

Global Procurement



Supplier Management Program
Your Key to Success



Supplier Management Program

Who We Are

Praxair, Inc., is a multi-billion-dollar, Fortune 250 company operating in more than 50 countries, and is the largest industrial gases company in North and South America.

Praxair serves many quality and value conscious customers including the electronics, aerospace, healthcare, food and beverage, metal fabrication, primary metals and chemicals and refining industries.

Praxair, along with its subsidiaries and affiliates, employs more than 26,000 men and women who challenge themselves to develop and deliver new ideas and solutions to our customers around the world.

We set for ourselves high standards of performance in all areas. Every day Praxair does its part in “Making our planet more productive” by providing customers with atmospheric, process, and specialty gases and metallic and ceramic coatings of unparalleled quality. Praxair products, in turn, enhance the capabilities of our customers and provide their own quality products and services.

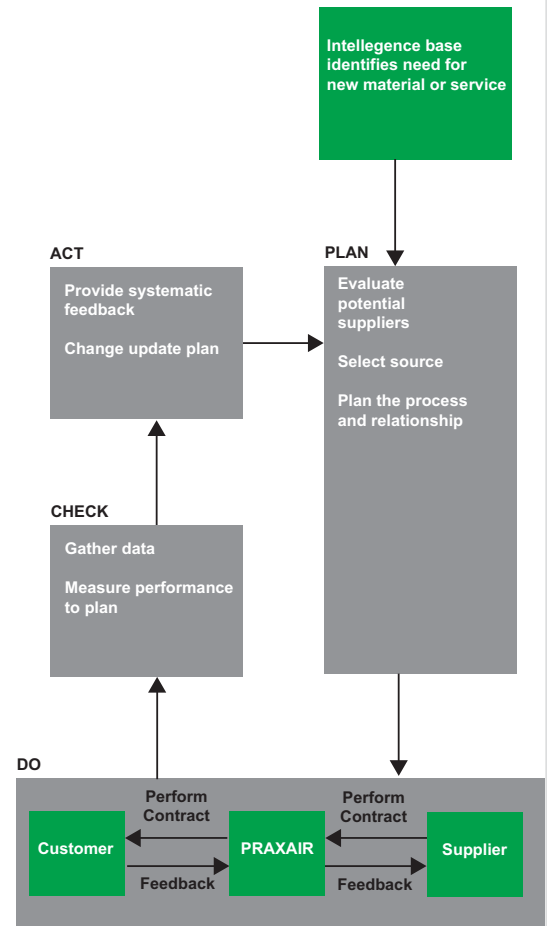
Supplier Management Program Overview

The Praxair Supplier Management Program is an integrated, communication and information driven management process based on the continuous improvement cycle. It is designed to enable Praxair:

- To identify and select world-class suppliers.
- To provide our suppliers with opportunity for improvement via regular feedback and, where necessary, help develop our supplier’s capabilities to meet our needs.
- To work jointly with our suppliers to drive out inefficiencies and costs in the supply chain.
- To acknowledge our sincere appreciation of those suppliers who consistently demonstrate excellence in their creation of value for Praxair.

A Global Approach

The Praxair Supplier Management Program is global. All Praxair businesses throughout the world are implementing and utilizing this one program, and all of our suppliers will be assisted and managed in the same way. The performance of suppliers is measured, analyzed, and assessed from this consistent, globally unified perspective.



What it means to our customers

In a world of ever-increasing expectations and performance standards, the Praxair Supplier Management Program provides a method to ensure that we meet our goal, that our customers will continue to receive products and services that meet or exceed their expectations.

What it means to our suppliers

Suppliers who are selected to take part in the Praxair Supplier Management Program can expect a higher level of meaningful feedback – communication and information that will help them improve their operations at both the local and international levels. This feedback includes regular reviews with “Performance Feedback Report Cards” and access to in-depth analysis of areas for improvement. Successful participants can expect to enjoy expanding business opportunities with Praxair.

What it means to our employees

Through the standardization and strengthening of lines of communication that the Praxair Supplier Management Program brings, Praxair employees throughout the world are better enabled to provide valuable, practical feedback and guidance to our suppliers.

Our TARGET

This brochure defines Praxair’s six fundamental objectives and supplier expectations – what we call the TARGET performance areas – crucial to the continuing success of Praxair.

TARGET stands for:

- Total cost of ownership
- Assurance of supply
- Responsiveness
- Global reach and human right;
- Environment and safety
- Technology

Total cost of ownership

To provide maximum value to our customers, we strive to minimize the total cost of our products and services.

We expect our suppliers to:

- Provide a competitive cost structure for all of their products and services as benchmarked against their peers. This cost structure includes acquisition, implementation, and operating costs of products and services as well as after market service and support.
- Demonstrate continuous improvement in all elements of their cost structure.
- Suggest ways that Praxair can improve its products or services to achieve lower costs.

Assurance of supply

We are committed to providing an uninterrupted supply of products and services to our customers.

We expect our suppliers to:

- Provide a stable supply stream, free from defects and disruptions.
- Be capable of delivering their products and services to the point and time of need.

Responsiveness

We respond quickly to customer inquiries, and we strive to efficiently resolve and eliminate any problems that might arise.

We expect our suppliers to:

- Respond to inquiries promptly with clear, complete, and accurate information.
- Be able to support changes in Praxair’s demand or requirements.
- Expeditiously resolve any problems or supply disruptions, taking appropriate measures to ensure they do not recur.

Global reach and human rights

Praxair is an integrated, international business. We will strategically align ourselves with suppliers who can support our strategies on a Global, Regional and Local level.

We expect our suppliers to:

- Support our needs at the local level and, where appropriate, demonstrate the ability to function in those countries where Praxair operates.
- Provide coordinated global account management.
- Ensure that products and services comply with the regulations and technical specifications for all localities to which products and services are provided.

Praxair is committed to the recognition and safeguarding of human rights in all the countries in which we operate. Praxair’s Human Rights Policy is guided by the Universal Declaration of Human Rights (UDHR) and reflective of our Compliance with Laws policy, our Standards of Business Integrity, our Harassment Policy and our Safety, Health & Environmental Policy. At the same time we respect the sovereignty of nations throughout

the world and affirm their primary responsibility to protect their citizens' human rights.

We will seek to do business with partners - customers, suppliers and contractors - who share the same commitment to human rights that we have, specifically in relation to:

- Compensation
- The Right to Work
- Prevention of Harassment
- Safety
- Freedom of Association
- Child or Forced Labor

Environment & Safety

Safety is our highest priority! Praxair is committed to provide a work environment that strives to protect the health and safety of our customers, our suppliers and our employees. We expect our suppliers to have a safety program that is actively supported by the supplier's top management team.

Our suppliers must, at a minimum:

- Abide by all Praxair health and safety rules in performance of work on Praxair sites.
- Abide by all applicable governmental rules, regulations, and laws.

It is our policy to seek continuous improvement in our environmental performance. Praxair is committed to maintaining environmentally sound business operations, to integrating environmental

considerations into its research, product and process development activities and to contributing to the common effort to protect the natural and workplace environment.

On our sites we expect our suppliers to:

- Ensure that, at a minimum all products and services comply with applicable environmental rules, regulations, and laws.
- Actively work to meet or exceed all applicable Praxair environmental and materials handling policies.

Technology

Praxair continuously strives for technology excellence to enable us to gain and maintain competitive advantage in our chosen markets. We seek continuous improvement in products, services and business intelligence capabilities.

We expect our suppliers to support our technology vision by:

- Working with Praxair to develop technology roadmaps that are aligned with Praxair's future direction.
- Meeting quality expectations on all items identified by Praxair as Critical to Quality.
- Exhibiting continuous improvement strategies for products and services offered including, but not limited to, more efficient product development cycles and improvements in product

performance.

- Provide market intelligence about the technical direction of the products or services that are being supplied to Praxair.
- Utilize information systems that will allow Praxair to take advantage of lower cost electronic purchasing capabilities.

No shortcuts

There are no shortcuts to quality and value. The employees of Praxair and its subsidiaries and affiliates around the world work hard to provide first-rate products and services and to help our customers improve the quality of their products and services, save money, and eliminate waste. The Praxair Supplier Management Program will help you understand how you can be an active and valued partner in this worldwide effort.

Want to Know more?

For more information on Praxair, Inc., visit our website at: www.praxair.com

For more information on the Praxair Supplier Management Program visit our website at: www.praxair.com/suppliers



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