Task Force on Climate-related Financial Disclosures

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 Task Force on Climate-related Financial Disclosures (TCFD). 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

Strategy

Strategy A - Short, Medium, and Long Term Climate Risks

General Disclosures / Strategy / Strategy A - Short, Medium, and Long Term Climate Risks

Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.

Climate related risks and opportunities the organization has identified over the short, medium, and long term.

CMC Materials, Inc. notes that 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 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.

For the purposes of establishing planning horizons for climate-related risks and opportunities, CMC uses the following timeframes and has identified various climate-related issues and projected financial risks associated with each. In cases of risks and opportunities, determinations have been made based on various scenarios with the potential to impact CMC either directly (i.e. impacts to our production facilities) or indirectly (i.e. impacts to individual customers or customer groups).

Short-term (1-5 years):
- Risks may include (but are not limited to) regulatory uncertainty associated with re-engagement by the US government in global GHG reduction agreements, reputational disfavor of the oil and gas sector and potential loss of sales in the Performance Materials business, and increased severity of discrete weather events and their associated impact on our facilities and our workforce.

- Opportunities may include (but are not limited to) increasing reliance on semiconductor technology as customer choice moves toward more energy-efficient devices, accelerating pace toward alternative power generating technologies (i.e. wind, solar), and increased emphasis on efficient use of energy and material resources in our operations (electricity, water, etc.).

Medium-term (5-20 years):
- Risks may include (but are not limited to) increased cost of raw materials due to regulatory impacts on producers, accelerating reputational disfavor/stigmatization of the oil and gas sector and potential sales loss in the Performance Materials business, and increases in costs for compliance measures (e.g. emission allowances, reporting costs, emission controls, equipment replacement, etc.)

- Opportunities may include (but are not limited to) favorable corporate reputation relative to competitors based on sustainability efforts, favorable positioning of production capacity near customers that mitigates the impact of transportation cost increases due to regulation, and research and development (R&D) capabilities that continue to support the development of more advanced microelectronic devices.

Long-term (> 20 years):
- Risks may include (but are not limited to) permanent secular moves away from oil and gas-focused industries (and the resulting impact on our Performance Materials business), increased costs associated with low-/no-carbon forms of transportation that impact transportation costs of raw materials and finished goods, risk of energy supply reliability as fossil fuel-based power generation is disfavored, and impact of rising sea levels and global temperature increase on facilities located in coastal and/or mid-latitude locations.

- Opportunities may include (but are not limited to) our robust R&D organization with proven success in innovation that can continue to respond to increased demand for high-performance microelectronic devices, reputational favor that positions CMC as a leader due to successful sustainability efforts, and overall low GHG emissions intensity associated with our primary operating divisions and product lines.

Strategy C - Resilience of the Organization's Strategy

General Disclosures / Strategy / Strategy C - Resilience of the Organization's Strategy

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Resilience of the Organization's Strategy

Based on our current assessment of existing conditions and identifiable climate risks, CMC Materials, Inc. believes it has a relatively low-to-moderate risk profile and associated potential for negative material financial impact under various climate-related scenarios. We expect this assessment would remain valid under a "2°C (or lower) scenario" that could call for significant regulatory action and associated greenhouse gas (GHG) reduction measures in pursuit of a lower-carbon economy.

Overall, our manufacturing facilities have relatively few sources of GHG emissions with comparatively low rates of emissions, and as such our direct compliance cost exposure would be relatively low and manageable. The majority of the cost impacts we would expect to encounter in a 2°C (or lower) regulatory scenario would likely be broadly distributed across our raw material and resource suppliers (e.g. electric power, water, transportation, etc.). We further believe that a 2°C (or lower) scenario also may provide opportunities for market growth as advanced microprocessor and semiconductor technologies could play an increasingly important and necessary role in a low-carbon economy. However, we also expect that the portion of our business supporting the oil and gas sector could face additional stress as regulatory developments could impact that market negatively and reduce demand for our products and services in this area.

Strategy B - Business, Strategy and Financial Planning

General Disclosures / Strategy / Strategy B - Business, Strategy and Financial Planning

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Impact of risks and opportunities on business, strategy and financial planning

CMC Materials, Inc. considers on an ongoing basis environmental matters affecting or likely to affect the company, including those related to climate issues. Various scenarios, including some of those identified in Strategy A, are considered and weighed in terms of likelihood and severity of impact to CMC on a range of criteria including operational, financial, and reputational disruptions. In addition, the company's senior management communicates with the Board of Directors on these matters.

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 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.

As part of Long Range Planning activities that are reviewed on annual basis, CMC leadership assesses climate-related regulatory impacts, customer requirements, global operating conditions, and various other factors. Any identified risks are then incorporated into the annual goal setting process to determine ways to mitigate or reduce the potential impacts, and each of our business units and their respective leadership teams are responsible for implementation. Depending on how various climate risks may impact our business, CMC leadership intends to make adjustments to financial, engineering, and operational plans so that our overall risk profile is reduced to the extent appropriate and practical.

Governance

Governance A - Board Oversight

General Disclosures / Governance / Governance A - Board Oversight Describe the board's oversight of climate-related risks and opportunities.

Board oversight of climate-related risks and opportunities

The Board of Directors of CMC Materials, Inc. has an oversight role, as a whole and at the committee level, in overseeing management of our risks. Our board focuses on our general risk management strategy, the most significant risks facing us, and oversees the implementation of risk mitigation strategies by management. The board regularly reviews information regarding our credit, liquidity, and operations, including the environmental, health, and safety aspects of such, and risks associated with each, and along with the audit committee, compliance matters related to our business. The board's oversight of risk management matters related to environmental, health, and safety includes consideration of sustainability and climate-related risks. The audit committee of the board oversees the management of financial risks. The nominating and corporate governance committee of the board is responsible for overseeing the management of risks related to corporate governance matters. While each committee is responsible for evaluating certain risks and overseeing management of such risks, the entire board is regularly informed through the committees about such risks, and reviews and discusses them in the context of our overall risk posture and risk management and mitigation strategies.

Governance B - Role of Management

General Disclosures / Governance / Governance B - Role of Management

Describe management's role in assessing and managing climate related risks and opportunities.

Describe management's role in assessing and managing climate related risks and opportunities.

As assigned by the CMC Materials, Inc. Board of Directors, and the Nominating and Corporate Governance Committee of the Board of Directors (as well as the other Committees, as appropriate), climate-related issues are managed within the general purview of the Office of the Secretary and General Counsel, as the chief governance officer for the Company.

CMC management and our board also engage regularly with our Enterprise Risk Management Committee, which is composed of multiple members of our executive leadership team as well as functional leaders from Corporate Compliance, Environmental, Health and Safety, Information Technology, and Internal Audit. This committee is tasked with assessing enterprise risks and the mitigating factors in place to manage them, including those associated with climate risk.

Many parts of our functional organization and leadership throughout CMC are responsible for providing critical input to our process for identifying, characterizing, and responding to climate-related issues. These include but are not limited to Corporate Compliance, Environmental, Health and Safety, Internal Audit, Operations and Legal. We also engage
with third party resources, such as environmental, legal, policy, and regulatory firms and consultants, to provide strategic insight and analysis of potential climate-related policy developments that could result in significant impact to the company.

Reporting Practice

Metrics and Targets A - Metrics used by the Organization

General Disclosures / Reporting Practice / Metrics and Targets A - Metrics used by the Organization Metrics used by the Organization to Assess Climate-Related Risks and Opportunities

Metrics used by the Organization to Assess Climate-Related Risks and Opportunities

In addition to our report according to the TCFD framework, CMC Materials, Inc. has provided reported data under the Sustainability Accounting Standards Board (SASB) frameworks for Fiscal Year 2019. CMC has reported according to SASB metrics identified for the Semiconductors industry, as well as a significant portion of metrics contained in the Chemicals industry standard.

Separately, CMC established goals to demonstrate progress on reductions in multiple categories to demonstrate our commitment toward reducing our overall climate and environmental impact. In particular, CMC committed to five percent reductions in our global GHG emissions, electricity and water consumption, and landfill waste disposal volume over the period extending from Fiscal Year 2014 through 2019. In each case, CMC exceeded these five-percent reduction goals.

Of note, the reduction goals and data referenced above are associated with operations within the legacy Cabot Microelectronics organization only. They do not include any reductions associated with the KMG Chemicals business, which was acquired by Cabot Microelectronics during Fiscal Year 2019. CMC intends to provide climate and environmental data for our consolidated global business (including legacy Cabot Microelectronics and KMG Chemicals) beginning in Fiscal Year 2020.

Metrics and Targets B - Scope 1 & 2 GHG Emissions

General Disclosures / Reporting Practice / Metrics and Targets B - Scope 1 & 2 GHG Emissions

Disclose Scope 1 and Scope 2 Greenhouse Gas (GHG) Emissions, and the Related Risks

Disclose Scope 1 Greenhouse Gas (GHG) Emissions	7450
Disclose Scope 2 Greenhouse Gas (GHG) Emissions	

Discuss Scope 1 and Scope 2 greenhouse gas (GHG) related risks
CMC Materials, Inc. is reporting Scope 1 greenhouse gas (GHG) emissions of 7,450 metric tons (as CO_2) 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. CMC considers its primary risks associated with Scope 1 GHG emissions to be associated with legislative, policy, and regulatory changes that could adversely impact our operations. The nature of these impacts cannot be fully predicted but can reasonably be expected to result in impacts such as emission limitations on our production equipment and facilities, requirements for upgrade/replacement of certain production equipment, and/or financial impacts associated with purchase of emission allowances or credits, as examples.

CMC has elected not to provide a response to this reporting metric for Scope 2 GHG emissions during 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.

CMC considers its primary risks associated with Scope 2 GHG emissions to be associated with legislative, policy, and regulatory changes that could adversely impact those entities that supply electric power to our operating facilities. The nature of these impacts cannot be fully predicted but can reasonably be expected to result in impacts such as reduced reliability of the electric power supply to our production facilities, and/or financial impacts associated with higher electric power costs due to compliance actions taken by suppliers, as examples.

Metrics and Targets B - Scope 3 GHG Emissions

General Disclosures / Reporting Practice / Metrics and Targets B - Scope 3 GHG Emissions

Disclose Scope 3 Greenhouse Gas (GHG) Emissions and the Related Risks

Disclose Scope 3 Greenhouse Gas (GHG) Emissions
Discuss Scope 3 greenhouse gas (GHG) emissions and the related risks Scope 3 emissions for the reporting period of Fiscal Year 2019 have not been calculated and are not provided with this filing. However, CMC Materials, Inc. will consider providing a response to this metric in future filing periods. Because Scope 3 emissions encompass such a wide range of potential customers, counterparties, and others, CMC considers its primary risks associated with Scope 3 greenhouse gas (GHG) emissions to be very broad-based and difficult to characterize. We can anticipate that such impacts would most likely be associated with legislative, policy, and regulatory changes that could adversely impact those entities with whom we engage in all other aspects of our business. The nature of these risks cannot be fully predicted, but they can reasonably be expected to result in impacts associated with compliance costs borne by our counterparties in areas such as direct cost and transportation of our raw materials or finished goods, as well as travel conducted by CMC employees for various purposes, as examples.

Additional Comments

Metrics and Targets C - Targets used by the Organization to Manage Climate Related Risks

General Disclosures / Reporting Practice / Metrics and Targets C - Targets used by the Organization to Manage Climate Related Risks Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.

In addition to our report according to the TCFD framework, CMC Materials, Inc. has provided reported data under the Sustainability Accounting Standards Board (SASB) frameworks for Fiscal Year 2019. CMC has reported according to SASB metrics identified for the Semiconductors industry, as well as a significant portion of metrics contained in the Chemicals industry standard.

Separately, CMC established goals to demonstrate progress on reductions in multiple categories to demonstrate our commitment toward reducing our overall climate and environmental impact. In particular, CMC committed to five percent reductions in our global greenhouse gas (GHG) emissions, electricity and water consumption, and landfill waste disposal volume over the period extending from Fiscal Year 2014 through 2019. In each case, CMC exceeded these five-percent reduction goals.

Of note, the reduction goals and data referenced above are associated with operations within the legacy Cabot Microelectronics organization only. They do not include any reductions associated with the KMG Chemicals business, which was acquired by Cabot Microelectronics during Fiscal Year 2019. CMC intends to provide climate and environmental data for our consolidated global business (including legacy Cabot Microelectronics and KMG Chemicals) beginning in Fiscal Year 2020.

Management Approach

Management Approach

Risk Management A - Identifying and Assessing Climate Related Risks

Management Approach / Management Approach / Risk Management A - Identifying and Assessing Climate Related Risks Describe the organization's processes for identifying and assessing climate-related risks

Identifying and Assessing Climate Related Risks

The Board of Directors of CMC Materials, Inc. has an oversight role, as a whole and at the committee level, in overseeing management of our risks. Our board focuses on our general risk management strategy, the most significant risks facing us, and oversees the implementation of risk mitigation strategies by management. The board regularly reviews information regarding our credit, liquidity, and operations, including the environmental, health and safety aspects of such, and risks associated with each, and along with the audit committee, compliance matters related to our business. The board's oversight of risk management matters related to environmental, health, and safety includes consideration of sustainability and climate-related risks. The audit committee of the board oversees the management of financial risks. The nominating and corporate governance committee of the board is responsible for overseeing the management of risks related to corporate governance matters. While each committee is responsible for evaluating certain risks and overseeing management of such risks, the entire board is regularly informed through the committees about such risks, and reviews and discusses them in the context of our overall risk posture and risk management and mitigation strategies.

The CMC Board engages with our Enterprise Risk Management Committee, which is composed of multiple members of our executive leadership team as well as functional leaders from Corporate Compliance, Environmental, Health and Safety, Information Technology, and Internal Audit. This committee is tasked with assessing enterprise risks and the mitigating factors in place to manage them, including those associated with climate risk.

Risk types and scenarios that we consider within the focus of climate-related risk assessment may include (but are not limited to) current and emerging regulations, technology developments, market and customer impacts, reputational considerations, and chronic changes to global climate trends.

Risk Management B - Processes for Managing Climate Related Risks

Management Approach / Management Approach / Risk Management B - Processes for Managing Climate Related Risks

Describe the organization's processes for managing climate-related risks.

Processes for Managing Climate Related Risks

The Board of Directors of CMC Materials, Inc. has an oversight role, as a whole and at the committee level, in overseeing management of our risks. Our board focuses on our general risk management strategy, the most significant risks facing us, and oversees the implementation of risk mitigation strategies by management. The board regularly reviews information regarding our credit, liquidity, and operations, including the environmental, health, and safety aspects of such, and risks associated with each, and along with the audit committee, compliance matters related to our business. The board's oversight of risk management matters related to environmental, health, and safety includes consideration of sustainability and climate-related risks. The audit committee of the board oversees the management of financial risks. The nominating and corporate governance committee of the board is responsible for overseeing the management of risks related to corporate governance matters. While each committee is responsible for evaluating certain risks and overseeing management of such risks, the entire board is regularly informed through the committees about such risks, and reviews and discusses them in the context of our overall risk posture and risk management and mitigation strategies.

CMC's Board of Directors and executive leadership team maintain regular communications to identify and understand current and future climate issues and their potential impacts to the company. Various scenarios, including some of those identified in Strategy A, are considered and weighed in terms of likelihood and severity of impact to CMC on a range of criteria including operational, financial, and reputational disruptions.

As part of Long Range Planning activities that are reviewed on annual basis, CMC leadership assesses climate-related regulatory impacts, customer requirements, global operating conditions, and various other factors. Any identified risks are then incorporated into the annual goal setting to determine ways to mitigate or reduce the potential impacts, and each of our business units and their respective leadership teams are responsible for implementation. Depending on how various climate risks may impact our business, CMC leadership will make adjustments to financial, engineering, and operational plans so that our overall risk profile is reduced to the extent appropriate and practical.

Risk Management C - Organizational Integration of Risk Management Practices

Management Approach / Management Approach / Risk Management C - Organizational Integration of Risk Management Practices

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Organizational Integration of Risk Management Practices

As assigned by the CMC Materials, Inc. Board of Directors, and the Nominating and Corporate Governance Committee of the Board (as well as the other Committees, as appropriate), climate-related issues are managed within the general purview of the Office of the Secretary and General Counsel, as the chief governance officer for the Company.

CMC management and our board also engage regularly with our Enterprise Risk Management Committee, which is composed of multiple members of our executive leadership team as well as functional leaders from Corporate Compliance, Environmental, Health and Safety, Information Technology, and Internal Audit. This committee is tasked with assessing enterprise risks and the mitigating factors in place to manage them, including those associated with climate risk.

Many parts of our functional organization and leadership throughout CMC are responsible for providing critical input to our process for identifying, characterizing, and responding to climate-related issues. These include but are not limited to Corporate Compliance, Environmental, Health and Safety, Internal Audit, Legal, and Operations. We also engage
with third party resources, such as environmental, legal, policy, and regulatory firms and consultants, to provide strategic insight and analysis of potential climate-related policy developments that could result in significant impact to the company.