

# Biodiversity and Ecosystems

## Position Statement



<b>Background</b>	<p>As reiterated by the Taskforce on Nature-related Financial Disclosures, societies and economies depend on healthy ecosystem services to thrive. In fact, the future – of all living things and our prosperity – depends on nature and its resilience. However, nature and biodiversity are declining, and economies are already operating outside the bounds of processes that maintain Earth’s stability. As a result, nature has become a strategic risk management issue alongside climate change.<sup>1</sup></p>
<b>Approach</b>	<p><b>Operational risks and impacts</b></p> <ul style="list-style-type: none"> <li>• Air Products has determined that its operations do not have a significant impact on biodiversity based on the Company’s environmental risk assessments and evaluation of Key Biodiversity Areas (KBAs). This is due in part to most of our production facilities being sited in industrial areas.</li> <li>• Our assessments show that energy use has the highest potential for ecosystem impact, followed by water consumption. Our hydrogen facilities consume significant energy and water, and approximately 30 percent of these facilities are within a 10-kilometer buffer zone of a KBA. Air Products discharges water into eight Conservation International Biodiversity Hotspots, but discharge volumes are insignificant.</li> <li>• For new projects, Air Products assesses potential impacts related to the environment, health and safety, and other considerations. For example, we consider potential ecosystem impacts such as threatened and endangered species and wetlands. These assessments can influence where projects are located or require mitigation strategies to protect and enhance the ecological health of the location and region.</li> </ul> <p><b>Supply chain risks and impacts</b></p> <ul style="list-style-type: none"> <li>• The principal raw materials for making atmospheric gases and hydrogen are air, energy in the forms of electricity or steam, and natural gas. These principal raw materials do not require packaging or land clearing and therefore do not have a significant impact on deforestation.</li> <li>• Air Products has identified energy sourcing as the area with the most significant potential for impact on biodiversity in our supply chain. We have initiated a program to evaluate the biodiversity efforts of our key energy suppliers. We are also evaluating measures to increase energy efficiency and, where applicable, renewable energy procurement which may have indirect benefits on biodiversity.</li> <li>• Our products are supplied by reusable, transportable pressure vessels including tankers and tube trailers, via pipelines, and for small-scale supply in certain regions of the world, in cylinders with typical life spans of 10 to 25 years. Our packaging does not require wood or land clearing and therefore does not have significant impact on deforestation.</li> </ul>

<b>Commitments</b>	<ul style="list-style-type: none"> <li>• We strive to continually improve our Environmental, Health, and Safety (EHS) performance and reduce the impacts of our activities as outlined in our <a href="#">EHS policy</a> and codified in our EHS Management System standards.</li> <li>• We have initiated a program to evaluate the biodiversity efforts of our key energy suppliers.</li> <li>• We will continue to evaluate the risks associated with biodiversity and ecosystems, considering locations, frameworks, dependencies and impacts to and from our operations and value chains, and develop policies and procedures, as appropriate.</li> <li>• We will continue to <a href="#">publicly report</a> on our programs and performance related to biodiversity as we have since 2018.</li> </ul>
<b>Administration</b>	<ul style="list-style-type: none"> <li>• Air Products' management routinely evaluates our sustainability commitments and progress. The Corporate Governance and Nominating Committee of Air Products' Board of Directors has oversight responsibility over public policy issues, including sustainability, and the full Board has oversight responsibility for our environmental, health and safety performance.<sup>2</sup></li> <li>• Air Products' Sustainability Leadership Council routinely reviews our sustainability programs, position statements, performance, and reporting.</li> <li>• We report on our sustainability commitments and progress in our annual <a href="#">Sustainability Report</a> as well as through other external communications channels, including our website and social media.</li> <li>• This position statement and related statements and policies are maintained on Air Products' <a href="#">public website</a>.</li> </ul>

<sup>1</sup>Taskforce on Nature-related Financial Disclosures, "Recommendations of the Taskforce on Nature-related Financial Disclosures," September 2023.

<sup>2</sup>See our most recent [Proxy statement](#) for responsibilities of the Board of Directors.