



AZEK
FULL-CIRCLE™
PRODUCTS. PEOPLE. PLANET.

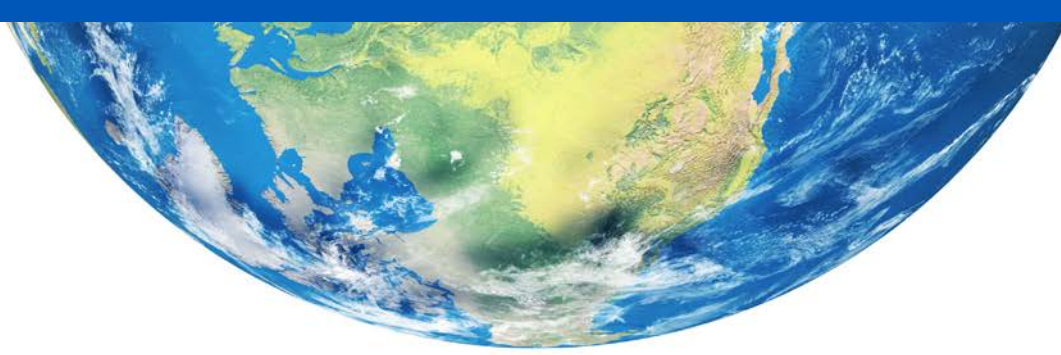
The logo features the word 'AZEK' in a grey, sans-serif font above 'FULL-CIRCLE™' in a larger, bold, blue font. Below this, the tagline 'PRODUCTS. PEOPLE. PLANET.' is written in a smaller blue font. Underneath the tagline are three blue line-art icons: a house with a tree, a group of three people, and a globe. The entire logo is enclosed within a grey circular border that is partially open at the top and bottom.



TABLE OF CONTENTS

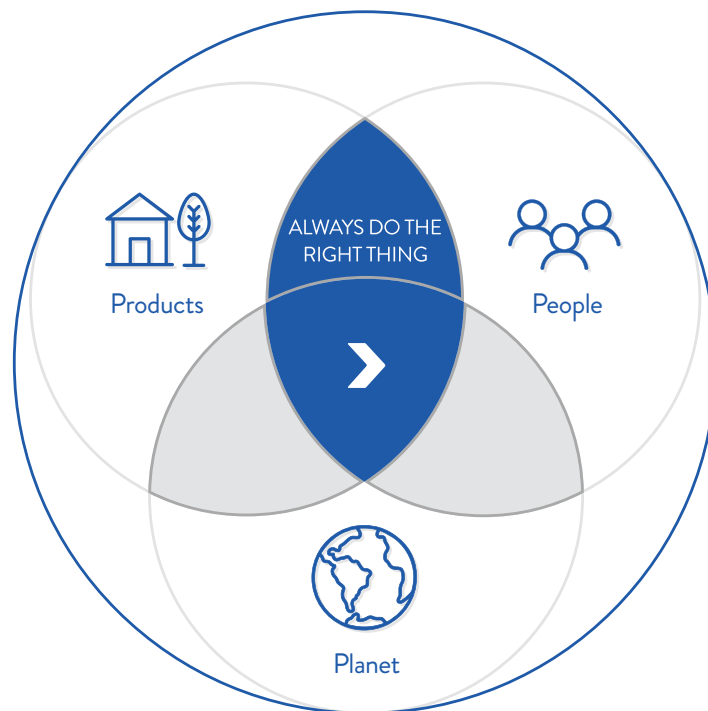
3	Introduction	37	Social Impact: Focused on What Matters
6	Letter to Our Stakeholders	39	The AZEK Culture
7	AZEK: Revolutionizing Outdoor Living to Create a More Sustainable Future	41	Total Rewards
12	2020 Highlights	42	Employee Engagement
13	Awards & Recognition	43	Diversity, Equity and Inclusion
14	Engaging Our Stakeholders	44	Safety Culture
15	Advancing the United Nations Sustainable Development Goals	46	Quality Management
17	Environmental Sustainability: Leading the Way Forward	48	Supply Chain Management
19	Product Innovation and Research & Design	49	The AZEK Cares Foundation
20	Our Recycling Journey	50	COVID-19 Response
25	Product Life Cycle Assessments	51	Corporate Governance: Operating with Integrity
30	Environmental, Health and Safety	53	Our Board of Directors and Leadership Team
31	Sustainable Manufacturing	54	Board Diversity
33	Climate and Energy	55	ESG Governance
		55	Risk Management
		55	Cybersecurity
		55	Whistleblower Policy
		56	Conclusion
		58	Appendix
		59	SASB Index
		61	Non-GAAP Reconciliations
		62	About This Report

A RESPONSIBILITY TO SUSTAINABILITY.



MOTHER EARTH COULD SURE USE A HAND RIGHT ABOUT NOW.

And that's why, at The AZEK Company, we've enlisted literally thousands of hands—to assist in an incredibly ambitious sustainability initiative we call FULL-CIRCLE™. All of us here embrace it with full hearts, full energy and full commitment.



In a nutshell, it's all about closing the loop—and opening the door to tremendous repurposing possibilities.

It's a calling that is intrinsically AZEK: because we are in a unique position—with the help of an unrivaled collective of dealers, suppliers and contractors all across the nation—to advance the 'circular economy' by turning scrap into sustainably recycled products.

In other words, by creating goods that *do good*.

FULL-CIRCLE's high-reaching objective is to use one billion pounds of recycled material annually by the end of 2026 in the manufacturing of our products. Now, is that an aggressive goal? Absolutely. But on this 'path to a billion,' we've already made some monumental strides forward.

Like leveraging our R&D strengths to introduce sustainable products.

Products that increasingly utilize recycled materials, reduce deforestation and are recyclable at the end of their useful lives. Increasing our use of recycled scrap and waste to approximately 400 million pounds in fiscal 2020 (up from approximately 290 million pounds in fiscal 2019). And continuously expanding our capabilities to use more recycled—and less virgin—content.

Like tapping our culture to positively impact employees, customers and communities alike.

Setting the standard for service, experience, quality and safety performance. Committing to implement a Diversity, Equity and Inclusion Framework to achieve a diverse workforce that better reflects community makeup. Committing to increase the minimum wage for hourly employees to \$15 by the end of 2021. Tying executive compensation awards to FULL-CIRCLE goals. And by creating more vibrant and sustainable communities through outreach and philanthropic activities.

Like building a more sustainable, circular future.

By committing to reduce the carbon footprint across The AZEK Company's value chain—including product lifecycles—and setting ambitious greenhouse gas reduction targets in alignment with climate science. Committing to improving the energy efficiency profile across our manufacturing facilities and increasing our use of renewable energy. And partnering with suppliers on environmental stewardship to help them lessen the overall supply chain environmental impact.



PRODUCTS. PEOPLE. PLANET.

These are the three critical waypoints along the arc of the circle. And they are the tentpoles of our sustainability measures—the pillars supporting a massive, yet necessary, undertaking.

It's been said that a journey of a thousand miles starts with a single step. And as we begin this journey at AZEK, we wholeheartedly believe that FULL-CIRCLE is a step in the right direction. Towards healing the planet. Towards repurposing with a purpose.

And towards a brighter, more eco-friendly future.

THE **AZEK** COMPANY



A LETTER FROM OUR CHAIRMAN AND PRESIDENT & CEO

To Our Stakeholders:

2020 marked a significant milestone for The AZEK Company and its community of employees, customers, partners, investors and broader stakeholders as the company's stock began trading publicly on the New York Stock Exchange on June 12, 2020.

In becoming a public company, we have brought even more focus and accountability to balance our business goals with a shared sense of purpose and mission. At AZEK, our approach—our journey—is not linear, but rather, one where the ends connect—a circle that creates the powerful engine driving our innovation, inclusivity, sustainability, business relationships and execution to create a more sustainable future. We like to say that we look at the full circle. We believe that we can and do all of this very well. To that end, our financial and sustainability goals are inextricably linked: Our business drives our approach to sustainability and our sustainability initiatives drive our business.

By extension, environmental, social and governance (ESG) stewardship—and excellence—is at the core of what we do and what we believe. As such, we are very pleased and proud to share this inaugural ESG Report with you. Throughout the report, you can learn about the many sustainability-focused initiatives AZEK has championed, like investing in a state-of-the-art recycling plant, increasing the amount of recycled content across our product lines, launching a first-of-its-kind PVC recycling program to repurpose construction site and remodeling scrap back into production and deliberately sourcing hard-to-recycle materials in order to reduce waste that would traditionally end up in landfills—initiatives that have the ability to support the global transition to a circular economy and revolutionize our industry. We not only look at the full circle, we bring things full circle.

While we are proud of our efforts to date, we recognize that in many ways, this is still the beginning of our journey. Now, as a public company, we are building upon our strengths, improving how we measure and monitor progress on ESG-related initiatives, setting quantitative environmental and social goals, such as committing to set carbon reduction targets in alignment with climate science and aspiring to utilize one billion pounds of recycled material annually by the end of 2026 and holding ourselves accountable to achieving those goals by linking them to executive compensation.

Similarly, we remain committed to attracting and retaining the best and brightest talent at The AZEK Company and ensuring that our people feel safe, secure, valued, empowered and inspired, to bring their full, authentic selves to work. In 2020, our approach to employee safety, health and wellness programs, leadership training and employee engagement activities supported a thriving employee environment. On the day we became a public company, we made sure our employees also felt a true sense of ownership in AZEK by providing each with a celebratory stock award.

“At AZEK, our approach—our journey—is not linear, but rather, one where the ends connect—a circle that creates the powerful engine driving our innovation, inclusivity, sustainability, business relationships and execution to create a more sustainable future.”

Even during the challenges and uncertainty presented by COVID-19, we continue to embrace our culture of innovation, sustainability and sense of community, anchored in always doing the right thing. It is in times like these that our leadership in the industry and our company values matter more than ever.

Moving forward in this journey together, we will continue to focus on positive impact, leading by example, inspiring others to action and communicating progress. As always, we remain committed to the continued growth of the business, demonstrated resilience, strong financial performance and ultimately, creating lasting value for all of our stakeholders.

We look forward to communicating our progress in 2021 (and beyond) and hearing from you, our stakeholders, on what we are doing well and what we can do to continue to improve. The next part of the journey is well underway, and we are honored to be a part of it.

Sincerely,



Gary Hendrickson
Chairman of the Board

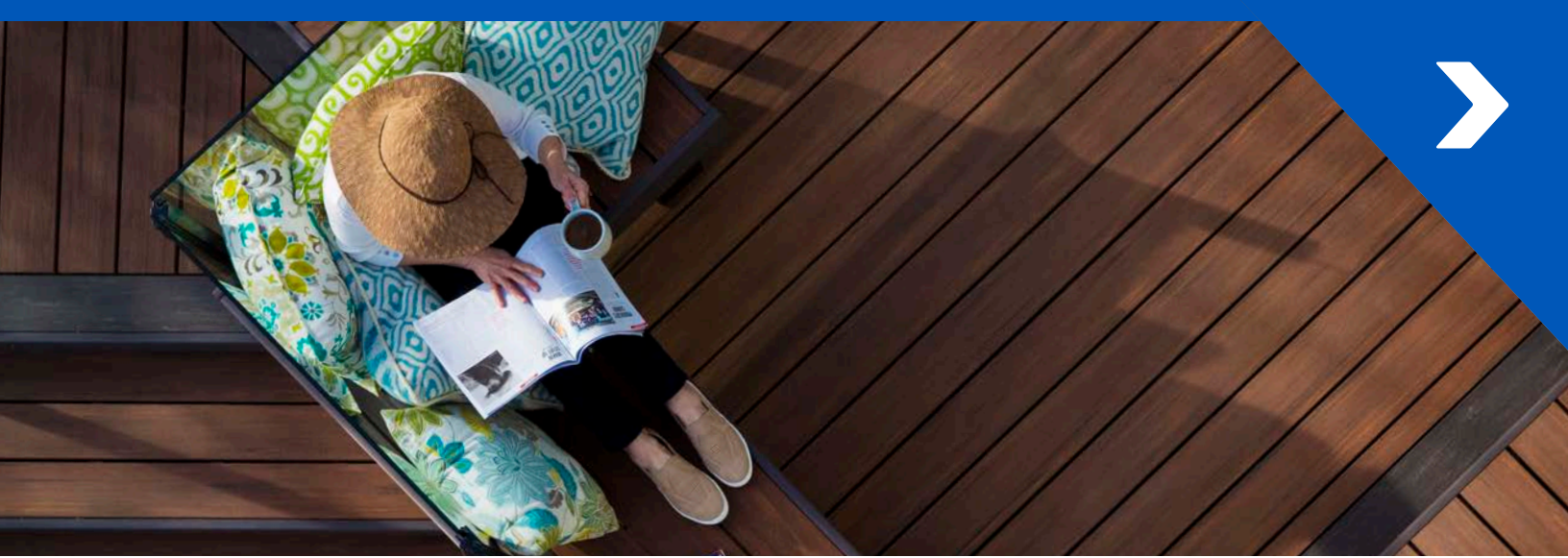


Jesse Singh
President, CEO and Director

May 2021

OUR PURPOSE

REVOLUTIONIZE
OUTDOOR
LIVING TO
CREATE A MORE
SUSTAINABLE
FUTURE.



BEAUTIFULLY ENGINEERED TO LAST

As the innovative manufacturer of beautiful, low-maintenance, environmentally sustainable outdoor living and building products, AZEK is deeply committed to making a lasting impact on the world by accelerating the use of recycled materials.

Our businesses leverage a shared material technology and U.S.-based manufacturing platform to create products that convert demand from traditional materials such as wood to those that are long lasting and low maintenance, fulfilling our brand commitment to deliver products that are “Beautifully Engineered to Last.”

Our innovative portfolio of outdoor living products, including deck, rail, trim and accessories, inspires consumers to design outdoor spaces tailored to their unique lifestyle needs.

Our primary consumer brands in our Residential segment, TimberTech® and AZEK®, are recognized by contractors and consumers for their premium aesthetics, uncompromising quality and performance and for their diversity of style and design options. In our Commercial segment, we manufacture highly engineered sheet products and high-quality bathroom partitions and lockers. Products across our portfolio are made from up to 100% recycled material.

★ HEADQUARTERED IN CHICAGO ★

8 U.S.-BASED MANUFACTURING AND RECYCLING FACILITIES 

1,663 EMPLOYEES | 4,200+ DEALERS

50% LEADERSHIP TEAM GENDER/ETHNIC DIVERSITY

33% BOARD GENDER/ETHNIC DIVERSITY

 **400 MILLION lbs**
OF SCRAP AND WASTE
DIVERTED FROM LANDFILLS
IN FISCAL 2020

\$899mm
NET SALES

13.2% ↗
YOY NET
SALES GROWTH



\$214mm
ADJ. EBITDA

23.7%
ADJ. EBITDA
MARGIN

Note: The information above represents a snapshot of certain financial metrics for our fiscal year ended September 30, 2020. Adjusted EBITDA is a non-GAAP financial measure and is not intended to be considered in isolation or as a substitute to the financial information prepared and presented in accordance with GAAP. Please refer to the Appendix of this report for a reconciliation of Adjusted EBITDA to its most comparable GAAP measure. Adjusted EBITDA margin is equal to Adjusted EBITDA divided by net sales.



WHO WE ARE AT OUR CORE

Our core values guide how we work—influencing our decisions, our interactions with colleagues and customers and our standards for behavior. It is in part due to our fundamental commitment to living our core values that our employees are inspired to be part of our winning team and culture.



Always Do the Right Thing

We make decisions according to what is right, not what is cheapest, fastest or easiest. We always operate with integrity, transparency and courage. This core value is the foundation of AZEK's overarching commitment to environmental, social and governance (ESG) stewardship.

It Starts and Ends with the Customer

For every action we take, we ask ourselves, "How will this affect our customers?" Our responsibility is to understand their expectations, then surpass them.

Value Every Individual

We strive to truly understand our colleagues' everyday realities and empathize with their challenges and aspirations. We are committed to providing an inclusive culture where every individual feels engaged, safe, respected and supported with the necessary tools to be successful.

Lead Through Innovation

We consistently bring unique, high-tech and environmentally sustainable products to market. We invest in the art of the impossible, creating new solutions to address needs customers don't yet know they have.

The Best Team Wins

Our goal is to win, period. We hire and develop the most talented individuals, with a focus on bringing diverse perspectives together in pursuit of this shared goal.

Better Today Than Yesterday

We always ask, "How can we do this better?" We accomplish every goal by rigorously implementing the AZEK Integrated Management System (AIMS). Our continuous improvement methodology includes Policy Deployment, Lean Six Sigma, Sales and Operations Planning, Stage Gate and Digital.

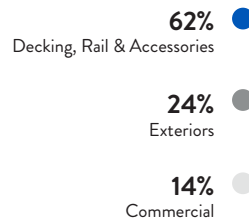


BREAKING DOWN OUR GROUNDBREAKING BUSINESSES

Over its 30 year history, The AZEK Company has grown into the industry-leading designer and manufacturer of beautiful, low-maintenance and environmentally sustainable outdoor living and building products led by our TimberTech® decking and our VERSATEX® and AZEK Trim® brands. We participate in large and growing markets that are experiencing a long-term secular trend by converting to our types of sustainable, long-lasting, low-maintenance and high-quality materials. Our innovative portfolio of outdoor living and building products—made from up to 100% recycled material—primarily replace wood on the outside of homes, providing a beautiful product with an outstanding consumer value proposition. We believe we are uniquely positioned to accelerate the use of recycled material, our largest raw material input, and thus, keep millions of pounds of waste out of landfills each year. In doing so, we believe that we are acting on our promise—our corporate purpose—to revolutionize our industry to create a more sustainable future.

Broad & Complementary Portfolio

2020 Net Sales



Residential Segment

86% 2020 Net Sales



VERSATEX



Commercial Segment

14% 2020 Net Sales





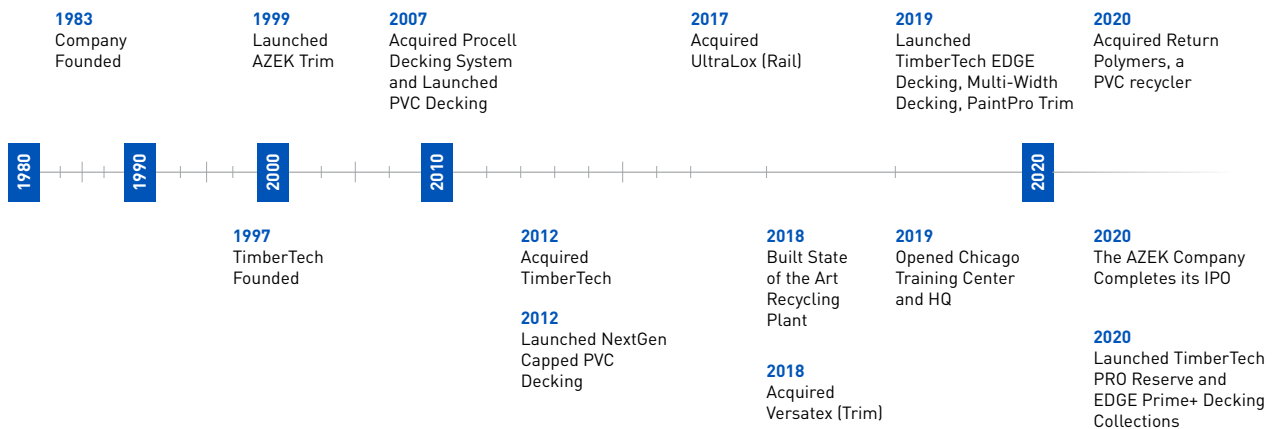
2020 IPO

CELEBRATING OVER 30 YEARS OF INNOVATION WITH AN INITIAL PUBLIC OFFERING IN 2020

In June 2020, The AZEK Company completed its initial public offering and made its debut on the New York Stock Exchange trading under the ticker 'AZEK.' Our CEO and President conducted the first ever virtual bell ringing at the NYSE to celebrate the occasion.



Corporate Timeline





2020 ESG HIGHLIGHTS

Formalized board oversight of
Corporate Responsibility & Sustainability Initiatives

Formalized and enhanced 
ESG-related Policies



at our Wilmington, OH and Scranton, PA manufacturing facilities **is re-used**

Expanded **PVC recycling capabilities** with the acquisition of



DIVERTED APPROXIMATELY 400 MILLION POUNDS

of scrap and waste from landfills through our recycling programs

UP FROM ~290 MILLION POUNDS IN 2019



Increased the percentage of extruded materials manufactured from **recycled materials** to

54% FROM 44% IN FISCAL YEAR 2019



100%

of the wood fibers we sourced are **reclaimed and certified sustainable**



in safety performance
FROM 2016 TO 2020

Our **carbon intensity** (tCO₂e per \$1 million net sales) decreased by

9.2%

FROM FISCAL 2019 TO FISCAL 2020



Commissioned a **first-in-the-industry**

ISO 14044 LIFE CYCLE ASSESSMENT

TimberTech decking outperforms ACQ-treated pine decking on a 100 year total Global Warming Potential basis

50% gender/ethnic diversity on our Leadership Team and **33% gender/ethnic diversity** on our Board

PRODUCTS. PEOPLE. PLANET. OUR FULL-CIRCLE AMBITIONS:

Reduce the Carbon Footprint

across The AZEK Company value chain and set ambitious targets in alignment with climate science

Aspire to use

ONE BILLION POUNDS

of recycled material annually by the end of 2026

Positively impact our employees, customers and communities through

Purposeful & Inclusive Engagement



AWARDS



A better future is its own reward. But the recognition doesn't hurt.

- Chicago Innovation—Top 100 Award Finalist
- Vinyl Sustainability Council's 2020 Vinyl Recycling Award
- According to the 2019 Builder Brand Use Study, TimberTech® AZEK® decking ranked #1 in quality in the composite decking category. AZEK Trim® ranked #1 in quality in the decorative mouldings/trim/columns: exterior category.
- According to the 2019 Remodeling Brand Use Report, TimberTech® AZEK® railing ranked #1 in quality in the deck railings category and AZEK Trim® ranked #1 in quality in the exterior trim category.
- In Hanley Wood's 2020 BUILDER brand use study of U.S. builders, developers and contractors, TimberTech decking ranked #2 for quality within the deck category and AZEK Trim® ranked #1 for quality within the decorative mouldings, trim and columns category.
- TimberTech® won Houzz's Best of Design for four years in a row (2017–2020)
- TimberTech® AZEK's Vintage Collection®, and notable multi-width decking, contributed to the brand landing at #5 on ProRemodeler's Top 100 Products list in 2020.
- Qualified Remodeler: 2020 Outdoor Planning Guide: Buyers Guide—TimberTech® AZEK's Vintage Collection, Harvest Collection® and Arbor Collection® are featured, along with multi-width decking and the lifetime-limited warranty.
- Dwell: Best Outdoor Products (2020), calling out the new TimberTech® Pro Reserve Collection, focusing on sustainability by noting that it is made with 80 percent recycled material.
- The SIDELOC™ Fastening System by TimberTech® made the list of the hottest products from the 2020 International Builders' Show (IBS).

MEMBERSHIPS AND AFFILIATIONS



The company we keep.

The AZEK Company takes part in several membership organizations and peer networks focused on corporate responsibility and sustainability topics. Key memberships include:

- National Association of Home Builders
- US Green Building Council—Gold Member
- Vinyl Sustainability Council
- The Board Challenge
- United Nations Global Compact
- Loyola University Chicago's Supply Chain and Sustainability Center
- Health Product Declaration® Collaborative
- North American Deck & Railing Association (NADRA)



WHAT'S AT STAKE FOR OUR STAKEHOLDERS

Cultivating relationships, building trust and loyalty and increasing transparency are some of the goals of AZEK's stakeholder engagement approach. By maintaining open dialogue and communication with our valued stakeholders, we are able to drive meaningful, successful and sustainable outcomes.

“ ”

At AZEK, we seek to create long-term value for all our stakeholders. Through regular engagement, solicitation of feedback and inclusive collaboration, we can continuously examine our actions to ensure that we are creating positive and lasting impact.



— AMANDA CIMAGLIA, VICE PRESIDENT, ESG

STAKEHOLDER GROUP	EXAMPLES OF HOW WE ENGAGE
Employees	<ul style="list-style-type: none"> • Core Values, Code of Conduct • Engagement surveys conducted annually • Performance reviews and feedback • Town Hall meetings • Lunch and Learns • Training programs • Safety policies, procedures, training and goals
Dealers and Customers	<ul style="list-style-type: none"> • Customer service interaction, including contact through dealers, distributors, websites, conferences, events and media (TV, magazines, social media, etc.) • AZEK University, a training program designed for distributors, dealers, architects and contractors • AZEK recycling program education
Suppliers	<ul style="list-style-type: none"> • Supplier Code of Conduct, Position Statement on Human Rights • Engagement on various ESG stewardship matters • Annual review of suppliers
Investors	<ul style="list-style-type: none"> • Quarterly earnings calls • Annual and quarterly financial disclosures • Key industry conferences and events • Non-deal roadshows • Direct interactions (meetings, phone, email) • Annual ESG Report
Communities	<ul style="list-style-type: none"> • Strategic community involvement plans • Donations and community outreach • Partnerships and sponsorships • The AZEK CARES Foundation



DOING THE WORLD A WORLD OF GOOD

In 2020, The AZEK Company became a signatory to the United Nations Global Compact, a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support the United Nations Sustainable Development Goals (SDGs). Seventeen goals in total, the SDGs represent the biggest and most complex global challenges of our time—challenges that demand innovation, leadership and action.

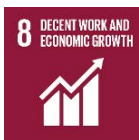
The private sector has an important role to play in advancing a more sustainable, resilient and inclusive future. At AZEK, our true north is embodied in our core value of Always Do the Right Thing. We believe that our operations, values and impact are most closely aligned with the SDGs discussed below, but we acknowledge that this is a journey. The AZEK Company will always strive to be Better Today Than Yesterday.



People are at the heart of everything we do. AZEK offers comprehensive benefits, wellness services and support for all employees through company culture, policy and access to resources that foster and promote their physical, emotional and cognitive health. Consistent with our core value of Always Doing the Right Thing, our first priority has been and will continue to be the safety and well-being of our employees, our partners and our communities. Before the onset of the COVID-19 pandemic, we made a number of proactive safety and operational changes across our business and offered enhanced benefits, such as employee bonuses and extended sick leave among others.



Globally, more than 80% of wastewater resulting from human activities is discharged into rivers or sea without any pollution removal. By contrast, our facilities in Wilmington, OH and Scranton, PA employ closed-loop water filtration systems that recycle approximately 97% of water used annually.



Sustained and inclusive economic growth can drive progress, create good jobs for all and improve living standards. We strive to cultivate a diverse and inclusive workplace at AZEK, where employees feel empowered, respected, valued and inspired to bring their full, authentic selves to work. We achieve sustainable growth through serving our customers, fulfilling their need for quality, sustainable products. In 2020, a majority of our hourly paygrades in our manufacturing locations were adjusted including specific COVID premiums. In May 2021, we announced that we are committed to increase the minimum wage for hourly employees to \$15 by the end of 2021. In addition, new jobs will be created as we continue to execute on our capacity expansion plans, including our newly announced manufacturing facility in Boise, Idaho.



We are building a more sustainable future. Over the past 30 years, our focus on innovation, new product development, material science and research and development has enabled us to capitalize on favorable secular growth trends that are accelerating material conversion from traditional materials such as wood, to sustainable, low-maintenance engineered outdoor living and building products.



Green homes and buildings are the fabric of sustainable communities and cities. They are healthier, more productive places for us to live, learn, work and play—and place less stress on the environment as well. Several AZEK products are Leadership in Energy and Environmental Design (LEED) credit eligible, meaning they satisfy certain environmental criteria necessary for materials used in construction or retrofitting of buildings that can facilitate LEED certification. In addition, AZEK's corporate headquarters is LEED certified in a building that is LEED Platinum certified, the highest certification in environmental sustainability awarded by The U.S. Green Building Council (USGBC).



We have created an operating platform that is centered around sustainability where resources are not wasted and landfill bound plastic waste is diverted and re-purposed into our long-lasting, beautiful products, thus, supporting the global transition to a circular economy. This extends across our value chain from product design to raw material sourcing and manufacturing. We are committed to expanding our recycling programs and introducing sustainable products that increasingly utilize recycled materials, reduce deforestation and are recyclable at the end of their useful lives. In 2020, we diverted approximately 400 million pounds of scrap and waste from entering landfills, with an ambition to divert and utilize one billion pounds by the end of 2026. We strive to hold our suppliers to the same environmental and social standards we hold ourselves.



In the U.S., the Industry sector accounts for 22% of total greenhouse gas emissions. AZEK believes that all industries can—and should—play a role in taking climate action. In 2020, we conducted our first ever corporate-wide greenhouse gas (GHG) inventory to assess the emissions footprint across our operations and value chain. In addition, we completed a Life Cycle Analysis of our composite and PVC decking products as compared to wood alternatives, including pine. Now that we have quantified our operational impact, we are formalizing our action plan to reduce the overall carbon footprint across the AZEK company value chain and are committing to set ambitious greenhouse gas emissions reduction targets in alignment with climate science.



Forests are vitally important for sustaining life on Earth and play a major role in the fight against climate change. Over the last twenty years, nearly three million trees have been saved because customers chose TimberTech decking over wood. AZEK's products have life spans that are significantly longer than the life spans of the traditional materials they replace (including exotic hardwoods cut from rainforests) with very little need for maintenance or cleaning chemicals. Our vertically integrated recycling capabilities use of 100% recycled wood fibers and percentage of recycled content incorporated into products across our portfolio divert waste from landfills and protects forests by reducing deforestation.





ENVIRONMENTAL SUSTAINABILITY



LEADING THE WAY FORWARD

At AZEK, we look at the full circle and we believe that the world needs companies like AZEK to lead the way by making sustainability a core part of their mission, process and products.

AZEK is committed to pursuing initiatives that positively impact our products, our people and our planet. In alignment with this commitment, we have created an operating platform that is centered around sustainability, which extends across our value chain from product design to raw material sourcing and manufacturing, and we increasingly utilize plastic waste, recycled wood and scrap in our products. We believe that we can play a key role in revolutionizing outdoor living to build a more sustainable and circular future.

OUR FULL-CIRCLE AMBITIONS

PRODUCTS. PEOPLE. PLANET.

Be a world class leader in recycling, aspiring to use one billion pounds of recycled material annually by the end of 2026

Build a more sustainable, circular future by reducing the carbon footprint across our value chain, including product life cycles, and setting ambitious targets in alignment with climate science

From Ambition to Action

- **Product Innovation:** Leveraging our strengths in R&D to divert waste from entering landfills and reduce deforestation by introducing products that increasingly utilize recycled and sustainable materials and are recyclable at the end of their useful lives
- **Recycle:** Continued expansion of our recycling capabilities and programs to utilize more recycled content and less virgin content in the manufacturing of our products
- **Energy Efficiency:** Improving the energy efficiency profile across our manufacturing facilities
- **Renewable Energy:** Increasing our use of renewable energy
- **Supply Chain Engagement:** Engaging and partnering with our suppliers on environmental stewardship to lessen the overall supply chain environmental impact



WE LEAD THROUGH INNOVATION

Over the past 30 years, our focus on new product development, material science and research and development, or R&D, has enabled us to capitalize on favorable secular growth trends that are accelerating material conversion from traditional materials such as wood, to sustainable, low-maintenance engineered materials. We leverage our R&D and manufacturing capabilities to deliver innovative new products to markets that address evolving customer needs while expanding our use of recycled materials. Our product managers and marketing team actively analyze proprietary consumer research and work with architects, contractors and consumers to identify and develop new products that incorporate consumer feedback, expand our portfolio and extend the range of style and design options we offer. Our R&D team then designs, prototypes and tests these new products prior to full-scale production. Our rigorous R&D process incorporates in-house analytical capabilities and comprehensive product testing with more than 260 distinct tests, including accelerated weathering. During the last five fiscal years, our team successfully led over 25 significant new product introductions. As of September 30, 2020, we had approximately 134 issued patents and patent pending applications. In other words, we invest in the art of the impossible.





AT THE AZEK COMPANY, THE ENVIRONMENT IS OUR WORLD



Plastic waste is a global crisis. An overwhelming amount of plastic is not being properly recovered and recycled, and overseas entities are limiting their acceptance of plastics waste for reprocessing. There are identified challenges to recycling that can be met with a concerted effort between consumers, recyclers and manufacturers. While there are challenges, performance plastics offerings made from recycled materials can take on new lives in everyday products and components. Thus, in a circular economy, plastics made will be recycled again and again, to eliminate waste and the continual use of resources.

Across The AZEK Company, we look at the full circle. Sustainability is considered at every phase of the product life cycle. We are proud to offer high-quality products made from up to 100 percent post-consumer and post-industrial recycled materials. In addition, the majority of our TimberTech, AZEK Exteriors and Versatex products are recyclable at the end of their useful lives, meaning they can be transformed into a usable raw material, made into new products with lifespans up to 50 years and kept out of landfills. From current recycling programs to rolling out new initiatives, AZEK continues its commitment to repurpose with a purpose by exploring ways to recycle other types of plastic waste across multiple markets and end-uses.

VERTICALLY INTEGRATING OUR RECYCLING PROCESS

In 2019, The AZEK Company unveiled our 100,000-plus square-foot cutting-edge polyethylene recycling facility in Wilmington, Ohio. This dedicated eco-friendly facility accepts post-consumer and post-industrial recycled polyethylene materials from retailers, waste management companies and municipalities for reprocessing into multiple product lines.

At our Scranton plant, we also purchase post-consumer recycled material from waste management companies that is used in Vycom's sheet products. Here we can consume more than 50 million pounds of recycled material per year. At Scranton, the capabilities include shredding, grinding and pulverizing PVC raw materials to make them into Vycom foamed or solid sheet products, or for use in the core of deck board production.



AZEK's Polyethylene Recycling Facility—Wilmington, Ohio

“ ”

To build a sustainable future, it takes reimagining current products to find ways to make them better. As we all know, sustainability is a journey, and we will continue to push the boundaries of our recycling capabilities and innovations.



**— BRUCE STANHOPE,
PH.D., VICE PRESIDENT
OF RESEARCH &
DEVELOPMENT**



OUR PATH TO ONE BILLION POUNDS OF RECYCLE

In 2020, we diverted approximately 400 million pounds of scrap and waste from landfills through our recycle programs, up from approximately 290 million pounds in 2019.



AZEK's Polyethylene Recycling Facility—Wilmington, Ohio

Approximately 54% of extruded materials were made from recycled waste in 2020, up from approximately 44% in 2019.



400,000,000 lbs
of scrap and waste

≈

1,333
blue whales



Our goal is to use one billion pounds of recycled material annually by the end of 2026

CHANGING THE CYCLE OF PLASTIC RECYCLING WITH RETURN POLYMERS

With our dedication to embracing sustainable practices, The AZEK Company has continued to make significant investments in our recycling capabilities beyond the dedicated facility in Wilmington and recycling program in Scranton. In 2020, The AZEK Company acquired Return Polymers, a leader in PVC recycling and compounding. This acquisition enables AZEK to accelerate its sustainability mission by bringing in-house PVC recycling capabilities that will be leveraged by its TimberTech AZEK, AZEK Exteriors, Versatex and Vycor brands and products. With nearly 30 years of operating history, Return Polymers brings full-service recycled material processing, sourcing, logistical support and scrap management programs to AZEK's expanding capabilities. In 2019, Return Polymers was named the first-ever Vinyl Recycler of the Year by the Vinyl Sustainability Council.



ADVANCING THE CIRCULAR ECONOMY BY BRINGING IT FULL-CIRCLE

In 2020, we launched a beta version of a first of its kind polyvinyl chloride (PVC) recycling program to further expand AZEK's recycling initiatives and divert recyclable material that would otherwise be disposed of in landfills. Although many consumers and builders are enthusiastic about the durability and paint-holding qualities of cellular PVC trim boards and moldings, one concern has always been the lack of proper disposal for scraps and cuts-offs. Anything as long lasting as PVC does not belong in a landfill. Now called the AZEK FULL-CIRCLE PVC RECYCLING™ Program, AZEK's on-site collection program for contractors, dealers and mill shops provides a real solution to PVC disposal concerns. Our partners deliver collapsible containers to job sites and once full, the scraps are brought to Return Polymers. Return Polymers then sorts and processes the PVC and supplies clean recycled material back to our manufacturing plants for reuse across multiple product lines. With a carbon footprint approximately 75% to 80% lower than virgin PVC, the more recycled PVC we are able to use in the manufacturing of our products, the lower the carbon footprint of our products and thus, the lower our overall impact on the environment. It's a win-win for all.





THE POWER OF PARTNERSHIPS

Berry Global and The AZEK Company Unite to Recycle 30+ Million Pounds of Plastic

In 2020, we announced a working agreement with Berry Global Group, Inc. to utilize Berry’s mixed material, post-industrial scrap in the production of high-quality, sustainable building materials such as composite decking.

The collaboration will benefit both parties in their efforts to lower the environmental impacts of their products and operations. Berry will provide a consistent and high-quality material stream which AZEK will recycle and use in the manufacturing of its sustainable residential and commercial building products.

And this is just one example of a partnership recycling program that we hope to develop more of in the future.

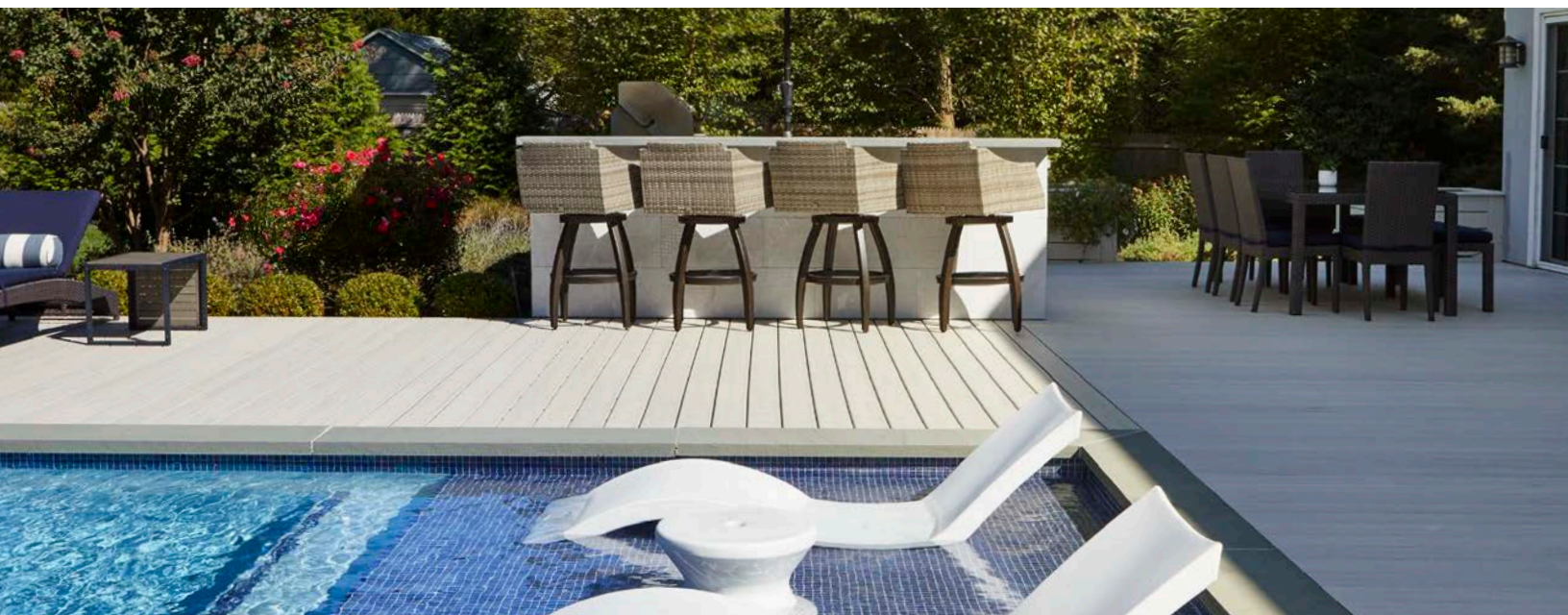


“ ”

AZEK leverages partnerships to help advance its sustainability goals. When you can find organizations that have similar core principles, good things tend to happen.



RYAN HARTZ, VICE PRESIDENT, SUPPLY CHAIN





PACKAGING THAT DOESN'T BOX IN THE ENVIRONMENT

Sustainable packaging is another important factor in reducing the environmental impact across our value chain. For example, Cornerboards, one of the packaging components used to protect our decking and railing products during shipping, are made from recycled paper and polyethylene. Use of Cornerboards enables more pieces per pallet which reduces freight and storage costs. They are also recyclable and reclaimable at the end of use. In alignment with our commitment to continuous improvement, we are exploring additional sustainable packaging options for products across the AZEK portfolio.



100% of the wood flour purchased from our suppliers is certified sustainable.



WE WOOD NEVER

To combat deforestation and make our products more sustainable, 100% of the wood used in AZEK's products are secondary materials—chips, sawdust and other wood products—left over from primary markets like flooring, furniture and cabinet industries. All of AZEK's wood suppliers purchase wood legally from domestic sources and follow state forestry guidelines or third-party forestry chain of custody certifications like Sustainable Forestry Initiative (SFI) to ensure product sustainability.

In fact, over the last twenty years, nearly three million trees have been saved because customers chose TimberTech decking over wood. We've specifically designed products to look just like exotic hardwoods without cutting down a single tree. While that has helped us grow, we want to see every deck built out of our sustainable products—as it will ultimately save billions of trees.

Because our customers chose TimberTech decking over wood, we've saved nearly three million trees over the course of the last twenty years. And with over 1.5 billion linear feet of decking sold, that's enough to full circle Planet Earth 11 times.



PRODUCT LIFE CYCLES: THE FULL CIRCLE.

To build a more sustainable future, we must understand the environmental impacts of our products at all stages of their life—from design and manufacturing to use and maintenance to end-of-life recovery. In other words, the full circle. We must also understand where improvements can be made to reduce our impact. To that end, we have completed science-based Life Cycle Assessments (LCA) on some of our core decking products to better quantify the environmental impacts associated with a product’s life cycle, identify areas of improvement and more clearly differentiate our products’ environmental performance when compared to traditional materials such as wood.

As in all of our business decisions, we are guided by a core set of beliefs that start with Always Doing the Right Thing. Another example of how we live our values, our commitment to continuous improvement drives our behavior to be Better Today Than Yesterday. The objective results of an LCA helps us prioritize our most important environmental initiatives so that we can take impactful actions to lower the life cycle environmental impacts of our products, and, by extension, our corporate footprint. Currently, our end-of-life take-back process is somewhat ad hoc in nature given the longevity of our products, some of which can last upwards of 50 years (or more). Thus, our team intends to develop and communicate a more formal end-of-life take-back program for future implementation, with the goal of continuously closing the loop by recycling those products into new versions of themselves.

Life Cycle of AZEK® Products



We are committed to producing increasingly sustainable decking solutions and validating our work through science-based, peer-reviewed evaluations.

Life Cycle Assessment (LCA) Results



In 2020, AZEK commissioned the first ever peer-reviewed Life Cycle Assessment (LCA) comparing the environmental impacts of wood alternatives and conventional treated wood decking. The LCA evaluated the “cradle-to-grave” performance of our AZEK TimberTech decking products, including TimberTech Wood Composite Decking and TimberTech PVC decking, compared to sustainably harvested alkaline copper quaternary (ACQ) treated pine. The LCA assessed the environmental impacts associated with all stages of the products’ life cycle, including raw material supply and product manufacturing, distribution to market, installation, maintenance and end-of-life.

AZEK hired Sphera, a leading global LCA practitioner, to prepare the study, which was conducted in accordance with the ISO 14044, the globally recognized standard for life cycle assessments. The study was critically reviewed by a panel of three independent experts. This is the first time that a peer-reviewed LCA comparing wood alternatives and conventional treated wood decking has been completed—by any company.



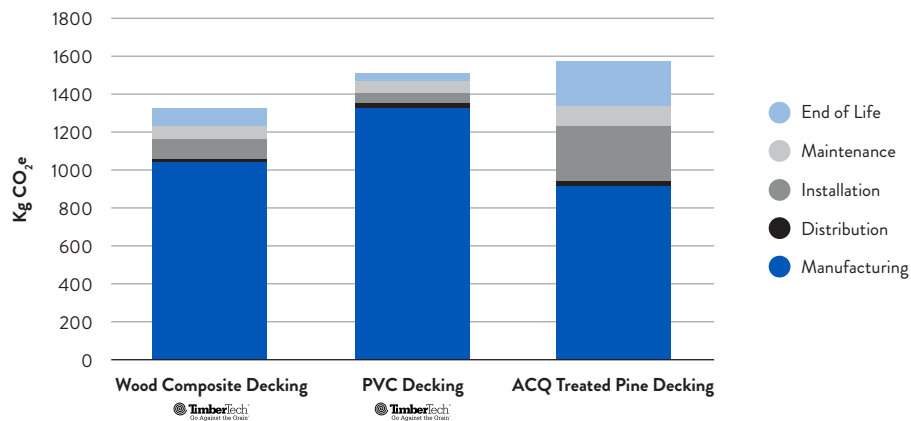
BETTER TECH. BETTER DECK. BETTER PLANET.

The results of the LCA study are both compelling and informative. When evaluated side by side, the TimberTech products outperformed sustainably harvested ACQ treated pine on a 100-year total Global Warming Potential (GWP) basis, i.e., the global warming or climate change impacts of those products over a 100-year time horizon. In addition to GWP, the LCA also evaluated several environmental performance categories, including Acidification, Eutrophication, Smog Formation, Energy Use and Water Use. Once again, when compared with ACQ treated pine, TimberTech decking proved to be a more sustainable option in most areas.*

Global Warming Potential

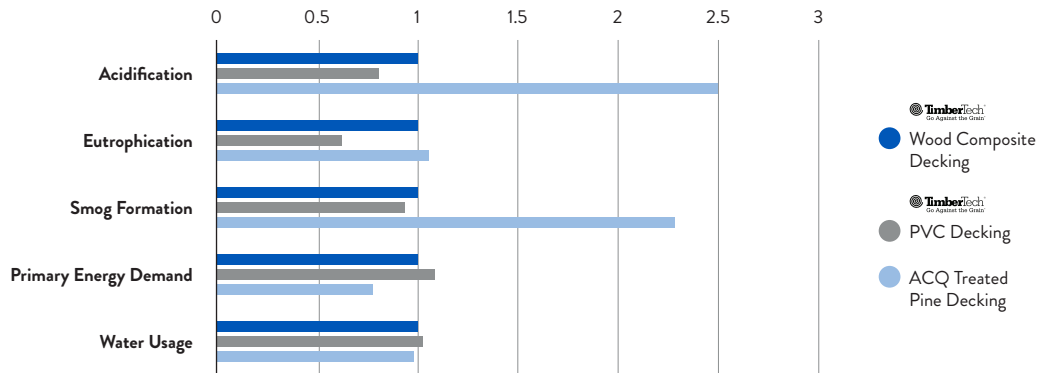
TimberTech® Wood Composite Decking has a 15% Lower Global Warming Potential than ACQ Treated Pine

TimberTech® PVC Decking has a 5% Lower Global Warming Potential than ACQ Treated Pine



Normalized Cradle-to-Grave Environmental Impact Results

Both TimberTech® composite and PVC decking products outperformed ACQ Treated Pine in several environmental performance areas except water usage, where the impact of the three products were essentially even.

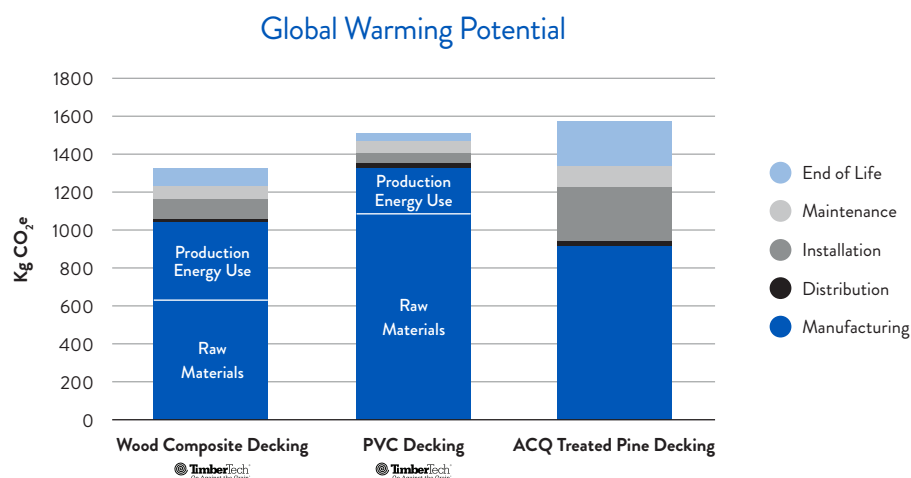


*This study assumes a net area of 1,000 ft² and 25-year lifetime. The location-based method was used to measure the emissions from electricity use in the manufacturing phase of the LCA. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs.



IMPROVING PRODUCT STEWARDSHIP: OUR JOURNEY AHEAD

As we seek to act on our FULL-CIRCLE ambitions to create a more sustainable future, our product life cycle assessment revealed that the greatest opportunity to reduce the carbon and environmental impacts of our products is concentrated in the manufacturing phase, which makes up more than 75% of each product’s carbon footprint. When the manufacturing phase is split out between raw material inputs, inbound transportation and production energy use, the chart below illustrates that a reduction in GWP of TimberTech composite decking is greatest in the areas of raw material supply and electricity use in manufacturing, suggesting further increases in the use of recycled polymers and reduction of energy intensity or increasing the share of electricity from renewable resources would result in further improvement. The single greatest reduction potential in GWP of TimberTech PVC decking is represented by raw material inputs, specifically, virgin-polymer supply, suggesting further increases in the use of recycled polymers.



In summary, with an organization-wide commitment to continuous improvement, it is through a portfolio of actions, informed by the scientific outcomes of the LCA, that we can lower the carbon footprint of our products.

- First, our aspirations to use one billion pounds of recycled material by the end of 2026 will help us lower the carbon footprint of our products, including TimberTech decking.
- Second, our team is committed to developing and implementing an energy roadmap to lower the carbon footprint of our manufacturing and recycling facilities by improving energy efficiency and sourcing renewable energy, among other actions. In the future, we intend to report both the location-based and market-based emissions under the Scope 2 category.
- And, third, assessing our suppliers through supplier ESG surveys and scorecards to identify where the greatest environmental impacts in our supply chain occur and prioritizing our engagement activity accordingly.

Beyond these examples, we are continuously researching new and innovative materials that will help us lower our environmental impact and we intend to conduct product life cycle assessments on an ongoing periodic basis to track progress. All with a purpose to revolutionize outdoor living to create a more sustainable future.

This study assumes a net area of 1,000 ft² and 25-year lifetime. The location-based method was used to measure the emissions from electricity use in the manufacturing phase of the LCA. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs.



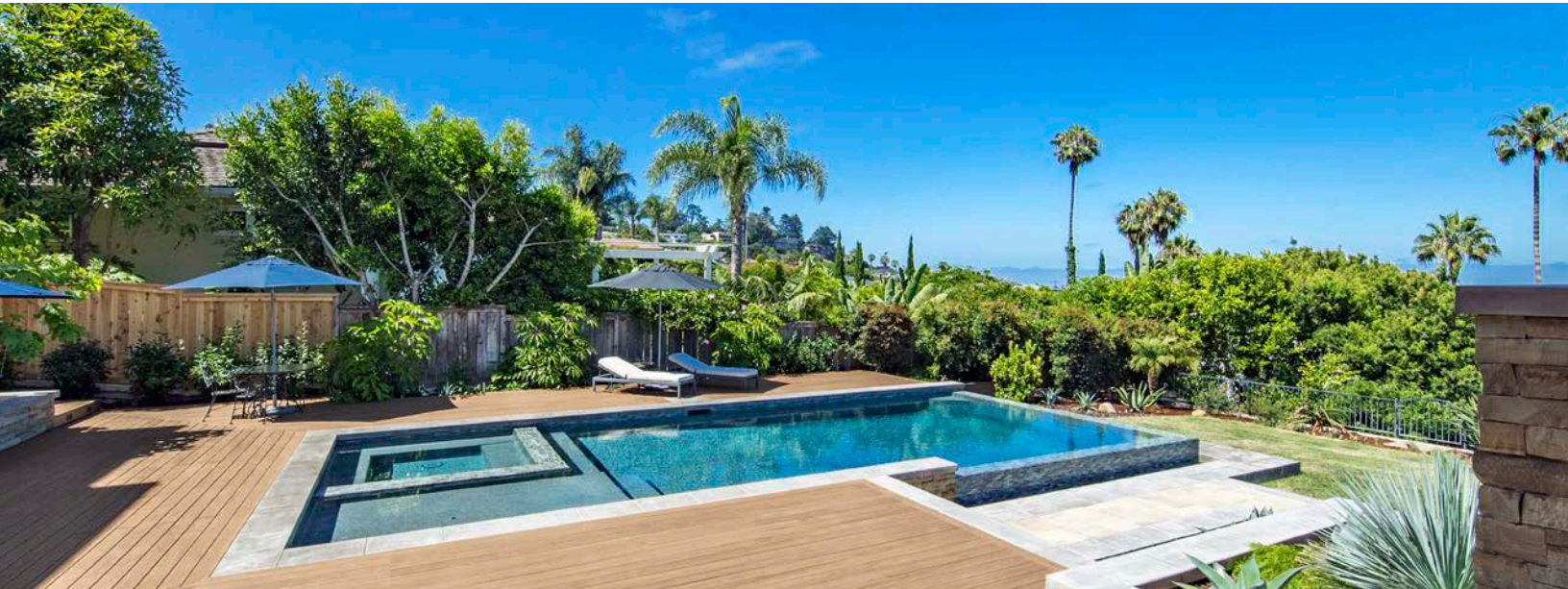
WE KEEP A TIGHT LID ON CHEMICALS AND EMISSIONS

Throughout The AZEK Company, we believe our responsibility is not only to our customers and stakeholders, but also to the planet. Our concern and respect for the environment is evident through our continued efforts to design and produce sustainable products with long life spans. In some cases, our decking products last upwards of 50 years—incomparably longer than the traditional materials they replace. This ultimately limits Volatile Organic Compounds (VOC) emissions by requiring a minimal amount of maintenance or cleaning with harsh chemicals, and ensures that we deliver products that are versatile and recyclable at the end of their useful lives.

Several of the products in our Commercial portfolio which are used indoors, including bathroom partitions and lockers, for example, have received the GREENGUARD Gold certification. GREENGUARD Certification is an internationally recognized product emissions certification labeling program for manufacturers of low-emitting indoor products, furnishings and materials. When products meet the Gold standard, it means they meet stricter certification criteria, considering safety factors to account for sensitive individuals (such as children and the elderly), and ensures that the product is acceptable for use in environments such as schools and healthcare facilities. Additionally, emission limits meet and exceed the California Department of Public Health Standard Method.



The AZEK Company is a proud member of the Health Product Declaration Collaborative. HPDC members champion the continuous improvement of the building industry’s material health performance through transparency, openness and innovation in the practices of ingredient reporting, disclosure, specification and selection. Health Product Declaration information is available in our LEED Playbook and in the HPD Repository.





SPECIFYING FOR LEED

The LEED® (Leadership in Energy and Environmental Design) Green Building Rating System is a voluntary, consensus-based, market-driven program that provides third-party verification of high-performance, energy-efficient sustainable buildings. LEED® is the preeminent program for the design, construction, maintenance and operations of high-performance green buildings.



LEED®, and its related logo, is a trademark owned by the U.S. Green Building Council® and is used with permission.

LEED V4.1 is the newest version of LEED, but V4 is still in use since many projects are long term and began prior to implementation of V4.1; it is designed to better focus on the materials used in a project, specifically looking at their effects on human health and the environment, as well as their overall performance. This is where AZEK fits in. Many of the products in AZEK's portfolio can help project teams achieve LEED credits, thus, enabling architects, designers and specifiers to reach their LEED certification goals.

AZEK's LEED Playbook details the environmental attributes of some of AZEK's most popular products. Please visit our website www.azekco.com for more detail.





ENVIRONMENTAL, HEALTH AND SAFETY: PURSUING BEST PRACTICES

The AZEK Company is committed to leadership and excellence in Environmental, Health and Safety (EHS) throughout our operations, businesses and products. In order to fulfill this commitment, we develop, implement and work to continually improve our global management systems, EHS standards and performance measures.

In pursuit of EHS Excellence, we are committed to the following:

- Workplace Responsibility
- Compliance
- Training
- Employee Engagement
- Business Integration
- Best-in-Class Work Practices
- Sustainability
- Customers
- Community
- Reporting
- Continuous EHS Improvement

ENVIRONMENTAL TRAINING AND AWARENESS

PROMOTING EHS AWARENESS THROUGH TRAINING AND ENGAGEMENT

We train our employees so they have the awareness, knowledge and skills to work in a safe and environmentally-responsible manner. We continually review and improve our Environmental, Health & Safety (EHS) performance through ongoing training, objectives and management systems. We support open communication and provide opportunities for our employees to take an active role in EHS Management. We integrate work practices into all our business processes, products and facilities that promote Environmental, Health, Safety and Wellness initiatives. We encourage our employees to report to management any behavior inconsistent with our EHS policies and to express ideas on how our EHS performance might be improved.

“ ”

Working for a sustainable company that makes products in which I can stand behind and be passionate about is another reason that I like working for AZEK.

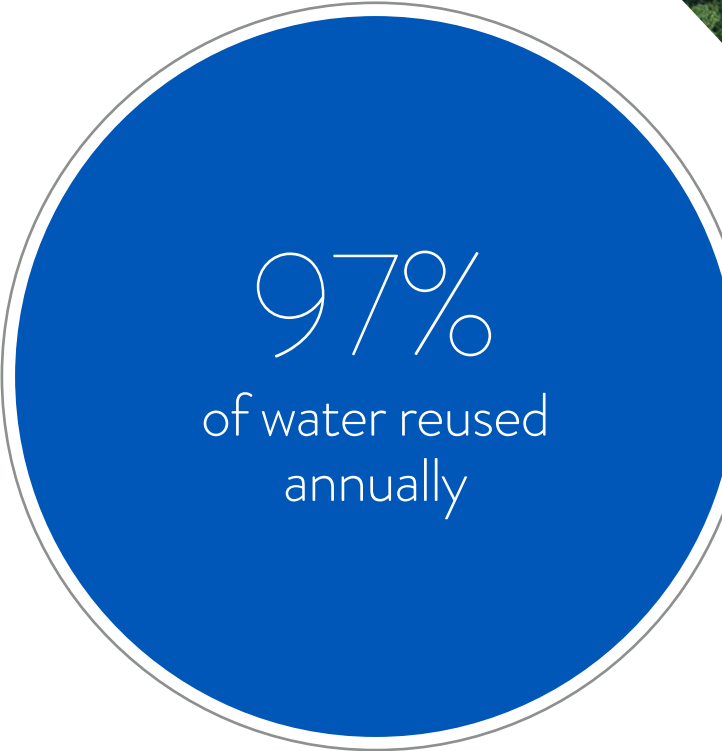
— AZEK EMPLOYEE





SUSTAINABLE MANUFACTURING OPERATIONS

Our facilities in Wilmington, OH and Scranton, PA employ a unique, closed-loop water filtration system that reuses and recycles millions of gallons of water every day, or approximately 97% of water used annually. As well, our plants use energy-efficient systems for power, water, heating/cooling and LED lighting. We continue to explore ways in which we can further improve our environmental performance. As part of our commitment to transparency and accountability, we plan to set and communicate specific environmental performance goals in 2021.



OUR TURF, OUR TERMS



LEED Certified Corporate HQ

In late 2018, The AZEK Company moved its headquarters to a LEED Gold Certified building in Chicago's thriving Fulton Market neighborhood. LEED (Leadership in Energy and Environmental Design) is the most widely-used green building rating system in the world. LEED provides a framework for healthy, highly efficient and cost-saving green buildings. In 2019, the building was recertified LEED Platinum, the highest certification in environmental sustainability awarded by The U.S. Green Building Council (USGBC). The 20,000 square foot office features an open, functional design that is conducive to collaboration, environmentally friendly and also features a 2,200 square-foot training and event center.





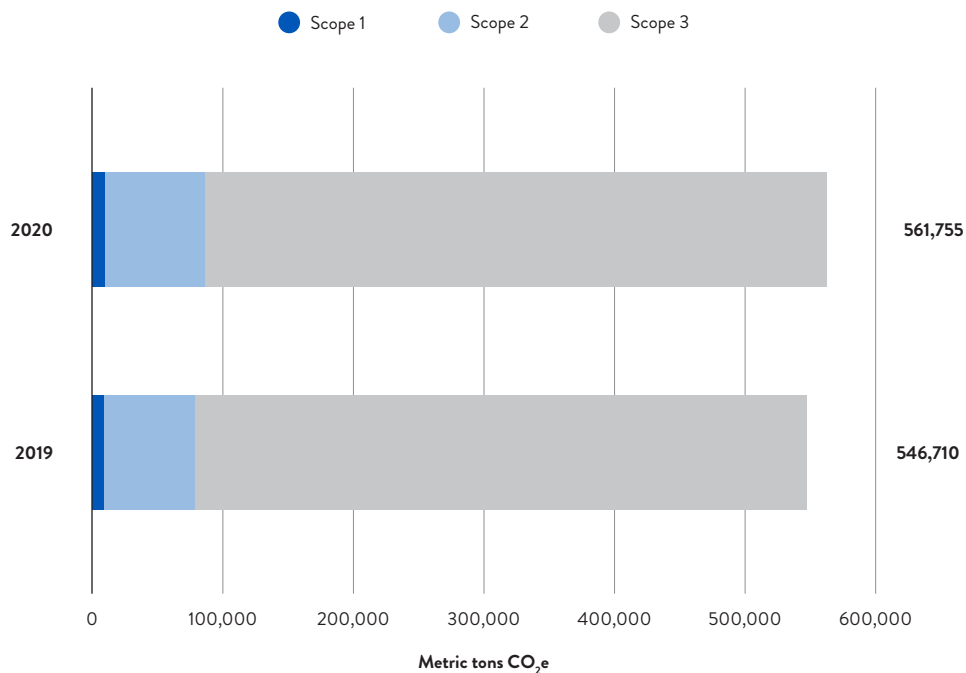
CLIMATE AND ENERGY: WHERE WE ARE NOW

To tell a holistic sustainability story that is supported by verifiable metrics, in 2020 we engaged a third-party firm to conduct our first-ever greenhouse gas (GHG) inventory, assessing the emissions footprint across our operations and certain categories of our value chain during fiscal 2019 and 2020. The findings from this analysis, combined with the results of our product life cycle assessments, allow us to identify and prioritize actionable opportunities that can result in positive environmental outcomes and improved performance.

In accordance with the GHG Protocol, we accounted for Scope 1, 2, and 3 emissions, as explained below.

- **Scope 1.** Direct emissions from sources owned or controlled by AZEK, with the main categories being fuel to power our vehicle fleet, heat our buildings and power our backup generators
- **Scope 2.** Indirect emissions sources generated off-site, but purchased by AZEK (i.e. purchased electricity)
- **Scope 3.** Indirect emissions from our value chain, with the main categories being purchased goods and services (i.e., raw materials), water supply and treatment, upstream transportation and distribution, waste generated in operations and business travel. Like most manufacturing companies, this is the largest source of emissions as a percentage of our total footprint

The AZEK Co. Carbon Footprint Year-over-Year



CLIMATE AND ENERGY: OUR IMPACT, BY THE NUMBERS

Greenhouse Gas (GHG) Emissions

	2019 EMISSIONS (tCO ₂ e)	2020 EMISSIONS (tCO ₂ e)	YOY CHANGE
Total Scope 1 Emissions	9,132	8,978	-2%
Total Scope 2 Emissions — Location Based	68,544	76,802	12%
Total Scope 3 Emissions	469,034	475,975	1%
Purchased goods and services	450,875	459,750	2%
Water supply and treatment	639	628	-2%
Upstream fuel- and energy-related emissions (not included in Scope 1 or Scope 2)	5,690	6,124	8%
Upstream transportation and distribution	5,562	4,371	-21%
Waste generated in operations—recycled	95	131	38%
Waste generated in operations—landfilled	3,777	3,630	-4%
Business travel	2,397	1,341	-44%
TOTAL GHG EMISSIONS	546,710	561,754	3%

The GHG accounting and reporting procedure is based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition (GHG Protocol), the most widely used international accounting tool for government and business leaders to understand, quantify and manage greenhouse gas emissions. The location-based method was used to measure the emissions from electricity use, by site. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs.

The AZEK Company acquired Return Polymers in fiscal 2020. Total GHG emissions for fiscal 2019 and 2020 were calculated to include Return Polymers, as if it were part of The AZEK Company's carbon footprint in both reporting years. This enables us to compare GHG emissions more accurately on a year-over-year basis.

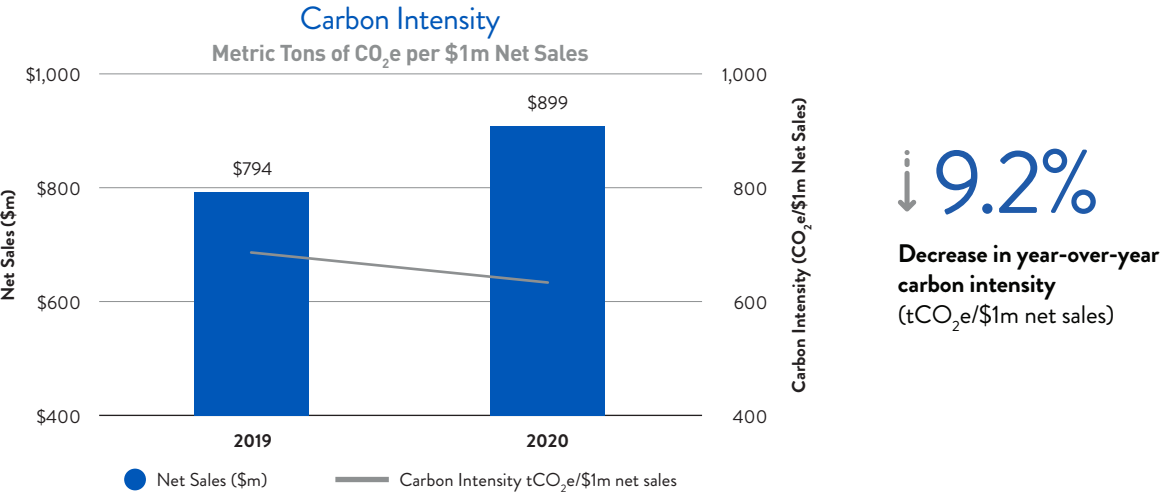
For the Scope 3 category of purchased goods and services (raw materials), emissions factors used in this analysis were based on industry or market averages. We intend to use supplier ESG surveys and scorecards in the future to better quantify the actual performance (vs. using industry or market averages) in AZEK's supply chain.

In 2021, we intend to set emissions targets in line with the level of decarbonization required to meet the goals of the Paris Agreement—to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

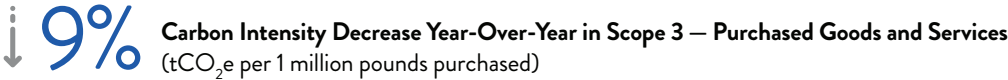


REPURPOSING WITH A PURPOSE: USING MORE RECYCLED MATERIALS LOWERS OUR CARBON FOOTPRINT

Over the last year, even as The AZEK Company’s net sales grew 13.2%, our carbon emissions per million dollars of net sales decreased 9.2%. In other words, we produced and sold more products, but emitted less carbon year over year on an intensity basis. Including the combined Scope 1, Scope 2 and Scope 3 emissions in this calculation enables us to capture the positive impact of using more recycled raw material inputs and less virgin raw material inputs, which are accounted for in the Scope 3 category of purchased goods and services. To put this in context, the carbon footprint of recycled high-density polyethylene (HDPE) and recycled PVC, for example, is approximately 75% to 80% less than their virgin material alternatives. In fiscal 2020, we sourced and used approximately 400 million pounds of recycled waste and scrap, including recycled HDPE, recycled PVC and other recycled materials, up from approximately 290 million pounds in fiscal 2019. Thus, the net effect of using more recycled raw material inputs lowers our total carbon footprint, which is captured in the Scope 3 category, and lowers our carbon intensity year-over-year.



Similarly, if we isolate and assess our Scope 3 category of purchased goods and services (raw materials) carbon intensity on a year-over-year basis, we sourced 12.1% more raw material in terms of pounds sourced, but in using more recycled material with lower carbon footprints and less virgin material with higher carbon footprints, by weight, our carbon intensity was approximately 9.0% lower on a year-over-year basis.



With a commitment to accelerate our use of recycled material and further, our ambition to divert and utilize one billion pounds of—what otherwise would have been landfill bound—waste and scrap by the end of 2026, we believe we are uniquely positioned to have a positive, lasting impact on the world and advance a more sustainable, circular future.



CLIMATE AND ENERGY: OUR PATH AHEAD

Climate change is a complex global challenge that impacts us all, but there are solutions—if we are bold and act fast. Making “sustainability” sustainable means looking at every resource we use and rethinking how we can utilize it more efficiently. AZEK’s products inherently advance a more sustainable and circular future, but our aim is to be better, do better and create better. We also believe that our responsibility goes beyond just our manufacturing operations to include Scope 3, or value chain, emissions—both upstream and downstream—perhaps one of our biggest sustainability challenges and opportunities ahead.

Now that we have completed our first GHG inventory, we have a better understanding of where improvements can be made in the near, medium and long-term. In 2021, we plan to set quantitative GHG reduction goals across the entirety of our value chain in alignment with climate science. This means that we will set targets in line with the level of decarbonization required to meet the goals of the Paris Agreement—to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

In the meantime, our team is diligently working to create a comprehensive GHG reduction plan for implementation in the months and years ahead. In doing so, our FULL-CIRCLE actions will focus on product innovation, recycling, energy efficiency, renewable energy and supply chain engagement. We look forward to updating you, our stakeholders, as we continue to make progress on this initiative.

In 2021, we intend to set emissions targets in line with the level of decarbonization required to meet the goals of the Paris Agreement—to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

From Ambition to Action

- **Product Innovation:** Leveraging our strengths in R&D to divert waste from entering landfills and reduce deforestation by introducing products that increasingly utilize recycled and sustainable materials and are recyclable at the end of their useful lives
- **Recycle:** Continued expansion of our recycling capabilities and programs to utilize more recycled content and less virgin content in the manufacturing of our products
- **Energy Efficiency:** Improving the energy efficiency profile across our manufacturing facilities
- **Renewable Energy:** Increasing our use of renewable energy
- **Supply Chain Engagement:** Engaging and partnering with our suppliers on environmental stewardship to lessen the overall supply chain environmental impact



SOCIAL IMPACT



FOCUSED ON WHAT MATTERS

Bright minds, innovative thinkers and people dedicated to creating a more sustainable future—that is the face of AZEK.

People are the cornerstone of our winning culture and the foundation of our company. Our success is fueled by the ideas and dedication of our team and we are committed to providing a diverse, equitable and inclusive environment where diversity of all kinds is sought out, valued, respected and appreciated. We have an unwavering customer-centric focus. Our responsibility is to understand customer expectations, then surpass them. We are also committed to working with business partners and suppliers whose values and practices mirror our own. Through our philanthropy and volunteer activities, we seek to tangibly show our gratitude to the communities that have warmly welcomed us. To make a positive impact on our employees, customers and communities, we are focused on what matters.

OUR FULL-CIRCLE AMBITIONS

PRODUCTS. PEOPLE. PLANET.

**Positively impact our employees, customers and communities
through purposeful and inclusive engagement.**

From Ambition to Action

- Develop and implement a Diversity, Equity and Inclusion Framework to achieve a diverse workforce that represents the communities in which we live and work
- Maintain our best-in-class safety performance
- Increase the minimum wage for hourly employees to \$15 by the end of 2021
- Meet and exceed customer expectations on experience, service and quality
- Tie executive compensation awards to elements of our FULL-CIRCLE ESG goals
- Focus on creating more vibrant and sustainable communities through outreach and philanthropic activities



ON CULTURE, WE'RE ALL IN THIS TOGETHER



AZEK's culture is driven by a shared passion for our values, mission and performance. It is a culture of amazing, innovative, growth-minded people from diverse backgrounds whose values include Always Doing the Right Thing, continuous improvement and solving problems for our customers and partners. We are inclusive of all those we encounter and strive to truly understand our colleagues' everyday realities and empathize with their challenges and aspirations. We are dedicated to providing a safe work environment, excellent benefits and a rewarding, energetic experience. We believe that having the best, most diverse team is a source of competitive differentiation. To that end, we hire and develop the most talented individuals, bringing diverse perspectives together in pursuit of a shared goal—so that the Best Team Wins!





MANY PLAYERS, ONE TEAM

At AZEK, our people are our strongest differentiator, which is why we recognize the importance of selecting the best talent, developing their skills and providing an inclusive culture where everyone feels engaged, safe, respected and supported with the necessary tools to be successful. We believe that by Always Doing the Right Thing, fostering innovation and empowering all team members to take ownership of the company's success, every employee can maximize operational performance and grow both personally and professionally.

“ ”

The thing I like most about working for AZEK is definitely the people. I believe that everyone here is committed to the mission and overall success of the company.

— AZEK EMPLOYEE





TOTAL REWARDS

We offer a comprehensive compensation and benefits total rewards package to attract and retain talent that includes health insurance, basic life and AD&D insurance, a 401(k) Savings Plan with a company match feature, vacation and paid holidays, tuition reimbursement, parental leave, service awards, employee referral bonuses, employee discount programs and more.

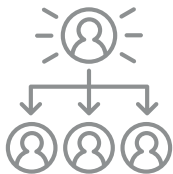
In 2020, a majority of our hourly paygrades in our manufacturing locations were adjusted, including specific COVID premiums.

In 2021, we announced our commitment to permanently increase the minimum wage of our hourly employees to \$15 by the end of the year.



SUPPORTING WORK-LIFE BALANCE

Through our Employee Assistance Program, AZEK employees have access to resources for professional support. From everyday issues like job pressures, relationships and retirement planning to highly impactful issues like grief, loss or a disability, our employees and their families have access to professional counseling sessions at any time.



LEADERSHIP TRAINING PROGRAMS FOR FIRST-TIME MANAGERS

Our leadership training programs develop and cultivate the essential skills needed for first time managers to build positive relationships with team members, inspire engagement and drive productivity.



EMPLOYEE STOCK OWNERSHIP

We strongly believe that all employees should make good decisions, Always Do the Right Thing and act like owners. That's why we granted our employees celebratory IPO shares in The AZEK Company.



INTERNSHIPS

Our internship program provides work experience to students and serves as a pipeline to attract new and diverse talent. Internships are offered in various departments within AZEK, including accounting, engineering, manufacturing, finance and human resources.



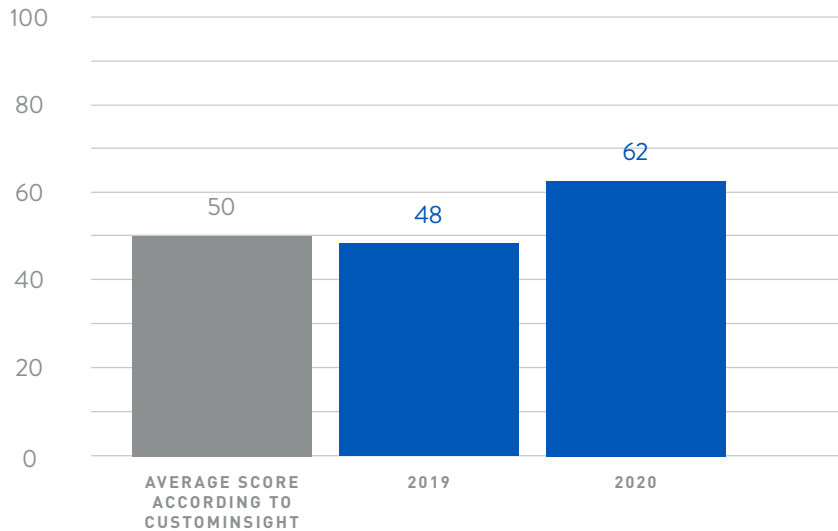
Our employee engagement approach centers on transparency and accountability. We use a variety of channels to facilitate open, direct and honest communication. We have open forums with executives through periodic town hall meetings. And we foster continuous opportunities for discussion and feedback between employees and managers, including performance conversations and reviews.



EMPLOYEE ENGAGEMENT SURVEYS

We value honest and timely feedback. Annually, we engage a third-party firm to conduct anonymous employee-wide engagement surveys. The results of these surveys allow us to identify areas of strength and opportunities for improvement to ensure continued satisfaction and retention of our employees. Both organizational and management drivers of employee engagement are measured. Our latest survey resulted in an overall improvement in our engagement score to 62 and notable improvement across all organizational and management drivers of employee engagement. According to CustomInsight, our third-party engagement survey partner, a score of 50 is considered average and, notably, our current score is in the 79th percentile of manufacturing companies our size.

Employee Engagement Score





THE MORE PERSPECTIVES, THE BROADER THE VISION

AZEK is committed to attracting, developing and retaining a highly qualified, diverse and dedicated workforce where diversity of all kinds is valued and appreciated. We believe that cultivating a diverse and inclusive workplace provides for a broad array of viewpoints, talents and skills that can drive operational excellence and build a sustainable, more inclusive future.

AZEK follows equal employment opportunities principles and complies with the letter and spirit of the laws regarding fair employment practices and non-discrimination. AZEK does not tolerate discrimination, harassment, violence or threatening behavior of any kind. Our policy of non-discrimination applies to all aspects of employment, including hiring, salary, advancement, benefits, discipline, termination or retirement, on the basis of gender, race, religion, age, nationality, mental or physical disability, sexual orientation, gender identity, marital status, pregnancy, veteran status, political opinion, social or ethnic origin or any other characteristic protected by applicable law.

Diversity Across The AZEK Company

Entire workforce	Male 81%	Female 19%	15% minority
Executive level	Male 82%	Female 18%	27% minority
VP & Directors	Male 90%	Female 10%	14% minority
Managers	Male 81%	Female 19%	8% minority
Professionals	Male 52%	Female 48%	10% minority
Sales	Male 89%	Female 11%	13% minority
Manufacturing Operations	Male 85%	Female 15%	18% minority

Fiscal 2020 Data

1,663

Total Employees
in 2020

In alignment with our core value of 'Better Today Than Yesterday,' we are currently expanding our diversity & inclusion policies, commitments and initiatives to provide additional support and guidance to our employees, greater cultural awareness and expanded community partnerships. Under the direction of our Chief Human Resources Officer, this framework will include strategies for diversity and inclusion training, recruiting and retention designed to expand our candidate outreach, expanding our mentorship programs, improving upon our internship programs, establishing performance metrics, enhancing community outreach and expanding University partnerships. We look forward to communicating our progress on these important initiatives in the near future.

“ ”

We live in a world of great diversity. At AZEK, we respect and value the uniqueness of every individual's passion, talents and perspectives. We are focused on building a purpose-driven inclusive culture that inspires innovation, drives success and fuels our growth.



— DENNIS KITCHEN,
SENIOR VICE PRESIDENT
& CHIEF HUMAN
RESOURCES OFFICER



OUR COMMITMENT TO SAFETY

Safety is a top priority at AZEK and overseen by the highest level of the organization, our Board of Directors. We are committed to a strong safety culture that exceeds industry standards and continuously improves safety performance. We employ an environmental, health and safety director whose responsibilities include managing, auditing and executing unified, company-wide safety and compliance programs. The environmental, health and safety director reports directly to the Senior Vice President of Operations and also provides monthly updates to the Chief Executive Officer.

As part of our commitment to safety, we have established The AZEK Company Safety Absolutes, which are a set of non-negotiable safety values ingrained in all aspects of the organization.

Safety Absolutes

PLANT THE **SEED** FOR SAFETY



To execute on our safety commitments, we start each safety meeting by reviewing and discussing our Safety Absolutes and ensure that our manufacturing facilities are constructed, maintained and operated in compliance with applicable local, state and federal environmental, health and safety regulations as well as in conformance with AZEK policies and standards.

Our Environmental, Health and Safety (EHS) Policy outlines our management programs and expectations throughout our operations and businesses. We manage operational hazards and risks to provide workplaces that are safe and healthy for our employees, visitors, contractors, customers and the communities in which we operate. We train our employees, so they have the awareness, knowledge and skills to work in a safe and environmentally-responsible manner. We continually review and improve our Environmental, Health & Safety performance through ongoing training, objectives and management systems.

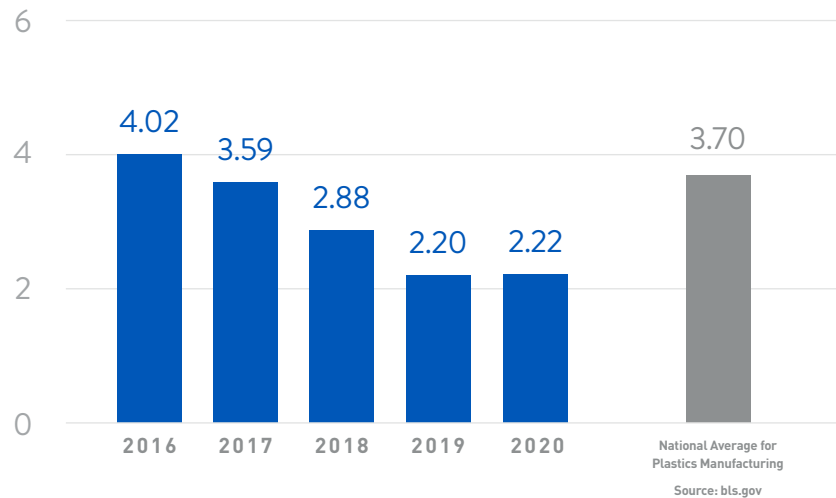


In 2019, we rolled out a corporate-wide Behavior-Based Safety program designed to influence employee actions toward safer outcomes, ideally by preventing an accident or injury before it occurs. This program, combined with ongoing improvements, our Safety Absolutes, formalized Safety Committees and periodic safety audits have enabled us to improve safety performance by approximately 45% from fiscal 2016 to 2020.

Total Recordable Incident Rate (TRIR) is used by the Occupational Safety and Health Administration (OSHA) to track and report work-related injuries and illnesses. According to published U.S. Bureau of Labor Statistics (BLS) data, AZEK has outperformed our industry on TRIR.

2021 TRIR Goal:
2.00

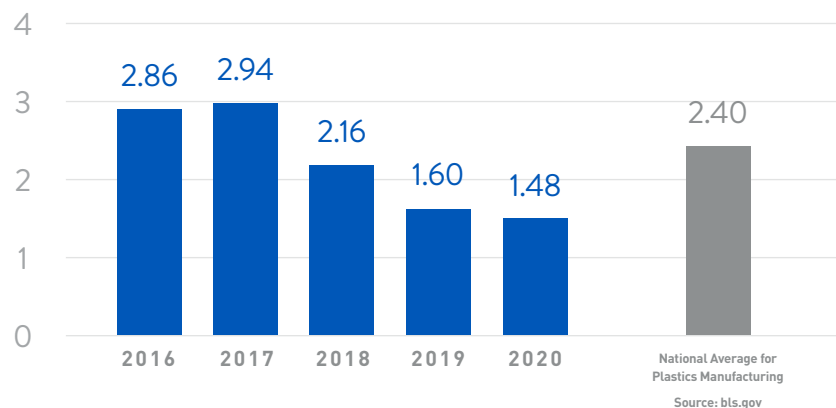
Total Recordable Incident Rate



OSHA uses Days Away, Restricted or Transferred (DART) rates to track and report work-related injuries and illnesses that result in lost time, restricted duty or transfer to another work function. AZEK outperforms our industry on DART and this metric has continued to decrease over the last several years.

2021 DART Goal:
1.33

Days Away, Restricted or Transferred



AZEK is a member of the National Safety Council, the National Fire Protection Association and American Society of Safety Professionals.



NOT JUST COMMITTED TO QUALITY—DEFINED BY IT

AZEK is committed to meeting and exceeding expectations for product quality.

Our material science expertise, differentiated R&D capabilities and commitment to quality enable us to create award-winning products and back them with some of the industry’s longest warranties, such as the 50-year fade & stain warranty that we offer on our TimberTech AZEK decking product line.

At various intervals throughout the manufacturing process, AZEK products are tested—both by our internal teams and external firms—to ensure they meet the highest standards of quality and safety, including through the use of real-time monitoring and laser dimensional controls. Products are tested, in some instances, for wind uplift resistance, strength, stiffness, structural performance, durability, fire safety and/or other measurements of quality. From our smallest fasteners to our largest deck boards, every product undergoes stringent evaluations before making its way to our customers.

Quality Management Systems are implemented across product portfolios and are audited and/or certified by external organizations such as Intertek, NSF International, FM Global and Underwriters Laboratories (UL). For example, our deck and handrail products receive at least annual external assurance from Intertek, certifying we meet or exceed ICC-ES AC174 (deck and handrail quality) requirements as specified by the International Code Council (ICC), the International Building Code (IBC) and/or the International Residential Code (IRC).

In addition, at our polyethylene recycling facility in Wilmington, OH, the manufacturing line turns recycled material into a raw material that is then extruded into a composite. Throughout the manufacturing process, sampling stations have been positioned at critical locations to ensure quality requirements remain intact. Technicians collect these samples and test for quality utilizing our state-of-the-art analytical lab to ensure all material standards are maintained.





We have an extensive network of contractors, dealers and distributors serving as AZEK brand advocates.

Throughout our history, we have developed an extensive network in the United States and Canada of loyal contractors, dealers and distributors, many of whom are brand advocates for our products. Our extensive network consists of more than 4,200 dealers, over 150 distributor branch locations and thousands of contractors throughout the United States and Canada. We believe our strong relationships with dealers and contractors are driven by the trust and reliability that we have generated through product innovation, superior quality and performance, and the continuing service and support that we offer.

“ ”

Our clients in Estes Park, CO requested a unique deck that also needed to have maximum visual appeal and the ability to maintain its appearance for a very long period of time. The high altitude, high UV, east-facing mountainside posed a threat to anything other than AZEK [products]. Because this project is also in a class A fire zone there was only one clear choice which product I was going to use. Due to the broad range of colors and sizes available, we were able to put together a design that not only satisfied the client’s wish but completely satisfied our desires to create unique, high-end projects of our own. Due to the sustainability with the 50-year fade and stain warranty, it met our client’s second stipulation that it needed to have longevity. On top of all those credentials, it is made from recycled plastics which not only help with earth-friendly waste diversion but is recyclable as well at end of life. Not to mention the final piece to the puzzle, but this project is located at the entrance to the immaculate and pristine Rocky Mountain National Park so the fact that this product eliminated deforestation fit right in with the local environment. There was no way any other product could have competed with AZEK’s amazingly diverse collection. Thank you for helping us and being our preferred partner!

— DAVE SETTLEMYER, LS UNDERGROUND CONTRACTOR LOCATED IN LONGMONT, CO

AZEK UNIVERSITY



In 2010, we launched AZEK University, a training program designed for distributors, dealers, architects and contractors. The two-day program consists of product knowledge sessions, workshops, plant tours and relationship-building—all designed to help AZEK partners sell the product lines, including trim, moldings, deck, porch and rail. We’ve had over 5,500 AZEK University training and plant tour attendees since 2015. In 2020, our team was able to convert AZEK University to a digital, virtual format, enabling broader participation and more engagement with our distributor, dealer, architect and contractor partners.



SUPPLY CHAIN MANAGEMENT

We continue to pursue sustainable supply chain management practices as a key element of our sustainability strategy, mitigating risk and reducing adverse impacts across the value chain.

In addition to the sustainability advantages and cost benefits of our vertically integrated in-house manufacturing operations, our supplier base is located primarily in the United States, making us less susceptible to trade disruptions or supply chain dislocations resulting from extended crises such as the COVID-19 pandemic. In alignment with our core value of 'Always Do the Right Thing,' we want to partner with our suppliers to further develop their sustainability performance in our supply chain. Further, we seek to contribute to the economic growth of a diverse business community by developing relationships with qualified, diverse businesses that meet our high standards for quality and cost effectiveness.

Our Supplier Code of Conduct outlines the expectation of our suppliers with respect to ethical business and labor practices, freedom of association, regulatory compliance and environmental, social and governance (ESG) standards, among other topics. As we seek to further engage our value chain partners on the topic of sustainability, we will be launching a supplier ESG scorecard to better track and measure actual performance of our suppliers' sustainability and environmental impacts. In the future, this will enable us to obtain actual data for the calculation of our carbon footprint (Scope 3 value chain emissions) versus using industry averages.

In alignment with our core value of 'Always Do the Right Thing', we will partner with our suppliers to further develop the sustainability performance of the entire supply chain.



STATEMENT ON HUMAN RIGHTS

The AZEK Company Inc. is committed to protecting and advancing human rights in accordance with the UN Guiding Principles on Business and Human Rights, the United Nations Universal Declaration of Human Rights and the International Labor Organization's Fundamental Conventions. At AZEK, we recognize that companies have an important role to play in promoting human rights and urge our suppliers to uphold these same principles within their own organizations. We contribute to the fulfillment of human rights through compliance with laws and regulations wherever we operate, as well as through our policies and programs. Our position on human rights is reinforced in our employment, ethics and procurement policies, which are designed to promote, protect and respect human rights within AZEK and our suppliers. Additionally, our commitment to comply with all human rights laws is also captured in our Code of Business Conduct and Ethics, which should be read in conjunction with our position on human rights.

Our position on human rights is reinforced in our employment, ethics and procurement policies, which are designed to promote, protect and respect human rights within AZEK and our suppliers.



GIVING BACK WITH THE AZEK COMPANY

THE AZEK CARES FOUNDATION

At The AZEK Company, philanthropy is a core component of our culture. As a company, we are committed to being responsible and respected citizens in the communities in which we live and work. The AZEK Company is dedicated to supporting organizations that help people live more productive, educated and enriched lives. Our goal is to help people in need and provide assistance to those who are working to better their communities.

Our Partnerships

By collaborating with associations that share our objectives around manufacturing, and tend to necessities where our employees live and work, we can better engage and service as a team.





COVID-19 RESPONSE

Since the onset of the COVID-19 pandemic, we have been focused on protecting our employees' health and safety, meeting our customers' needs as they navigate an uncertain financial and operating environment, working closely with our suppliers to protect our ongoing business operations and rapidly adjusting our short-, medium- and long-term operational plans to proactively and effectively respond to the current and potential future public health crises.

PROTECTING OUR EMPLOYEES

First and foremost, we implemented measures to protect the health and safety of our employees. These measures include encouraging our employees who are able to work remotely to do so, enacting and enforcing employee spacing protocols in our factories, reducing the need for face-to-face interactions, improving ventilation systems and providing facial protection and other personal protection equipment to on-site employees. During this time of heightened stress and anxiety for everyone, we also offered enhanced benefits, such as employee bonuses and extended sick leave, among others.

With many of our employees working remotely, we shifted our focus to increasing and enhancing communication virtually, including bi-weekly virtual town halls with our CEO and other members of our management team. We also offered, and continue to offer, expert-led information sessions on COVID-19, covering all manners of issues related to wellness, safety and health.

SUPPORTING OUR COMMUNITIES

In April 2020, we shifted resources at our Vycom facility in Scranton, PA to produce antibacterial partition materials to be used in treatment centers providing care during the COVID-19 pandemic. Over the course of that month alone, AZEK provided roughly 5,000 hygienic plastic sheets to the State of New York to be used in the partitions at the Jacob K. Javits Convention Center, which had been transformed into a 2,000-bed temporary hospital. Using these products, we also designed temporary buildings, beds and other structures for medical use at facilities including SUNY Old Westbury in Old Westbury, New York, SUNY Stony Brook in Stony Brook, New York and DeVos Place Convention Center in Grand Rapids, Michigan. Through our take-back programs, these products are also 100% recyclable at the end of use.





CORPORATE GOVERNANCE





OPERATING WITH INTEGRITY AND ACCOUNTABILITY

INTEGRITY IS INTEGRAL.

Our corporate governance policies set clear expectations and responsibilities for our leaders, employees and business partners to ensure we conduct our operations in a manner that is consistent with the highest standards of business ethics and accountability.

Board of Directors

Our Board of Directors is collectively responsible for the leadership, management and long-term success of the company. Meetings are held regularly throughout the year to review our operations and discuss our business plans and strategies.

Our Board of Directors has three standing committees:

- Audit Committee
- Compensation Committee
- Nominating and Corporate Governance Committee

CODE OF CONDUCT AND ETHICS

Our Code of Conduct and Ethics details the standards of ethics and professional behavior expected of directors, officers and employees. The Code covers topics such as ethical risk, provides guidance on recognizing and dealing with ethical issues, including the ethical handling of conflicts of interest, and provides mechanisms to report unethical conduct. It is meant to foster a culture of honesty and accountability, deter unethical behavior, promote compliance with applicable laws and governmental rules and regulations, ensure the protection of AZEK's legitimate business interests, including corporate opportunities, assets and confidential information and promote fair and accurate disclosure and financial reporting.

ETHICS & COMPLIANCE TRAINING

Our employees receive ongoing training on our ethics and compliance practices and policies on at least an annual basis.



Our Board of Directors

Approximately 33% gender/ethnic diversity



Gary Hendrickson
Chairman of the Board of Directors



Jesse Singh
Director, President and CEO



Sallie B. Bailey
Director



Fumbi Chima
Director



Howard Heckes
Director



James B. Hirshorn
Director



Brian Klos
Director



Romeo Leemrijse
Director



Blake Sumler
Director



Ashfaq Qadri
Director



Bennett Rosenthal
Director



Brian Spaly
Director

Our Leadership Team

Approximately 50% gender/ethnic diversity



Jesse Singh
Director, President and CEO



Ralph Nicoletti
Senior Vice President and CFO



Joe Ochoa
President, Residential Segment



Scott Van Winter
President, Commercial Segment



Jonathan Skelly
Senior Vice President, Strategy and Execution



Michelle Kasson
Chief Information Officer



Paul Kardish
Senior Vice President and Chief Legal Officer



Bobby Gentile
Senior Vice President of Operations



Dennis Kitchen
Senior Vice President and Chief Human Resources Officer



Amanda Cimaglia
Vice President, ESG



Gregory Jorgensen
Vice President and Chief Accounting Officer



Bethany Sanker
Vice President, Integrated Marketing



BOARD DIVERSITY

33%
Gender / Ethnic
Diversity

AZEK's Board of Directors believes in policies of diversity and inclusiveness. Thus, in accordance with AZEK's Corporate Governance Guidelines, Board member candidates are identified and considered based upon diversity of skills, expertise, industry knowledge, diversity of opinion and perspectives and other attributes. The Nominating and Corporate Governance Committee shall ensure that candidates with a diversity of age, gender, ethnicity/race and education are included in any pool of candidates from which the Board nominees are chosen. The Board also confirms that the Company's policy of non-discrimination applies in the selection of directors.



We have long been committed to cultivating a diverse and inclusive culture across the AZEK organization, and it starts at the highest level of the organization, AZEK's Board of Directors. Companies like AZEK have an important role to play in advancing a more diverse, inclusive, just and sustainable future. We hope that others are similarly inspired to take action.



JESSE SINGH, CEO, PRESIDENT AND DIRECTOR

 THE BOARD CHALLENGE

In 2020, The AZEK Company committed to **The Board Challenge**, a movement to improve the representation of people of color in corporate U.S. boardrooms. In November 2020, AZEK fulfilled its pledge to add at least one Black director to its board within 12 months.



AZEK is a leader in the space and I look forward to guiding the Company's ongoing growth as consumers accelerate investment in their outdoor living spaces. I am also pleased to be AZEK's first black board member, a feat that not only fulfills AZEK's recent commitment to The Board Challenge, but also continues the fight to improve representation of people of color in corporate U.S. boardrooms.

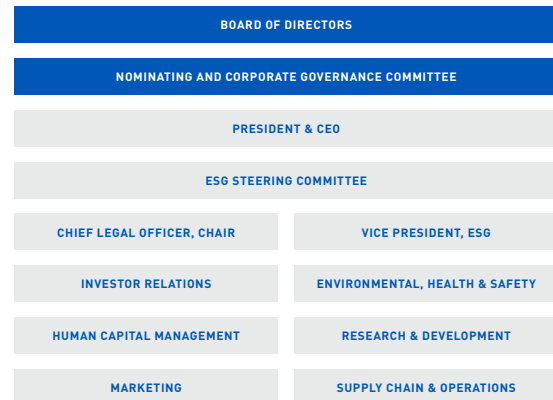


FUMBI CHIMA, DIRECTOR



ESG GOVERNANCE

In conjunction with The AZEK Company’s 2020 Initial Public Offering, the Nominating and Corporate Governance Committee of the Board of Directors was given formal responsibility for AZEK’s corporate social responsibility and sustainability policies, strategies and communications. Additionally, we established an ESG Steering Committee—a multi-disciplinary committee consisting of leaders from across the organization that meets at least monthly and reports directly to our CEO. These steps reflect the importance of ESG and our commitment from the highest levels of our company.



RISK OVERSIGHT

Our Board of Directors as a whole is responsible for risk oversight for The AZEK Company. Our Board of Directors risk oversight process builds upon management’s assessment of the Company’s risks and processes for managing and mitigating exposure to such risks. At meetings of our Board of Directors, the executive officers of the Company regularly address and discuss with our Board of Directors risks of the Company and the manner in which the Company manages or mitigates its risks. While our Board of Directors has the ultimate responsibility for risk oversight for the Company, our Board of Directors works in conjunction with its committees on certain aspects of its risk oversight responsibilities.

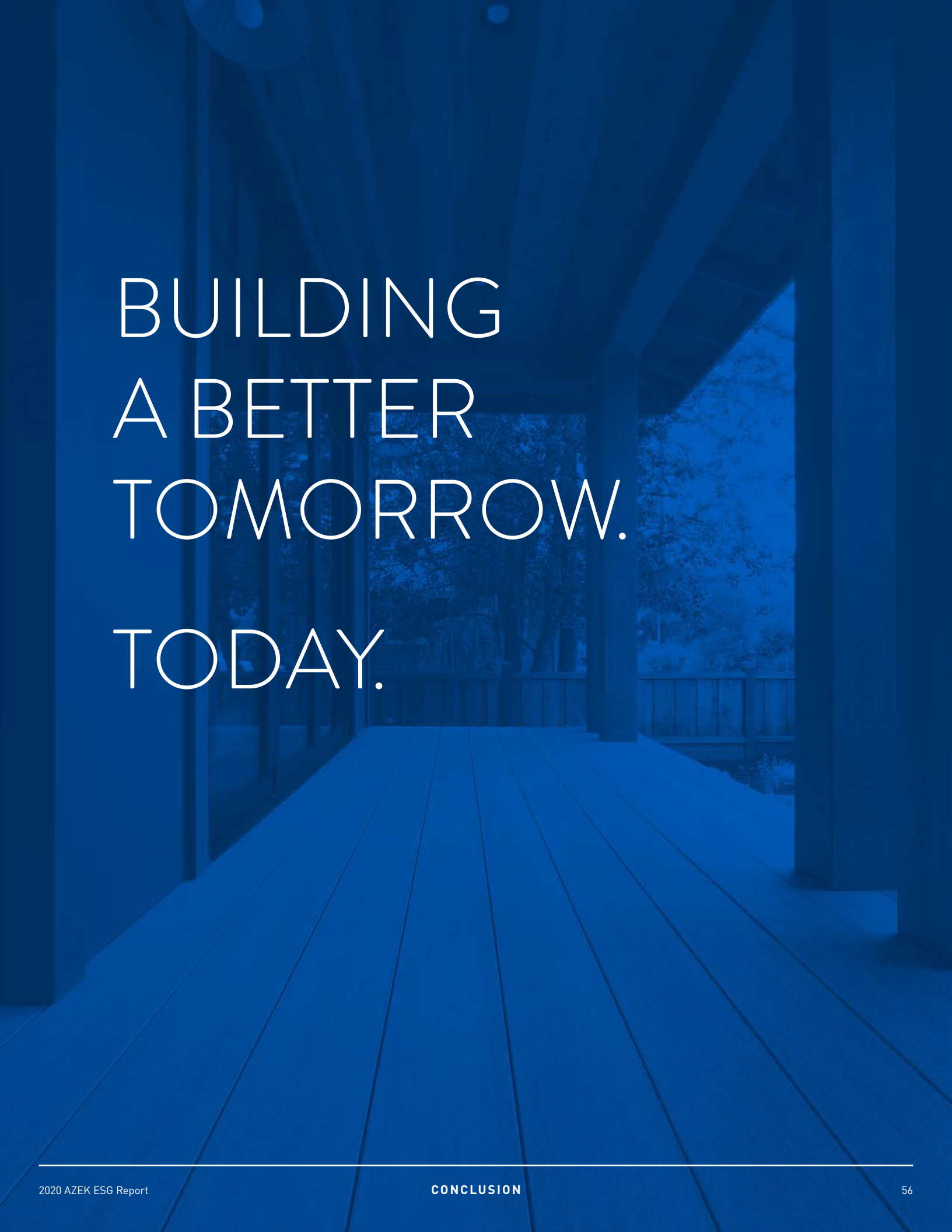
CYBERSECURITY

The Audit Committee is primarily responsible for overseeing information technology and cybersecurity risks (as part of its oversight of enterprise risk), and the Board also continues to be actively engaged with respect to these risks. The Audit Committee meets with our Chief Information Officer (CIO) on a quarterly basis to review our information technology and cybersecurity risk profile and to discuss our activities to manage those risks.

During fiscal 2020, we hired an internally dedicated Cybersecurity Manager, who is responsible for the overall leadership in the area of information security and risk management for The AZEK Company’s technology operations. Directly reporting to our CIO, the Cybersecurity Manager performs annual assessments in accordance with the National Institute of Standards and Technology’s (NIST) Framework to identify and implement protections against data security risks. For example, we recently implemented an enhanced proactive cybersecurity monitoring system to protect our systems from threats and breaches. On an ongoing basis, we assess, test, maintain and enhance the ongoing effectiveness of our information security systems to further strengthen the security of our systems. Under the direction of our CIO, supported by our Cybersecurity Steering Committee and Cybersecurity Manager, we have formal cybersecurity policies and procedures in place, as well as comprehensive monitoring of our networks and systems and maintenance of backup and protective systems. Formal security awareness training is conducted regularly to increase overall employee awareness about cyber threats.

WHISTLEBLOWER POLICY

Should any ethical violations or reporting concerns arise, we have an independent third-party hotline available for 24/7 anonymous reporting. All reports are taken seriously. We do not tolerate acts of retaliation against any director, officer or employee who makes a good faith report of known or suspected acts of misconduct or other violations.



BUILDING
A BETTER
TOMORROW.
TODAY.

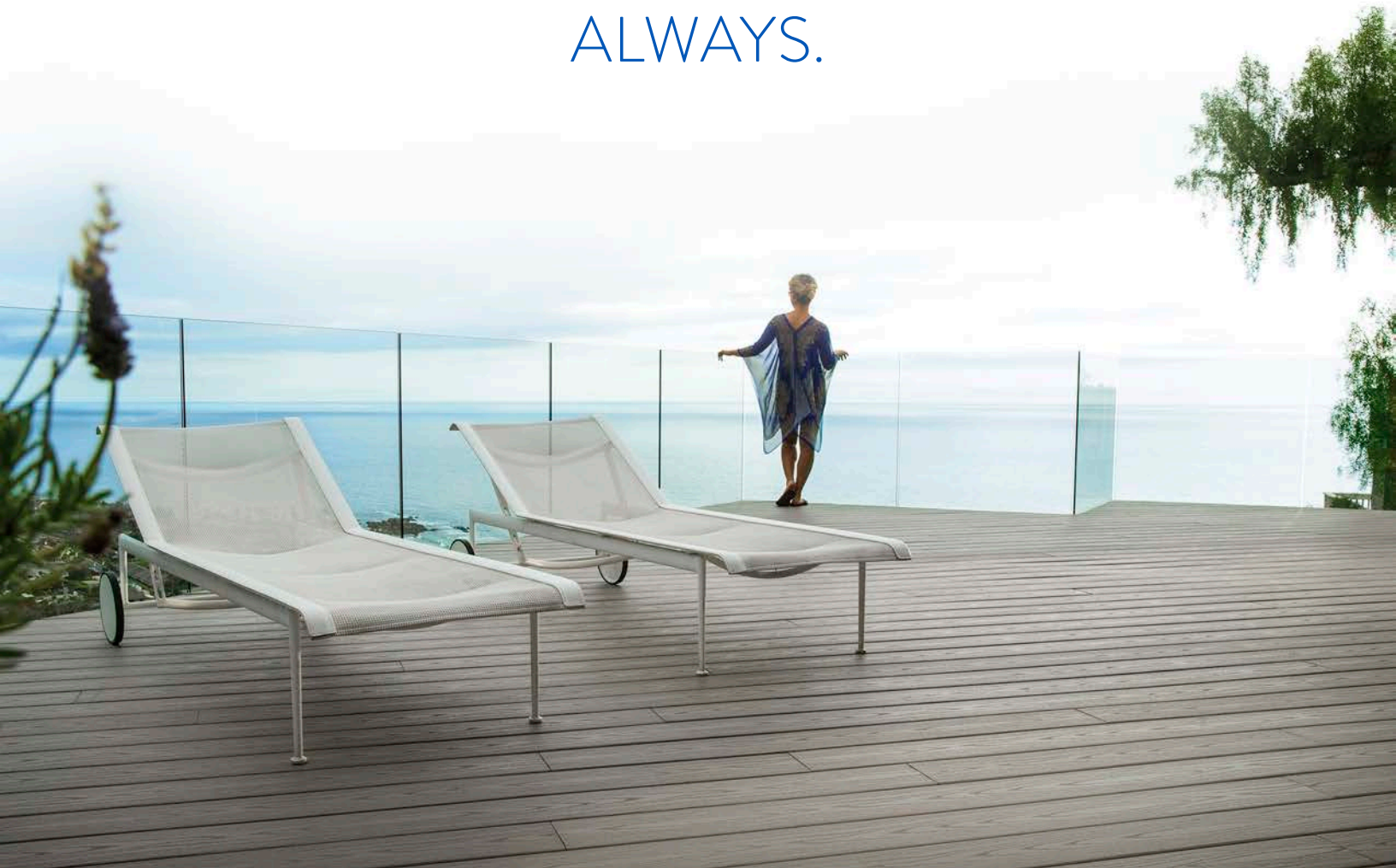
At The AZEK Company, one might say that a relentless commitment to recycling and sustainability is ingrained within the very DNA of our corporate ethos. And they would not be wrong. Because by transforming the outdoor living and building products industry to be more sustainable and innovative, it allows us to transform lives, communities and the health and well-being of the entire planet.

It's why we will never waste an opportunity to repurpose waste into useful, sustainable and, yes, beautiful products. Leading the revolution by example.

Reinventing recycling in imaginative and dynamic ways. Providing inspiration to cohorts and competitors alike—because, hey, we're all in this together. And by assembling the right team. Devising the right tactics. Pursuing the right goals.

And doing the right thing.

ALWAYS.



APPENDIX



APPENDIX

The Sustainability Accounting Standards Board (SASB) is a nonprofit focused on helping companies identify and publicly disclose the financially material sustainability topics that matter most to their investors. SASB has developed industry-specific reporting recommendations, including accounting and activity metrics, to guide businesses' public reporting.

This Appendix includes references to SASB's reporting recommendations for Building Products & Furnishings, The AZEK Company's industry classification according to SASB's Sustainable Industry Classification System®. As we are currently in the process of developing more robust sustainability disclosure processes, some metrics are not available for disclosure this year. We look forward to providing additional reporting in subsequent disclosures.

SASB INDEX DISCLOSURE NUMBER	TOPIC	ACCOUNTING METRIC	RESPONSE
CG-BF-130a.1	Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Using the location-based method, in fiscal 2020, AZEK consumed 748,872 gigajoules from 100% grid electricity. We are currently exploring opportunities to improve our energy efficiency, reduce consumption and increase our use of renewable energy. We will report our progress on this initiative in subsequent reports.
CG-BF-250a.1	Management of Chemicals in Products	Discussion of processes to assess and manage risks and/or hazards associated with chemicals	In the manufacturing of our products, we use only small amounts of chemical additives, amounts of which are well below the thresholds for a safe and healthy work environment. We conduct health and safety assessments for any new chemicals, materials or equipment that will be introduced in our company. Material safety data sheets and/or health product declarations are available for products in our portfolio. See page 28 of this ESG Report for more detail.
CG-BF-250a.2	Management of Chemicals in Products	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	100% percent of our eligible products meet VOC emissions and content standards. While the majority of our products are used outdoors, all AZEK products used indoors (100%) meet indoor air quality standards for low VOC emissions. For example, all Scranton Products brands are GREENGUARD Gold Certified, meaning they meet strict chemical emissions limits. See page 28 of this ESG Report for more detail.
CG-BF-410a.1	Product Lifecycle Environmental Impacts	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	<p>We operate our business in a manner that is centered on sustainability and promotes environmental stewardship across our value chain from product design to raw material sourcing and manufacturing and we utilize plastic waste, recycled wood and scrap in our products. Several of the products in our portfolio are recyclable at the end of their useful lives. As part of the building products industry, we believe that we can play a role in advancing the circular economy to create a more sustainable future by increasing the recycling of wood, plastic and water, monitoring our product lifecycle, reducing our carbon footprint and encouraging those in our supply chain to do the same. To demonstrate our commitment to sustainability, some of our actions include investing in a state-of-the-art recycling facility, increasing the amount of recycled content in our products, repurposing the scraps from our board-making process back into production, and deliberately sourcing and reusing hard-to-recycle materials that would traditionally end up in landfills.</p> <p>Additionally, in FY 20, we commissioned a first-in-the-industry ISO 14044 Life Cycle Analysis comparing PVC, composite decking and wood alternatives. Please see pages 20–27 for more details.</p>

SASB INDEX DISCLOSURE NUMBER	TOPIC	ACCOUNTING METRIC	RESPONSE
CG-BF-410a.2	Product Lifecycle Environmental Impacts	Weight of end-of-life material recovered	In FY20, we diverted approximately 400 million pounds of scrap and waste from landfills through our recycle programs. See page 21 of this ESG Report for more detail.
CG-BF-410a.2	Product Lifecycle Environmental Impacts	Percentage of recovered materials recycled	100% of the scrap material that was recovered by AZEK during FY20 was recycled and diverted from landfills and re-manufactured into our products. Approximately 99% of scrap generated at our Wilmington, Ohio and Scranton, Pennsylvania manufacturing facilities is re-used. See pages 20-22 of this ESG Report for more details.
CG-BF-430a.1	Wood Supply Chain Management	[1] Total weight of wood fiber materials purchased, [2] percentage from third-party certified forestlands, [3] percentage by standard, and [4] percentage certified to other wood fiber standards, [5] percentage by standard	In FY 2020, AZEK purchased more than 100 million pounds of wood fiber. AZEK is not able to provide further breakdown of this data as requested, as it is proprietary and confidential. All (100%) of AZEK's wood suppliers purchase wood legally from domestic sources and follow state forestry guidelines or third-party forestry chain of custody certifications including the Sustainable Forestry Initiative (SFI) to ensure product sustainability.

SASB INDEX DISCLOSURE NUMBER	TOPIC	ACTIVITY METRIC	RESPONSE
CG-BF-000.A	Annual Production	Production shall be disclosed in typical units tracked by the entity such as number of units, weight, and/or square feet.	In fiscal 2020, AZEK produced approximately 700 million pounds of finished product. AZEK is not able to provide further breakdown of this data as requested, as it is proprietary and confidential.
CG-BF-000.B	Area of Manufacturing Facilities		Approximately 173,748 square meters.

FOR YOUR REFERENCE

The AZEK Company has published the following materials relevant to our ESG initiatives, which serve as additional background on our ESG-related policies, strategies and communications. Please visit www.azekco.com for more detail.

- 2020 FORM 10-K
- CORPORATE GOVERNANCE GUIDELINES
- RELATED PARTY TRANSACTION POLICY
- CODE OF CONDUCT AND ETHICS
- INSIDER TRADING POLICY
- ANTI-BRIBERY POLICY
- ENVIRONMENTAL, HEALTH & SAFETY POLICY
- POSITION STATEMENT ON HUMAN RIGHTS
- SUPPLIER CODE OF CONDUCT

NON-GAAP RECONCILIATIONS

Adjusted EBITDA Reconciliation

	YEARS ENDED SEPTEMBER 30, 2020	
(In thousands)		
Net income (loss)	\$	(122,233)
Interest expense		71,179
Depreciation and amortization		99,781
Tax expense (benefit)		(8,278)
Stock-based compensation costs		120,517
Business transformation costs (1)		594
Acquisition costs (2)		1,596
Initial public offering and Secondary offering costs (3)		8,616
Other costs (4)		4,154
Capital structure transaction costs (5)		37,587
Total adjustments	\$	335,746
Adjusted EBITDA	\$	213,513
Adjusted EBITDA Margin (6)		23.7%

1. Business transformation costs reflect compensation costs related to the transformation of the senior management team of \$0.6 million in fiscal year 2020.
2. Acquisition costs reflect costs directly related to completed acquisitions of \$0.9 million for fiscal 2020 and inventory step-up adjustments related to recording the inventory of acquired businesses at fair value on the date of acquisition of \$0.7 million for fiscal 2020.
3. Initial public offering costs includes \$1.4 million in fees related to the Secondary offering of our Class A common stock completed in fiscal 2020.
4. Other costs reflect costs for legal expenses of \$0.9 million fiscal 2020, reduction in workforce costs of \$0.4 million for fiscal 2020, and costs related to an incentive plan associated with the initial public offering of \$2.9 million for fiscal 2020.
5. Capital structure transaction costs include loss on extinguishment of debt of \$1.9 million for the 2021 Senior Notes and \$35.7 million for the 2025 Senior Notes for fiscal 2020.
6. Adjusted EBITDA margin is equal to Adjusted EBITDA divided by net sales.

CORPORATE INFORMATION

Corporate Headquarters

THE AZEK COMPANY
1330 W Fulton Street
Suite 350
Chicago, IL 60607

Investor Relations

312-809-1093
ir@azekco.com

Stock Listing

The AZEK Company's Class A common stock is listed on the New York Stock Exchange under the symbol "AZEK."

About This Report

This 2020 ESG Report is an annual report highlighting AZEK's business performance, corporate activities and environmental, social and governance (ESG) data for the period October 1, 2019 to September 30, 2020, unless otherwise noted. We align our data collection, measurement and reporting activities with industry-leading frameworks, including the United Nations Global Compact (UNGC), United Nations Sustainable Development Goals (UNSDGs), and the Sustainability Accounting Standards Board (SASB).

The AZEK Company's 2020 ESG Report reports information as of September 30, 2020, except as otherwise noted. This ESG Report should be read in conjunction with The AZEK Company's Annual Report on Form 10-K for the year ended September 30, 2020, which contains additional information about our company. The accounting and activity metrics contained in this report relating to sustainability topics, including the metrics described in this Appendix and included in SASB's reporting recommendations, are not financial measures determined in accordance with generally accepted accounting principles and have not been the subject of an audit, examination or review by our independent auditors. Matters described in this report, including matters described as "important" or "material," or using similar words, are matters that are deemed important in the context of our ESG measurement and reporting activities, and may not necessarily be deemed material for purposes of securities laws or for purposes of our financial statements and financial reporting. This ESG Report contains forward-looking statements, including statements regarding our ESG goals, objectives and aspirations. Such forward-looking statements are subject to a number of risks, uncertainties and assumptions, any of which could cause future events, trends and achievements to differ materially from those anticipated or implied by these forward-looking statements. For more about the risks and uncertainties associated with our forward-looking statements, please refer to the "Forward-Looking Statements" and "Risk Factors" sections of our Annual report on Form 10-K, our Quarterly Reports on Form 10-Q and other information we file with the Securities and Exchange Commission (SEC). None of the content in this ESG Report shall be deemed to be incorporated by reference in any documents we have filed or will file with the SEC.

"The AZEK Company," "AZEK," "TimberTech," "TimberTech EDGE," "TimberTech PRO," "TimberTech AZEK," "PaintPro," "Harvest Collection," "Arbor Collection," "Vintage Collection," "ULTRALOX," "VERSATEX," "Vycom," "Impression Rail Express," "Scranton Products," "Return Polymers," the AZEK logo, the TimberTech logo, the ULTRALOX logo, the VERSATEX Logo, the Vycom logo, the Scranton Products logo, the Return Polymers logo and other trademarks or service marks of The AZEK Company and its direct and indirect subsidiaries appearing in this prospectus are the property of The AZEK Company.

