

GENERATING A CLEANER FUTURE

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Air Products: Climate Disclosure Report

Alignment with Canadian Climate Disclosure Regulation and TCFD Framework

About this Report: Canadian Climate Disclosures

Canada's climate disclosure regulation, as set out in section 211.93 of the Income Tax Act reflects the country's commitment to transparency, accountability, and alignment with global climate goals. The regulation is designed to ensure that corporations benefiting from carbon capture, utilization, and storage (CCUS) tax credits are not only advancing climate solutions but also sharing knowledge and disclosing climate-related risks in a manner that supports Canada's broader environmental objectives.

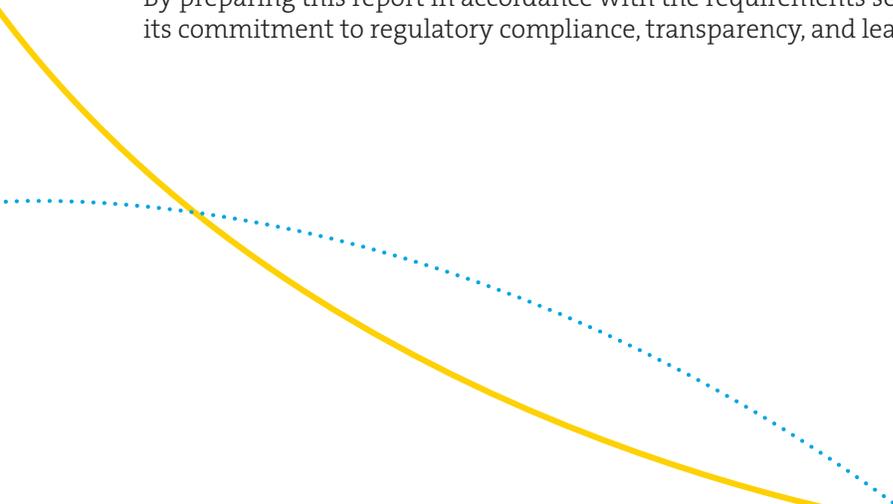
The regulation requires eligible corporations—referred to as “knowledge sharing taxpayers”—to prepare and publicly disclose climate risk reports on an annual basis. These reports must be made available to the public by a prescribed deadline and remain accessible on the corporation's website for at least three years.

The climate risk disclosure report must address four key thematic areas, following the internationally recognized framework of the Task Force on Climate-Related Financial Disclosures (TCFD): governance, strategy, risk management, and metrics and targets. Corporations are expected to describe their governance structures for overseeing climate-related risks and opportunities, explain how climate-related risks and opportunities impact, or may potentially impact their business strategy and financial planning, outline the processes used to identify, assess and manage these climate related risks, and provide relevant metrics and targets that guide their climate actions. A climate risk disclosure report needs to set out how corporate governance, strategies, policies and practices contribute to achieving Canada's commitments under the Paris Agreement and goal of net-zero by 2050.

Contribution to Canada's Climate Objectives

Air Products considers how its governance, strategy, policies and practices address climate-related risks and opportunities and support climate-related policy objectives in jurisdictions where it operates, including Canada. This includes integrating climate considerations into governance oversight, enterprise risk management, strategic planning and capital investment decisions related to lower-carbon technologies.

By preparing this report in accordance with the requirements set out in the regulation, Air Products demonstrates its commitment to regulatory compliance, transparency, and leadership in climate risk management.

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About Air Products

Air Products is a leading global provider of industrial gases, distinguished by its dedication to sustainability, innovation, and operational excellence. Based in Allentown, Pennsylvania, the company delivers essential gases—including oxygen, nitrogen, hydrogen, and argon—alongside process and specialty gases, equipment, and related services to customers in approximately 50 countries. Its products are fundamental to sectors such as energy, chemicals, electronics, manufacturing, and food and beverage.

With over 80 years of experience, Air Products is recognized for its consistent reliability, safety standards, and technological leadership. The organization is at the forefront of clean energy technologies, notably in large-scale hydrogen production, carbon capture and storage (CCS), and low-carbon industrial methods. Operating with a strong commitment to sustainability, Air Products strives to minimize environmental impact, facilitate the transition to a low-carbon economy, and deliver value to its stakeholders.

The company makes substantial investments in research and development, consistently progressing innovations that help customers increase efficiency and decrease emissions. Guided by a global workforce with a unified mission, Air Products develops industry-benefiting solutions while adhering to the highest standards of corporate responsibility and ethical business practices. Performance, strategy, and sustainability initiatives are communicated transparently through annual sustainability reports, investor relations activities, and regulatory submissions, including the annual 10-K report.

Air Products' Net-Zero Hydrogen Energy Complex and Canada's Climate Goals

Canada has articulated policy objectives related to greenhouse gas emissions reductions and the transition to a lower-carbon economy, supported by measures such as carbon pricing, clean fuel regulations, and investments in clean technologies.

Attaining this goal will require coordinated innovation and collaboration throughout all sectors of the economy to ensure sustainable economic growth and the expansion of employment opportunities.

Air Products' Net-Zero Hydrogen Energy Complex in Edmonton, Alberta directly supports Canada's climate policy objectives, including those outlined in the Paris Agreement and the national net-zero emissions target for 2050. The facility is expected to produce clean hydrogen at scale utilizing Auto-Thermal Reforming (ATR) technology while capturing over 90% of its carbon dioxide emissions for permanent underground storage. By employing ATR rather than Steam Methane Reforming (SMR), Air Products enables hydrogen production aligned with deep decarbonization requirements.

The complex is expected to include a hydrogen-fueled power generation unit, providing energy for its own operations and additionally supplying surplus electricity to Alberta's grid, thereby contributing to broader grid decarbonization efforts. It further enhances environmental outcomes using biogenic renewable off-gas sourced from Imperial Oil's renewable diesel facility, which serves to reduce lifecycle emissions. This integrated approach is consistent with Canada's strategy to incorporate renewable and low-carbon fuels across its energy portfolio.

In summary, the Net-Zero Hydrogen Energy Complex reinforces Canada's climate objectives by lowering emissions, integrating clean energy sources, and supplying products that may be used for low-carbon transportation, thus supporting the nation's 2050 net-zero target. From an economic perspective, the project is projected to generate employment both during construction and ongoing operations. Large-scale hydrogen production will support the decarbonization of heavy-duty vehicles, railway transit systems, and industrial applications. Air Products' investment is aligned with the principles outlined in Canada's Hydrogen Strategy and benefits from federal initiatives such as the Net-Zero Accelerator.

TCFD Framework

Governance

Air Products has integrated climate change considerations into its governance, decision making processes and risk management practices to effectively consider climate-related risks and opportunities, including:

- **Board Oversight:** Air Products' Board of Directors holds overall responsibility for risk oversight, including sustainability matters such as climate-related risks and opportunities, as well as environmental and safety performance. These topics are reviewed at least quarterly. The Board oversees the establishment of sustainability goals and monitors progress toward achieving them.
- **Committee Engagement:** The Corporate Governance and Nominating Committee of the Board is responsible for monitoring the Company's response to sustainability-related risks and opportunities, along with corporate governance matters and key public policy issues, which it reviews on a regular basis.
- **Executive Accountability:** The Chief Executive Officer is accountable for leading the development and execution of the company's sustainability strategy.
- **Risk Assessment and Management:** Risk assessment and management is overseen by the Board of Directors, with climate-related risks and opportunities reviewed with the Board for input.
- **Sustainability Leadership Council:** Air Products' Sustainability Leadership Council is responsible for setting the Company's sustainability strategy, reviewing related programs and performance, and identifying and managing climate-related risks and opportunities.
- **Management:** Management is responsible for the identification, assessment, and management of risks.

Strategy

Over the short-, medium-, and long-term, Air Product anticipates that regulatory regimes governing greenhouse gas (GHG) emissions and other environmental impacts may increase operating costs. However, Air Products estimates that in most cases such increases can be passed on to customers based on standard contractual terms.

The Company evaluates potential impacts of climate-related transition and physical risks as part of strategic planning. While regulatory changes may increase certain costs, Air Products expects that many of these impacts can be managed through long-term contracts, operational efficiency and disciplined capital allocation.

At the same time, evolving regulations may present opportunities for Air Products. Policies aimed at reducing environmental footprints are expected to drive demand for products and technologies that enhance energy efficiency and reduce GHG emissions. Air Products offers a broad and continually expanding portfolio of decarbonization and other sustainable solutions that help customers reduce their environmental footprint. These offerings position the company to support customers climate objectives while advancing its own climate strategy.

Air Products' strategy is centered on creating value in the markets it serves by developing, engineering, building, owning, and operating some of the world's largest industrial gas and carbon capture projects, and executing world-scale low-carbon hydrogen and ammonia projects. The company continues to develop and enhance offerings that help both its facilities and customers reduce their environmental footprint, including GHG emissions, energy consumption, and water usage. Business planning processes incorporate growth opportunities related to climate change, as well as risk management strategies focused on energy efficiency and emissions reduction.

Risk Management

Air Products' management is responsible for the identification, assessment, and management of climate-related risks, while the Board of Directors and its committees provide oversight of these efforts.

Operational and strategic risks are identified and assessed routinely through the company's Enterprise Risk Management process, which considers macroeconomic trends, external risk themes, audit findings from the prior fiscal year, and emerging risks. Mitigation strategies for climate-related risks are integrated into the Company's Enterprise Risk Management framework and may include facility design standards, operational controls, contractual structures, monitoring programs and business continuity planning. Management reviews mitigation measures, and significant risks are escalated to the Board as appropriate.

Physical risks are identified and assessed at the corporate level for existing facilities, and by engineering teams for new facilities, based on their geographic locations. Regulatory risks are managed at the regional level, as regulations vary by jurisdiction. Regional experts assess these risks and collaborate with potentially impacted business units to address them. Physical risks considered include both acute events, such as severe weather, and chronic risks, such as changes in temperature patterns, water availability and other longer term climate-related conditions. Physical risks are mitigated through plant design and engineering practices aimed at minimizing the impact of severe weather events. The Company's Business Continuity Planning process supports response efforts during such events.

Risks are also communicated across regions, shared with the Company's Sustainability Leadership Council, and escalated to the Board of Directors and its committees as appropriate. The Company uses a multi-disciplinary approach to identify, assess, and manage risk, including climate-related risks. A multi-disciplinary approach involves collaboration among engineering, operations, environmental, legal, finance, sustainability and risk management functions to identify, assess and manage climate-related risks.

In addition to the processes described above, the Company monitors climate-related developments and evaluates the need to assess specific climate risks as part of its internal audit program. Climate-related risks are also incorporated into annual financial reporting.

Metrics and Targets

Climate-related metrics are used to inform strategic planning, capital investment decisions, risk prioritization and performance monitoring. These metrics also support climate scenario analysis and internal reviews of climate-related risks and opportunities.

Air Products is currently revising its GHG emissions reporting methodology. This report does not include an update on performance against environmental goals due to pending revisions to the Company's GHG reporting methodology. For fiscal year 2024, Air Products reported the following GHG emissions:

Scope 1: 16.9 million metric tons CO₂e

Scope 2: 11.0 million metric tons CO₂e

Scope 3 (categories 3, 11, 15): 8.5 million metric tons CO₂e

These metrics are externally verified and prepared in general accordance with ISO 14064. Air Products is evaluating climate scenarios aligned with the recommendations of the Intergovernmental Panel on Climate Change (IPCC) and the TCFD, helping the company understand the potential implications of climate-related risks and opportunities on its business strategy. The company is assessing how climate-related risks may influence its long-term strategy, including potential regulatory changes, shifts in customer and market expectations, and physical impacts such as increased storm severity. Information from regional environmental experts and internal risk processes helps identify areas that could be affected, and these insights are considered within broader planning and risk management processes.

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Forward-looking Statements

This Report (this “Report”) contains “forward-looking statements” within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements about investment opportunities and potential transactions that are subject to ongoing negotiations and their expected impact and timing. These forward-looking statements are based on management’s reasonable expectations and assumptions as of the date of this Report and are not guarantees of future performance. While forward-looking statements are made in good faith and based on assumptions, expectations and projections that management believes are reasonable based on currently available information, actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors, including, without limitation, the risk factors described in the Company’s Annual Report on Form 10-K for its fiscal year ended September 30, 2025, and subsequent filings with the U.S. Securities and Exchange Commission. You are cautioned not to place undue reliance on our forward-looking statements. Except as required by law, the Company disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in the assumptions, beliefs or expectations or any change in events, conditions or circumstances upon which any such forward-looking statements are based.



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