

Sustainable Products and Innovation

Position Statement



<p>Background</p>	<p>The innovation and development of products that have sustainability benefits will play a key role in helping the world address climate change while continuing to provide the offerings and services people need. The European Union Joint Research Commission estimates that over 80% of all product-related environmental impacts are determined during the design phase, emphasizing the need for innovative product design.¹ Likewise, sustainable products provide opportunities for business growth driven by increasing customer demands and regulatory incentives.</p>
<p>Approach</p>	<p>Higher Purpose</p> <ul style="list-style-type: none"> • Air Products' Higher Purpose is to bring people together to collaborate and innovate solutions to the world's most significant energy and environmental sustainability challenges. We demonstrate our Higher Purpose through our business strategy that has two pillars – our core industrial gases pillar and our blue and green hydrogen pillar – with sustainability as the foundation. <p>Sustainable Products</p> <ul style="list-style-type: none"> • Every day around the world we help our customers make their operations and products more efficient, productive, and sustainable. • Through our core industrial gases pillar, we supply customers in dozens of industries with critical products and expertise that lower greenhouse gas (GHG) emissions and increase efficiency and productivity. Through our blue and green hydrogen pillar, we are helping to drive the energy transition and decarbonization of hard-to-abate sectors. Both pillars are supported by our focus on clean technologies. • Our Sustainable Offerings include gases, equipment, and applications that enable customers to improve sustainability performance or address significant societal needs. Examples of Sustainable Offerings include hydrogen that enables customers in hard-to-abate sectors, such as heavy industry and heavy-duty transportation, to conserve energy and reduce emissions; oxy-fuel combustion technologies used to increase yields, lower fuel use and costs, reduce GHG and other emissions, and optimize efficiency; and products used to treat water and wastewater. • We evaluate these offerings using a consistent life-cycle derived approach, comparing the offerings to equivalent benchmarks across key environmental and social criteria. <p>Innovation</p> <ul style="list-style-type: none"> • Our Research and Development (R&D) programs concentrate on new and improved production and delivery of industrial gases and applications for industrial gas products that help our customers improve sustainability.

	<ul style="list-style-type: none"> • Air Products also funds and cooperates in R&D programs conducted by world-renowned universities and other technology organizations that support an open innovation approach.
<p>Commitments</p>	<p>We contribute to UN Sustainable Development Goal (SDG) 3 "Good health and well-being", SDG 9 "Industry, innovation and infrastructure", and SDG 12 "Responsible consumption and production" through our customer engagement, sustainable offerings, and innovation.</p> <p>Sustainable Products</p> <ul style="list-style-type: none"> • Air Products is committed and taking action to drive decarbonization of industrial sectors and heavy transportation that are hard to electrify by investing in megaprojects to produce low- and zero-carbon hydrogen. • Air Products announced an industry-leading capital commitment to accelerate the energy transition with more than \$15 billion in capital expenditures between 2018 and 2027 on first-mover projects. • Through our green hydrogen megaprojects, we have committed to the production of over four gigawatts of renewable power from onshore solar and wind. <p>Ongoing commitments</p> <ul style="list-style-type: none"> • Air Products will continue to: <ul style="list-style-type: none"> ◦ Engage with our customers to support their decarbonization efforts by leveraging our products, expertise, and technologies, including blue and green hydrogen, and providing product carbon footprint data to support quantification of reductions. ◦ Strive to increase the quantity of GHG emissions that we help our customers avoid. ◦ Invest in research and development related to energy and the environment, with 70% of our R&D spend or more focused on sustainability and the energy transition. ◦ Publicly report on our sustainable products and innovation programs and performance.
<p>Administration</p>	<ul style="list-style-type: none"> • 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 important public policy issues, including sustainability, and the full Board has oversight responsibility for our environmental, health and safety performance.² • Air Products' Sustainability Leadership Council routinely reviews our sustainability programs, position statements, performance, and reporting. • We report on our sustainability commitments and progress in our annual Sustainability Report as well as through other external communications channels, including our website and social media. • This position statement and related statements and policies are maintained on Air Products' public website.

¹[Sustainable Product Policy - European Commission \(europa.eu\)](#)

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