KLA - Water Security 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

KLA Corporation is a global leader in process control and a supplier of process-enabling solutions for a broad range of industries, including semiconductors, printed circuit boards and displays. We provide solutions for manufacturing and testing wafers and reticles, integrated circuits, packaging, light emitting diodes, power devices, compound semiconductor devices, microelectromechanical systems, data storage, printed circuit boards, flat and flexible panel displays, and general materials research, as well as providing contracted and comprehensive installation and maintenance services across our installed base.

Within the Semiconductor Process Control segment, our comprehensive portfolio of inspection, metrology and data analytics products, and related service help integrated circuit manufacturers achieve target yield throughout the entire semiconductor fabrication process—from research and development ("R&D") to final volume production. KLA's differentiated products and services are designed to provide comprehensive solutions to help customers accelerate development and production ramp cycles, achieve higher and more stable semiconductor die yields and improve their overall profitability.

KLA's suite of advanced products, coupled with its unique yield management software and services, allow us to deliver the solutions our customers need to achieve their productivity goals by significantly reducing their risks and costs and improving their overall profitability and returns on investment. In doing so, we help our customers achieve improved efficiency, reduced waste, and the achievement of their sustainability goals.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Belgium
China
Denmark
France
Germany
Hong Kong SAR, China
India
Ireland
Israel
Italy
Japan
Malaysia
Republic of Korea
Singapore
Taiwan, China
United Kingdom of Great Britain and Northern Ireland
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
KLA collects water data at our "Super Site" locations and does not estimate water data at smaller sites.	The scope of this questionnaire includes KLA's "Super Sites". KLA collects water data at our Super Sites and does not estimate water data at non-Super Site locations. "Company-wide" questions in this survey are answered in terms of % of Super Site data, not in terms of KLA' s overall footprint. In 2022, we refined and standardized our definition of a Super Site to include all locations that meet the following criteria. 1. The site is classified as one or more of the following: • Manufacturing space (includes cleanroom) • Research and Development space • Office space (includes sales support) 2. The site floor area is greater than 40,000 square feet This updated definition led to the collection of more data in 2022 than 2021 as two smaller Super Sites were replaced by larger sites. In addition, a new Super Site was added due to acquisition and two existing Super Sites expanded into new buildings in 2022.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	US4824801009
Yes, a Ticker symbol	KLAC

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	KLA consumes relatively low amounts of water in comparison to the withdrawal and discharge volumes. Withdrawals are vital to facility operations and site services and discharge is considered to be equal to withdrawal, less the evaporation from cooling towers and from general consumption by our employees. We ensure all employees have access to clean, drinkable water while working at KLA facilities.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Neutral	Recycled, or reclaimed, water is used in a few of our locations, including in some water stressed areas. This helps to avoid using vital potable water resources for things like landscape watering or cooling tower use. Recycled water is currently used for site landscaping and cooling towers where practical. KLA will continue to explore opportunities to conserve potable water.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	76-99	Monthly	KLA Super Site water withdrawals are monitored through utility bills. For sites where utility bills are not available (i.e. leased spaces) water use is estimated based on square footage.	Water withdrawals are quantified for all 15 Super Sites. For the vast majority of these sites, water withdrawals are based on actual water bills/invoices and/or water meter records. Sites report this data on a monthly basis, and a regional group reviews, validates, and approves the data. When actual water invoices are not available, we estimate Super Site water withdrawals based on the size and type of site.
Water withdrawals – volumes by source	76-99	Monthly	KLA Super Site water withdrawals are monitored through utility bills. For sites where utility bills are not available (i.e. leased spaces) water use is estimated based on square footage.	Water withdrawals are quantified for all 15 Super Sites. For the vast majority of these sites, water withdrawals are based on actual water bills/invoices and/or water meter records. Sites report this data on a monthly basis, and a regional group reviews, validates, and approves the data. When actual water invoices are not available, we estimate Super Site water withdrawals based on the size and type of site.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not monitored	<Not Applicable>	<Not Applicable>	Water is received from various municipalities which are required to meet local drinking water standards. KLA does not monitor incoming water.
Water discharges – total volumes	26-50	Monthly	Monitored via monthly water bills and periodic testing.	Virtually all water that is withdrawn is discharged to sanitary sewer system or in the case of landscape irrigation it is returned to the water table. Some Super Sites do monitor discharges for permit compliance, but this is not a universal requirement where KLA operates.
Water discharges – volumes by destination	Not monitored	<Not Applicable>	<Not Applicable>	Virtually all water that is withdrawn is discharged to sanitary sewer system or in the case of landscape irrigation it is returned to the water table. Some Super Sites do monitor discharges for permit compliance, but this is not a universal requirement where KLA operates.
Water discharges – volumes by treatment method	Not monitored	<Not Applicable>	<Not Applicable>	Water is generally not treated on-site. Some Super Sites do monitor discharges for permit compliance but this is not a universal requirement where KLA operates.
Water discharge quality – by standard effluent parameters	26-50	Quarterly	Complete water analysis as required by permit	Virtually all water that is withdrawn is discharged to sanitary sewer system or in the case of landscape irrigation it is returned to the water table. We do have permits for some Super Sites with effluent parameters.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not monitored	<Not Applicable>	<Not Applicable>	Virtually all water that is withdrawn is discharged to sanitary sewer system or in the case of landscape irrigation it is returned to the water table. We do have permits for some Super Sites with effluent parameters.
Water discharge quality – temperature	Not monitored	<Not Applicable>	<Not Applicable>	Water discharge temperature is not measured and is not a permit requirement. Based on our industry, water discharge temperature is not a concern.
Water consumption – total volume	76-99	Monthly	KLA Super Site water consumption is monitored through utility bills. Where this is not available (i.e. leased spaces) estimates are made based on square footage.	Water consumption is monitored at all 15 Super Sites.
Water recycled/reused	1-25	Monthly	KLA Super Site recycled water use is monitored through utility bills.	Two Super Sites currently use reclaimed/recycled water. In 2022, 27% of overall Super Site water withdrawals were reclaimed/recycled water, an 18% increase from 2021.
The provision of fully-functioning, safely managed WASH services to all workers	Not monitored	<Not Applicable>	<Not Applicable>	Employees in all facilities have access to WASH services. KLA's water and waste policy details this practice across the business.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	320.3	Much higher	Facility expansion	Higher	Increase/decrease in business activity	Compared to 2021, total Super Site water withdrawals increased by 27% due to new and expanded Super Sites providing data in 2022, business recovery from the global pandemic, and significant business growth.
Total discharges	288.3	Much higher	Facility expansion	Higher	Increase/decrease in business activity	Nearly all water that is withdrawn is discharged. In 2022, we calculated total water discharge as total withdrawals minus 10% (estimated consumption).
Total consumption	32	Much higher	Facility expansion	Higher	Increase/decrease in business activity	Water consumption is minimal. Nearly all water that is withdrawn is discharged. KLA estimates water consumption as 10% of total water withdrawals.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	51-75	Higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	WRI Aqueduct WWF Water Risk Filter Other, please specify (External consultants)	KLA completed a water risk assessment for our Super Site locations using the Aqueduct Water Risk Atlas and WWF Water Risk Filter. The analysis was performed to determine which of our water-intensive sites may be exposed to near-term and long-term water-related risks. In 2022, 52% of our total Super Site water withdrawals came from 3 Super Sites that are at-risk for water stress. The sites are in Milpitas, California, Yavne, Israel, and Migdal HaEmek, Israel. The criteria that we used to make this water stress determination are: 1) sites with high or extremely high overall water risk and baseline water stress; 2) sites with high water withdrawal and electricity usage relative to KLA total usage; and 3) sites that are business critical.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Freshwater withdrawals are tracked but not necessarily by source. All non-recycled withdrawals are aggregated in Third Party Sources.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	KLA operations don't utilize brackish surface water/seawater.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	A portion of KLA's freshwater withdrawals are from groundwater sources, however quantity is unknown. All non-recycled withdrawals are aggregated in Third Party Sources.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	A portion of KLA's freshwater withdrawals are from groundwater sources, however quantity is unknown. All non-recycled withdrawals are aggregated in Third Party Sources.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	KLA operations don't utilize produced or entrained water.
Third party sources	Relevant	320.3	Much higher	Increase/decrease in business activity	Water is provided by municipal water suppliers. Total water withdrawals at Super Sites: 320.3 ML Total fresh water withdrawals at Super Sites: 233.8 ML Total recycled/reclaimed water at Super Sites: 86.5 ML Two Super Sites use recycled/reclaimed water. Singapore uses NEWater for irrigation and in cooling towers. Milpitas, California uses high-quality reclaimed water, purified by the Santa Clara Valley Water District Silicon Valley Advanced Water Purification Center.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	10500000000	320.3	32781767.09335	We anticipate continued business growth will continue to look for opportunities to reduce our impacts on municipal water sources and use recycled water when possible. To advance our water stewardship efforts, we aim to identify and implement water reduction initiatives at the three Super Sites identified to be at-risk for water stress.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	Yes	<Not Applicable>

W1.4a

(W1.4a) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Other, please specify (IEC 62474 declarable substances)	More than 80%	The majority of KLA products, by revenue, contain declarable substances.

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	No	Important but not an immediate business priority	We do not directly engage our suppliers on water-related issues, however, as a condition of our RBA membership, KLA requires Direct suppliers to comply with the RBA Code of Conduct and complete an annual RBA Facility SAQ (Self-Assessment Questionnaire) that includes Water Management.
Other value chain partners (e.g., customers)	No	Important but not an immediate business priority	KLA does not currently engage with customers on water-related issues.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	KLA was not subjected to any water-related violations in the reporting year.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	No, we do not identify and classify our potential water pollutants	<Not Applicable>	Some Super Sites maintain discharge permits and monitor as required, or voluntarily in some cases. However, KLA does not classify pollutants.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage
Direct operations

Coverage
Partial

Risk assessment procedure
Water risks are assessed as a standalone issue

Frequency of assessment
Every two years

How far into the future are risks considered?
3 to 6 years

Type of tools and methods used
Tools on the market
Other

Tools and methods used
WRI Aqueduct
WWF Water Risk Filter
External consultants
Materiality assessment

Contextual issues considered
Water availability at a basin/catchment level
Water quality at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Customers
Employees
Local communities
Regulators

Comment
Using 2022 Super Site water data, KLA completed our first water risk assessment. In 2022, we also refreshed our materiality assessment which indicated water resources are an increasing concern with some of our stakeholders.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	KLA completed a water risk assessment for our Super Sites using the Aqueduct Water Risk Atlas and WWF Water Risk Filter. We performed this analysis to determine which of our water-intensive sites may be exposed to near-term and long-term water-related risks. The criteria that we used to make this water stress determination are: 1) sites with high or extremely high overall water risk and baseline water stress; 2) sites with high water withdrawal and electricity usage relative to KLA total usage; and 3) sites that are business critical. The focus of our first water risk analysis was to understand our own impact before analyzing our value chain. In addition to the water risk assessment, within our Environmental Management System, we have a risk register which assesses physical risks and opportunities across our global operations. For risks that are deemed significant, the EHS Director creates an environmental management plan in which goals are set. Also in 2022, we identified and assessed priority topics across the value chain that are most significant to our stakeholders, most relevant to our business and align with our purpose to advance humanity through the power of technology. The assessment considered both inherent risks and opportunities for KLA's business, as well as stakeholder expectations. The results of the assessment indicated water resources are an increasing concern with some of our stakeholders.	We utilized select indicators from WRI Aqueduct and WWF's Water Risk Filter as well as operational data to evaluate basin-level water risk that considered the following contextual issues: Water availability at a basin/catchment level, water quality at a basin/catchment level, implications of water on key commodities/raw materials, and water regulatory frameworks. We also completed an analysis to assess facilities exposed to WASH risks.	Stakeholders that are the primary driver of our water risk profile are identified in our materiality assessment and include employees and customers. Analysis using the Aqueduct Water Risk Atlas and WWF Water Risk Filter also considered regulatory and local community impacts. These stakeholders were chosen due to the direct impact of our water use and business expectations with our customers.	The results of the water risk analysis indicated 52% of our total water withdrawals came from three Super Sites that are at-risk for water stress. These three sites are in Milpitas, California, Yavne, Israel, and Migdal Ha'Emek, Israel. Given the increasing importance of water resource management, KLA has developed a policy with which to focus our efforts on water conservation. As part of our ISO environmental management system, each site will evaluate the feasibility of water conservation initiatives based on their own level of risk. Our ESG Steering Committee meets monthly and discusses ESG-related risks and opportunities across the business impacting the implementation of our ESG strategy and goals.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?
No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

We identify climate-related risks and opportunities and assess them based on potential impact, likelihood and vulnerability. Impact is measured across multiple attributes, including financial performance, reputational harm and continuity of operations. Substantive financial or strategic impacts are those that would affect or impact our stakeholders, whether it is our ability to provide differentiated and compelling solutions for our customers, or our ability to attract and retain world-class employees, or provide returns to our shareholders or support the communities in which we operate. Some of the quantitative factors we use to assess whether financial or strategic impact are substantive include assessment of impact in our ability to meet our customer's needs in a timely manner, revenues, costs, profit margins, market share, as well as other disruptions that could adversely impact our stakeholders.

We are subject to a variety of federal, state and local governmental laws and regulations related to the protection of the environment, including without limitation the management of hazardous materials that we use in our business operations. Compliance with these environmental laws and regulations has not had, and is not expected to have, a material effect on our capital expenditures, financial condition, results of operations or competitive position. However, any failure to comply with environmental laws and regulations may subject us to a range of consequences, including fines, suspension of certain of our business activities, limitations on our ability to sell our products, obligations to remediate environmental contamination, and criminal and civil liabilities or other sanctions. In addition, changes in environmental laws and regulations could require us to invest in potentially costly pollution control equipment, alter our manufacturing processes or use substitute materials. Our failure to comply with these laws and regulations could subject us to future liabilities.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Other, please specify (Minimal water risks in direct operations)	Our water risk analysis to date has not identified risks with the potential to have substantive financial or strategic impact.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	In 2022, we conducted a climate risk and opportunity assessment following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) that included potential short, medium, and long-term physical and transition risks and opportunities across the global enterprise and value chain. Key senior leaders and subject matter experts were engaged to assess the relevance of climate-related risks and opportunities to the business and evaluate them based on potential impact, likelihood and vulnerability. A total inherent risk score and total residual risk score was calculated and assessed against our climate risk assessment thresholds. Through this process, we did not identify any climate-related or water-related risks that we currently anticipate would have a substantive impact on the business as defined in W4.1a.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
No

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

	Primary reason	Please explain
Row 1	Opportunities exist, but none with potential to have a substantive financial or strategic impact on business	KLA has identified projects to improve water use efficiency in manufacturing sites globally. Projects include utilizing reclaimed water for irrigation and replacing freshwater in the cooling towers when possible. Facilities have been equipped with low-flow fixtures in restrooms and breakrooms. This philosophy is also embedded in the design for new construction and retrofit construction projects where we have control. By improving water efficiency we also reduce operational costs, particularly in countries where water prices are increasing. However, these projects are not anticipated to have a substantive financial or strategic impact on our business.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of the scope (including value chain stages) covered by the policy Description of business dependency on water Description of business impact on water Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace	KLA has a published water and waste policy. The policy outlines the scope and importance of water stewardship at KLA as well as employee engagement, stakeholder involvement and accountability around our water improvement efforts. As a result of this policy, key KLA locations have been asked to identify improvement initiatives for water conservation.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board-level committee	The Nominating and Governance Committee of the Board's Charter includes monitoring the Company's policies, programs and strategies related to environmental stewardship, corporate citizenship, human rights and other social and public matters of significance to the Company.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Sporadic - as important matters arise	Reviewing and guiding corporate responsibility strategy Reviewing and guiding risk management policies	In 2021 KLA designated the Nominating and Governance Committee of the Board to have oversight for ESG. As stated in the Charter of the Nominating and Governance Committee, the Committee is responsible for monitoring the Company's policies, programs and strategies related to environmental stewardship, corporate citizenship, human rights and other social and public matters of significance to the Company. The Nominating and Governance Committee meets at least once per quarter or more frequently, as deemed appropriate, and ESG-related issues are a scheduled agenda item at some meetings.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Not assessed	<Not Applicable>	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Other C-Suite Officer, please specify (Chief Strategy Officer)

Water-related responsibilities of this position
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
As important matters arise

Please explain
KLA's Executive Vice President and Chief Strategy Officer is the highest management-level position with responsibility for Environment Social Governance (ESG). This position reports directly to the CEO and is responsible for many corporate functions, including ESG strategy. The Global ESG Leader reports to the Executive Vice President and Chief Strategy Officer and oversees the company's ESG program. This position is responsible for day-to-day management of KLA's ESG strategy. The Global ESG Leader chairs the ESG Steering Committee and provides progress updates to the Nominating and Governance Committee of the Board and an annual report to the Board of Directors.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	Water is not a strategic risk to KLA

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

KLA engages in ESG-related industry efforts and is participating in several SEMI climate initiatives. These engagements are overseen by our ESG Global Leader and ESG Steering Committee which drives our ESG initiatives.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?
No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Water-related issues are incorporated into ISO 14001 objectives and targets and reviewed annually.
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Access to an affordable, reliable and adequate freshwater supply is critical to the success of our business because it is required across our operations to meet customer needs. The primary use of freshwater in our direct operations is for sanitation, drinking water, cooking, and bathing, etc. In our manufacturing operations, freshwater is also used for cleaning, HVAC and cooling water, etc. Taking this into consideration along with the water risk assessment results and increased importance of water within our materiality assessment with some stakeholders, we will work to establish long term objectives.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	To date, water improvement projects have been short-term.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

We do not have near term plans for significant investment in water systems.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	KLA conducted our first water risk assessment using 2022 data. The results continue to be evaluated for further action. We anticipate setting goals and objectives around water resources and may consider scenario planning in this process.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

We continue to assess our water practices and policies but don't anticipate implementing an internal price on water at this time.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Other, please specify (Water is not one of our most material issues, however we are monitoring our water policies and practices as previously noted in other questions.)	Please reference our Global Impact Report.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?
Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	We monitor water pollution within our permits.
Water withdrawals	No, but we plan to within the next two years	To advance our water stewardship efforts, we aim to identify and implement water reduction initiatives at our three manufacturing locations identified to be at risk of water stress.
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	Employees in all facilities have access to WASH services. KLA's water and waste policy details this practice across the business.
Other	Yes	<Not Applicable>

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Water recycling/reuse

Target coverage
Site/facility

Quantitative metric
Increase in water use met through recycling/reuse

Year target was set
2022

Base year
2022

Base year figure
49.7

Target year
2022

Target year figure
35.9

Reporting year figure
33

% of target achieved relative to base year
121.014492753623

Target status in reporting year
Expired

Please explain
The Singapore site has an annual target to maintain 75% usage of NEWater instead of PUB City Water for non-potable processes. In 2022, Singapore's total water withdrawals were 47.9ML (fresh water: 14.9ML, NEWater:33ML).
2022 Target use of NEWater: 35.9ML (47.9ML *75%)
Actual NEWater: 33ML
% NEWater in 2022 = 69%
Due to supply interruptions in 2022 that were outside of our control, the Singapore site had to use fresh water while NEWater line work was completed. This led to the site missing the targeted 75% use of NEWater.

Target reference number
Target 2

Category of target
Water consumption

Target coverage
Site/facility

Quantitative metric
Other, please specify (Reduce water consumption/employee by 2% YOY)

Year target was set
2022

Base year
2021

Base year figure
11.3

Target year
2022

Target year figure
11.1

Reporting year figure
12.1

% of target achieved relative to base year
-399.999999999997

Target status in reporting year
Expired

Please explain
The Migdal HaEmek, Israel site has an annual target to reduce water consumption/employee by 2%.
In 2021, water consumption/employee was 11.3 m^3.
To reduce by 2% , target for 2022 was 11.1 m^3/employee (11.3 *.98)
Actual 2022 water consumption/employee was 12.1 m^3, an increase of 7% over 2021.
The Migdal HaEmek site missed the 2% YOY reduction target in 2022 due to facility expansion, new building leases and business growth.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
No, we do not currently verify any other water information reported in our CDP disclosure

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Not mapped – and we do not plan to within the next two years	<Not Applicable>	KLA produces tools for the semiconductor industry. These tools contain plastics. Additionally, because the tools are assembled in cleanroom environments and must be shipped packaged and sealed for use in customer cleanrooms, the tools are wrapped in plastic materials.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	<Not Applicable>	

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	<Not Applicable>	<Not Applicable>	

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	No – and we do not plan to within the next two years	<Not Applicable>	<Not Applicable>	

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	No	
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	Yes	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used		Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	Please select	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Global ESG Leader	Environment/Sustainability manager