

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

Note: The CDP report referenced herein was prepared for calendar year 2018. This summary will be updated after the CDP response for calendar year 2019 has been finalized.

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 has responsibility for monitoring our response to important public policy issues, including sustainability, which is reviewed on a routine basis.</p> <p>CDP C1.1b, p 4, C1.2a, p 5 Proxy Statement, p vii</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 8, 14-21 2019 Annual Report, p 12 2020 Sustainability Report, p 10-14</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. 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 C2.2b, 2.2c, p 9-12 2020 GRI Content Index, p 10</p>	<p>Disclose the metrics and targets use 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 GHG emissions, progress against energy and GHG goals, avoided emissions and sales of offerings that enable customers to be more sustainable.</p> <p>CDP C4.1-4.2, 9.1, p 27-31, 56 2020 Sustainability Report, p 10, 20-24 2020 GRI Content Index, p 14</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. 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</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. We see significant opportunities to solve today's and tomorrow's energy and environmental challenges through gasification, carbon capture technologies and</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.</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 2019:</p> <p>Scope 1: 16.6 million MT CO₂e Scope 2: 10.6 million MT CO₂e Scope 3: 6.6 million MT CO₂e</p> <p>Historical data for the year ended December 31, 2018 is contained in the</p>

<p>programs and performance, and is engaged in risks and opportunities related to climate change.</p> <p>CDP C1.2, 1.2a, p 5-6</p>	<p>hydrogen for mobility and 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 C2.3-2.6, 3.1, p 14-27 2020 Sustainability Report, p 2, 4, 14-15</p>	<p>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 C2.2d, p 12-13 2020 GRI Content Index, p 10</p>	<p>CDP report and the 2020 Sustainability Report.</p> <p>CDP C6.1, 6.3, 6.5, 6.10, p 36-44 2020 Sustainability Report, p 21-22, 48 2020 GRI Content Index, p 13-14</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 C3.1d, p 27 2020 Sustainability Report, p 20</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 9-10 2019 Annual Report, p 12 2020 Sustainability Report, p 4</p>	<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p> <p>Air Products has four goals for 2020 related to climate risks and opportunities:</p> <ul style="list-style-type: none"> save energy by reducing use intensity by 2.5% for air separation units and 1.5% for hydrogen production facilities, reduce GHG emissions intensity by 2%, improve efficiency and reduce CO₂ emissions related to distribution by 10%, and enable customers to avoid CO₂ emissions while contributing >50% of revenues from sustainable offerings. <p>All goals use 2015 as the baseline year.</p> <p>The Company has met these goals apart from the energy efficiency improvement for hydrogen production. We are currently in the process of developing targets beyond 2020.</p> <p>CDP C4.1-4.2, p 27-31 2020 Sustainability Report, p 5, 10, 20-24</p>