

Air Products' Alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Governance	Strategy	Risk Management	Metrics and Targets
<p>Disclose the organization's governance around climate-related risks and opportunities.</p> <p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>Air Products' Board of Directors has accountability for oversight of environmental and safety performance, which it reviews at least quarterly. The Corporate Governance and Nominating Committee of the Board of Directors has responsibility for monitoring our response to corporate governance matters and important public policy issues, including sustainability, which it reviews on a routine basis. Air Products' Chairman, President and CEO has leadership responsibility for the development and execution of the company's sustainability strategy.</p>	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.</p> <p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>Over the short, medium and long-term time horizon, regulatory regimes governing emissions of greenhouse gases (GHGs) may potentially increase operating costs and may also provide opportunities for our products and technologies that improve energy efficiency and reduce GHG emissions.</p> <p>CDP C2.1, 2.3, 2.4, p 9, 16-29 2021 Annual Report, p 15 2022 Sustainability Report, p 5-8, 23-27</p>	<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p> <p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>Regional environmental experts identify and assess policy and legal risks and share the information with potentially impacted businesses as well as colleagues from other regions.</p> <p>Physical risks are identified and assessed at the corporate level for existing facilities, and by engineering for new facilities, based on facility locations.</p> <p>CDP C2.2, p 10-16 2022 GRI Content Index, p 10</p>	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p> <p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>Air Products assesses energy consumption, GHG emissions, progress against our GHG intensity goal, avoided emissions and sales of offerings that enable customers to be more sustainable.</p> <p>CDP C4.1-4.2, 9.1, p 36-44, 73-74 2022 Sustainability Report, p 4, 9, 15-16, 26, 53 2022 GRI Content Index, p 12, 14-16</p>
<p>CDP C1.1, p 4-5, C1.2a, p 5-7 Proxy Statement, p 18</p>			

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<p>Disclose the organization's governance around climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p> <p>Risk assessment and management is overseen by the Board of Directors.</p> <p>Climate-related risks and opportunities have been reviewed with the Board for input.</p> <p>Air Products' Sustainability Leadership Council sets the company's sustainability strategy, reviews programs and performance, and is engaged in identifying and managing risks and opportunities related to climate change.</p> <p>CDP C1.2, p 5-7</p>	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>Our strategy focuses on creating value in the markets we serve, particularly energy, environmental and emerging markets. The Company develops, engineers, builds, owns and operates some of the world's largest industrial gas projects, including: gasification projects that sustainably convert abundant natural resources into syngas for the production of high-value power, fuels and chemicals; carbon capture projects; and world-scale low- and zero-carbon hydrogen projects supporting global transportation and the energy transition.</p> <p>Our business planning processes consider growth opportunities related to climate change as well as climate risk management through energy efficiency and GHG emissions reduction efforts.</p> <p>CDP C2.3-2.4, 3.1, p 16-29 2022 Sustainability Report, p 2, 5-8, 15-16</p>	<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p> <p>b) Describe the organization's processes for managing climate-related risks.</p> <p>Regulatory risks are managed at the regional level as regulations vary by jurisdiction. Regional experts assess the risks and work with potentially impacted businesses to address them.</p> <p>Physical risks are addressed through plant design and engineering aimed at minimizing severe weather impacts. The Company's Business Continuity Planning process supports the response to severe weather events.</p> <p>Risks are also communicated across regions, shared with the Company's Sustainability Leadership Council, and elevated to the Board of Directors as appropriate.</p> <p>CDP C2.2, p 10-16 2022 GRI Content Index, p 10</p>	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>Data for calendar year 2021: Scope 1: 14.8 million MT CO2e Scope 2: 9.4 million MT CO2e Scope 3: 7.6 million MT CO2e</p> <p>CDP C6.1- 6.5, 6.10, p 50-61 2022 Sustainability Report, p 23-27, 53 2022 GRI Content Index, p 14-16</p>

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Disclose the organization's governance around climate-related risks and opportunities.	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.</p> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p> <p>Air Products is examining several climate scenarios, which are in line with the recommendations of the Intergovernmental Panel on Climate Change (IPCC) and TCFD, to understand the potential implications of climate-related risks and opportunities on our businesses.</p> <p>CDP C3.2, p 30-31 2022 Sustainability Report, p 27</p>	<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p> <p>The Company uses a multi-disciplinary approach to identify, assess and manage risk, including climate-related risks. In addition to the processes described above, the Company reviews climate-related developments and the need to assess specific climate risks as part of its internal audit program. We also incorporate climate-related risks into annual financial reporting.</p> <p>CDP C2.2, p 10-16 2021 Annual Report, p 15 2022 GRI Content Index, p 3</p>	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p> <p>In 2020, Air Products established a goal to reduce CO₂ emissions intensity one-third by 2030 from a 2015 baseline. The Company realized a 4% improvement in CO₂ emissions intensity in 2021 and anticipates significant improvement later in the decade as key projects come onstream.</p> <p>In addition, the Company realized the following results in 2021 compared to prior year:</p> <ul style="list-style-type: none"> • Customer avoided emissions increased by 14% • Energy use intensity improved by 0.1% • GHG emissions intensity improved by 8.6% • Water use intensity improved by 15.6% <p>CDP C4.1-4.2, p 36-44 2022 Sustainability Report, p 15-16, 24-28, 53-54 2022 GRI Content Index, p 3, 12-15</p>
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