

# Air Products Report on Forced Labour and Child Labour for FY23



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This report is published in accordance with Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (S-211).

In this report, Air Products will share the comprehensive measures we have implemented to identify, assess, and mitigate the risk of forced labour in our operations and supply chains, including specific actions and activities undertaken in our Fiscal Year 2023, which ended on 30 September 2023.

## Prevention and Reduction of Forced Labour and Child Labour Risks

At Air Products, we are opposed to forced labour and child labour of any kind. We have established global policies and processes in our businesses and supply chains in support of this position.

The foundation of our efforts is our global Human Rights Policy, which outlines our commitment to safeguarding human rights for our employees and in our businesses; our expectations that our employees and business partners will conduct business according to the highest principles of integrity, ethics, fairness and respect as described in our employee Code of Conduct; and our commitment to contributing to the betterment of the

communities in which we operate. The policy notes that Air Products does not engage in and will not tolerate the use of slavery, human trafficking or the use of forced labour of any kind, and that we do not use or condone the use of child labour in violation of applicable laws.

In 2023, we developed a Supplier Code of Conduct (SCoC) that applies to our suppliers globally. The SCoC defines our expectation that suppliers will not only comply with all applicable human rights-related laws and regulations, but also not use or tolerate the use of slavery, human trafficking, or forced or child labour of any kind.

Likewise, our Terms and Conditions (T&Cs) for procuring equipment, materials, and services in North America require our suppliers to abide by our Human Rights Policy and all applicable laws and international treaties concerning human rights, labour rights, and human trafficking and slavery.

To understand potential human rights risks in our operations and supply chain, Air Products completes annual human rights assessments on a global basis. For our operations, we evaluate human rights risks in each country of operation based on country-level information from independent third parties. Risks related to fundamental labour rights, including forced labour and child labour, are reported by the third parties and are key considerations in the analysis. The potential exposure to these risks is evaluated in each country. For our supply chains we examine human rights risks relative to procurement spend and supplier location using the country-specific risk information provided by third parties. Through this process, we have not identified significant risks related to forced and child labour.

Air Products also evaluates its supply chain on an annual basis for the presence of conflict minerals in accordance with the U.S. Securities and Exchange Commission's Conflict Minerals Rule. The Rule requires companies to perform and disclose due diligence on the source of these minerals within its supply chain and aims to reduce funding of mines where human rights abuses, including forced and child labour, have occurred. Our SCoC includes the expectation that our suppliers ensure goods and materials sold to Air Products do not contain prohibited materials, including minerals sourced from conflict areas. Likewise, requirements for equipment and materials suppliers regarding conflict minerals are included in our North America T&Cs.

In 2023, we enhanced our supplier risk assessment process to include industry-level risks by country. This analysis specifically included child labour, forced labour, and human trafficking risks by industry (i.e., in the electricity and gas industries). These assessments enable us to understand and develop programs to address risks, as well as engage with specific suppliers to address major areas of concern.

Air Products encourages individuals to report, as allowed by local law, misconduct or ethics violations, including those related to human rights. Our IntegrityLine provides a web-based reporting capability as well as a toll-free telephone-based service for anyone who would like to report a potential issue. Individuals may make reports confidentially and anonymously, where permitted by local law, 24 hours a day, seven days a week. Air Products upholds a firm promise of non-retaliation for those who, in good faith, report violations or suspected violations.

Every allegation received through the IntegrityLine is reviewed and investigated as needed through a case management system managed by our Global Asset Protection Director. The Director also leads the Company's Investigation Council which is comprised of representatives from key functions and applicable regions. The company has deployed a Disciplinary Decision-Making Process for addressing allegations that have been confirmed.

In 2023, we did not receive any allegations of human rights violations through our IntegrityLine.

## Company Structure, Activities, and Supply Chain

Air Products is a Delaware, U.S. corporation originally founded in 1940 with a unique portfolio of products, services, and solutions, including atmospheric gases, process and specialty gases, equipment, and services. The Company is focused on serving energy, environment and emerging markets and provides essential industrial

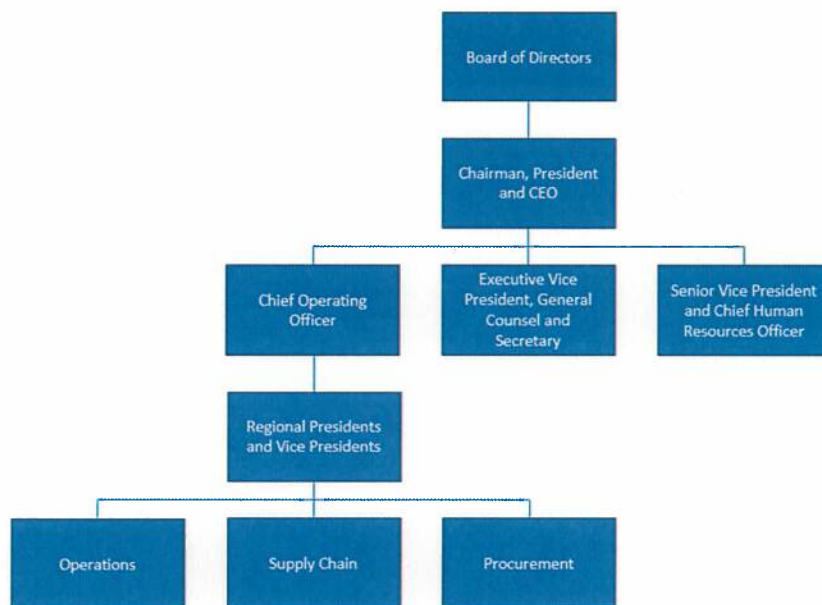
gases, related equipment, and applications expertise to customers in dozens of industries, including refining, chemicals, metals, electronics, manufacturing, and food and beverage.

Air Products conducts business in more than 50 countries around the world. We manage our operations in segments by Corporate location, by region, or by exception. The Company's supply chains are primarily local due to our operating regions but can also be global in scope depending on the materials being purchased. In 2023, we spent over \$11 billion on energy, equipment, materials, and services with over 31,000 unique suppliers and service providers. Energy is the primary raw material purchased to manufacture industrial gases, particularly electricity, steam and natural gas. Steel, aluminum, and capital equipment subcomponents are the primary materials procured for our equipment business.

Air Products' business is conducted by its employees and officers under the direction of the Chief Executive Officer ("CEO") and the oversight of the Board of Directors. The members of the Board are elected by the Company's stockholders to provide advice and counsel to and oversee management to assure that the long-term interests of the stockholders are being served. The CEO is also Chairman of the Board and President.

Reporting to the Chairman, President and CEO are members of the Executive Team who are responsible for businesses and functions, including:

- The Chief Operating Officer, who has global responsibility for the company's day-to-day operational business and project execution. Regional presidents and vice presidents report to the Chief Operating Officer. Operations, Supply Chain, and Procurement functions report through the regional presidents and vice presidents.
- The Executive Vice President, General Counsel and Secretary, who has responsibility for leading the company's legal organization and has responsibility for the company's Code of Conduct and compliance.
- The Senior Vice President and Chief Human Resources Officer, who is responsible for leading the Human Resources organization and is the signatory for the Human Rights Policy.



Air Products has operated in Canada for more than 50 years. In fiscal year 2023, Air Products had ~23,000 employees worldwide, 256 of which were in Canada. The Company has 12 sites in Canada that manufacture industrial gases including hydrogen, oxygen, nitrogen, helium, and argon. Air Products also imports these gases into Canada from the U.S. The Company manufactures equipment in the U.S. and Shanghai, China that can be imported into Canada. Some equipment is being imported for Air Products' net-zero hydrogen energy complex in Edmonton, Alberta that will make the region the center of western Canada's hydrogen economy.

Air Products is a member of Customs Trade Partnership Against Terrorism (CTPAT), a voluntary organization that works with U.S. Customs and Border Patrol to protect supply chains, identify security gaps, and implement specific security measures and best practices, as well as, CTPAT Trade Compliance, also a voluntary program, which provides the opportunity for importers who have made a commitment of resources to assume responsibility for monitoring their own compliance in exchange for benefits.

## Policies and Due Diligence Processes related to Forced Labour and Child Labour

Air Products' Code of Conduct (CoC) guides us in how we behave and requires strict compliance with the letter and spirit of the CoC and all applicable laws. The CoC applies to all full and part-time company employees at all operations, the Company's Board of Directors, and our subsidiaries, affiliates, operating units, and divisions worldwide. Every full and part-time employee is required to comply with the CoC, complete mandatory training, and annually certify understanding of the CoC as a condition of employment. All employees met this commitment in 2023.

Our Human Rights Policy outlines our commitment to safeguarding human rights, including our non-tolerance of slavery, human trafficking, the use of forced labour or child labour of any kind. Supporting this policy are numerous Human Resources procedures, including some aimed at preventing forced and child labour in our operations. These procedures may be global in scope or based on country-level requirements. Where local law and our human rights standards differ, we will follow the higher standard.

Through our Supplier Code of Conduct, we expect our suppliers to comply with all applicable human rights-related laws and regulations and to not use or tolerate the use of slavery, human trafficking, or forced or child labour of any kind. Our Terms and Conditions also require our suppliers to abide by our Human Rights Policy and applicable laws and treaties related to human rights. This includes assessing and addressing potential human rights risks in their operations and supply chain. Non-compliance with these requirements will be reviewed with the suppliers and remediated as needed.

Globally, new suppliers are screened against Sanctioned Party Lists to identify any party which would have been sanctioned for illegal acts, including but not limited to using forced labour, prior to entering into an agreement. For entities on our Enterprise Resource Planning System, automated screening continues to occur based on designated milestones.

In addition, Air Products completes annual human rights assessments for our operations and supply chains. In 2023, we conducted a review of the potential for human rights issues in the highest risk countries in which we operate and did not identify any significant issues for our operations. From a supply chain perspective, we examined human rights risks relative to sourcing industry, procurement spend, and supplier location using country-specific risk information from third parties. We did not identify any significant issues for our supply chains.

Air Products encourages individuals to report concerns, including those related to human rights, through our IntegrityLine. IntegrityLine provides a web-based reporting capability as well as a toll-free telephone-based service for anyone who would like to report a potential issue confidentially and anonymously, 24/7 hours a day, seven days a week. Every allegation received through the IntegrityLine is reviewed and investigated as needed. Air Products upholds a firm promise of non-retaliation for those who, in good faith, report violations or suspected violations. No allegations of human rights violations were reported through our IntegrityLine in 2023.

Our Human Rights efforts are an important part of our sustainability initiatives. Progress in these efforts is reported each year through our Sustainability Report that is publicly available on our website.

## Business and Supply Chains with Potential Risk of Forced Labour and Child Labour

Air Products completes annual human rights assessments for our operations and supply chains. These assessments include evaluation of the potential for forced labour and child labour, among other human rights risks. To date, we have not identified a significant risk related to forced or child labour in our operations or supply chains.

The Company also evaluates its supply chain on an annual basis for the potential presence of conflict minerals, including tantalum, tin, tungsten, or gold (3TG). This activity is focused on 3TGs that may be in our equipment products, including those that may be imported to Canada. Industrial gases that are made in or imported from the U.S. to Canada inherently do not contain these minerals. The process includes determining the components used in our equipment business that may contain 3TGs, identifying suppliers of these components, and using an independent third party to survey the suppliers about the potential 3TGs in the components they sell. Survey results are compiled and identified mineral smelters are reviewed to determine if the components may contain conflict minerals. Suppliers are engaged if there is a potential that a conflict mineral may be present in a component so that the situation can be addressed.

## Measures to Remediate Forced Labour and Child Labour

While Air Products has not identified any forced labour or child labour in our operations and supply chains, we would take action to understand and address these issues if they arose. For example, if an allegation of forced or child labour was submitted through our IntegrityLine, it would be reviewed and investigated. Based on the investigation results, appropriate steps to remediate the situation would be determined and taken. Likewise, if a supplier was identified as potentially using forced or child labour, we would engage the supplier to evaluate the situation and take appropriate steps.

## Measures to Remediate Loss of Income Resulting from the Elimination of Forced Labour and Child Labour

Air Products has not identified any forced labour or child labour in our operations and supply chains. If such a situation were identified, we would evaluate and address it.

As noted in our Human Rights Policy, Air Products is committed to contributing to the betterment of the communities in which we operate. For over 80 years, we have been building relationships and contributing to the well-being of our host communities around the world. We do this in a variety of ways: through financial contributions from the Air Products Foundation, in-kind donations, employee directed giving, and employee volunteerism with non-profit organizations. In fiscal year 2023, the Air Products Foundation contributed over \$140,000 CAD to charitable organizations in Canada.

## Training of Employees on Forced Labour and Child Labour

Air Products' Code of Conduct guides us in how we behave and requires strict compliance with the letter and spirit of the Code of Conduct and all applicable laws. Every full and part-time employee is required to comply with the Code of Conduct, complete mandatory training, and annually certify understanding of the Code of Conduct as a condition of employment. All employees met this commitment in 2023.

Air Products has also implemented awareness training on Modern Slavery and Human Trafficking. This training, which is mandatory for certain employees, is aimed at those whose roles are key in identifying and mitigating slavery and human trafficking risks.

In addition, the Company has published articles on our Internal Website to raise awareness for employees on forced labour and how to report suspicious situations.

## Assessing Effectiveness of Forced Labour and Child Labour Efforts

At Air Products, we are opposed to forced labour and child labour of any kind. We have established global policies and processes in our businesses and supply chains in support of this position. Likewise, we have evaluated our risks related to forced and child labour and have a mechanism for reporting allegations of misconduct, including those related to human rights, forced labour, and child labour.

No allegations of human rights violations were received through our IntegrityLine in 2023, or in the years prior to 2023. We consider these results to be an indication of the effectiveness of our efforts. If allegations of forced or child labour were submitted to our IntegrityLine, the allegations would be reviewed and investigated. Based on the investigation results, appropriate steps to remediate the situation would be determined and taken, such as evaluating potential improvements to our policies and processes.

## Closing Statement

At Air Products, we remain committed to safeguarding human rights for our employees and in our businesses, including the prevention of forced and child labour. As detailed in this report, our efforts encompass policies, codes of conduct, processes, procedures, risk assessments, reporting mechanisms, and evaluation of allegations of misconduct.

We understand that eradicating forced and child labour requires sustained vigilance and collaboration across industries and borders and we will continue to evolve our policies and processes in support of these efforts.

## Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name: Sean D. Major

Title: Executive Vice President, General Counsel and Secretary

Date May 24, 2024

Signature 

I have the authority to bind Air Products.