

Water Stewardship

Position Statement



<p>Background</p>	<p>Water is a vital resource and crucial to the health of every living thing on our planet. With populations and temperatures increasing, fresh water is becoming even more scarce. As a result, water conservation is needed now more than ever to ensure there is enough of this critical resource for everyone now and into the future.</p>
<p>Approach</p>	<p>Water consumption and use intensity</p> <ul style="list-style-type: none"> • Water is essential for Air Products’ operations. We use water primarily for cooling, to make hydrogen through electrolysis and steam methane reforming, and to provide steam and water to our customers. Because of these uses, our water consumption is tied closely to energy use; therefore, improvements in energy efficiency can reduce water consumption. We also use water for safety systems, cleaning and for employee consumption and sanitary purposes. • We obtain freshwater from various sources, including surface water, groundwater, and third parties (municipalities and customers). Some of our operations are in water-stressed areas. We look for opportunities to use recycled ("gray") water in our plants, particularly those in water stressed areas, and seek to improve our overall water recycling rate. • We have made significant progress in decreasing our water use intensity since 2009 when we set our first intensity goal, including cumulative water efficiency improvements of 23% for 2009-2015 and 26% for 2015-2020. We define water use intensity as the amount of water consumed per unit of production. • Much of our freshwater conservation has been realized through improved cooling tower operations and converting to recycled water in our plants, particularly in Southern California where water supply can be stressed. We have also used air-cooling as an alternative to reduce water consumption. <p>Wastewater discharges</p> <ul style="list-style-type: none"> • Direct discharges from our air separation units are mainly cooling tower blowdown streams with low chemical oxygen demand (COD) and low biochemical oxygen demand. Our HyCO (hydrogen, carbon monoxide, and syngas) operations often generate higher COD wastewater streams; however, these are transferred to nearby regulated facilities where COD is effectively treated prior to the water being discharged. • Air Products has established requirements for the proper management of wastewater and storm water discharges at our facilities, such as complying with all discharge permits, prohibiting discharges that can create hazards or interfere with the operation of treatment facilities, and sending wastewater only to facilities pre-approved by Air Products for treatment. Our facilities are encouraged to implement best management practices for reducing the volume and/or toxicity of water discharges. • Air Products discharges wastewater into eight Conservation International Biodiversity Hotspots, however the discharge volumes are insignificant. <p>Risks and opportunities</p> <ul style="list-style-type: none"> • Air Products has identified operational risks related to water. These include reduced water availability and quality, which is exacerbated by climate change, and increased regulatory and permitting requirements. Energy availability or costs may also be impacted by water

	<p>availability; the production of energy requires water and industrial gas production is energy intensive.</p> <ul style="list-style-type: none"> • Air Products assesses water risks for its facilities on an annual basis using the World Resources Institute’s Aqueduct Tools. In addition, regional environmental staff identify and review regulatory and physical risks related to water for their regions, and water risks are considered when evaluating new projects and facility expansions. • The increasing need to treat wastewater and drinking water provides opportunities to beneficially use our products, particularly oxygen and carbon dioxide. These products and related technology solutions improve water quality and availability, reduce costs, lower emissions, and increase the environmental sustainability of water treatment processes.
<p>Commitments</p>	<p>We recognize that water is a critical resource for everyone. This drives us to be good stewards of water and promote its responsible use. We contribute to UN Sustainable Development Goal (SDG) 6 “Clean water and sanitation” and SDG 12 “Responsible consumption and production” through our efforts to conserve water, improve use efficiency and enable water treatment through our products.</p> <p>Water consumption and use intensity</p> <ul style="list-style-type: none"> • We strive to continually improve our Environmental, Health, and Safety (EHS) performance and reduce the impacts of our activities as outlined in our EHS policy and codified in our EHS Management System procedures. • Air Products is committed to reducing our water use intensity on an annual basis and will continue to do so through energy efficiency improvements and conservation projects that focus on areas where water is stressed. <p>Ongoing commitments</p> <ul style="list-style-type: none"> • We will continue to: <ul style="list-style-type: none"> ○ Increase our understanding of the water required for our hydrogen megaprojects and identify areas where we can make meaningful progress in conserving water. ○ Look for opportunities to set water use efficiency goals and use alternative water sources. ○ Publicly report on our programs and performance related to water as we have since 2009.
<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 public policy issues, including sustainability, and the full Board has oversight responsibility for our environmental, health and safety performance.¹ • 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.

¹See our most recent [Proxy statement](#) for responsibilities of the Board of Directors.