100.00%
American Air Liquide, Inc.	USA		100.00%
American Air Liquide Holdings, Inc	USA		100.00%

(a) Consolidation method differs from percentage of shares due to a contractual agreement.

The extended list of consolidated companies is available on:

https://www.airliquide.com/consolidation-scope-2024

Statutory Auditors' offices and fees

STATUTORY AUDITORS' OFFICES

KPMG S.A.

Principal Statutory Auditor

KPMG S.A. is represented by
Valérie Besson and Laurent Genin
Tour Eqho – 2, avenue Gambetta – CS60055
92066 Paris-La Défense

PricewaterhouseCoopers Audit

Principal Statutory Auditor

PricewaterhouseCoopers Audit is represented by
Olivier Lotz and Cédric Le Gal
63, rue de Villiers
92200 Neuilly-sur-Seine

STATUTORY AUDITORS' FEES

	2024							
(in thousands of euros)	KPMG S.A.		PricewaterhouseCoopers Audit		Others		Total	
Audit, certification, review of individual and consolidated financial statements	5,704	95.0%	7,896	95.2%	403	96.4%	14,003	95.2%
■ Issuer	651		972		—		1,623	
■ Fully consolidated subsidiaries	5,053		6,924		403		12,380	
Services required by law	41	0.7%	52	0.6%	—	0.0%	93	0.6%
Total of certification missions and services required by law	**5,745**	**95.7%**	**7,948**	**95.8%**	**403**	**96.4%**	**14,096**	**95.8%**
Services related to Corporate Social Responsibility (CSR)	—	—		0.0%	—	—	—	0.0%
Other services [(a)]	257	4.3%	347	4.2%	15	3.6%	619	4.2%
Total of non-audit services	**257**	**4.3%**	**347**	**4.2%**	**15**	**3.6%**	**619**	**4.2%**
TOTAL	**6,002**	**100%**	**8,295**	**100%**	**418**	**100%**	**14,715**	**100%**
Sustainability statement certification	**460**		**690**		—		**1,150**	

(a) The other services cover services provided at the request of Air Liquide and its subsidiaries including in particular non-mandatory financial statement audits, tax compliance reviews, agreed-upon procedures and various attestations.

	2023							
(in thousands of euros)	KPMG S.A.		PricewaterhouseCoopers Audit		Others		Total	
Audit, certification, review of individual and consolidated financial statements	5,486	85.5%	7,207	92.6%	532	77.3%	13,225	88.8%
■ Issuer	651		906		—		1,557	
■ Fully consolidated subsidiaries	4,931		6,301		532		11,764	
Services required by law	42	0.7%	39	0.5%	—	0.0%	81	0.5%
Total of certification missions and services required by law	**5,528**	**86.1%**	**7,246**	**93.1%**	**532**	**77.3%**	**13,306**	**89.4%**
Services related to Corporate Social Responsibility (CSR)	—	—	135	1.7%	—	—	135	0.9%
Other services	892	13.9%	399	5.1%	156	22.7%	1,447	9.7%
Total of non-audit services	**892**	**13.9%**	**534**	**6.9%**	**156**	**22.7%**	**1,582**	**10.6%**
TOTAL	**6,420**	**100%**	**7,780**	**100%**	**688**	**100%**	**14,888**	**100%**

Statutory Auditors' report on the Consolidated Financial Statements

This is a translation into English of the Statutory Auditors' report on the Consolidated Financial Statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the Management Report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of L'Air Liquide ("the Group") for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Accounts Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Large Industries activity: qualification of the contracts and related revenue recognition method

Risk identified

The gas supply of the Large Industries activity is based on long term contracts with a limited number of customers and requires significant industrial investments.

As described in note "3.a. Revenue recognition – Gas & Services" of the accounting principles section of the consolidated financial statements, these investments are usually made to share production capacity with the other business lines of the Group, particularly the Industrial Merchant business or to serve customers connected to pipelines in an industrial region. In such cases, Group management considers that those assets are not identified as defined in the standard IFRS 16 "Leases".

When assets used for the long term supply agreements are dedicated to a customer, the Group considers that it retains the right to direct the use of these assets as defined in the standard IFRS 16. Accordingly, gas supply agreements linked to those assets are not considered as leases. These industrial investments continue to be controlled by the Group and are recorded as property, plant and equipment, the full amounts received for the contracts being, otherwise, recognized as revenue.

Customers of the Large Industries business simultaneously receive and consume the benefits granted by the gas supply service or its availability. As a result, the revenue recognition related to these contracts occurs when the gas is supplied or when the reserved capacity is made available.

As described in note 31 "Climate risk consideration" to the consolidated financial statements, long term gas supply contracts include guaranteed minimum volumes through take-or-pay clauses, as well as the indexation to variable costs (mainly electricity and natural gas), including any CO_2 cost, and inflation.

Due to the complexity of those contracts and the impact on the Group's consolidated financial statements of the judgments made when the contract is signed or in case of subsequent significant modifications, and of the execution of contractual clauses such as indexation clauses to variable costs, we have considered the qualification of Large Industries long term contracts and related revenue recognition criteria as a key audit matter.

Our response

Our procedures consisted notably in:

- understanding the criteria to qualify the Large Industries long term contracts applied by the Group, considering in particular the specific nature of the underlying assets;
- understanding internal control procedures implemented by the Group to confirm the compliance of the accounting treatment applied to these contracts with IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases";
- verifying the compliance of the accounting treatment applied to Large Industries long term contracts with IFRS 15 and IFRS 16;
- assessing the application of existing contractual indexation clauses, through an understanding of the Revenue process, including relevant controls, and performing substantive testing on a sample of revenue transactions;
- assessing the appropriateness of the disclosure included in note "3.a. Revenue recognition – Gas Services" of the accounting principles and methods in the notes to the consolidated financial statements.

Large Industries activity: useful lives of production units and measurement of their recoverable value

Risk identified

As at December 31, 2024, the net book value of property, plant and equipment amounts to 25,539 million euros, or 49,2% of the Group total assets, that include the significant industrial investments to execute the customer agreements of the Large Industries activity. As disclosed in note "5.e. Property, plant and equipment" of the accounting principles section of the consolidated financial statements, Large Industries production units are depreciated on a straight-line basis over their estimated useful life, usually 15 to 20 years. The estimated useful lives are reassessed on a regular basis and the resulting change in estimates, if any, are recorded on a prospective basis.

In addition, the Group can be exposed to certain risks specific to industrial investments. Expected returns on investment and their recoverable value can, for example, be adversely impacted by events such as the economic context, overruns and construction delays, start-up conditions, technology changes, geographical location or the counterparty risk. New investments may also be required to meet the Group objectives and commitments to achieve carbon neutrality.

As disclosed in note "5.f. Impairment of assets" of the accounting principles section of the consolidated financial statements, Group management determines on a regular basis whether asset impairment indicators exist. If a triggering event is identified, an impairment test is performed to confirm whether the net book value of the asset exceeds its recoverable value. These principles lead the Group to test production assets (either individually or within the cash generating unit to which they are attached), in particular in case of significant start-up delays, project termination, significant decrease in expected business volumes, early termination or non-renewal of related customer contracts, obsolescence of assets in the context of the energy transition.

The measurement of the recoverable value of the equipment relies on significant estimates relating to the Group's capacity to generate future cash-flows, re-use certain equipment for other internal or external customers, to sell the assets, or to obtain indemnification, notably from customers, or subsidies

The Group has identified certain triggering events and thus performed impairment tests, which resulted in an impairment charge of LI assets recognized as part of the total amount of assets impairment (216 million euros) disclosed in note "5. Other non-recurring operating income and expenses" to the consolidated financial statements as at December 31, 2024.

Due to the significant value of each production asset and the cumulative value of these assets, the key assumptions used to assess their useful life, their re-use or the compensation to be received, we have considered the useful life and measurement of the recoverable value of Large Industries production assets as a key audit matter.

Our response

Our procedures consisted notably in:

- understanding the procedures performed by the Group to assess and update the depreciation period of the equipment;
- assessing the consistency of their useful lives with contractual terms and available internal technical studies;
- analyzing the Group's process to identify impairment indicators;
- understanding the work carried out by the Group to determine the recoverable values of the plants, including key assumptions and estimates used to determine the future cash flows;
- assessing the accounting translation of impairment losses resulting from the determination of recoverable values;
- assessing, with the assistance of our experts in climate change and energy transition, the impact of climate change and energy transition on the financial statements, in order to corroborate the Group's assessment that its climate strategy has not resulted in any material impact, neither on the useful life nor on the recoverable value of Large Industries production assets;
- assessing the absence of obvious inconsistencies between the consolidated financial statements and the Group's other publications addressing the issues related to climate change, in particular the sustainability statement;
- verifying the appropriateness of the disclosure included in note "5.e. Property, plant and equipment" and note "5.f. Impairment of assets" of the accounting principles section of the consolidated financial statements and note 31 "Climate risk consideration" to the consolidated financial statements.

Impairment test of goodwill

Risk identified

In connection with its external growth strategy, the Group monitors the related goodwill at the level of group of cash generating units. For the Gas & Services activity, goodwill are mostly allocated on a geographical basis. For the world business units Engineering & Construction and Global Markets & Technologies, goodwill is monitored at the business unit level. As at December 31, 2024, goodwill amounts to a net book value of 14,977 million euros (28,9% of the Group total assets).

The Group performs annually, an impairment test, by reference to market values. Insofar as the fair value is not significantly greater than the net carrying amount of the cash-generating unit or group of cash-generating units, the Group confirms the recoverable amount of the cash-generating unit or group of cash-generating units using the estimated cash flow approach (value in use) as described in note “5.f. Impairment of assets” of the accounting principles section of the consolidated financial statements.

The determination of fair value and recoverable value, and the sensitivity to the fluctuation of market multiples and key data and assumptions used, require significant judgement and management estimates, in particular in the context of climate change and energy transition.

We have therefore considered the impairment test of goodwill as a key audit matter.

Our response

Our procedures consisted notably in:

- understanding and assessing the principles used to determine the groups of cash generating units;
- analyzing, with the assistance of our valuation experts, principles and methods used to determine the market value and their measurement based on multiples of market capitalization;
- corroborate, on the basis of external data:
  - the results of the Group's impairment tests as of December 31, 2024, and
  - the consideration of both climate risk and challenges and opportunities relating to the energy transition;
- assessing the sensitivity of the result of the impairment tests performed by the Group as at December 31, 2024;
- assessing the appropriateness of the information included in notes “5.f. Impairment of assets” and “10. Goodwill” to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group’s information given in the Group’s Management Report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of the presentation of the Consolidated Financial Statements included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the Annual Financial Report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the Chief Executive Officer (Directeur Général), complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of L’Air Liquide by the Annual General Meeting held on May 12, 2016 for PricewaterhouseCoopers Audit and on May 4, 2022 for KPMG S.A.

As at December 31, 2024, PricewaterhouseCoopers Audit was in its ninth year of uninterrupted engagement and KPMG S.A.in its third year.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Accounts Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Accounts Committee

We submit a report to the Audit and Accounts Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Accounts Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Accounts Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Accounts Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 5, 2025

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit		KPMG S.A	
Olivier Lotz	Cédric Le Gal	Valérie Besson	Laurent Genin

STATUTORY ACCOUNTS ON THE PARENT COMPANY

Income statement

For the year ended December 31

(in millions of euros)	Notes	2023	2024
Revenue	(2)	105.4	100.6
Royalties and other operating income	(3)	838.3	846.6
Total operating income (I)		**943.7**	**947.2**
Purchases		(46.9)	(39.3)
Duties and taxes other than corporate income tax		(21.5)	(18.0)
Personnel expenses		(270.4)	(269.0)
Depreciation, amortization and provision expenses	(5)	(59.6)	(49.9)
Other operating expenses	(4)	(334.7)	(352.3)
Total operating expenses (II)		**(733.1)**	**(728.5)**
Net operating profit (loss) (I + II)		**210.6**	**218.7**
Financial income from equity affiliates	(6)	804.9	1,783.9
Interests, similar income and expenses	(6)	(76.4)	(108.8)
Other financial income and expenses	(6)	(17.2)	3.2
Financial income and expenses (III)		**711.3**	**1,678.3**
Net profit / (loss) from ordinary activities before tax (I + II + III)		**921.9**	**1,897.0**
Exceptional income and expenses	**(7)**	**79.5**	**123.1**
Statutory employee profit-sharing		(4.3)	(4.4)
Corporate income tax	(8)	(19.9)	(27.3)
NET PROFIT FOR THE YEAR		**977.2**	**1,988.4**

Balance sheet

For the year ended December 31

		December 31, 2023	December 31, 2024		
(in millions of euros)	Notes	Net	Gross carrying amounts	Amortization, depreciation and provisions	Net
ASSETS					
Intangible assets	(9) & (11)	27.2	181.1	(158.2)	22.9
Tangible assets	(9) & (11)	86.2	200.2	(89.7)	110.5
Financial assets	(10) & (11)	13,050.4	13,077.6	(8.4)	13,069.2
TOTAL NON-CURRENT ASSETS		**13,163.8**	**13,458.9**	**(256.3)**	**13,202.6**
Inventories and work-in-progress	(11)	0.7	0.4	—	0.4
Operating receivables	(11) & (14)	729.5	769.2	(18.4)	750.8
Current account loans with subsidiaries	(11) & (14)	267.6	477.2	—	477.2
Short-term financial investments	(12)	150.6	204.4	—	204.4
Cash and financial instruments		12.1	5.2	—	5.2
Prepaid expenses		3.9	3.7	—	3.7
TOTAL CURRENT ASSETS		**1,164.4**	**1,460.1**	**(18.4)**	**1,441.7**
Bond redemption premiums		—	—	—	—
Unrealized foreign exchange losses		8.3	8.3	—	8.3
TOTAL ASSETS		**14,336.5**	**14,927.3**	**(274.7)**	**14,652.6**
EQUITY AND LIABILITIES					
Share capital		2,884.8			3,180.4
Additional paid-in capital		2,447.7			2,064.1
Revaluation reserve		23.9			23.9
Legal reserve		287.8			288.4
Other reserves		388.5			388.5
Retained earnings		3,671.8			2,928.3
Net profit for the year		977.2			1,988.4
Tax-driven provisions		3.1			3.5
TOTAL SHAREHOLDERS' EQUITY	**(13)**	**10,684.8**			**10,865.5**
PROVISIONS	**(11)**	**88.2**			**90.6**
Other bonds	(14)	—			—
Bank borrowings	(14)	—			5.8
Other borrowings	(14)	251.9			252.0
Operating payables	(14)	687.1			673.0
Current account borrowings with subsidiaries	(14)	2,619.6			2,762.4
Deferred income		0.7			0.4
TOTAL LIABILITIES		**3,559.3**			**3,693.6**
Unrealized foreign exchange gains		4.2			2.9
TOTAL EQUITY AND LIABILITIES		**14,336.5**			**14,652.6**

Notes to the statutory accounts

ACCOUNTING POLICIES

1. General principles

The statutory accounts of the Company L'Air Liquide S.A. have been prepared in accordance with the accounting rules and principles generally accepted in France according to the provisions of the French Chart of Accounts *(Plan Comptable Général)*.

The accounting policies for the establishment and presentation of the statutory accounts have been applied in accordance with the principle of prudence and with the following basic assumptions:

- going concern;
- consistency of accounting methods from one accounting period to another;
- separation of each accounting periods.

The method used for the valuation of recorded items is the historical cost method.

Only material information is disclosed.

2. Non-current assets

A. Intangible assets

Internally generated intangible assets primarily include the development costs of information management systems. They are capitalized only if they generate probable future economic benefits and whether there is available appropriate resources (technical, financial and others) to complete the development and use or sell the intangible asset. Internal and external costs corresponding to detailed application design, programming, the performance of tests and the drafting of technical documentation intended for internal or external use are capitalized.

Significant upgrade and improvement costs are added to the initial cost of assets if they specifically meet the capitalization criteria.

Other intangible assets include separately acquired intangible assets such as software, licenses and intellectual property rights and are measured at acquisition cost.

Intangible assets are amortized according to the straight-line method over their estimated useful lives.

B. Tangible assets

Lands, buildings and equipments are recognized at historical cost. Interim interest expense is not included in the cost.

Where components of a tangible asset have different useful lives, they are accounted separately and depreciated over their own useful lives.

Depreciation is computed according to the straight-line method over their estimated useful lives as follows:

- buildings: 10 to 30 years;
- equipments: 5 to 20 years.

Lands are not depreciated.

C. Impairment of intangible and tangible assets

The Company assesses at each closing date whether there is any indication of impairment loss of intangible and tangible assets. If such indications exist, an impairment test is performed to assess whether the carrying amount of the asset exceeds its present value, which is defined as the greater of its market value and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value as this would be done for an investment decision.

When the present amount of an asset is lower than its net carrying amount, an impairment loss is recognized in the income statement. When the present value exceeds the carrying amount, the previously recognized impairment is reversed to the income statement.

D. Equity investments

Equity investments are recognized at their initial amount on the entry date, with the exception of those subject to a revaluation as provided by Law 76-1232 of December 29, 1976. Acquisition costs that are not representative of market value are expensed.

When the carrying amount, determined using the criteria normally adopted for the measurement of equity investments (market multiples method based on the Air Liquide Group market valuation, estimated cash flow approach, and net asset value remeasured at fair value), is lower than the book value, an impairment loss is recognized for the difference.

E. Treasury shares

When the Company purchases its own shares, they are recognized at cost as treasury shares in other long-term investment securities. The gains or losses on disposals of treasury shares contribute to the net profit for the year.

However, shares allocated for the purpose of implementing plans for free grants of shares are reclassified to a "Short-term financial investments – Company treasury shares" caption at the balance sheet value on the date of allotment.

A provision is recorded over the rights vesting period to cover the future charge of employees and members of Executive Management of the Company relating to the remittance of current shares when the performance criteria can be determined with reliability.

When the purchase cost of shares is higher than their valuation based on the average share price during the last month of the fiscal year, treasury shares earmarked for cancellation or allocated for the purpose of implementing plans for free grants of shares are not impaired.

3. Inventories and work-in-progress

Raw materials, supplies and goods are primarily measured at weighted average cost.

An impairment loss is recognized for inventories and work-in-progress when the estimated realizable amount is lower than cost.

4. Trade receivables and other operating assets

Trade receivables and other operating assets are measured at historical cost.

An impairment loss for receivables is recognized when it becomes probable that the amount due will not be collected and the loss can be reasonably estimated.

5. Foreign currency transactions

Foreign currency transactions are translated at the exchange rate prevailing on the transaction date.

At year-end, the difference arising from the translation of receivables and payables denominated in a foreign currency, are recognized in suspense accounts in assets and liabilities (“Unrealized foreign currency gains or losses”).

Where applicable, unrealized foreign exchange losses associated with non-hedged transactions are subject to a contingency provision.

6. Provisions

Provisions are recognized when:

- the Company has a present obligation towards a third party as a result of a past event or an ongoing one;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

7. Financial instruments

L’Air Liquide S.A. applies the ANC regulation no. 2015-05 of July 2, 2015 related to financial forward and hedging instruments.

In accordance with its risk management policy, L’Air Liquide S.A. enters into forward currency purchases or sales in order to hedge the exposure to foreign exchange risk associated with transactions carried out in foreign currencies.

By symmetry, the foreign exchange gains or losses on forward currency purchases or sales is presented at the same time and in the same income statement caption as the hedged item.

Likewise, the unrealized gain from the hedging is presented within the unrealized foreign currency gains or losses statement caption, to offset the exchange differentials related to the revaluation of underlying receivables and debts. When the forward currency purchases or sales hedge future transactions not yet recorded on the balance sheet, the fair value of these instruments represents an off balance sheet commitment.

Where applicable, when the financial instruments used do not constitute hedging transactions (“isolated open position”), the losses resulting from their year-end market value are provided for in the income statement. In accordance with the principle of prudence, unrealized gains are not recognized in the income statement.

8. Post-employment benefits

The Company applies the ANC recommendation no. 2013-02 of November 7, 2013 amended on November 5, 2021 (2^{nd} method) related to the recognition and measurement of retirement benefits and similar obligations

The Company provides its employees with various pension plans, termination benefits, jubilees (awards based on years of service) and other post-employment benefits for both active employees and retirees. These benefits are covered in two ways:

- by so-called defined contribution plans;
- by so-called defined benefit plans.

The Company grants both defined benefit and defined contribution plans.

Defined contribution plans are plans under which the employer’s sole obligation is to pay regular contributions. The employer does not grant any guarantee on the future level of benefits paid to the employee or retiree (“means-based obligation”). The annual pension expense is equal to the contribution paid during the fiscal year which relieves the employer from any further obligation.

Defined benefit plans are those by which the employer guarantees the future level of benefits defined in the agreement, most often depending on the employee’s salary and seniority (“result-based obligation”). Defined benefit plans can be:

- either financed by contributions to a fund specialized in managing the contributions paid;
- or managed internally.

In the case of defined benefit plans, retirement and similar obligations are measured by independent actuaries, according to the projected unit credit method. The actuarial calculations mainly take into account the following assumptions: salary increases, employee turnover, retirement date, mortality, inflation and appropriate discount rates.

Actuarial gains and losses exceeding the greater of 10% of the obligations or the fair value of plan assets at the beginning of the reporting period are amortized over the expected average working lives of the plan participants.

In accordance with article L. 123-13 of the French Commercial Code (Code de Commerce), the Company maintained its previous practices: obligations related to retirement termination payments and jubilees are provided whereas other retirement obligations related to defined benefit plans are not provided but are disclosed in the notes.

9. Revenue recognition

Revenue from the sale of goods is recognized when the risks and rewards of ownership have been transferred to the buyer.

Revenue associated with delivery of services is booked when delivery is completed.

10. Tax consolidation

L’Air Liquide S.A. has set up a tax consolidation group with the French subsidiaries in which it holds a direct or indirect interest exceeding 95%, as defined by article 223-A of the French Tax Code.

Each company calculates its tax provision as if it was taxed separately. L’Air Liquide S.A., as head of the tax consolidation group, recognizes as an expense the tax corresponding to its own profits. L'Air Liquide S.A. booked in exceptional income and expenses according to the Opinion 2005-G of the Emergency Committee of the C.N.C the impact of restatements and eliminations when determining taxable profit as a whole. Tax deferrals of companies with losses are recognized in tax liabilities.

11. Research and Development expenditures

Development costs shall be recognized as assets if and only if the Company can demonstrate all of the following:

- the project is clearly identified and the related costs are individualized and reliably monitored;
- the technical and industrial feasibility of the project is demonstrated;
- there is a clear intention to complete the project and use or sell the products arising from it;
- it is probable that the project will generate future economic benefits for the Company.

When these conditions are not satisfied, the work carried out does not systematically result in the completion of an intangible asset that will be available for use or sale, development costs generated are recognized as an expense when incurred.

ADDITIONAL NOTES ON THE BALANCE SHEET AND INCOME STATEMENTS

1. Significant events

Following the decision of the Council of State ("Conseil d'état") in March 2023 which partially questioned the favorable judgment of May 12, 2022 of the European Court of Justice (CJEU) by referring the case to an Administrative Court of Appeal, the Company paid 36 million euros in 2023 related to the equalization charge (see note 6 and 7). On December 23, 2024, the Council of State definitely ruled in favor of the Company for 4.8 million euros related to the equalization charge. 3.9 million euros have also been recorded in regards to the interest on arrears.

2. Revenue breakdown by geographical area

(in millions of euros)	2023	2024
France	62.0	59.6
Abroad	43.4	41.0
REVENUE	**105.4**	**100.6**

By the nature of its activities, the revenue of L'Air Liquide S.A. mainly corresponds to services and pension expenses recharged to its subsidiaries (see note 16.A).

3. Royalties and other operating income

In 2024, royalties (brand, technology and assistance royalties received from subsidiaries) and other operating income show stability.

Other operating income mainly includes change in inventories of goods and services, production of assets capitalized, operating subsidies, operating expense reclassifications, as well as operating provisions and impairment reversals.

4. Other operating expenses

Other operating expenses primarily consist of research and development costs and other external expenses such as subcontracting and maintenance costs, fees, travel expenses, telecommunication costs and rental expenses.

5. Depreciation, amortization and provision expenses

Depreciation, amortization and provision expenses break down as follows:

(in millions of euros)	2023	2024
Depreciation and amortization expenses	(15.0)	(14.5)
Provision expenses	(44.6)	(35.4)
DEPRECIATION, AMORTIZATION AND PROVISION EXPENSES	**(59.6)**	**(49.9)**

6. Financial income and expenses

- Financial income from equity affiliates amounts to 1,783.9 million euros in 2024 (804.9 million euros in 2023). In 2024, Air Liquide International made an exceptional reserve distribution of 999.9 million euros (399.1 million euros in 2023).
- Interests, similar income and expenses break down as follows:

(in millions of euros)	2023	2024
Revenues from long-term loans and other financial revenues	22.6	20.2
Other interest and similar income and expenses	(99.0)	(129.0)
INTERESTS, SIMILAR INCOME AND EXPENSES	**(76.4)**	**(108.8)**

- Increase of other interest and similar income and expenses is explained by higher level of average indebtedness and increase of interest rates.
- Other financial income and expenses amount to 3.2 million euros in 2024 versus -17.2 million euros in 2023. In 2023, it included a provision for the interest on arrears calculated on the equalization charge (-15 million euros) following the decision of the Council of State ("Conseil d'état") in March 2023 (see note 1). Following the decision of the Council of State on December 23, 2024, the provision was reversed and an income of 3.9 million euros was accounted corresponding to interest on arrears (see note 1).

7. Exceptional income and expenses

As part of the tax consolidation of L'Air Liquide S.A. and its tax consolidated French subsidiaries, an exceptional income of 75.9 million euros was booked in 2024 (87.4 million euros in 2023).

Exceptional income and expenses also include the impact of eliminations related to the tax consolidation regime in the amount of 29.0 million euros in 2024 (15.3 million euros in 2023).

Following the favorable decision of the Council of State ("Conseil d'état") in December 2024, an income of 4.8 million euros has been recorded. As a reminder, in 2023, an amount of -21 million euros had been paid on the equalization charge following the decision of the Council of State in March 2023 (see note 1).

An income of 12.5 million euros was recognized as a result of patent sales.

8. Corporate income tax

The total tax expense amounts to 27.3 million euros in 2024, compared to 19.9 million euros in 2023.

It breaks down as follows:

(in millions of euros)	2023	2024
Net profit from ordinary activities before tax	(18.1)	(21.2)
Additional contributions on earnings [a]	(1.8)	(1.8)
Other		(4.3)
TOTAL	**(19.9)**	**(27.3)**

(a) *Social security contribution on earnings of 3.3%.*

9. Intangible and tangible assets

Changes in gross value break down as follows:

(in millions of euros)	Gross value as of January 1, 2024	Additions	Disposals	Gross value as of December 31, 2024
Concessions, patents, licenses	125.5	0.2	(5.8)	119.9
Other intangible assets	184.4	7.4	(130.6)	61.2
INTANGIBLE ASSETS	**309.9**	**7.6**	**(136.4)**	**181.1**
Land and buildings	111.5	1.6	(0.2)	112.9
Plant, machinery and equipment	33.6	4.3	(2.6)	35.3
Other tangible assets	18.0	0.5	(0.1)	18.4
Tangible assets under construction and payments on account – tangible assets	7.4	30.3	(4.1)	33.6
TANGIBLE ASSETS	**170.5**	**36.7**	**(7.0)**	**200.2**
TOTAL	**480.4**	**44.3**	**(143.4)**	**381.3**

The decrease of other intangible assets is mainly due to the scrapping of a fully depreciated ERP system.

Changes in amortization, depreciation and impairment losses break down as follows:

(in millions of euros)	Amortization, depreciation, and impairment losses as of January 1, 2024	Amortization and depreciation	Decreases, disposals, scrappings	Amortization, depreciation and impairment losses as of December 31, 2024
Intangible assets	(282.7)	(6.8)	131.3	(158.2)
Tangible assets	(84.3)	(7.7)	2.3	(89.7)
Tangible assets	**(367.0)**	**(14.5)**	**133.6**	**(247.9)**

The decrease of the amortizations of other intangible assets is mainly due to the scrapping of the ERP system.

10. Financial assets

Changes in gross value break down as follows:

(in millions of euros)	Gross value as of January 1, 2024	Increases	Decreases	Gross value as of December 31, 2024
Equity investments	12,419.3	—	—	12,419.3
Other long-term investment securities [a]	8.7	262.6	(244.3)	27.0 [b]
Long-term loans	629.7	0.5	—	630.2
Other long-term financial assets	1.1	—	—	1.1
FINANCIAL ASSETS	**13,058.8**	**263.1**	**(244.3)**	**13,077.6**

(a) *The change in other long-term investment securities mainly corresponds to:*
- *the acquisition and sale of Company treasury shares under the liquidity contract for 129.7 million euros and -126.1 million euros respectively;*
- *the acquisition of 719,000 of the Company treasury shares (for the purpose of cancellation) for 132.9 million euros and the cancellation of 627,000 treasury shares for 118.2 million euros on April 30, 2024.*

At the 2024 year-end:

(b) *"Other long-term investment securities" includes in particular 92,000 treasury shares meant to be cancelled and 25,250 shares held under the liquidity contract.*

11. Impairment, allowances and provisions

A. Impairment and allowances

Impairment are recognized when the asset's carrying amount is lower than its book value.

They break down as follows:

(in millions of euros)		2023	Charges/Increase	Reversals	2024
Intangible and tangible assets		(6.2)	—	—	(6.2)
Equity investments		—	—	—	—
Other long-term investment securities		(8.4)	—	—	(8.4)
Inventories and work-in-progress		—	—	—	—
Operating receivables		(46.3)	(8.2)	36.1	(18.4)
IMPAIRMENT		**(60.9)**	**(8.2)**	**36.1**	**(33.0)**
Whose charges and reversals:	*operating items*		*(8.2)*	*0.4*	
	financial items		—	*15.0*	
	exceptional items		—	*20.7*	

B. Provisions

Provisions mainly include:

- foreign exchange provisions;
- third party or employee contingency and litigation provisions;
- provisions to cover the future charge of the delivery of performance shares;
- jubilee awards and vested rights with regard to retirement benefits (51.4 million euros in 2024 and 49.1 million euros in 2023).

(in millions of euros)		2023	Charges	Reversals	2024
Provisions for contingencies		17.1	8.9	(11.6)	14.4
Provisions for losses		71.1	18.3	(13.2)	76.2
PROVISIONS		**88.2**	**27.2**	**(24.8)**	**90.6**
Whose charges and reversals:	*operating items*		*27.2*	*(21.3)*	
	financial items				
	exceptional items			*(3.5)*	

Charges mainly relate to foreign exchange loss provisions for 8.2 million euros, provisions for jubilee awards and vested rights with regard to retirement termination payments for 4.0 million euros and provisions to cover the future charge of the delivery of performance shares for 14.3 million euros.

The reversals mainly represent the use of the provision for expenses related to the delivery of performance shares for -11.0 million euros and the reversal of the foreign exchange loss provision for -8.3 million euros.

12. Short-term financial investments

The item breaks down as follows:

(in millions of euros)	Gross value as of December 31, 2023	Gross value as of December 31, 2024
Company treasury shares	150.6	204.4
Other short-term financial investments	—	—
SHORT-TERM FINANCIAL INVESTMENTS	**150.6**	**204.4**

At the end of 2024, "Company treasury shares" consisted in 1,408,986 shares (1,100,477 shares in 2023) allocated to the objective of distribution of performance shares plans to employees.

During the year 2024, the Company bought 538,000 shares (for an amount of 93.9 million euros) allocated to the distribution of performance shares plans to employees and the Company distributed to employees 371,826 performance shares, allocated to this objective, for -40.1 million euros.

13. Shareholders' equity

As of December 31, 2024, the share capital is made of 578,259,263 shares with a par value of 5.50 euros.

The portion of share capital arising from the special revaluation reserve amounts to 71.4 million euros.

(in millions of euros)	As of December 31, 2023 (before appropriation of earnings)	Appropriation of 2023 net profit	Capital increases	Capital decrease	Other changes	As of December 31, 2024 (before appropriation of earnings)
Share capital [(b)]	2,884.8	—	299.0	(3.4)	—	3,180.4
Additional paid-in capital [(b)]	2,447.7	—	(268.8)	(114.8)	—	2,064.1
Revaluation reserve	23.9	—	—	—	—	23.9
Reserves:						
■ Legal reserve	287.8	0.6	—	—	—	288.4
■ Tax-driven reserves	307.8	—	—	—	—	307.8
■ Translation reserve	7.7	—	—	—	—	7.7
■ Other reserves	73.0	—	—	—	—	73.0
Retained earnings	3,671.8	(748.3)	—	—	4.8 [(c)]	2,928.3
Net profit for the year	977.2	(977.2)	—	—	1,988.4	1,988.4
Investment grants	0.2	—	—	—	0.2	0.4
Accelerated depreciation [(d)]	2.9	—	—	—	0.2	3.1
SHAREHOLDERS' EQUITY	**10,684.8**	**(1,724.9)** [(a)]	**30.2**	**(118.2)**	**1,993.6**	**10,865.5**

(a) Following the decision of the Combined Annual Shareholders' Meeting of April 30, 2024.

(b) The change in Share capital and Additional paid-in capital results from the following transactions:

- *capital decrease in the amount of -3.4 million euros by cancelling -627,000 treasury shares, as decided by the Board of Directors on April 30, 2024. The Additional paid-in capital was reduced by the amount of premiums related to these shares, i.e. -114.8 million euros;*
- *capital increase of 296.5 million euros ascertained by the Chief Executive Officer under powers granted by the Board of Director's on April 30, 2024, resulting in the attribution of one free share per 10 previously owned (creation of 52,419,120 new shares) and one share per 100 previously owned with regards to the bonus allocation of 10% (creation of 1,492,853 new shares) by reducing the additional paid-in capital for -296.5 million euros. The additional paid-in capital has been reduced by the costs related to share capital increase for -1.4 million euros;*
- *capital increases of 2.5 million euros resulting from the exercise of 457,512 subscription options. The Additional paid-in capital was increased by the premiums related to these share capital increases, i.e. 29.1 million euros.*

(c) The change in Retained earnings also includes the difference between the estimated loyalty dividend and the loyalty dividend actually paid and the cancellation of the dividend pertaining to treasury shares.

(d) The change in the Accelerated depreciation results from the change of accelerated depreciation in accordance with asset depreciation and amortization policies.

14. Debt maturity analysis

	December 31, 2024		
(in millions of euros)	Gross	<= 1 year	> 1 year
Long-term loans	630.2	0.6	629.6
Other long-term investments	1.1	—	1.1
Operating receivables	769.2	654.9	114.3
Current account loans with subsidiaries [(a)]	477.2	477.2	—
ASSETS	**1,877.7**	**1,132.7**	**745.0**

(a) Current account loans agreements with subsidiaries are concluded for an indefinite period.

	December 31, 2024			
(in millions of euros)	Gross	<= 1 year	> 1 to <= 5 years	> 5 years
Other bonds	—	—	—	—
Bank borrowings	5.8	5.8	—	—
Other borrowings	252.0	252.0	—	—
Operating payables	673.0	560.0	113.0	—
Current account borrowings with subsidiaries [(a)]	2,762.4	2,762.4	—	—
DEBTS	**3,693.2**	**3,580.2**	**113.0**	**—**

(a) Current account borrowings agreements with subsidiaries are concluded for an indefinite period.

15. Financial instruments

Unsettled derivatives as of December 31, 2024 break down as follows:

(in millions of euros)	December 31, 2024	
	Carrying value	Fair value
Currency forwards		
■ Buy	75.8	1.7
■ Sell	299.1	(6.0)
TOTAL		**(4.3)**

The fair value of derivative instruments is based on the value of the contract on the market at the closing date.

All of these instruments are allocated to hedged operations. There is therefore no isolated open position whose change in fair value would have a direct impact on the income statement.

16. Retirement and similar plans

A. Group retirement benefit guarantee agreement

In France, Air Liquide grants additional benefits to retirees (2,896 retirees as of December 31, 2024). These benefits provide a supplemental retirement income based on final pay, which is paid in addition to other normal retirement benefits. This plan is closed to employees under the age 45, or with less than 20 years of service as of January 1, 1996. These plans are unfunded. The annual amount paid with regards to additional benefits cannot exceed originally 12% of total payroll or, in some case, 12% of pre-tax profits of companies involved. This 12% threshold will be proportionately reduced by comparing the number of plan beneficiaries for the year to the number of plan beneficiaries for the previous year. The additional benefit granted by Air Liquide is indexed to the pension revaluation rates of normal and supplemental retirement benefits up to a certain annuity threshold without any indexation beyond. This additional benefit was funded subsequently to the article 50 of the law of January 20, 2014 securing the future and fairness of pensions plans.

The contributions amounted to 18.4 million euros after reinvoicing subsidiaries (18.9 million euros in 2023). Excluding the impact of timelines, and until the plan ends, the actuarial value of obligations vis-à-vis retirees and those eligible as of December 31, 2024 amounts to 352.0 million euros.

Based on the assumptions used for the valuation of the retirement obligations, an estimated 185.8 million euros will be recharged to the subsidiaries of L'Air Liquide S.A. as and when benefits are paid to the retirees.

B. Externally funded plan

L'Air Liquide S.A. grants to employees not covered by the preceding plan (1,015 employees as of December 31, 2024) and with at least six months of service, the benefit from an externally funded defined contribution plan. Contributions to this plan are jointly paid by the employer and employee. For 2024, employer contributions amounted to 6.1 million euros (7.2 million euros in 2023).

C. Retirement termination payments and jubilees

The corresponding obligations are provided for an amount of 50.4 million euros and 1.0 million euros, respectively.

D. Calculation of actuarial assumptions and methods

The calculations with respect to the Group's retirement benefit guarantee agreement, retirement termination payments and jubilees are performed by independent actuaries using the projected unit credit method.

Actuarial gains and losses exceeding the greater of 10% of the obligations related to retirement termination payments and unrecognized past service costs are amortized over the expected average working lives of the plan participants. As of December 31, 2024, the amounts stand at -5.7 million euros (-0.5 million euros in 2023).

The actuarial assumptions (turnover, mortality, retirement age, salary increase) vary according to demographic and economic conditions.

The discount rates used to determine the present value of obligations are based on Government bonds or High-quality Corporate bonds, with the same duration as the obligations at the valuation date (3.35% as of December 31, 2024).

E. Change in retirement obligations and similar benefits

Company obligations with respect to pension plans and similar benefits break down as follows:

(in millions of euros)	Defined benefit plan	Retirement indemnities	Jubilees	Total
OBLIGATIONS AS OF JANUARY 1, 2024	**390.9**	**48.1**	**1.0**	**440.0**
Service cost		2.5	—	2.5
Interest cost	11.9	1.5		13.4
Plan amendments				—
Benefit payments	(33.8)	(1.6)		(35.4)
Actuarial (gains) / losses	(17.0)	(4.9)		(21.9)
OBLIGATIONS AS OF DECEMBER 31, 2024	**352.0**	**45.6**	**1.0**	**398.6**

17. Accrued income and accrued expenses

(in millions of euros)	December 31, 2024
Accrued income	
Other long-term financial assets	0.5
Operating receivables	251.4
ACCRUED INCOME	**251.9**
Accrued expenses	
Other bonds	—
Other borrowings	1.9
Operating payables	375.7
ACCRUED EXPENSES	**377.6**

18. Deferred taxes

Deferred taxes arise from timing differences between the tax regime and the accounting treatment of income and expenses. Depending on the nature of the timing differences, these deferred taxes will increase or decrease the future tax expense and are not recorded as per the French Chart of Accounts.

Deferred taxes are estimated as follows:

(in millions of euros)	December 31, 2023	December 31, 2024
Deferred tax assets (decrease in future tax expense)	17.8	19.3
Deferred tax liabilities (increase in future tax expense)	—	—

The deferred taxes were calculated taking into account the 3.3% social security contribution on earnings i.e. a general income tax rate of 25.83%.

OTHER INFORMATIONS

19. Items concerning related companies

The Company conducted related party transactions with its wholly owned subsidiaries or subsidiaries that were directly or indirectly controlled.

	December 31, 2024	
(in millions of euros)	Gross	Including related undertakings
Balance sheet		
Long-term loans	630.2	625.5
Other long-term financial assets	1.1	—
Operating receivables	769.2	717.4
Current account loans with subsidiaries	477.2	477.2
Other borrowings	252.0	251.9
Operating payables	673.0	201.7
Current account borrowings with subsidiaries	2,762.4	2,762.4
Income statement		
Financial income from equity affiliates	1,783.9	1,783.9
Interests, similar income and expenses	(108.8)	(105.6)
Other financial income and expenses	3.2	—

20. Off-balance sheet commitments

Off-balance sheet commitments break down as follows:

(in millions of euros)	**December 31, 2023**	**December 31, 2024**
Commitments given		
Endorsements, securities and guarantees given [(a)]	1,455.8	1,612.3
To Air Liquide Finance and Air Liquide US LLC on transactions performed [(b)]	9,546.9	9,041.2
Firm purchase orders for fixed assets	27.1	6.9
COMMITMENTS GIVEN	**11,029.8**	**10,660.4**

(a) Endorsements, securities and guarantees given mainly include the joint and several liability guarantee granted for affiliates linked to the European program of non-recourse assignments of trade receivable in an amount of 477 million euros (517 million euros as of December 31, 2023) and the joint and several liability guarantee of the subsidiaries Société Européenne de Gestion de l'Énergie and Air Liquide France Industrie in connection with energy purchases.

(b) L'Air Liquide S.A. holds 100% of the French subsidiary Air Liquide Finance, which manages the Group's cash position and interest rate risk, as well as financing. In addition, Air Liquide Finance holds 100% of Air Liquide US LLC, which borrows on the US market.
The only activity of Air Liquide Finance and Air Liquide US LLC is to finance the Group. As a consequence, L'Air Liquide S.A. is required to guarantee any issuances performed by these companies.

21. Remuneration paid to members of Executive Management and the Board of Directors

The remuneration (short-term benefits: fixed and variable portions, benefits in kind, retirement termination payments, Directors' attendance fees) paid by the Company to members of Executive Management and the Board of Directors respectively, amounts to:

(in millions of euros)	**2024**
Remuneration of the Board of Directors	1.0
Remuneration of the Chairman of the Board	0.8
Remuneration of Executive Management	2.9
TOTAL	**4.7**

In 2024, the Company also paid contributions to external organizations for the benefit of Mr Benoît Potier for the year 2024 in respect of the collective death and disability plan (8,438 euros).

During the year 2024, the Company also paid contributions to external organizations for the benefit of Mr François Jackow for the year 2024 in respect of defined contribution pension plans (21,016 euros), the collective death and disability benefits plan (10,980 euros) and the collective healthcare plan (449 euros), i.e. a total of 32,445 euros.

In 2025, the Company will also pay contributions related to the year 2024, under the collective pension insurance contract, for an amount of 378,024 euros (split between a payment to the insurer and a payment to Mr François Jackow to cover social security contributions and taxes due on payments made to the insurer).

22. Average number of employees

The average number of employees is:

	2023	**2024**
Engineers and executives	929	893
Supervisory staff	177	165
Employees	37	34
Laborers	1	
TOTAL	**1,144**	**1,092**

23. Subsidiaries and affiliates information

(in thousands of euros)	Share capital as of December 31, 2024	Other equity as of December 31, 2024	% share holding	Carrying amount of shares held after the revaluations of 1976, 1978 and 1979			Loans and advances granted by the Company and not repaid	Guarantees and endorsements given by the Company	2023 net revenue [(a)]	Net profit (or loss) for 2023 [(a)]	Dividends collected by the Company during 2024
				Gross	Net	Including revaluation difference					
A. Detailed information on affiliates whose carrying amounts exceed 1% of the capital of the Company required to publish its financial statements											
a) Companies operating in France											
Air Liquide International [(b)] – 75, quai d'Orsay – 75007 Paris	3,151,080	5,460,794	100.00%	9,122,262	9,122,262	20,706	360,088		2,013	825,507	1,300,346
Air Liquide France Industrie – 6, rue Cognacq-Jay – 75007 Paris	72,453	679,576	100.00%	292,872	292,872		—	277,000	1,471,991	91,744	62,865
Air Liquide Finance – 6, rue Cognacq-Jay – 75007 Paris	359,722	460,002	100.00%	284,562	284,562	480	651,838	8,896,838	—	116,765	116,804
Air Liquide Santé (International) – 75, quai d'Orsay – 75007 Paris	38,477	338,434	100.00%	331,728	331,728	6,301	—		—	57,665	88,000
Air Liquide Investissements d'Avenir et de Démonstration – 6, rue Cognacq-Jay – 75007 Paris	85,050	3,249	100.00%	85,050	85,050		39		—	(2,576)	
Air Liquide Biogas International (ex Air Liquide International Participations) – 6, rue Cognacq-Jay – 75007 Paris	59,390	25,147	100.00%	116,011	116,011		7,214		24,194	(8,336)	
b) Companies operating outside of France											
Air Liquide Industriegase GmbH & Co. KG – Hans-Günther-Sohl-Strasse 5 – 40235 Düsseldorf – Allemagne	10	2,628,086	100.00%	2,106,474	2,106,474				91,135	158,829	100,000
B. General information on other subsidiaries and affiliates											
a) French companies (together)				75,949	75,949	16,068	24,841	—	—	—	105,475
b) Foreign companies (together)				3,192	3,192		—	—	—	—	10,373

(a) Most recent year-end accounts approved by the competent decision-making bodies.
(b) Holding company.

Statutory Auditors' report on the annual Financial Statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of L'Air Liquide for the year ended December 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Accounts Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de Commissaire aux comptes) for the period from January 1st, 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Equity investments measurement

Risk identified

As at December 31, 2024, the net book value of the equity investments amounts to 12 419 million euros and represents 84,8% of the total balance sheet. Equity investments are recognized at their initial consideration, excluding acquisition costs and after considering legal reevaluation if any (as provided by Law 76-1232 of December 29, 1976).

As disclosed in note "2.D. Accounting policies – Equity investments" to the statutory financial statements, when the carrying amount (determined applying the market multiples method based on the Group market capitalization or the estimated cash flows method or the method of net asset value re-measured at fair value) is lower than the net book value of the equity investment, an impairment loss is recognized for the difference.

The selection of the method used to determine the carrying amount requires significant judgement of the Company.

Due to the significant equity investments balance and the impact of the method retained to determine the carrying amount, we have considered that the measurement of the equity investments as a key audit matter.

Our response

Our procedures mainly consisted in considering, based on information provided by the Company, the valuation methods applied by the Company, and assessing:

- the assumptions used to determine the re-measured net asset;
- the methodology and the results of the tests performed based on the Group market capitalization;
- the appropriateness of information included in notes "2.D. Accounting policies – Equity investments", "10. Financial assets" and '11. Impairment, allowances and provisions" to the statutory financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the Management Report and in the other documents with respect to the financial position and the Financial Statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (Code de commerce).

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (Code de commerce) relating to the remuneration and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (Code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights has been properly disclosed in the Management Report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of preparation of the financial statements included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the Chief Executive Officer's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the financial statements included in the Annual Financial Report complies, in all material respects, with the European single electronic format.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of the Annual General Meeting held on May 12, 2016 for PricewaterhouseCoopers Audit and on May 4, 2022 for KPMG SA.

As at December 31, 2024, PricewaterhouseCoopers Audit was in its ninth year of uninterrupted engagement and KPMG SA in its third year.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Accounts Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Accounts Committee

We submit to the Audit and Accounts Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Accounts Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Accounts Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit and Accounts Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 5, 2025

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit		KPMG S.A	
Olivier Lotz	Cédric Le Gal	Valérie Besson	Laurent Genin

Five-year summary of Company results

(Articles R. 225-83 and R. 225-102 of the French Commercial Code)

	2020	2021	2022	2023	2024
I - Share capital at the end of the year					
a) Share capital *(in euros)* [(a) (b) (c)]	2,605,133,982	2,614,100,704	2,878,976,491	2,884,842,279	3,180,425,947
b) Number of outstanding ordinary shares	473,660,724	475,291,037	523,450,271	524,516,778	578,259,263
c) Number of shares with loyalty dividend entitlement [(d)]	131,753,261	134,993,503	149,161,232	145,320,778	163,473,123
d) Convertible bonds					
II - Operations and results of the year *(in millions of euros)*					
a) Revenue	86.8	96.7	97.5	105.4	100.6
b) Net profit before tax, employee profit-sharing, depreciation, amortization and provisions	1,378.9	1,072.1	998.9	1,100.2	2,071.5
c) Corporate income tax	8.8	16.0	29.9	19.9	27.3
d) Employee profit-sharing for the year	2.8	3.2	3.9	4.3	4.4
e) Net profit after tax, employee profit-sharing, depreciation, amortization and provisions	1,333.8	950.9	924.7	977.2	1,988.4
f) Distributed profit	1,338.1	1,417.5	1,587.4	1,725.0	1,962.2
III - Per share data *(in euros)*					
a) Net profit after tax, employee profit-sharing, but before depreciation, amortization and provisions					
■ over the number of ordinary shares outstanding	2.89	2.22	1.84	2.05	3.53
■ over the adjusted number of shares [(e)]	2.38	1.83	1.68	1.87	3.54
b) Net profit after tax, employee profit-sharing, depreciation, amortization and provisions					
■ over the number of ordinary shares outstanding	2.82	2.00	1.77	1.86	3.44
■ over the adjusted number of shares [(e)]	2.32	1.65	1.61	1.70	3.45
c) Dividend allocated to each share					
■ over the number of ordinary shares outstanding	2.75	2.90	2.95	3.20	3.30
■ over the adjusted number of shares [(f)]	2.27	2.39	2.76	2.99	3.39
d) Loyalty dividend					
■ over the number of ordinary shares outstanding	0.27	0.29	0.29	0.32	0.33
■ over the adjusted number of shares [(f)]	0.22	0.23	0.27	0.29	0.33
IV - Employees working in France					
a) Average number of employees during the year	1,066	1,121	1,134	1,144	1,092
b) Total payroll for the year *(in millions of euros)*	155.3	162.9	171.0	186.1	181.7
c) Amounts paid with respect to employee benefits during the year (social security, staff benefits, etc.) *(in millions of euros)*	80.1	83.4	76.9	78.5	80.8

(a) Using the authorization granted by the 14th resolution of the Combined Annual Shareholders' Meeting of May 4, 2021, the 18th resolution of the Combined Annual Shareholders' Meeting of May 4, 2022 and the 18th resolution of the Combined Annual Shareholders' Meeting of May 3, 2023, the Board of Directors made the following decisions:
- *in its meeting of July 28, 2021, capital decrease by cancellation of 165,000 treasury shares;*
- *in its meeting of July 27, 2022, capital decrease by cancellation of 1,098,900 treasury shares;*
- *in its meeting of September 28, 2023, capital decrease by cancellation of 120,000 treasury shares;*
- *in its meeting of April 30,2024, capital decrease by cancellation of 627,000 treasury shares.*

(b) Using the authorization granted by the 19th resolution of the Combined Annual Shareholders' Meeting of May 4, 2022, the Board of Directors decided in its meeting of May 4th, 2022, the granting of one free share for ten existing shares, and the granting of a 10% bonus for shares held in registered form from December 31, 2019 to June 7, 2022.
Using the authorization granted by the 18th resolution of the Combined Annual Shareholders' Meeting of April 30, 2024, the Board of Directors decided in its meeting of April 30, 2024, the granting of one free share for ten existing shares, and the granting of a 10% bonus for shares held in registered form from December 31, 2021 to June 11, 2024.

(c) Using the authorizations granted by the resolutions of Combined Annual Shareholders' Meetings of May 7, 2013 and May 12, 2016,
- *the Board of Directors noted in its meeting of April 30, 2024 the issuance of 301,422 shares arising from:*
  - *the exercise of 275,792 options subscribed at the price of 70.42 euros;*
  - *the exercise of 17,466 options subscribed at the price of 76.23 euros;*
  - *the exercise of 2,795 options subscribed at the price of 69.33 euros;*
  - *the exercise of 2,215 options subscribed at the price of 77.54 euros;*
  - *the exercise of 3,154 options subscribed at the price of 87.97 euros.*
- *the Board of Directors noted in its meeting of February 20, 2025 the issuance of 156,090 shares arising from:*
  - *the exercise of 104,240 options subscribed at the price of 63.85 euros;*
  - *the exercise of 43,129 options subscribed at the price of 69.12 euros;*
  - *the exercise of 2,666 options subscribed at the price of 62.86 euros;*
  - *the exercise of 2,721 options subscribed at the price of 70.30 euros;*
  - *the exercise of 3,334 options subscribed at the price of 79.76 euros.*

Using the authorization granted by the 17th resolution of the Combined Annual Shareholders' Meeting of May 4, 2021, the Chairman and Chief Executive Officer, pursuant to the delegation granted by the Board of Directors in its meeting of February 9, 2021 with the right to sub-delegate and confirmed on July 28, 2021, has delegated his authority during the Board of Directors meeting hold in July, 28 2021 to the Executive Vice President who noted on December 9, 2021 the employee-reserved issuance of 1,098,738 new shares:
- *984,988 new shares subscribed in cash at a price of 113.23 euros per share, of which 2,760 shares were subscribed as part of the contribution paid by the Company (1 bonus share for 4 shares subscribed with a maximum of 3 bonus shares per employee);*
- *113,750 new shares subscribed in cash at a price of 120.31 euros per share.*

Using the authorization granted by the 21st resolution of the Combined Annual Shareholders' Meeting of May 3, 2023, the Chief Executive Officer, pursuant to the delegation granted by the Board of Directors in its meeting of July 26th, 2023, noted on December 7, 2023 the employee-reserved issuance of 746,401 new shares:
- *675,617 new shares subscribed in cash at a price of 126.49 euros per share, of which 2,865 shares were subscribed as part of the contribution paid by the Company (1 bonus share for 1 shares subscribed, 2 bonus shares for 3 shares subscribed, 3 bonus shares for 6 or more shares subscribed per employee);*
- *70,784 new shares subscribed in cash at a price of 134.40 euros per share.*

(d) Beginning December 31, 1995, shareholders holding their shares in registered form for at least two years at the period-end, and who will retain these shares in this form until the dividend payment date, will receive a dividend with a 10% bonus compared to the dividend paid to other shares. The difference between the loyalty dividend calculated on the number of shares outstanding as of the period-end and the loyalty dividend actually paid shall be allocated to retaining earnings.

(e) Adjusted to take into account, in the weighted average, the capital increases performed via cash subscriptions and treasury shares.

(f) Adjusted to account for share capital movements.

5 Extra-financial performance

SUSTAINABILITY STATEMENT

1. General Disclosures

Table of contents

1.1. BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

1.1.1. Scope of the Sustainability Statement

The Sustainability Statement has been prepared on a consolidated basis. The consolidation scope is the same as that used to prepare the Group's Consolidated Financial Statements (see the list of the main consolidated companies in Chapter 4 – page 252). The subsidiaries included in this consolidation scope have been exempted from the obligation to prepare Sustainability Statements at their level.

As indicated in paragraph 1.4.3 of this Sustainability Statement – page 285, it covers the upstream and downstream value chain where required.

The Group did not make use of the exemption from disclosure permitted in the event of impending developments or matters in the course of negotiation.

1.1.2. Methodological considerations on publications

The Sustainability Statement was established as part of the first application of the legal and regulatory requirements following the transposition of the European Corporate Sustainability Reporting Directive ("CSRD").

This first year of implementation of the CSRD is marked by numerous uncertainties. In addition to those inherent to the state of scientific or economic knowledge as well as the quality of the external data used, several interpretations of the texts remain, for which further clarifications from standard-setters or regulatory bodies are desirable.

In this context, the Group has endeavored to apply the regulatory requirements set by the ESRS, as applicable on the date the Sustainability Statement was drawn up, on the basis of the information available, within the timeframe for drawing up the Sustainability Statement.

The establishment of the Sustainability Statement was also made complex by the lack of reliable comparative data and benchmarks, particularly at the sector level, as well as by data collection difficulties, notably within the value chain.

In some cases, these difficulties in accessing reliable data forced the Group to use estimates which would be refined as the quality of the available data improves.

In particular, the main methodological uncertainties and limitations that the Group faced in establishing the information that it presented are as follows:

- with regard to the Group's transition plan for climate change mitigation, it aims to enable an understanding of the Group's past, current and future mitigation efforts in order to ensure that its strategy and business model are compatible with the transition to a sustainable economy. However it is understood that, to date, there is no consensus on greenhouse gas emissions reduction targets or trajectories at a company level that would guarantee the compatibility of a strategy with a scenario limiting global warming to 1.5 °C (please refer to paragraph 2.2 of this Sustainability Statement – page 300 for more details);
- the methodological limitations in the preparation of certain indicators or the limitations inherent in the Group's current internal reporting systems will lead Air Liquide to continue its work in the years to come to further improve them. For example, the Group is continuing its work on making Scope 3 emissions data more reliable (see paragraph 2.2.5 of this Sustainability Statement – page 313) and on expanding the reporting scope of data relating to the concept of adequate wage, currently limited to the European Economic Area (see paragraph 3.1.5 of this Sustainability Statement – page 340).

As regards the presentation of impacts, risks and opportunities (IRO) material for the Group, the choice was made to present each of them (highlighted in bold) in the sections dealing with the corresponding sustainability topics, in order to better link them with the corresponding policies and actions. Furthermore, they are aggregated by sustainability topic in the cross-cutting part of this Sustainability Statement. As the Group wishes to further analyze the time horizons associated with the impacts, risks and opportunities, this dimension is not systematically provided in their description.

According to the double materiality assessment performed by the Group (see paragraph 1.5 of this Sustainability Statement – page 287), the topics notably related to pollution (E2), biodiversity (E4) and circular economy (E5) were not considered material for the Group. However, as a responsible company, Air Liquide seeks to limit its impact in these areas; a set of action plans are given as examples in the report (see paragraphs 2.4 to 2.6 of this Sustainability Statement – pages 323 to 325).

With regard to forward-looking data, refer to the cautionary note regarding forward-looking statements in this Universal Registration Document – page 440.

Finally, to take into account best practices and recommendations in the industry as well as better understanding of these new regulations and standards, the Group may, if necessary, change certain reporting and communication practices, as part of a continuous improvement process.

Other methodological considerations

Air Liquide has not deviated from the medium- and long-term horizons defined by ESRS 1 section 6.4:

- the short-term time horizon corresponds to the Financial Statement annual reporting period;
- the medium-term time horizon corresponds to a horizon of five years, which is consistent with the duration of the Group's strategic plans, which are generally set for a period of five years;
- the long-term horizon corresponds to a horizon of more than five years, which is partially taken into account in Air Liquide's emerging risks assessment and the Group's study of long-term trends.

Estimates and uncertainties, where applicable, are disclosed at the level of the indicator to which they apply.

Unless otherwise stated, the indicators have not been validated by an external body other than the sustainability auditors.

1.1.3. Incorporations by reference and use of transitional arrangements

The information incorporated by reference is as follows:

ESRS Framework		Location of the information incorporated	Pages
ESRS 2 SBM-1 §40 (a) ESRS 2 SBM-1 §40 (d)	Description of main product/service groups and markets Activities related to fossil fuels, chemicals, controversial weapons and tobacco.	Ch.1: Section Business model, 3. Description of activities	24
ESRS 2 SBM-1 §42	Description of business model and value chain	Ch.1: Section Business model, 2. Description of the business model 3. Description of activities	 22 24
ESRS 2 SBM-1 §42 (a)	Business model – Securing inputs	Ch.2: Section Risk factors and management measures, 1.3. Energy sourcing-related risks 4.1.3. Water management risk	 74 82
ESRS 2 SBM-3 §48 (d)	Current financial impact of material risks and opportunities	Ch.4: Section Note 31 to the Consolidated Financial Statements – Climate risk consideration	248
ESRS 2 SBM-3 §48 (f)	Resilience of strategy and business model	Ch.1: Section Strategy and objectives, 2. Strategic plan and mid-term objectives, 2.2 Decarbonize the planet, inset Asset and climate risks	42
ESRS 2 GOV-1 §21 (a)	Board of Directors – Number of executive and non-executive members	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 3. Composition of the Board of Directors	103
ESRS 2 GOV-1 §21 (b)	Board of Directors – Employee representation	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 7. Participation of employee representatives on the Board of Directors	113
ESRS 2 GOV-1 §21 (c)	Board of Directors – Experience of directors	Ch.3: Section Management and control, 1. Composition of the Board of Directors Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 3. Composition of the Board of Directors	98 104
ESRS 2 GOV-1 §21 (d)	Board of Directors – Diversity of directors	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 3. Composition of the Board of Directors	103
ESRS 2 GOV-1 §21 (e)	Board of Directors – Independent directors	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 3.2. Independence of Board members	103
ESRS 2 GOV-1 §22	Board of Directors – Roles and responsibilities in overseeing impacts, risks and opportunities	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 5. Role and tasks of the Board of Directors 10.1. Activity, results and strategy 11.1 The Audit and Accounts Committee 11.4 The Environment and Society Committee	 111 115 117 124
ESRS 2 GOV-1 §23	Board of Directors – Description of skills and expertise to oversee sustainability issues	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 3. Composition of the Board of Directors	104
ESRS 2 GOV-2- §26 (a) ESRS 2 GOV-2- §26 (b)	Board of Directors – Information and consideration of impacts, risks and opportunities	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 10.1. Activity, results and strategy 11.1 The Audit and Accounts Committee, part Joint session of the Audit and Accounts Committee/ Environment and Society Committee	 116 120
ESRS 2 GOV-2 §26 (c)	Board of Directors – Material impacts, risks and opportunities dealt with during the year	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 10. The Board of Directors' work in 2024 11.4 The Environment and Society Committee	 115 124
ESRS 2 GOV-3- §29 ESRS E1 related to ESRS 2 GOV-3	Board of Directors – Incentive schemes and compensation policies linked to sustainability issues, in particular climate issues	Ch.3: Section Remuneration of L'Air Liquide S.A. Corporate Officers	145
ESRS 2 GOV-4 §32	Due diligence process	Ch. 2: Section Vigilance plan, 2. Vigilance Plan cross-reference table	92

ESRS Framework		Location of the information incorporated	Pages
ESRS 2 GOV-5 §36 (e)	Board of Directors – Communication of risk analysis and internal control findings relating to the sustainability reporting process	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 11.1 The Audit and Accounts Committee	119
ESRS 2 SBM- 2 §45 (d)	Board of Directors – Information on the views and interests of affected stakeholders regarding sustainability-related impacts	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 10.3. Human Resources/Stakeholders 11.4 The Environment and Society Committee	 117 124
ESRS G1 GOV-1 §5 (a)	Board of Directors – Role in the conduct of business	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 5. Role and tasks of the Board of Directors 11.1 The Audit and Accounts Committee	 111 119
ESRS G1 GOV-1 §5 (b)	Board of Directors – Business expertise	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 3. Composition of the Board of Directors 6. Functioning of the Board of Directors 10.1. Activity, results and strategy 11.2. The Appointments and Governance Committee	 104 112 115 122
ESRS G1-3 §18 (c)	Board of Directors – Where applicable, process for reporting incidents of corruption or bribery	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 3. Composition of the Board of Directors 6. Functioning of the Board of Directors 10.1. Activity, results and strategy 11.2. The Appointments and Governance Committee	 103 112 115 120
ESRS G1-5 §30	Board of Directors – Appointment of directors who have held public office during the last two years (not applicable to Air Liquide)	Ch.3: Section Governance – Composition, functioning and work of the Board of Directors and Committees, 3. Composition of the Board of Directors	104

As the Air Liquide Group exceeded the threshold of 750 employees at the reporting date, the information requested by ESRS 2 §17 is not applicable.

1.2. GOVERNANCE

Within Air Liquide, the administrative, management and supervisory bodies in the meaning of the Regulations, hereinafter referred to as "management bodies", include the Board of Directors and the Chief Executive Officer. It should be noted that, depending on the information required, only one or the other may be concerned (the information does not then apply to the other party).

1.2.1. Roles and responsibilities of management bodies

Elements relating to the supervisory role of the Group's governance bodies are dealt with in Chapter 3 of this Universal Registration Document, particularly:

- section Management and Control, paragraph 1 Composition of the Board of Directors – page 98;
- section Governance – Composition, Functioning and Work of the Board of Directors and Committees, paragraph 3 Composition of the Board of Directors – page 103;
- section Governance – Composition, Functioning and Work of the Board of Directors and Committees, paragraph 7 Participation of employees representatives on the Board of Directors – page 113;
- section Governance – Composition, Functioning and Work of the Board of Directors and Committees, paragraph 11.4 The Environment and Society Committee – page 124.

The integration of environmental and societal issues is an integral part of the Group's strategy, based on strong governance and processes.

The Sustainable Development department, which reports to a Director who is a member of the Executive Committee, contributes to the strategy and defines the specific measures to be integrated in the Company's strategic plan.

The Sustainable Development department participates in the E-Enrisk Committee whose mission is to manage the Group's energy and emissions risks, which brings together each month the member of the Executive Committee overseeing the global Large Industry business line and the Group Strategy function.

The Director in charge of Sustainable Development participates in meetings related to strategy and certain RIC (Resources & Investment Committee), with a particular focus on sustainable development issues.

Finally, the Group's CO_2 trajectory has been filtered down into local decarbonization plans, developed in close collaboration with the Group's global business units, while taking into account the specificities of its geographies and customers. A CO_2 budget per entity is defined, monitored on a quarterly basis and integrated into the investment decision-making processes to ensure that the Group remains on its trajectory.

1.2.2. Sustainability matters addressed by the Board of Directors

Elements relating to the supervisory role of the Group's governance bodies are dealt with in Chapter 3 of this Universal Registration Document, section Governance – Composition, Functioning and Work of the Board of Directors and Committees, particularly:

- paragraph 10. The Board of Directors' work in 2024 – page 115;
- paragraph 10.1 Activity, results and strategy – page 115;
- paragraph 10.3 Human resources/stakeholders – page 117;
- part Joint session of the Audit and Accounts Committee/ Environment and Society Committee paragraph 11.1 The Committees of the Board of Directors – page 120.

1.2.3. Sustainability performance incentives

Elements relating to the incentive mechanisms applied to the Group's governance bodies are dealt with in Chapter 3 of this Universal Registration Document – section Remuneration of L'Air Liquide S.A. Corporate Officers – page 145.

1.3. RISK MANAGEMENT AND INTERNAL CONTROL

1.3.1. Statement on due diligence

Under the responsibility of the Vice President, Duty of Vigilance and Societal Responsibility, Air Liquide implements a due diligence process covering human rights and fundamental freedoms, the health and safety of persons, and the environment, in accordance with the French law on the Duty of Vigilance. The Group establishes a Vigilance Plan based on the guidelines of international instruments such as the United Nations Guiding Principles on Business and Human Rights and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and its Due Diligence Guidance on Responsible Business Conduct.

Chapter 2, Vigilance Plan section, paragraph 2 Vigilance Plan cross-reference table of this Universal Registration Document – page 92, meets the disclosure requirements relating to its sustainability due diligence process through a cross-reference table referring to the Sustainability Statement.

1.3.2. Internal control of the sustainability reporting process

The Group's risk management and internal control processes and systems for sustainability reporting cover thematic ESRS and disclosure requirements considered material, as per the double materiality assessment, for the Group. The objective of the internal control system is to provide reasonable coverage of risks relating to the completeness and integrity of the data, the suitability of the results of estimates, the availability of data and the timeframe for making the information available.

The main components of the internal control system are:

- the organization in place to ensure the production of the Sustainability Statement (including roles and responsibilities and functions in charge of validation steps);
- the policies and procedures implemented to ensure, in particular, the homogeneity of the definitions of vocabulary and calculation methods;
- the control activities for consistency checks, reconciliation, completeness and gap analysis;
- IT systems used for automation of controls and proper traceability of validation circuits.

In addition, to supplement these main elements of internal control, regular internal audit reviews are set up within the Group to ensure independent control.

The Group has carried out an assessment of the risks related to sustainability reporting. This assessment, carried out at the level of data points, aimed to assess the level of risk related to:

- inherent risks such as, without being limited to, the complexity of the calculation or processing, the manual processes, the estimated nature of the data or the dependence on third-party data; and
- other risks related to the use of data.

The aim of the risk assessment is to prioritize the internal control assessment guidelines and the associated action plans to be implemented.

Several actions were undertaken in 2024 to strengthen the general internal control environment of the sustainability reporting process:

- training on the internal control process for employees contributing to the processing and consolidation of data was continued;
- the use of information systems, including automated controls, for data collection and consolidation, was strengthened;
- the global writing of the Sustainability Statement was carried out using a single integrated tool, allowing access rights and validation flows to be managed.

To complete this general internal control environment, particular attention was paid to the main potential specific risks, including:

- the heterogeneity of the data in the event of incomplete vocabulary definitions, as 2024 is the first reporting year under the new regulation;
- the integrity of the data in the event of manual collection or consolidation processes or manual interfaces between the various IT systems.

The approach implemented consists of a review of the existing internal control processes and systems that mitigate these potential risks, according to the four main components of internal control mentioned above. This review leads to the definition of internal control action plans when necessary (for example establishing a common definition of a vocabulary term or calculation methodology within the Group, or providing for the automation of controls or interfaces between the various IT systems).

This approach was applied in 2024, with a particular focus on E1 (Climate change), S1 (Own workforce) and E3 (Water and marine resources), and is expected to continue in future years. When deemed necessary, the controls identified are incorporated into the Group's internal policies and procedures.

The risk assessment and internal control reinforcement relating to sustainability reporting were presented to the Audit Committee (see details in paragraph 11.1 The Audit and Accounts Committee of the section Governance – Composition, functioning and work of the Board of Directors and Committees of Chapter 3 of this Universal Registration Document – page 119).

1.4. STRATEGY AND BUSINESS MODEL

1.4.1. Air Liquide's business model

The Group's business model is addressed in Chapter 1 of this Universal Registration Document, section Business model, paragraph 2 Description of the business model – page 22.

Air Liquide's ADVANCE strategic plan places sustainable development at the heart of the Group's strategy combining financial and extra-financial performance.

The plan has four pillars: delivering strong financial performance which prepares for the future, acting as a leader in industry decarbonization, promoting progress through technological innovation, and acting for all.

Air Liquide confirms its leadership role in the decarbonization of industry and in the emergence of a low-carbon society. The Group is committed to achieving carbon neutrality by 2050, with two major intermediate steps in 2025 and 2035. In addition, Air Liquide offers solutions to help its customers to reduce their own emissions, such as the supply of low-carbon industrial gases, the transformation of industrial processes and solutions for CO_2 capture and usage.

Achieving decarbonization objectives involves aligning investment plans with the decarbonization trajectory. For each project, investment decisions are notably based on a review of the following criteria:

- environmental footprint of the customer's site and cost of raw materials;
- greenhouse gas emissions, as well as their economic impact and solutions for reducing emissions;
- adequacy of the project with the Group's environmental objectives;
- other sustainable development criteria, such as water consumption;
- physical risks related to climate change;
- exposure to the risk of corruption.

Further details are provided in this Sustainability Statement, in particular in the transition plan in paragraph 2.2 – page 300.

The innovation capacity and technological know-how of Air Liquide's teams enable the Group to contribute to the development of key sectors of the future, in which it intends to strengthen its positions:

- Healthcare, in which the value-based approach, combining quality of life for the patient with the best cost for the healthcare system, responds to major societal challenges;
- Electronics, where in a context of strong growth in demand, Air Liquide intends to strengthen its positions through new industrial capacities, technological innovation and the development of sustainable offers;
- Industrial Merchant, where growth is notably driven by environmental challenges;
- Hydrogen mobility, especially heavy-duty mobility, in which low-carbon hydrogen will play a key role;
- High-techs.

Safety, ethics and human rights are prerequisites for any action. Besides, the Group takes into account the perspective of its direct Stakeholders, as well as those of Society at large, notably by:

- fostering employee commitment and the development of their skills;
- reinforcing its customer-centric culture;
- maintaining close contact and quality dialogue with shareholders;
- acting as a committed corporate citizen concerned with the general interest.

The current financial effects associated with the material risks and opportunities are addressed in Chapter 4 of this Universal Registration Document – note 31 to the Consolidated Financial Statements on the climate risks consideration – page 248.

The resilience of Air Liquide's strategy and business model is addressed in Chapter 1 of this Universal Registration Document, section Strategy and objectives, paragraph 2 Company program and mid-term objectives, paragraph 2.2 Decarbonize the planet – focus Assets and climate risks – page 42.

Finally, the breakdown of employees by geographical area is presented in paragraph 3.1.1 Introduction of this Sustainability Statement – page 328.

1.4.2. Business sectors

The Group's business sectors are described in Chapter 1 of this Universal Registration Document, section Business model, paragraph 3 Description of activities – page 24.

1.4.3. Value chain

The Group's business model, including elements of its value chain, is presented in Chapter 1 of this Universal Registration Document, section Business model, paragraph 2 Description of the business model – page 22 and paragraph 3 Description of activities – page 24.

As part of the double materiality assessment, Air Liquide defined the scope of its value chain as follows:

- upstream of its operations: up to tier-one suppliers and subcontractors (direct suppliers), unless an impact, risk or opportunity requiring going beyond tier one has been identified. This definition is consistent with the Group's Sustainable Procurement procedure and its duty of vigilance approach;
- downstream of its operations: up to the delivery of products and services to customers and patients.

In line with these principles and in light of the Group's activities, Air Liquide's value chain includes in particular the following elements:

- upstream of its operations: its direct suppliers such as energy or equipment suppliers, or service providers;
- in its own operations: its Gas & Services, Engineering & Construction, Global Markets & Technologies businesses, supported by the Functions, and the distribution channels to serve customers and patients;
- downstream of its operations: its customers and patients, as well as third parties involved in the logistics, distribution and delivery of the Group's products.

The main distribution channels for Air Liquide's products are pipelines and road transport. As mentioned above, they are operated either directly by Air Liquide or by third parties downstream of its operations. Further details are provided in Chapter 1 of this Universal Registration Document, section Business model, paragraph 3 Description of activities – page 24.

Electricity, natural gas and air are the main inputs used by production units. Their availability is thus essential to the Group. More specifically, almost 85% of Air Liquide's large production units are Air Separation Units, which do not use any combustion processes. These units use air as their only raw material, while the energy required to separate air is consumed almost exclusively in the form of electricity. Furthermore, the Group depends on water for its activities. Its water consumption is related to the loss of water by evaporation in the process of cooling rotating machines, particularly for the production of air gases, or its use as a raw material. It should be noted that given the Group's activities and their local presence near its customers, the latter may also supply Air Liquide with water and energy.

The issues related to securing electricity and natural gas are described in Chapter 2 of this Universal Registration Document, section Risk factors and management measures, paragraph 1.3 Energy sourcing-related risks – page 74. The issues related to securing water are described in paragraph 4.1.3 Water management risk, in the same chapter and section – page 82.

1.4.4. Stakeholders engagement

Air Liquide's main stakeholders can be summarized as follows:

Within Air Liquide, stakeholder engagement does not take place via a single channel, but is integrated into many of its operational processes:

	Business relationship	Affected stakeholder	User of the Sustainability Statement	Communication channels	Frequency of communication/ interactions
Employees and their representatives		× ✓	✓	Social dialogue mechanisms (information-consultation, collective bargaining), My Voice internal survey, training, performance reviews.	Continuously
Customers and patients	✓	✓	✓	Satisfaction surveys including "Voice of Customer" surveys, procedures in patients' homes, pharmacovigilance and medical device vigilance, customer relationship managers.	Continuously
Shareholders, investors and financial partners		✓	✓	Dedicated departments (Shareholder Services, Investor Relations team and the Sustainable Development Department's Reporting and Extra-Financial Performance team), Shareholders' Communication Committee, conferences, one-to-one meetings, digital communication materials, newsletters, website.	Continuously
Suppliers and their employees	✓	✓		Supplier's Code of Conduct. The Procurement Department's Sustainable Procurement function conducting the annual assessment of Sustainability-Critical Suppliers. For energy suppliers, departments with expertise in energy management.	Continuously
Local communities and civil society		× ✓	✓	European & International Affairs Department coordinating responses to requests from civil society organizations. Regular monitoring of topics of interest to civil society.	Continuously
Public sphere	✓		✓	European & International Affairs Department, whose mission is to organize interaction with local and/or regional public authorities, either directly or through professional organizations; participation in public works or events.	Continuously

×: Legitimate representative of an affected stakeholder.

Employees and their representatives

Air Liquide strives to create an engaging employee experience based in particular on open, continuous and constructive social dialogue between employees, social partners and Management. Air Liquide's dialogue with its employees and their representatives is detailed in paragraph 3.1.2 of this Sustainability Statement – page 329.

Customers and patients

In line with its Principles of Action, Air Liquide continuously listens to its customers, the patients it serves and the healthcare professionals who look after them. The processes for consulting Air Liquide's customers and patients are detailed in paragraph 3.3.1 of this Sustainability Statement – page 349.

Shareholders, investors and financial partners

Air Liquide maintains close relations with its investors and shareholders and interacts with them in many ways, by providing them with regular monitoring of its performance and progress in terms of sustainability and asking what they expect in terms of publications and development of the sustainable development strategy.

Suppliers

The Group is committed to integrating sustainable development practices into its procurement processes. Air Liquide has around 80,000 tier-one suppliers and subcontractors. The Group Procurement Department is responsible for managing relationships with suppliers, based on two procedures that include sustainability issues. These procedures, as well as the management of supplier relations, are described in paragraph 4.4.1 of this Sustainability Statement – page 355. Processes relating to the consideration of supplier employees' interests and views can be found in paragraph 3.2.1 of this Sustainability Statement – page 344.

Local communities and civil society

Air Liquide has established a process to handle inquiries from civil society organizations. When relevant and necessary, the Group engages in structured dialogue and possibly partnerships with some of these organizations, on climate or human rights matters for instance.

Engagement with non-governmental organizations is coordinated by the European & International Affairs Department with the support of other Functions, where necessary, such as the Sustainable Development Department, the Human Resources Department or the Duty of Vigilance and Societal Responsibility Department.

In line with its Principles of Action, Air Liquide takes part in the economic and social development of the regions where it operates. The Group respects the rights, cultures, customs and values of local communities. Dialogue with communities is engaged locally by the subsidiaries, in accordance with these principles and the regulations in force.

Public sphere

Engaging with public authorities and policymakers plays a part in achieving sustainability objectives. The Group considers that it is important for private actors to contribute to public debate and initiatives by sharing their expertise and analysis on their areas of expertise with public decision-makers. These contributions enrich the understanding of the specific characteristics of an ecosystem and ensure that the decisions taken contribute to the fulfillment of sustainability commitments.

Air Liquide is committed to being transparent in all its interactions with public representatives. The Group thus participates in working groups set up by public authorities or in discussions led by professional associations representing a given sector. Particular attention is paid to ensuring that the stands of the associations, which Air Liquide is a member of, are aligned with those of the Group. On sustainable development, it is essential that each association respects the Paris Agreement. More detailed information on relations with the public sphere can be found in paragraph 4.5 of this Sustainability Statement – page 356.

Assessment of the maturity of stakeholder engagement

Prior to the double materiality assessment, an external consultant conducted interviews with Air Liquide's departments interacting with the key stakeholders listed above. The purpose of these interviews was to assess the maturity of the dialogue on the basis of four criteria: its frequency, dialogue mechanisms, analysis of the information collected, and its sharing with the relevant governance bodies. Stakeholder engagement was deemed sufficiently mature. The expertise of the departments was also deemed sufficient for them to be able to gather and represent the stakeholders' interests and views and thus take them into account in the Group's double materiality assessment. In addition, the Sustainable Development Department and the Duty of Vigilance and Societal Responsibility Department continuously monitor subjects of interest to the Group's stakeholders.

The external consultant also conducted an analysis of the sustainability issues considered important in the Group's value chain, based on a panel of customers, suppliers, partners and competitors. The purpose of this analysis was to inform discussions on the sustainability topics considered material for Air Liquide, by identifying the sustainability issues identified by this panel.

The information collected through the communication channels listed above, as well as the analysis of sustainability issues considered important in the Group's value chain, were taken into account during the double materiality assessment.

Moreover, as shown in the previous summary table, discussions with stakeholders are held continuously and the expectations of stakeholders are taken into account in the definition of Air Liquide's strategy. In 2024, the Group did not identify the need for any major adjustments to the strategy or business model to meet these expectations.

The processes for informing the Board of Directors are covered in Chapter 3 of this Universal Registration Document, in the section Governance – Composition, Functioning and Work of the Board of Directors and Committees, paragraph 10.3 Human Resources/ Stakeholders – page 117.

The processes for informing the Environment and Society Committee are covered in Chapter 3 of this Universal Registration Document, in section Governance – Composition, Functioning and Work of the Board of Directors and Committees, paragraph 11.4 The Environment and Society Committee, part The Environment and Society Committee's work in 2024 – page 124.

1.5. IMPACTS, RISKS AND OPPORTUNITIES

1.5.1. Preliminary work to the double materiality assessment

Air Liquide conducted a double materiality assessment to identify and assess the materiality of its impacts, risks and opportunities (IRO). To do this, the Group relied on its pre-existing internal processes, in particular the duty of vigilance risk mapping process for the materiality of the impact, as well as the Enterprise Risk Management system for financial materiality. Prior to this, the Group conducted a gap analysis between its internal processes and regulatory requirements, with assistance from an external consultant.

The risk mapping methodology for the duty of vigilance is based on that advocated by international standards: the United Nations Guiding Principles on Business and Human Rights (UNGP) and the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance on Responsible Business Conduct.

Air Liquide's risk management system is defined according to the reference framework of the French financial market authority (*Autorité des marchés financiers*) and established by integrating the contributions of several departments (in particular Finance, Sustainable Development, Group Control and Compliance, Legal and Safety and Industrial System). The risk management system, in place since 2010, is described in more detail in Chapter 2, section Risk factors and management measures, of this Universal Registration Document – page 72. This system integrates the Environment and Society risks on the same level as the other risks.

The processes presented above were supplemented to meet the expectations of the CSRD:

- the duty of vigilance risk mapping and the risk management system only concern negative impacts, on the one hand, and risks, on the other. The criteria used for the duty of vigilance risk mapping were therefore adapted to identify and assess positive impacts. Opportunities were identified and analyzed on a case-by-case basis as described in paragraphs 1.5.2 – page 288, and 1.5.3 – page 288, of this Sustainability Statement;
- the scope of these internal procedures covers the Group's activities and the upstream value chain as defined in paragraph 1.4.3 of this Sustainability Statement – page 285. The exercise thus extended this scope to cover the downstream value chain as defined in the same paragraph. The occurrence of each IRO was positioned in the Group's value chain;
- the assessment methodologies for the duty of vigilance risk mapping and the risk management system were refined in order to obtain a higher level of granularity in the double materiality assessment. More details are provided in paragraph 1.5.3 of this Sustainability Statement – page 288.

The double materiality assessment was carried out in two steps:

1. identification of IROs, described in paragraph 1.5.2 of this Sustainability Statement – page 288;
2. assessment of the materiality of the IROs identified, described in paragraph 1.5.3 of this Sustainability Statement – page 288.

The identification and assessment of impacts, risks and opportunities was centralized at Group level by a dedicated working group coordinated by the Group Risk Management Department with support from the Duty of Vigilance and Societal Responsibility Department. This working group conducted the assessment with the support of the functions and businesses experts in the various sustainability matters. The departments that contributed to the double materiality assessment are: Risk Management, Duty of Vigilance and Societal Responsibility, Sustainable Development, Human Resources, Sustainable Procurement, Safety and Industrial System, Ethics, Digital Security, Public Affairs, Finance and Home Healthcare.

The Group plans to carry out a consistency review each year to ensure the absence of any triggering event requiring an update of the double materiality assessment, and a more in-depth review at a frequency that is yet to be defined.

1.5.2. Identification of impacts, risks and opportunities

The identification of IROs is structured around the detailed list of sustainability matters proposed by ESRS 1 AR 16, which is aligned with the universe of sustainability issues existing in Air Liquide's processes. The IROs that apply to Air Liquide and its value chain have been listed under each topic, sub-topic and sub-sub-topic (hereinafter, the "topics"). In addition, topics relating to workers in the value chain, proposed in ESRS 1 AR 16, have been grouped and/or broken down to correspond to the themes used in the Sustainable Procurement operational process. In identifying IROs, the Group has taken into account, where applicable, the specificities of its activities and the regions where it operates. The process of identifying IROs is iterative by nature, requiring intermediate reviews between the team dedicated to double materiality and the internal experts involved, until the final results are obtained.

Identification of negative impacts

The identification of actual and potential negative impacts on people and the environment is based on the duty of vigilance risk universe. The latter is built taking into account the internationally recognized human rights in the International Bill of Human Rights, the fundamental conventions of the International Labour Organization (ILO) and environmental resources. To identify environmental impacts, Air Liquide takes into account the environmental data published by stakeholders legitimately representing the interests of Nature, such as the reports of the Intergovernmental Panel on Climate Change (IPCC).

For each impact, different dimensions are characterized:

- affected stakeholders, as presented in paragraph 1.4.4 of this Sustainability Statement – page 285, including vulnerable groups as advised by the UNGP and the OECD Due Diligence Guidance on Responsible Business Conduct. Vulnerable groups include women, children and young people, indigenous peoples, migrant workers, people with disabilities, LGBTQ+ people, and ethnic, religious or cultural minorities;
- their position in the Group's value chain, as defined in paragraph 1.4.3 of this Sustainability Statement – page 285;
- the time horizons of the occurrence of impacts, as described in paragraph 1.1.2 of this Sustainability Statement – page 280.

Identification of risks

Risks are identified based on the Group's risk repository. This repository is reviewed every year, in particular in light of the identification and hypothetical positioning of emerging risks. It includes an assessment of the timeframe on which these risks could materialize and suggests the necessary anticipatory actions. Consequently, the Group's risk repository lists the risks in the context of the financial materiality described by the CSRD.

For each risk, different dimensions are characterized:

- their position in the Group's value chain, as defined in paragraph 1.4.3 of this Sustainability Statement – page 285;
- the time horizons of the occurrence of risks, as described in paragraph 1.1.2 of this Sustainability Statement – page 280.

Air Liquide has specified in the description of the risks, where relevant, whether they result from previously identified impacts or whether they exist due to its dependencies.

Identification of opportunities and positive impacts

As the positive impacts and opportunities are not covered by Air Liquide's pre-existing processes, the working group identifies them on the basis of a review of the Group's strategy and business model. In addition, consultations with the expert functions and businesses for each topic enriched and refined the identification.

As for negative impacts or risks, various dimensions were characterized:

- their position in the Group's value chain, as defined in paragraph 1.4.3 of this Sustainability Statement – page 285;
- the time horizons of the occurrence of positive impacts and opportunities, as described in paragraph 1.1.2 of this Sustainability Statement – page 280;
- in the case of positive impacts, the affected stakeholders, as presented in paragraph 1.4.4 of this Sustainability Statement – page 285.

1.5.3. Assessment of the materiality of the impacts, risks and opportunities identified

Principles of Action

Some of the topics included in ESRS G1 "Business Conduct" correspond to Air Liquide's Principles of Action (available on the Group's website: https://www.airliquide.com/sustainable-development/ethics/groups-principles-action): corporate culture, prevention of corruption and bribery, protection of whistleblowers and management of relationships with suppliers. They are therefore, by nature, material.

Negative impacts

The assessment of the materiality of the negative impacts is based on the process established by Air Liquide for the duty of vigilance and distinguishes between actual and potential negative impacts. The former covers impacts that are currently occurring or that occur continuously. Consequently, their materiality depends on the severity of the impact. Potential negative impacts, on the other hand, relate to impacts that may occur but have not yet done so, particularly those of an incidental or occasional nature. In this case, both the severity and the probability of occurrence are taken into account.

Severity is defined by three criteria:

- the scale;
- the scope;
- the irremediable character of the impact.

In 2024, the risk mapping methodology for the duty of vigilance was updated to bring greater precision to the assessment. Thus, the severity rating scales were changed from two to four levels in order to increase the accuracy of the analysis. Furthermore, qualitative scales for the three severity criteria were defined for each issue defined by French law: human rights, environment, health and safety.

The determination of probability follows a similar approach to severity with a four-point scale. The potential negative impacts are assessed using the impact matrix presented below. This matrix combines the levels of severity and probability with the former taking precedence over the latter.

		Probability			
		1	2	3	4
Severity	4	3	4	4	4
	3	3	3	4	4
	2	2	2	2	3
	1	1	1	2	2

Air Liquide determined the following materiality thresholds:

- an actual negative impact is material when the severity is equal to or greater than 3, the probability of occurrence does not apply;
- a potential negative impact is material when the combination of severity and probability is equal to or greater than 3 in the above matrix.

Positive impacts

The assessment of actual and potential positive impacts is similar to that developed for negative impacts.

The materiality of actual positive impacts depends on the scale and scope, supplemented by the probability in the case of potential impacts. In the same way as for negative impacts, four-point scales were constructed for these three criteria. The scores were then combined using a positive impact matrix:

		Probability			
		1	2	3	4
Scale and scope	4	3	4	4	4
	3	3	3	4	4
	2	2	2	2	3
	1	1	1	2	2

For consistency with the assessment of negative impacts, Air Liquide has determined that the materiality threshold of a positive impact is equal to or greater than 3.

Risks

The materiality of the risks is assessed by considering the magnitude of the financial effects as well as the probability of occurrence. To meet these requirements while relying on its existing operational processes, the assessment conducted by Air Liquide of the materiality of its risks follows three steps:

- each risk identified in the context of double materiality is associated with a family of risks existing in the Group's risk repository;
- the 2024 risk mapping, which is based on a positioning according to the impact (within the meaning of the Group's risk management system) and the probability, is graduated for the purposes of the double materiality assessment according to four levels for each of the two axes, in order to precisely reflect their positioning:
  - the level of impact (within the meaning of the Group's risk management system) is weighted by the level of maturity identified for the said risk in the Group's risk management system according to a coefficient that can range from 0.75 to 1.5 (0.75 - Excellence, 1 - Maturity, 1.25 - Development, 1.5 - Initial), in order to obtain the magnitude of the risk (which can range between 0.75 and 6),
  - the magnitude level is multiplied by the probability level.

  Any risk with a rating equal to or higher than 12 (out of a maximum of 24) is presumed to be material;
- this initial result was reviewed with internal experts who, on the basis of their more detailed knowledge of the topics and their associated risks, confirmed or invalidated the presumption of materiality. This led to certain presumed non-material matters being deemed material during the assessment.

Opportunities

As with risks, the materiality of opportunities is assessed by considering the magnitude of their financial effects and the probability. As the number of opportunities identified is limited, the assessment of their materiality is made on a case-by-case analysis, based on the knowledge of the experts of the topics concerned.

1.5.4. Integration of double materiality in internal control and risk and impact management systems

The identification and assessment of impacts, risks and opportunities were carried out by a dedicated working group, coordinated by the Group Risk Management Department with support from the Duty of Vigilance and Societal Responsibility Department, and including expertise in the various topics. As indicated in paragraph 1.5.1 of this Sustainability Statement – page 287, this assessment capitalized on pre-existing internal processes including the Company's duty of vigilance risk mapping process and risk management system. The results were presented to Executive Management as well as the Board of Directors' specialized committees, which monitor, on the one hand, the process of preparing sustainability information including the double materiality assessment process (Audit and Accounts Committee) and, on the other hand, material sustainability topics and impacts, risks and opportunities (Environment and Society Committee).

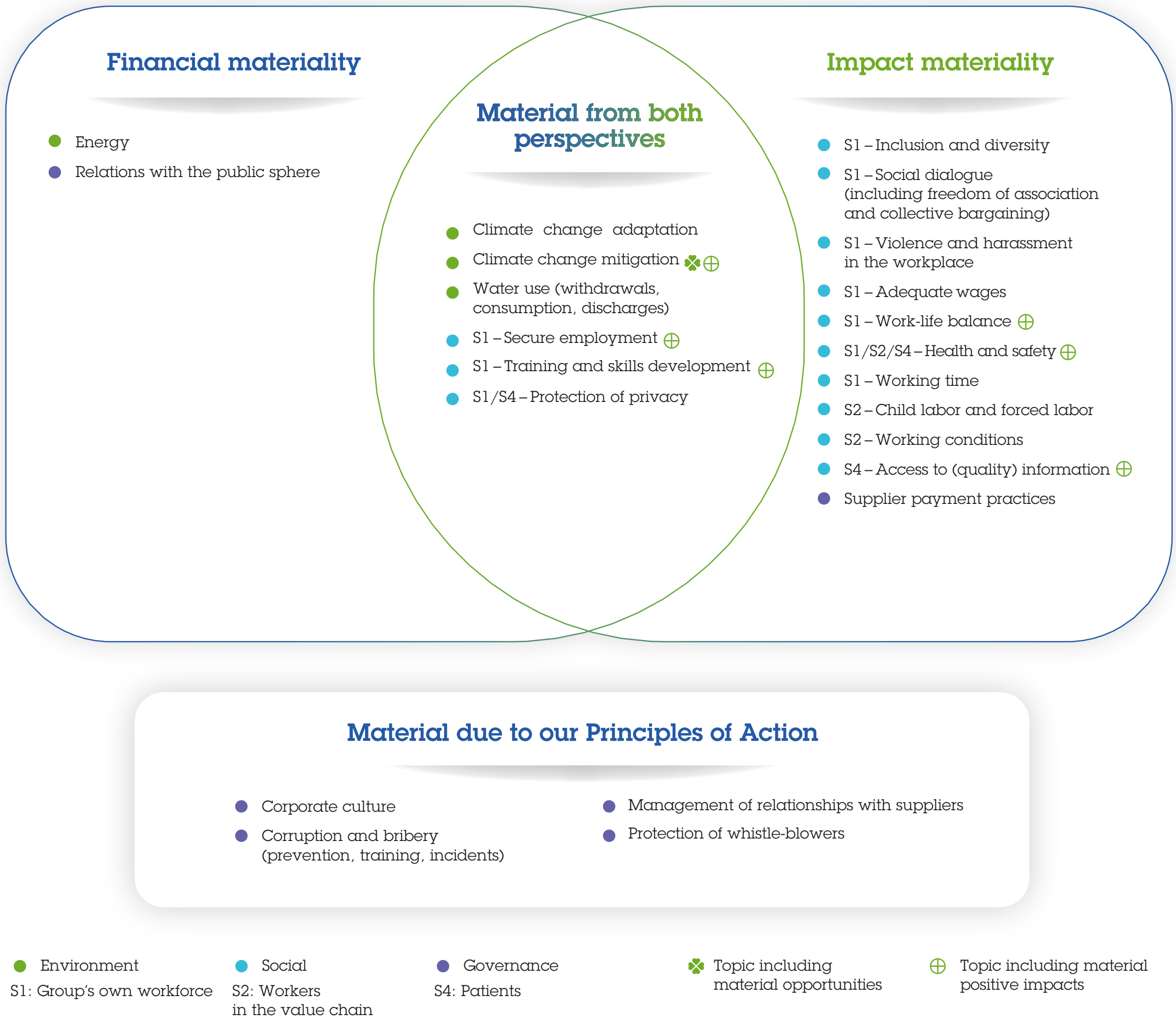
In order to conduct an unbiased assessment, the task was broken down into an identification step followed by an assessment step, so as to ensure the exhaustiveness of the impacts, risks and opportunities without initially taking into account whether or not they are material. In this context, the working group established the following guidelines:

- an IRO should correspond either to an impact (positive or negative), or to a financial effect (risk or opportunity). If an element falls under both aspects, the IRO is then detailed at a finer level to be linked to an impact, a risk or an opportunity;
- a positive impact does not correspond to the compensation or prevention of a negative impact but should provide additional value to affected stakeholders;

- if no IRO can be identified for a topic, then the topic is declared irrelevant;
- the assessment of impacts, risks and opportunities should be based on existing processes as far as possible (mainly the duty of vigilance and the risk management system) in order to ensure the consistency of the double materiality with the Group's operational processes; and
- as soon as an IRO is assessed as material, the sustainability topic to which it relates is considered material.

1.5.5. Results of the double materiality assessment

The double materiality assessment led to the identification of 62 material impacts, risks or opportunities out of a total of 122 impacts, risks or opportunities identified. For the sake of intelligibility, Air Liquide chose to aggregate them by sustainability topic in order to present the results of the double materiality assessment in the infographic below. Besides, the 62 material impacts, risks or opportunities are described (highlighted in bold) in the topical paragraph they relate to.



On the basis of the sustainability topics identified as material, the Group identified the information required by the CSRD. The materiality of the information was assessed at the level of each topic, by the internal expert in charge, taking into account the relevance of this information with regard to the topic to which it is related, as well as the usefulness of this information in the decision-making of a user of the Sustainability Statement.

A small amount of information related to material topics was deemed non-material from an information point of view. Such information relates to the following subjects:

- renewable electricity production;
- carbon credits and carbon elimination;
- the percentage of GHG emissions covered by the internal carbon pricing mechanism;
- stored water;
- non-guaranteed hours employees;
- the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees [1];
- the amount of fines and penalties resulting from work-related incidents.

(1) *Information relating to the Group's total annual remuneration ratio is considered non-material within the meaning of the CSRD. Independently from this subject, the Company is obliged to disclose remuneration ratios between the level of remuneration of its employees and the one of its executive corporate officers, pursuant to Article L.22-10-9 of the French Commercial Code; these are given in Chapter 3, section Remuneration of L'Air Liquide S.A. Corporate Officers.*

1.6. LIST OF DATA DERIVING FROM OTHER EU LEGISLATION

The table below is aimed to meet the regulatory obligation of the European Union CSRD, ESRS 2, Appendix B, which contains a list of sustainability-related data points from other European Union legislation (SFDR, Pillar 3, Benchmark Regulation, EU Climate Reference), as well as a concordance table between these data points and their equivalent in the CSRD. This obligation requires issuers to identify, within their Sustainability Statement, the paragraphs where the data points listed in Appendix B are located or, where applicable, the indication that these data points are not material.

Disclosure requirement and relative data point	Reference of the corresponding DP
ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d)	Chapter 3, section Governance – Composition, functioning and work of the Board of Directors and Committees, paragraph 3 Composition of the Board of Directors – p. 103
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)	Chapter 3, section Governance – Composition, functioning and work of the Board of Directors and Committees, paragraph 3 Composition of the Board of Directors – p. 103
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Chapter 5, paragraph 1.3.1 – p. 283
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	Chapter 1, section Business model, paragraph 3 Description of activities – p. 24
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	Chapter 1, section Business model, paragraph 3 Description of activities – p. 24
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Chapter 1, section Business model, paragraph 3 Description of activities – p. 24
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv	Chapter 1, section Business model, paragraph 3 Description of activities – p. 24
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14	Chapter 5, paragraph 2.2.1 – p. 300
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)	Chapter 5, paragraph 2.2.1 – p. 300
ESRS E1-4 GHG emission reduction targets, paragraph 34	Chapter 5, paragraph 2.2.4 – p. 312
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Chapter 5, paragraph 2.2.5 – p. 313
ESRS E1-5 Energy consumption and mix, paragraph 37	Chapter 5, paragraph 2.2.5 – p. 313
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Chapter 5, paragraph 2.2.5 – p. 313
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions, paragraph 44	Chapter 5, paragraph 2.2.5 – p. 313
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Chapter 5, paragraph 2.2.5 – p. 313
ESRS E1-7 GHG removals and carbon credits, paragraph 56	Chapter 5, paragraph 2.2.2 – p. 310
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	Phased-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c)	Phased-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)	Phased-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	Phased-in

Disclosure requirement and relative data point	Reference of the corresponding DP
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Non-material
ESRS E3-1 Water and marine resources, paragraph 9	Chapter 5, paragraph 2.3.2 – p. 320
ESRS E3-1 Water and marine resources policy, paragraph 13	Chapter 5, paragraph 2.3.2 – p. 320
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Non-material
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	Chapter 5, paragraph 2.3.5 – p. 323
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations, paragraph 29	Chapter 5, paragraph 2.3.5 – p. 323
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Non-material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Non-material
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Non-material
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24 (b)	Non-material
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24 (c)	Non-material
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Non-material
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Non-material
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Non-material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour, paragraph 14 (f)	Chapter 5, paragraph 3.1.2 – p. 329 Chapter 5, paragraph 3.2.1 – p. 344
ESRS 2- SBM3 - S1 Risk of incidents of child labour, paragraph 14 (g)	Chapter 5, paragraph 3.1.2 – p. 329 Chapter 5, paragraph 3.2.1 – p. 344
ESRS S1-1 Human rights policy commitments, paragraph 20	Chapter 5, paragraph 3.1.2 – p. 329
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21	Chapter 5, paragraph 3.1.2 – p. 329
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Chapter 5, paragraph 3.1.2 – p. 329
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Chapter 5, paragraph 3.1.3 – p. 331
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Chapter 5, paragraph 3.1.2 – p. 329
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) (c)	Chapter 5, paragraph 3.1.3 – p. 331
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Chapter 5, paragraph 3.1.2 – p. 329
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Chapter 5, paragraph 3.1.4 – p. 336
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Chapter 5, paragraph 3.1.2 – p. 329

Disclosure requirement and relative data point	Reference of the corresponding DP
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 104 (a)	Chapter 5, paragraph 3.1.2 – p. 329
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	Chapter 5, paragraph 3.2.1 – p. 344
ESRS S2-1 Human rights policy commitments, paragraph 17	Chapter 5, paragraph 3.2.2 – p. 346 Chapter 5, paragraph 3.2.3 – p. 347
ESRS S2-1 Policies related to value chain workers, paragraph 18	Chapter 5, paragraph 3.2.2 – p. 346 Chapter 5, paragraph 3.2.3 – p. 347
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Chapter 5, paragraph 3.2.2 – p. 346 Chapter 5, paragraph 3.2.3 – p. 347
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Chapter 5, paragraph 3.2.2 – p. 346
ESRS S3-1 Human rights policy commitments, paragraph 16	Non-material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	Non-material
ESRS S3-4 Human rights issues and incidents, paragraph 36	Non-material
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Chapter 5, paragraph 3.3.2 – p. 350
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Chapter 5, paragraph 3.3.2 – p. 350
ESRS S4-4 Human rights issues and incidents, paragraph 35	Chapter 5, paragraph 3.3.2 – p. 350
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	Not applicable
ESRS G1-1 Protection of whistle-blowers, paragraph 10 (d)	Not applicable
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	Chapter 5, paragraph 4.3.3 – p. 355
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)	Chapter 5, paragraph 4.3.3 – p. 355

2. Environmental information

Table of contents

2.1. EUROPEAN TAXONOMY

2.1.1. Taxonomy regulation

The European Union (EU) Taxonomy Regulation (EU Regulation 2020/852 published on June 22, 2020) defined, on a scientific basis, a list of economic activities and the technical criteria that allows said activities to qualify as environmentally sustainable. All the texts constituting the regulation are available on the website https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/taxonomy-regulation_en; the frequently asked questions are available on the website https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en#faqs.

The Taxonomy Regulation has created a classification system which should serve as a common language for investors to identify the projects and conditions that will enable the chosen economic activities to have a significant positive impact on the climate and environment. As such, the regulation is a tool aimed at helping investors and listed companies, financial institutions and EU project sponsors to direct their investments toward environmentally sustainable activities as part of the transition aimed at making the EU climate neutral by 2050.

The initial list of activities was established by focusing on nine macro-sectors that generated more than 93% of the EU's direct greenhouse gas emissions in 2017 (OECD).

The activities listed in the Taxonomy Regulation are referred to as "eligible". While these activities are the major contributors to direct GHG emissions, they also have the potential to be improved from a carbon footprint perspective. **As such, the eligibility percentage of an organization, by itself, is not a measure of its sustainability impact.**

Economic activities are divided into three categories in the Taxonomy Regulation:

- activities for which technical criteria refer to performance levels which comply with climate neutrality and limiting temperature increase to 1.5 °C at a global level (i.e. in line with a net zero carbon economy by 2050);
- transitional activities for which there are no low-carbon alternatives for the moment and for which greenhouse gas emission levels are in line with the best performance in the sector or industry;
- enabling activities which improve carbon efficiency or facilitate a significant decrease in emissions.

KEY ELEMENTS

In 2024, Air Liquide identified 17 eligible activities out of more than 240 activities listed in the delegated acts, with hydrogen manufacturing contributing to the climate change mitigation objective being the most important. They are presented in the tables in the Appendix – pages 358 to 363.

In 2024, turnover eligible under the Taxonomy amounted to 3.2 billion euros (equivalent to 11.8% of total consolidated turnover) compared to 3.7 billion euros (equivalent to 13.4% of total consolidated turnover) in 2023. This change is mainly due to an energy impact, and, to a lesser extent, to a currency impact that is adversely affecting the main eligible activities.

An eligible activity is referred to as "aligned" if it complies with the following three conditions and if the requirements of the Taxonomy Regulation can be documented:

- it contributes substantially to one or more of the environmental objectives;
- it does not significantly harm any of the other five environmental objectives;
- it is carried out in compliance with minimum safeguards.

In 2024, aligned turnover per the Taxonomy totaled 0.1 billion euros (equivalent to 0.5% of total consolidated turnover and 4.3% of eligible turnover), compared to 0.2 billion euros (equivalent to 0.8% of total consolidated turnover and 5.9% of eligible turnover) in 2023. This change is mainly due to the application of a precautionary principle, in particular with regard to CCM 3.2 activity: when alignment cannot be fully documented, the Group considered the activity as not aligned. Therefore, eligible non-aligned activities are either activities that do not meet one of the above-mentioned requirements, or for which such compliance cannot be reasonably documented, mainly due to lack of sufficient guidance for alignment or difficulty to access required data at the requested granularity.

Turnover from activities not covered by the Taxonomy, referred to as "non-eligible", totaled 23.9 billion euros (equivalent to 88.2% of total consolidated turnover) and notably included the production of oxygen and home healthcare.

These ratios related to the turnover capture the situation of the existing production units. However, Air Liquide has drawn up a Climate Transition Plan, presented in paragraph 2.2 of this Sustainability Statement – page 300, which is based on three decarbonization levers. Two of them cannot be fully reflected by the taxonomy indicators. Indeed, **most of the Group's activities are not eligible to the EU Taxonomy, in particular activities derived from the production of air gases and Home Healthcare activity, as these generate virtually no direct greenhouse gas emissions**.

Nevertheless, investments related to the decarbonization of hydrogen units and cogenerations, as well as growth investments in the low-carbon or renewable hydrogen and the Group's investments in the CO_2 capture and transport chain are mostly eligible under the EU Taxonomy, with the aim of meeting the alignment criteria wherever possible. **This path is illustrated by the share of aligned capital expenditure among eligible capital expenditure, which stood at 45.4% in 2024 after 54.8% in 2023.** Nevertheless, it should not be considered as a CapEx plan in the meaning of the EU Taxonomy.

2.1.2. Methodology

Key performance indicators (KPIs)

In accordance with the Consolidated Financial Statements, figures relating to the three KPIs are provided in millions of euros, and the conversion of foreign currencies is carried out according to the same methodology and using the same exchange rates as those used to prepare financial information.

- Turnover: the first Taxonomy KPI is calculated by eligible activity and by facility, based on external turnover (i.e. excluding intra-group sales) as determined and published in the Financial Statements under the “Revenue” line in the income statement. If turnover by facility is not available by activity in the meaning of the EU Taxonomy, the entities apply a ratio based on volumes per product delivered by each facility. Turnover corresponds to revenue from contracts with customers as defined under IFRS 15 standard.
- Capital expenditure (CapEx): the second Taxonomy KPI includes acquisitions of property, plant and equipment and intangible assets completed during the period under consideration, including those stemming from business combinations that result in the acquisition of a company or business consolidated in the Group’s Financial Statements. These additions are considered before impairment, depreciation and amortization, and any revaluation. It is calculated based on the internal management of investments. Investment decisions exceeding 3 million euros are monitored individually; every decision exceeding 3 million euros – 5 million euros for Large Industry investments – is subject to a presentation of its Taxonomy characteristics to the Resources and Investment Committee. Capital expenditure related to these investment decisions is monitored on a per-project basis. Capital expenditure of less than 3 million euros is monitored by production site.

  The lines in the Financial Statements that correspond to the CapEx KPI are included in note 11 “Other intangible assets”, on the line “Total gross intangible assets” of the columns “Acquisitions” and “Acquisitions related to business combinations”; and in note 12 “Property, plant and equipment” of the “Total property, plant and equipment” line under the “Acquisitions” and “Acquisitions related to business combinations” columns.
- Operating expenditure (“OpEx”): the third KPI of the Taxonomy includes:
  - direct expenses relating to the nature of the following costs that are necessary for the production of products included in the turnover KPI: personnel costs related to maintenance, subcontracted maintenance and installation, rental and leasing of real estate and transportation equipment and purchases of materials related to maintenance. The OpEx KPI is calculated directly or indirectly, by allocating expenses on the basis of the turnover KPI,
  - expenses directly related to activities contributing to the environmental objectives, such as direct non-capitalized expenses for research and development or consulting fees in the context of eligible activities, such as activity 9.3. “Consultancy for physical climate risk management and adaptation” under the climate change adaptation objective.

  Income statement lines relating to the OpEx KPI are “Purchases”, “Personnel expenses” and “Other expenses”.

Eligibility and alignment criteria

The information presented below takes into consideration the activities identified for the six environmental objectives.

Individual improvement measures are analyzed on a case-by-case basis in order to consider them CapEx or OpEx eligible KPIs.

The Group assessed the alignment criteria based on the following methodology:

- Substantial Contribution: the criterion being specific to each activity, the Group adopted an activity-by-activity approach applied to each facility, relying on internal data collected in the course of its operations.

  For the core eligible activity of manufacture of hydrogen, each facility underwent pre-screening to identify potentially aligned sites, for which an alignment assessment was performed, notably by calculating the carbon footprint of the hydrogen in accordance with the EU Taxonomy Regulation;
- Do No Significant Harm: the assessment was conducted at the level of each potentially aligned facility or investment project that satisfies the Substantial Contribution criterion and relied notably on environmental permits issued by authorities or environmental impact assessments;
- Minimum Safeguards: the assessment covered four dimensions: (i) human rights, including labor law, (ii) prevention of corruption, (iii) taxation, and (iv) fair competition. It relied upon:
  - processes applied by the Group, including but not limited to the Code of Conduct, the EthiCall whistleblowing system, the Group’s Sustainable Procurement policy, the Vigilance Plan, the prevention measures relating to corruption and fair competition, and the tax risk management policy. These processes are further described in Chapters 2 and 5 of this Universal Registration Document. Regarding human rights and the prevention of corruption, the assessment encompassed the supply chain,
  - the absence of serious negative impacts or events related to the four dimensions (notably the absence of serious breaches or convictions).

Where the assessment could not be sufficiently evidenced, the Group adopted a conservative approach and did not consider the eligible activity as aligned. This assessment is complex, particularly for activities related to the production of equipment sold to third parties. The Do No Significant Harm assessment depends on the client's use of the equipment and relies on client-specific parameters that are not accessible to the Group due to confidentiality.

In 2024, the Group continued to analyze the scope of the additional delegated acts 2023/2485 and 2023/2486, published on November 21, 2023, defining the economic activities contributing to the objectives of transition to a circular economy and pollution prevention and control, and reached the following conclusions:

- the supply of medical oxygen does not meet the eligibility criteria for the PPC 1.2 “Manufacture of medicinal products” activity. The process of obtaining medical oxygen cannot be deemed a manufacturing process since it is a separation of the components of air and not a physical or chemical transformation of substances or components into a new product; medical oxygen remains the same molecule as that present in air. Moreover, the link to the objective of pollution prevention control does not seem relevant because medical oxygen is, by nature, not substitutable. It should also be noted that industrial uses of oxygen are taxonomy-non-eligible. The review of the alignment criteria also confirmed that they cannot be implemented for medical oxygen;

- activities related to gas cylinders and tanks do not meet the eligibility criteria for the CE 5.5 "Product-as-a-service and other circular use- and result-oriented service models" activity. Air Liquide's purpose is the sale of gas. The Group does not manufacture cylinders or tanks. The provision of such equipment is never separated from the supply of gas; these items are merely containers for delivering gas to customers.

Besides, no activity has been identified as eligible for the objectives of sustainable use and protection of water and marine resources and protection and restoration of biodiversity and ecosystems.

2.1.3. Taxonomy key performance indicators (KPI)

The detailed tables of Taxonomy key performance indicators are presented in the Appendices of this Sustainability Statement – page 358, and thus cover two of the six environmental objectives: climate change mitigation and pollution prevention and control.

Hereafter a recapitulation of the eligibility and alignment ratios for each of the Taxonomy's key performance indicators:

Proportion (%)	Turnover	Capital expenditure	Operating expenditure
KPI – Eligible activities	11.8%	15.1%	9.9%
KPI – Aligned activities	0.5%	6.9%	0.8%
Ratio of aligned/eligible activities	*4.3%*	*45.4%*	*7.9%*

Air Liquide's eligible activities represent a small portion of the Group's activities, reflecting the fact that **the majority of Air Liquide's turnover is generated from activities with almost no direct greenhouse gas emissions within the Group's scope**.

Turnover

The eligible **turnover** per the EU Taxonomy represented 3,194.6 million euros, or 11.8% of total turnover in 2024, compared to 3,694.3 million euros or 13.4% of total turnover in 2023. Aligned turnover per the EU Taxonomy amounted to 138.9 million euros, or 0.5% of total turnover and 4.3% of eligible turnover in 2024. It stood at 217.5 million euros in 2023, or 0.8% of total turnover and 5.9% of eligible turnover. This change is mainly due to an energy impact, and, to a lesser extent, to a currency impact that is adversely affecting the main eligible activities.

Air Liquide's main eligible activities are related to hydrogen.

Turnover **from hydrogen-related activities** [(1)] represented 8.4% of total turnover in 2024, of which 7.8% came from the hydrogen production activity. Aligned turnover relating to hydrogen is mostly due to manufacturing units with a low carbon footprint and to sales of equipment supporting the development of new usages of hydrogen for the energy transition, in particular in the mobility sector. Excluding the energy impact, aligned hydrogen turnover will increase as demand for low carbon footprint hydrogen increases, supported by the rollout of policy and regulatory frameworks promoting new usages of hydrogen as a key lever to reduce greenhouse gas emissions from sectors such as industry and transport. In 2023, turnover from hydrogen-related activities represented 9.1% of total turnover, of which 8.7% came from the hydrogen production activity.

In second position, **cogeneration activity** represented 2.1% of total turnover in 2024. This activity supplies high grade heat to the chemical and petrochemical industry in an efficient manner and as of today there is no alternative at large scale; this activity is not deemed aligned with respect to the Taxonomy criteria. Air Liquide is assessing the technology options available to decarbonize heat production as part of the rollout of its climate objectives (described in paragraph 2.2 of this Sustainability Statement). In 2023, cogeneration activity represented 2.9% of total turnover.

Activities covering **biomethane production** through the anaerobic digestion of bio-waste, landfill gas capture and utilization and use in the transportation sector represented eligible turnover of 82.3 million euros in 2024, with an alignment-to-eligibility ratio of 31.0%, compared to 93.8 million euros in 2023, with an alignment-to-eligibility ratio of 47.1%. In line with the Group's Sustainable Development strategy, these projects are developed with clear sustainability criteria applied worldwide; in May 2024, Air Liquide published an internal charter defined in collaboration with various field experts and WWF France, whose criteria are based in particular on those of the EU Taxonomy.

Other Group activities, which are in a growth phase, are also eligible, such as the manufacture of low-carbon technologies with eligible turnover representing 92.8 million euros and an alignment to eligibility ratio of 15.0%. The Engineering & Construction Business Line notably designs and builds treatment plants that are able to reduce the CO_2 emissions of various industries, including:

- carbon capture units which capture and purify CO_2 from off-gas and flue gas from industrial processes (refining, cement, steel, etc.) to supply flow compatible with sequestration;
- plants capable of converting residues (used cooking oil, fats, etc.) into synthetic fuels to replace fossil fuels in motors, and plants capable of transforming sugar waste into substitute chemicals for fossil-based chemicals.

Capital expenditure

Eligible **CapEx** represented 574.9 million euros, or 15.1% of the Group's total 2024 capital expenditure compared to 562.1 million euros or 15.3% of the Group's total capital expenditure in 2023. It is defined in paragraph 2.1.2: it relates to capital expenditure incurred on eligible activities during the 2024 fiscal year but stemming from investment decisions made in 2024 or in previous periods. Aligned CapEx represented 261.1 million euros, or 6.9% of total CapEx and 45.4% of eligible CapEx in 2024, compared to 307.9 million euros or 8.4% of total CapEx and 54.8% of eligible CapEx in 2023. It illustrates the path presented by the Group.

(1) *These activities include the manufacture of equipment for the production and use of hydrogen (CCM 3.2), the manufacture of hydrogen (CCM 3.10), the storage of hydrogen (CCM 4.12) and the manufacture of hydrogen-charging stations (CCM 6.15).*

Air Liquide has drawn up a decarbonization plan, presented in paragraph 2.2 of this Sustainability Statement on page 300, which is based on three decarbonization levers. At least two of these levers cannot be fully reflected by the taxonomy indicators. Indeed, **most of the Group's activities are not eligible to the Taxonomy, in particular activities derived from the production of air gases and Home Healthcare activity, as these result in almost no direct greenhouse gas emissions**. Nevertheless, investments related to the decarbonization of hydrogen units and cogenerations, as well as growth investments in low-carbon or renewable hydrogen and the Group's investments in the CO_2 capture and transport chain are mostly eligible under the European Taxonomy, with the aim of meeting the alignment criteria wherever possible. Nevertheless, it should not be considered as a CapEx plan in the meaning of the EU Taxonomy.

Operational expenditure

Eligible **OpEx** represented 486.6 million euros, i.e. 9.9% of the Group's operating expenditure. Aligned OpEx represented 38.6 million euros, or 0.8% of total OpEx and 7.9% of eligible OpEx.

Regulatory Information

Activities that may contribute to several objectives

The Group has identified only two activities that may meet several environmental objectives: the biomethane production by anaerobic digestion of bio-waste activity (CCM 5.7/CE 2.5), as well as the renovation of existing buildings activity (CCM 7.2/CE 3.2), may be eligible for both climate change mitigation and the transition to a circular economy.

In line with its double materiality assessment, which resulted in the materiality of ESRS E1 "Climate change"and the non-materiality of ESRS E5 "Resource use and circular economy", the Group included these activities under the climate change mitigation objective in the tables and comments presented above.

The tables below aim to present the indicators if these two activities were included in both objectives at the same time:

	Proportion of turnover / Total turnover	
	Alignment per objective	Eligibility per objective
CCM	0.5%	11.8%
CCA	—%	—%
WTR	—%	—%
CE	—%	0.1%
PPC	—%	—%
BIO	—%	—%

CCM: Climate change mitigation; CCA: Climate change adaptation; WTR: Sustainable use and protection of water and marine resources; CE: Transition to a circular economy; PPC: Pollution prevention and control; BIO: Protection and restoration of biodiversity and ecosystems.

	Proportion of CapEx / Total CapEx	
	Alignment per objective	Eligibility per objective
CCM	6.9%	15.1%
CCA	—%	—%
WTR	—%	—%
CE	0.1%	0.7%
PPC	—%	—%
BIO	—%	—%

CCM: Climate change mitigation; CCA: Climate change adaptation; WTR: Sustainable use and protection of water and marine resources; CE: Transition to a circular economy; PPC: Pollution prevention and control; BIO: Protection and restoration of biodiversity and ecosystems.

	Proportion of OpEx / Total OpEx	
	Alignment per objective	Eligibility per objective
CCM	0.8%	9.9%
CCA	—%	—%
WTR	—%	—%
CE	—%	0.1%
PPC	—%	—%
BIO	—%	—%

CCM: Climate change mitigation; CCA: Climate change adaptation; WTR: Sustainable use and protection of water and marine resources; CE: Transition to a circular economy; PPC: Pollution prevention and control; BIO: Protection and restoration of biodiversity and ecosystems.

Adjusted key performance indicators in the event of a sustainable bond issue

In May 2021, the Group issued its first green bond, for an amount of 500 million euros and with a maturity of 10 years. The 2021 *Sustainable Financing Framework* provides for a period of two calendar years for full allocation of funds, from the issue date, and a refinancing period of up to three calendar years prior to the issue date. 21 projects were financed by this issue, including 14 related to Taxonomy-eligible activities.

In May 2024, the Group issued its second green bond for an amount of 500 million euros and with a maturity of 10 years. The 2024 *Sustainable Financing Framework* provides for a period of two years to achieve the full allocation of funds, from the issue date, as well as a refinancing period of up to two calendar years prior to the issue date. At the time of this Document's preparation, the allocation of funds has been finalized but has not yet been audited. Six projects were financed by this issue, including three related to Taxonomy-eligible activities.

These two issues are described in more detail on the Group's website https://www.airliquide.com/investors/credit-investors/sustainable-finance.

The tables below present the adjusted key performance indicators, by subtracting from the alignment ratios the projects financed by the 2021 and 2024 emissions, in order to not take into account the projects that have been the subject of these funds and thus avoid the double counting at the level of financial companies. The ratios for these two indicators were calculated using the total (A + B) as the denominator as published.

2024	A.1. Environmentally sustainable activities (taxonomy-aligned)			
	Published	Adjusted	*of which enabling*	*of which transitional*
Turnover	0.5%	0.4%	0.2%	—%
Capital expenditure	6.9%	1.2%	—%	—%

2023	A.1. Environmentally sustainable activities (taxonomy-aligned)			
	Published	Adjusted	*of which enabling*	*of which transitional*
Turnover	0.8%	0.7%	0.4%	—%
Capital expenditure	8.4%	8.4%	0.5%	—%

Nuclear and fossil gas related activities

Table 1 below presents activities related to nuclear and fossil gas, as required by the regulation. Tables 2 to 5 producing the indicators relating to nuclear and fossil gas activities, as required by the regulation, are presented in the Appendices of this Sustainability Statement – page 364.

Table 1 – Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES (CCM 4.29)
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES (CCM 4.30)
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

2.2. CLIMATE: GREENHOUSE GAS EMISSIONS

2.2.1. Introduction

Governance of climate topics

Elements relating to the incentive mechanisms applied to the Group's governance bodies are dealt with in Chapter 3 of this Universal Registration Document – section Remuneration of L'Air Liquide S.A. Corporate Officers – page 140.

Climate strategy

Air Liquide's transition plan for climate change mitigation

Air Liquide first publicly announced its climate strategy at the Sustainable Development Day held in March 2021. On this occasion, the Group presented its climate objectives and the levers mobilized to achieve them, indicating how this climate strategy fits into the Company's strategy. Subsequently, the climate strategy was integrated into the Group's strategic plan (the ADVANCE plan) presented publicly in March 2022.

Progress on the implementation of the climate strategy and related objectives is regularly presented to the Group's management and governance bodies, as well as to external stakeholders in order to obtain their opinions and answer their questions. In 2024, the Group adopted and published a document named "Climate Transition Plan" consolidating and updating the Group's climate strategy in order to communicate it more widely to its stakeholders.

The Group's transition plan, covering the segment "Gas & Services" representing 95% of the 2024 fiscal year turnover, was reviewed and approved by the Group Executive Management. It was reviewed by the Environment and Society Committee, a specialized Committee of the Board of Directors, which presented the main outlines to the Board of Directors during its meeting on July 25, 2024. This Sustainability Statement, containing the transition plan in respect of ESRS E1, Chapter E1-1, was adopted by the Board of Directors during its meeting on February 20, 2025 (see page 122 of Chapter 3).

Air Liquide recognizes the climate emergency and the Group strives to participate in the implementation of the Paris Agreement [(1)]. Since this means reaching a state of zero net CO_2 emissions by around the middle of the century as recommended by the IPCC [(2)], the Group is committed to contributing to achieving this carbon neutrality – understood as a massive CO_2 emissions reduction in the atmosphere in the different sectors of economic activity and different regions – across all value chains in which it operates by 2050, while supporting the decarbonization of its customers, covering Scopes 1, 2 and 3 and integrating the positive impacts of the Group's products and solutions on its customers' emissions. The Group's intention is to minimize the use of offsetting instruments. As of today, the Group does not plan to use carbon credits to achieve its 2035 objective. For example, to date, the Group has not used carbon credits to manage its CO_2 trajectory.

As the world engages in a transition to carbon neutrality, many industries will be profoundly reshaped, generating renewed needs for Air Liquide's historical products: hydrogen, air gases and CO_2. As a result, Air Liquide has a key role to play by providing its operational and technological expertise:

- to support the transition of its existing customers to low-carbon processes, which will require large quantities of low-carbon industrial gases (e.g. low carbon fuels, chemicals, steel, etc.);
- to meet the decarbonization needs of sectors that do not currently consume industrial gases in their main processes (e.g. mobility, cement and lime, etc.),

all this while continuing to bring greater efficiency to the health sector and the many industries that will need the essential small molecules and solutions provided by the Group to reduce their carbon footprint.

To play this role of facilitator, the Group will be able to rely on:

- its proximity to customers and its geographically balanced presence;
- its portfolio of technologies to decarbonize industrial processes, enabling competitive emission reductions on a transition trajectory of 1.5 °C;
- its market knowledge and expertise, with many investment opportunities expected in the energy transition by 2035.

It is important to note that the Group's solutions and business model enable it to decarbonize its existing assets, build a low-carbon asset base – and thus effectively manage transition risk – while seizing growth opportunities. Consequently, investments in decarbonization will fuel the Group's growth; they will bring economic and environmental value to the Group's customers, thus generating additional operating income recurring. The transition plan is an integral part of the Group's strategy, as demonstrated by the integration of the CO_2 emissions reduction objective (Scope 1 and 2) by around 2025 in the ADVANCE strategic plan.

With the Paris Agreement, countries around the world committed to "substantially reduce global greenhouse gas emissions to hold the global temperature increase to well below 2 °C above pre-industrial levels and pursue efforts to limit it to 1.5 °C above pre-industrial levels". This commitment, which concerns States, then resulted in an estimate of a maximum amount of net greenhouse gas emissions to be emitted by 2050 (or carbon budget), at which date the net emissions per year should be zero and gross emissions reduced by at least 90% (in line with the interpretations of the IPCC recommendations). The transposition of "1.5 °C compatible" trajectories for the planet to specific companies is proving complex.

A strong normative approach under which all geographical areas and all sectors follow the same reduction curve is not appropriate. On the contrary, carbon neutrality transition scenarios highlight different trajectories depending on the geographies and sectors of activity. In particular, there are no trajectories of this type adapted to the chemicals sector, and even less so for the industrial gases segment.

Air Liquide's carbon trajectory incorporates two additional features. On the one hand, the Group's growth is partly achieved in heavy industry segments, particularly in emerging economies that have more carbon-intensive 1.5 °C trajectories, notably in the short term. On the other hand, while Air Liquide provides solutions to considerably reduce the emissions of certain industrial activities, the remaining emissions after implementation of reduction projects will sometimes be reported by the Group, which increases the Group's carbon footprint despite a resulting reduction in regards to the planet. The climate benefits provided by the Group are not currently taken into account in the analysis of the compatibility of climate objectives, even though they are an important component. The Group's carbon neutrality objective incorporates these two dynamics. Evaluating it using generic average methodologies therefore tends to underestimate the level of Air Liquide's ambitions and their compatibility with a 1.5 °C trajectory.

---

(1) At the same time as actions aimed at reducing global greenhouse gas emissions, in accordance with this plan, the Group is actively engaged in the pursuit of other sustainability objectives. These actions are not detailed here, but can be found in other sections of this Chapter 5.

(2) Special report of the Intergovernmental Panel on Climate Change (IPCC) Global warming of 1.5 °C (SR-15, 2018).

The trajectory towards carbon neutrality in 2050 is based in the first place on an operational emissions trajectory (Scopes 1 and 2) that includes a turning point in around 2025 and a -33% reduction in Scopes 1 and 2 emissions in 2035 compared to 2020 [1]. The objectives having been announced in 2021, 2020 was chosen as the reference year. This year is considered representative, despite a slight decline in the Group's activity due to the covid-19 pandemic. Due to a 2025 (tipping point) and 2035 (-33% reduction in Scope 1 and 2 emissions) target, the Group has not formalized a 2030 crossing point. Given the challenges of decarbonizing the multiple markets served by the Group and the following reasons, Air Liquide believes that this carbon trajectory is compatible with a 1.5 °C trajectory:

- the "hard-to-abate" nature of heavy chemical and industrial activities. It is recognized that these will decarbonize at a slower pace than the global average over a trajectory of 1.5 °C [2], as the development and implementation of decarbonization projects in these sectors can take time [3], and often depend on the prior decarbonization of other sectors, in particular the electricity sector;
- the Group's activities will continue to develop to meet the needs of the energy transition (as explained above). This development may lead to an increase in residual emissions recognized in the Group's carbon footprint, even though emissions to the planet are decreasing significantly.

Scope 3 "Gas & Services" emissions are covered by the ambition of carbon neutrality and are already the subject of initiatives to reduce them. These emissions are not currently covered by a medium-term quantitative reduction objective. These are emissions over which the Group has limited influence. Thus, priority was given to short-term Scopes 1 and 2 emissions. Furthermore, current accounting methods do not allow the development of monitoring indicators that would enable a global action plan to be rolled out. The first step implemented by the Group is to improve the precision of the emission factors used so that Scope 3 emission reduction actions are adequately reflected in the reporting. In addition, the absence of sectoral guidelines on the level of ambition concerning the reduction of Scope 3 emissions for industrial gas companies does not enable the use of an external benchmark to assess the adequacy of the level of ambition.

Air Liquide's carbon neutrality by 2050 methodology and ambition were the first in its sector to be publicly disclosed.

The Group's 2035 objectives, submitted to the Science Based Targets initiative (SBTi), were validated as being aligned with "well below 2 °C" in 2022, based on the standard cross-sector approach (ACA [4]). This approach does not take into account the specificities of the industrial gas segment in the chemicals sector, nor the Group's geographical footprint. There is currently no recognized method to judge the compatibility with a 1.5 °C target of the ambition of a company operating in the chemical sector, especially in the sub-industrial gas sector. Therefore, the Group is not able to demonstrate quantitatively the compatibility of its ambition with a 1.5 °C trajectory given existing methodological limitations.

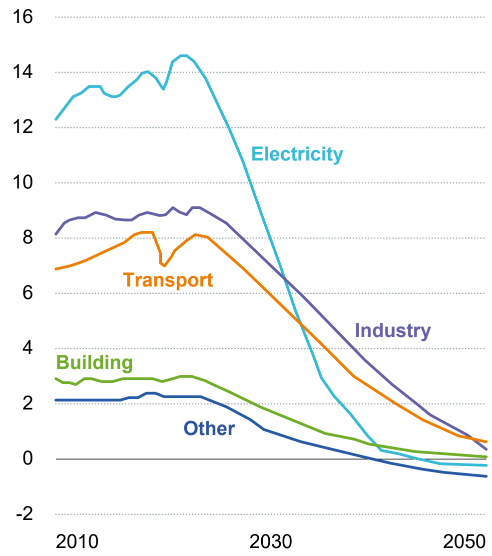
However, the Group believes that the category "well-below 2 °C" of the Group's trajectory does not reflect Air Liquide's ambition to move towards 1.5 °C according to the Group, due to (i) its operations in an industrial sector recognized as "hard to abate", (ii) a development in emerging economies with specific decarbonization trajectories, (iii) activities generating emissions for the Group but allowing significant reductions on a planet scale. Thus, the carbon trajectory pursued by the Group has a similar profile to the 1.5 °C scenarios of the International Energy Agency (IEA) for "hard-to-abate" sectors.

All of these elements support Air Liquide's view that the stated ambition is compatible with a 1.5 °C scenario. Due to methodological limitations, it is not yet possible for Air Liquide to formally demonstrate quantitatively this 1.5 °C compatibility.

The IEA "Net Zero" scenario highlights several elements supporting the Group's analysis:

- a decarbonization of industrial sectors, in particular "hard-to-abate" sectors, that is taking place more slowly than decarbonization of the electricity sector;

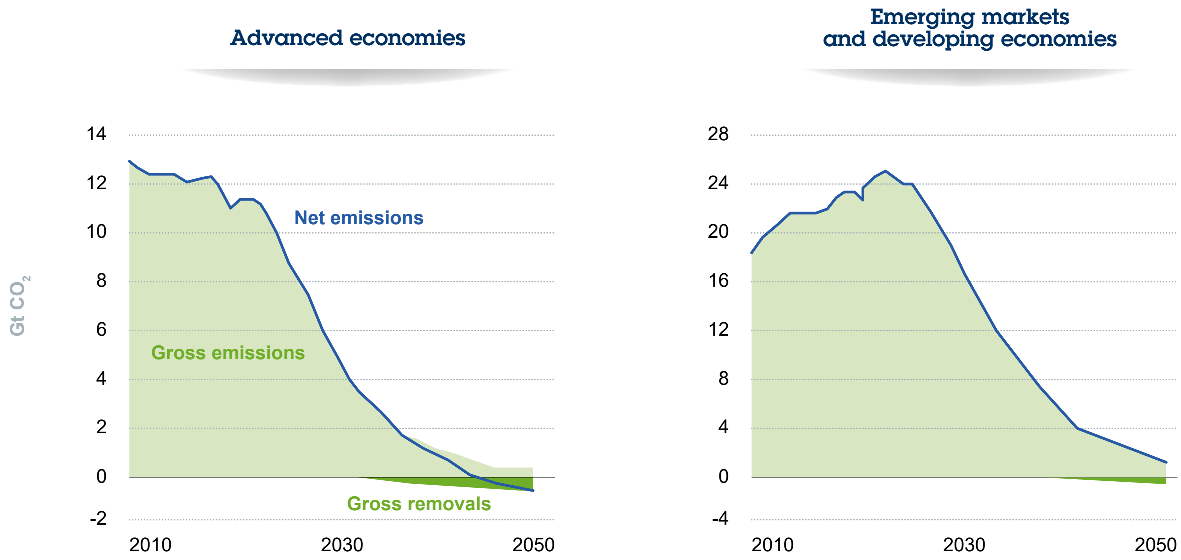
NET EMISSIONS BY SECTOR IN "NET ZERO" SCENARIO



Source: International Energy Agency, Net Zero Roadmap, 2023 Update.

(1) *Restated to take into account, from 2020 and each following year, the assets emissions for the full year, taking into account (upwards or downwards) perimeter changes having a significant impact on CO_2 emissions.*
(2) *International Energy Agency (IEA) Net Zero Roadmap, 2023.*
(3) *For example, the supply of zero-carbon electricity through a power purchase agreement enabling the development of a major renewable electricity production asset may take four to ten years (such as the identification, development and construction of a solar or wind farm project). Similar lead times can be expected to ensure the supply of substantial volumes of fuel or biogenic raw materials or to establish a carbon capture and storage supply chain.*
(4) *Absolute Contraction Approach.*

- differentiated decarbonization dynamics depending on the geographical areas, in order to take into account different levels of economic and industrial development;



As a group, advanced economies reach net zero emissions before emerging markets and developing economies, and also achieve net negative emissions by 2050.

- the need to scale up a set of technologies, the deployment of which requires rapid and ambitious evolution of regulatory and political frameworks, and in particular internalizing the cost of carbon;
- the visibility and stability of these regulatory and political frameworks, essential for investments in infrastructure or long-life industrial equipment.

The Group's emission reduction levers are consistent with those identified by the IEA as necessary to achieve a 1.5 °C trajectory for global emissions:

- rapid decarbonization of electricity grids, mainly through the development of renewable or nuclear power generation sources, with a massive reduction in coal-fired electricity and steam production;
- development of CO_2 capture and storage, especially for industrial sectors with a limited number of technologically mature levers to achieve carbon neutrality;
- development of the use of low-carbon or renewable hydrogen as an energy vector, especially in the industrial and mobility sectors;
- development of biofuels and renewable raw materials.

These conditions are considered necessary for the implementation of the reduction levers identified by the Group. For example, the Group will only source renewable electricity if the corresponding capacity is effectively built, and if the transportation and distribution networks as well as the electricity market design are adapted to these new sources, particularly intermittent sources. Similarly, the deployment of certain emissions reduction technologies such as CO_2 capture or water electrolysis remains conditional on the implementation of the assumptions underlying "net-zero" scenarios such as the IEA's Net Zero scenario.

The Group's Scope 1 and 2 CO_2 emissions come from a limited number of assets and countries. 60% of direct Scope 1 emissions come from less than 15 production units and 80% of indirect Scope 2 emissions related to electricity consumption come from six countries. Emission reduction targets therefore require the activation of a few carefully identified levers, which are closely linked to global actions to mitigate climate change:

- a supply of renewable or low-carbon electricity to supply both the Group's existing assets and growth, and which will benefit from the decarbonization of electricity grids in the various regions where the Group operates;
- asset management, including the electrification of Air Separation Units (currently using steam as their energy source), industrial efficiency projects, the development of hydrogen production by electrolysis of water, and even the supply of certain Group units with biogas;
- carbon capture, as part of major decarbonization projects for industrial areas around the world, making it possible to decarbonize existing hydrogen production while meeting the growing need for large volumes of low-carbon hydrogen as part of the energy transition.

The actions associated with the three levers described above each contribute approximately one-third of the decarbonization to be achieved to meet the 2035 objectives:

Lever	Action	Key success factor	2035 impact
CCUS	Limited number of SMR shift to CCUS or low-carbon ammonia cracking	Carbon pricing/ carbon sink availability	~ 3-4 Mt
Asset Management	Limited number of SMR shift to low-carbon sourcing	Low-carbon feedstock availability	~ 5-7 Mt
	Cogeneration units shift to low-carbon and/or peak load usage	Competitive low-carbon sourcing	
	Efficiencies (including investment in leakage reduction equipment)	Successful operational excellence deployment	
	Fleet conversion to low or zero-carbon electric vehicles	Local infrastructure and market mechanisms	
	50% electrification of Steam-Driven air separation units	Customer process design update	
Zero-Carbon electricity sourcing	Zero-Carbon electricity sourcing	Renewables availability and market mechanisms	~ 5 Mt

CCUS: Carbon Capture, Utilisation and Storage.
SMR: Steam Methane Reformer.

The 2035 impact of each lever can only be given approximately. Indeed, for each lever, the implementation of specific projects is decided according to local conditions – such as the structure of the electricity market, the access to low-carbon or renewable sources of electricity, the development of CO_2 transport and storage infrastructure, the introduction of CO_2 prices or incentives for the development of markets for low-carbon products. Based on the reference emissions (2020), which are 39.3 million tonnes of CO_2 emitted, the three levers could generate reductions in emissions of 13 to 16 million tonnes of CO_2, that is to say 33% to 41% of 2020 emissions.

As an order of magnitude, when electrifying a large air separation unit, switching from steam to electricity as the source of the driving force enables a CO_2 reduction of up to 350,000 tonnes of CO_2 per year. This figure is doubled when switching to renewable electricity. Installation of a CO_2 capture unit "Cryocap Flue Gas™" on a natural gas reformer hydrogen production unit reduces the unit's emissions by more than 90%, representing for large capacity units a reduction of over 500,000 tCO_2 per year. The impact, in terms of reducing greenhouse gas emissions, low-carbon or renewable electricity supply for an air separation unit ultimately depends on the local electricity mix. For this reason, the Group focuses its efforts particularly on regions where electricity is still very largely fossil, especially coal, such as South Africa or China.

These decarbonization levers for the Group's assets and industrial operations also enable the Group to develop new offerings for its customers in order to decarbonize their own products and processes, in particular by developing low-carbon gas offerings such as the Eco-Origin offer or low-carbon or renewable hydrogen offerings for industry and mobility, or by developing CO_2 management offerings (outsourcing to Air Liquide of capture and liquefaction operations for CO_2 emitted by its customers' industrial processes).

Over the period 2035-2050, the same levers will be used to continue the transition towards an asset base compatible with a "Net Zero" situation of the planet and to provide the industrial gases required by the different industrial sectors and mobility, particularly heavy mobility:

- low-carbon and renewable electricity supply for air gas production units and for hydrogen production via electrolysis, these production routes benefiting from the "Net Zero" scenarios the rapid decarbonisation of electricity mixes and the investments that these scenarios provide in networks and sources of flexibility;
- use of alternative fuels and raw materials (bio-sourced, low carbon or renewable ammonia or hydrogen);
- production of renewable or low-carbon hydrogen through reforming technologies with CO_2 capture, possibly combined with a bio-sourced supply.

These levers will be added to as and when possible innovations in industrial gas production are developed.

Scope 3 emissions significant to the Group's Gas & Services activities come from various upstream and downstream sources. Although it has little influence on these emissions, the Group has analyzed the various emission sources and identified the main reduction levers that can be implemented in order to support the reduction of these emissions, which are summarized below for the indirect emissions sources reported in Scope 3 that are judged significant (see paragraph 2.2.5 of this Sustainability Statement – page 313).

Significant Indirect Emission Sources	Significant Scope 3 Categories Concerned	Action Levers of the Group	Share of Scope 3
Purchased goods, services, and capital goods	1, 2	"Procure to Neutrality" Roadmap Implementation: • Improvement of emission factors to reduce the use of generic statistical factors • Develop the Procurement community • Prepare a reduction action plan	~20%
Upstream activities of fuel and raw materials, mainly natural gas	1, 3	Dialogue with relevant suppliers to obtain reliable emissions data and reduction commitments; Use of alternative fuels and raw materials, for example utilization of off-gas and biogases	~35%
Upstream electricity and grid losses	3	Increase of renewable and nuclear electricity procurement, actions on energy efficiency	
Outsourced product transportation	4	Dialogue with product transportation service suppliers for fleet conversion	~2%
Utilization of products that are greenhouse gases	11	Increase of biogenic CO_2 sourcing Development of offers aimed at reducing client re-emission of products (abatement technologies, substitution of gases)	~30%
Electricity supplied without charge by clients on industrial platforms	13	Dialogue with clients to influence their increase of low-carbon electricity for their operations and for the units supplied by the Group	~10%

The above figures do not include the share of Use of Product Sold emissions for equipment sales to third parties – corresponding to the Engineering & Construction (E&C) and Global Markets & Technologies (GM&T) businesses. In the period 2025-2050, these emissions will follow the same logic and trajectory as Gas & Services activities (third-party supply of plants for low-carbon or renewable industrial gases to produce the needs of the carbon neutral industry or emission reduction equipment).

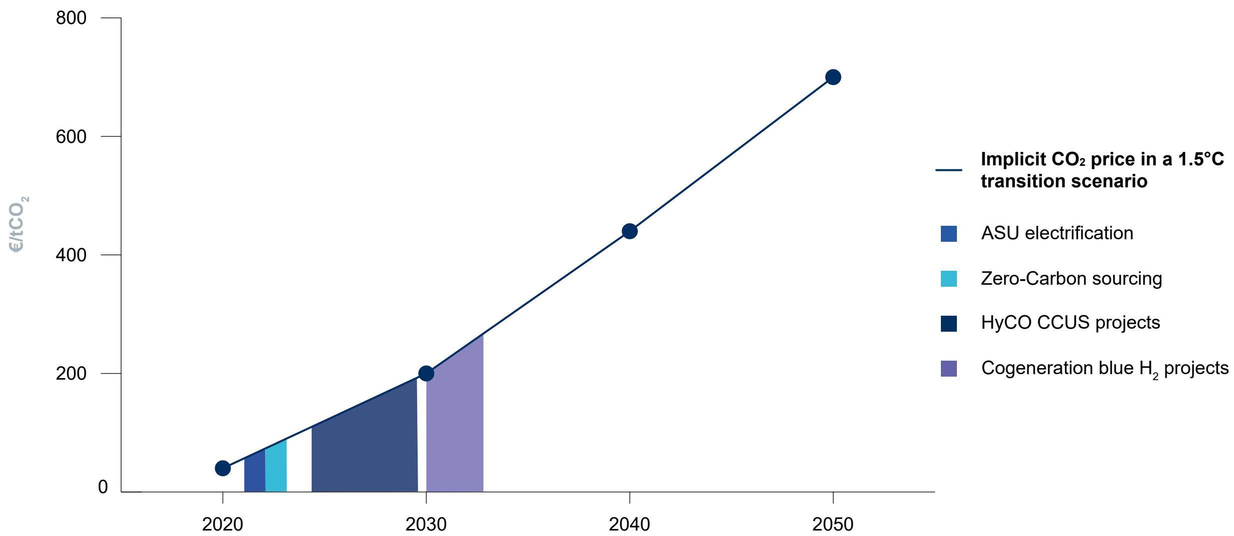
The CO_2 trajectory anticipated by the Group in its transition plan shows the expected evolution of the cumulative emissions of existing assets, firmly planned assets and future assets not yet decided. The locked-in emissions according to the strict definition therefore correspond to the emissions of the Group's assets that contribute significantly to emissions today and until their decarbonization or end of life. As the Group manages its trajectory on a global scale, by adapting each local decarbonization project (specific levers implemented and timing) to regulatory changes and customer requests, the locked-in emissions are not allocated to specific assets. The Group's carbon trajectory until 2050 thus corresponds to the Group's locked-in emissions.

Since the Group's high-emitting assets provide essential products and can be decarbonized at a competitive price over a 1.5 °C trajectory (assuming a consistent change in the cost of implicit or explicit CO_2 emissions): therefore, decarbonization of the asset base is not currently identified as a major risk for Air Liquide.

In addition, based on the actions corresponding to the levers identified, Air Liquide's main production units can be competitively decarbonized in a 1.5 °C transition scenario. This requires the rollout of infrastructure, in particular energy, provided for by these scenarios (electricity networks, massive availability of renewable energy in particular, access to carbon storage sinks). This competitiveness is measured by comparing the decarbonization cost estimates for the various levers with a CO_2 price trajectory forecast by the models in a 1.5 °C scenario. These assets also provide essential products for industry and health, in particular to reduce emissions and the consumption of energy and resources by the Group's customers.

As indicated in paragraph 2.2.5 of this Sustainability Statement – page 313, the equipment sold by the Group is liable to emit CO_2 over its lifetime, in proportions that depend on the uses chosen by customers, as well as the decarbonization of the electricity networks on which they will be operated by the customer, without the Group having any influence over these choices.

IPCC IMPLICIT CARBON PRICE IN 1.5 °C TRANSITION



Legend: Curve positioning, as an indication, the carbon price from which a decarbonization technology can be deployed in a sustainable way (this price may vary by sector and geography depending on market conditions).

The actions to implement the three levers presented above represent investments that are expected to primarily enable the supply of decarbonized gases and services to Air Liquide's customers, particularly when renewing long-term contracts, thus providing growth opportunities with economic value for the Group. As a result, investments to decarbonize the Group's assets, as well as investments to capture growth opportunities in the energy transition, are not subject to separated investment budgets and are fully integrated into the Group's industrial investment policy and processes.

Thus, the financing of the deployment of investments leading to decarbonization of the Group's assets and operations is integrated into the Group's investment envelopes, this investment may be for certain projects completed by public investments, such as support from the Innovation Fund set up by the European Union.

In 2024, the Group updated its Sustainable Investment Framework and issued a green bond of 500 million euros to also finance growth investments enabling the Group's decarbonization, in addition to the first green bond issued in 2021.

Operating expenditure consists mainly of renewable and low-carbon and renewable electricity purchases and is not subject to specific monitoring. A portion of the future expenditure related to renewable electricity purchases can be estimated by the commitments in the renewable energy supply contracts signed by the Group (see page 208 of the Consolidated Financial Statements).

Furthermore, the Group steers its trajectory on a global level, by favoring areas in which the regulatory framework encourages the decarbonization of heavy industry through the development of markets for low-carbon products or by direct inducements for industry decarbonization. Thus, the sequence of decarbonization projects identified by the Group in its neutrality trajectory is not fully determined in advance.

Moreover, the implementation of certain decarbonization levers (e.g. the purchase of renewable electricity) does not require investments.

As indicated in paragraph 2.1 on the European Taxonomy of this Sustainability Statement – page 295, most of the Group's activities are not eligible for the European Taxonomy, in particular activities derived from the production of air gases. Thus, only a limited portion of the investments related to the transition plan are included in the indicators of the European Taxonomy Regulation.

With regard to operating expenditure, purchases of renewable or low-carbon energy are also excluded from the scope of operating expenditure retained by the Taxonomy.

With reference to the three decarbonization levers mentioned above, at least two cannot therefore be fully reflected by the taxonomy indicators. Nevertheless, investments related to the decarbonization of hydrogen units and cogeneration, as well as investments in the growth of low-carbon or renewable hydrogen and the Group's investments in the CO_2 capture and transport chain will mostly be eligible under the European Taxonomy, with the aim of meeting the alignment criteria. These indicators can be consulted in paragraph 2.1.3 of this Sustainability Statement – page 297.

The Group's main eligible activity is hydrogen production. The Group has announced significant ambitions in the field of low-carbon hydrogen, either through growth investments or through investments to decarbonize existing assets. The implementation of these investments is dependent on local hydrogen policies, as there is currently no harmonized definition of "low-carbon" hydrogen at the global level. The Group could thus make investments in low-carbon hydrogen that may prove taxonomy-non-aligned, due to the non-harmonization of thresholds or criteria for the Taxonomy proving too complex to document.

Since the Group's activities are mainly related to the production of industrial gases listed under NACE code 20-11, no significant investment expenditure has been identified under NACE codes B.05, C.19, D.35.1, D.35.3 or G.46.71. Only marginal investment expenditure has been identified for NACE codes D.35.1 and D.35.3, with this being capital expenditure relating to the maintenance of cogeneration units (the CCM 4.30 activity related CapEx representing only 0.4% of the Group's investment expenditure).

This expenditure is mentioned in the European Taxonomy key performance indicators, in the Appendix of this Sustainability Statement – page 360, under activity CCM 4.30 "High-efficiency co-generation of heat/cool and power from fossil gaseous fuels."

Air Liquide is not directly involved in the prospecting, extraction, refining or distribution of liquid or gaseous fuels, with the exception of sales of biomethane (non-fossil) and marginal sales of compressed natural gas for customers in mobility. These sales of products that may be considered as gaseous or liquid fuels are below the thresholds provided for in Regulation (EU) 2020/1818 for these activities and the absence of notification of exclusion by benchmark administrators makes the Group eligible for Paris-aligned benchmarks.

Since the announcement of the climate objectives in March 2021, the Group has been implementing its transition plan by formulating actions at several levels:

- implementation of training courses dedicated to the scientific aspects of climate change and the energy transition. Following a dedicated awareness-raising program in 2021-2022, these training courses have been integrated into the various courses of the World Business Lines and the Air Liquide University and are offered to the Group's employees each year;
- implementation of dedicated processes for monitoring the CO_2 trajectory, the annual review of decarbonization plans at cluster level and the integration of climate issues into the investment process (see Chapter 1 of this Universal Registration Document, section Strategy and objectives, paragraph 3.2 Investment process – page 44) including:
  - the activation of various decarbonization levers to reduce CO_2 emissions related to the Group's operations,
  - the signing of low-carbon or renewable electricity supply contracts,
  - the modernization and improvement of the energy and carbon efficiency of production units, such as the electrification of Air Separation Units in China or South Africa,
  - the development of CO_2 capture projects on existing hydrogen units for sequestration or reuse,
  - the development of offerings and projects supporting the decarbonization of the Group's customers;
- the progress made in relation to the objectives set by the Group is presented in paragraph 2.2.5 of this Sustainability Statement – page 313. Scope 1 and 2 emissions for the 2024 fiscal year are therefore decreasing by -11% regarding comparable emissions for the reference year. See details on variations compared to the previous year and the reference year in paragraph 2.2.5 – page 313.

Climate topics: impacts, risks and opportunities

Climate change mitigation

The impacts, risks and opportunities related to climate change mitigation and energy consumption are identified through several processes.

The **impacts of greenhouse gas emissions**, and of CO_2 in particular, are first identified through an active climate science watch, drawing on scientific assessments, in particular from the Intergovernmental Panel on Climate Change (IPCC) via their Assessment Reports and their Special Reports (including the special report produced with the IPBES [1] to determine the links between climate change and biodiversity). These reports document the expected impacts of climate change on ecosystems, biodiversity and human communities, at different geographic scales. The increase in global temperatures, that will be higher as greenhouse gas emissions are greater, leads to a disruption of the water cycle, an intensification of heavy rains and an increase in the frequency of wet and dry periods and heat waves. Climate change will also lead to increased sea level rise through warming waters and melting of glaciers and polar ice caps.

The materiality of these impacts is assessed in light of the Group's direct greenhouse gas emissions, as well as its indirect emissions associated with its electricity consumption. The Group monitors its greenhouse gas emissions on a quarterly and consolidated basis for Scopes 1 and 2, and calculates its Scope 3 greenhouse gas emissions annually, as well as avoided emissions. All of the Scope 1, 2 and 3 emissions are published annually, detailed in paragraph 2.2.5 of this Sustainability Statement – page 313. These emissions mainly come from the production units of the Group, either in the form of direct emissions for the hydrogen production units by reforming natural gas and cogeneration units, either in the form of indirect emissions from electricity generation consumed by air gas generating units. In the value chain, most of the indirect emissions generated come from the supply of goods and services, energy and raw materials of an energy origin, as well as from the use by customers of certain specific products sold by the Group, in particular when the products sold are themselves greenhouse gases. The Group has established a multi-year trajectory for reducing its greenhouse gas emissions (see decarbonization targets above). This trajectory is broken down by year in the form of a CO_2 budget, monitored by the Group's Operations Control Department. Investment decisions for new projects take into account CO_2 budgets allocated at the regional level, and are validated by the Resources and Investments Committee (RIC). Each cluster is allocated a CO_2 budget for the year. These budgets are built in accordance with emission allocations for the next five years and are established in parallel with the constitution of the annual CAPEX budgets, so that the emissions of the investment decisions being implemented are fully taken into account. They are the result of dialogue between the clusters and the Group Operations Control team in order to ensure compatibility with the Group's objectives and distributed in accordance with local contexts. Accountability at this stage is ensured by the executive oversight of the Resources and Investments Committees.

(1) *Intergovernmental Platform for Biodiversity and Ecosystem Services.*

Impacts are also taken into account in the value chain. Two policies related to sourcing (one general procedure, one dedicated to sustainable sourcing) are applied in the Group and aim to reduce the greenhouse gas emissions induced through its consumption (Scopes 2 and 3). Air Liquide also contributes to the decarbonization of its customers (see below), and translates its impact through the calculation of avoided emissions. Lastly, ongoing dialogue is established with all stakeholders on these topics, governed by specific procedures. These include the My Voice surveys for employees, or dialogue with investors through the Investor Relations team. These programs aim to make the most of Air Liquide's interactions with the Group's stakeholders.

The **positive impacts** are linked in particular to the Group's business model and technology portfolio. The Group provides solutions to increase the efficiency of production processes or decarbonize target markets (in particular, industry and mobility). This involves, among other things, the development of new low-carbon technologies and/or the use of Air Liquide gases and services. The materiality of these positive impacts is measured through several indicators, in particular estimates of the volume of CO_2 that can be avoided thanks to Air Liquide's solutions.

Risks and opportunities, as well as their materiality, are mainly assessed through strategic analyses carried out by various Group entities (subsidiary, business line, geography or at Group level). These climate-related risks and opportunities are assessed using the guide by the Task Force on Climate-Related Financial Disclosures (TCFD) in its report on the publication of climate-related financial disclosures. As explained below, these studies analyzing the Group's resilience against transition risks are integrated into the Group's management processes (review of new investments, performance review of operational entities as well as dedicated reviews of local decarbonization plans).

Climate transition risks refer to the financial, economic and social risks associated with the transition from a carbon-intensive to a low-carbon economy. Given the energy needs of the Group's operations, the transition **risks identified include those related to the supply of energy and raw materials**. Policies and regulations relating to the energy transition may have an impact on their availability and cost, both for fossil and decarbonized energy.

The Group's approach to transition risks follows a three-step pattern: identification of potential sources of risk; establishment of risk assessment procedures and preparation of risk mitigation plans. Two types of processes can also be distinguished: (i) forward-looking control of investments and (ii) reviews of existing activities.

<u>(i) Forward-looking control of investments</u>

To ensure that future investments are compatible with a 1.5 °C transition scenario (as described by the IEA Net Zero Emissions scenario [(1)]), as well as with the financial and extra-financial commitments to its shareholders, Air Liquide relies on its Resources and Investments Committees (RICs) whose governance and operation are detailed in Chapter 1 of this Universal Registration Document, section Strategy and objectives, paragraph 3.2 Investment process – page 44. For example, among other things, RIC guidelines include the following:

- all projects must incorporate a sensitivity analysis around the carbon price to assess the viability of the project for the client, as the price of CO_2 is contractually transferred to the client [(2)]. This sensitivity analysis is to be carried out using the current local price and a value of 100 euros per tonne or more, chosen according to geography and context. The Group is currently reviewing its internal policy to adapt this minimum price, in line with changes in CO_2 price projections since this policy was introduced, and to integrate the CO_2 price considered more precisely into a sensitivity analysis in a 1.5 °C scenario, based on the work of the International Energy Agency. This CO_2 price is a "notional" price applied for sensitivity analyses when developing new investments. The level was initially set with reference to the work of the Stern-Stiglitz Commission (2017). Where an explicit carbon price exists, this price (and dedicated projections where necessary) is used. In 2025, the Group will review the way in which the price of carbon is incorporated into analyses during the investment process, in order to strengthen consistency with the 1.5 °C scenario used;
- furthermore, whenever the annual Scope 1 and 2 emissions for the associated investment or the customer's annual emissions exceed specific thresholds, the investments must first go through an Emissions and Energy Risks Committee (E-Enrisk) in which technology, reputation and market risks are taken into account. The results are then transferred to the RIC.

In addition, and in order to ensure any investment compromising the compatibility of the Group's objectives with a 1.5 °C trajectory, the Group's exposure to emissions is managed centrally via an annual carbon budget. This budget is allocated to the various regions and is revised each year, in line with climate objectives. This trajectory is reviewed by the Environment and Society Committee of the Board of Directors [(3)].

(1) As in the Net Zero Roadmap (2023) and the Global Energy Outlook (2023).
(2) In the Air Liquide business model, contractually re-invoiced to the customer, significantly reducing the risk of impairment of the assets concerned.
(3) The Environment and Society Committee comprises three Directors as described on page 124 of this Universal Registration Document.

(ii) Review of existing activities

Another key dimension in the Group's transition risk management is that of its existing assets and activities. To assess this, Air Liquide has rolled out a dedicated process, covering the four risk dimensions recommended by the Task Force on Climate-Related Financial Disclosures (TCFD): political and legal, technology, market and reputation with time horizons to 2035 and 2050 and the differences stemming from the intensity of the risk factor rather than its nature. A single level of risk is considered covering the different time horizons. The Group carried out an overall assessment when several time horizons applied. However, managing the CO_2 trajectory on different time scales involves taking into account transition risks over multiple time horizons, typically covering the "Year +1" horizon, the strategic plan horizon, and the climate objectives announced for 2035 and 2050. Due to the strong dependence on local conditions (policies and regulations, structure of energy markets), a 1.5 °C transition scenario is used, mainly in a qualitative manner within the framework of a dialogue between internal stakeholders. The main 1.5 °C reference scenario used is the "Net Zero" scenario of the International Energy Agency, which provides relevant elements with regard to the Group's activities: evolution of energy markets, development of renewable electricity sources, evolution of major industrial markets served by the Group such as steel or petrochemicals, as well as technological developments, for different time horizons and different regions of the world. Cross-referencing with a local vision, in particular the policies and regulations implemented and under discussion, allows the Group to have scenarios covering the different dimensions of risks.

- screening and identification of risks: under the direction of the Sustainable Development Department and in collaboration with the Finance teams and the World Business Lines, a review of the transition risk factors in a 1.5 °C transition scenario is conducted. Impacts of the energy transition on the different markets are taken into account during the various sectoral and/or geographic market studies; technological impacts are taken into account in technological watch studies carried out by R&D, and can then be integrated into technological development roadmaps. Monitoring of regulatory developments is coordinated by the Public Affairs teams, liaising with the business lines and operational entities concerned;
- in-depth regional reviews: following the assessment carried out by the central team, in-depth analyses are carried out in the various geographies, with an analysis at asset level where appropriate, taking into account the type of asset, its production capacity, the market served and local decarbonization policies.

The double materiality assessment has revealed four material risks, as well as one material opportunity concerning the topic of climate change mitigation:

(i) a **technological risk**, such as the obsolescence of existing emitting technologies or processes, the cost of new low-carbon technologies, and the risks associated with investments in them;

(ii) a **risk related to the markets** served by the Group, which may themselves be impacted by the need to reduce emissions, particularly impacting the demand for industrial gases in certain markets;

(iii) a **political and legal risk**, which can materialize in several forms such as the implementation of CO_2 pricing systems (tax, quota market), regulations impacting the placing on the market of certain types of products, or reinforcing obligations to reduce greenhouse gas emissions;

(iv) a **reputational risk**, depending on how the Group's emission reduction targets and its performance are viewed by stakeholders.

The **material opportunity** identified includes the **positive developments** that the decarbonization of economies, and in particular of industry and mobility, **induces on the demand for the Group's products and services**, with the development of new market segments, both in existing markets and in new sectors.

These four risks and this material opportunity identified for the topic of climate change mitigation were identified during the double materiality assessment. They were further analyzed in more depth by the Group, based on the work of the TCFD, to provide a more detailed view that takes mitigation measures into account:

Risk factors [a]	Importance	Risk assessment	Opportunity assessment
		Political and legal	
CO_2 emission price increase	Higher cost due to CO_2 price	**Low** – potential costs are subject to contractual pass-through provisions.	**High** – growth potential in the low-carbon emission manufacturing industry.
Mandates/regulations on existing products and processes	Mandates on low carbon H_2 and CCUS [b] regulation	**Moderate** – IEA scenario alignment and positive regulatory signs.	**High** – accelerated scale-up of emerging value chains/potential for cost differential reductions.
Strengthened reporting requirements	Cost of an improved reporting process, cost of transparency for reputation	**Low** – high-precision reporting validated by external auditors and enhanced disclosures under the Corporate Sustainability Reporting Directive (CSRD).	**Moderate** – improved knowledge and management of climate measures thanks to the requirements of the CSRD.
		Technology	
Substitution of existing products with lower-emissions alternatives	Low-carbon industrial gas production	**Low** – Air Liquide is positioned as a leader in the low-carbon H_2 value chain, as well as on all new low-carbon industrial gas technologies. No substitute products required for air gases.	**High** – opportunities increase related to low-carbon hydrogen and industrial gases demand.
Unsuccessful investment in new technologies	Inability to develop new technologies on time, at cost and in line with market demand	**Low** – technologies development with robust technological roadmaps, with a long track record of success.	**High** – strong competitive advantage in technology development, with reduced time-to-market and a large technologies proprietaries portfolio.
Costs of transition to lower-emissions technology	Cost of electricity, CCUS [b] or low-carbon sourcing	**Low** – reduction costs lower than implied CO_2 price in price trajectories in 1.5 °C scenarios.	
		Markets	
Change of customer behavior	Customers likely to disappear or who do not need industrial gases for their work	**Low** – Air Liquide has a diversified customer base, due diligence for projects evaluation (site, customer), a resilient contractual structure and customer proximity to anticipate changes.	**High** – potential for increased sales of industrial gases and services to meet new demand.
Uncertainty in the market signals	Uncertainty on H_2, CCS and electricity prices (for PPAs [c]) outlook	**Moderate** – risks on the energy price are reflected in the contracts, market signals are monitored, with a strong proximity to customers. Advocacy ensures that market signals are coming in clear and stable regulatory frameworks.	
Increased cost of raw materials	Increased cost of raw materials	**Low** – relatively low consumption of critical materials.	
		Reputation	
Changes in consumer preferences	Changes in the demand of end products of value chains of the Group	**Low** – industrial gases are involved in almost all manufacturing processes.	**High** – sharp increase in industrial use of gas in all geographies and all decarbonization trajectories.
Stigmatization of sector	Stigmatization of chemicals	**Low** – Air Liquide's advocacy strategy incorporates the use of scientific pedagogy to highlight the industrial gas need for all scenarios.	
Increased stakeholder concern and negative comments	Concerns of coalitions (investors, NGOs)	**Low** – Air Liquide has specific structures for constructive dialogue with the Group's stakeholders.	**High** – strong stakeholder alignment capability ensured by specific structures.

(a) Climate-related transition risks were assessed according to the categories and examples of the Task Force on Climate-Related Financial Disclosures (TCFD), Final Report, 2017.
(b) CCUS: Carbon Capture, Utilization, and Storage.
(c) PPA: Power Purchase Agreement.

Climate change adaptation

This issue is one of the Group's environmental risks. Air Liquide operates in certain regions of the world exposed to changes (in severity or frequency) in exceptional weather phenomena due to climate change.

These can be broken down as follows:

- **acute risks**, triggered by events such as natural disasters, the frequency and severity of which are increasing: storms, hurricanes, flooding, etc. These risks may relate to Air Liquide sites located near the coast for example, or in regions affected by hurricanes (the US Gulf Coast, South-East Asia, etc.);
- **chronic risks**, related to longer-term changes in climate models and rising temperatures: rising sea levels, chronic heatwaves in certain regions, changes in rainfall patterns and an increase in their variability, the disappearance of certain resources, etc.

These phenomena can slow down or interrupt the Group's operations or make them more costly. Its suppliers and customers are also faced with these **same risks**, which can indirectly affect the Group by reducing the demand for industrial gases. Some of these climatic phenomena, such as heatwaves, could even have an **impact on working conditions**.

A study was carried out in 2023, together with a consulting firm, involving internal technical experts, in order to identify how the physical risks related to climate change could impact the Group's activities and assets. To this end, assets related to key activities were identified (ASU, HyCO, Cogeneration, Biogas, Industrial Merchant and Electronics, representing more than 75% of sales) and for each of them, the perils induced by the physical risks related to climate change were assessed (drought, temperature, heat, flood, fire, precipitation, cold, extreme weather conditions, geotechnics, soil, weather and oceanographic conditions). Among these, the main perils identified are drought, temperature, heatwaves and fire because they have specific impacts on Air Liquide's activities, particularly in the way they affect industrial processes.

An exposure analysis was then carried out, based on both an absolute approach (how will the assets be exposed to each peril) and a relative approach (how will the assets be exposed compared to the reference period of 1981-2010). Climate-related perils were assessed on the basis of IPCC intermediate (SSP2-4.5) and high (SSP5-8.5) emission scenarios for the long-term horizon of 2040, using the consulting firm's exclusive climate simulation tool. These two scenarios were selected for their scientific basis making it possible to model the evolution of the various perils mentioned above, based on those listed in appendix A "DNSH Adaptation" of the Taxonomy Regulation under two high emissions trajectories. One (SSP2-4.5) is a "business-as-usual" scenario, where the level of emissions corresponds to that of Nationally Determined Contributions and can be considered probable. The second (SSP5-8.5) corresponds to a very pessimistic scenario and serves as a "limit case" for risk analyses. In this tool, for each of the climate scenarios studied, an exposure is calculated for each of the various assets for each type of peril, with the results then being consolidated by activity. Starting with the Group's more than 6,000 assets, the analysis focused on the ~670 industrial assets, of which ~570 belonged to one of the following categories: ASU, HyCO, Cogeneration, Biogas, Industrial Merchant and Electronics. Non-industrial assets were considered to present a risk that was not specific to Air Liquide. A business interruption of these non-industrial assets would not constitute a major risk for Air Liquide as a whole, as they could be relocated if necessary.

Following this first generic mapping, work continues to refine the understanding of the issues at the level of the various types of assets of the Group, with a focus on the main industrial basins.

In 2024, the drafting of a procedure relating to physical climate risks was also started, based on the principles set out above, in order to be able to carry out this assessment more systematically over a horizon compatible with the Group's assets lifetime, again on the basis of the SSP2-4.5 and SSP5-8.5 scenarios. Given the long life of Air Liquide's assets, no shorter-term analysis will be carried out. At this stage, however, value chain risks are only partially assessed (e.g. a cold wave preventing deliveries by truck for the Industrial Merchant business), and may be subject to further analysis in the future.

The identification of climate-related risks was structured to consider physical risks and transition risks separately. A procedure is being drafted to define how climate resilience analysis should be carried out at Cluster level, specifying in particular the climate scenarios to be taken into account (as defined by IPCC experts), the time horizons applied, and the scope of material physical risks to be taken into account.

2.2.2. Climate policy

Climate change mitigation

Air Liquide's climate policy is an integral part of the BlueBook and covers the entire Group. The processes and actions described in it are supervised by the Executive Committee. It recalls in its introduction the impact of greenhouse gas emissions induced by the Group's activities on the environment and society, as evidenced by the regular assessment and special reports of the Intergovernmental Panel on Climate Change. The climate policy defines the way in which Air Liquide assesses climate-related risks, impacts and opportunities on its value chain, both in terms of mitigation and adaptation, and how the Group responds to this through its processes, monitors its performance (in particular by measuring its carbon footprint) and communicates its performance to its stakeholders. It also covers engagement with stakeholders such as customers, employees, suppliers, public bodies or non-governmental organizations, and specifies the roles and responsibilities of the different internal entities. The rollout of renewable energy is addressed through the guiding principles for energy management and the training courses organized by the energy teams.

The climate policy is then rolled out through the other policies of the BlueBook, in particular by integrating, on the one hand, items relating to the management of new capital expenditure and purchases and, on the other hand, emphasizing that the Group mobilizes three main levers, including zero- or low-carbon energy supply to reduce its CO_2 footprint. The supply of renewable and low-carbon energy is governed by the Energy Management policy in the BlueBook, which also covers energy efficiency projects.

The climate policy is made available via the Intranet to all Group employees, and therefore to all interested internal stakeholders, in particular those involved in its implementation.

Transition risk management and carbon neutrality trajectory

The Group addresses transition risks by combining several approaches: ambitious emission trajectory targets to manage the volume of emissions from the existing asset base and new assets (trajectory towards 2050 carbon neutrality including the target of a -33% reduction in Scope 1 and 2 emissions by 2035 compared to the baseline of 2020 [(1)]), regulatory watch, technological development and the development of low-carbon gas markets. The use of an internal carbon price for new investments is one of the tools used by the Group: as the Group's emissions come mainly from production operations, it needs to ensure that new industrial investments are not at risk in a global trajectory compatible with the Paris Agreement.

To this end, the investment process has not only been updated to ensure the detailed analysis of a project's impact on the Group's CO_2 trajectory and inclusion of a decarbonization plan in the event the material impact rises, but all these investments carry out sensitivity studies on the future CO_2 price.

All projects must incorporate a sensitivity analysis around the carbon price to assess the viability of the project for the customer, the CO_2 price being contractually transferred to the customer [(2)]. This sensitivity analysis is to be carried out with the current local price and a value of 100 euros per tonne or more chosen according to geography and context. As this price applies to the Group's new industrial investments, it covers most of the Scope 1 and 2 emissions.

For existing assets, the Group's business model means that the carbon price paid by the Group is contractually re-invoiced to customers, thus significantly reducing the risk of impairment of the assets concerned. In addition, due to the efficiencies that the Group's business models bring to its customers, the overall emissions are lower than if the customers were to produce their own industrial gases.

The Group's climate strategy towards neutrality is based above all on a drastic reduction in CO_2 emissions from operations, as described above. The Group's intention is to minimize the use of offsetting instruments. For example, to date, the Group has not mobilised carbon credits for the steering of its CO_2 trajectory.

These may nevertheless be used from time to time by operational entities, for example in the context of internal seminars, or for the purposes of compliance with regulatory systems such as "quota markets", when such instruments are authorized. These uses are marginal, are not reported at Group level, and are not taken into account in the calculation of the carbon footprint communicated in paragraph 2.2.5 of this Sustainability Statement – page 313, in accordance with best carbon accounting practices.

It is recognized by organizations such as the IPCC and the IEA that the use of offsetting instruments is necessary as part of a global climate trajectory to limit the increase in temperatures below 1.5 °C. Nevertheless, the use of carbon offsetting instruments is controversial. Studies are currently underway, for example as part of the SBTi, or through the GHG Protocol, concerning their role and the type of instruments that can be mobilized, in order to clarify how these instruments can be used by companies within the framework of a "Net Zero" strategy.

For Air Liquide, offsetting should not replace emission reductions in situations where they are possible, but only cover non-reducible residual reductions, in particular via "negative emissions" ("removals"), the quality of which must be guaranteed by recognized standards.

The Group aims to provide decarbonization solutions to its customers based on an outsourced business model. Given the existing accounting methodologies, in the context of projects leading to massive emission reductions for the Group's customers, in particular, and for the planet in general, the residual emissions resulting from these decarbonization projects are recognized in Air Liquide's carbon footprint. The Group anticipates that these residual emissions will ultimately be offset by appropriate instruments, while retaining a strategy based on a compatible reduction trajectory. When the procedures for recognizing the use of different types of offsetting instruments in the carbon accounting standards and defining "Net Zero" objectives are clarified, their role in the climate strategy will be specified.

2.2.3. Climate-related actions

Climate change mitigation

As mentioned in paragraph 2.2.1 of this Sustainability Statement – page 300, the Group has defined actions corresponding to the three decarbonization levers of Air Liquide's Climate Transition Plan. Although each sub-action that contributes to an action can occur at local level, all actions are managed at Group level and include several geographical sub-actions in order to contribute to Air Liquide's Climate objectives. The three decarbonization levers are as follows:

- renewable or low-carbon electricity supply. This first lever is a climate change mitigation lever that combines two types of mitigation actions, the change in fuel type and the use of renewable energy. This lever concerns the Group's electricity consumption, which is the main source of energy for Air Liquide's fixed assets;
- asset management. This second lever is a climate change mitigation lever that brings together several types of mitigation actions such as the electrification of industrial assets or energy efficiency. This lever applies to all of Air Liquide's fixed and mobile assets;
- CO_2 capture for geological storage or use. This third lever is considered to be a lever for climate change adaptation through technological solutions to avoid the emission of CO_2 from industrial units into the atmosphere.

The conditions and hypotheses allowing the implementation of actions corresponding to the different levers are set out in the "Climate strategy – transition plan" (paragraph 2.2 of this Sustainability Statement – page 300).

(1) *Restated to take into account asset emissions for the full year, from 2020 and every year thereafter, taking into account (both upwards and downwards) changes in scope that have a significant impact on CO_2 emissions.*
(2) *In Air Liquide's business model, it is contractually re-invoiced to the customer, significantly reducing the risk of impairment of the assets concerned.*

Key sub-actions that contributed to the Group's achievements this year include:

Low-carbon energy	Asset management	Carbon capture
In 2024, Air Liquide signed several contracts for the supply of low carbon electricity (renewable energy, nuclear, hydroelectric, wind) with a total volume of more than 2,500 GWh per year. The contracts in question cover the following countries: Brazil, China, France, Germany and Spain. These contracts support Air Liquide's commitment to achieve carbon neutrality by 2050.	Air Liquide invested nearly 100 million euros to support the development of its production units serving Aurubis in Europe, including the replacement or modernization of old units in order to improve operational efficiency and reduce CO_2 emissions. The replaced and modernized plants are expected to be operational in 2027.	The Group invested to install a CCS unit using Cryocap™, an innovative technology developed by Air Liquide, in the port of Rotterdam. This unit will be connected to the Porthos infrastructure project in the Netherlands, which will reduce the emissions of an Air Liquide site in Rozenburg in the port of Rotterdam, while it will help emission reductions for the major industrial area of Rotterdam.

The GHG emission reductions expected for each lever are shown in paragraph 2.2.1. of this Sustainability Statement – page 300. The GHG emissions reductions achieved since the reference year are communicated in an aggregated manner in paragraph 2.2.5 of this Sustainability Statement – page 313.

Climate change adaptation

Climate change adaptation actions and resources are managed by a central team whose role is to monitor and coordinate the implementation of the climate risk management process. This team works together with the operational teams and the teams that coordinate new projects to develop the process of identifying, exposing and adapting to climate risks such as members of the Company risk management, HSE, insurance and sustainable development teams. Regular meetings throughout the year are planned to define the Company's strategy and approach and to validate the steps to be followed in order to fully integrate the climate-related physical risks into the Group's Industrial Management System.

2.2.4. Climate objectives

Climate change mitigation

In March 2021, Air Liquide announced its climate objectives, which are defined as follows:

- an ambition to achieve carbon neutrality by 2050, by reducing its emissions throughout its value chain. The precise quantification has not yet been provided, but the illustrative trajectory presented to stakeholders highlights the ambition of a significant reduction. Residual emissions would be neutralized using high-quality carbon credits;
- a clear milestone in 2035 with a -33% reduction in Scope 1 and 2 emissions compared to the baseline of 2020. The objective covers absolute CO_2-eq emissions reported by the Group as Scopes 1 and 2 [(1)], in accordance with the reporting scope of the Group's direct and indirect emissions related to electricity and steam purchased by the Group. The reference year 2020 was chosen because it precedes the announcement of the climate objectives and is considered a representative year; it is only restated to take into account significant changes in the reporting scope or accounting methodologies applied, in accordance with the GHG Protocol guidelines (Corporate Accounting and Reporting Standard, Chapter 11);
- a turning point by 2025.

These targets aim to respond directly to the objective of mitigating Air Liquide's impact on the climate expressed in its climate policy. The set of targets and the corresponding timetable have been set in line with the science-based target of achieving a net zero state for the planet by 2050, as expressed in particular by the IPCC in its special 1.5 °C Report (2018). It takes into account the specificities of the Group's activities and business lines, taking into consideration, notably when setting the target of -33% by 2035:

- dependencies on policies and regulations, in particular with regard to the development of markets for low-carbon products as well as the development of production assets and relevant infrastructure for low-carbon and renewable energy;
- the time required for the industrial scale-up and rollout of new technologies such as electrolysis. The development of the 2035 target compared available scenarios, such as the IEA sustainable development scenario (SDS) available at the time and the IEA "Net Zero" scenario, published for the first time in 2021. By way of illustration, the IEA lists the policies and regulations that governments should put in place to enable the transition to a net zero trajectory.

The 2020-2035 period corresponds to a typical contractual cycle for the Group's new investments; for this reason the target has been defined over a horizon of 15 years. No targets have been set for 2030, given the time required to roll out the identified greenhouse gas emission reduction measures at scale. For example, the supply of zero-carbon electricity through a power purchase agreement enabling the development of a major renewable electricity production asset may take four to 10 years (for the identification, development and construction of a solar or wind farm project). Similar timescales can be expected to ensure the supply of substantial volumes of fuel or biogenic raw materials or to establish a carbon capture and storage supply chain. The reduction levers are well identified, and are closely linked to the climate change mitigation actions of other players, as indicated in paragraph 2.2.1 of this Sustainability Statement – page 300.

Scope 1 and 2 objectives were developed by a dedicated "task force" in order to integrate the expectations of internal and external stakeholders (Sustainable Development Department, Large Industries business line, Group Operations Control, Strategy team, R&D, and Investor Relations teams). Monitoring of the performance achieved is integrated into the process of reviewing the Group's operational performance with an analysis carried out by the Group Operations Control on a half-yearly basis (CO_2 Scope 1 and 2 reporting of the main production units and comparison with the anticipated trajectory in year N-1 when setting objectives for operational entities).

(1) *In Market-Based.*

No quantitative objective for reducing Scope 3 emissions has to date been announced by the Group. Scope 3 emissions are reported and reduction levers have been identified, on which the Group is working.

The Group communicates its performance in relation to its climate objectives and in particular the reduction of Scopes 1 and 2 emissions compared to reference year 2020 to its stakeholders annually, via this Sustainability Statement and through other presentation channels deemed relevant. Progress at December 31, 2024 is presented in paragraph 2.2.5 of this Sustainability Statement – page 313.

Climate change adaptation

Climate-related targets have not yet been set by the Group for climate change adaptation, as the strategy and approach are still being developed by the team of dedicated experts.

2.2.5. Climate indicators

GHG emission indicators

The inventory of greenhouse gas emissions induced by the Group in its value chain and its reporting by scope and category has been prepared according to the principles of the GHG Protocol Corporate Accounting & Reporting Standard, taking into account the specificities of the Group.

Change of scope and inventory covered by the reporting

No significant change in scope occurred during 2024. Compared to 2023, two units impacting on scope 1 emissions of around -500 ktCO_2 have been removed from the Group's consolidation scope. The figures for 2023 and the reference year in the table below have been restated to provide a comparable basis with the performance of 2024.

There has been no significant change in scope for Scope 3 emissions. Nevertheless, emissions concerning goods and services purchased for the Engineering & Construction activity and relating to third-party sales are included in the upstream Scope 3 emissions (categories 1 and 2) for the 2024 fiscal year. In addition, emissions related to the electricity consumption of the Group's On-Site units installed on customers' premises and for which Air Liquide does not pay the energy cost were included in Scope 3 downstream (category 13).

Indirect emissions related to the production of energy-based raw materials such as natural gas are now reported in Scope 3, category 1, in accordance with the recommendations of the GHG Protocol, whereas they were previously in Scope 3, category 3 alongside indirect upstream fuel emissions.

Scopes 1 and 2 reporting scope

The reporting scope of the Group's greenhouse gas emissions is based on the industrial data reporting scope. The industrial reporting scope includes all industrial units in operation during the fiscal year and controlled and operated by Air Liquide. However, a materiality threshold is in place, and operational units below this threshold are excluded from the reporting scope. The materiality thresholds are set so that (1) the Group reports all material sources in accordance with the regulations and recommendations in force, and (2) they minimize the burden on operational teams when these emissions are not significant. An annual review of the reporting scope and applicable thresholds is carried out to ensure that all material sources are correctly reported.

In order to provide comparable data for greenhouse gas emissions, the data from 2020 has been restated to include in the annual emissions the effects of changes in scope or methodology that may have had a significant impact on CO_2 emissions, both upwards and downwards.

EXTRA-FINANCIAL PERFORMANCE 5
Sustainability Statement

	Retrospective				Milestones and target years			
	Base year – 2020 restated [(a)]	Comparative – 2023 restated [(b)]	2024	%N / N-1	2025	2030	2050	Annual % Target / base year
Scope 1 GHG Emissions								
Gross Scope 1 GHG emissions (tCO_2eq)	15,505,000	15,473,000	14,868,470	96.1 %	—	—	—	—%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	— %	— %	48.4 %	—	—	—	—	—%
Scope 2 GHG Emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	—	20,800,240	20,682,800	99.4%	—	—	—	—%
Gross market-based Scope 2 GHG emissions (tCO_2eq)	23,784,000	21,504,000	20,064,140	93.3%	—	—	—	—%
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	19,448,700	22,299,860	23,243,928	104.2%	—	—	—	—%
1 Purchased goods and services	2,835,770	3,057,255	6,526,255	213.5%	—	—	—	—%
2 Capital goods	460,736	1,017,415	909,808	89.4%	—	—	—	—%
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	5,131,150	8,467,149	6,211,500	73.4%	—	—	—	—%
4 Upstream transportation and distribution	70,490	488,609	513,665	105.1%	—	—	—	—%
5 Waste generated in operations	*NS*	*NS*	*NS*	*NS*	—	—	—	—%
6 Business travel	34,303	71,021	30,915	43.5%	—	—	—	—%
7 Employee commuting	70,274	72,760	71,365	98.1%	—	—	—	—%
8 Upstream leased assets	*NS*	*NS*	*NS*	*NS*	—	—	—	—%
9 Downstream transportation	*NA*	*NA*	*NA*	*NA*	—	—	—	—%
10 Processing of sold products	*NA*	*NA*	*NA*	*NA*	—	—	—	—%
11 Use of sold products	9,276,075	7,210,017	6,845,518	94.9 %	—	—	—	—%
12 End-of-life treatment of sold products	*NA*	*NA*	*NA*	*NA*	—	—	—	—%
13 Downstream leased asset	1,569,902	1,915,634	2,134,902	111.4 %	—	—	—	—%
14 Franchises	*NA*	*NA*	*NA*	*NA*	—	—	—	—%
15 Investments	*NS*	*NS*	*NS*	*NS*	—	—	—	—%
Total GHG emissions								
Total GHG emissions location-based (tCO_2eq)	—	—	58,795,198	—%	—	—	—	—%
Total GHG emissions market-based (tCO_2eq)	58,737,700	59,276,860	58,176,538	98.1 %	—	—	—	—%

NA: Not applicable.
NS: Not significant.
(a) Scope 1 and 2 emissions are restated to reflect the perimeter change, while Scope 3 emissions are not restated.
(b) Scope 1 and 2 emissions are restated to reflect the perimeter change; Scope 3 Category 11 emissions are restated to account for product volumes that were omitted from the 2023 publication; remaining Scope 3 emissions are not restated.

Scope 1 CO_2 emissions are down by -605 ktCO_2 compared to the comparable emissions for 2023. The decrease mainly comes from the evolution of production volumes (themselves linked to customer demand and maintenance operations) and the project to convert a reforming unit in order to use off-gas of biogenic origin for part of the raw material supply.

Scope 2 CO_2 emissions are down by -1,440 ktCO_2 compared to the comparable emissions for 2023. The decrease comes from the significant increase in the Group's supply of electricity from renewable or nuclear sources (see paragraph 2.2.5 of this Sustainability Statement – page 313), as well as from shutdowns of large-capacity units for maintenance operations.

The Group is not currently committing to individual targets for each Scope, but to Scope 1+2 combined. In 2024, Scope 1+2 emissions (accounted for using the market-based methodology) are 34,933 ktCO_2, i.e. -11% lower than 2020 emissions on a comparable basis, which is in line with the objective of reducing these emissions by -33% in 2035 compared to 2020.

Scope 3 CO_2 emissions from category 1 are increasing mainly due to a reclassification of emissions previously reported in category 3 (explaining the decrease in category 3) as well as improved reporting allowing the inclusion of emissions related to purchases made for the Engineering & Construction activity as well as those related to purchases of industrial gases from third parties.

Some Air Liquide production units operate within the scope of a carbon quota trading system, such as cogeneration or hydrogen production units in Europe. The share of Scope 1 emissions from units operating within the scope of a quota exchange system represents 48.4% of Scope 1 emissions. Biogenic CO_2 emissions are not included in the table above but are included and reported separately in each scope below.

The following table represents the shares of emissions for each of the Group's geographical areas.

Geographies	Scope 1 (ktCO_2eq)	Scope 2 (ktCO_2eq)
Europe and Africa / Middle East / India	6,839	9,809
Americas	6,894	2,660
Asia Pacific	1,135	7,595

The GHG emissions intensity (total GHG emissions over net revenue) of the Group for this reporting year is 2,150.08 tCO_2eq/m€ using the market-based methodology and 2,172.95 tCO_2eq/m€ using the location-based methodology

Scope 1

The majority of Air Liquide's Scope 1 emissions are from its hydrogen production and cogeneration units. Scope 1 emissions are the difference in carbon content between the raw materials and fuels (primarily natural gas) consumed by these units and the carbon content of their products. This information is reported as part of the Group's industrial reporting. Production units falling below the threshold making them eligible for the Group's industrial reporting are excluded, their consumption and their CO_2 emissions being deemed negligible. Air Liquide also records direct emissions from the combustion of fuel in its truck fleet, as well as gas losses from its CO_2 and nitrous oxide production units.

Direct biogenic CO_2 emissions not included in Scope 1 GHG emissions represent 202 ktCO_2eq. They mainly come from fugitive emissions from production units using biomass or its derivatives.

Regarding the accounting and publication of direct CO_2 emissions from units in a regulated emissions trading system, the same calculation methodology, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, will be applied, rather than the methodologies of the corresponding emissions trading systems, which are not uniform and in some cases do not meet the very definition of direct emissions. The application of these local methodologies introduces distortion and inconsistencies in the accounting of CO_2 emissions induced along the value chain and their reporting between Scopes 1, 2 and 3.

Scope 2

Concerning "market-based" accounting of Scope 2 emissions, emission factors are calculated directly from contractual information. In the absence of reliable information (contractual or concerning the supplier's production mix), when all or part of a site's electricity supply comes from the grid, a residual emission factor is used, in accordance with best practices. In the absence of reliable data on the residual mix, the grid emission factor is used, the latter accounting for approximately 40% of emissions. "Market-based" accounting makes it possible to reflect the Group's initiatives in terms of electricity supply in the Group's Scope 2 emissions, in particular the voluntary supply of renewable electricity. Concerning the accounting of Scope 2 "location-based" emissions, the emission factors are the average emission factors of the national networks as published and regularly updated by the International Energy Agency. Information concerning the volumes of electricity and steam consumed is reported as part of the Group's industrial reporting.

The Scope 2 emissions reported above involve the use of contractual instruments, such as Guarantee of Origin (GO), Renewable Energy Certificates (REC) and other instruments. The following table details the nature of the contractual instruments used within the Group.

Bundled/Unbundled Contractual Instruments	2024 (%)
Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions	82
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions	18

Electricity consumption and associated indirect CO_2 emissions are only taken into account in Scope 2 when Air Liquide pays the cost of this energy. When Air Liquide does not pay the cost of the energy, indirect CO_2 emissions are estimated and recognized in Scope 3, category 13. The latter represent 9% of total Scope 3 emissions.

When the Group has cogeneration units in a country where ASUs are available, the indirect emissions from the electricity consumed by these units are adjusted to take self-consumption into account.

Indirect biogenic CO_2 emissions not included in Scope 2 GHG emissions represent 587 ktCO_2eq. They come from electricity consumption using biomass or its derivatives.

Scope 3

Scope 3 emissions cover indirect emissions caused by the Group's activities along its value chain, in particular the most significant sources of emissions in terms of volume and relevance to the Group's activities and business model. Significant sources of emissions are identified and recognized in accordance with the recommendations of the GHG Protocol Corporate Value Chain Standard.

The most significant sources of indirect emissions (excluding Scope 2 emissions) are indirect emissions related to upstream energy-based raw materials (reported in category 3), in particular natural gas, those related to the production of purchased fuels and indirect emissions related to upstream purchased electricity and steam, as well as network losses (reported in category 3), those related to the purchase of goods and services, including fixed assets (reported respectively in categories 1 and 2), and those resulting from the use of products that are themselves greenhouse gases (reported in category 11). Indirect emissions related to the production of electricity consumed in the Group's units for which the Group does not pay the cost of the electricity supplied by the customer are considered significant and reported in category 13. Emissions from the road transportation of products between plants and customers when the transport service is outsourced are recorded in category 4. Reported emissions are calculated on the basis of industrial data from the Group's operational management systems, multiplied by emission factors from various sources (see table below). The Group does not report emissions for categories 5, 8, 9, 10, 12, 14 and 15, either because the Group does not have any indirect emissions covered by its categories, or because the emissions concerned are insignificant and the Group does not have a reliable estimation system.

Concerning emissions linked to purchases of goods and services reported in categories 1, 2, 4 and 6, since part of the purchase amount is not allocated to sufficiently defined items, an average emission factor was assigned to them to complete the estimate of the corresponding CO_2 emissions (included in the Scope 3 emissions total). A minority part of the Group's purchases is reported outside the consolidated system. The emissions corresponding to these expenses, estimated based on an average emission factor, are estimated to represent less than 5% of emissions related to procurement (excluded from the Scope 3 emissions total).

The Group has also identified the need to clarify emissions related to third-party equipment sales made by its Engineering & Construction (E&C) and Global Markets & Technologies (GM&T) divisions. A specific project was launched in the second half of 2024 to better understand how these emissions linked to the use of power plants sold to external customers should be accounted for. Taking into account the complex methodology to be developed, as well as the diversity of situations – for example with very different scopes of intervention by the Group, from engineering studies to turnkey factories or the sale of licenses – and of the need to better understand the use scenarios of the equipment sold, the Group is not able to communicate corresponding emissions in its Scope 3 inventory. Likewise, the Group makes sales of fluorinated gases for different uses. To date, the Group is not able to estimate the portion of these products sold that are likely to be re-issued during the use phase. Methodological work will be launched in 2025 in order to improve the Group's understanding of this subject.

The percentage of Scope 3 emissions obtained from the primary data source represents 71% of Scope 3 emissions. Within the Group, this percentage reflects Scope 3 emissions associated with data that was collected directly and does not include estimates or extrapolations of measurements. The categories or subcategories concerned by direct measurements are category 1 (limited to raw materials for HyCO untis), category 3, category 11 and category 13 (except on-site units).

Indirect biogenic CO_2 emissions not included in Scope 3 GHG emissions represent 566 ktCO_2eq. This data comes from the use of products sold during the production of biomethane and from CO_2 produced from biomass or its derivatives.

Emission factors and global warming potential

Emission factors are used to convert primary industrial data (such as fuel and electricity consumption or fugitive emissions) into CO_2 equivalents. A ranking is applied if the regulations do not explicitly state the source to be used. Preference is given to:

- internationally recognized sources;
- values provided in the relevant ISO standards;
- bodies defining standards at national level / regulatory bodies (e.g. ADEME). Specifically, the following sources are used for the emission scopes and categories in question:

Emission scope/Category	GWP and source of emission factor
Scope 1	
GHG emissions excluding CO_2	IPCC AR6 GWP-100
Transportation	ISO 14083 Tank-to-Wheels values by fuel type
Scope 2	
Electricity	IEA Grid Emission Factor Residual Emission Factors of the AIB (Association of Issuing Bodies) in Europe Residual Emission Factors for Green-E in the US Government of Canada residual emission factors
Electricity and Steam	Specific Emission Factors of energy suppliers
Steam	Emission Factor developed using IEA production mix and ADEME emission factors
Biogenic emissions (not included in Scope 2)	Emission Factor developed using the IEA's World Energy Statistics and the RTE France fossil combustion emission factor
Scope 3	
Categories 1 and 2	CEDA (Comprehensive Environmental Data Archive) factors of Watershed
Categories 1, 2, 4a (Upstream transportation) & 6	ADEME Footprint Base factors
Category 3 – Activity A & B	IEA Upstream Life Cycle Emission Factors for Fuels/Power Generation Technologies
Category 3 – Activity C	Transmission and distribution losses of the World Bank
Category 4b (Upstream distribution)	ISO 14083 Tank-to-Wheels values by fuel type
Category 7	GHG emissions from diesel vehicles of ADEME
Category 11 Use of products without CO_2	IPCC AR6 GWP-100
Category 13 Units of production with electricity supplied by the customer	IEA Grid Emission Factor
Biogenic emissions of biomethane (not included in Scope 3)	ADEME Footprint Base factors

Energy consumption indicators

The energy consumption reporting scope is based on the industrial reporting scope, which is aligned with the Consolidated Financial Statements and similar to the Scope 1 and 2 emission reporting scope. Reported energy consumption figures exclude raw material consumption.

Electricity consumption in very small units, below the threshold set for industrial reporting, is not reported. In total, energy consumed by the Group and not reported is estimated to be less than 0.5% of the Group's energy consumption. Electricity consumed by industrial units for which Air Liquide does not pay the cost of electricity is excluded from the reported electricity (and aggregate energy) consumption figures. It is however reported internally for industrial management purposes and represents 4,816,409 MWh (around 7% of the total energy consumption of the Group). The corresponding indirect CO_2 emissions are reported in Scope 3, category 13. This approach is common practice among companies whose activity is mainly the production and delivery of industrial gases and allows readers to compare figures across the sector.

Regarding energy production, Air Liquide considers non-renewable energy production to be significant and renewable energy production to be non-significant. Although Air Liquide has solar panels in its facilities, the Group does not consider that they contribute significantly to overall electricity consumption. Non-renewable energy production is represented by 24,914,015 MWh (thermal and electrical), which is associated with the production of electricity and steam in HyCO and COGEN production units. A fraction of the steam produced by hydrogen production units is used to drive turbines and produce electricity, and is as such excluded from this total to avoid double counting (1,818,983 thermal MWh).

Due to Air Liquide's main activities under NACE code 20.11 (industrial gas production) and the integrated nature of the Group, the entire Group is considered to be a high climate impact sector and no further disaggregation is provided. All figures on energy consumption and the energy mix therefore concern the entire Group. On this basis, the Group's energy intensity is equivalent to the energy intensity of activities in sectors with a high climate impact (total energy consumption per net revenue). For the reference year 2024, the energy intensity represents 2,423.50 MWh/m€.

The Group's consumption of electricity from renewable sources amounts to 8.9 TWh in 2024, an increase of 18.6% compared to 2023 [(1)] representing 23% of the quantities of electricity purchased by the Group [(2)].

The consumption of electricity from renewable and nuclear sources for 2024 amounts to 15.6 TWh. The supply of electricity from renewable or nuclear sources is a major lever implemented by the Group to reduce its Scope 2 emissions, as detailed in paragraph 2.2.5 of this Sustainability Statement – page 313.

(1) *Renewable electricity consumption reported by the Group for 2023: 7.5 TWh.*
(2) *Incorporating the steam used to drive certain air separation units, excluding consumption of electricity produced by the Group's cogeneration units which is self-consumed.*

Energy consumption and mix	Year 2024
Fuel consumption from coal and coal products (MWhth)	NM
Fuel consumption from crude oil and petroleum products (MWhth)	149,421
Fuel consumption from natural gas (MWhth)	24,364,468
Fuel consumption from other fossil sources (MWhth)	2,492,490
Consumption of purchased or acquired electricity, heat, and steam from fossil sources (MWhe)	23,007,494
Total fossil energy consumption (MWh)	**50,013,872**
Share of fossil sources in total energy consumption (%)	*76%*
Energy consumption from nuclear sources (MWhe)	**6,632,957**
Share of consumption from nuclear sources in total energy consumption (%)	*10%*
Fuel consumption for renewable sources, including biomass (MWhth)	288
Consumption of purchased or acquired electricity, heat, and steam from renewable sources (MWhe)	8,927,563
The consumption of self-generated non-fuel renewable energy (MWhe)	NM
Total renewable energy consumption (MWh)	**8,927,851**
Share of renewable sources in total energy consumption (%)	*14%*
Total energy consumption (MWh)	**65,574,681**

NM: Data determined as non-material.
MWhth: Thermal MWh.
MWhe: Electrical MWh.

2.3. WATER MANAGEMENT

2.3.1. Introduction

Topics related to water management: impacts, risks and opportunities

The Group analyzes topics related to water for all of its activities and sites located around the world. None of them are located on seas or oceans. The analysis therefore identifies impacts, risks and opportunities only for water and no impacts, risks and opportunities for marine resources. Water is therefore considered a material issue for the Group and its value chain, while the marine resources are not relevant to its activities, upstream and downstream of its activities. The Sustainable Procurement procedure is implemented based on sustainable development criteria for the most critical suppliers. This procedure aims to monitor the risks of incidents related to the environment – and therefore covers marine resources – and to promote the application of corrective action plans as part of continuous improvement in the value chain.

The way in which the interests of stakeholders in the “water” topic were taken into account is detailed in the double materiality assessment, as described in paragraphs 1.4.4 and 1.5 of this Sustainability Statement – pages 285 and 287 respectively.

The Group is dependent on water for its activities. The water used in the Group has two main purposes: as a raw material (e.g. for the production of steam) or as a cooling system. Its main uses are in the following Group activities:

- Air Separation Units (ASUs), which account for more than 50% of total consumption, where water is used in cooling towers/heat exchangers;
- Hydrogen production units, which account for around 25% of total consumption, where water is used either as a raw material and coolant, or in steam methane reforming (SMR) or electrolysis processes (ELY);
- Cogeneration units, which represent less than 20% of total consumption, where water is used for the production of steam.

The **lack of availability of water**, poor water quality, **regulatory restrictions on its use** or **an increase in its cost** represent a risk to the security of supply of Air Liquide products to customers. These risks may affect the efficiency or reliability of plants and increase direct production costs. Therefore, a minimum requirement, in line with regulations in terms of water quality, is specified in the Group’s standards.

The Group can have a **negative impact** on water resources in two ways:

- related to water withdrawal and consumption on its sites: water withdrawal can have different impacts depending on the specificities of the site concerned. The areas where water is withdrawn to meet various human and ecological demands when there is a risk of scarcity, due to limitations on availability, quality or accessibility, are known as water-stressed areas, and are closely monitored by the Group. In these areas, conflicts for water between different usages and users may arise. In addition, an important local parameter in the assessment of the impact of water withdrawal is the renewal rate of water reserves. Water consumption represents the difference between water withdrawals and water discharges. The Air Liquide Group’s water consumption represents 11% of water withdrawals (89% of the water withdrawn is returned to its source). Furthermore, the Group has initiated a water management plan, prioritizing the regions with water stress to reduce its use of water;
- related to the quality of water returned to ecosystems after use: the quality and specifications of the water returned to ecosystems are important in assessing the impact of the Group’s operations, either because of the presence of pollutants or contaminants, or due to the temperature, which can induce direct or indirect pollution and damage to ecosystems. Since September 2023, a technical standard relating to the sustainable monitoring and control of industrial wastewater has been drafted and communicated to the Group’s entities, and the rollout phase of this standard is underway.

A systematic review of the Group’s activities is carried out on the basis of technological and operational experience, regulations and best industrial practices. Some specific additional studies may be carried out for the purposes of operating authorizations or during engineering studies. In addition, the Group's operations check whether its industrial assets are in a water-stressed area, by referring to the “Aqueduct 3.0 [1] Water Risk Atlas” tool proposed by the World Resource Institute (WRI). Air Liquide pays particular

[1] *The Aqueduct 4.0 released will be used to build the water management plan beyond 2025.*

attention to the 75 sites withdrawing more than 50,000 m^3 per year and located in areas with high or very high water stress and arid areas (as defined by the Aqueduct tool, using the "Water Stress" indicator, for the "Baseline" scenario). In this case, a water management plan should be developed by the end of 2025, covering the relevant risks and mitigation measures such as the development of a secondary water source in case of a shortage at the primary source, upgrading water-consuming equipment to optimize consumption, upgrading water treatment equipment, etc. For all subsidiaries, the use, consumption and waste of water should be reduced, while taking into account local specificities. Engagement with local communities and the value chain should take place at subsidiary level to ensure continuous improvement in water management. Water impacts and dependencies should be measured and a number of indicators (specified in the standards developed for reporting) should be reported at Group level.

Air Liquide communicates regularly with shareholders, extra-financial rating agencies and the financial markets on issues related to sustainable development. The investor community is showing growing interest in the Group's position and approach to water management.

Air Liquide conducts internal training on water, in particular for operations departments, business developers, HSE teams, risk managers and purchasing teams, as well as, where applicable, the energy, public affairs and communication teams, in order to raise their awareness and inform them of the latest standards and procedures. Operational risk managers benefit from specific training and support from the Group's industrial experts on water risk assessments in order to respond to requests from all stakeholders.

Engagement with local communities and authorities regarding water resources is managed directly by the entities and sites involved. Where applicable, identified teams are responsible for listening to community expectations/concerns and taking appropriate action to address them.

Air Liquide participates in events organized by water resource management organizations and encourages the adoption of strategies and technologies to minimize water consumption and pollution. More generally, water management is one of the subjects on which Air Liquide engages with NGOs, alongside other environmental and societal issues. Air Liquide is committed to the 10 principles of the United Nations Global Compact.

2.3.2. Water management policy

In 2021, the Group published an internal water management Policy in the BlueBook, accessible to Group employees, which identifies the impacts and dependencies of Air Liquide's activities on water availability and quality, and thus defines the principles of water risk management. The processes related to its implementation are under the supervision of the Executive Committee.

The main water management risk for Air Liquide's activities is represented as the potential unavailability of water, which could result in a slowdown or shutdown of a production unit. The publication of the water management policy indicated in this paragraph describes the method of risk management related to water withdrawal and use. The management of each subsidiary is responsible for its implementation.

This policy identifies the impact of Air Liquide's activities on water availability. The policy defines risk management principles on the basis of a specific assessment of the situation of each site. It describes the actions required, based on key principles, to be implemented to ensure appropriate water management, including a set of indicators to be monitored. Lastly, it details the elements of stakeholder commitment, seeking comprehensive management of water uses by taking into account local constraints and opportunities, and always complying with the most stringent applicable requirements and regulations.

Air Liquide's policy sets out the key principles of water management, aimed at:

- guaranteeing the availability of water that meets adequate specifications for the Group's safe, reliable and efficient operations;
- protecting people and the environment by ensuring sustainable management of water in operations and supply chains.

The policy covers in particular:

- management of the risk of water unavailability: for all activities operated by the subsidiary located in a water-stressed area by strengthening a water management plan covering key actions relating to the reduction of water use, the control and monitoring of relevant parameters, and the water management plan with stakeholders;
- operational excellence, taking into account the best available techniques applicable to water use, and management, notably: water treatment, water withdrawal and consumption, the quality of discharged water, the commitment of stakeholders in the value chain in which the Group operates. In particular, the Group has published a new technical standard to control and monitor the quality of discharged water, integrated into its corporate Industrial Management System, covering all of the Group's activities.

Air Liquide's water management policy specifies that, during discussions with stakeholders, the key principles of the water management policy should be used to illustrate that the Group has:

- a complete understanding of its water footprint;
- mechanisms in place to assess the risk of water scarcity and associated mitigation measures;
- standards guaranteeing that water discharges into the environment do not pollute the ecosystems in which the Group operates.

Air Liquide mainly uses water provided by its customers. Close relationships with customers are therefore essential for effective water management. Whether the water is supplied by the customer or another source, contracts must ensure that the quality of the water supplied is well defined in order to determine the penalties – and, where applicable, Air Liquide's rights of refusal – in the event of insufficient water quality impacting the Group's activities. As part of the due diligence process for new large-scale investment projects, an analysis of the site's exposure to water-related risk should be systematically carried out, particularly if the customer is located in a water-stressed area, mainly for Large Industries plants, as well as for large Industrial Merchant and Electronics plants.

Through the Group's supplier selection process and its commercial relationship with them, Air Liquide assesses water-related risks in collaboration with its suppliers. In particular, the Group expects its suppliers to minimize the impact of their products and services on local water quality. Air Liquide Supplier's Code of Conduct requires suppliers to strive to preserve natural resources and biodiversity, and to structure their activities and their supply chain in such a way as to avoid or minimize negative environmental impacts by continually striving to improve their products, processes and services in order to make them more environmentally friendly. Air Liquide asks suppliers who do not meet its expectations to complete and upload proof of their corrective action plan via the third-party platform through which they are assessed.

Air Liquide respects the human right to water and sanitation as well as existing links with environmental challenges, for example those due to climate change and the impact of human activities on biodiversity. The impact of industries on water is all the more important as climate change threatens current weather conditions. Air Liquide is implementing various initiatives (such as the water management plan) to improve data collection and better direct water management at its production sites in order to reduce water use, particularly in water-stressed areas. Faced with water-related risks, Air Liquide prioritizes sites with very intensive water use; nevertheless, the scope of this continuous improvement in water management concerns all of the Group's operations.

The monitoring of the Group's environmental impacts covers all industrial activities, with the exception of very small plants that do not meet a reporting criterion set in Air Liquide's industrial reporting management system. The reporting scopes for water should be aligned with those used for energy reporting. Consequently, the following activities should monitor and report water-related indicators:

- all plants included in the Large Industries industrial system (cogenerations, HyCO and air gas in particular);
- Industrial Merchant production activities (production of CO_2, production of N_2O, production of C_2H_2);
- pressure testing of Industrial Merchant cylinders (when using the water pressure test method);
- chemical production from the Electronics and Specialty Ingredients businesses;
- manufacturing activities in the Engineering & Construction and Global Markets & Technologies sectors;
- R&D centers;
- other activities if relevant.

The identification, assessment and management of water-related impacts, risks and opportunities are defined at Group level and rolled out locally within subsidiaries to support local facilities and sites that use water. The in-depth analysis of impacts and risks is therefore conducted locally to meet the expectations and challenges of the territory in which the site or activity is located. Opportunities are identified by business developers and are mainly associated with water treatment solutions, using industrial gases.

The identification is carried out using a mapping of the sites where the Group operates with a clear assessment of the relevant water-related risks, as well as a process for updating the mapping and monitoring of relevant risks. The entities annually review this risk assessment for all its activities, with the support and recommendations of the Group. For new investments and major renovation of existing facilities in water-stressed areas, water-related risk is addressed by including it in the due diligence process assessment during the investment process. The internal investment process sets criteria to be assessed according to the nature and scale of the project. This ensures an adequate assessment of water-related risks, particularly in places that are or could be exposed to a risk of water stress under future climate change scenarios, as well as a clear process to ensure that the technology is properly used to minimize impacts on water withdrawal, consumption and quality.

The Group carries out the assessment using relevant technical standards and procedures detailing how the Group manages water-related risks. These also provide the framework to develop specific action plans, including a methodology for assessing water availability. Water risks management is carried out at the subsidiary level. In addition to the monitoring and reporting of water-related operational indicators, as part of their risk management process, subsidiaries are required to maintain a mapping of their facilities located in areas of water stress and with specific local water issues. The facilities and sites that use water are responsible for developing a structured dialogue on water with the affected stakeholders, at local level, and benefit from the technical advice of the Group's experts to support them in improving water management. In addition, the subsidiary must ensure that water-related impacts, risks and opportunities are fully integrated into Sustainable Procurement programs.

2.3.3. Water management actions

At this stage, the Group does not have consolidated monitoring of the action plans undertaken by operational entities to reduce their water usage in their own operations nor of the commitments made locally with stakeholders in the value chain. The corresponding financial resources are not specifically monitored by the Group and are part of the resources allocated for maintenance operations and continuous improvement of the industrial tool. In the future, the Group plans to set up reporting and monitoring of the most significant projects.

The assessment of suppliers and business partners through the Supplier's Code of Conduct, a public document drawn up internally, is regularly updated to reflect the alignment with the Group's water management policy and objectives.

As mentioned above, the Group's policy is thus continuously improved and sets key principles of operational excellence and responsible management to be followed in each subsidiary:

- monitoring and reporting on impacts and dependencies related to water. For facilities that do not comply with this policy, provide for the installation of the appropriate meters, analysis and water treatment equipment necessary to achieve compliance;
- conducting a water leak assessment and developing improvement plans, as required;
- minimizing freshwater withdrawal and consumption as much as possible, while ensuring safe and efficient production, optimizing process operation and reducing water loss;
- when planning an overhaul or major renovation of a facility, assessing the need to modify the equipment to reduce the intake and consumption of freshwater, or improve the quality of water returned;
- minimizing wastewater discharges and maximizing the recovered water that can be made available for other uses;
- carrying out measurements and analyses of returned water, to assess the quality of the water returned by the Group's operations, at a frequency in accordance with local regulations;
- minimizing contaminants in the returned water and ensure that the returned water complies with relevant local standards and the expectations of other local stakeholders, in particular those who depend on water for their daily life or business activity.

In water-stressed areas, Air Liquide implements the targeted actions detailed below.

For each facility or site, its manager is responsible for monitoring and controlling water-related indicators and directing corrective actions when they are identified. Efficiency measures are part of the corrective actions and are fully integrated into the role and responsibilities of the manager, with the support of technical experts from the Cluster's Industrial Direction. The facility or site manager is assisted by a water quality manager, appointed with the following responsibilities:

- to ensure that:
  - a plan is in place to monitor and control water quality,
  - the organization and responsibilities for implementing the plan are defined,
  - sufficient resources are available (people, tools, training, etc.) and, in particular, subject matter expertise is assigned to the definition of the measurement plan,
  - the customer communication team collects relevant detailed water specifications and requirements (for facilities that withdraw and/or discharge water from or to the customer),
  - the water quality plan is reviewed regularly to identify opportunities for improvement;
- to tell the site manager(s) to take corrective measures, if the water quality plan does not meet the requirements.

In water-stressed areas (including areas at risk of seasonal water stress), the subsidiary is required to draw up a documented water management plan, taking into account the risks of water withdrawal or use and covering all relevant risks and mitigation actions, such as the development of a secondary water source in case of a shortage in the primary source, the upgrade of water-consuming equipment to minimize water use and consumption, upgrading of water treatment equipment, etc.

The industrial water management plan includes the following elements:

- on the one hand, conducting an assessment of water use efficiency, aimed at reducing the risks of water withdrawal for operations with intensive water use in areas of high water stress and at implementing improvement measures identified;
- on the other hand, ensuring compliance with the applicable water standards of the Group's Industrial Management System, in particular concerning the quality control of discharged water.

The Group facilities regularly carry out assessments of water use efficiency, i.e. on-site audits that cover the water system – circuits, equipment, instruments, etc. – as well as the systems and sub-systems concerned.

This assessment:

- is led by one or more technical water management experts;
- relies on a team able to cover the different areas of expertise for equipment and processes (including operators, maintenance specialists, process owners, etc.);
- includes a field audit that covers the water system – circuits, equipment, instruments, etc. – as well as the systems and sub-systems of the plant or facility concerned;
- addresses risks related to water stress (impact on operations of water scarcity and water quality problems);
- takes into account the risks and tools defined and communicated at Group level.

Where a water risk assessment and an industrial audit have been carried out in the previous three years, no additional assessment is required, provided that the risks and actions identified have been addressed.

2.3.4. Water management objectives

In accordance with the key principles set out above, the following two water management objectives, requiring specific actions to ensure their implementation, are established at Group level:

- for operations in water-stressed areas: a documented water management plan that addresses the risks related to water withdrawal or use should be put in place. Progress on this objective, set voluntarily at the end of 2021 by the Group, is monitored annually until the selected date of the end of 2025, with the completion of 100% of the water management plans for the 75 sites identified in 2021. Although the Group has not quantified its objective of reducing water needs, it is nevertheless anticipated that all significant sites will have such an action plan in the future. The Group is working to set its quantitative objectives for the period beyond 2025. The water management plan covers the assessment of the site, the identification of actions of water use reduction, and the compliance with the technical standards used by the Group in accordance with local regulations and the aim is to broaden the scope of actions by developing a business continuity plan and a stakeholder engagement plan (see above);
- for all operations: documented processes and procedures should be put in place to ensure that the quality parameters of discharged water are the same as those of withdrawn water, while meeting or exceeding applicable local standards. Since 2023, Air Liquide's technical standards for water management have been strengthened and apply to all of the Group's activities. The ambition is to roll out these standards across all of the Group's activities, prioritizing locations in water-stressed areas. The entities are responsible for monitoring the progress towards this target on an annual basis. The quality of discharged water is a key parameter for the Group's businesses and operating permits.

These objectives that Air Liquide has set itself therefore concern the prioritization of water-risk areas, as well as the Group's material impacts in terms of water management, respectively, through the following actions:

- ensuring the rollout of the best technical standards available for all activities relating to the control and monitoring of the quality of discharged water guaranteeing thus that the risks of water pollution are avoided;
- strengthening the minimum technical requirements for facilities and sites located in water-risk areas, by rolling out the water management plan for these priority locations.

All of the objectives defined in Air Liquide's policy are aligned with the strictest applicable requirements, taking into account the Group's regulations and technical standards.

2.3.5. Water management indicators

The indicators relating to water management are summarized in the table below:

Metrics	2024
Total water consumption (m³)	99,560,000
Consumption in areas at water risk, including areas of high-water stress (m³)	11,740,000
Total water recycled and reused (m³)	398,940,000
Water intensity ratio (m³/M€)	3,680
Share of volumes consumed obtained by direct measurement (%)	23%

Total water consumption is a calculation of the difference between the total water withdrawal and total water discharge, carried out by the Group during the consolidation phase of the reported data. The source of the data (direct measurement, sampling measurement, extrapolation, best estimate) of water withdrawal and discharge is indicated by the site in the reporting tool, following an internal Group procedure.

2.4. POLLUTION

2.4.1. Impacts, risks and opportunities

According to the double materiality assessment, described in paragraph 1.5 of this Sustainability Statement – page 287, pollution is non-material for the Group's activities and on its value chain. Some specific aspects of pollution such as pollution of water or pollution associated with energy consumption are covered in paragraphs 2.3 and 2.2 of this Sustainability Statement – pages 300 and 319 respectively. Besides, and even if this topic is not material, the Group acts as a responsible company to limit the pollution impact associated with its operations.

Air pollution comes mainly from the combustion processes (HyCO, cogeneration) and the electronics activities, but the impact of these emissions is mainly related to the greenhouse effect of these gases, already reported in the ESRS E1. Water pollution is addressed in paragraphs 2.3.2 and 2.3.3 of this Sustainability Statement – pages 320 and 321, dedicated respectively to Water management policy and Water management actions. Soil pollution did not emerge as a material issue for the Group.

The process of assessing sites and commercial activities with a view to identifying actual and potential impacts and pollution-related risks by Air Liquide's operations is formalized in a Group environmental procedure. The content of this procedure is managed by the Health, Safety and Environment (HSE) manager at each site or subsidiary.

An initial assessment of pollution risks is carried out through an inventory of the regulations applicable to each site and subsidiary. A register of environmental regulations must be kept up to date and identifies the regional scope of application for each applicable regulation, its latest update, the regulated environmental aspects, the regulated plant equipment, the performance objective or required technique, and finally the current level of compliance of the production plant with the environmental procedure as well as any regulations that will soon come into force. In some cases, an operating permit issued by the local authorities requires that the significant pollution aspects of the site's location be listed. This approach complements the industrial regulatory watch described in another Group procedure, and for which 100% of the subsidiaries have a designated manager.

A second stage of assessment of the impacts and risks of pollution is carried out for certain key activities (acetylene, ASU, CO_2, cogeneration, HyCO, N_2O, Electronics, Engineering & Construction, representing more than 75% of revenue) thanks to the recommendations of international professional associations such as the European Industrial Gases Association (EIGA). For each of these technologies, the main risks and impacts are listed and should be monitored by the subsidiaries.

Finally, the assessment is carried out at subsidiary level through the preparation of an HSE policy and its associated action plan. The minimization and mitigation of environmental risks is a key principle of such a policy, aiming firstly at proactive compliance with regulations, and then at the prevention of pollution, reduction of incidents, non-compliance and regulatory violations. For existing operations, the analysis, to be carried out at least every five years, should be conducted by an operations support team whose functions are listed and defined in an internal procedure and must be based on site observations. This procedure provides a list of the minimum set of environmental issues that should be taken into account when performing the environmental analysis. For new projects, the analysis should also be carried out, based on references to existing environmental aspects of similarly designed plants and any available project documentation. The internal procedure specifies that the environmental analysis is to be carried out by an internal cross-functional team (the specific functions are listed in the procedure) to ensure a multidisciplinary perspective on pollution risks. The consultation is based on documentary information on the plant and an on-site assessment. A similar process exists for new plants.

Opportunities related to pollution consist in the rollout of innovative offerings enabling the Group's customers to reduce their impacts in terms of pollution. These are analyzed by market managers through market studies. When significant opportunities arise, they may lead to a development project to further assess their potential or develop the product for commercialization. There was no systematic analysis of the opportunities related to pollution in the Group's own operations.

The process of reviewing impacts, risks and opportunities upstream and downstream of the value chain is conducted through a stakeholder consultation, as described in paragraph 1.4.4. of this Sustainability Statement – page 285. Air Liquide promotes the regular engagement of all external stakeholders on environmental issues and applies the same consultation process regardless of the environmental matter in question.

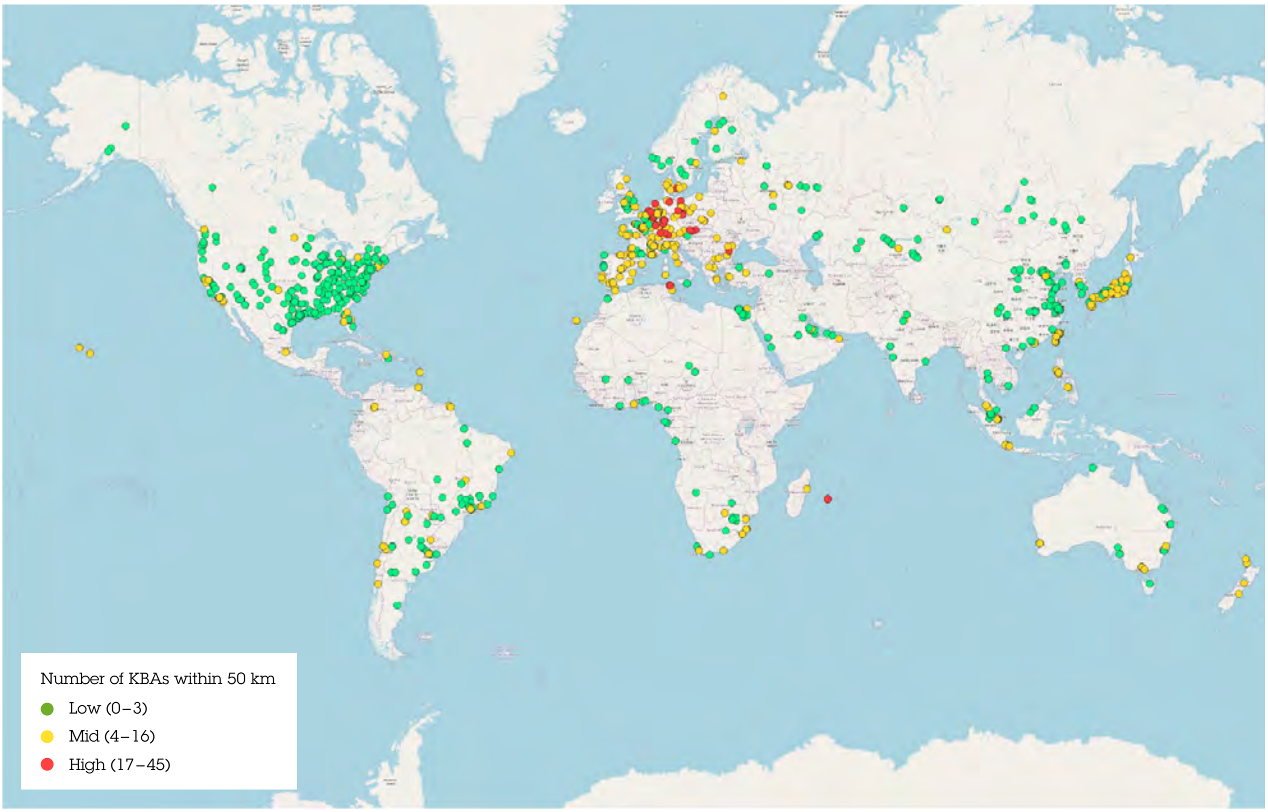
2.5. BIODIVERSITY AND ECOSYSTEMS

2.5.1. Impacts, risks and opportunities

According to the double materiality assessment, described in paragraph 1.5 of this Sustainability Statement – page 287, the issue of biodiversity is not material for Air Liquide. However, as a responsible company, the Group seeks to limit its impacts on biodiversity, in particular through its policies and procedures for managing gaseous, liquid and solid discharges, its water management policy and its commitment to carbon neutrality and the reduction of greenhouse gas emissions.

In 2022, together with the I Care & Consult Group (a consulting firm that specializes in the area of biodiversity), the Group carried out an assessment of the impacts and dependencies (both direct and indirect), and the risks and opportunities related to biodiversity throughout the value chain. This analysis is based on the five biodiversity impact factors considered by IPBES (climate change, habitat change, pollution, overexploitation of species and invasive alien species). It concluded that most of the Group's impact on biodiversity was through its impact on the climate.

As part of this study, the proximity of the Group's assets to areas sensitive to biodiversity was assessed in particular. For this, the number of biodiversity-sensitive areas located within a radius of less than 50 km was assessed using the IBAT (Integrated Biodiversity Assessment Tool), concluding that the main exposure areas were mainly located in Europe and Japan, where there are many such areas listed as sensitive. It should be noted that this radius of 50 km is extremely conservative, with IBAT considering in 2024 that for the type of industry to which Air Liquide belongs, no influence on biodiversity is noted beyond 10 km. The potential impact of activities on key biodiversity areas is addressed directly by subsidiaries, without a consolidated centralization at Group level, in particular through respect of local regulation with, if necessary, the deployment of attenuation measures. To date, the discussions established between the Group and operational entities to identify the impacts of operations on biodiversity have not detected any material negative impact on these sensitive areas in terms of biodiversity.



This same analysis identified only two activities that are directly dependent on biodiversity: Seppic and Biogas. These businesses have implemented policies that respond more specifically to their own challenges. However, given the size of the Biogas and Seppic businesses, these topics are not material for the Group. Seppic manufactures specialty ingredients and, as such, depends on agricultural supplies (raw materials made from palm, coco, rapeseed, olives, etc.), and implements sustainable sourcing policies for these products. Biogas production is highly dependent on the supply mix of biogenic inputs. In order to limit the impact on biodiversity, a charter was drawn up with the WWF to set the conditions for a biodiversity conservation project, and a set of eight criteria (validated by the Investment Committee) must now be met to launch a new biogas project.

This analysis of the Group's impact on biodiversity was supplemented by an internal life cycle analysis conducted by the Group's R&D in 2024, based on several recognized methodologies. It was confirmed that the vast majority of the Group's impacts on biodiversity are through effects on climate change.

More systematically, the internal procedures specify that all subsidiaries are required to carry out an audit of both existing and future sites, in order to assess their impact on biodiversity. In particular, it is necessary to analyze the local fauna (wild animals, livestock, protected species) and flora (protected species, woods, crops, wetlands and agricultural areas) in order to assess whether the potential impact of the activity is low, medium or high.

The Group is also committed to protecting biodiversity through the following actions, validated by Act4nature International:

- strengthening the criteria for assessing biodiversity in investment projects;
- developing and implementing a global biodiversity indicator;
- raising employee awareness of biodiversity issues;
- reaffirming its climate and water ambitions.

Given the non-material nature of biodiversity for the Group:

- transition risks and physical risks are assessed using the climate risk procedure;
- no material physical or transition risks or opportunities related to biodiversity and ecosystems have been identified;
- no systemic risk generated by biodiversity for the Group's business model was taken into account;
- no systemic risk for society was taken into account in the assessment of risks related to biodiversity and ecosystems;
- the consultation mechanisms on biodiversity are similar to those described in paragraph 1.4.4 of this Sustainability Statement – page 285;
- no specific site, production or supply of raw materials with negative or potentially negative impacts on the affected communities has been identified;
- communities were not involved in the assessment of the relative importance;
- except for Seppic and Biogas activities, those analyses did not conclude the necessity of implementing specific mitigation measures for the impact on biodiversity. These two subsidiaries, which are directly dependent on biodiversity, have identified actions to be implemented and established procedures aimed at maintaining the value and functionality of the priority services provided by biodiversity;
- no scenario was used for the trajectories of biodiversity and ecosystems because they seem to be of little relevance to the Group's activities.

2.6. RESOURCE USE AND CIRCULAR ECONOMY

2.6.1. Impacts, risks and opportunities

The double materiality process concluded that resource management and the circular economy were not material for the Group's activities and on its value chain. The first pillar of the circular economy is waste reduction, in which the Group acts continuously. Procedures covering all subsidiaries set the objective that waste should be minimized and adequately treated. All hazardous waste should be covered and at least 90% of the total volume of waste should be tracked. To achieve these objectives, the procedures require that, in order of preference, waste should be avoided (including by implementing eco-design principles in products), reused, recycled, treated or recovered into energy and that, when no other alternative is possible, it should be disposed of using appropriate facilities. A waste management plan is drawn up and managed on an annual basis, and should be reviewed every five years. A due diligence procedure, supported by a checklist, is specified for the choice of the subcontractor to whom this waste is entrusted. In particular, when there are no local regulations on waste management, subsidiaries are asked to prioritize waste treatment in neighboring countries that have such regulations.

Waste consultation mechanisms are similar to those described for pollution in paragraph 2.4 of this Sustainability Statement – page 323. The use of resources at Group level has not been identified as a material issue. The Group did not perform a specific review of the opportunities related to circular economy in its value chain. Nevertheless, the Group offers certain technologies that enable its customers to facilitate recycling (e.g. gas for battery recycling) or reduce the quantity of waste (e.g. gas for packaging food products in a protective atmosphere). However these are not material. No impact or material risk relating to the transition to a circular economy was identified. The sustainable procurement process was implemented based on sustainable development criteria with respect to the most critical suppliers. This process aims to monitor the risks of incidents linked to the environment – and therefore covers circular economy – and to promote the application of Corrective Action Plans as part of continuous improvement in the value chain.

3. Information related to social matters

Table of contents

ESRS Standards	DRs	Paragraphs	Pages
	S1-17 Incidents, complaints and severe human rights impacts	3.1.2 Commitment to employees 4.2.1 Business conduct and corporate culture policies	329 353
ESRS S2: Workers in the value chain			
	SBM-2 Interests and views of stakeholders	3.2.1 Introduction	344
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	3.2.1 Introduction	344
	S2-1 Policies related to value chain workers	3.2.1 Introduction 3.2.2 Health and safety of workers in the value chain 3.2.3 Working conditions 3.2.4 Prevention of forced labor and child labor	344 346 347 348
	S2-2 Processes for engaging with value chain workers about impacts	3.2.1 Introduction	344
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2.1 Introduction 4.2.1 Business conduct and corporate culture policies	344 353
	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2.2 Health and safety of workers in the value chain 3.2.3 Working conditions 3.2.4 Prevention of forced labor and child labor	346 347 348
	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.2 Health and safety of workers in the value chain 3.2.3 Working conditions 3.2.4 Prevention of forced labor and child labor	346 347 348
ESRS S3: Affected communities			
ESRS S4: Consumers and end-users			
	SBM-2 Interests and views of stakeholders	3.3.1 Introduction	349
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	3.3.1 Introduction	349
	S4-1 Policies related to consumers and end-users	3.3.1 Introduction 3.3.2 Protection of patients' personal data 3.3.3 Patient health and safety 3.3.4 Access to (quality) information	349 350 350 351
	S4-2 Processes for engaging with consumers and end-users about impacts	3.3.1 Introduction	349
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.3.1 Introduction 4.2.1 Business conduct and corporate culture policies	349 353

ESRS Standards	DRs	Paragraphs	Pages
	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.3.2 Protection of patients' personal data 3.3.3 Patient health and safety 3.3.4 Access to (quality) information	350 350 351
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3.2 Protection of patients' personal data 3.3.3 Patient health and safety 3.3.4 Access to (quality) information	350 350 351

3.1. THE GROUP'S EMPLOYEES

3.1.1. Introduction

Between 2021 and 2024, Air Liquide rolled out most of the Group's first single integrated HR information system (Workday). It is the source of the Company's HR data, covering 98% of employees as at December 31, 2024, and makes it possible to optimize HR processes and consolidate data. However, some Group entities are not in the Workday scope, either because of their recent acquisition, or because of their very small number of employees. HR data from these entities is thus collected manually, using a spreadsheet, and then aggregated with data from Workday. All the quantitative indicators characterizing the Group's employees are calculated on the basis of this aggregated HR data.

The indicators relating to Air Liquide employees in this Sustainability Statement are communicated:

- in terms of headcount;
- at the end of the period, i.e. as at December 31, 2024.

Characteristics of the Group's employees [(1)]

All Air Liquide employees [(2)], thanks to their commitment and skills, are the Group's most important resource in the performance of its day-to-day operations.

Breakdown of total employees by geography

	Europe, Middle East and Africa	Americas	Asia Pacific	Total Group employees
Number of employees	26,843	26,089	13,725	66,657

The Group's total employee stands at 66,657 [(3)] people as of December 31, 2024 (67,778 people as of December 31, 2023).

Breakdown of total employees by type of contract (permanent or temporary) and gender

	Women	Men	Not disclosed/Other	Total
Number of permanent employees*	18,419	45,658	47	64,124
Number of temporary employees**	1,056	1,477	—	2,533
Total number of Group employees	19,475	47,135	47	66,657

* *Permanent employees are employees whose employment contract does not include an end date, including employees who are expatriated for a fixed period.*
** *Temporary employees are employees whose employment contract includes an end date, including apprentices.*

Employee turnover rate and number of employees who left the Group

In 2024, 8,995 employees left the Group (through resignation, dismissal, mutually agreed termination, retirement or death), which represents a employee turnover rate [(4)] of 13.5%.

(1) *The breakdown of Group employees by gender is published under the indicators in paragraph 3.1.4 of this Sustainability Statement – page 336.*
(2) *The employees included in the Air Liquide headcount are as follows:*
- *people linked to an Air Liquide Group company by a permanent or temporary employment contract, who perform full-time or part-time work in return for remuneration; and*
- *who are placed under the hierarchical and/or functional authority of a manager who gives instructions, sets objectives and reviews their performance. In this respect, employees are subject to the Group's Human Resources (HR) policies and processes.*

This definition excludes trainees and includes apprentices.
(3) *Presented in note 4.2 of the Group's consolidated financial statements, in Chapter 4 of this Universal Registration Document – page 213.*
(4) *The employee turnover rate is calculated by dividing the number of employees who left the Group over the period, by the total headcount at end of period.*

Topics related to employees: impacts, risks and opportunities

According to the double materiality assessment, described in paragraph 1.5 of this Sustainability Statement – page 287, several topics relating to Air Liquide employees are material. The topics identified as material have been grouped as follows and the related impacts, risks and opportunities are described in the paragraphs cited of this Sustainability Statement:

- social dialogue, in paragraph 3.1.2 – page 329;
- health and safety of the Group's employees, in paragraph 3.1.3 – page 331;
- diversity, inclusion and harassment prevention, in paragraph 3.1.4 – page 336;
- employee remuneration and benefits, in paragraph 3.1.5 – page 338;
- well-being at work, in paragraph 3.1.6 – page 340;
- employability, talent and skills management, in paragraph 3.1.7 – page 341; and
- personal data protection, in paragraph 3.1.8 – page 343.

To achieve these results, all Group employees were taken into account in the assessment. Particular attention was paid to employees belonging to so-called vulnerable groups as described in paragraph 1.5.2 of this Sustainability Statement – page 288.

3.1.2. Commitment to employees

Commitment to human rights

Air Liquide respects and promotes human rights in its operations around the world. The Group fully supports the protection of human rights, which includes, among others, health, safety, non-discrimination, freedom of opinion, expression and association, working under decent and fair conditions, the prohibition of child labor and all forms of modern slavery. These commitments to human rights are included in Air Liquide's Principles of Action and Code of Conduct and are available on its website (https://www.airliquide.com/sustainable-development/human-rights). Information related to the Principles of Action and the Code of Conduct is described in paragraph 4.2.1 of the present Sustainability Statement – page 353.

The Group shares the principles laid down in the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations (UN) Guiding Principles on Business and Human Rights.

Air Liquide is also a signatory of the UN Global Compact and its Ten Principles relating to human rights, labor, the environment and the fight against corruption. Each year, Air Liquide issues a letter of commitment, signed by its Chief Executive Officer, as well as a Communication on the Progress of the strategic and operational implementation of these Ten Principles, accessible on the Global Compact website.

Under the responsibility of the Vice President, Duty of Vigilance and Societal Responsibility, the Group implements a human rights due diligence process based on the approach advocated by the international standards mentioned above. Air Liquide's approach to dialogue with employees and for the remediation of impacts on human rights are described respectively in the corresponding paragraphs below.

Social dialogue: engagement with employees and their representatives

Topics related to social dialogue: impacts, risks and opportunities

Air Liquide operates in 60 countries [(1)] through its technical, industrial, medical and economic activities. Aware of the disparities in legislation and situations related to social dialogue between these countries, the Group considers that Air Liquide employees and their representatives may be negatively affected by the **absence or an insufficient level of social dialogue**. Inherent in the national and regional legal and contractual framework, social dialogue is a topic under the responsibility of the Human Resources function.

Air Liquide strives to create an engaging employee experience based in particular on open, continuous and constructive social dialogue between employees, social partners and Management. The engagement is made with employees or their representatives.

Dialogue with employees through regular feedback

With the My Voice engagement measurement program, Air Liquide ensures that every employee has the opportunity to express themselves and be heard. Each year, Air Liquide submits a questionnaire to them, asking them about their experience within the Group, in order to better identify their expectations. This program is based on a simple concept: listen, understand and act. The Vice President, Group Human Resources Deputy, is responsible for this program.

Since 2023, it has been rolled out in a two-year cycle, alternating between a full questionnaire one year and a reduced version the following year, mainly focused on the employee's team. This new pace makes it possible to allocate more time to actions whose effects are longer term.

The questionnaire addresses around 20 topics and allows comments to be made. The questions relate to several dimensions of the employee experience, both at the personal level (e.g. work-life balance, inclusion, respect, empowerment, career and development opportunities) and the functioning of the organization (e.g. safety, continuous improvement, procedures, decision-making and team collaboration). The responses are anonymized to ensure that employees are free to express their thoughts. Results are collected in real time, aggregated and analyzed by means of a shared system for the entire Group. Once the survey is completed, each manager has access to their team's results – if the thresholds guaranteeing the confidentiality of the responses are reached – to help them in their mission and enable them to share the results with their team.

The results are studied in order to define and implement appropriate action plans at the various levels of the organization: at team, entity and Group level. It is recommended that these action plans are communicated to the employees concerned and that the actions are monitored. The effectiveness of an action can be monitored by a quantified indicator or measured by the change in the score of the associated theme in the following edition of the My Voice survey.

As part of the 2024 My Voice program, 83% of eligible employees expressed their views, i.e. more than 53,000 employees leaving over 63,000 unsolicited comments.

Dialogue with employee representative bodies

In light of local regulations, situation and needs, each Group entity defines, in agreement with the employee representative bodies, where they exist, the work organization that will promote engagement and performance.

(1) *Excluding Russia, where the entities are no longer controlled nor consolidated since September 1, 2022.*

In Europe

The European Works Council of Air Liquide has 29 employee representatives from 12 countries. It was renewed in 2021 for a term of four years. In 2024, four plenary meetings of the European Works Council were held under the chairwomanship of a member of the Executive Committee. In addition, the Council Board, composed of five members elected in plenary session, met five times to be informed of and discuss several transnational projects and topics of interest to employees in Europe, in accordance with the founding agreement of the European Works Council.

In 2024, the Board was extended to the representatives of the European Works Council in the countries where specific projects were to be presented. The purpose of these meetings was to illustrate the projects and enable employee representatives to express their opinions as part of the information-consultation process.

Following the consultation process on these projects, the European Works Council issued opinions on transformation projects specific to Clusters in Europe, while dialogue continued at local level in accordance with applicable laws. For a better understanding of certain projects, the European Works Council called on the help of experts.

In 2024, several topics were addressed with the support and direct participation of the internal parties concerned, including:

- the Group's transformation program with a session dedicated to performance culture;
- R&D results and vision;
- the Human Resources transformation project, in particular training and qualification tools and processes;
- the ethics program;
- results of the My Voice engagement survey;
- the IT and digital development strategy;
- the duty of vigilance and training on the CSRD;
- Digital Security.

Every year, the Chairwoman of the European Works Council issues a report on various topics relating to the Group's businesses. The Group's annual results, and more specifically those in Europe and the results related to extra-financial performance (e.g. safety, reliability, employee turnover rate, training, diversity), have been presented to and discussed with the European Works Council.

In France

The France Group committee brings together 25 employee representatives from companies present in France. It was renewed in 2024 for a term of two years.

In 2024, two plenary meetings were held (in June and December). During these meetings, topics related to the Group's current strategic, financial, environmental and social issues were presented and discussed.

For example, at the June France Group committee, the following topics in particular were discussed:

- the Group's transformation program, in the presence of a member of the Executive Committee;
- employment and social policy;
- presentation of the Financial Statements;
- the Vigilance Plan;
- sustainable development action programs.

This dialogue then continued at local level within the Social and Economic Committees of the Group's various French companies. These monthly committees discuss topical issues specific to each business.

Lastly, negotiations are held with the Representative Trade Unions within the Group's legal companies, on issues related to social policy.

Collective bargaining and social dialogue coverage

In 2024, in the European Economic Area where Air Liquide operates in 18 countries [(1)], more than 88% of employees were covered by a collective bargaining agreement.

Employee coverage rate (within the EEA)	Coverage by collective bargaining agreement [(a)]	Social dialogue Workers' representation [(b)]
0-19%		
20-39%		
40-59%		
60-79%		
80-100%	France*	France*

* *The only country in the European Economic Area where the Group operates, with a number of employees representing at least 10% of the total number of employees, is France.*

(a) *The collective agreements considered for the calculation of these percentages are those concluded at the level of an entity, a specific site, an industry and at national level in countries where this practice is in force according to the definition of Convention No. 154 of the International Labor Organization (ILO): "all negotiations which take place between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more workers' organizations, on the other, for:*
- *determining working conditions and terms of employment; and/or*
- *regulating relations between employers and workers; and/or*
- *regulating relations between employers or their organizations and a workers' organization or workers' organizations."*

Employees covered by collective agreements are those for whom the entity is required to apply the agreements. These may cover specific groups of workers.

(b) *Employees represented by an employee representative are those who work in establishments where employees are represented by employee representatives. "Establishment" is defined as any place of operations where Air Liquide carries out a non-transitory economic activity with human and material resources.*

(1) *Namely Austria, Belgium, Bulgaria, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden and the United Kingdom.*

Whistleblowing system and processes to remediate negative impacts

The Whistleblowing Policy is one of the main processes through which employees can raise concerns and/or complaints. The Policy, the ethics whistleblowing system and the subsequent remedial approach are described in paragraph 4.2.1 of this Sustainability Statement – page 353. In 2023, Air Liquide included a question related to the Group's whistleblowing system in the My Voice full survey described above, thus enabling the measurement of employees' level of trust in the system. This system is not intended to serve as a platform for routine Human Resources issues (e.g. remuneration, career development), which should be brought directly to the attention of Human Resources Departments.

Number of work-related incidents and complaints

The numbers of incidents or complaints presented in the table below refer to the number of alerts in the Group's ethics whistleblowing system concerning its employees reported in 2024, irrespective of their processing status and the conclusions after investigations.

	2024
Incidents of discrimination, including harassment	310
Work-related complaints other than those related to discrimination [(a)]	137
Severe human rights incidents [(b)]	0

(a) Alerts related to Human Resources, with the exception of those related to discrimination, and to health and safety reported in the whistleblowing system.
(b) Incidents of forced or child labor.

As of December 31, 2024, Air Liquide is not involved in any complaint to the OECD National Contact Points for Responsible Business Conduct.

With regard to two material topics, health and safety and the protection of personal data, Air Liquide has specific alert mechanisms to identify and report incidents and employee concerns.

Urgent situations in terms of health, safety or security, or the most serious accidents cannot be processed by the ethics whistleblowing system. The Safety and Industrial System Department has an internal reporting process for safety and security incidents, which makes it possible to inform the management chain and the relevant safety or security managers of the subsidiary, Cluster (group of countries) and Group very quickly, depending on the severity. A crisis management and incident monitoring process is implemented, when necessary, to ensure the best care for any victims, secure the situation and establish an investigation team which is both qualified and adapted to the incident.

For personal data, Air Liquide has deployed specific tools to collect requests for the exercise of rights and to report possible violations of personal data. A form is available on the Air Liquide website (https://contactprivacy.airliquide.com/) for contacting the services in charge of personal data protection. Air Liquide employees can also contact their Information Protection Coordinator. In addition, Air Liquide has signed a contract with a company responsible for finding and reporting personal data that is illegitimately accessible via the Internet. These requests and alerts are recorded in a dedicated register. Alleged violations of personal data are systematically analyzed and, if necessary, give rise to changes in management processes.

3.1.3. Health and safety of the Group's employees

Topics related to employee health and safety: impacts, risks and opportunities

Safety and security refer to the measures and practices implemented to preserve the life, health and physical integrity of individuals. Safety is achieved by controlling industrial process, road, occupational and product risks. Security is achieved by protecting sites and operations, notably against malicious acts, and by controlling business travel.

Due to the nature of the Group's activities, the health and safety of Air Liquide's employees is a major issue. The handling of various products, industrial processes and distribution methods implemented by the Group can lead to **endogenous negative impacts** for the Group's employees as well as other workers on site. Products such as the industrial and medical gases manufactured, transformed or packaged by the Group constitute hazardous materials. Their use is safe, provided that best practices and recommendations are complied with. Accidents related to the Group's industrial processes can occur unexpectedly with an immediate impact due to exposure to energy sources, fluids and hazardous emissions such as electricity, pressure, steam, hot water, high or very low temperatures, fires resulting from flammable products and materials or electrical installations and exposure of people to dust and hazardous chemicals through inhalation, ingestion or skin contact. In addition, industrial sites use numerous motorized lifting devices which present specific handling risks (collision, falling packages, etc.) and require training and qualification to operate them.

In addition, road transport, a major activity for transporting products to customers, exposes drivers (employees and subcontractors) and third parties to the risk of road accidents. Each year, delivery vehicles, sales staff and technicians travel hundreds of millions of kilometers in the course of Air Liquide's activities. Non-compliance with traffic regulations, lack of regular maintenance of vehicles or fatigue would expose drivers and third parties to increased risks of accidents.

Security is an exogenous issue for the Group's employees and other people present on its sites. Politico-security incidents, terrorism and criminality can expose these stakeholders to **negative impacts**: threats, verbal or physical assault, theft.

Employee health and safety policy

Safety and security are an integral part of Air Liquide's operational excellence and culture, and the "zero accidents, on every site, in every region, in every entity" ambition remains a key priority. The Group, as a responsible industry player, is therefore committed to efficiently and under all circumstances reducing the exposure of its employees including temporary workers to professional, industrial and health risks. Commitment to safety is total, visible and accompanied by unshakable vigilance. This commitment is reiterated in the General Statement of Air Liquide's Principles of Action and its Code of Conduct. Information relating to the Principles of Action and the Code of Conduct is described in paragraph 4.2.1 of this Sustainability Statement – page 353.

The safety results for the past 30-plus years illustrate the long-term effectiveness of the Group's actions in this area.

The industrial risks are distributed over a large number of local production sites. To assess and manage them, the Group has an Industrial Management System (IMS) that covers all Air Liquide's businesses and all its entities. The IMS relies on the accountability of the Departments of the various Group entities for the implementation of this system and on the issuance of key organizational and management procedures regarding, respectively:

- compliance with standards and regulations;
- competence management (training, qualifications if necessary, and more);
- process risk management;
- occupational health, safety and environmental management;
- road safety management;
- industrial emergency management;
- change management;
- maintenance management;
- control of products and services from providers;
- management of installation projects;
- management of product development;
- management of production and service provision;
- incident reporting and investigation;
- management of industrial audits;
- integration of shared technical standards within the Group subsidiaries.

The IMS institutionalizes the methodical "Plan – Do – Check – Act" approach which is essential for process safety. The efforts made to carry out risk assessments are bearing fruit and the lessons learned from incidents are being used to strengthen the safety barriers of the installations, thus preventing the recurrence of incidents.

The IMS is fueled by years of experience and designed with a constant concern for the safety of the Group's employees. The IMS document library aims to document the Group's knowledge and requirements to ensure the safe and reliable operation of its industrial processes. It is continuously updated and enriched.

The Safety and Industrial System Department and the Industrial Department, under the supervision of a member of the Executive Committee, supervise and control the implementation of the IMS, by notably relying on:

- various dashboards designed to monitor performance in terms of safety;
- process audits to verify the implementation conditions and compliance of operations with IMS requirements;
- thorough safety reviews prior to the start-up of any new production unit to prevent any accidents due to a construction defect;
- technical audits to ensure the compliance of operations with Group rules.

The Industrial and Safety Committee is composed of the Industrial Department, the Group Head of Safety, as well as a representative of the Engineering & Construction and Global Markets & Technologies World Business Units. Its purpose is to examine industrial risks and safety performance, as well as monitor the progress of the main improvement measures, in particular those relating to the greatest risks and/or cross-divisional measures. The Committee meets six to eight times a year and is chaired by a member of the Group's Executive Committee.

The evolution of the safety performance of operations and their level of compliance with IMS requirements are regularly monitored by the Executive Committee.

Security of individuals

The security of individuals is one of the Group's priorities. It embodies the Group's fundamental principle of responsibility. The security teams have a duty to relay this principle.

The Security function at Air Liquide is fundamentally part of a logic of goodwill through its positioning of anticipation, prevention and protection. The Group Security Department acts as a player aware of the duty of vigilance and respect for the Group's values in its day-to-day work. A corpus of reference documents relating to security is used to guide the entities in the implementation of the necessary measures.

Actions related to employee health and safety

A Job Hazard Analysis ensures a safe workplace for all, with the implementation of prevention measures adapted to the configuration of the work environment and the needs of employees. Thus, each job was subject to risk analysis in accordance with the following steps:

- identification of risks related to the tasks to be performed;
- assessment of their severity and the probability of occurrence;
- identification of critical points;
- identification and implementation of prevention measures.

Work habits, poor posture, access routes, etc., are also taken into account in these analyses.

Subsidiaries regularly report all safety and security events in the Group's reporting tool. Each month, every event reported is reviewed by a team of experts. The most serious events are analyzed in detail and presented to the Industrial and Safety Committee (paragraph 5 of Control environment section on Chapter 2 of this Universal Registration Document – page 87), the corrective action plan is implemented and lessons learned are shared with Group entities that could be potentially affected by similar situations.

Safety of individuals

Air Liquide relies on continuous actions to raise the awareness of its teams through specific training related to the knowledge and the mitigation of industrial risks that may affect individuals. Each employee working on an industrial site receives training and qualification courses specific to their job and is equipped with personal protective equipment allowing them to perform their tasks in the best conditions. Collective protective equipment is also installed in the various workshops, if necessary.

Safety is a collective commitment and the responsibility of each individual. Being aware of hazards and risks, applying the rules and taking care of others – all this contributes to reducing the risk of accidents and strengthening the Group's safety culture. The involvement of Air Liquide managers is an important lever contributing to the improvement of safety. Safety leadership training sessions are therefore organized regularly to encourage managers to support safety efforts, show their commitment in the field and reward best practices.

The Group has drawn up and rolled out Life-Saving Rules. Everyone working for Air Liquide, whether an employee or subcontractor, must be aware of these rules, follow them and always intervene if there is a risk of dangerous behavior or unsafe conditions. The interpretation and meaning of each rule is widely shared within the Group and with subcontractors. The Safety and Industrial System Department provides entities with various communication, awareness-raising and training materials on Life-Saving Rules. Given their importance, non-compliance with any of these rules by anyone working on an Air Liquide site is a serious act that can lead to a warning, or even penalties up to and including suspension. These Life-Saving Rules, translated into at least 10 languages and in force in all countries where the Group operates, are as follows:

1. I do not work under the influence of drugs and/or alcohol.
2. I do not smoke outside the designated smoking areas.
3. I wear the Personal Protective Equipment (PPE) required for the job.
4. I wear an ambient gas detector when required.
5. I never enter a confined space without authorization.
6. I work with a valid Safe Work Permit.
7. I apply isolation procedures before working on potentially energized systems.
8. I do not disable an Element Important for Safety (EIS) without an authorization and compensatory measures.
9. I wear fall-prevention equipment when working at heights.
10. I do not walk under suspended loads.
11. I secure the load on vehicles.
12. I always wear a seat belt when I am in a moving vehicle.

Process safety

Process safety addresses risks relating to industrial facilities from production to product implementation. It draws on Air Liquide's Industrial Management System (IMS), which applies to all activities, and requires:

- the identification of specific industrial risks for each business;
- the knowledge of scenarios and their potential consequences;
- the implementation of appropriate preventive and protective safety measures;
- the monitoring and analysis of risks relating to new technologies and events arising within the profession;
- the feedback to facilitate learning, awareness-raising and the promotion of a safety culture, and to improve prevention.

Risks related to process safety are analyzed using various methods, in particular the HAZOP (HAZard and OPerability analysis) methodology. A multidisciplinary team contributes to the comprehensiveness of the identification of credible scenarios that could lead to a critical situation, taking into account the unwanted events identified through the analyses of process and HSE (Health Safety Environment) risks. On this basis, each Group subsidiary is required to implement measures to prevent the risks identified at each of its industrial sites.

In addition to generic risks, each subsidiary, under the supervision of its Managing Director, regularly identifies specific risks related to its production and packaging activities. The objective is to identify the hazards globally and for each facility, in order to assess the risks and implement the necessary preventive measures.

In order to ensure that operations efficiently take this risk into account, Air Liquide has introduced specific action plans, the purpose of which is to control the most serious risks relating to industrial processes.

The progress of specific action plans aimed at bringing the most serious risks related to industrial processes under control is regularly monitored by the Group's Executive Management and the Industrial and Safety Committee.

The industrial process risk management process is subject to regular audits by the Group's Industrial Audit Department. The IMS defines the industrial audit process, its governance and its implementation. This audit process makes it possible to periodically analyze and assess the compliance of the activities of each subsidiary with its own industrial management system, the effectiveness of this system and its compliance with the Group's Industrial Management System. Following an industrial audit, action plans are implemented based on the opportunities for improvement identified, and best practices are shared.

A regular assessment of industrial risks that may affect individuals covers all Group activities in all geographies. The frequency of these assessments is adapted to each subject: for example, monthly safety performance reviews or an annual review of technical audits. Other topics require assessments at an ad hoc pace.

Management of industrial emergencies

In the event of an emergency, the primary responsibility of the entity's Managing Director is to analyze its nature, assess both the severity of the situation and the potential impacts on the basis of the risks previously identified, and take all necessary measures to ensure the safety of people. A 24/7 on-call system receives emergency calls and contacts the people responsible for setting up an appropriate response at local level.

A business continuity plan adapted to each entity describes the previously defined sequence of actions that will allow the continuation or restoration of operational functions, IT resources, networks and facilities in the event of an unexpected disruption to the service. The aim of this plan is to protect people and property and to limit the impact of the disruption on the entity's activities.

Exercises are regularly carried out on a variety of scenarios, and the results and lessons learned are documented, thus informing the business continuity plan.

Road safety

The Group's objective is to permanently reduce the frequency and severity of road accidents, for its employees and subcontractors as well as for third parties. It uses the following leverages to achieve this objective:

- implementation of the Group's safety rules by all subsidiaries and service providers;
- replacing the fleet with safer vehicles;
- improving the safety of drivers and third parties by introducing the necessary behavioral changes through the implementation of digital alert and support technologies;
- systematically incorporating feedback from the most serious events, and sharing best practices with all of the Group's subsidiaries and partners;
- monitoring the implementation and effectiveness of measures implemented by subsidiaries through dedicated audits.

Air Liquide relies on a structured program to mitigate risks on the road, based on a repository of internal requirements included in the IMS. Operations are assessed and audited regularly to ensure compliance with this framework.

Depending on the geographies, context, current legislation and practices, the 2024 road safety priorities focused on the implementation of all or some of the following measures:

- the installation of onboard technologies such as cameras, which can detect driver fatigue and distractions, or reversing cameras to reduce blind spots, in order to help change driver behavior or provide visibility of the vehicle's surroundings;
- increased dialogue on road safety both internally as well as with service providers and other organizations specialized in this subject, both locally and on an international scale. Air Liquide regularly holds transport safety discussions and knowledge-building events with its partners;
- regular awareness-raising among professional and occasional drivers on safe behavior on the road;
- development of the role of master drivers (in driving and loading/unloading operations) who mentor new drivers and serve as role models within their organization. Identified on the basis of technical criteria, these master drivers actively contribute to forging the driver's safety mindset and participate in improving training and qualification processes.

Product safety

The IMS procedure on the management of product development includes the analysis of associated risks, from the moment the products are designed, including the need for them to be used safely.

The regulatory watch process integrated in the Industrial Management System (IMS) in place in each Air Liquide subsidiary ensures product compliance with any regulatory changes applicable to them.

In compliance with regulations in force, each gas storage device is equipped with a label showing, among other things, the name of the product and the associated risks.

In the particular case of gas cylinders, the color of the shoulder is different depending on the main risk of the gas it contains. The safety data sheets present the risks of each of these gases. The cylinders are fitted with a cap protecting the valve which must be operated by hand and whose connections differ depending on the gas in order to avoid any incorrect connection. Their storage is regulated and must be done in a dedicated place.

Security of individuals

The Group is attentive to the geopolitical environment of the countries in which it operates. This is an important criterion in investment decisions. A good understanding of the environments in which the Group operates enables it to adopt a security posture in accordance with its requirements and its duty to protect. Therefore, it is essential for Air Liquide to properly identify the risks and threats, to analyze and understand them and to put in place security systems that protect employees, whether they are at their usual workplace or they are traveling to a high-risk country.

The generic mapping of risks related to the security of individuals is based on three types:

- political and security risk;
- risk related to terrorism;
- risk related to criminality.

The Group Security Department establishes a classification of security risks for the countries in which its employees work and travel. It is based in particular on the official rating of five countries (France, the United Kingdom, Canada, the United States and Australia), coupled with an assessment by the global security service provider for the Group. On a scale of four risk levels, it enables the Group to determine and implement the appropriate level of security measures corresponding to the level of threat identified. The occurrence of serious or repetitive events results in the review of a country's risk level. The country manager must approve the level of security risk determined for the country.

In 2024, for the countries in which Air Liquide is present, two are classified as very high risk (Nigeria and Ukraine) and seven are high risk. The others are split between moderate and low risk.

Based on the risk assessment, the Group Security Department defines and coordinates the implementation of appropriate measures to limit employee exposure to potential negative impacts during a crisis or incident. It has a range of measures that can be deployed, depending on the level of risk identified, in all subsidiaries to protect employees and the external stakeholders listed above:

- active and passive security systems across all sites. The fundamentals of site protection policy of the Group include secure fencing, a controlled access process, an adapted security and surveillance system, and finally, the means to intervene and respond in the event of an intrusion;
- security reviews systematically carried out by the Security Officers to ensure the proper level of protection of employees and sites;
- crisis management and business continuity processes to deal with crisis environments and limit the impact on both employees and organizations;
- an analysis of the most serious incidents carried out by the Group Security Department in collaboration with the local entities to adapt the security rules. Surveillance camera systems are set up to record the most critical points of a site and the recordings are viewed after the event in order to understand the origin of potential intrusions;

- a series of measures intended to protect travelers, throughout their travel:
  - security awareness training for employees traveling to the riskiest countries in order to inform them of potential threats and the measures to be applied,
  - all travel reservations to very high-risk or high-risk country are subject to a validation process by an employee's manager, then by the Security Officer of the geography in question, who may even prohibit the trip,
  - sending of alerts to travelers to make them aware of the most important incidents when they are away,
  - a dedicated application available to travelers to inform them of imminent threats and thus be rescued as quickly as possible;
- e-learning training in collaboration with Human Resources to familiarize employees with new environments. Socio-cultural differences are important elements of integration that must be understood and assimilated and which allow for better multicultural integration.

In parallel with the country risk classification, Air Liquide sets up threat monitoring. The ability to collect, sort and analyze information makes it possible to understand the specific environments in which employees work by identifying threats and anticipating possible incidents, crises or changes in the structural or economic environment of the countries in which the Group operates. Where necessary, Air Liquide updates the security and travel rules to limit the exposure of its employees and adopts conservative security postures to protect those most exposed.

In certain unavoidable circumstances, employees may be witnesses or victims of illegal or criminal acts. It is important to detect, analyze and understand these in order to better protect employees and reduce the risk of occurrence. The Group has an incident reporting system which, depending on the level of severity, triggers a review and analysis process for these incidents. The Group conducts a systematic review of incidents in order to better understand the type, frequency and level of impact on its operations. This system makes it possible to understand the origin of malicious acts and to act locally on the security rules in place to protect employees and third parties.

In all its subsidiaries, the Group has security officers who are regularly trained to adopt the appropriate security posture and implement the security measures that protect employees. A security review system enables assessment of the level of protection of a subsidiary in terms of security according to the level of threat in a country and its sensitivity level. This classification makes it possible to assess whether the security systems are properly deployed in the subsidiaries in order to guarantee the appropriate level of protection for employees and subcontractors.

These systems are monitored by the Regional Security Officers and the Group Security Director. They make it possible to adapt the security posture according to specific events or crises.

In very high-risk countries, these security measures are strengthened. More generally and as part of a responsible approach, the Group interacts with some of the most disadvantaged surrounding communities by implementing actions to benefit them. In some townships, such as in Brazil or South Africa, local jobs are offered to help integrate these communities and reduce the risk of malicious acts.

Objectives related to employee health and safety

The actions undertaken by the Group are intended to contribute to the UN Sustainable Development Goals (SDGs) 3 “Good health and well-being” and 8 “Decent work and economic growth”.

The Group has not formalized quantitative targets for health and safety indicators. However, all Air Liquide subsidiaries share the aim of achieving “zero accidents” and the objective of continuously improving their safety performance. As set out below, the Group also measures the effectiveness of the actions and policies it implements through specific indicators and programs.

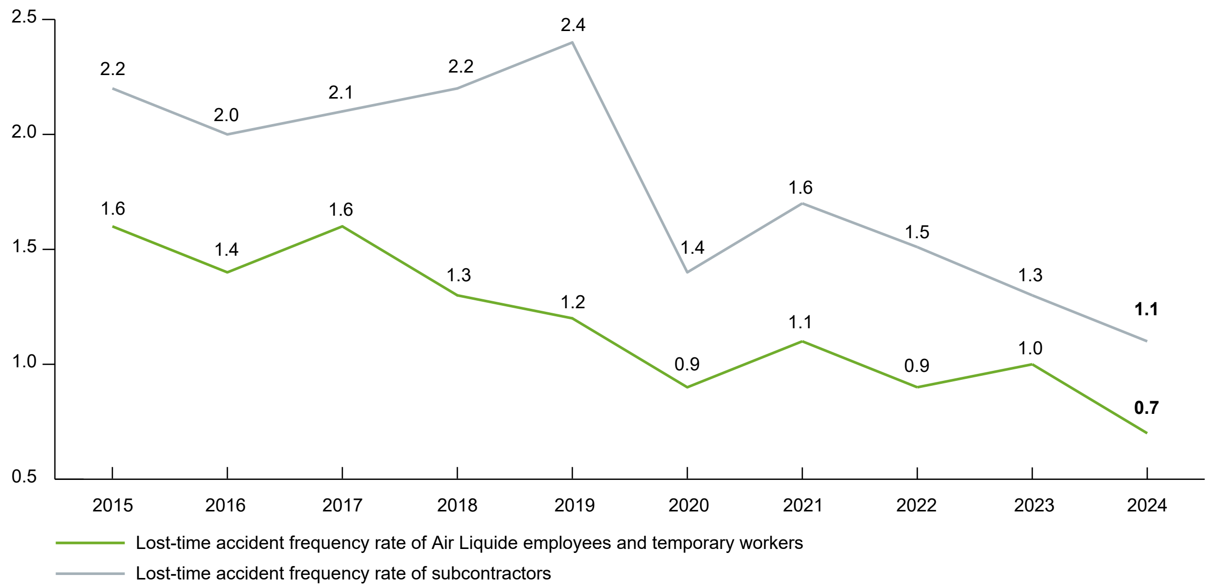
Indicators related to employee health and safety

	2024
Number of fatalities as a result of work-related injuries and work-related ill health among Group employees and temporary workers	1
Number of fatalities as a result of work-related injuries and work-related ill health among subcontractors	2
Number of recordable work-related accidents among Group employees and temporary workers	319
Rate of recordable work-related accidents for Group employees and temporary workers	2.42
Number of cases of recordable work-related ill health among Group employees	2
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to Group employees and temporary workers	4,001

2024 was marked by the fatalities of a driver (an Air Liquide employee in the Dominican Republic) in a road accident, and of two subcontractors, one following a fall while working at height in Poland and the other following the bursting of a gas cylinder in Brazil. The Group has made and will continue to make every effort to avoid such accidents, notably by analyzing the causes and deploying Group-wide action plans.

The lost-time accident frequency rate is one of the safety performance review indicators. As illustrated in the chart below, this frequency rate has steadily improved over the years for Air Liquide employees and subcontractors.

LOST-TIME ACCIDENT FREQUENCY RATE trend [a] AMONG Air Liquide EMPLOYEES AND SUBCONTRACTORS



(a) Number of accidents with at least one day's absence per million hours worked.

The lost-time accident frequency rate for Air Liquide employees, including temporary workers, has significantly improved (-32%) to 0.7 at the end of 2024, compared to 1.0 at the end of 2023.

Similarly, the lost-time accident frequency rate for subcontractors continued to improve in 2024, dropping to 1.1 at the end of 2024, compared to 1.3 at the end of 2023.

To maintain this performance over the long term and continue to reduce the number of lost-time accidents, the Group must remain vigilant at all times and continue to raise awareness and take all preventive measures to further improve the safety culture within teams.

3.1.4. Diversity, inclusion and harassment prevention

Topics related to diversity, inclusion and harassment prevention: impacts, risks and opportunities

The Group's employees may be **adversely affected by incidents of discrimination or violence and harassment** in the workplace. Employees belonging to so-called vulnerable groups such as women, young people, people with disabilities, LGBTQ+ people, ethnic, religious or cultural minorities are more exposed to such impacts.

In addition to incidents of violence and harassment, cognitive biases in recruitment and talent management processes can result in **negative impacts related to indirect discrimination** such as unequal opportunities and denial of access to employment, promotion or salary reviews.

Diversity, inclusion and harassment prevention policy

According to its Principles of Action, Air Liquide is committed to respecting human rights and ensures all its employees working conditions based in particular on the absence of any discrimination as well as promoting an inclusive culture and diversity.

In this spirit, in its Code of Conduct, the Group undertakes to promote diversity and equal opportunities in career development, regardless of any considerations, in particular of ethnic origin, gender, nationality, religion or beliefs, age, disability or sexual orientation, and does not tolerate any form of harassment or discrimination. Air Liquide therefore:

- provides all its employees with the same opportunities to develop and make the most of their talents;
- is committed to promoting the inclusion of people with disabilities;
- supports and promotes a workplace free from all forms of harassment.

Information relating to the Principles of Action and the Code of Conduct is described in paragraph 4.2.1 of this Sustainability Statement – page 353.

Equal opportunities for all

As part of its Human Resources policy, Air Liquide focuses on the career path of employees: from their recruitment to career management, including their remuneration and benefits, and their personal development.

This career path is built around the performance and potential of each individual, regardless of any other considerations.

Particular attention is paid to gender diversity and it is integrated into internal and external recruitment processes.

Diversity – a source of dynamism, innovation, attractiveness and talent retention – is a priority of the Group's Human Resources strategy and policy. It is a fundamental element of the organization, in terms of both businesses and employees, and drives the Group's long-term performance.

Inclusion of people with disabilities

Convinced that the wealth and strength of a company come from the singularities of each of its employees, Air Liquide has been committed for many years, alongside all stakeholders, to meeting the challenges of inclusion of people with disabilities.

Preventing harassment

As part of its Human Resources policy, Air Liquide pays particular attention to preventing all forms of harassment, whether intimidation, sexual harassment, violence or any act contributing to a climate of threat in the work environment, in order to ensure better mental health at work for all its employees.

The Vice President, Group Human Resources Deputy, is responsible for the Group's HR policy in terms of diversity, inclusion and harassment prevention, as well as its rollout.

Actions related to diversity, inclusion and harassment prevention

To facilitate the implementation of these principles and prevent all forms of discrimination and harassment, Air Liquide has drawn up its Inclusion & Diversity roadmap based on three pillars:

- setting and monitoring objectives for all entities;
- mitigating bias in discussions and improving Human Resources processes;
- promoting a culture of inclusion.

It is reviewed once a year at a meeting of the Executive Committee and is adjusted locally in its subsidiaries to reflect the culture in which the Group operates.

Tracking objectives for all entities

As Air Liquide's activities are based on technical and expert occupations, in which there are disparities between women and men, the Group decided to define objectives for gender diversity.

In this respect, local entities carried out an assessment of the current situation to define an objective at the Cluster (group of countries) level and thus contribute to the overall objective (see paragraph 3.1.4 of this Sustainability Statement – page 336).

In order to monitor changes in this objective and regularly measure its progress, a monthly dashboard (HR Monthly Headcount & Diversity) was set up in 2024, based on data from the Workday HR information system, allowing the different levels of the organization to monitor their results on their scope, from month to month. It is accompanied by a summary note at Group level.

Mitigating bias in discussions and improving Human Resources processes

Reducing prejudices and preventing harassment and discrimination

The Human Resources functions analyze processes and practices to identify potential biases. They implement corrective "nudges" to limit these prejudices and increase diversity, particularly among the managerial population, so that it reflects society in the countries where the Group operates. Thus, during the regular reviews of talents with high potential, Air Liquide takes the diversity of profiles into account, with the aim of continuing to increase diversity in the Group's key positions.

In addition, as part of its Code of Conduct (see paragraph 4.2.1 of this Sustainability Statement – page 353), Air Liquide sets up a new training module for all employees each year, in order to remind them of the Group's ethics approach. The prevention of discrimination and harassment is one of the themes of this module and is illustrated by case studies. This module, which is available online, is mandatory and must be taken by all employees (including part-time staff) each year. A test is completed at the end of the module to assess the participant's level of attainment and validate participation in the training. In addition, individual employee compliance with the Code of Conduct is required. Thus, each employee undertakes annually to comply with the rules of conduct presented in the Code, through an online signature process.

Numerous initiatives are carried out locally. For example, at least one contact person has been appointed within each of the Digital & IT entities for the prevention of harassment, discrimination and sexist behavior. These people are a point of contact and support for anyone who considers themselves to be a witness or a victim of such behavior. They communicate and organize awareness-raising actions, and in this context, in 2024, they provided a virtual café on the meaning of the terms "harassment", "discrimination" and "sexist behavior".

Implementation of a dedicated Human Resources Intranet site to improve processes

Launched in 2021, the HR Intranet site dedicated to process management brings together the Group's HR standards, enabling standardized management of talent and thus limiting the risks of discrimination. In this respect, a new standard for departure interviews was put in place in 2024. This is a discussion between Human Resources and the employee who has chosen to leave the Company in order to understand the reasons. Consolidating the reasons for leaving will enable the Group to identify the factors behind attrition, and then implement the appropriate action plans to improve employee commitment and loyalty, as well as to remedy causes that may be seen as discrimination or harassment.

Promoting a culture of inclusion

Supported by Human Resources, numerous global and local initiatives are undertaken to promote inclusion at Air Liquide. Thus, each business and entity, while taking into account their local and regulatory context, implements its own Inclusion & Diversity roadmap and the associated action plans.

Minimum workplace requirements for women in operations

As part of the HR Intranet site dedicated to resource management, a new standard published in 2024 provides a framework to guarantee physical and psychological safety for women and improve their well-being on industrial sites. It promotes an open-mindedness and a culture of respect in the workplace to prevent sexual harassment, among other things.

Maternity leave standard

A standard on maternity leave, which came into force in October 2024, covers a set of principles and requirements applicable to all sites, both before and during maternity leave or when mothers return to work. Thanks to this new standard, Air Liquide is fully committed to providing an inclusive environment and supporting women in the workplace.

A leadership program for women

In 2024, a pilot leadership program for women was conducted within the Group to address the development needs of women and equip them with essential skills and keys to advance their careers. At the end of this six-month process, they draw up their action plan. 123 women took part in this first session, which ended in November. This program will be renewed in 2025.

Promoting the inclusion of people with disabilities

In response to two areas of work highlighted and communicated (in Europe) by Executive Management at the end of 2022, namely recruitment and career planning for people with disabilities, actions are carried out in each country, in compliance with local regulations and taking into account the specificities of their businesses.

The signing of a 6th company agreement in favor of the recruitment, retention in employment and career development of people with disabilities in France for the 2023-2025 period (covering approximately 6,000 employees) is one example. The objective, set jointly with the social partners, is to increase the direct employment rate of people with disabilities from 4.46% in 2022 (calculated in April 2023) to 6% by the end of 2025. It stood at 4.69% in 2023 (calculated in April 2024).

Objectives related to diversity, inclusion and harassment prevention

Gender equality

The Group has set several gender diversity objectives, which are part of its ADVANCE program.

2025 Objectives		2024 Results	
35%	women among Group Managers and Professionals.	33.1%	women among Group Managers and Professionals.
25%	women at the highest level of responsibility (senior executives).	23.7%	women at the highest level of responsibility (senior executives).

In 2020, the reference year, the share of women "Managers and Professionals" in the Group was 30% [1] (32% [1] in 2023).

In 2020, the reference year, the share of women at the highest levels of responsibility was 21% (24.7% in 2023).

Indicators related to diversity, inclusion and harassment prevention

Breakdown of total employees by gender

	Women	Men	Not disclosed	Other	Total number of employees
Total number of Group employees	19,475	47,135	24	23	**66,657**
including France	*4,831*	*7,101*	*1*	*7*	*11,940*
including the United States	*3,791*	*16,222*	*19*	*11*	*20,043*

The countries where the Group operates, with a number of employees representing at least 10% of the total number of employees, are France and the United States.

Breakdown of senior executives [2] by gender in number and percentage

	In number	Percentage
Women	88	23.7%
Men	283	76.3%
Not disclosed/Others	—	—%

The Group's objective is to strengthen gender balance, with a particular focus on the Group's commitment to increasing the share of women in management positions. This objective is pursued by an action plan consisting of the identification of "high potential" talents, who constitute a pool of talent to ensure the balanced representation of women and men, particularly within the Executive Committee, where the objective is to maintain a rate of 30% of women by 2026 according to the provisions of the Rixain Law.

In 2024, the percentage of women on the Executive Committee was 30.7% (4 women among its 13 members). The Executive Committee changed at the end of the year with the announcement of the departure of one of its members on December 31 and a new appointment effective from December 2, which temporarily brought the number of its members to 14.

Breakdown of total employees by age group

Age group	In number	Percentage
Under 30 years old	8,100	12.2%
Between 30 and 50 years old	38,427	57.6%
Over 50 years old	20,130	30.2%

3.1.5. Employee remuneration and benefits

Topics related to employee remuneration and benefits: impacts, risks and opportunities

While all Air Liquide employees have remuneration and care coverage in accordance with local regulations, disparities may exist between the countries where the Group operates, in particular if these regulations are insufficient to cover the basic needs of employees and their families such as food, water, accommodation, transport, health and education. These inequitable situations in terms of **remuneration** on the one hand, and **care coverage** on the other hand, can have **negative impacts** on the Group's employees.

Air Liquide has a **positive impact** by offering to all its employees access to a common basis of **care coverage,** as described below and that, for some of them, goes beyond their local regulations.

In certain countries where the Group operates, a **pay gap** between women and men may also be observed and constitute a **negative impact** by creating inequalities in terms of remuneration between the Group's employees.

(1) Rounded off in increments of 0.5%
(2) Air Liquide defines the concept of senior executives as employees with the highest levels of responsibility in the Group, including the members of the Executive Committee.

Employee remuneration and benefits policy

Air Liquide strives to offer adequate and competitive remuneration and benefits, with a view to ensuring equity, particularly between women and men.

To meet the specific expectations of employees and candidates in terms of remuneration (greater transparency and fairness, and social protection schemes for themselves and their families), Air Liquide bases its remuneration structure on local market practices, internal equity and compliance with applicable regulations. Remuneration packages are typically composed of a base salary, together with social benefits, consisting in particular of the Group's common basis of care coverage [(1)].

In general, an employee's base salary is determined by comparing salaries for similar positions in the local market. This comparison is based on independent studies carried out on a regular basis.

Air Liquide's annual remuneration increases (base salary and variable portion where applicable) are based on the level of inflation observed in the region concerned, the individual performance of employees and their position in the market.

Every year, Human Resources conduct a wage increase operation. This process is transparent, thanks to a global information system, and involves line managers proposing increases for their direct teams, based on the rules communicated to all employees and discussed with labor representatives where applicable. In addition to this campaign, wage adjustments may be made, particularly when there is a job change in the event of a promotion.

Most of the Group's employees in management positions are also eligible for a variable portion, designed to reward the achievement of specific objectives set at individual, team and Group levels. This remuneration for collective and individual performance aims to promote cooperation, a sense of belonging to the Air Liquide Group and collective responsibility for results.

In addition, profit-sharing and participation apply to all employees in France and are an element of the remuneration and of sharing the value of the Air Liquide Group with its employees.

It is also important to highlight that the Group offers its employees pension savings schemes, in accordance with local regulations and practices. These schemes are managed by the entities and may benefit from a financial contribution from Air Liquide.

Most executives, as well as employees recognized for their long-term performance in key functions, are also eligible for long-term incentives such as performance shares, whose allocation is managed at Group level.

Lastly, in countries where regulations allow it, employees are regularly able to subscribe to Air Liquide shares at a preferential price as part of employee stock purchase plans (ESPP).

The Vice President, Group Total Rewards and International Mobility, is responsible for Air Liquide's remuneration policy, overseen by the Group Human Resources Vice President.

Actions related to employee remuneration and benefits

As part of the ADVANCE plan and with the aim of being recognized as an employer of choice, Air Liquide strives to offer its employees fair, equitable and competitive total remuneration in a transparent manner, by placing performance recognition at the heart of its processes.

In particular, Air Liquide monitors the pay gap between women and men, in order to be able to remedy it. Thus, the following took place in 2024:

- annual salary reviews taking into account pay gaps;
- awareness-raising sessions for HR teams.

Fair remuneration ensures that employees are remunerated appropriately for their skills, experience and involvement, in order to promote their motivation and loyalty. In implementing such a remuneration, Air Liquide adheres to best practices on the market in terms of ethics, recognizes the intrinsic value of employees' contributions and acts as a socially responsible organization.

With this in mind, pay for performance at Air Liquide is based on a balanced global approach spread across three pillars:

- reconciling attractiveness and competitiveness through annual assessments of the market positioning of all salaries;
- implementing mechanisms that promote procedural equality;
- promoting transparency and equality with the rollout of common guidelines and policies.

In addition to the actions carried out on remuneration, the implementation for all its employees (excluding apprentices) of a common basis of care coverage, has tangible impacts on their quality of life and that of their families. It provides compensation of at least one year's salary in the event of death, access to inpatient and outpatient medical care, as well as maternity leave of at least 14 weeks paid at 100% of the base salary, and goes beyond certain local regulations.

Objectives related to employee remuneration and benefits

As part of its sustainability objectives announced in 2021 and its ADVANCE strategic plan, Air Liquide has committed to offering common basis of care coverage to all its employees by 2025.

2025 Objectives		2024 Results	
100%	of employees with common basis of care coverage including compensation in case of death, inpatient and outpatient medical care and a minimum of 14 weeks of paid maternity leave.	100%	of employees with common basis of care coverage including compensation in case of death, inpatient and outpatient medical care and a minimum of 14 weeks of paid maternity leave.

(1) *This care coverage guarantees:*
- *a life insurance policy with compensation equivalent to one year's salary;*
- *health coverage that includes inpatient and outpatient care;*
- *a minimum of 14 weeks' paid maternity leave.*

A special team was set up within the Human Resources Department to oversee the plan's rollout and measure progress. In 2022, the reference year, 34% of the Group's employees (excluding apprentices) were covered (78% at the end of 2023).

Throughout 2024, the teams worked so that 100% of the Group's entities could offer their employees these three common basis of care guarantees by the end of 2024.

Indicators related to employee remuneration and benefits

Adequate wages

Air Liquide strives to ensure that all of its employees receive a remuneration at least equal to the legal minimum wages in countries where they apply.

For all its employees (excluding apprentices) in the countries of the European Economic Area (EEA), Air Liquide compared their base salaries [(1)] with the following references:

- local legal minimum wages in the countries where they exist;
- 50% of the average gross salary in the country, in countries where there is no legal minimum wage.

It showed that 100% of the employees concerned received a remuneration at least equal to these reference thresholds.

In a continuous improvement process, the Group has consolidated the remuneration data available in its HR Information System, which entered its first year of operation in 2024.

In addition, the adequate wage does not benefit from an established benchmark. Air Liquide wishes to define a calculation methodology that is consistent and homogeneous with that of its peers in order to ensure the comparability of this indicator and to take into account the diversity of situations of all its employees spread across 60 countries [(2)].

Also, in order to constantly improve its knowledge of the markets and be able to compare the remuneration of its employees with benchmarks relating to local minimum and adequate wages, at the end of 2024 Air Liquide established a partnership with Fair Wage Network (FWN), a recognized non-governmental organization. This partnership will also enable the Group to refine its analysis from 2025.

Gender pay gap

In 2024, the gender pay gap was 6.7%.

This indicator is based on data not adjusted for any specific characteristics such as seniority, experience, performance or the market.

It is calculated [(3)] for the Group, by country and by entity (for entities deployed under the Workday HR information system) and for four job categories according to the following formula, as defined by European sustainability reporting standards:

$$\frac{\text{(Average level of gross hourly remuneration of male employees - average level of gross hourly remuneration of female employees)}}{\text{Average level of gross hourly remuneration of male employees}} \times 100$$

The Human Resources Department regularly conducts in-depth analyses of pay equity across all Group entities in order to identify gaps that require adjustments. Actions are then taken to reduce these gaps.

This global indicator is calculated differently from the one that Air Liquide has been publishing since 2019.

3.1.6. Well-being at work

Topics related to well-being at work: impacts, risks and opportunities

Working time and work-life balance are material issues that may temporarily or permanently **affect negatively** the Group's employees in the following ways: **excessive working hours, intense workload**, **insufficient rest** on one hand, **psychosocial risks or work-related ill health** on the other hand.

In addition, the **digitalization of the work environment** has transformed operating methods. The Group offers its employees new ways of working which can change their work-life balance. The integration of new digital resources into working practices can lead, on the one hand, to difficulties of adaptation, and, on the other, to greater flexibility. Remote working, offered for positions that allow it, facilitates the reconciliation of professional and private life. These new technologies are used carefully in order to **minimize their negative effects and maximize their positive effects**.

Well-being at work policy

In 2020, Air Liquide rolled out its BeActEngage procedure, which describes the way of working at Air Liquide and specifies what is expected of employees, in order to enable them to develop in an engaging, diverse and inclusive environment:

- Be: live our fundamental principles, namely safety, ethics and long-term performance;
- Act: act for our success by keeping our promises with discipline and making effective decisions;
- Engage: be a single team and perform in the common interest, by empowering and delegating at the right level.

In 2024, a study of the BeActEngage framework was carried out to determine the ways of working to be strengthened and the new ones to be implemented in order to:

- enable all employees to flourish and give the best of themselves;
- reward performance based on results and behaviors.

The evolution of this reference framework has been published and made available to all Group employees. Its deployment is underway in two stages:

- conducting workshops in December 2024 for the 400 key leaders to present changes and prepare them to lead similar workshops;
- gradual rollout until June 2025, to encourage the adoption of new behaviors on a daily basis,

all illustrated in a BeActEngage Playbook, "The way we perform and care as one Air Liquide".

The responsibility and rollout of the BeActEngage procedure is the responsibility of the Group Human Resources Vice President, who is the guardian of the Group's culture.

(1) *Including fixed allowances where applicable.*
(2) *Excluding Russia, where the entities are no longer controlled nor consolidated since September 1, 2022.*
(3) *Apprentices, expatriates and employees who did not wish to declare their gender or non-binary employees are excluded from the calculation. Gross hourly remuneration comprises basic salary, mandatory indemnities and target variable remuneration. Differences by category are consolidated by entity and then by country and then globally, proportionally to the number of employees.*

Actions related to well-being at work

One of the pillars of Air Liquide's Human Resources strategy, applicable to the Group as a whole, is to create an engaging and inclusive employee experience.

This close attention paid to the experience and well-being is a key factor in attracting, retaining and developing employees.

With the My Voice program (see paragraph 3.1.2 above of this Sustainability Statement – page 329), Air Liquide strives to offer each employee a successful experience, by prioritizing listening and dialogue, at all stages of their career within the Group.

At the end of 2024, with the survey having taken place in October, the process of identifying and rolling out actions based on the results of the survey was still ongoing, both at the level of team managers and at higher levels within the Group.

Analysis of the feedback shared by employees in 2023 made it possible, for example, to roll out the following actions in 2024:

- at Group level, the rollout of "Career Discussions" accelerated to formalize regular discussions on career paths and development opportunities and thus give employees better visibility on career opportunities;
- at entity level, many actions aimed at making everyday life easier for employees were carried out;
- and many action plans were also decided together at team level.

In addition, as part of BeActEngage, all employees are encouraged to give their feedback on a regular basis, whether to their line manager, their colleagues or their employees where applicable, in a constructive spirit of mutual assistance to enable everyone to thrive in an engaging environment.

To meet specific needs, regional initiatives were rolled out:

- in 2019, the Group partnered with the European Works Council to develop the "Care & Perform" initiative, whose purpose is to prevent psychosocial risks. This led to the creation of a charter based on principles of action related to improvements in work scheduling, workloads and work-life balance. In several European countries, agreements on the right to disconnect and work remotely have been concluded to support the transition toward new working conditions;
- in the United States, Canada, Germany and France, among others, and several countries in Asia Pacific (China, Australia, New Zealand and Singapore), employee assistance programs have been set up to provide employees with a confidential assistance service to help them manage a wide range of personal situations related to life's difficulties, stress or professional or financial issues, for example. Employees and their immediate family members can benefit from this;
- in October – World Mental Health Awareness Month – various events (such as webinars, safety moments or round-table discussions) were organized in North America to raise awareness among employees, fight stigma and promote mental well-being for all.

Moreover, in 2020, the Group launched the global "Next Normal" project to support new ways of working (a new working environment including team management; a supervised remote working policy; a reorganization of workspaces; a framework for rethinking interactions with customers and patients; a new framework for a responsible travel policy within Air Liquide).

Employee adjustment to remote working was facilitated by the existence of a digital and collaborative environment that had already been rolled out within the Group several years ago, as well as the development of virtual training courses covering remote working and managing teams remotely. As part of this project, in 2022, the European Works Council also prepared a reference guide sharing key points during the renovation of workspaces. Initially designed for team leaders, the guide helps entities set up new working methods based on the first global experiences.

Objectives related to well-being at work

Air Liquide has not set measurable objectives in terms of results for its actions carried out for the well-being at work of its employees, but nevertheless measures the effectiveness of its roadmap through its My Voice program (for more details, see paragraph 3.1.2 of this Sustainability Statement – page 329) and regular dialogue in place within the teams.

Indicators related to well-being at work

Being qualified as phased-in by the CSRD, indicators related to well-being at work are not published in 2024.

3.1.7. Employability, talent and skills management

Topics related to employability, talent and skills management: impacts, risks and opportunities

Air Liquide depends on its employees and their technical skills, necessary for its activities, for the performance of its operations. A **too high turnover rate** on the one hand or a **lack of employee qualifications** on the other hand can affect the availability of talent and **could thus disrupt operations**.

As part of its plan to transition to a carbon neutral economy (described in paragraph 2.2.1 of this Sustainability Statement – page 300), Air Liquide **encourages the development of** employee **skills towards more sustainable jobs**. The Group's employees most affected by this transition are those from the Engineering & Construction (E&C) and Large Industries business lines.

Employability, talent and skills management policy

The performance of the Air Liquide Group's operations is driven, in particular, by the quality of all its employees, their skills and their commitment, which also determine the Group's performance. Developing employees according to their aspirations and the needs of the organization is an integral part of Air Liquide's HR policy to preserve their employability and is based on two main principles:

- career reviews during which employees discuss their career plans with their line manager and/or HR;

- the 70-20-10 learning model, which is based on the assumption that 70% of what we learn is done by practicing a new activity, 20% is done by observation or interactions with others, and 10% is done through formal training. These development needs are discussed and recorded during annual performance reviews.

This policy is visible to all employees on the HR pages of the Group's Intranet and on the Air Liquide University Intranet, dedicated to training and skills development. The Vice President, Group Human Resources Deputy is responsible for the Group's HR policy in terms of employability, training and employee development, as well as its rollout.

Linked to its carbon neutrality by 2050 objectives, the Group has published a Just Transition Statement on its website: https://www.airliquide.com/sites/airliquide.com/files/2024-06/just-transition-en-06-2024.pdf. It describes the principles of change management and the development of skills towards more sustainable jobs, in particular in the Engineering & Construction (E&C) business line – where new technologies need to be mastered – and the Large Industries business line – where these technologies will be rolled out and operated. Part of Air Liquide's DNA, cross-functional mobility remains the preferred means of developing productive career paths and reinforcing the skills and employability of employees.

Actions related to employability, talent and skills management

One of the pillars of Air Liquide's Human Resources strategy is to promote career-long learning and accelerate the development of its employees in three areas:

- career path;
- enhancing employability, leveraging all learning methods;
- maintaining and developing technical expertise.

Career path

Career development reviews are conducted regularly by line managers and HR to support each employee in their career. This means having an open discussion about their current role, their professional interests and the actions to be undertaken to develop their careers, including skills enhancement, where necessary.

Career reviews are planned according to the key stages of the career path of an employee:

- during the 1st or 2nd year in the Group;
- after three to five years in the same position;
- on returning from a long period of leave;
- more generally, when the employee so requests.

Strengthen employability

Air Liquide's involvement in the energy transition and the digitalization of its activities is giving rise to needs in new disciplines (data science, artificial intelligence, etc.) and new business lines (hydrogen, decarbonization, etc.), opening up new employment prospects for its employees. Air Liquide supports its employees by enabling them to develop their professional skills and know-how throughout their career, so that they can maintain their employability.

Specific actions have been rolled out to meet the precise needs of the business units most exposed to the need to preserve their employability in the context of the energy transition, in particular Engineering & Construction (E&C) and Large Industries. After an assessment of the specific technical skills and expertise to be strengthened to meet the challenges of the energy transition, the operational and HR teams of these businesses developed action plans to respond to them (see Just Transition Statement: https://www.airliquide.com/sites/airliquide.com/files/2024-06/just-transition-en-06-2024.pdf).

The 70-20-10 learning model used by Air Liquide encourages employees to play an active role in their own development and offers a wide range of practices:

- trying out new activities through contributions to cross-functional projects or short-term assignments that may or may not involve geographical mobility;
- learning from others and sharing knowledge through activities such as mentoring, coaching, participation in communities of practice, networking;
- training:
  - implementing on-site training courses to support the digitalization of industrial processes,
  - availability of a wide range of training courses managed by Air Liquide University and being enriched year on year to cover many topics such as:
    - digital and artificial intelligence with the "AI readiness" program to raise awareness of issues (particularly ethics) and develop artificial intelligence skills within the Group,
    - climate change, the energy transition, the Group's sustainability objectives and decarbonization strategy and its operational rollout to support all its employees,
    - energy management to support the need to improve skills in six key areas.

    In 2024, the University once again launched two virtual events open to the entire Group, based on nine themes supporting the Group's strategic challenges,
  - Individual training needs are managed by the Learning and Development Centers of Expertise in collaboration with managers and local HR teams.

Maintaining and developing technical expertise

The Technical Community Leaders (TCL) program enables talents in technical domains to access career paths that offer them both recognition of their technical expertise and opportunities to develop and evolve in their field.

Today, Air Liquide has more than 5,200 technical experts, playing a driving role in sharing expertise and technical excellence, serving its customers and patients. This community of the Group's technology experts contributes to the transfer of the know-how that Air Liquide will need in the future.

As part of this TCL program to identify talent through annual appointment campaigns, 155 new international technical experts were appointed in 2024, in nine areas (Large Industries, Industrial Merchant, Healthcare, Electronics, Engineering & Construction, Innovation & Development Division, Industrial Operations & Security, Digital & IT, Hydrogen Mobility).

The TCL program is a key driver of innovation that contributes significantly to ensuring the long-term safety of its products and the performance of the Group's operations.

Objectives related to employability, talent and skills management

Air Liquide has not set measurable objectives in terms of results for the actions it takes for the employability, training and development of its employees, but nevertheless measures the effectiveness of its roadmap thanks to its My Voice program (for more details, see paragraph 3.1.2 of this Sustainability Statement – page 329) and the regular dialogue established between employees, their manager and their HR contact, including annual reviews, among others.

Indicators related to employability, talent and skills management

Percentage of employees who participated in an annual review, by gender

	% of employees participating in performance and career development reviews
Among all employees	**97.9%**
Among women	97.1%
Among men	98.3%
Gender not disclosed/other	96.9%

The percentage is calculated on the basis of the total number of employees eligible for these reviews, taking into account local legislation in force, i.e. 60,091 employees at the beginning of the campaign.

The objective of the performance and career development review is to: on the one hand, to assess the performance in terms of the employee's achievements and contributions, as well as their behavior, and on the other hand, to assess their strengths, areas of development and associated actions – to improve their performance, support their commitment and promote their career progression.

To encourage these reviews, the Group conducts an annual campaign from the beginning of December to the end of February. The figures reported here relate to the 2023 campaign (at the end of 2024, the campaign for the period was still ongoing).

3.1.8. Personal data protection

Topics related to personal data protection: impacts, risks and opportunities

The dishonest use of personal data can violate the privacy, rights and property of individuals, or serve for purposes of discrimination. The people most likely to be exposed to these risks in the context of Air Liquide's activities are the 66,657 Group employees and the 2.1 million home healthcare patients treated by Air Liquide. A breach of personal data security is characterized by the destruction, loss, alteration or unauthorized disclosure of personal data transmitted, stored or processed in another way, or unauthorized access to such data, whether accidental or unlawful. The **negative consequences of a breach** vary according to the nature, sensitivity and extent of the personal data entrusted to Air Liquide and necessary in the context of its activities and having been the subject of a breach.

Leaks of employee personal data, whether or not due to a cyberattack on the Group's IT systems, **may expose it to legal consequences** such as litigation, sanctions and penalties, as well as reputational consequences.

Personal data protection policy

In May 2018, Air Liquide adopted and had the European data protection authorities approve Binding Corporate Rules (BCR) which embody the Group's commitment to the protection of personal data. Considering European regulations to be among the most protective in the world, Air Liquide, through the BCRs, provides the same level of protection in all of its operating entities. These binding corporate rules provide in particular for the adoption of a personal data protection policy accessible to all on the Group's website (https://www.airliquide.com/sites/airliquide.com/files/2018/05/23/air_liquide_bcr_global_privacy_policy.pdf) and on the Group's Intranet site dedicated to Digital Security and data protection.

The Policy defines:

- global rules to be followed by the Air Liquide Group for the collection, use and disclosure of personal data:
  - Rule No. 1 – Personal data must be collected for specific, explicit and legitimate purposes;
  - Rule No. 2 – Ensure that there is a legal ground for the processing of personal data;
  - Rule No. 3 – Ensure that only adequate, relevant and limited personal data is collected and retained for a limited period of time;
  - Rule No. 4 – Be transparent to individuals whose personal data is collected and how their personal data will be used;
  - Rule No. 5 – Ensure that the processing of sensitive personal data is allowed;
  - Rule No. 6 – Uphold the rights of individuals;
  - Rule No. 7 – Ensure that individuals are able to object to direct marketing communications;
  - Rule No. 8 – Prevent solely automated individual decision-making, including profiling;
  - Rule No. 9 – Ensure security and confidentiality of personal data;
  - Rule No. 10 – Implement appropriate measures for transfers;

- complaints and requests in relation to the Policy;
- third-party beneficiaries rights;
- guarantees provided by the BCRs.

In its Code of Conduct, Air Liquide translates its commitments expressed in the Policy into rules of good conduct applicable to employees. Information relating to the Code of Conduct is provided in paragraph 4.2.1 of this Sustainability Statement – page 353.

Actions related to personal data protection

The actions resulting from the implementation of the BCRs are:

- the appointment of a Data Protection Officer (DPO) who relies on a network of more than 150 regional or local Information Protection Coordinators (IPC) spread throughout the Group (whether operations or functions) to steer and coordinate actions to protect personal data;
- the signing of contracts between L'Air Liquide S.A. and its subsidiaries which formalize the commitment of the subsidiaries to the BCRs;
- and the rollout of tools such as:
  - records of personal data processing activities,
  - initial employee training accompanied every two years by a reminder during training sessions on the Code of Conduct,
  - consideration of the protection of personal data by default and from the design stage of the processing,
  - risk analyses regarding the protection of personal data,
  - various means available to contact the DPO and IPC to allow internal or external natural persons to make a request to exercise their rights as specified in the Group's personal data protection policy (Rule No. 6) or to report any personal data protection breaches (paragraph 3.1.2 of this Sustainability Statement – page 331).

Operating entities describe the personal data they own or use and the appropriate protection measures. The assessment of this risk and the corresponding security measures are validated during the creation of or implementation of major changes to the processing of personal data (in particular when revising the operational processes or IT tools supporting them). The points assessed include in particular:

- the nature of the personal data (e.g. patient health data, asset and financial data of Shareholders, family or financial data of employees);
- the purposes of personal data processing activities;
- the functions that process personal data within Air Liquide;
- third parties to whom personal data may be entrusted or transferred outside the Group;
- the possible transfer of personal data outside the European Union.

This information as well as the protective measures are grouped together in the record of personal data processing activities.

Personal data processing identified as having the greatest impact on people (for example, processing of patients' personal data) are reviewed annually by internal experts. Regular processes measure the volume of requests to exercise rights and of possible personal data violations and the contractual adherence of Group entities to the Binding Corporate Rules (BCRs). In order to measure the level of maturity of the Group's entities with regard to the protection of personal data, a self-assessment questionnaire is completed by each Group entity employing more than four people. This questionnaire covers:

- the existence of a BCR adherence contract;
- the presence of a local representative of the Data Protection Officer – DPO (the local Information Protection Coordinator – IPC – or another person in case of a specific obligation deriving from a country's legislation);
- the existence of the records of personal data processing activities;
- employee training;
- analyses of protection by design and by default and risk analyses;
- the process for exercising rights and reporting possible data violations;
- contractual clauses with third parties (in particular with subcontractors to which Air Liquide entrusts the processing of personal data on its behalf);
- requests for access to personal data by State authorities or security services.

The questionnaires are reviewed and checked by the regional IPC and the DPO. The level of maturity of entities is assessed on a four-point scale and aggregated at Group level. Activities related to the protection of personal data as well as the results of these various measures are presented internally to the Digital Security Committee, and the Ethics and Compliance Committee, as well as to the Audit and Accounts Committee of the Board of Directors. Lastly, the Group's Internal Audit Department includes the protection of personal data in the planned audits of entities or conducts audits specific to the protection of personal data as part of the internal audit plan or at the request of the DPO.

Objectives related to personal data protection

Air Liquide measures the effectiveness of its actions relating to the protection of personal data through the assessment of the maturity of the entities described in the previous paragraph. In 2024, the maturity of entities for the protection of personal data was 3.48 out of 4.

3.2. WORKERS IN THE VALUE CHAIN

3.2.1. Introduction

Topics related to workers in the value chain: impacts, risks and opportunities

According to the definition of value chain in paragraph 1.4.3 of this Sustainability Statement – page 285, workers in the Group's value chain included in the scope of the double materiality assessment are as follows:

- upstream of its operations:
  - employees of its tier-one suppliers and subcontractors (direct suppliers),
  - employees of their own suppliers and subcontractors if an impact, risk or opportunity has been identified concerning them;
- in its operations, employees of its direct suppliers present on its sites and not covered by ESRS S1 – Own workforce;
- downstream of its operations:
  - employees of companies involved in the logistics, distribution and delivery of Air Liquide products to its customers and patients. These companies are considered and managed by Air Liquide as direct suppliers in the same way as those upstream of its operations,
  - its customers' employees.

According to the double materiality assessment described in paragraph 1.5 of this Sustainability Statement – page 287, the following issues relating to workers in the value chain are material:

- health and safety;
- working conditions; and
- child labor and forced labor.

Health and safety is a material issue for workers in the Group's value chain. Upstream, employees of the Group's industrial **suppliers** or those present on Air Liquide sites have been identified as being exposed to health risks, potential loss of income due to workplace accidents, occupational illness or, in the worst case, death. Downstream, **customer** employees could be affected by the delivery of defective products or equipment.

Issues relating to the working conditions of employees of Air Liquide's suppliers are also material. **Job insecurity** can be accentuated by certain purchasing practices, such as seasonal demand, or temporary peaks, as well as by restructuring plans organized by suppliers. The absence of working time regulations in the Group's sourcing countries may lead to cases of **abuse of overtime** without appropriate remuneration for workers in the supply chain. Furthermore, the payment of **inadequate remuneration** to suppliers' workers should also be taken into account. Lastly, **psychosocial risks**, **as well as occupational disease** related to the work-life balance, may affect employees of the Group's suppliers.

Child labor and forced labor could occur in Air Liquide's upstream value chain. **Forced labor** consists of any work done against a person's will and under the threat of any penalty, including restrictions on movement, withholding of identity documents or wages, and debt bondage. **Child labor** is similar to forced labor that endangers the health, moral or intellectual development of children who are victims of this impact. Migrant workers and children are particularly vulnerable to these impacts due to the lack of protection resulting from their illegal status.

The Group identifies the geographies as well as the nature of the activities of Sustainability-Critical Suppliers that represent a higher probability of forced labor or child labor. Each country in which the Group's suppliers are located is assessed on the basis of a weighting of public indicators using a three-level scale (severe, high, low). This assessment, produced by the Group's Sustainable Procurement Department, identified the four highest-risk countries where Sustainability-Critical Suppliers are located for forced labor or child labor: China, India, Egypt and Türkiye. With regard to the nature of the activities of the suppliers, each supplier is linked to a procurement category to which a level of sustainability criticality is assigned based on the international standard industrial classification using a three-level scale (severe, high, low). Procurement categories classified as "severe criticality" for forced labor and child labor are combustible gases, fuels and lubricants, waste treatment and disposal, and Digital & IT.

In addition, the **partial or complete inaccessibility of whistleblowing channels** can exacerbate these negative impacts and prevent the remedy and implementation of preventive measures.

The double materiality assessment concerning workers in the value chain was based on the annual campaign to assess Sustainability-Critical Suppliers in line with the Sustainable Procurement procedure. It makes it possible to identify and assess the impacts related to sustainability among the Group's direct suppliers. The assessment campaign is rolled out annually by local procurement teams. It is coordinated at Group level by the Sustainable Procurement Department. This assessment campaign has a broader scope than the social issues covered by the standard for workers in the value chain and also covers other human rights issues, as well as environmental and ethics issues. More information on the Sustainable Procurement procedure as a whole is available in paragraph 4.4.1 of this Sustainability Statement – page 355.

A Sustainability-Critical Supplier is identified using three criteria:

- annual spend, which is used to prioritize suppliers and systematically include in the identification of Sustainability-Critical Suppliers those with whom the Group spends more than 200,000 euros per year;
- risk related to the nature of a supplier's activity, which depends on its allocation to one of 17 procurement categories, which are subdivided into more than 600 procurement sub-categories. Each procurement sub-category is allocated a global sustainability risk level, which includes in particular human rights and working conditions, using a three-level scale (severe, high, low);
- risk relating to the supplier's country of operation, which is assessed based on a weighting of recognized public indicators in particular in terms of the health and social situation (e.g. Human Development Index, HDI) and human rights (e.g. Global Slavery Index, ITUC Global Rights Index), using a three-level scale (severe, high, low).

Human rights commitment for workers in the value chain

Air Liquide respects and promotes human rights in its operations around the world. Air Liquide shares the principles laid down in the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations (UN) Guiding Principles on Business and Human Rights.

The Air Liquide Supplier's Code of Conduct, available on its website (https://www.airliquide.com/sustainable-development/sustainable-procurement) aims to promote and ensure that all its suppliers respect, among other things, human rights, health, safety and security. It is based on the Group's Code of Conduct. The adherence of suppliers to the principles inscribed in the Supplier's Code of Conduct is a prerequisite for any commercial relationship relating to the supply of goods and/or services to Air Liquide. Suppliers commit, in particular, to support and respect human rights and not to be complicit in abuses of these rights. The Code then describes, in more detail, the obligations incumbent on suppliers in terms of human rights.

Under the responsibility of the Vice President, Duty of Vigilance and Societal Responsibility, the Group implements a human rights due diligence process for its supply chain based on the approach recommended by the international standards mentioned above. Air Liquide's approach for dialogue with workers on the value chain and to remedy impacts on human rights is described below.

The Group's policy in respect of child labor and forced labor is described in paragraph 3.2.4 of this Sustainability Statement – page 348.

Consultations with workers in the value chain and processes to remediate negative impacts

The Group Procurement Department engages with its suppliers about their potential impacts on their own workers through various channels:

- when qualifying suppliers, Air Liquide communicates its requirements and requires them to adhere to its Supplier's Code of Conduct and its Code of Conduct in the contractualization of its business relationships;
- during the annual assessment campaign for its Sustainability-Critical Suppliers, as explained in paragraph 3.2.3 of this Sustainability Statement – page 347, the Group engages with them to assess their performance and, where necessary, establish and implement corrective action plans.

The Group also uses monitoring mechanisms to collect the interests and views of workers in the value chain through their legitimate representatives, such as international trade unions, or credible proxies such as civil society organizations or third-party assessment companies:

- the supplier relationship and risk management procedure requires that a new supplier is subject to preliminary checks before its qualification, particularly in terms of respect for human rights. These checks are based on the use of Dow Jones databases including in particular international sanction lists and any existing adverse media articles on a supplier. This media watch makes it possible to report the claims and grievances of workers in the value chain. Moreover, the assessment of Sustainability-Critical Suppliers also includes a controversy component;
- the perspectives of the legitimate representatives of workers in the value chain are also taken into account when identifying Sustainability-Critical Suppliers and more specifically for the assessment of country risk, particularly through the International Trade Union Confederation's Global Rights Index;
- the Procurement Department and the Duty of Vigilance and Societal Responsibility Department continuously monitor countries and subjects of interest to civil society concerning the value chain as part of their responsibilities.

With regard to the Group's customers, paragraph 3.3.1 of this Sustainability Statement – page 349, explains the measures by which the Group engages with its customers.

Finally, the Group whistleblowing system is accessible to all workers in the value chain in order to prevent the occurrence of negative impacts and implement the necessary remedies. Suppliers are informed of this possibility through the Supplier's Code of Conduct, which includes a section on the ethics whistleblowing system. Air Liquide's Whistleblowing Policy and system, to which workers in the value chain have access, are described in paragraph 4.2.1 of this Sustainability Statement – page 353.

3.2.2. Health and safety of workers in the value chain

Health and safety policy for workers in the value chain

In accordance with Air Liquide's safety rules, the Group requires its suppliers to implement and maintain robust health and safety management systems. Its Sustainable Procurement procedure and Supplier's Code of Conduct (described in paragraph 4.4.1 of this Sustainability Statement – page 355) require suppliers to comply with international health and safety standards. The latter states that suppliers shall:

- enforce laws and regulations aimed at protecting the health, safety and security of their employees and contractors;
- ensure the health, safety and security of Air Liquide employees at their facilities;
- comply with Air Liquide's Life-Saving Rules.

The Group thus ensures that the level of safety and rigor as regards suppliers is equivalent to that expected for the Group's employees. This includes ensuring that work is not carried out if it cannot be performed in complete safety, monitoring accidents and complying with regulations aimed at protecting the physical integrity of workers. A safe work environment ensures that personal well-being is a priority, minimizes production interruptions and is aligned with Air Liquide's values of efficient and sustainable operation. Air Liquide manages the impacts on the health and safety of workers in the value chain through its framework for safe and reliable operations (described in paragraph 3.1.3 of this Sustainability Statement – page 331).

Actions related to the health and safety of workers in the value chain

In order to improve the safety performance of suppliers and its subcontractors, the Group has identified various levers according to the types of subcontractors (types of contracts, business lines, geographies, etc.), and improvement actions are gradually implemented.

First, the contracts signed with suppliers and subcontractors include clauses relating to safety. This has the effect of anchoring the obligation of suppliers and subcontractors to respect a certain level of safety in their operations. Moreover, new suppliers are subject to a technical assessment covering, in particular, safety and reliability issues.

In addition, the Group communicates to its suppliers and subcontractors on its sites the values, standards and safety standards in force that they must comply with. Safety instructions are widely shared, understandable and detailed in the organization of work with subcontractors, who are supervised during the execution of services. Finally, Air Liquide assesses the safety performance of subcontractors once the task has been completed and encourages sharing in the form of feedback. This practice makes it possible to improve processes for managing safety impacts.

The Safety and Industrial System Department has an internal process for reporting safety or security incidents, open to workers of the Group's suppliers and subcontractors present on its sites. It makes it possible to inform the management line and the relevant security or safety managers of the subsidiary, the group of countries (Cluster) and the Global Business Units (GBUs) very quickly, depending on the severity. A crisis management and incident monitoring process is implemented, when necessary, to ensure the best care for any victims, secure the situation and establish an investigation team which is both qualified and appropriate to the incident. This Group's reporting tool is described in more detail in paragraph 3.1.3 of this Sustainability Statement – page 332.

Objectives related to the health and safety of workers in the value chain

The Group has not formalized quantitative targets for health and safety indicators. However, Air Liquide assesses the effectiveness of the actions implemented for the health and safety of the workers of its suppliers through the assessment of Sustainability-Critical Suppliers provided for in the Sustainable Procurement procedure (paragraph 3.2.3 of this Sustainability Statement – page 347) and some indicators related to the health and safety of workers of its value chain on its sites (paragraph 3.1.3 of this Sustainability Statement – page 335).

3.2.3. Working conditions

Working conditions policy for workers in the value chain

Air Liquide uses a Sustainable Procurement procedure to promote and ensure that suppliers comply with the sustainable development standards to which Air Liquide adheres in its activities and operations. Covering broader areas than social matters relating to workers in the value chain, this procedure and its main components are described in paragraph 4.4.1 of this Sustainability Statement – page 355.

With regard to issues relating to working conditions, the Supplier's Code of Conduct explicitly states that suppliers shall in particular:

- comply with applicable laws and sector-specific labor regulations concerning working time, including overtime laws;
- provide wages and benefits at least as prescribed by the respective national laws, including minimum wage legislation, in line with existing practices in the industry and local labor markets and ensure fair compensation according to local living conditions;
- work with certified recruitment agencies with fair and ethical recruitment methods.

Adherence to the Supplier's Code of Conduct is a prerequisite to any business relationship with Air Liquide.

Actions related to the working conditions of workers in the value chain

Two levels of the organization are involved in Air Liquide's procurement activities. The Procurement Department and the corresponding functions in the Clusters (groups of countries) and Global Business Units (GBUs) are responsible for the procurement categories, with the exception of energy purchasing. The latter is managed by departments specialized in energy management. The Procurement Department defines the Sustainable Procurement strategy and procedure. The Sustainable Procurement Department coordinates its rollout through the network of Sustainable Procurement correspondents in each Cluster (group of countries) and GBU.

The annual assessment campaign for Sustainability-Critical Suppliers provides for support to these suppliers in the implementation of sustainability risk management systems within their operations.

A supplier identified as being Sustainability-Critical undertakes to be assessed on its sustainability performance. The assessment takes the form of two types of questionnaire:

- from a mandated third party, EcoVadis in 2024, specializing in the assessment of CSR (Corporate Social Responsibility) performance, which uses an online questionnaire based on international standards (e.g. ISO 26000, Global Compact, ISO 20400, ISO 31000). The questionnaire assesses suppliers on four main themes: the environment, human rights and working conditions, ethics and the sustainable procurement procedures implemented by suppliers;
- from Air Liquide, which has created an internal questionnaire, as an alternative to the solution offered by the mandated third party. This questionnaire is sent to Sustainability-Critical Suppliers selected for the assessment campaign who refused to reply to the questionnaire sent by the mandated third party. It includes 10 questions on the four themes used by the EcoVadis platform.

According to the assessment's results, suppliers can be considered as a:

- responsible supplier: if the global score is equal to or greater than 45/100 and no theme is rated less than or equal to 20/100, the supplier meets the Air Liquide Sustainable Procurement procedure requirements. Validity of the score: five years or upon renewal of the contract (whichever comes first);
- supplier needing improvement: global score between 25/100 and 44/100 or when the global score is equal to or greater than 45/100 but one theme is rated less than or equal to 20/100. Validity of the score: three years, during which the supplier will implement a corrective action plan;
- non-compliant supplier: overall score less than or equal to 24/100 or refusal by the supplier to complete the assessment. Validity of the score: one year. A corrective action plan is required in the month following its rating and must be implemented before the supplier's reassessment 12 months after its rating.

For non-compliant suppliers and those needing improvement, an on-site environmental/social audit may be decided on to help define the action plan.

The Group's Sustainable Procurement manager and the network of Sustainable Procurement correspondents coordinate the implementation of the corrective action plans related to the assessment campaign. In accordance with the assessment procedure for Sustainability-Critical Suppliers, suppliers needing improvement and non-compliant suppliers must establish a corrective action plan. Air Liquide asks these suppliers to complete and upload proof of their corrective action plan via the third-party platform.

Depending on the size of the company or the type of actions to be rolled out, these plans can be established in different ways, for example:

- on the basis of the improvement areas identified during the assessment on the third-party platform or in the internal questionnaire;
- by the participation of suppliers in training sessions organized by the Sustainable Procurement correspondents on topics related to sustainable development.

In some cases, despite all the efforts made by the Procurement teams with the suppliers concerned, the corrective action plans requested are not carried out. When constraints specific to the Group's business so require (e.g. public energy suppliers), the Procurement teams draw up ad hoc due diligence measures. Subsequently, the decision to continue with the suppliers concerned is made by local management. These decisions are formalized and monitored.

Following the results of the assessment and the review of the corrective action plans, Air Liquide may decide to suspend its commercial relationships with non-compliant suppliers.

In addition, the Group may verify compliance with the rules set out in the Code of Conduct through a questionnaire or an audit carried out by itself or by a third party. In the event of non-compliance by a supplier with the terms of the Supplier's Code of Conduct, Air Liquide reserves the right, at its sole discretion, to terminate any commercial relationship with the supplier.

Finally, the Group whistleblowing system is available to all Group stakeholders, including workers in the value chain, and provides a means to remedy a situation. The Group whistleblowing system is described in paragraph 4.2.1 of this Sustainability Statement – page 353.

Objectives related to the working conditions of workers in the value chain

The implementation of the Sustainable Procurement procedure is monitored by the Procurement Department.

In 2024, among the 804 Sustainability-Critical Suppliers, the assessment campaign and action plans addressed 626 of them:

- 516 suppliers were invited to complete a questionnaire; 426 of them (83%) were assessed (37% using the third-party platform and 63% by Air Liquide using the internal questionnaire);
- 102 suppliers needing improvement were invited to set up corrective action plans. 101 of them have prepared action plans;
- 8 non-compliant suppliers were invited to set up corrective action plans. All of them prepared and completed action plans.

At the end of the 2024 campaign, 674 of the Sustainability-Critical Suppliers have a valid assessment (see paragraph 3.2.3 of this Sustainability Statement – page 347). Other suppliers are being monitored.

The results of the assessment using the external platform show that the average current score is 56/100 for Sustainability-Critical Suppliers. The two themes with the highest scores are human rights and working conditions and the environment, with an average of 57/100. The lowest score concerns the sustainable procurement procedures implemented by suppliers with an average of 49/100.

The annual assessment campaign of Sustainability-Critical Suppliers is monitored using three key performance indicators to ensure its effective rollout, promote continuous improvement in sustainable practices among Air Liquide supplier panel and enhance supplier compliance. Specifically, these indicators help the Group track participation in the campaign, progress on supplier action plans and ensure that non-compliant suppliers address critical issues, with a target of 100% for the third indicator reflecting the Group's commitment to zero tolerance towards these suppliers. For the first two indicators, targets are set equal to or higher than the previous year's level to drive year-on-year improvements.

Key indicators	2024 objectives	2024 results
Share of Sustainability-Critical Suppliers addressed by the annual assessment campaign that responded	80%	83%
Share of suppliers needing improvement that prepared a corrective action plan (annual assessment campaign)	96%	99%
Share of non-compliant suppliers that prepared and implemented a corrective action plan	100%	100%

These key performance indicators and their progress are regularly presented to the Global Procurement Management Committee, which brings together the Procurement Directors of Clusters (groups of countries) of the Global Business Units (GBUs). They are also sent to the Duty of Vigilance and Ethics supervisory bodies.

3.2.4. Prevention of forced labor and child labor

Forced labor and child labor prevention policy

Air Liquide expects its business partners to respect these fundamental human rights by requiring suppliers to comply with the CSR clause, the Supplier's Code of Conduct and the Sustainable Procurement procedure, described in paragraph 4.4.1 of this Sustainability Statement – page 355. The Supplier's Code of Conduct explicitly states that suppliers shall:

- prohibit all forms of forced and compulsory labor, including involuntary prison labor and any form of modern slavery;
- prohibit child labor:
  - the minimum working age shall not be lower than the legal minimum age, under applicable laws, or the age of 15 years, whichever is higher,
  - workers engaging in hazardous work, i.e. any work that is likely to jeopardize a worker's health, safety or morals, shall not be less than 18 years of age.

Actions related to the prevention of forced labor and child labor

The Sustainability-Critical Supplier assessment campaign notably includes the respect for human rights and for international standards applicable to forced labor and child labor.

At the same time, Air Liquide carries out a preliminary check of new suppliers by monitoring negative press articles on human rights and labor rights issues. If a new supplier is exposed to risks related to these categories, the relationship cannot be initiated or continued without an in-depth verification of the controversies and the agreement of the Group's Vice President, Duty of Vigilance and Societal Responsibility.

Finally, the Group whistleblowing system is available to all Group stakeholders, including workers in the value chain, and provides a means to remedy the situation. The Group whistleblowing system is described in paragraph 4.2.1 of this Sustainability Statement – page 353.

Objectives related to the prevention of forced labor and child labor

With the exception of the objectives related to working conditions described above, Air Liquide does not have additional human rights due diligence objectives for workers in the value chain.

3.3. PATIENTS AND CUSTOMERS

3.3.1. Introduction

Topics related to patients and customers: impacts, risks and opportunities

In an increasingly dynamic and competitive environment, the satisfaction of its customers and patients is an essential driver of the Air Liquide Group's long-term performance. To affirm this priority, the Group's Customer Department is overseen by the Group's Chief Executive Officer. Air Liquide's "Customer Experience" program is based on three pillars: knowledge of its customers, empowerment of teams and continuous improvement.

Since 2017, the Group has been directed toward a customer-centric transformation, boosted by a customer experience management tool called "Voice of Customer" (VoC). This solution allows all entities to regularly poll an unlimited number of customers and patients, analyze their comments in real time, identify people who are dissatisfied, contact them and take the necessary steps to address the reasons for their dissatisfaction. Thanks to the broad sharing of feedback at every level of the Group, appropriate action plans have been identified and implemented to improve their experience. To date, VoC has already been rolled out on a large scope covering 88% of the Group's sales worldwide.

The VoC survey is now available in two formats: an annual survey that covers all stages of the customer experience and a more frequent transactional survey that measures satisfaction at a particular stage: offer, order, delivery, invoicing, technical service, etc. Their feedback indicates that the Group's customers particularly appreciate the quality of its products and services, its safety and the professionalism and efficiency of the teams they are in contact with.

The annual survey also enables the Group to monitor a common KPI at Group level, the NPS (Net Promoter Score®). The NPS measures customers' intention to recommend using a simple question: "On a scale of 0 to 10, how likely are you to recommend Air Liquide as a supplier?". Since the launch of the VoC surveys, a steady improvement in this score has been observed across all business lines. In 2024, 90% of Air Liquide's customers and patients were satisfied.

As the ESRS-S4 focuses on individuals, its application to the Group's activities means that it is mainly aimed at patients who benefit from the services provided by Air Liquide as part of its Home Healthcare activity.

In its Home Healthcare activity, Air Liquide covers 2.1 million patients suffering from chronic diseases. Among the main chronic diseases covered by Air Liquide's Home Healthcare services are chronic obstructive pulmonary disease, obstructive sleep apnea, chronic respiratory failure, type 1 diabetes, pulmonary arterial hypertension and Parkinson's disease.

Once the diagnosis and treatment have been established by the prescriber, the service provided to patients by Air Liquide consists of distributing the medical devices essential for the treatment of their pathology, as well as providing them with associated services for long-term monitoring (awareness-raising of patients, assistance in the implementation of therapy and ongoing support through the involvement of nurses or qualified technicians, either in person or remotely, and in particular through the increased use of digital solutions).

According to the double materiality assessment, the following matters relating to the Group's Home Healthcare business are material for patients: protection of privacy, health and safety and access to quality information.

The **impacts related to privacy relate to personal and health data** from patients to which the Group's subsidiaries have access (data considered sensitive) and their possible leakage (due to internal misuse of this data or an attack perpetrated by an external entity). The risk related to this data and its leakage is significant and systemic, and concerns all end-users referred to in this section, without distinction. The dishonest use of personal data can violate the privacy, rights and property of individuals, or for purposes of discrimination. In addition, this impact has a strong irremediable character because once the data has been leaked, there is no going back. This type of incident can have **legal consequences for the Group** such as sanctions, litigation or penalties.

Access to (quality) information on products and services in the field of healthcare is necessary to ensure the proper use of these products and services by end-users. In the field of chronic diseases, quality information can also help improve patient adherence to treatment over the long term. The **impacts related to access to quality information** are therefore **positive** for the end-user and Air Liquide is working on this in two main ways in its strategy:

- by providing precise information on the use of its products, through various media (brochures, web pages, educational sessions). The purpose of this type of information is to optimize the effectiveness of the treatment over the long term as well as to avoid any harmful effects. In particular, this concerns patients on long-term oxygen therapy treated with liquid oxygen, a treatment that presents the risks inherent to the intrinsic properties of flammable gases;
- by providing information on lifestyle habits and behaviors to be adopted in order to cope better with their pathology.

The actions implemented to ensure access to quality information are described in more detail in paragraph 3.3.4 of this Sustainability Statement – page 351.

Air Liquide supplies medical devices and medical gases to the patient's home (in particular for the treatment of chronic respiratory diseases). Their use is safe, subject to compliance with best practices and recommendations for use, explained through quality information provided to the patient. However, it remains necessary to ensure the monitoring, assessment and management of the risk of adverse effects in order to limit **any negative impacts** resulting from the use of these drugs and medical devices. Even if incidents are rare, Air Liquide has implemented specific procedures described in paragraph 3.3.3 of this Sustainability Statement – page 350.

Human rights commitment for patients

Air Liquide respects and promotes human rights in its operations. The Group shares the principles enshrined in the International Bill of Human Rights, the Guiding Principles for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD) and the United Nations (UN) Guiding Principles on Business and Human Rights.

Air Liquide adheres to the highest standards in conducting its business. The Group's Principles of Action set out Air Liquide's commitments to its patients. The Group aims to protect vulnerable lives by offering effective healthcare products and services and by providing careful support to its patients. Information on the Principles of Action is provided in paragraph 4.2.1 of this Sustainability Statement – page 353.

Under the responsibility of the Vice President, Duty of Vigilance and Societal Responsibility, the Group implements a human rights due diligence process for its stakeholders based on the approach recommended by the international standards mentioned above. Air Liquide's approach for dialogue with its patients and to remedy impacts on human rights is described respectively in the following paragraphs.

Consultations with patients and processes to remediate negative impacts

The interests, views and rights of patients are taken into account in the Group's strategy in two different ways:

- some Home Healthcare subsidiaries (e.g. in France) intervene directly in patients' homes (several times a year during the first year of treatment, then as needed in subsequent years). This proximity to patients makes it possible to regularly collect patient opinions on their treatment. These opinions inform the way in which the subsidiaries adapt their care to the needs of patients. In addition, when necessary, home care providers report the needs expressed by patients to prescribers in order to adapt treatment and enable better patient adherence to the treatment;
- if the data protection regulations put in place by the country's healthcare system allow it, Air Liquide's Home Healthcare subsidiaries send patients regular satisfaction surveys (at least once a year) to gather patient feedback on the service provided by Air Liquide. Following these surveys, each subsidiary sets up an action plan to address the factors leading to the dissatisfaction reported by patients.

In addition to these methods for collecting opinions, the Whistleblowing Policy is one of the main processes by which Air Liquide collects complaints. The Policy, the ethics whistleblowing system and the subsequent approach to finding a remedy are described in paragraph 4.2.1. of this Sustainability Statement – page 353. This whistleblowing system is open to everyone, including patients. For patients, there is no specific communication to inform them of the existence of this Whistleblowing Policy. This is an area of reflection to be considered for the coming years.

With regard to two material topics, personal data protection and patient health and safety, Air Liquide has specific alert mechanisms to identify and report incidents and patient concerns as effectively as possible:

- the tools for collecting requests to exercise rights and alerts regarding any personal data breaches described in paragraph 3.1.2 of this Sustainability Statement – page 329;
- the pharmacovigilance and medical device vigilance processes described in paragraph 3.3.3 below.

3.3.2. Protection of patients' personal data

Protection of patients' personal data policy

As described in paragraph 3.1.8 of this Sustainability Statement – page 343, Air Liquide has put in place robust governance and policies to ensure data protection that applies to its employees as well as to its patients.

Actions related to the protection of patients' personal data

Actions to protect the data of Air Liquide employees and patients are described in paragraph 3.1.8 of this Sustainability Statement – page 343.

Objectives related to the protection of patients' personal data

The objectives relating to the data protection of Air Liquide employees and patients are described in paragraph 3.1.8 of this Sustainability Statement – page 343.

3.3.3. Patient health and safety

Patient health and safety policy

The Group strives to reduce the exposure of its customers and patients to occupational and industrial risks under all circumstances. To manage these risks, the Group has an Industrial Management System (IMS) that covers all Air Liquide's businesses. The IMS is based on:

- the accountability of the departments of the various Group entities for the implementation of this system;
- issuance of key organizational and management procedures to ensure, among other things, occupational health, safety and environmental management, change management, maintenance management, control of products and services from providers, product development management, incident and accident analysis and processing. The IMS document base is continuously updated and enriched.

The elements relating to the IMS are described in detail in paragraph 3.1.3 of this Sustainability Statement – page 331.

In the context of Healthcare activities, specific processes such as pharmacovigilance (for products with drug status) and medical device vigilance (for products with Medical Device status) are defined to ensure the reporting of incidents concerning these products from healthcare professionals or patients:

- the purpose of pharmacovigilance is to monitor, assess, prevent and manage the risk of adverse effects resulting from the use of drugs. The system implemented at Air Liquide Santé International is managed by the Vigilance Director, within the Pharmaceutical Affairs Department. It has global coverage and thus makes it possible to monitor and assess the benefit/risk ratio for medical gases, with the aim of ensuring that the benefits for the patient outweigh the risks throughout the health product life cycle. Pharmacovigilance is a science that is heavily regulated by health authorities. Thus, Air Liquide Santé International has a quality system that enables the implementation of various processes such as regulatory monitoring, case management and reporting to the authorities. This ensures that operations are carried out in accordance with defined standards. In order to ensure compliance with the operations mentioned above, the pharmacovigilance system is audited at least every three years and quality control actions are carried out;
- the purpose of medical device vigilance is to avoid the (re)occurrence of incidents and risks of serious incidents involving medical devices, by taking appropriate preventive and/or corrective measures. Air Liquide has specialized teams in its subsidiaries to analyze and deal with any event or risk of incident occurring during the use of medical devices or reported by manufacturers or health authorities. These specialists assess the risk and systematically inform the supplier and health authorities when necessary, while remaining in contact with the various stakeholders until the closure of the alert.

A system for reporting the adverse effects of medical gases supplied and medical equipment distributed by Air Liquide has been set up in accordance with European and local regulations, in order to take into account patient feedback and implement the necessary corrective actions.

Actions related to patient health and safety

Pharmacovigilance is the subject of an online training module that all exposed employees of the health activities are required to follow annually. This training module is mandatory and its completion by all employees was added as a profit-sharing criterion in 2024. Taking this module enables these employees to learn about the main principles of pharmacovigilance, and to test their understanding using a quiz. If a score of at least 80% is obtained, an individual certificate of completion of the module is issued.

Objectives related to patient health and safety

Air Liquide's objective is to train 100% of eligible employees in the main principles of pharmacovigilance each year. The results of each annual training campaign are documented and managed, and may be communicated to the health authorities during pharmacovigilance inspections.

3.3.4. Access to (quality) information

Access to (quality) information policy

The medical gases and medical devices supplied by Air Liquide as part of its Home Healthcare business can be complex to use and handle, which makes it necessary to train patients in their use. Air Liquide's subsidiaries endeavor to provide accurate information on the use of its products in several ways (which differ from one subsidiary to another):

- through written information made available to the patient (brochures, user guides, pages on institutional websites);
- through verbal information from the technical staff employed by Air Liquide (technicians, nurses). This verbal information is transmitted during individual visits to the patient's home, through collective training sessions (in the form of webinars, for example) or through video materials available on the Internet or sent to patients.

In addition to information on the use of products, Air Liquide's subsidiaries strive to provide patients with information that goes beyond the scope of the product and concerns topics regarding how to live with the pathology and treatment over the long-term, as well as advice on lifestyle habits and behaviors to adopt.

For centrally developed informational content, a dedicated team within the Regulatory Affairs Department ensures that the assertions made are supported by references, that the discourse is balanced and credible and that the content avoids promotional rhetoric. There is also an internal procedure that applies at central level for all external communications, including in particular a review committee composed of representatives of the marketing, communications, medical and regulatory teams. Once the content has been validated at central level, each country that uses it with its patients must then adapt this content to the regulations of the country in question (there is no common regulation at European level, each health authority has its own rules in this field).

For content developed by the subsidiaries themselves, there is an equivalent network of regulatory contacts who undertake this review.

The procedure for validating content related to the use of medical products and devices is considered sufficiently robust, there is no specific policy or channel for patients to report any misuse of an Air Liquide product related to incorrect or inaccurate information, or any associated corrective procedures.

Actions related to access to (quality) information

As part of a program dedicated to the topic of patient-focused orientation (Patient Centricity) set up in 2024 for the European subsidiaries, a quality-of-information indicator is monitored for all European subsidiaries in Home Healthcare. This indicator helps monitor actions implemented locally on this topic by each subsidiary.

Objectives related to access to (quality) information

As part of a new internal policy for measuring the patient experience launched in 2024, all subsidiaries must measure several variables related to the service provided by Air Liquide.

One of these variables concerns the subsidiaries' ability to understand patients' needs and to convey information in a clear and understandable manner ("Are you satisfied with the quality and relevance of the information and explanations provided?"). This indicator will be monitored annually.

No objective is currently associated with this metric or any other metric concerning access to quality information for patients. A reflection will be initiated in 2025 on a potential objective that would be associated with this metric if the results of the first year of implementation of this metric indicate areas for improvement.

4. Governance-related information

Table of contents

4.1. INTRODUCTION

4.1.1. Governance of business conduct

The role and expertise of the Board of Directors with regard to business conduct are addressed in Chapter 3, section Governance – Composition, functioning and work of the Board of Directors and Committees of this Universal Registration Document, particularly:

- paragraph 3 Composition of the Board of Directors, part related to the "Description of how the Board determines whether members' skills and expertise on sustainability topics exist or will be developed" – page 104;
- paragraph 5 Roles and tasks of the Board of Directors – page 111;
- paragraph 6 Functioning of the Board of Directors – page 112;
- paragraph 10.1 Activity, results and strategy – page 115;
- paragraph 11.1 The Audit and Accounts Committee, part The Audit and Accounts Committee's work in 2024 – page 118 and page 120.

4.1.2. Topics related to business conduct: impacts, risks and opportunities

Air Liquide's Principles of Action and Code of Conduct reaffirm the Group's values. They are shared with all employees and are available on the Group's website (https://www.airliquide.com/sustainable-development/ethics). Consequently, the following topics are considered material:

- corporate culture: **failure by Air Liquide employees to comply with the Principles of Action and the Code of Conduct** could have negative effects on the Group's reputation or lead to a violation of applicable laws;
- protection of whistleblowers: the **absence or failure of protection measures** for whistleblowers in the alert handling process, or the **exercise of retaliation**, could have a negative impact on whistleblowers and would constitute a **breach by the Group of its legal obligations**. In addition to the **adverse effects on Air Liquide's reputation**, a failure to protect whistleblowers could lead future whistleblowers to stop using the Group's whistleblowing system;
- corruption and bribery (prevention, training, incidents): the absence or failure to prevent or detect corruption could constitute a **violation of applicable anti-corruption laws** on one hand, or expose the Group to **legal proceedings or sanctions that could damage its reputation** on the other hand;
- management of relationships with suppliers: social aspects, described in paragraph 3.2 of this Sustainability Statement – page 344, are not the only ones likely to produce negative impacts; Air Liquide also considers the **negative impacts of its suppliers on ethical and environmental aspects**. If Air Liquide were to cease a business relationship with a strategic or critical supplier due to a violation of these principles, this could expose the Group to a **risk of disruption in its supply chain** or a potential **legal risk**.

In addition, the double materiality assessment, described in paragraph 1.5 of this Sustainability Statement – page 287, concluded that the topics of supplier payment practices and lobbying activities are material. **Supplier payment practices** are an essential component of the relationships with the suppliers and are **all the more important for the viability of small and medium-sized enterprises**. In terms of lobbying activities, Air Liquide drafted and issued a Public Affairs Charter in 2021 governing the Group's interactions with public authorities at the national, regional/European and international levels in order to stay ahead of **risks related to regulatory changes**, identify growth opportunities, and involve Air Liquide in the public debate on sectors in which the Group has a legitimate interest. Air Liquide ensures that its actions to represent its interests are guided by the principles of transparency set out in its Charter, in order to avoid any practice that could **undermine the Group's values of integrity**.

4.2. BUSINESS CONDUCT AND CORPORATE CULTURE

4.2.1. Business conduct and corporate culture policies

Air Liquide's Principles of Action and Code of Conduct

Air Liquide adheres to the highest standards in conducting business. The Group's Principles of Action and Code of Conduct affirm Air Liquide's values and its commitment to safety, transparency, respect, rigorous management, continuous improvement and building a trustworthy relationship with its stakeholders.

The Principles of Action, under the supervision of the Chief Executive Officer of Air Liquide, express the Group's commitments in the conduct of its business towards its internal and external stakeholders such as its customers and patients, Shareholders, employees, local communities, suppliers and business partners and for the protection of the environment. They are shared with all employees and are available on the Group's website (https://www.airliquide.com/sustainable-development/ethics/groups-principles-action).

The Group has also adopted a Code of Conduct, illustrating the ethics rules that Air Liquide must comply with. The Code's main areas of focus are covered in the following three chapters:

- "Acting with Care", which deals with the themes of protection of people and assets (e.g. safety and security, equality, diversity and the prevention of harassment and the protection of personal data);
- "Acting with Integrity and Transparency", which illustrates the expected behavior in terms of prevention of corruption, respect for fair competition rules and transparency of information communicated to the public;
- "Acting Responsibly", which affirms the commitments of the Group and its employees to protect the environment and human rights and about their contribution to the community.

The Code of Conduct applies to all Group employees, officers and Directors. Air Liquide also expects its business partners to comply with the principles of this Code. The rollout of the ethics program, of which the Code of Conduct is an integral part, is the responsibility of the Group Ethics Officer and is supervised by the Ethics and Compliance Committee, which meets twice a year. This Committee is made up of the Directors of Group Control and Compliance, Legal, and two members of the Group's Executive Committee: the Group Human Resources Vice President and the Group Vice President overseeing Air Liquide operations in Europe, Africa, Middle East and India. The Group Ethics Officer acts as the Secretariat.

The Code of Conduct, available in 28 languages, provides employees with a framework for reflection and resources to help in adopting the expected behaviors. It is shared internally using various means of communication (information meetings, posters, articles, etc.) and is available on the Air Liquide website (https://www.airliquide.com/sustainable-development/ethics). An e-learning module is dedicated to the Code of Conduct to explain the Group's ethics approach and present each subject through scenario simulations. This module is mandatory for all Group employees each year. The topics addressed are renewed. In 2024, the module dealt with topics relating to cybersecurity and digital protection, conflicts of interest, and a reminder about the whistleblowing system. 97% of employees took part in this training in 2024. During the e-learning, each employee renews their adherence to the Code of Conduct and their commitment to comply with its provisions on an annual basis after testing their knowledge to validate their participation in the e-learning.

The BlueBook, a global reference manual, accessible to all employees on the Group Intranet, translates the Principles of Action and the Code of Conduct into policies, codes and operational procedures. The BlueBook thus forms the basis of the risk management and internal control system in order to ensure that the Group's activities and the behaviors of its employees comply with applicable laws and regulations as well as standards and best practices for consistent business conduct.

Air Liquide's Whistleblowing Policy

Air Liquide's Whistleblowing Policy defines the various channels that the whistleblower can use to report a possible violation of the Group's ethics commitments and rules and the process for handling alerts by Air Liquide. Available for all employees in the BlueBook, it is accessible on the Group's website for external stakeholders (https://www.airliquide.com/sustainable-development/ethics). The implementation of this policy through local policies in the Group's entities is nearing completion.

EthiCall (https://safecall.co.uk/en/clients/ethicall/) is available for all Group entities and, after consultation with employee representative bodies in France in 2021, for all of its internal and external stakeholders (customers, patients, suppliers, subcontractors and their staff, local communities, facilitators, etc.). In 2024, Airgas and its subsidiaries also have a similar platform, EthicsPoint (https://secure.ethicspoint.com/domain/media/en/gui/28723/index.html). Air Liquide communicates regularly on these systems to its employees (e.g. via posters, Intranet, reminder in the annual and mandatory e-learning relating to the Code of Conduct, managerial communication, induction training for new hires).

Anyone can lodge an alert in their own language by telephone or via dedicated websites accessible from the Group's website and Intranet (alerts are collected by service providers). For employees, these systems come in addition to the usual channels for reporting potential incidents within the entities (line management, Human Resources Department, Ethics Correspondent, Group Ethics Officer). Third parties can also raise their concerns to their contact person within the Group.

Alerts may notably relate to allegations of breaches of the Group's Code of Conduct, of internal policies and procedures or applicable laws, and to any incidents related to human rights, health and safety, or the environment.

The whistleblowing system enables a rapid and structured response to alerts received as well as objective, independent and confidential handling by Air Liquide employees. Once an alert has been registered, the treatment procedure provides that an acknowledgment of receipt be sent to the whistleblower within seven days of the initial receipt. Within Air Liquide, the alert coordinator in charge of the geography or Global Business Unit concerned by the alert assesses its admissibility in accordance with internal procedures and appoints an investigator, if necessary, depending on the category of alert and outside the management line in question. The service providers have a routing table, provided by Air Liquide, to send the alert to the relevant alert coordinator and are instructed not to notify anyone named in the alert. The investigator conducts an investigation to determine whether the reported facts are substantiated. They may call on external resources for this investigation. A new training module for investigators was created in 2023, with the help of alert coordinators, and has been gradually rolled out since 2024. Upon appointment, each investigator is provided with a kit containing the procedures and documentation necessary for their mission.

If the facts are substantiated, appropriate corrective measures and remedies are implemented. These measures may include:

- the strengthening of Group policies, controls and processes;
- Human Resources or other type of assistance to the whistleblower;
- individual or collective awareness-raising;
- disciplinary sanctions, up to and including dismissal, in accordance with applicable regulations or legal proceedings where appropriate.

Follow-up and feedback should be provided to the whistleblower during processing and no later than three months from the acknowledgment of receipt of the alert (but as far as possible within two months). In certain justified cases and in certain jurisdictions (for example, due to the nature or complexity of the alert), a longer period may be necessary (but this period should not exceed three additional months).

The principles concerning the protection granted to whistleblowers and to any person lodging an alert (anonymity, respect for the confidentiality of the alert processing, prohibition of any form of retaliation) are stated in the Code of Conduct and the Group Whistleblowing Policy. The Group guarantees that any whistleblower who has in good faith reported an ethical breach or misconduct will not be subject to any disciplinary or discriminatory measures or retaliation of any kind. The whistleblowing system thus complies with the applicable legislation transposing Directive (EU) 2019/1937 of the European Parliament and of the Council.

The Group Ethics Officer is responsible for the whistleblowing system and ensures it is compliant in its implementation, and in particular that it is properly disseminated throughout the Group, that alerts are handled appropriately, and that whistleblowers are protected. The most severe cases are reviewed by the Group's Ethics and Compliance Committee.

The Policy as well as the processes described above relating to the Air Liquide whistleblowing system meet the effectiveness criteria defined by the United Nations Guiding Principles on Business and Human Rights, such as accessibility, predictability and transparency.

Breakdown of alerts by nature

The following table shows the number of alerts, broken down by nature, reported in the Group's ethics whistleblowing system during 2024, irrespective of their processing status and the conclusions after investigations.

	2024
Human Resources	422
Health, safety and environment	28
Fraud	55
Other (Compliance)	53
TOTAL	**558**

As of December 31, 2024, 125 alerts were still being processed. Of the 433 closed ones, 38.6% were considered to be substantiated or partially substantiated, and led to corrective measures and remedies.

4.3. PREVENTION OF CORRUPTION

4.3.1. Prevention, detection and combating corruption

Air Liquide's commitment, included in the introduction to the Principles of Action, to prohibit all forms of corruption is supported by a solid anti-corruption program. In the Code of Conduct, the principles of integrity and transparency are defined and illustrated in a specific chapter. This chapter specifically outlines the laws governing the fight against corruption and influence peddling, and covers relations with intermediaries and the types of payment requiring particular attention. Communication of the Code of Conduct is covered in paragraph 4.2.1 Business conduct and corporate culture policies of this Sustainability Statement – page 353. Moreover, the Group has a Supplier's Code of Conduct, which includes a chapter on the prevention of corruption.

Air Liquide operates a corruption prevention program in which General Management and management are closely involved. This program relies in particular on:

- the mapping of corruption risks;
- the Code of Conduct;
- a complete set of training and awareness-raising actions for those exposed to corruption-related risks;
- a third-party assessment mechanism;
- a whistleblowing system; and
- accounting controls.

This program is regularly updated to take into account new regulatory and legal obligations under the coordination of the Group Ethics Officer, who relies on a network of ethics correspondents, responsible in particular for managing the implementation of the program locally. It also benefits from the support of the Legal and Human Resources Departments and their local correspondents. The anti-corruption program is regularly audited.

The detection of possible incidents of corruption is based on various channels: the whistleblowing system described in paragraph 4.2.1 Business conduct and corporate culture policies of this Sustainability Statement – page 353 or through the controls and audits put in place. In this second scenario, the entities apply an internal fraud management procedure to report and process cases.

The progress of the anti-corruption program and the fraud management system is monitored by the Ethics and Compliance Committee. It is also presented annually to the Audit and Accounts Committee of the Board of Directors.

4.3.2. Training of high-risk functions

Functions exposed and particularly exposed to corruption-related risks are identified on the basis of job profiles and the results of the corruption risk mapping. They are typically in areas related to sales, procurement and administrative management. The distinction between exposed and particularly exposed functions depends on the level of responsibility and proximity to third parties, and more generally on the extent of involvement in the risk scenarios identified by the mapping. Employees in these functions must complete an e-learning module each year. It is supplemented by face-to-face training every three years for particularly exposed functions. A test is completed at the end of these trainings. Other employees are made aware of the prevention of corruption through the annual e-learning on the Code of Conduct described in paragraph 4.2.1 Business conduct and corporate culture policies of this Sustainability Statement – page 353.

The topics covered in the online training courses are renewed each year and may relate to the gift policy, conflicts of interest, detection and whistleblowing procedures or interactions with at-risk third parties. Employees who interact with healthcare professionals in their work also receive specific training in accordance with the regulatory obligations to which they are subject.

The in-class anti-corruption training allows the particularly exposed functions to increase their knowledge by covering the definition of an act of corruption, reminding participants of applicable laws and addressing topics sensitive to risks, in particular through practical cases (e.g. intermediaries, gifts and invitations, facilitation payments and conflicts of interest).

Anti-corruption training

The table below shows the nature, frequency and eligible populations for anti-corruption training. For the total number of people concerned by each training course, it also specifies the completion rate in 2024.

	Anti-corruption e-learning (30 minutes)	Anti-corruption classroom training (1h30)	Code of Conduct e-learning (40 minutes)
Eligible populations			
Exposed functions	Annual		Annual
Particularly exposed functions	Annual	Once every three years	Annual
Directors	Completed in 2024		
Other employees			Annual
Training coverage			
Number of of people concerned [(a)]	20,110	11,578	64,123
Completion rate	95%	23% [(b)]	97%

(a) Excluding employees recruited after November 30, 2024 and employees on long-term leave.
(b) The anti-corruption classroom training is carried out on a three-year rotation; not all employees concerned are trained every year.

4.3.3. Corruption incidents

In 2024, Air Liquide has not been convicted for violation of anti-corruption and anti-bribery laws.

4.4. RELATIONS WITH SUPPLIERS

4.4.1. Management of relationships with suppliers

Management of relationships with suppliers is based on:

- the supplier risk and relationship management procedure, which aims to maximize the value and minimize the risks of Air Liquide's interactions with its suppliers while optimizing use of the Group's resources. It defines in particular the supplier qualification process, enabling associated risks to be identified and ensuring that the supplier is able to meet Air Liquide's requirements;
- the Sustainable Procurement procedure, which defines guidelines to enable the Procurement Function to integrate ethical, social and environmental aspects into the procurement process and the process for identifying and preventing impacts on sustainability issues. It is described in more detail in paragraph 3.2 of this Sustainability Statement – page 344 on topics relating to workers in the value chain and applies in the same way to environmental and ethical issues.

In addition, the Procurement Function communicates its sustainability requirements to its suppliers through two instruments:

- the Supplier's Code of Conduct, which aims to promote and ensure that all suppliers respect notably human rights, ethics, environmental protection and safety. It is based on the Group's Code of Conduct. The adherence of suppliers to the principles inscribed in the Supplier's Code of Conduct is a prerequisite to all commercial relations for the supply of Air Liquide. The revision of this Code in 2023 aimed at aligning it with new regulatory expectations and changes in practices. In particular, it included additional articles on conflict minerals and the whistleblowing system. This Code of Conduct is available on the Air Liquide website (https://www.airliquide.com/sustainable-development/sustainable-procurement);
- a sustainability clause, which is included in the templates for contracts with suppliers, including those for framework agreements.

The Procurement Function may require sustainability specifications, for example to address specific impacts or strategy at local or category level. These specifications must be defined in collaboration with the specialist functions and activities. They may relate to the goods or services themselves, the associated production and delivery process and/or the associated supplier organization.

4.4.2. Air Liquide's payment policies and practices

Air Liquide's Procure-to-Pay (P2P) procedure provides a framework for all Group employees involved in the procure-to-pay activities, from the purchase request to the payment of suppliers. The procedure aims to harmonize and automate the P2P process within Air Liquide in order to maximize efficiency and reduce manual errors, thus ensuring timely payment of suppliers. Among the recommended indicators, the procedure includes the monitoring of the Days Payable Outstanding and the percentage of invoices paid on time. The procedure is jointly owned by the Procurement and Finance Departments, which, together with the Managing Directors of the entities, are responsible for its implementation.

The Sustainable Procurement procedure, described in paragraph 3.2 of this Sustainability Statement – page 344, indicates that special attention must be paid to payment terms and late payments vis-à-vis small and medium-sized enterprises, their cash flow being a key topic. At the request of the supplier, these conditions may be adapted, after a joint decision by the Procurement and Finance Functions, to facilitate the business.

Many contractual payment terms are applied by the Group, since they vary depending on the country and the supplier's activities. The contractual payment terms applied by the Group must comply with local laws. The main payment terms applied by the Group, based on the payment terms indicated on invoices received from suppliers, can be summarized as follows:

Payment term	Proportion of 2024 expenditure (%)
Immediate	24.9%
Net 20 days	5.2%
Net 30 days	22.4%
Net 45 days	7.3%
Net 60 days	13.1%
Other	27.1%
TOTAL	**100.0%**

The income statement lines relating to these expenses are “Purchases” and “Other expenses”.

Air Liquide does not distinguish between suppliers in its payment practices, whether they are small or medium-sized companies or large companies. The first item of expenditure relates to energy (electricity and natural gas); in 2024, 54.6% of these expenses had to be paid immediately, 14.9% at 20 days net and 14.2% at 30 days net.

The average Days Payable Outstanding was 63.5 days in 2024. This indicator was calculated on the basis of operating suppliers' trade payables as at December 31, 2024 as determined and published in the note 27 “Trade payables” of the Consolidated Financial Statements, divided by the cost per day (on a 360-day basis). The cost per day corresponds to the cost of sales and overheads (included in the line “Other expenses” of the Income statement) from which personnel expenses (included in the line “Personnel expenses” of the Income statement) are deducted.

93.6% of trade payables were aligned with the contractual payment terms. This ratio was estimated on the basis of the average trade payables due at the end of the first three quarters of 2024 and the 4th quarter of 2023, The analysis at Group level was not available for the 4th quarter of 2024 when drafting this report but the share of trade payables aligned with contractual payment terms remains relatively stable from one quarter to another. Indeed, this share covers a range of 93.0% to 94.3% over the period retained to calculate the ratio.

As at December 31, 2024, the Group had no knowledge of any ongoing legal proceedings concerning late payments. The term “ongoing legal proceedings” refers to proceedings handled by judicial institutions, as defined in the national law of each country where the Group is present; as required by Regulation, these are specifically legal proceedings that have not been legally resolved as at December 31, 2024.

4.5. RELATIONS WITH THE PUBLIC SPHERE

4.5.1. Information on representatives

- The Group's Board of Directors, in particular the Audit and Accounts Committee, regularly reviews engagement with public stakeholders activities, coordinated by the European & International Affairs Department (budget, organization, engagement principles, objectives and actions).
- The Group General Secretary, member of Air Liquide's Executive Committee, oversees the Group Control and Compliance, Legal, European & International Affairs, as well as Digital & IT Departments.

There are no members of the Group's Board of Directors and Executive Committee who have held previous functions in national public administrations.

Elements relating to the supervisory role of the Group's governance bodies are dealt with in Chapter 3 of this Universal Registration Document, particularly in paragraph 3 Composition of the Board of Directors, section Governance – Composition, functioning and work of the Board of Directors and Committees – page 103.

4.5.2. Themes, actions and messages to the public sphere

Energy transition:

- raising awareness among public authorities of the specificities of the electricity-intensive sector and the need for manufacturers to be able to source large volumes of renewable and low-carbon energy at a competitive price;
- participating in the implementation of CO_2 emission reduction mechanisms to encourage industries to turn to decarbonization solutions and thus achieve the goal of net zero emissions;

- supporting public authorities in the construction of public policies enabling the decarbonization of industry from existing industrial areas – Carbon Capture and Sequestration, production and use of renewable and low-carbon industrial gases (hydrogen, oxygen, etc.) – and the implementation of the corresponding support mechanisms;
- contributing to discussions on the development of industrial gas networks (hydrogen, CO_2) by having their specificities recognized in the context of industrial uses within local ecosystems;
- contributing to the structuring of the decarbonized hydrogen mobility ecosystem (production, distribution, development of vehicle fleets).

Electronics:

- supporting the development of the semiconductor industry by recognizing the criticality of all players in the value chain and the need to support them to preserve industrial sovereignty in each region.

Healthcare:

- actively contributing, alongside public authorities, patients, healthcare professionals and hospitals, to the construction of more efficient, sustainable and equitable healthcare systems, in a context of an aging population and an increase in chronic diseases;
- encouraging the development of health pathways focused on the value provided to patients, and enabling the development of care pathways to the patient's home, by combining expert human support and the use of the latest digital innovations;
- contributing to changing the management of medical gases to optimize efficiency, improving the quality of service provided to patients and institutions, strengthening the resilience of healthcare systems, achieving carbon neutrality and guaranteeing access to care, including in remote areas.

In the context of interactions with public authorities, representatives chosen by the Group may be invited to participate in working groups, contribute to technical notes or exchange during meetings on subjects related to their expertise. The Group issues its Public Affairs Charter on the public affairs page of its website [(1)], containing its key positions as well as its interest representation activities in the main geographies where the Group operates.

4.5.3. Air Liquide registration in the transparency registers according to geographies

Geography	link to the website
European Union	https://transparency-register.europa.eu/searchregister-or-update/organisation-detail_en?id=94857385769-70
France	https://www.hatvp.fr/fiche-organisation/?organisation=552096281##
USA	https://lda.senate.gov/filings/public/filing/search/?registrant=air+liquide&search

5. Appendix

EUROPEAN TAXONOMY

Taxonomy key performance indicators (KPIs)

(1) *https://www.airliquide.com/sustainable-development/engagement-public-stakeholders*

EXTRA-FINANCIAL PERFORMANCE 5
Sustainability Statement

TURNOVER

Economic activities	Code	Turnover *(in millions of euros)*	Proportion of turnover *(%)*	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	DNSH criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of turnover, year N-1 *(%)*	Category (enabling or transitional activity)
A. TAXONOMY – ELIGIBLE ACTIVITIES		**3,194.6**	**11.8%**	**11.8%**	**—%**	**—%**	**—%**	**—%**	**—%**								**13.4%**	
Activity C: Manufacturing		**62.3**	**0.2%**														**0.6%**	
Manufacture of hydrogen	CCM 3.10	48.4	0.2%	Y	N	N/A	N/A	N/A	N/A		**Y**	Y	N/A	Y	Y	Y	0.2%	
Manufacture of other low carbon technologies	CCM 3.6	13.9	—%	Y	N	N/A	N/A	N/A	N/A		**Y**	Y	Y	Y	Y	Y	0.1%	E
Manufacture of low carbon technologies for transport	CCM 3.3	0.0	—%	Y	N	N/A	N/A	N/A	N/A		**Y**	Y	Y	Y	Y	Y	0.2%	E
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0.0	—%	Y	N	N/A	N/A	N/A	N/A		**Y**	Y	Y	Y	Y	Y	0.1%	E
Activity D: Energy		**3.5**	**—%**														**—%**	
Manufacture of biogas and biofuels for use in transport and of bio-liquids	CCM 4.13	3.5	—%	Y	N	N/A	N/A	N/A	N/A		**Y**	Y	N/A	Y	Y	Y	—%	
Activity E: Water supply, sewerage, waste management and remediation		**22.0**	**0.1%**														**0.2%**	
Landfill gas capture and utilization	CCM 5.10	14.8	0.1%	Y	N	N/A	N/A	N/A	N/A		Y	N/A	N/A	Y	Y	Y	0.1%	
Anaerobic digestion of bio-waste	CCM 5.7	7.2	—%	Y	N	N/A	N	N/A	N/A		Y	Y	N/A	Y	Y	Y	0.1%	
Activity H: Transport		**51.1**	**0.2%**														**—%**	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	51.1	0.2%	Y	N/A	N/A	N/A	N/A	N/A		Y	Y	Y	Y	Y	Y	—%	E
A.1. Environmentally sustainable activities (Taxonomy-aligned)		**138.9**	**0.5%**	**0.5%**	**—%**	**—%**	**—%**	**—%**	**—%**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.8%**	
Of which Enabling		**65.0**	**0.2%**	**0.2%**	**—%**	**—%**	**—%**	**—%**	**—%**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.4%**	**E**
Of which Transitional		**0.0**	**—%**	**—%**	**—%**	**—%**	**—%**	**—%**	**—%**		Y	Y	Y	Y	Y	Y	**—%**	**T**
Activity C: Manufacturing		**2,400.4**	**8.9%**														**9.4%**	
Manufacture of hydrogen	CCM 3.10	2,070.8	7.6%	Y	N	N/A	N/A	N/A	N/A								8.5%	
Manufacture of organic basic chemicals	CCM 3.14	137.9	0.5%	Y	N	N/A	N/A	N/A	N/A								0.5%	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	98.6	0.4%	Y	N	N/A	N/A	N/A	N/A								0.2%	
Manufacture of other low carbon technologies	CCM 3.6	78.9	0.3%	Y	N	N/A	N/A	N/A	N/A								0.2%	
Manufacture of medicinal products	PPC 1.2	14.2	0.1%	N/A	N/A	N/A	N/A	Y	N/A								—%	
Activity D: Energy		**600.9**	**2.2%**														**3.0%**	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	578.3	2.1%	Y	N	N/A	N/A	N/A	N/A								2.9%	
Manufacture of biogas and biofuels for use in transport and of bio-liquids	CCM 4.13	14.4	0.1%	Y	N	N/A	N/A	N/A	N/A								—%	
Storage of hydrogen	CCM 4.12	4.9	—%	Y	N	N/A	N/A	N/A	N/A								0.1%	
Electricity generation from fossil gaseous fuels	CCM 4.29	2.7	—%	Y	N	N/A	N/A	N/A	N/A								—%	
Electricity generation from renewable non fossil gaseous and liquid fuels	CCM 4.7	0.6	—%	Y	N	N/A	N/A	N/A	N/A								—%	
Activity E: Water supply, sewerage, waste management and remediation		**42.4**	**0.2%**														**0.2%**	
Landfill gas capture and utilization	CCM 5.10	28.5	0.1%	Y	N	N/A	N/A	N/A	N/A								0.1%	
Anaerobic digestion of bio-waste	CCM 5.7	13.9	0.1%	Y	N	N/A	N	N/A	N/A								0.1%	
Activity H: Transport		**12.0**	**—%**														**—%**	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	12.0	—%	Y	N/A	N/A	N/A	N/A	N/A								—%	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**3,055.7**	**11.3%**	**11.3%**	**—%**	**—%**	**—%**	**—%**	**—%**								**12.6%**	
B. TAXONOMY – NON-ELIGIBLE ACTIVITIES		**23,863.2**	**88.2%**														**86.6%**	
TOTAL (A + B)		**27,057.8**	**100.0%**														**100.0%**	

EXTRA-FINANCIAL PERFORMANCE 5
Sustainability Statement

CAPITAL EXPENDITURE

				Substantial contribution criteria						DNSH criteria								
Economic activities	Code	CapEx *(in millions of euros)*	Proportion of CapEx *(%)*	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of CapEx, year N-1 *(%)*	Category (enabling or transitional activity)
A. TAXONOMY – ELIGIBLE ACTIVITIES		**574.9**	**15.1%**	**15.1%**	**—%**	**—%**	**—%**	**—%**	**—%**								**15.3%**	
Activity C: Manufacturing		**258.9**	**6.8%**														**8.0%**	
Manufacture of hydrogen	CCM 3.10	258.9	6.8%	Y	N	N/A	N/A	N/A	N/A		Y	Y	N/A	Y	Y	Y	7.9%	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0.0	—%	Y	N	N/A	N/A	N/A	N/A		Y	Y	Y	Y	Y	Y	0.1%	E
Activity D: Energy		**0.0**	**—%**														**0.1%**	
Storage of hydrogen	CCM 4.12	0.0	—%	Y	N	N/A	N/A	N/A	N/A		Y	N/A	Y	Y	Y	Y	0.1%	E
Activity E: Water supply, sewerage, waste management and remediation		**2.2**	**0.1%**														**—%**	
Anaerobic digestion of bio-waste	CCM 5.7	2.2	0.1%	Y	N	N/A	N	N/A	N/A		Y	Y	N/A	Y	Y	Y	—%	
Activity H: Transport		**0.0**	**—%**														**0.3%**	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0.0	—%	Y	N/A	N/A	N/A	N/A	N/A		Y	Y	Y	Y	Y	Y	0.3%	E
A.1. Environmentally sustainable activities (Taxonomy-aligned)		**261.1**	**6.9%**	**6.9%**	**—%**	**—%**	**—%**	**—%**	**—%**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**8.4%**	
Of which Enabling		**0.0**	**—%**	**—%**	**—%**	**—%**	**—%**	**—%**	**—%**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.5%**	**E**
Of which Transitional		**0.0**	**—%**	**—%**	**—%**	**—%**	**—%**	**—%**	**—%**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**—%**	**T**
Activity C: Manufacturing		**223.4**	**5.8%**														**5.1%**	
Manufacture of hydrogen	CCM 3.10	204.9	5.4%	Y	N	N/A	N/A	N/A	N/A								4.9%	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	9.2	0.2%	Y	N	N/A	N/A	N/A	N/A								—%	
Manufacture of other low carbon technologies	CCM 3.6	5.8	0.1%	Y	N	N/A	N/A	N/A	N/A								0.2%	
Manufacture of organic basic chemicals	CCM 3.14	3.2	0.1%	Y	N	N/A	N/A	N/A	N/A								—%	
Manufacture of medicinal products	PPC 1.2	0.3	—%	N/A	N/A	N/A	N/A	Y	N/A								—%	
Activity D: Energy		**22.1**	**0.6%**														**0.5%**	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	14.2	0.4%	Y	N	N/A	N/A	N/A	N/A								0.3%	
Manufacture of biogas and biofuels for use in transport and of bio-liquids	CCM 4.13	7.5	0.2%	Y	N	N/A	N/A	N/A	N/A								0.2%	
Electricity generation using solar photovoltaic technology	CCM 4.1	0.4	—%	Y	N	N/A	N/A	N/A	N/A								—%	
Activity E: Water supply, sewerage, waste management and remediation		**29.9**	**0.8%**														**1.2%**	
Anaerobic digestion of bio-waste	CCM 5.7	19.6	0.5%	Y	N	N/A	N	N/A	N/A								0.5%	
Landfill gas capture and utilization	CCM 5.10	10.3	0.3%	Y	N	N/A	N/A	N/A	N/A								0.7%	
Activity F: Construction and real estate activities		**3.1**	**0.1%**														**—%**	
Renovation of existing buildings	CCM 7.2	3.1	0.1%	Y	N	N/A	N	N/A	N/A								—%	
Activity H: Transport		**8.5**	**0.2%**														**—%**	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	8.5	0.2%	Y	N/A	N/A	N/A	N/A	N/A								—%	
Activity J: Information and Communication		**0.3**	**—%**														**—%**	
Data-driven solutions for GHG emissions reductions	CCM 8.2	0.3	—%	Y	N	N/A	N/A	N/A	N/A								—%	
Activity M: Professional, scientific and technical activities		**26.5**	**0.7%**														**0.1%**	
Close to market research, development and innovation	CCM 9.1	26.5	0.7%	Y	N	N/A	N/A	N/A	N/A								0.1%	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**313.8**	**8.2%**	**8.2%**	**—%**	**—%**	**—%**	**—%**	**—%**								**6.9%**	
B. TAXONOMY – NON-ELIGIBLE ACTIVITIES		**3,232.8**	**84.9%**														**84.7%**	
TOTAL (A + B)		**3,807.7**	**100.0%**														**100.0%**	

EXTRA-FINANCIAL PERFORMANCE 5
Sustainability Statement

OPERATING EXPENDITURE

				Substantial contribution criteria						DNSH criteria								
Economic activities	Code	OpEx *(in millions of euros)*	Proportion of OpEx *(%)*	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of OpEx, year N-1 *(%)*	Category (enabling or transitional activity)
A. TAXONOMY – ELIGIBLE ACTIVITIES		**486.6**	**9.9%**	**9.9%**	**—%**	**—%**	**—%**	**—%**	**—%**								**8.1%**	
Activity C: Manufacturing		**15.9**	**0.3%**														**1.3%**	
Manufacture of hydrogen	CCM 3.10	9.6	0.2%	Y	N	N/A	N/A	N/A	N/A		Y	Y	N/A	Y	Y	Y	0.2%	
Manufacture of other low carbon technologies	CCM 3.6	6.3	0.1%	Y	N	N/A	N/A	N/A	N/A		Y	Y	Y	Y	Y	Y	0.1%	E
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0.0	—%	Y	N	N/A	N/A	N/A	N/A		Y	Y	Y	Y	Y	Y	0.8%	E
Manufacture of low carbon technologies for transport	CCM 3.3	0.0	—%	Y	N	N/A	N/A	N/A	N/A		Y	Y	Y	Y	Y	Y	0.2%	E
Activity D: Energy		**0.5**	**—%**														**—%**	
Manufacture of biogas and biofuels for use in transport and of bio-liquids	CCM 4.13	0.5	—%	Y	N	N/A	N/A	N/A	N/A		Y	Y	N/A	Y	Y	Y	—%	
Activity E: Water supply, sewerage, waste management and remediation		**6.1**	**0.1%**														**0.1%**	
Landfill gas capture and utilization	CCM 5.10	5.0	0.1%	Y	N	N/A	N/A	N/A	N/A		Y	N/A	N/A	Y	Y	Y	—%	
Anaerobic digestion of bio-waste	CCM 5.7	1.1	—%	Y	N	N/A	N	N/A	N/A		Y	Y	N/A	Y	Y	Y	0.1%	
Activity H: Transport		**16.1**	**0.4%**														**—%**	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	16.1	0.4%	Y	N/A	N/A	N/A	N/A	N/A		Y	Y	Y	Y	Y	Y	—%	E
A.1. Environmentally sustainable activities (Taxonomy-aligned)		**38.6**	**0.8%**	**0.8%**	**—%**	**—%**	**—%**	**—%**	**—%**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**1.4%**	
Of which Enabling		**22.4**	**0.5%**	**0.5%**	**—%**	**—%**	**—%**	**—%**	**—%**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**1.1%**	**E**
Of which Transitional		**0.0**	**—%**	**—%**	**—%**	**—%**	**—%**	**—%**	**—%**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**—%**	**T**
Activity C: Manufacturing		**377.6**	**7.7%**														**5.1%**	
Manufacture of hydrogen	CCM 3.10	135.6	2.8%	Y	N	N/A	N/A	N/A	N/A								2.7%	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	132.5	2.7%	Y	N	N/A	N/A	N/A	N/A								0.7%	
Manufacture of other low carbon technologies	CCM 3.6	86.0	1.7%	Y	N	N/A	N/A	N/A	N/A								1.2%	
Manufacture of organic basic chemicals	CCM 3.14	19.7	0.4%	Y	N	N/A	N/A	N/A	N/A								0.4%	
Manufacture of medicinal products	PPC 1.2	3.8	0.1%	N/A	N/A	N/A	N/A	Y	N/A								—%	
Manufacture of low carbon technologies for transport	CCM 3.3	0.0	—%	Y	N	N/A	N/A	N/A	N/A								0.1%	
Activity D: Energy		**36.4**	**0.7%**														**1.0%**	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	33.7	0.7%	Y	N	N/A	N/A	N/A	N/A								1.0%	
Manufacture of biogas and biofuels for use in transport and of bio-liquids	CCM 4.13	2.2	—%	Y	N	N/A	N/A	N/A	N/A								—%	
Storage of hydrogen	CCM 4.12	0.4	—%	Y	N	N/A	N/A	N/A	N/A								—%	
Electricity generation from fossil gaseous fuels	CCM 4.29	0.1	—%	Y	N	N/A	N/A	N/A	N/A								—%	
Activity E: Water supply, sewerage, waste management and remediation		**11.9**	**0.2%**														**0.3%**	
Landfill gas capture and utilization	CCM 5.10	9.7	0.2%	Y	N	N/A	N/A	N/A	N/A								0.3%	
Anaerobic digestion of bio-waste	CCM 5.7	2.2	—%	Y	N	N/A	N	N/A	N/A								—%	
Activity H: Transport		**2.4**	**0.1%**														**—%**	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	2.4	0.1%	Y	N/A	N/A	N/A	N/A	N/A								—%	
Activity M: Professional, scientific and technical activities		**19.7**	**0.4%**														**0.3%**	
Close to market research, development and innovation	CCM 9.1	19.7	0.4%	Y	N	N/A	N/A	N/A	N/A								0.3%	
A.2. Taxonomy – Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**448.0**	**9.1%**	**9.1%**	**—%**	**—%**	**—%**	**—%**	**—%**								**6.7%**	
B. TAXONOMY – NON-ELIGIBLE ACTIVITIES		**4,449.5**	**90.1%**														**91.9%**	
TOTAL (A + B)		**4,936.1**	**100.0%**														**100.0%**	

Regulatory information

The tables below present the indicators relating to fossil gas and nuclear activities, as required by regulations.

Tables 2 – Taxonomy-aligned economic activities (denominator)

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Turnover	Economic activities	Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	—%	0.0	—%	0.0	—%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	—%	0.0	—%	0.0	—%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the turnover**	**138.9**	**0.5%**	**138.9**	**0.5%**	**0.0**	**—%**
8	**Total turnover**	**27,057.8**	**100.0%**				

CCM: Climate change mitigation; CCA: Climate change adaptation.

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Capital expenditure	Economic activities	Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenditure	0.0	—%	0.0	—%	0.0	—%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenditure	0.0	—%	0.0	—%	0.0	—%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the capital expenditure**	**261.1**	**6.9%**	**261.1**	**6.9%**	**0.0**	**—%**
8	**Total capital expenditure**	**3,807.7**	**100.0%**				

CCM: Climate change mitigation; CCA: Climate change adaptation.

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Operating expenditure	Economic activities	Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenditure	0.0	—%	0.0	—%	0.0	—%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenditure	0.0	—%	0.0	—%	0.0	—%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the operating expenditure**	**38.6**	**0.8%**	**38.6**	**0.8%**	**0.0**	**—%**
8	**Total operating expenditure**	**4,936.1**	**100.0%**				

CCM: Climate change mitigation; CCA: Climate change adaptation.

Tables 3 – Taxonomy-aligned economic activities (numerator)

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Turnover	Economic activities	Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy-aligned economic activity as set out in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the turnover	0.0	—%	0.0	—%	0.0	—%
5	Amount and proportion of taxonomy-aligned economic activity as set out in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the turnover	0.0	—%	0.0	—%	0.0	—%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the turnover**	**138.9**	**100.0%**	**138.9**	**100.0%**	**0.0**	**—%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the turnover**	**138.9**	**100.0%**	**138.9**	**100.0%**	**0.0**	**—%**

CCM: Climate change mitigation; CCA: Climate change adaptation.

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Capital expenditure	Economic activities	Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the capital expenditure	0.0	—%	0.0	—%	0.0	—%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the capital expenditure	0.0	—%	0.0	—%	0.0	—%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the capital expenditure**	**261.1**	**100.0%**	**261.1**	**100.0%**	**0.0**	**—%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the capital expenditure**	**261.1**	**100.0%**	**261.1**	**100.0%**	**0.0**	**—%**

CCM: Climate change mitigation; CCA: Climate change adaptation.

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Operating expenditure	Economic activities	Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the operating expenditure	0.0	—%	0.0	—%	0.0	—%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the operating expenditure	0.0	—%	0.0	—%	0.0	—%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the operating expenditure**	**38.6**	**100.0%**	**38.6**	**100.0%**	**0.0**	**—%**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the operating expenditure**	**38.6**	**100.0%**	**38.6**	**100.0%**	**0.0**	**—%**

CCM: Climate change mitigation; CCA: Climate change adaptation.

Tables 4 – Taxonomy-eligible but not taxonomy-aligned economic activities

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Turnover	Economic activities	Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	2.7	—%	2.7	—%	0.0	—%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	578.3	2.1%	578.3	2.1%	0.0	—%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the turnover**	**2,474.7**	**9.2%**	**2,474.7**	**9.2%**	**0.0**	**—%**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the turnover**	**3,055.7**	**11.3%**	**3,055.7**	**11.3%**	**0.0**	**—%**

CCM: Climate change mitigation; CCA: Climate change adaptation.

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Capital expenditure	Economic activities	Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenditure	0.0	—%	0.0	—%	0.0	—%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the capital expenditure	14.2	0.4%	14.2	0.4%	0.0	—%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the capital expenditure**	**299.6**	**7.8%**	**299.6**	**7.8%**	**0.0**	**—%**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the capital expenditure**	**313.8**	**8.2%**	**313.8**	**8.2%**	**0.0**	**—%**

CCM: Climate change mitigation; CCA: Climate change adaptation.

Operating expenditure	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenditure	0.1	—%	0.1	—%	0.0	—%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenditure	33.7	0.7%	33.7	0.7%	0.0	—%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the operating expenditure**	**414.2**	**8.4%**	**414.2**	**8.4%**	**0.0**	**—%**
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the operating expenditure**	**448.0**	**9.1%**	**448.0**	**9.1%**	**0.0**	**—%**

CCM: Climate change mitigation; CCA: Climate change adaptation.

Tables 5 – Taxonomy non-eligible economic activities

Turnover	Economic activities	Amount	%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	—%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	—%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the turnover**	**23,863.2**	**88.2%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the turnover**	**23,863.2**	**88.2%**

CCM: Climate change mitigation; CCA: Climate change adaptation.

Capital expenditure	Economic activities	Amount	%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenditure	0.0	—%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capital expenditure	0.0	—%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the capital expenditure**	**3,232.8**	**84.9%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the capital expenditure**	**3,232.8**	**84.9%**

CCM: Climate change mitigation; CCA: Climate change adaptation.

Operating expenditure	Economic activities	Amount	%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenditure	0.0	—%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the operating expenditure	0.0	—%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the operating expenditure**	**4,449.5**	**90.1%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the operating expenditure**	**4,449.5**	**90.1%**

CCM: Climate change mitigation; CCA: Climate change adaptation.

6. Report on the certification of Sustainability and Taxonomy Information

Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852

This is a translation into English of the Statutory Auditors' report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

To the Annual General Meeting,

This report is issued in our capacity as Statutory Auditors of L'Air Liquide. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2024 and included in the Group Management Report and presented in the section "Sustainability Statement" of the Chapter 5 of the Universal Registration Document (hereafter "the sustainability statement").

Pursuant to Article L.233-28-4 of the French Commercial Code, L'Air Liquide is required to include the above mentioned information in a separate section of the Group Management Report. This information has been prepared in the context of the first time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables an understanding of the impact of the activity of the Group on sustainability matters, as well as the way in which these matters influence the development of the business of the Group, its performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L.821-54 paragraph II of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29 ter of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by L'Air Liquide to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code;
- compliance of the sustainability information included in the Sustainability Statement of the Group Management Report with the requirements of Article L. 233-28-4 of the French Commercial Code, including ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by L'Air Liquide in the Group Management Report, we have included an emphasis of matter paragraph hereafter.

Limits of our engagement

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of L'Air Liquide, in particular it does not provide an assessment, of the relevance of the choices made by L'Air Liquide in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the Group's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information that would be included in the Sustainability Statement of the Group Management Report are not covered by our engagement.

COMPLIANCE WITH THE ESRS OF THE PROCESS IMPLEMENTED BY L'AIR LIQUIDE TO DETERMINE THE INFORMATION REPORTED, AND COMPLIANCE WITH THE REQUIREMENT TO CONSULT THE SOCIAL AND ECONOMIC COMMITTEE PROVIDED FOR IN THE SIXTH PARAGRAPH OF ARTICLE L. 2312-17 OF THE FRENCH LABOUR CODE

Nature of procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by L'Air Liquide has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that lead to the publication of information disclosed in the Sustainability Statement of the Group Management Report, and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the social and economic committee..

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by L'Air Liquide with the ESRS.

Concerning the consultation of the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code we inform you that, as of the date of this report, this consultation has not yet been held.

Elements that received particular attention

We set out below the elements that have been the subject of particular attention in relation to our assessment of compliance with the ESRS of the process implemented by L'Air Liquide to determine the information reported.

Concerning the identification of stakeholders

Information on the identification of stakeholders is set out in section 1.4.4 of the Sustainability Statement of the Group Management Report.

We interviewed management and inspected available documentation.

Our work consisted primarily of assessing the consistency of the primary stakeholders identified by the Group in view of the nature of its activities and its geographical location, taking into account its business relationships and value chain.

Concerning the identification of impacts, risks and opportunities

Information on the identification of impacts, risks and opportunities is provided in section 1.5.2 of the Sustainability Statement of the Group Management Report.

We obtained an understanding of the process implemented by the Group to identify actual or potential impacts – both negative and positive – risks and opportunities (IROs), in relation to the sustainability matters mentioned in paragraph AR 16 of ESRS 1, "Application requirements" as presented in section 1.5.2 of the Sustainability Statement of the Group Management Report.

In particular, we assessed the approach taken by the Group to determine its impacts and dependencies, which may be a source of risks or opportunities.

We obtained an understanding of the Group's identified IROs and assessed their consistency with our knowledge of the Group and, where applicable, with the risk analyses conducted by the Group.

We assessed how the Group has taken into account the list of sustainability matters set out in ESRS 1 (AR 16) in its analysis.

Concerning the assessment of impact materiality and financial materiality

Information on the assessment of impact materiality and financial materiality is provided in section 1.5.3 of the Sustainability Statement of the Group Management Report.

Through interviews with management and inspection of available documentation, we obtained an understanding of the process implemented by the Group to assess impact materiality and financial materiality, and assessed its compliance with the criteria defined in ESRS 1.

In particular, we assessed the way in which the Group established and applied the materiality criteria defined in ESRS 1, including those relating to the setting of thresholds, in order to determine the material information reported for metrics relating to material IROs identified in accordance with the relevant ESRS standards.

COMPLIANCE OF THE SUSTAINABILITY INFORMATION INCLUDED IN THE SUSTAINABILITY STATEMENT OF THE GROUP MANAGEMENT REPORT WITH THE REQUIREMENTS OF ARTICLE L.233-28-4 OF THE FRENCH COMMERCIAL CODE, INCLUDING THE ESRS

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in the Sustainability Statement of the Group Management Report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by L'Air Liquide for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the Sustainability Statement of the Group Management Report, with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the methodological considerations applied by the Group and described in paragraph 1.1.2 of the Sustainability Statement of the Group Management Report.

Elements that received particular attention

We set out below the elements that have been the subject of particular attention in relation to our assessment of the compliance of the sustainability information included in the Sustainability Statement of the Group Management Report with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Information provided in application of environmental standards (ESRS E1 to E5)

Information reported in relation to climate change (ESRS E1) is mentioned in section "2. Environmental information" of the Sustainability Statement of the Group Management Report.

Our work consisted primarily of:

- assessing, through interviews conducted with management and others in the Group, in particular the Sustainability department, whether the description of the policies, actions and targets implemented by the Group address the following areas: climate change mitigation and climate change adaptation;
- assessing the appropriateness of the disclosures provided in the notes to the section « 2. Environmental information » of the Sustainability Statement of the Group Management Report and its overall consistency with our knowledge of the Group.

- With regard to the information published on the greenhouse gas (GHG) emissions:
  - we obtained an understanding of the internal control and risk management procedures implemented by the Group to ensure the compliance of the reported information with ESRS requirements;
  - we obtained an understanding of the greenhouse gas emissions inventory protocol used by the Group to draw up its greenhouse gas emissions assessment, and checked its application, for a selection of sites, for Scope 1 and Scope 2;
  - with regard to Scope 3 emissions, we assessed the process of gathering information on which disclosures were based;
  - we assessed the appropriateness of the emission factors used and the calculation of the related conversions, as well as the calculation and extrapolation assumptions, taking into account the uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data;
  - we reconciled physical data (such as energy consumption), on a sample basis, to the underlying data used to draw up the greenhouse gas emissions assessment and traced to supporting documents.
- With regard to our procedures regarding the transition plan for climate change mitigation, our work primarily consisted of assessing whether the information published in the transition plan meets ESRS E1 requirements with an appropriate description of the plan's underlying key assumptions, it being understood that we are not required to express a conclusion on the appropriateness or the level of ambition of the transition plan's objectives.

COMPLIANCE WITH THE REPORTING REQUIREMENTS SET OUT IN ARTICLE 8 OF REGULATION (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by L'Air Liquide to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention

We determined that there were no such items to report.

Neuilly-sur-Seine and Paris La Défense, March 5, 2025

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit		KPMG S.A.	
Cédric Le Gal	Olivier Lotz	Valérie Besson	Laurent Genin

ADDITIONAL INFORMATION

This section is separate from the Sustainability Statement and includes information that is not material from a CSRD standpoint. It has not been verified by an independent third party. It is provided as complementary information for stakeholders using the GRI framework.

GRI Standard	Disclosure	Location of information in the 2024 Universal Registration Document
GRI 2: General Disclosures 2021		
	2-1 Organizational details	Chapter 7, 7.2.1 General information – page 417
	2-2 Entities included in the organization's sustainability reporting	Chapter 5, 1.1.1 Scope of the Sustainability Statement – page 280
	2-3 Reporting period, frequency and contact point	Chapter 5, 1.1.1 Scope of the Sustainability Statement – page 280
	2-4 Restatements of information	Chapter 5, 1.1.2 Methodological considerations on publications – page 280
	2-5 External assurance	Chapter 5, 6 Report on the certification of Sustainability and Taxonomy Information – page 369
	2-6 Activities, value chain and other business relationships	Chapter 1, 1.2.2 Description of the business model – page 22
	2-7 Employees	Chapter 5, 3.1 The Group's employees – page 328
	2-9 Governance structure and composition	Chapter 3, 3.1.1 Composition of the Board of Directors – page 98 Chapter 3, 3.2.3 Composition of the Board of Directors – page 103
	2-10 Nomination and selection of the highest governance body	Chapter 3, 3.1.1 Composition of the Board of Directors – page 98 Chapter 3, 3.2.3 Composition of the Board of Directors – page 103
	2-11 Chair of the highest governance body	Chapter 3, 3.2.2 Governance structure: Separation of the functions of Chairman of the Board of Directors and Chief Executive Officer – page 101
	2-12 Role of the highest governance body in overseeing the management of impacts	Chapter 3, 3.2.11.4 The Environment and Society Committee – page 124
	2-13 Delegation of responsibility for managing impacts	Chapter 3, 3.1.2. Executive Management and Executive Committee as of December 31, 2024 – page 100
	2-14 Role of the highest governance body in sustainability reporting	Chapter 3, 3.2.11.4 The Environment and Society Committee – page 124
	2-15 Conflicts of interest	Chapter 3, 3.2.3.2 Independence of Board Members – page 106
	2-16 Communication of critical concerns	Chapter 3, 3.2.11.4 The Environment and Society Committee – page 124
	2-17 Collective knowledge of the highest governance body	Chapter 3, 3.1.1 Composition of the Board of Directors – page 98 Chapter 3, 3.2.3 Composition of the Board of Directors – page 103
	2-18 Evaluation of the performance of the highest governance body	Chapter 3, 3.2.8 Evaluation of the Board of Directors – page 114
	2-19 Remuneration policies	Chapter 3, 3.4.1 Summary of the remuneration of Company Officers – page 142
	2-20 Process to determine remuneration	Chapter 3, 3.2.11.3 The Remuneration Committee – page 122

GRI Standard	Disclosure	Location of information in the 2024 Universal Registration Document
	2-21 Annual total compensation ratio	Chapter 3, 3.4.2.3 Remuneration ratios - annual change in remuneration, performance and ratios – page 158
	2-22 Statement on sustainable development strategy	Chapter 1, 1.3.2.2 Decarbonize the planet – page 40
	2-23 Policy commitments	Chapter 5, 2.2.2 Climate policy – page 310 Chapter 5, 2.3.2 Water management policy – page 320 Chapter 5, 3.1.2 Commitment to employees – page 329 Chapter 5, 3.1.3 Health and safety of the Group's employees – page 331 Chapter 5, 3.1.4 Diversity, inclusion and harassment prevention – page 336 Chapter 5, 3.1.5 Employee remuneration and benefits – page 338 Chapter 5, 3.1.6 Well-being at work – page 340 Chapter 5, 3.1.7 Employability, talent and skills management – page 341 Chapter 5, 3.1.8 Personal data protection – page 343 Chapter 5, 3.2.2 Health and safety of workers in the value chain – page 346 Chapter 5, 3.2.3 Working conditions – page 347 Chapter 5, 3.2.4 Prevention of forced labor and child labor – page 348 Chapter 5, 3.3.2 Protection of patients' personal data – page 350 Chapter 5, 3.3.3 Patient health and safety – page 350 Chapter 5, 3.3.4 Access to (quality) information – page 351 Chapter 5, 4.2.1 Business conduct and corporate culture policies – page 353
	2-24 Embedding policy commitments	Chapter 5, 2.2.2 Climate policy – page 310 Chapter 5, 2.3.2 Water management policy – page 320 Chapter 5, 3.1.3 Health and safety of the Group's employees – page 331 Chapter 5, 3.1.4 Diversity, inclusion and harassment prevention – page 336 Chapter 5, 3.1.5 Employee remuneration and benefits – page 338 Chapter 5, 3.1.6 Well-being at work – page 340 Chapter 5, 3.1.7 Employability, talent and skills management – page 341 Chapter 5, 3.1.8 Personal data protection – page 343 Chapter 5, 3.2.2.1 Health and safety policy for workers in the value chain – page 346 Chapter 5, 3.2.3.1 Working conditions policy for workers in the value chain – page 347 Chapter 5, 3.2.4.1 Forced labor and child labor prevention policy – page 348 Chapter 5, 3.3.2.1 Protection of patients' personal data policy – page 350 Chapter 5, 3.3.3.1 Patient health and safety policy – page 350 Chapter 5, 3.3.4.1 Access to (quality) information policy – page 351 Chapter 5, 4.2.1 Business conduct and corporate culture policies – page 353
	2-25 Processes to remediate negative impacts	Chapter 5, 3.1.2 Commitment to employees – page 329 Chapter 5, 3.2.1 Introduction – page 344 Chapter 5, 3.3.1 Introduction – page 349
	2-26 Mechanisms for seeking advice and raising concerns	Chapter 5, 3.2.1 Introduction – page 344 Chapter 5, 3.3.1 Introduction – page 349 Chapter 5, 4.2.1 Business conduct and corporate culture policies – page 353 Chapter 5, 4.3.1 Prevention, detection and combating corruption – page 354
	2-27 Compliance with laws and regulations	Chapter 5, 1.5.5 Results of the double materiality assessment – page 290 Chapter 5, 2.2.1 Introduction – page 300 Chapter 5, 3.1.3 Health and safety of the Group's employees – page 331 Chapter 5, 3.1.4 Diversity, inclusion and harassment prevention – page 336 Chapter 5, 3.1.5 Employee remuneration and benefits – page 338 Chapter 5, 3.1.6 Well-being at work – page 340 Chapter 5, 3.1.7 Employability, talent and skills management – page 341 Chapter 5, 3.1.8 Personal data protection – page 343 Chapter 5, 3.2.1 Introduction – page 344 Chapter 5, 3.3.1.1 Topics related to patients and customers: impacts, risks and opportunities – page 349 Chapter 5, 4.3.3 Corruption incidents – page 355

GRI Standard	Disclosure	Location of information in the 2024 Universal Registration Document
	2-28 Membership associations	Chapter 5, 4.5.2 Themes, actions and messages to the public sphere – page 356
	2-29 Approach to stakeholder engagement	Chapter 5, 1.4.4 Stakeholders engagement – page 285
	2-30 Collective bargaining agreements	Chapter 5, 3.1.2 Commitment to employees – page 329
GRI 3: Material Topics 2021		
	3-1 Process to determine material topics	Chapter 5, 1.1 Basis for preparation of the Sustainability Statement – page 280 Chapter 5, 1.5.1 Preliminary work to the double materiality assessment – page 287 Chapter 5, 1.5.2 Identification of impacts, risks and opportunities – page 288 Chapter 5, 1.5.4 Integration of double materiality in internal control and risk and impact management systems – page 289 Chapter 5, 2.2.1 Introduction – page 300 Chapter 5, 2.2.3 Climate-related actions – page 311 Chapter 5, 2.4.1 Impacts, risks and opportunities – page 323 Chapter 5, 2.5.1 Impacts, risks and opportunities – page 324 Chapter 5, 2.6.1 Impacts, risks and opportunities – page 325 Chapter 5, 4.1.2 Topics related to business conduct: impacts, risks and opportunities – page 352
	3-2 List of material topics	Chapter 5, 1.4 Strategy and business model – page 284 Chapter 5, 1.5 Impacts, risks and opportunities – page 288
	3-3 Management of material topics	Chapter 5, 1.5 Impacts, risks and opportunities – page 287 Chapter 5, 2 Environmental information – page 294 Chapter 5, 3 Information related to social matters – page 326 Chapter 5, 4 Governance-related information – page 352
GRI 101: Biodiversity 2024		
	101-4 Identification of biodiversity impacts	Chapter 5, 2.5 Biodiversity and ecosystems – page 324
	101-5 Locations with biodiversity impacts	Chapter 5, 2.5 Biodiversity and ecosystems – page 324
	101-6 Direct drivers of biodiversity loss	Chapter 5, 2.5 Biodiversity and ecosystems – page 324
GRI 201: Economic Performance 2016		
	201-1 Direct economic value generated and distributed	Chapter 4, 4.1.1 Consolidated income statement – page 193
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter 4, 4.1.8 Note CC 31 Climate risks consideration – page 248
	201-3 Defined benefit plan obligations and other retirement plans	Chapter 4, 4.1.6.9 Provisions b. Pensions and employee benefits – page 206 Chapter 4, 4.1.8 Note CC 23, 23.1 Pension plans – page 229
	201-4 Financial assistance received from government	Chapter 4, 4.1.6.10 Government grants – page 207
GRI 202: Market Presence 2016		
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Chapter 3, 3.4.2.3 Remuneration ratios - annual change in remuneration, performance and ratios – page 158
GRI 203: Indirect Economic Impacts 2016		
	203-2 Significant indirect economic impacts	Chapter 1, 1.4.4 Extra-financial performance – page 59
GRI 205: Anti-corruption 2016		
	205-1 Operations assessed for risks related to corruption	Chapter 5, 4.3.1 Prevention, detection and combating corruption – page 354
	205-2 Communication and training about anti-corruption policies and procedures	Chapter 5, 4.3.2 Training of high-risk functions – page 354

GRI Standard	Disclosure	Location of information in the 2024 Universal Registration Document
	205-3 Confirmed incidents of corruption and actions taken	Chapter 5, 4.3.3 Corruption incidents – page 355
GRI 206: Anti-competitive Behavior 2016		
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Chapter 4, 4.1.8 Note CC 30 – Contingent liabilities – page 248
GRI 207: Tax 2019		
	207-1 Approach to tax	Chapter 2, 2.2.2.4 Tax risks – page 79
	207-2 Tax governance, control, and risk management	Chapter 2, 2.2.2.4 Tax risks – page 79
	207-3 Stakeholder engagement and management of concerns related to tax	Chapter 2, 2.2.2.4 Tax risks – page 79
	207-4 Country-by-country reporting	Chapter 2, 2.2.2.4 Tax risks – page 79
GRI 302: Energy 2016		
	302-1 Energy consumption within the organization	Chapter 5, 2.2.5 Climate indicators – page 313 **ISO Certification 2024** — **ISO 14001** Percentage of facilities — 22%
	302-3 Energy intensity	Chapter 5, 2.2.5 Climate indicators – page 313
	302-4 Reduction of energy consumption	Chapter 5, 2.2.5 Climate indicators – page 313
GRI 303: Water and Effluents 2018		
	303-1 Interactions with water as a shared resource	Chapter 5, 1.5.5 Results of the double materiality assessment – page 290 Chapter 5, 2.2.1 Introduction – page 300 Chapter 5, 2.3.1 Introduction – page 319 Chapter 5, 2.3.3 Water management actions – page 321 Chapter 5, 2.3.4 Water management objectives – page 322
	303-2 Management of water discharge-related impacts	Chapter 5, 2.3.2 Water management policy – page 322
	303-3 Water withdrawal	Chapter 5, 2.3.5 Water management indicators – page 323
	303-4 Water discharge	Chapter 5, 2.3.5 Water management indicators – page 323
	303-5 Water consumption	Chapter 5, 2.3.5 Water management indicators – page 323
GRI 305: Emissions 2016		
	305-1 Direct (Scope 1) GHG emissions	Chapter 5, 2.2.4 Climate objectives – page 312 Chapter 5, 2.2.5 Climate indicators – page 313
	305-2 Energy indirect (Scope 2) GHG emissions	Chapter 5, 2.2.4 Climate objectives – page 312 Chapter 5, 2.2.5 Climate indicators – page 313
	305-3 Other indirect (Scope 3) GHG emissions	Chapter 5, 2.2.4 Climate objectives – page 312 Chapter 5, 2.2.5 Climate indicators – page 313
	305-4 GHG emissions intensity	Chapter 5, 2.2.5 Climate indicators – page 313

GRI Standard	Disclosure	Location of information in the 2024 Universal Registration Document		
	305-5 Reduction of GHG emissions	Chapter 5, 2.2.3 Climate-related actions – page 311 Chapter 5, 2.2.4 Climate objectives – page 312 Chapter 1, 1.4.4 Extra-financial performance – page 59		
		Avoided Emissions	**Units**	**2024**
		Emissions avoided due to the optimization of assets	tonnes CO_2eq	4,363,578
		Emissions avoided to improve customers' energy footprint	tonnes CO_2eq	8,118,703
		Total Avoided Emissions	**tonnes CO_2eq**	**12,482,281**
		Emissions avoided due to the use of H_2 for desulfurization	tonnes CO_2eq	58,400,000
		Total Avoided Emissions including End Uses	**tonnes CO_2eq**	**70,882,281**
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	**Discharges into Water and Air**	**Units**	**2024**
		Air discharge		
		Discharges into air: NOx (nitrogen oxides)	tonnes	3,090
		Discharges into air: SOx (sulfur oxides)	tonnes	102
		Volatile organic compounds (VOCs) discharged into the atmosphere (estimate)	tonnes	65
		Discharge to water		
		Discharges to water: oxidizable matter	tonnes	450
		Discharges to water: suspended solids	tonnes	635
GRI 306: Waste 2020				
	306-2 Management of significant waste-related impacts	**Main hazardous waste**	**Units**	**2024**
		Top 1 Category		
		Hazardous contaminated water and sluge: % of sites which reported the Hazardous Waste	%	9%
		Hazardous contaminated water and sluge: Treatment mode	description	Incineration with energy recovery
		Hazardous contaminated water and sluge: % of sites applying treatment mode	%	18%
		Top 2 Category		
		Used catalysts and absorbents: % of sites which reported the Hazardous Waste	%	14%
		Used catalysts and absorbents: Treatment mode	description	Recycling – total or partial conversion into reusable material
		Used catalysts and absorbents: % of sites applying treatment mode	%	26%
		Top 3 Category		
		Paints, solvents & flammable chemicals and associate waste: % of sites which reported the Hazardous Waste	%	11%
		Paints, solvents & flammable chemicals and associate waste: Treatment mode	description	Recycling – total or partial conversion into reusable material
		Paints, solvents & flammable chemicals and associate waste: % of sites applying treatment mode	%	31%
		Non-hazardous waste and by-products	**Units**	**2024**
		Annual quantity of lime produced (extracted by dry equivalent) by the acetylene production units	tonnes	29,137
		% of lime recycled	%	83%
		Metal waste	tonnes	9,345
		% of metal waste recycled	%	12%
		Total Non-Hazardous Waste and By-products	**tonnes**	**38,482**

GRI Standard	Disclosure	Location of information in the 2024 Universal Registration Document
GRI 308: Supplier Environmental Assessment 2016		
	308-1 New suppliers that were screened using environmental criteria	Chapter 5, 3.2. Workers in the value chain – page 344 Chapter 5, 4.4.1 Management of relationships with suppliers – page 355
	308-2 Negative environmental impacts in the supply chain and actions taken	Chapter 5, 3.2.3 Working conditions – page 347
GRI 401: Employment 2016		
	401-1 New employee hires and employee turnover	Chapter 5, 3.1.1 Introduction – page 328
	401-3 Parental leave	Chapter 5, 3.1.4 Diversity, inclusion and harassment prevention – page 336 Chapter 5, 3.1.5 Employee remuneration and benefits – page 338
GRI 403: Occupational Health and Safety 2018		
	403-1 Occupational health and safety management system	Chapter 5, 3.1.3 Health and safety of the Group's employees – page 331
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 5, 3.1.3 Health and safety of the Group's employees – page 331
	403-3 Occupational health services	Chapter 5, 3.1.3 Health and safety of the Group's employees – page 331
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 5, 3.1.3 Health and safety of the Group's employees – page 331
	403-8 Workers covered by an occupational health and safety management system	Chapter 5, 3.1.3 Health and safety of the Group's employees – page 331
	403-9 Work-related injuries	Chapter 5, 3.1.3 Health and safety of the Group's employees – page 331
	403-10 Work-related ill health	Chapter 5, 3.1.3 Health and safety of the Group's employees – page 331
GRI 404: Training and Education 2016		
	404-1 Average hours of training per year per employee	The average number of training hours per year and per employee in 2024 amounts to: 14.23 hours
	404-2 Programs for upgrading employee skills and transition assistance programs	Chapter 5, 3.1.7 Employability, talent and skills management – page 341
	404-3 Percentage of employees receiving regular performance and career development reviews	Chapter 5, 3.1.7 Employability, talent and skills management – page 341
GRI 405: Diversity and Equal Opportunity 2016		
	405-1 Diversity of governance bodies and employees	Chapter 3, 3.2.3.1 Diversity policy – selection of new members of the Board of Directors – page 105 Chapter 5, 3.1.1 Introduction – page 328 Chapter 5, 3.1.4 Diversity, inclusion and harassment prevention – page 336
	405-2 Ratio of basic salary and remuneration of women to men	Chapter 5, 3.1.5 Employee remuneration and benefits – page 338
GRI 406: Non-discrimination 2016		
	406-1 Incidents of discrimination and corrective actions taken	Chapter 5, 3.1.2 Commitment to employees – page 329

GRI Standard	Disclosure	Location of information in the 2024 Universal Registration Document
GRI 408: Child Labor 2016		
	408-1 Operations and suppliers at significant risk for incidents of child labor	Chapter 5, 3.2.4 Prevention of forced labor and child labor – page 348
GRI 409: Forced or Compulsory Labor 2016		
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Chapter 5, 3.2.4 Prevention of forced labor and child labor – page 348
GRI 413: Local Communities 2016		
	413-1 Operations with local community engagement, impact assessments, and development programs	(see tables below)
	413-2 Operations with significant actual and potential negative impacts on local communities	Chapter 5, 3.2.3 Working conditions – page 347
GRI 414: Supplier Social Assessment 2016		
	414-1 New suppliers that were screened using social criteria	Chapter 5, 3.2. Workers in the value chain – page 344 Chapter 5, 4.4.1 Management of relationships with suppliers – page 355
	414-2 Negative social impacts in the supply chain and actions taken	Chapter 5, 3.2. Workers in the value chain – page 344 Chapter 5, 4.4.1 Management of relationships with suppliers – page 355
GRI 415: Public Policy 2016		
	415-1 Political contributions	Chapter 5, 4.5 Relations with the public sphere – page 356
GRI 416: Customer Health and Safety 2016		
	416-1 Assessment of the health and safety impacts of product and service categories	Many industrial and medical gas applications protect the environment on the sites of Group’s customers, and life of the Group´s patients. These applications account for over 40% of Group revenue in 2024. Chapter 5, 3.3 Patients and customers – page 349

413-1:

“Access Oxygen™” program to facilitate access to oxygen in low- and middle-income countries	2024
Persons in Africa with facilitated access to oxygen	> 2,700,000
Healthcare facilities in South Africa, Senegal, Kenya and Mali benefiting from the Access Oxygen™ program	300

“Citizen at Work” program	2024
Employees having access to volunteering opportunities	87%

GRI Standard	Disclosure	Location of information in the 2024 Universal Registration Document
GRI 417: Marketing and Labeling 2016		
	417-1 Requirements for product and service information and labeling	REACH (Registration, Evaluation, Authorisation and restriction of CHemicals) is a European Union Regulation that governs the registration, notification, restriction and authorisation of chemical substances produced in or imported into the European Union. Air Liquide ensures that the raw materials used and placed on the market comply with the REACH regulation. Air Liquide's main products, such as oxygen, nitrogen, hydrogen, CO_2, helium and rare gases are exempt from registration under REACH. Air Liquide is the lead registrant for several substances, in particular specialty gases from the Electronics activity (NF_3, CF_4, C_4F_8, SiF_4, etc.). Air Liquide is the ordinary registrant for several other substances: carbon monoxide, acetylene, methanol, lime, nitrous oxide, ultra-pure fuels have been registered under this regulation by each subsidiary concerned. In addition, Seppic, a manufacturer of specialty ingredients for health and beauty, is subject to REACH regulations for some of its substances. Seppic ensures that compliance with the REACH regulation is maintained and also ensures compliance with similar regulations outside Europe. In 2024, the Group sales subject to registration under REACH represent less than 1% of the Group turnover. Air Liquide is mainly impacted by restrictions relating to the use of solvents used to distribute acetylene. The solvent DMF is subject to a restriction under a European Regulation of November 2021 that requires occupational exposure during cylinder filling operations to be monitored. NMP, a potential substitute, is also subject to restricted use as of May 2020. Air Liquide does not distribute any SVHC (Substances of Very High Concern). These SVHCs are essentially contained in articles distributed for the commissioning or production of gases. The WFD (Waste Framework Directive) requires distributors of articles containing SVHCs, as defined by REACH, above 0.1% by weight, to fill out a database called SCIP (Substances of Concern In articles as such or in complex objects (Products)), where the article is described and the location of the SVHC substance is designated. There is no threshold limit as for REACH notifications. This SCIP database will be used at the end of the article’s life when it is dismantled by waste treatment or recycling centers as part of the circular economy. Air Liquide now requires its equipment suppliers to inform it of the presence and precise location of all elementary parts containing SVHCs. The Globally Harmonized System of Classification and Labelling of Chemicals, better known as GHS, was created by the United Nations. This system sets out the classification of chemical products according to the types of danger that they represent and provides standardized hazard information, including labeling. This labeling must provide key information concerning health, safety and environmental protection to everyone who handles a hazardous product or who could be exposed to one. In the countries in which GHS is implemented in local regulations, Air Liquide subsidiaries have implemented the principles of GHS in terms of product compliance in accordance with the requirements set out in local regulations.