

# TCFD Response

Disclosure Focus Area	Recommended Disclosure	Comments
<b>Governance</b>		
Disclose the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities.	JBT's Nominating and Governance Committee of the Board of Directors has oversight over management's processes to identify, assess, manage, and disclose climate-related risks and opportunities. The committee meets quarterly, and our Executive Vice President, General Counsel, and Secretary report on the progress of our Environmental, Social, and Governance (ESG) program including the management of key issues identified by our materiality assessment, which included climate strategy.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Climate-related risks and opportunities are a significant factor in management's assessment of the the long-term viability of our current product offerings and in the research and development of new technologies and services to meet our customer's sustainability objectives. Climate change is not currently built into our formal Enterprise Risk Management process, but we plan to incorporate it in 2022 during the next formal review cycle.
<b>Strategy</b>		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>More stringent environmental regulations related to fuel, energy, and greenhouse gas emissions may negatively affect our food production and air transportation customers. They will need equipment to help them meet changing requirements and will look to us to provide solutions. Our business may be significantly impacted if we fail to develop, or delay developing, equipment that helps our customers meet the requirements of government regulations. Our future success depends on our ability to satisfy changing customer demands by offering innovative products in a timely manner and maintaining such products' competitiveness and quality.</p> <p><b>Technology</b> <i>Opportunities</i></p> <ul style="list-style-type: none"> <li>• Demand for lower-emission and energy-efficient equipment to meet carbon neutral commitments</li> <li>• Demand for equipment to increase yield and food preservation to meet commitments to reduce food waste</li> <li>• Transition to electric vehicles and alternative fuels</li> </ul> <p><i>Risk</i></p> <ul style="list-style-type: none"> <li>• Costs to transition to lower-emission equipment may be compounded without collaboration across the enterprise as we miss the opportunity to benefit from scale and sharing best practices</li> <li>• Technological solutions may increase the complexity and cost of our equipment and require more technically sophisticated service and support to perform effectively</li> </ul> <p><b>Reputation</b> <i>Opportunity</i></p> <ul style="list-style-type: none"> <li>• Long history of product innovation focusing on customer's most important strategic objectives supports our ability to develop and support equipment that serves our clients' sustainability objectives</li> </ul> <p><i>Risk</i></p> <ul style="list-style-type: none"> <li>• Attracting and retaining technically skilled engineers and service technicians to continue to develop and support newly developed products</li> <li>• Not effectively sharing our ESG values and strategy with potential and current employees as we risk not being able to attract and retain talent</li> </ul> <p><b>Policy and Legal</b> <i>Risk</i></p> <ul style="list-style-type: none"> <li>• Stricter climate regulations affecting the food and air transport industries could lead to rising costs for customers and reduce demand for our products</li> <li>• Growing importance of demonstrating progress in meeting climate-risk related objectives will create demand for technically sophisticated solutions that deliver reliable and consistent data regarding performance and resource consumption of equipment.</li> </ul>

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<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. (cont.)</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. (cont.)</p>	<p><b>Market</b> <i>Opportunity</i></p> <ul style="list-style-type: none"> <li>Meeting increased demand for water reuse and heat recovery equipment as well as highest yield equipment that reduces waste, water, and emissions.</li> </ul> <p><i>Risks</i></p> <ul style="list-style-type: none"> <li>Customers are looking to eliminate emissions from their supply chains and may move to a local sourcing/distribution model.</li> <li>Shift to climate-friendly food products, such as cell-based/non-animal protein, would reduce demand for some of our primary products. However, demand for our equipment that processes these products would increase.</li> <li>Major airlines are committing to carbon neutral goals, which increases demand for our electric-powered products. However, if demand decreases for flights, this would negatively impact our ground service equipment business.</li> </ul>
	<p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p><b>FoodTech</b></p> <ul style="list-style-type: none"> <li>Increasing demand for more energy-efficient products and competition for capital</li> <li>Increased water scarcity; customers operate in water-intensive industry, so there will be increased demand for water-efficient products</li> </ul> <p><b>AeroTech</b></p> <ul style="list-style-type: none"> <li>Transition to electric vehicles and alternative fuels</li> </ul> <p><b>Overall JBT Risk</b></p> <ul style="list-style-type: none"> <li>Increased insurance costs due to the higher frequency and severity of climate disasters affecting the entire industry.</li> </ul>
	<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>JBT has not performed a full enterprise climate-related scenario analysis, but plans to do so in the future. Disaster recovery plans developed and, in some cases, utilized for North American production facilities likely to be impacted by hurricanes and other extreme weather events</p> <p>ESG Report &gt; ESG at JBT &gt; Materiality Assessment</p> <p>ESG Report &gt; Governance &gt; Corporate Governance &gt; ESG Oversight</p>
<p><b>Risk Management</b></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>Potential climate-related risks and opportunities were identified through a robust due diligence process, which involved:</p> <ul style="list-style-type: none"> <li>Conducting a preliminary assessment of risks by reviewing our current Enterprise Risk Management Process to identify any elements related to climate change</li> <li>Consulting with leaders from our Internal Audit, Risk &amp; Insurance and Health, Safety &amp; Environment functions</li> <li>Holding discussions with leaders from our three main business units, FoodTech (Protein and Diversified Food &amp; Health) and our AeroTech business</li> <li>Examining risks already identified during strategy review sessions</li> <li>Benchmarking findings with key climate risks identified by peers and customers</li> </ul>
	<p>b) Describe the organization's processes for managing climate-related risks.</p>	<p>The management of climate-related risks is not currently built into our formal Enterprise Risk Management process, but we plan to incorporate it in 2022 during the next formal review cycle.</p>
	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	

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<b>Metrics and Targets</b>		
<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.</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>In addition to measuring our own climate impact, we also offer a suite of products that reduce the operational environmental impact of our customers, enabling our customers to meet their environmental targets. Approximately 48% of our revenue in 2021 was from products and services with beneficial environmental impact. While we aren't reporting metrics for equipment that optimizes energy use, these products are of the utmost importance to JBT. These considerations are part of our value proposition and always included in ongoing design processes, and, therefore, they are difficult to track separately.</p> <p>ESG Report &gt; Operations &gt; Energy and Emissions ESG Report &gt; Sustainable Solutions</p>
	<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.</p>	<p>We measure and report our Scope 1 and 2 emissions.</p> <p>We have not yet calculated our Scope 3 emissions, but we are considering how we may do so in the future.</p> <p>ESG Report &gt; Operations &gt; Energy and Emissions</p>
	<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>We have a goal to increase electric-powered airport ground support equipment to 30% by 2023.</p> <p>ESG Report &gt; Sustainable Solutions</p>