



## Corporate Responsibility at Messer Americas

Supplement to the Corporate Responsibility Report  
of the Messer Group GmbH 2018

# Corporate Responsibility: A Core Value

At Messer Americas, Corporate Responsibility represents a core value for our business. We responsibly manage our resources and apply the talents of our employees to positively benefit society and our communities. Our business decisions and actions demonstrate our commitment to the triple bottom line of long-term financial, social and environmental sustainability. This report captures our commitments and impact as part of the world's largest privately held industrial gases company.

## About Messer Americas

On March 1, 2019, Messer Group and CVC Capital Partners Fund VII (CVC) jointly acquired most of the North American gases business of Linde plc, as well as certain Linde business activities in South America. With over 70 production facilities and approximately 5,400 employees operating in the United States, Canada, Brazil, Colombia and Chile, Messer today is one of the leading industrial gas companies with \$1.7B in revenue in North and South America. Together with Messer Group, the company represents a USD \$3 billion global enterprise with presence in the Americas, Europe and Asia and more than 11,000 employees worldwide.

## About Messer Group

The Messer Group was founded in 1898 and is today the world's largest family-run specialist in industrial, medical and specialty gases. Under the brand 'Messer – Gases for Life', products and services are offered in Europe, Asia and the Americas. Stefan Messer, CEO and owner of Messer Group GmbH, and the company's

employees worldwide work in accordance with defined principles: these include a focus on customers and employees, responsible behavior, corporate responsibility, excellence as well as trust and respect. Messer Group GmbH generated consolidated sales of 1.3 billion euros in 2018.

Ranging from acetylene to xenon, Messer offers one of the most extensive product portfolios on the market – the company produces industrial gases such as oxygen, nitrogen, argon, carbon dioxide, hydrogen, helium, shielding gases for welding, specialty gases, medical gases and a wide variety of mixed gases.

In state-of-the-art research and development centers, Messer develops application technologies for the use of gases in almost all branches of industry, in food technology, environmental technology, medicine, research and science.

## About CVC

CVC Capital Partners is a leading private equity and investment advisory firm. Established in 1981, the company now has over 450 employees at 24 offices in Europe, Asia and the USA. At the moment, CVC has a total of more than US\$69 billion of invested assets under management. CVC funds are presently invested in some 72 companies worldwide with more than 200,000 employees across numerous locations. All together, these portfolio companies represent total sales of over US\$150 billion.

CVC believes the management of environmental, social and governance (ESG) issues is a critical part of ensuring the long-term success of any business today. Building better businesses through effective ownership and management benefits all stakeholders, from employees to customers, suppliers and shareholders, and the wider community at large by creating jobs, supporting local communities and securing the future of millions of people around the world. As careful stewards of capital, CVC is committed to operating with the upmost integrity and working hard to manage ESG factors from its due diligence processes, during the management of investments and in ongoing support. CVC has adopted a comprehensive ESG Policy, describing what is expected of CVC as an investment manager as well as what is expected from portfolio companies. CVC's ESG policy details how it is committed to supporting ethical behaviors in all of its activities together with investing in and working with local communities.

## Americas Management and Advisory Board

### Advisory Board:

Hans-Gerd Wienands, Chairman and ex CFO, Messer Group  
Stefan Messer, CEO and Owner, Messer Group  
Ernst Bode, COO, Messer Group  
Daniel Pindur, Senior Managing Director, CVC Capital Partners  
Alexander Dibelius, Managing Partner and Head of Germany, CVC Capital Partners  
Lars Haegg, Principal, CVC Capital Partners

### Management Team:

Jens Luehring, President & CEO, Americas  
Gareth Parkin, CFO and Senior Vice President, Americas  
Chris Ebeling, Executive Vice President, Sales & Marketing, North America  
Rob Capellman, Executive Vice President, MPG Americas & Tonnage US, Americas  
Brian Kenney, Executive Vice President, Operations, Americas  
Maria Iglesias, General Manager, Colombia & Chile  
Christian Lafleur, General Manager, Canada  
Scott Latta, General Manager, Brazil





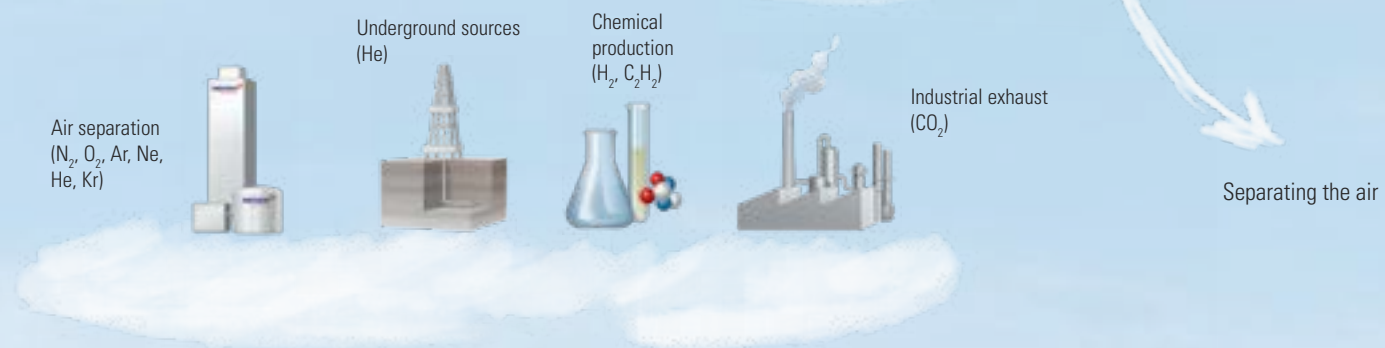
# We make gases out of air

Industrial operations require oxygen, nitrogen, argon, xenon, neon and krypton, along with carbon dioxide, acetylene, hydrogen and helium, and a wide variety of gas mixtures. At Messer we call these gases **Gases for Life**. They are produced in largescale industrial plants and are just as important as water and electric power for many manufacturing processes which make everyday products.

## What is air?

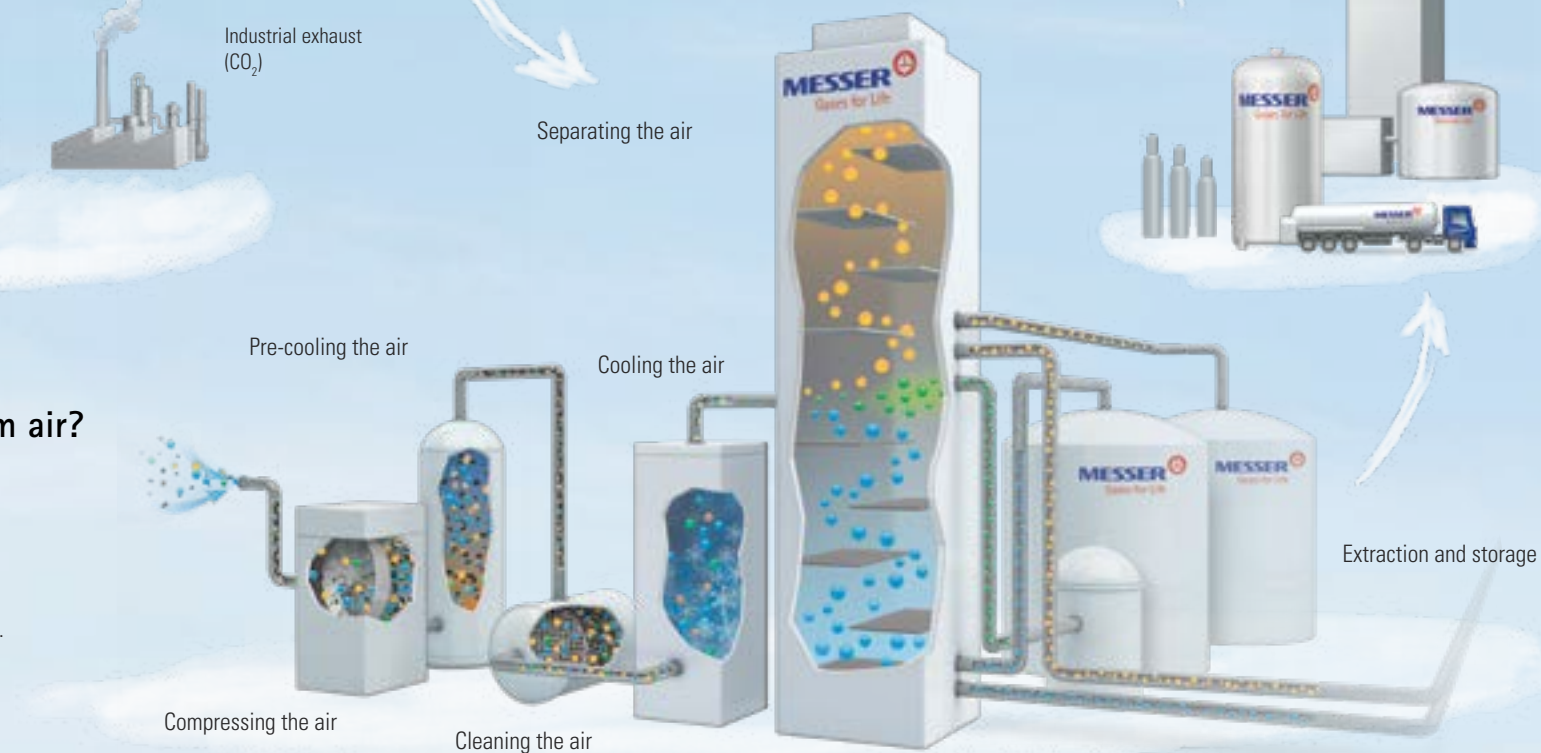
**78%** Nitrogen ( $N_2$ )  
**21%** Oxygen ( $O_2$ )  
**0.9%** Argon (Ar)  
**0.1%** Carbon dioxide ( $CO_2$ ),  
 Neon (Ne), Helium (He),  
 Methane ( $CH_4$ ), Krypton (Kr),  
 Hydrogen ( $H_2$ ),  
 Nitrous oxide ( $N_2O$ ),  
 Xenon (Xe)

## Where do Gases for Life come from?



## How are Gases for Life produced from air?

In order to produce these gases, we use air separation units which can reach 60 meters high or more. Inside them, a physical process takes place which separates the air into its components. This process is also known as cryogenic distillation.



## Who needs Gases for Life?



## How are Gases for Life supplied to the customer?

Smaller quantities: Pressurized gas cylinders

Larger quantities: Tanks on the customer's premises, delivery of gases in tank trucks

Major industrial quantities: Air separation units on the customer's premises; alternatively – where available – supply via pipeline



# Our Employees

## Current staff structure and length of employment

As of March 1, 2019, Messer Americas comprises 5,262 employees across five countries in North and South America. The proportion of women in the workforce is 36.2%. The average length of service of our staff is 11.3 years. Total Americas staff turnover is 5.4% between March – June 30th. The average age of our staff is 42.5 years.

## Training and professional development

Messer promotes and fosters professional growth through a variety of training, education, and development strategies including Emerging Leader and Front-Line Management programs in support of Messer's commitment to people excellence. The company launched a micro-learning video library to support competency development. The tuition assistance program is also utilized by many to enhance their skill sets and further their careers.

## Employee orientation and integrity

At Messer, we develop and promote motivated, efficient and effective employees. We expect our employees to act with integrity and to be resourceful and responsible team players.

## Financial parity

Our salaries are based on the specific role for an employee, job evaluation, the market, performance, skills and qualifications and, where applicable, on collective agreements and inflation compensation. The company is committed to equitable treatment regardless of gender, race, ethnicity or sexual orientation.

## Diversity, equal treatment and anti-discrimination

Messer maintains a comprehensive suite of policies to support our commitments to Diversity and Anti-Discrimination, as well as Data Privacy. If employees feel discriminated against or that they are not being treated equally, they can, at any time, turn to their local human resources manager, "Solutions", Messer America's complaint resolution program, Messer's Integrity Line or Messer's compliance officer, for help in dealing with the matter and ensuring equality is maintained.





# Safety



At Messer, safety is our top priority and core to everything we do. We are committed to the safe and reliable production, handling, transport and use of our products, with a vision of zero harm to people, society and the environment. We strive to continually improve the quality and safety of our products and services. Our integrated management system helps us achieve these goals by embedding health, safety, and environment into our daily operations.

In 2018, Messer held its annual Safety Day by sponsoring a drawing contest for the children of Messer employees, themed 'Be safe, your family is waiting!' This sparked meaningful dialogue among our employees on the importance of practicing safe behavior always, so that all of our employees return safely to their homes and family each and every day.

## Employee safety

The number of industrial accidents reported by Messer Americas that involved a loss of working hours went from 29 in 2017 to 27 cases in 2018. The rate of loss of employee working time per 200,000 hours worked (lost time accident frequency rate) went down from 0.54 in 2017 to 0.50 in 2018. The number of working days lost (industrial accident severity rate) per 200,000 hours worked increased slightly from 11.34 in 2017 to 15.29 in 2018. There were 74 reportable industrial accidents in both 2017 and 2018. The frequency rate of reportable industrial accidents per 200,000 hours worked was 1.38 for both years. Most injuries occurred as a result of manual handling, slips/trips/falls or taking shortcuts. In 2019, additional programs have been put in place to address these issues.



## Product stewardship

Each day, Messer delivers products to our customers and distributor networks all across North and South America. Our Product Stewardship team is responsible for the management of products throughout its life cycle focusing on the health, safety and environmental issues at each phase. Messer product stewards monitor existing and emerging regulations, ensure material registrations, manufacturing, distribution, packaging, and other requirements are met.

Product Stewardship requires good communication all along the product's life cycle to assess the needs of all involved stakeholders. This includes working with our customers to develop appropriate risk management measures and to address their emerging needs for the products and services we supply. These activities may include the development of safety data sheets and labels (indicating hazard and use information), and training. Product Stewardship includes the review and the publication of information on the safe use, storage and handling of our products.

Messer also participates in relevant trade and industry associations, including the American Chemistry Council's (ACC), Responsible Care Certification Program and the Compressed Gas Association (CGA) and works with other key stakeholders on the development of standards, and partners with governmental and non-governmental organizations (NGOs).

*For assistance involving Messer products, gases and equipment, 24 hours a day, 7 days a week:  
800-232-4726 (Continental U.S. and Puerto Rico)*





# Environmental Guidelines

Messer Americas (Messer) has established an integrated HSEQ (Health, Safety, Environmental and Quality Policy (Messer Americas HSE Policy). The environmental elements covered by this policy conform to the policy requirements of ISO14001 while establishing a framework for setting environmental objectives and targets. Messer HSEQ guidelines form an integrated standard reflecting our commitment to environmental protection. As such, Messer adheres to a set of general environmental guidelines that include:

- determining the material impact of its business activity on the environment,
- reducing the undesirable impact of its products and services on the environment,
- supporting waste reduction and pollution prevention programs,
- providing operating principles, processes, procedures and resources for the implementation of its environmental guidelines, taking into consideration the best available technology,
- raising awareness among its employees about the importance to act in an environmentally friendly way, both at work and at home,
- comply with or exceed the requirements of existing environmental legislation,
- carrying out environmental impact assessments before building new facilities or modifying existing ones,
- communicating openly and honestly with all stakeholders and neighbors, and
- minimizing specific energy consumption and, wherever possible, reusing materials in an economically viable way.

## Environmental Commitment

Messer Americas has implemented an integrated environmental management system (EMS) that ensures all the critical elements managing our operations and our environmental performance continuously improves. In addition, Messer adheres to the American Chemistry Counsel's (ACC) Responsible Care (RC) program, under which 29 locations in the United States are certified. In Colombia, there are two ASUs and one CO<sub>2</sub> production sites with ISO14001:2015 and OHSAS 18001:2007 certifications. In Brazil, there are ISO14001 certificates for four locations (ASU Cubatão, Ave. Brazil, Jundiai and Alphaville).

To help establish, implement and maintain the EMS, all major sites have completed a Site Environmental Plan. The Environmental

Plan is prepared to systematically identify and implement techniques and strategies to properly manage environmental aspects, and to comply with regulatory requirements while minimizing hazardous material use, waste generation, and releases to all environmental media. The Environmental Plan also supports coordination of site environmental requirements/practices related to Messer America's Integrated Management System and Standards (IMSS), the American Chemistry Council Responsible Care Pollution Management System and environmentally related elements. The Environmental Plan is the principal document to be used by sites pursuing ISO14001 certification.





Finally, Messer's environmental footprint is monitored and will be reported annually. Environmental sustainability indicators such as, electricity, natural gas and water consumption; waste generation and recycling; and air emissions. We note that as a new carve out company established in 2019, the year 2019 will be the first-year monitoring for the operations that constitute Messer Americas and therefore, will form the baseline for comparisons moving forward.

### Environmental protection through energy management

Messer develops and builds its own air separation units. Energy efficiency is a key aspect in terms of their design, as is cost-effective procurement of energy in terms of operating the production facilities.

Messer's objective is to reduce the specific energy consumption of our air separation units. We aim to achieve this through better capacity utilization of our production facilities, continuous investment in even more efficient facilities and targeted energy efficiency projects.

### Greenhouse gas emissions

Air separation units process ambient air without producing any toxic or environmentally harmful emissions. Even in the event of a shut-down or fault, only air components are emitted. Our products are gases which are delivered either via pipeline, by tankers to fill customer tanks or in steel cylinders in compressed form. Only cylinder gases are packaged products and these cylinders are usually rented out to customers and returned empty after use. They are therefore 100 percent reusable after the requisite cleaning and inspection.

Our total greenhouse gas emissions will be shown as CO<sub>2</sub> equivalents (CO<sub>2</sub>e). Conversion of the quantity of emissions will be done per production facility, and greenhouse gas equivalents will be determined for production facilities using the local energy providers' conversion factors. Note that most of the electricity required by Messer is used for the operation of our air separation plants. Around 60 percent of our total CO<sub>2</sub> emissions are the by-product of the generation of this electricity by energy providers and will be reported as indirect emissions. Our calculation of greenhouse gases will consider both those indirect emissions as well as direct emissions, in accordance with the Greenhouse Gas Protocol.

### Fuel consumption and other emissions

Fuel consumption by our bulk and cylinder fleets will be tracked and will be a focus of our climate protection measures. Optimized routes and better use of transport capacity will help us reduce the number of miles travelled, cut the amount of fuel consumed and bring down the level of transport emissions.

In addition, Messer operates nitrous oxide (N<sub>2</sub>O) production facilities. This gas is used in medicine and in the electronics and food industries. Messer also operates hydrogen plants. In its gaseous state, hydrogen can be used in many industry segments, including as a food additive, in heat treatment processes, as an energy source or even as a fuel.

The total CO<sub>2</sub> equivalent for our fleet's fuel consumption and for emissions of N<sub>2</sub>O and hydrogen will be calculated and reported as part of our sustainability indicators.

### Water consumption

In 2018, our plants in the United States consumed a total of approximately 1,800 million gallons of water, with most of it being used in our air separation units.

We use water as efficiently as possible and work to ensure that our emissions to water are constantly being reduced. The majority of our annual water requirement is used in cooling processes. Most of this cooling water is just heated and can subsequently used back into the water system without the need for treatment. We take care to ensure that the temperature reached does not pose any risk to the surrounding ecosystem. The rest of the water we use is applied to production, used as a source of steam or in office buildings. We encourage closed-looped systems as a means of reducing our water consumption, as these enable water to be used multiple times.

### Waste generation

We keep our consumption of resources as low as possible and are constantly reviewing how waste can be avoided. Our most common waste products are oil and oleaginous materials, waste which contains metal, and gas cylinders which have reached the end of their useful life. By using closed-looped systems for products, we increase both material efficiency and resource efficiency and cut the volume of waste produced. We dispose of any waste which cannot be recycled in an environmentally sound manner. We comply with local

regulations and classify our waste as hazardous or non-hazardous in accordance with relevant legislation in the country in which we are operating. We focus in particular on hazardous waste when devising measures to achieve further reductions in waste. As the amount of waste at different sites depends on the type of business operations being carried out there, our waste management objectives are based on regional requirements.

### Environmental protection at our customers' sites

#### Reducing greenhouse gases through efficient use of industrial gases

We offer our customers a variety of solutions to make production and energy generation processes more efficient and more environmentally friendly. Our gases and technologies help our customers reduce their own greenhouse gas emissions and make our customers' products and processes more environmentally friendly.

The use of industrial gases also reduces our customers' greenhouse gas emissions in other areas of application technology. In the upcoming years, Messer will ascertain this reduction potential for all environmentally relevant processes. We assume that the potential for reducing greenhouse gases at our customers' sites will be significantly greater than the amount of greenhouse gases produced in connection with the manufacture of our industrial gases.





# Social Responsibility

## Our philosophy

As a company, we are committed to doing our part to positively impact the communities in which we operate and society at large. Through employee volunteerism and charitable giving, we work together with non-profit organizations and local schools to make a difference in our communities, with focus on Safety, Health, Education and the Environment. In addition, we take seriously our role as a responsible employer and economic contributor to our communities, providing well-paying jobs, contributing our share of local, state and federal taxes, and providing essential gases and services for hospitals, manufacturers and customers representing a range of consumer markets, from food & beverages to electronics.

## Messer gives back

### Employee drives support vital services and disaster relief for communities in crisis

In the United States, Messer continues a long-standing partnership with the American Red Cross at the national and local levels. In



2018 our employees contributed to volunteer collection drives to support local community members recovering from natural disasters and emergencies. Employees also gathered and donated personal care products, clothing and other non-perishable items for use by community members in crisis, as well as military veterans and their families.



### Messer collaborates with US EPA for Buffalo River habitat restoration

In New York, USA, Messer actively partners with the US EPA, the US Army Corps of Engineers and other local businesses to support a habitat restoration project along the Buffalo River. The multi-year project involves rehabilitating the shoreline, removing invasive species, renaturalizing the riverbank with native species, and improving river access for public use. All of this aligns with Messer's commitments to environmental stewardship and to enhancing our local communities.



### Holiday campaigns benefit communities across Brazil

In 2018, our teams in Brazil continued their annual tradition of initiating nationwide giving campaigns to support local charities, schools and the environment during the Christmas and Easter holiday seasons. Our annual Christmas campaign benefited more than 40 non-profit organizations and schools in communities across Brazil. Our employees donated over three tons of food, 700kg of cleaning materials, hundreds of articles of clothing and hundreds more school supplies for local families in need. For our 2018 Easter campaign, more than 200 employee volunteers collected and distributed Easter Baskets to children via 10 charitable institutions, bringing 100kg of chocolate and smiles to our youngest neighbors in Brazil.



### Partnerships with Mutual Support Committees improve emergency preparedness

In Colombia, we participated in two Mutual Support Committees (MSC), located in Bogota and Tocancipa. Through each MSC, Messer works together with public officials and private entities to strengthen local prevention, preparation and response capabilities for any emergencies that might impact the communities in which we operate. In 2018, we actively partnered with MSC members to address common issues related to security, risk and potential emergency scenarios.

### School supply donation benefits children and the environment

Our local team gathered office supplies that were no longer used and donated the items, including 250 needed binders to the APAE of Jundiaí in Brazil. This action also provided environmental gains, in the reuse of materials that were previously disposed of as waste and that would have otherwise been discarded. School materials were also donated.

### Toy and book drives bring smiles to children in Messer Healthcare facilities

In 2018, our employees donated and delivered toys and books to children receiving care in our REMEO facilities across Colombia. This drive brought joy to our youngest respiratory patients and their families, reinforcing Messer's commitment to improving the lives of those in our care.





**Messer North America, Inc.**

200 Somerset Corporate Blvd  
Suite 7000  
Bridgewater, NJ 08807  
Phone: 1-800-755-9277  
sales@messer-us.com  
www.messer-us.com



[facebook.com](https://facebook.com)



[linkedin.com](https://linkedin.com)



[twitter.com](https://twitter.com)

Part of the **Messer World** 