

# Sustainability Accounting Standards Board

FY2019

CMC Materials, Inc. (CMC) is pleased to provide the information included in this report, which is intended to be aligned with the principles of the Sustainability Accounting Standards Board (SASB). This reporting framework is important to CMC because it allows us to provide sustainability-related information to investors and shareholders in a more standardized way.

While we have been publicly providing environmental metrics showing our progress on reducing greenhouse gas emissions, disposal of solid waste and other environmental metrics on our website, reporting against this framework enables us to evaluate our sustainability performance in a broader and more comprehensive manner.

## **Reporting Boundaries**

The information provided by CMC in this report is for the period from October 1, 2018 to September 30, 2019.

## **Forward Looking Statements**

The information contained in this report may include "forward-looking statements" within the meaning of federal securities regulations. These forward-looking statements involve a number of risks, uncertainties, and other factors, including those described in CMC's filings with the Securities and Exchange Commission (SEC), which could cause actual results to differ materially from those described by these forward-looking statements. CMC assumes no obligation to update this forward-looking information.

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# General Disclosures

## Stakeholder Engagement

### Legal & Regulatory Environment

General Disclosures / Stakeholder Engagement / Legal & Regulatory Environment

Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry

Risks and opportunities related to the legal and regulatory environment

CMC Materials, Inc. does not engage in lobbying activities. However, CMC actively monitors legislative and regulatory issues that could have an impact on the company from an environmental and social perspective. Monitoring of these rulemaking developments allows CMC to develop strategies and responses so that we can prepare for, respond to, and support compliance with legislation in an organized manner. We review evolving trends and developments in environmental and social issues and regulations on an ongoing basis with CMC senior and operational leadership, including our Enterprise Risk Management Committee, our executive leadership team, and our Board of Directors.

Like other companies involved in environmentally sensitive businesses, our operations and properties are subject to extensive and stringent federal, state, local, and foreign environmental, health, and safety (EHS) laws and regulations, including those concerning, among other things:

- the marketing, sale, use, and registration of our chemical products, such as pentachlorophenol (penta), which is part of the Wood Treatment business in our Performance Materials business segment;
- the treatment, storage, and disposal of wastes;
- the investigation and remediation of contaminated media including but not limited to soil and groundwater;
- the discharge of effluents into waterways;
- the emission of substances into the air; and
- other matters relating to environmental protection and various health and safety matters.

The United States Environmental Protection Agency (US EPA) and other federal and state agencies in the US, as well as comparable agencies in other countries where we have facilities or sell our products, such as Canada or Mexico, have the authority to promulgate regulations that could have a material adverse impact on our operations. These EHS laws and regulations may require permits for certain types of operations, require the installation of expensive pollution control equipment, place restrictions upon operations or impose substantial liability for pollution and other EHS concerns resulting from our operations. Compliance with EHS laws and regulations has resulted in ongoing costs for us and could restrict our ability to modify or expand our facilities, continue production, require us to install costly pollution control equipment, or incur significant other expenses, including environmental compliance costs.

We have incurred, and expect to continue to incur, significant costs to comply with EHS laws or to address liabilities for contamination resulting from past or present operations. Federal, state, and foreign governmental authorities may seek fines and penalties, as well as injunctive relief, for violation of EHS laws and regulations, and could, among other things, impose liability on us to cleanup or mitigate environmental, natural resources or other damages resulting from a release of pesticides, hazardous materials or other chemicals into the environment. We maintain insurance coverage for sudden and accidental environmental damages.

The distribution, sale, and use of our products is subject to prior governmental approvals and thereafter ongoing governmental regulation. Our products are subject to laws administered by federal, state, and foreign governments, including regulations requiring registration, approval, and labeling. The labeling requirements restrict the use and type of application for our products. More stringent restrictions could make our products less desirable which would adversely affect our sales and profitability. All venues where our penta products are used also require registration prior to marketing or use.

Such legislative and regulatory issues include environmental, safety, and social policies that could affect our business in multiple ways such as increased stringency of discharge/emission limits for releases of air pollutants, wastewater, and waste generation, and worker health and safety, as applied to our production facilities. We also face potential impacts from requirements that impact the manufacture, sale, and distribution our products, such as those related to product labeling and safety data sheets, product safety registrations, and chemical disclosure.

Governmental regulatory authorities have required, and may require in the future, that certain scientific testing and data production be provided on our products. Because scientific analyses are constantly improving, we cannot determine with certainty whether or not new or additional tests may be required by regulatory authorities. While good laboratory practice standards specify the minimum practices and procedures that must be followed in order to ensure the quality and integrity of data related to these tests submitted to the US EPA, there can be no assurance that the US EPA will not request certain tests or studies be repeated. In addition, more stringent legislation or requirements may be imposed in the future. We can provide no assurance that the cost of such compliance will not adversely affect our profitability. Our products could also be subject to other future regulatory action that may result in restricting or completely banning their use which could have an adverse effect on our performance and results of operations.

The US has notified the United Nations of its intention to withdraw from the Paris Climate Agreement and to date, has not ratified the Kyoto Protocol. The Clean Air Act has been interpreted to regulate greenhouse gas (GHG) emissions and the US EPA is using its existing regulatory authority to develop regulations requiring reduction in GHG emissions from various categories of sources, such as when a permit is required due to emissions of other pollutants. Because of the lack of any comprehensive legislation program addressing GHGs, a number of US federal laws related to GHG emissions have been considered by the US Congress from time to time and various state, local, and regional regulations and initiatives have been enacted or are being considered related to GHGs.

Member States of the European Union (EU) each have an overall cap on emissions, which are approved by the European Commission, and implement the EU Emissions Trading Directive as a commitment to the Kyoto Protocol. GHG emissions are regulated by Member States through the EU Emission Trading System and the EU Effort Sharing Decision/Regulation depending upon the industry sector. Organizations apply to the Member State for an allowance of GHG emissions. These allowances are tradable so as to enable companies that manage to reduce their GHG emissions to sell their excess allowances to companies that are not reaching their emissions objectives. Failure to purchase sufficient allowances will require the purchase of allowances at a current market price.

Any laws or regulations that may be adopted to restrict or reduce emissions of GHGs could cause an increase to our raw material costs, require us to incur increased operating costs, and have an adverse effect on demand for our products and our financial performance and results for our business.

In addition to GHG and climate change regulatory developments and legislation, we are continuing to evaluate and assess the potential impact on our business of the ongoing transition worldwide to a low carbon, resilient economy as well as physical effects resulting from climate change.

## Reporting Practice

### Total Production Metrics

General Disclosures / Reporting Practice / Total Production Metrics

The entity shall disclose total production from its own manufacturing facilities and those with which it contracts for manufacturing services.

Total production of equipment manufactured

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#### Additional Comments

As a manufacturer and supplier of chemicals, materials, and products used in the manufacture of semiconductors (and not a manufacturer of semiconductors), this reporting metric does not apply to CMC Materials, Inc.

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## Percentage of Production from Owned Facilities

General Disclosures / Reporting Practice / Percentage of Production from Owned Facilities The entity shall disclose the percentage of production from its own manufacturing facilities.

Percentage of production from owned manufacturing facilities

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### Additional Comments

As a manufacturer and supplier of chemicals, materials, and products used in the manufacture of semiconductors (and not a manufacturer of semiconductors), this reporting metric does not apply to CMC Materials, Inc.

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## Operational Safety

General Disclosures / Reporting Practice / Operational Safety

Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)

|   |
|---|
| Process Safety Incidents Count (PSIC)         |
| Process Safety Total Incident Rate (PSTIR)    |
| Process Safety Incident Severity Rate (PSISR) |
| Incidents with severity rating of 1 or 2      |

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### Additional Comments

CMC Materials, Inc. has elected not to provide a response to this reporting metric for Fiscal Year 2019 due to challenges associated with consolidation of relevant data after acquisition of KMG Chemicals. CMC expects to provide a response to this metric in future filing periods

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## Transport Incidents

General Disclosures / Reporting Practice / Transport Incidents

Total number of transport incidents

|  |
|--|
| Total number of transport incidents  |
| Significant transport incidents<br>CMC Materials, Inc. has elected not to provide a response to this reporting metric for Fiscal Year 2019 due to challenges associated with consolidation of relevant data after acquisition of KMG Chemicals. CMC expects to provide a response to this metric in future filing periods. |

### Additional Comments

CMC Materials, Inc. has elected not to provide a response to this reporting metric for Fiscal Year 2019 due to challenges associated with consolidation of relevant data after acquisition of KMG Chemicals. CMC expects to provide a response to this metric in future filing periods.

## Production by Reportable Segment

General Disclosures / Reporting Practice / Production by Reportable Segment

Production metrics for each of the entity's reportable segments

| Segment Name | Value   | Unit of Measure |
|--------------|---------|-----------------|
| ElecChem     | 107,516 | cubic meters    |
| Slurry       | 77,803  | cubic meters    |
| WoodTreatm   | 9,042   | cubic meters    |
| Pads         | 113.6   | metric tons     |
| PipelineIM   | 30,693  | cubic meters    |

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# Economic

## Economic Performance

### Monetary Losses - Employee Health and Safety Violations

Economic / Economic Performance / Monetary Losses - Employee Health and Safety Violations

Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations

|  |   |
|--|---|
| Total amount of monetary losses  | 0 |
| Monetary liabilities - civil actions   | 0 |
| Monetary liabilities - regulatory proceedings  | 0 |
| Monetary liabilities - criminal actions  | 0 |
| Discuss nature of all monetary losses and any corrective actions taken as a result of legal proceedings.<br>CMC Materials, Inc. does not have any legal proceedings associated with employee health and safety violations, and during the reporting period of Fiscal Year 2019, CMC incurred no monetary losses for legal proceedings associated with employee health and safety violations. |   |

## Product Revenue

Economic / Economic Performance / Product Revenue

Revenue from products designed for use-phase resource efficiency

Total revenue 140,553,000

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### Additional Comments

Through our Performance Materials business segment, CMC Materials, Inc. produces and sells products that we have designed to improve use-phase efficiency for our customers, according to the definition provided. Specifically, our drag reducing agents (DRA) are focused on the midstream oil and gas sector and offer benefit to our customers by helping to reduce the pressure loss due to turbulent flow within the pipeline. This allows pipeline operators to maximize product flow while helping to maintain safe operating pressure and reducing energy consumption. Similarly, we develop, manufacture, and sell products used for maintaining and extending the operational lifespan of lubricated isolation valves. CMC achieved revenue from these and related products of \$140,553,000 in Fiscal Year 2019.

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## Procurement Practices

### Critical Materials Management

Economic / Procurement Practices / Critical Materials Management

Description of the management of risks associated with the use of critical materials.

Please describe the strategy for managing risks to critical materials. Please identify specific materials at risk

CMC Materials, Inc. utilizes cerium oxide/ceria (not elemental cerium) as a component in some of its CMP slurry products. As a business continuity measure, CMC has identified and secured multiple sources of ceria and its precursor components from a diverse group of locations and entities to mitigate potential disruptions to adequate ceria supplies. As such, we believe that our supply chain for ceria is secure and that supply disruption risk has been adequately and appropriately addressed. CMC does not use any other "critical material" in our products at this time.

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## Anti-Competitive Behavior

### Anti-Competitive Behavior Litigation

Economic / Anti-Competitive Behavior / Anti-Competitive Behavior Litigation

Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.

|   |   |
|---|---|
| Monetary losses from legal proceedings associated with anti-competitive behavior  |   |
| Total monetary losses   | 0 |
| Monetary losses from adjudicative proceedings   | 0 |
| Monetary liabilities to opposing parties or others, including fines, as a result of civil actions, regulatory proceedings, and criminal actions brought by any entity | 0 |

#### Additional Comments

CMC Materials, Inc. does not have any legal proceedings associated with anti-competitive behavior regulations, and during the reporting period of Fiscal Year 2019, CMC incurred no monetary losses for legal proceedings associated with anti-competitive behavior regulations.

# Environmental

## Materials

### Hazardous Chemicals Assessment

Environmental / Materials / Hazardous Chemicals Assessment

(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment

|  |
|--|
| Percentage of products, by revenue                             |
| Percentage of products that have undergone a hazard assessment |

#### Additional Comments

CMC Materials, Inc. has elected not to provide a response to this reporting metric for Fiscal Year 2019 due to challenges associated with consolidation of relevant data after the company's recent acquisition of KMG Chemicals. CMC expects to provide a response to this metric in future filing periods.

## Safety & Environmental Stewardship of Chemicals

Environmental / Materials / Safety & Environmental Stewardship of Chemicals

Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact

### Strategy for managing chemicals of concern

The manufacture, sale, and distribution of products by CMC Materials, Inc. may, in some cases, involve the controlled use of materials, chemicals, and substances. Our products, therefore, are subject to various regulatory requirements to ensure proper characterization and communication of potential environmental, health, and safety (EHS) risks, including personal exposure, chemical spills, discharges or releases of toxic or hazardous substances or gases, fires, and other hazards to our customers and to the appropriate regulatory authorities.

Governmental regulatory authorities have required, and may require in the future, that certain testing and associated data be provided on our products in the many countries where CMC does business. For example, under the Toxic Substances Control Act (TSCA) and its associated amendments, the United State Environmental Protection Agency may require registrants to submit a wide range of scientific data to support registrations in the United States.

Similarly, the Registration, Evaluation and Authorization of Chemicals (REACH) program imposes requirements on CMC regarding manufacture, import, and sale of certain products in the European Union, including the requirement of chemical manufacturers and importers to demonstrate the safety of their products. We were required to pre-register certain products and file comprehensive reports, including testing data, on chemical substances and perform chemical safety assessments.

CMC is committed to offering products to our customers that minimize EHS impacts when possible. To accomplish this goal, CMC has developed and utilizes an integrated process to evaluate the composition of our products for applicable regulatory requirements. This process begins in the early stages of product research and development and extends throughout the production and supply chain. We consider alternative components with a focus on reduction or elimination of EHS hazards. Where possible, CMC prioritizes the use of non-hazardous and non-toxic components, and we avoid using substances that are classified as prohibited or banned under various global substance lists.

CMC also uses a Management of Change process to evaluate changes in product composition, including changes to existing components as well as introduction of new components, for potential regulatory or other EHS concerns. We collaborate with our raw material suppliers – as well as with our customers and clients – to communicate significant changes in product composition, as well as information about product hazards and risks, in a clear and timely manner.

### Strategy for developing alternative processes and chemicals

CMC's product development process includes a comprehensive review of EHS and product regulatory/stewardship requirements. We also conduct product testing in certain circumstances to support risk characterization, and we develop and maintain product safety communication, including safety data sheets and product labels, as required by applicable regulatory requirements throughout the global jurisdictions where we do business.

## Declarable Substances

Environmental / Materials / Declarable Substances

Percentage of products by revenue that contain IEC 62474 declarable substances.

|   |   |
|---|---|
| Products sold containing IEC 62474 declarable substances  | 0 |
| Please describe any overlap with other regulations on potentially toxic substances<br>To the best of our knowledge, CMC Materials, Inc. does not manufacture, market or sell products that contain IEC 62474 declarable substances. |   |

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# Energy

## Processor Energy Efficiency

Environmental / Energy / Processor Energy Efficiency

The entity shall disclose the energy efficiency of its processors based on benchmarked performance per watt of energy consumed for (1) servers, (2) desktops, and (3) laptops, see parameters in guidance notes.

|   |
|---|
| Energy efficiency of processors based on benchmarked performance per watt of energy consumed for servers.   |
| Energy efficiency of processors based on benchmarked performance per watt of energy consumed for desktops.  |
| Energy efficiency of processors based on benchmarked performance per watt of energy consumed for laptops.   |
| The entity shall discuss how it incorporates product energy efficiency considerations into design for new and emerging usage patterns in all relevant product categories.<br>As a manufacturer and supplier of chemicals, materials, and products used in the manufacture of semiconductors (and not a manufacturer of semiconductors), this reporting metric does not apply to CMC Materials, Inc. |

### Additional Comments

As a manufacturer and supplier of chemicals, materials, and products used in the manufacture of semiconductors (and not a manufacturer of semiconductors), this reporting metric does not apply to CMC Materials, Inc.

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## Energy Use

Environmental / Energy / Energy Use

(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy

|   |         |
|---|---------|
| Energy consumption in gigajoules (GJ)   |         |
| Total amount of energy used   | 388,139 |
| Energy supplied from grid electricity   | 250,728 |
| Energy supplied from renewable energy   | 0       |
| Total self-generated energy   | 0       |
| <p>Discuss efforts to reduce energy consumption and/or improve energy efficiency throughout the production processes<br/>                     CMC Materials, Inc. incorporates energy conservation measures into its manufacturing process through various methods. Examples include energy assessments of manufacturing processes and systems, regular tuning and maintenance of process boilers and heaters, and replacement/upgrade of facility lighting with high-efficiency LED systems, among others. Through these efforts and others, CMC successfully achieved a 15.7 percent reduction in electric power consumption in global manufacturing during the period from Fiscal Year 2014 to 2019.</p> <p>Of note, the electric energy reduction data referenced above are associated with operations within the legacy Cabot Microelectronics organization only. They do not include reductions in electric energy consumption associated with the KMG Chemicals business, which was acquired by Cabot Microelectronics during Fiscal Year 2019. CMC intends to present consolidated data for electric power consumption for all global operating units beginning with our Fiscal Year 2020 report.</p> |         |
| <p>Conversion factors for all energy types including biofuels 1<br/>                     kwh = 0.0036 GJ for electricity use<br/>                     1 therm = 0.1055 GJ for natural gas use<br/>                     1 gallon = 0.1318 GJ for fuel oil use</p>  |         |
| Trailing twelve-month weighted average power usage effectiveness for data centers   |         |

# Water

## Water Management Incidents

Environmental / Water / Water Management Incidents

Number of incidents of non-compliance associated with water quality permits, standards, and regulations

|                                   |   |
|-----------------------------------|---|
| Total instances of non-compliance | 3 |
|-----------------------------------|---|

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### Additional Comments

During Fiscal Year 2019, facilities owned and operated by CMC Materials, Inc. experienced the following incidents of non-compliance with respect to water quality permits, standards, and regulations that resulted in formal enforcement actions:

- The Milan (Italy) chemical processing facility was cited by the local wastewater authority for an alleged exceedance of a sulfate discharge limit that occurred on 11 September 2019. CMC reviewed with authorities that this exceedance was the result of an erroneous laboratory sampling result since no chemicals were being processed at the facility that could have produced sulfate. The enforcement matter was subsequently closed with no penalty or further finding.
  - The Pueblo (Colorado, USA) chemical processing facility was cited by the local wastewater authority for alleged exceedances of a sulfate discharge limit that occurred on 31 May and 18 June 2019. In response, CMC has purchased, installed, and commissioned a sulfate removal system to treat the facility's process wastewater and prevent future exceedances of permit sulfate limits. Final testing of the system is currently in progress, and we expect the enforcement matter to be closed upon successful demonstration of performance of the sulfate removal system.
  - The Pueblo (Colorado, USA) chemical processing facility was cited by the local wastewater authority for alleged exceedances of a pH limit that occurred on 17 July 2019. In response, CMC identified and implemented revisions to wastewater system controls and operating procedures to prevent future exceedances of permit pH limits. The enforcement matter was subsequently closed.
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## Water Management Risks

Environmental / Water / Water Management Risks

Description of water management risks and discussion of strategies and practices to mitigate those risks

|   |
|---|
| <p>Water management risks<br/>CMC Materials, Inc. has identified no significant risks associated with our ability to secure access to adequate supplies of water for operational purposes or the ability to appropriately and compliantly discharge process wastewater.</p>   |
| <p>Short and long-term strategies to mitigate water management risks<br/>CMC does not anticipate that access to process water supplies, or the ability to discharge process wastewater, are at significant risk. Our facilities are located where they have adequate and reliable access to water supplies via local municipal utility providers or from on-site wells that we control. Many of our facilities do not discharge process wastewater, and those that do have process wastewater discharges have reliable access to local municipal wastewater management utilities.</p> |
| <p>Water management targets<br/>CMC has recently completed an effort to reduce global water use in our production facilities by five percent globally between Fiscal Years 2014 and 2019. During this time, water use was reduced by 19 percent through efforts to recapture, reuse, and reduce the amount of water used in manufacturing processes. For future years, we will continue to evaluate opportunities to further reduce overall water consumption and increase water use efficiency.</p>  |
| <p>Water management practices lifecycle impact<br/>CMC's efforts to reduce global water use have not resulted in negative lifecycle impacts or tradeoffs.</p>   |

### Additional Comments

Of note, the water consumption and reduction data referenced above are associated with operations within the legacy Cabot Microelectronics organization only. They do not include reductions in water consumption associated with the KMG Chemicals business, which was acquired by Cabot Microelectronics during Fiscal Year 2019. CMC intends to present consolidated data for water consumption for all global operating units beginning in our Fiscal Year 2020 report.

## Water Use

Environmental / Water / Water Use

(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress

| Water usage in thousands of cubic meters  |              |                         |
|---|--------------|-------------------------|
| Total water from all sources  | 583          |                         |
| Significant sources of water  | Water Source | Percentage of total use |
|   | 0            | 0                       |
| Total water consumed in operations in thousands of cubic meters   | 583          |                         |
| Activities in areas with High or Extremely High Baseline Water Stress<br>None of CMC Materials, Inc.'s global manufacturing facilities are located in regions classified as having High or Extremely High Baseline Water Stress according to the provided definition. |              |                         |
| Percent of Total Water that is withdrawn in areas with High or Extremely High Baseline Water Stress   | 0            |                         |
| Percent of Total Water consumed that is withdrawn from areas with High or Extremely High Baseline Water Stress  | 0            |                         |

## Biodiversity

### Genetically Modified Organisms

Environmental / Biodiversity / Genetically Modified Organisms

Percentage of products by revenue that contain genetically modified organisms (GMOs)

Percentage of products, by revenue 0

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#### Additional Comments

To the best of our knowledge, CMC Materials, Inc. does not manufacture, market, or sell products that contain genetically modified organisms (GMOs).

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# Emissions

## Scope 1 Emissions, Targets, and Performance

Environmental / Emissions / Scope 1 Emissions, Targets, and Performance

Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets

### Long- and short-term strategy or plan to manage Scope 1 greenhouse gas (GHG) emissions

The United States (US) has notified the United Nations of its intention to withdraw from the Paris Climate Agreement and to date, has not ratified the Kyoto Protocol. The Clean Air Act has been interpreted to regulate greenhouse gas (GHG) emissions and the US Environmental Protection Agency (EPA) is using its existing regulatory authority to develop regulations requiring reduction in GHG emissions from various categories of sources, such as when a permit is required due to emissions of other pollutants. Because of the lack of any comprehensive legislation program addressing GHGs, a number of US federal laws related to GHG emissions have been considered by the US Congress from time to time and various state, local and regional regulations and initiatives have been enacted or are being considered related to GHGs.

Member States of the European Union (EU) each have an overall cap on emissions, which are approved by the European Commission, and implement the EU Emissions Trading Directive as a commitment to the Kyoto Protocol. GHG emissions are regulated by Member States through the EU Emission Trading System and the EU Effort Sharing Decision/Regulation depending upon the industry sector. Organizations apply to the Member State for an allowance of GHG emissions. These allowances are tradable so as to enable companies that manage to reduce their GHG emissions to sell their excess allowances to companies that are not reaching their emissions objectives. Failure to purchase sufficient allowances will require the purchase of allowances at a current market price.

Any laws or regulations that may be adopted to restrict or reduce emissions of GHGs could cause an increase to CMC Materials, Inc.'s raw material costs, require us to incur increased operating costs, and have an adverse effect on demand for our products and our financial performance and results for our business. In addition to GHG and climate change regulatory developments and legislation, we are continuing to evaluate and assess the potential impact on our business of the ongoing transition worldwide to a low carbon, resilient economy as well as physical effects resulting from climate change.

### Emission reduction target(s) and performance analysis

Scope 1 GHG emissions associated with CMC's business activities are largely associated with the combustion of fossil fuel in production equipment, such as process boilers, at certain manufacturing and processing facilities. CMC believes that opportunities may exist to achieve reductions in GHG emission through efforts to improve operating efficiency and replace aging and inefficient equipment.

### Activities and investments required to achieve the plans and/or targets

Scope 1 GHG emissions associated with CMC's business activities are largely associated with the combustion of fossil fuel in production equipment, such as process boilers, at certain manufacturing and processing facilities. CMC believes that opportunities may exist to achieve reductions in GHG emission through efforts to improve operating efficiency and replace aging and inefficient equipment.

### Strategies, plans, and/or reduction targets, as they relate to different business units, geographies, or emissions sources

For future years, CMC will continue to evaluate opportunities to further reduce energy use and resulting GHG emissions. At this time, we have not established a defined short-term or long-term strategy to further reduce GHG emissions. However, our Board of Directors and our executive leadership team are committed to supporting appropriate and responsible actions to further reduce GHG emissions from our business activities.

### Strategies, plans, and/or reduction targets as they relate to emissions reporting-based programs or regulations

For future years, CMC will continue to evaluate opportunities to further reduce energy use and resulting GHG emissions. At this time, we have not established a defined short-term or long-term strategy to further reduce GHG emissions. However, our Board of Directors and our executive leadership team are committed to supporting appropriate and responsible actions to further reduce GHG emissions from our business activities.

## Gross Scope 1 Emissions

Environmental / Emissions / Gross Scope 1 Emissions

Gross global Scope 1 emissions

|  |      |
|--|------|
| Total carbon dioxide (CO2) emissions   | 7450 |
| Total methane (CH4) emissions  | 0    |
| Total nitrous oxide (N2O) emissions  | 0    |
| Total hydrofluorocarbons (HFCs) emissions  | 0    |
| Total perfluorocarbons (PFCs) emissions  | 0    |
| Total sulfur hexafluoride (SF6) emissions  | 0    |
| Total nitrogen trifluoride (NF3) emissions   | 0    |
| Total Scope 1 emissions  | 7450 |
| Discuss any change in its emissions from the previous reporting period<br>No change – Fiscal Year 2019 is the initial reporting period for CMC Materials, Inc.                     |      |
| Discuss any differences in emissions reported to other entities<br>No differences – GHG emissions data reported for CMC Materials, Inc. is consistent across reporting frameworks. |      |
| Discuss the calculation methodology for emissions disclosure<br>No differences – GHG emissions data are consistently reported for CMC Materials, Inc.                              |      |

### Additional Comments

CMC Materials, Inc. is reporting Scope 1 GHG emissions in response to this metric for Fiscal Year 2019. Of note, this reporting period incorporates emissions from both Cabot Microelectronics as well as from KMG Chemicals, which was acquired by Cabot Microelectronics during this reporting period.

## Effluents and Waste

### Waste Generated and Recycled

Environmental / Effluents and Waste / Waste Generated and Recycled

Amount of hazardous waste generated, percentage recycled

| Waste            | Total            |
|------------------|------------------|
| Total Generated  | Metric tons 6410 |
| Total Recycled   | Metric tons 4042 |
| Percent Recycled | % 63.1           |

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Additional Comments

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# Social

## Occupational Health and Safety

### Human Health Hazards

Social / Occupational Health and Safety / Human Health Hazards

Discuss efforts to assess, monitor, and reduce exposure of employees to human health hazards, with an emphasis on cleanroom workers in fabrication plants.

Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards

CMC Materials, Inc.'s facilities and operations are subject to various laws and regulations, at a federal, state and/or local level, relating to various occupational health and safety matters. Governmental authorities can enforce compliance with their regulations, and violators may be subject to civil, criminal, and administrative penalties, injunctions, or a combination. We believe that our facilities are in substantial compliance with applicable health and safety laws and regulations. Our major operations in the United States, Japan, Singapore, South Korea, Taiwan, France, Italy, and the United Kingdom are certified under current ISO 45001 and OHSAS 18001 occupational health and safety standards, which require that we implement and operate according to various procedures that demonstrate injury reduction and other health and safety and sustainability objectives. Facilities that are certified under the OHSAS 18001 standards will transition to ISO 45001 standards over the next several years.

CMC manages an extensive and progressive health and safety program to identify, characterize, mitigate, and eliminate hazards throughout our production, research, and office facilities worldwide. Our Global Environmental, Health and Safety (EHS) organization utilizes an extensive set of foundational programs (EHS Elements), which outline the critical protocols and practices that we have developed and implemented to protect our employees from health and safety hazards, including those encountered in clean room, laboratory, and production environments. We conduct industrial hygiene surveys of our facilities to confirm that employee exposure to hazardous agents are minimized or eliminated, and we conduct regular workplace assessments with the participation of our employees and management to capture the perspectives of those who are directly engaged in work practices where hazards are encountered. Goals for employee health and safety are developed collaboratively between the Global EHS team and our business organizations to improve engagement and adoption and identify priorities for improvement of program and workplace conditions.

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## Workforce Incident & Fatality Rate

Social / Occupational Health and Safety / Workforce Incident & Fatality Rate

(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees

|  |      |
|--|------|
| Total recordable work-related injuries for direct employees (TRIR) | 0.65 |
| Total recordable work-related injuries for contract employees      | 0    |
| Rate of fatalities for direct employees                            | 0    |
| Rate of fatalities for contract employees                          | 0    |

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## Workforce Health Risk Assessment

Social / Occupational Health and Safety / Workforce Health Risk Assessment

Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks

### Approach to managing workforce exposure

CMC Materials, Inc.'s facilities and operations are subject to various laws and regulations, both at a federal and state or local level, relating to various occupational safety and health matters. Governmental authorities can enforce compliance with their regulations, and violators may be subject to civil, criminal, and administrative penalties, injunctions, or a combination. We believe that our facilities are in substantial compliance with applicable health and safety laws and regulations. CMC manages an extensive and progressive health and safety program to identify, characterize, mitigate, and eliminate hazards throughout our production, research, and office facilities worldwide.

### Implementation of relevant safety management systems

CMC's Occupational Health and Safety Management System meets OHSAS 18001 or ISO 45001 standards to define and track our global health and safety performance at multiple of our manufacturing sites around the world. Our Global Environmental, Health and Safety (EHS) organization also utilizes an extensive set of foundational programs (EHS Elements), which outline the critical protocols and practices that we have developed and implemented to protect our employees from health and safety hazards, including those encountered in clean room, laboratory, and production environments.

We conduct industrial hygiene surveys of our facilities to confirm that employee exposure to hazardous agents are minimized or eliminated, and we conduct regular workplace assessments with the participation of our employees and management to capture the perspectives of those who are directly engaged in work practices where hazards are encountered. Job safety analyses are conducted for routine and non-routine tasks, and we identify safe work plans that include consideration of elimination, substitution, and engineering control of hazards, as well as appropriate personal protective equipment requirements.

Goals for employee health and safety are developed collaboratively between the Global EHS team and our business organizations to improve engagement and adoption and identify priorities for improvement of program and workplace conditions.

## Diversity and Equal Opportunity

### Foreign Employees

Social / Diversity and Equal Opportunity / Foreign Employees

Percentage of employees that are foreign nationals

|                            |     |
|----------------------------|-----|
| Foreign Employees          |     |
| Foreign nationals          | 6.4 |
| Employees located offshore |     |
| Region                     | 0   |

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#### Additional Comments

As of 30 September 2020, CMC Materials, Inc. employed a total of 2,084 employees, and 133 of those employees are defined as foreign nationals (6.4 percent). Approximately 100 of these employees are Malaysian citizens who commute to work at our sites in Singapore. The balance of these employees work at CMC facilities or locations outside of their home country under the authorization of visas or other appropriate work authorization, and these authorizations all are secured in compliance with all applicable legal and regulatory requirements.

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# Local Communities

## Community Relations

Social / Local Communities / Community Relations

Discussion of engagement processes to manage risks and opportunities associated with community interests

### Community risk management

CMC Materials, Inc. is proud to support the local communities where we live and work, and we participate broadly in trade organizations, advocacy groups, and local community organizations around the globe. Thousands of hours are donated each year by CMC employees from all over the world to make a difference in our local communities. In particular, we prioritize our community engagement efforts in to focus on initiatives that help protect the environment, promote Science, Technology, Engineering, and Math (STEM) education and support those in need.

### Efforts to mitigate community-related risks

CMC Materials, Inc. has elected not to provide a response to this reporting metric for Fiscal Year 2019. CMC expects to provide a response to this metric in future filing periods.

### Environmental/social impact assessments

CMC Materials, Inc. has elected not to provide a response to this reporting metric for Fiscal Year 2019. CMC expects to provide a response to this metric in future filing periods.

### Environmental justice concerns

CMC Materials, Inc. has elected not to provide a response to this reporting metric for Fiscal Year 2019. CMC expects to provide a response to this metric in future filing periods.

### Extent of practices to business partners

CMC Materials, Inc. has elected not to provide a response to this reporting metric for Fiscal Year 2019. CMC expects to provide a response to this metric in future filing periods.