



— Cold and calculating: Linde checks 600,000 addresses using the Compliance Engine from AEB

Linde AG uses the compliance solution developed by AEB GmbH in Stuttgart to automatically screen against terrorism lists from directly within SAP®.

They're actually completely invisible, and in their gaseous state they volatilize very quickly. Gases such as oxygen and nitrogen are used not only in industry, chemistry and medicine for such purposes as refrigeration, welding, anaesthetizing and respiration. They're also used in many products we encounter every day. Most of us are totally unaware of this. The examples on the reverse illustrate some of the lesser-known applications of these ephemeral substances.

But just because something is invisible in its gaseous state does not mean it is without effect. Invisible yet effective: That also describes the AEB compliance solution that automatically screens the data of Linde AG against the sanctions lists of the European Union. The AEB Compliance Engine was installed at the Linde Data Center in the Munich suburb of Pullach. Linde's main offices, still in Wiesbaden at the time, were the first to be integrated in 2005, with other corporate divisions gradually coming online in 2006 and 2007. The SAP® systems of Linde's Gases and Engineering divisions and the subsidiary TEGA are linked through a corporate

network to the Compliance Engine, which ensures regular installation of all changes and additions to the sanctions lists.

Week for week, over 600,000 addresses in all divisions are checked against the sanctions lists with the help of ATC :: Compliance Screening, a plug-in developed especially for SAP®. This screening reflects all the official annexes of EU Regulations 2580/2001 and 881/2002, lists based on UN resolutions and restricted party lists from the United States such as the Denied Persons List and the Specially Designated Nationals and Blocked Persons list of the Office of Foreign Asset Controls.

Safe and sound: sanctions lists screening

At corporate headquarters in Munich, the SAP® system with its some 5,000 vendors is subject to online checks. This means that as soon as a new address is entered, an immediate check is run to see whether the address appears on one of the restricted party lists, which would prohibit any business contact. All the other linked

divisions opted for batch runs on the weekend. That means that all orders are screened each weekend. If a match is found, the master record is blocked and the logs are checked on Monday by the compliance officers. Two persons from each division—one person from accounting and one from IT—are responsible for manually comparing the lists of matches to the original data. If a match is clearly a false alarm, the flagged party is defined as a "Good Guy"—an unobjectionable business partner. If there is any doubt, the legal department is consulted.

There has to be a human being checking the Engine's results. But the groundwork performed by the Engine is indispensable. The anti-terrorism lists are constantly being updated and expanded. The British Treasury's "consolidated list of financial



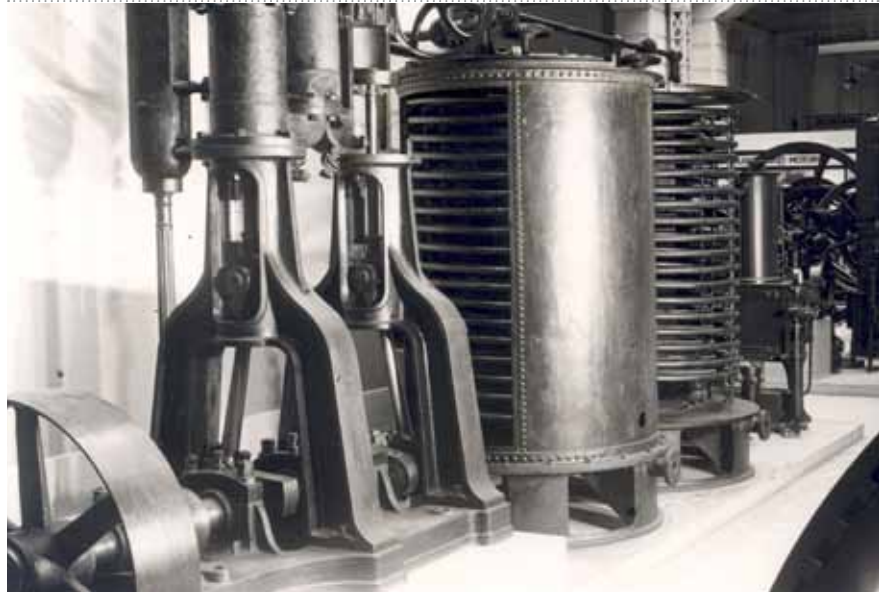
sanctions targets” alone has over 1,700 entries, so automatic data alignments are inevitable. The Compliance Engine’s highly specialized search algorithm is based on similarity analyses and is able to consider phonetics, synonyms and other factors while still screening thousands of address records per minute. The administrator can define the similarity threshold beyond which an entry is identified as suspicious.

Good Guys get their own list

“The early versions of the Compliance Engine often identified entries that were obvious false alarms,” says Wilhelm Appelt, who directed the project at Linde from its inception. The compliance officers had to separate out the false alarms and add them to the in-house “Good Guy” list. “Filtering out the Good Guys was often tedious and time-consuming,” recalls Appelt. Just because a restricted party has the word “bank” or “insurance” in its name doesn’t mean that all other banks and insurance companies should automatically be flagged as suspicious. The AEB development team took this suggestion to heart in the latest Compliance Engine release. Dr. Marcus Melber, project director at AEB: “The match accuracy of ATC :: Compliance Screening 3.0 was significantly improved in this

regard. The character depth of the acronym search was also expanded from two to three, yielding fewer false alarms here as well.”

This was one of the reasons that prompted Linde to go with the AEB software solution. Linde now uses one single Engine that is accessed throughout the corporation.



Carl von Linde, inventor of the first refrigeration machine, made it possible for breweries to continue operating in the winter. He founded Lindes Eismaschinen AG in 1879. Today, the Linde Group is a leading global gas and engineering corporation with some 5,000 employees.

Intuitive navigation makes for user-friendliness

Each division of Linde AG that uses the Compliance Engine is responsible for its own administration. Two persons at each division share the responsibility for processing the hit lists and are able to change the Engine settings. Wilhelm Appelt, who until April 2007 was in charge of implementing ATC :: Compliance Screening at Linde, praises the simple technical integration into the SAP® system: “Your work environment remains the interfaces and dialogs familiar from SAP®. Only in rare instances do you have to go into the Compliance Engine, the heart of the solution. And even then, you have very convenient Web-based access through a portal. Navigation within the Engine is self-explanatory and intuitive.”

Among the three providers that were short-listed in 2005, AEB carried the day thanks to its streamlined, easy-to-integrate and affordable solution.

FLEETING BUT VALUABLE: LINDE GASES IN DAILY LIFE

- Light and tasty: curd cheese as a breakfast treat. Nitrogen is what gives it its light and pleasant taste.
- Shiny and fresh: Peppers and tomatoes in the supermarket are protected by the integrated cooling system. And nitrogen is used during packaging to make sure spinach doesn’t spoil.
- Good and frothy: A beer at the end of your long day? Gas plays a role here as well. A nitrogen-carbon dioxide mixture pumps the beer into the tap and ensures a stable head.

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