

# Essential Recycling, Sustainable Products, Successful Communities

FISCAL 2021 SUSTAINABILITY REPORT







FISCAL 2021 ESG ACHIEVEMENTS

ENVIRONMENTAL

- ▶ Achieved 100 percent net carbon-free electricity use.
- ▶ Recycled more than 4.74 million metric tons of metals.
- ▶ Named to 2021 CDP A List for Water Security.

SOCIAL

- ▶ Achieved safest year on record.
- ▶ Launched 6 Employee Resource Groups.
- ▶ Conducted more than 38,500 hours of employee training & development.
- ▶ Certified as a Great Place to Work®.
- ▶ Recorded more than 900 hours of paid volunteer time off.

GOVERNANCE

- ▶ Demonstrated Board diversity through 50 percent gender balance.
- ▶ Named one of the 2021 World’s Most Ethical Companies®.
- ▶ Recognized by Newsweek as one of America’s Most Responsible Companies of 2021.
- ▶ Named by S&P Global as a 2021 Sustainability Yearbook Member and an Industry Mover.
- ▶ Winner of S&P Global Platts 2021 Global Metals Awards Industry Leadership Award — Scrap & Recycling.



At Schnitzer we operate at the intersection of metals recovery, reuse, recycling, and manufacturing. Galvanized by a commitment to taking actions that sustain future generations, our people work responsibly to provide products and services that our customers and communities trust – as we have since 1906.

Together, we are recycling today for a sustainable tomorrow.

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About This Report

This is Schnitzer’s eighth Sustainability Report. It covers the 2021 fiscal year, which concluded on August 31, 2021, and details our progress on relevant environmental, social, and governance (ESG) metrics and key performance indicators across the Company’s operations and product and service offerings.

# A Message from Schnitzer Steel Chairman and CEO, **TAMARA LUNDGREN**

Sustainability is at the core of what we do and how we operate at Schnitzer, and has been since our founding in 1906. As one of North America's largest metal recyclers, our story is marked by the essential role we play in the national and global economy. The material we recover and recycle represents an increasingly critical feedstock for industries and infrastructure that need high-quality, low-carbon metal solutions to support the transition to a sustainable future.

As I look back over the past year I am reminded of our shared commitment to People, Planet, and Profit. This framework is the foundation of our sustainability strategy, and continues to deliver meaningful impact to all our stakeholders.

Our fiscal 2021 Sustainability Report showcases the many ways we delivered on this commitment by providing quality recycled metals, affordable recovered auto parts, and low-carbon finished steel products across our operations. In fiscal 2021 we delivered our best operating results in a decade, an achievement that would not have been possible without our employees, from our frontline workers to those working remotely, all living our core values of safety, sustainability, and integrity. Our success is the direct result of how they have embraced these values. Their performance reflects the collaboration, innovation, and resilience that define our culture and our Company. I'm very proud of what our team has accomplished during these most challenging times.

I am especially pleased to report that fiscal 2021 was the safest year in our Company's 116-year history. We achieved our best safety performance results in both Total Case Incident Rates and Lost Time Incident Rates. This achievement is a testament to our team's commitment to safety training, hazard awareness, and continuous improvement. In the face of continued disruptions presented by the COVID-19 pandemic, I am proud to report that 93 percent of our facilities did not experience a lost time injury. We continue to make meaningful progress in identifying and addressing potential risks before they result in injuries. While we still have work to do, the entire Schnitzer organization's dedication to creating a safe work environment and a sustainable safety culture is reflected in our continued progress and these results.

At Schnitzer we believe employee engagement initiatives focused on diversity, equity, inclusion, volunteerism, and employee health and wellness contribute to our operational excellence, the achievement of strategic goals, and the growth and development of our workforce. In fiscal 2021 our Company joined a distinguished group of organizations that value employee trust, respect, pride, and camaraderie when we achieved certification as a Great Place to Work®. This report details the contributions of our network of Employee Resource Groups (ERGs), which provide employees platforms from which to create community, celebrate diversity, and build a sense of belonging at Schnitzer. In addition, you will find information in this report about employee health and wellness programs and services offered at Schnitzer, which have served as vital tools over the past year to support both physical and emotional health.

In fiscal 2021 our volunteer and community engagement programs addressed two key issues that illustrate Schnitzer's connection to the communities where we operate: promoting opportunity for youth and supporting essential services. Through a partnership with the Boys & Girls Clubs of America, our local teams offered support to young people in our communities. Through longstanding relationships

with local food banks, our employees provided hunger relief services through our biannual Food Bank Fund Drives. These partnerships directly support our sustainability goal to contribute meaningfully to the development of our local communities.

Safeguarding the environment is one of the primary performance indicators we measure and include in this report, and I am proud to relay significant progress toward our goals of reducing absolute greenhouse gas emissions from our operations and achieving 100 percent net carbon-free electricity. Our strategic investments and local energy partnerships facilitated this success and continue to reinforce our role as responsible neighbors and environmental stewards.

Our team delivered outstanding financial results in fiscal 2021, reflecting the benefits from the execution of our multi-year productivity initiatives and the implementation of our One Schnitzer operating model. Increased operational efficiencies achieved through technological upgrades and innovations drove recovery of more materials to meet the growing demand for products made using recycled metals. Higher sales volumes and strong working capital management led to our highest profitability since fiscal 2012.

The achievements around People, Planet, and Profit reflect the agility of our workforce, the strength of our culture, and the resiliency of our platform. Our team has demonstrated once again why Schnitzer continues to be a leader in the recycling industry.

On behalf of our Board of Directors, shareholders, and employees, I invite you to read our Fiscal 2021 Sustainability Report, which shares more about our sustainability performance and goals and our efforts to position our Company for continued success in the years ahead.



Tamara L. Lundgren  
Chairman and CEO



In fiscal 2021 we delivered our best operating results in a decade. This is an achievement that would not have been possible without our employees, from our frontline workers to those working remotely, all living our core values of safety, sustainability, and integrity. Our success is the direct result of their having embraced these values. Their performance reflects the collaboration, innovation, and resilience that define our culture and our Company. I'm very proud of what our team has accomplished during these most challenging times."

– Tamara L. Lundgren  
Chairman and CEO






# ABOUT SCHNITZER

Schnitzer Steel Industries, Inc. is one of the largest manufacturers and exporters of recycled metal products in North America with operating facilities located in 23 states, Puerto Rico, and Western Canada. Schnitzer has seven deep water export facilities located on both the East and West Coasts and in Hawaii and Puerto Rico. The Company’s integrated operating platform also includes 50 stores which sell serviceable used auto parts from salvaged vehicles, receive more than 4.3 million annual retail visits, and recycle 338 thousand end-of-life vehicles. The Company’s steel manufacturing operations produce finished steel products including rebar, wire rod, and other specialty products. The Company began operations in 1906 in Portland, Oregon.

4.74M+

METRIC TONS

Recycled Metals Annually





## OUR IMPACT

Schnitzer facilities acquire, process, and recycle more than 4.4 million long tons of ferrous metals and 593 million pounds of nonferrous metals, dismantle and recycle more than 338 thousand end-of-life vehicles, and produce more than 448 thousand short tons of finished steel products annually.

4.3M+

Customers Annually





## OUR SERVICES

We serve more than 4.3 million business-to-consumer retail customers annually, selling more than 4.4 million reusable auto parts including tires, rims, batteries, and vehicle accessories. In addition, we offer customized business-to-business solutions for recycling metals, pallets, cardboard, and plastics.

3,100+

Schnitzer Team Members



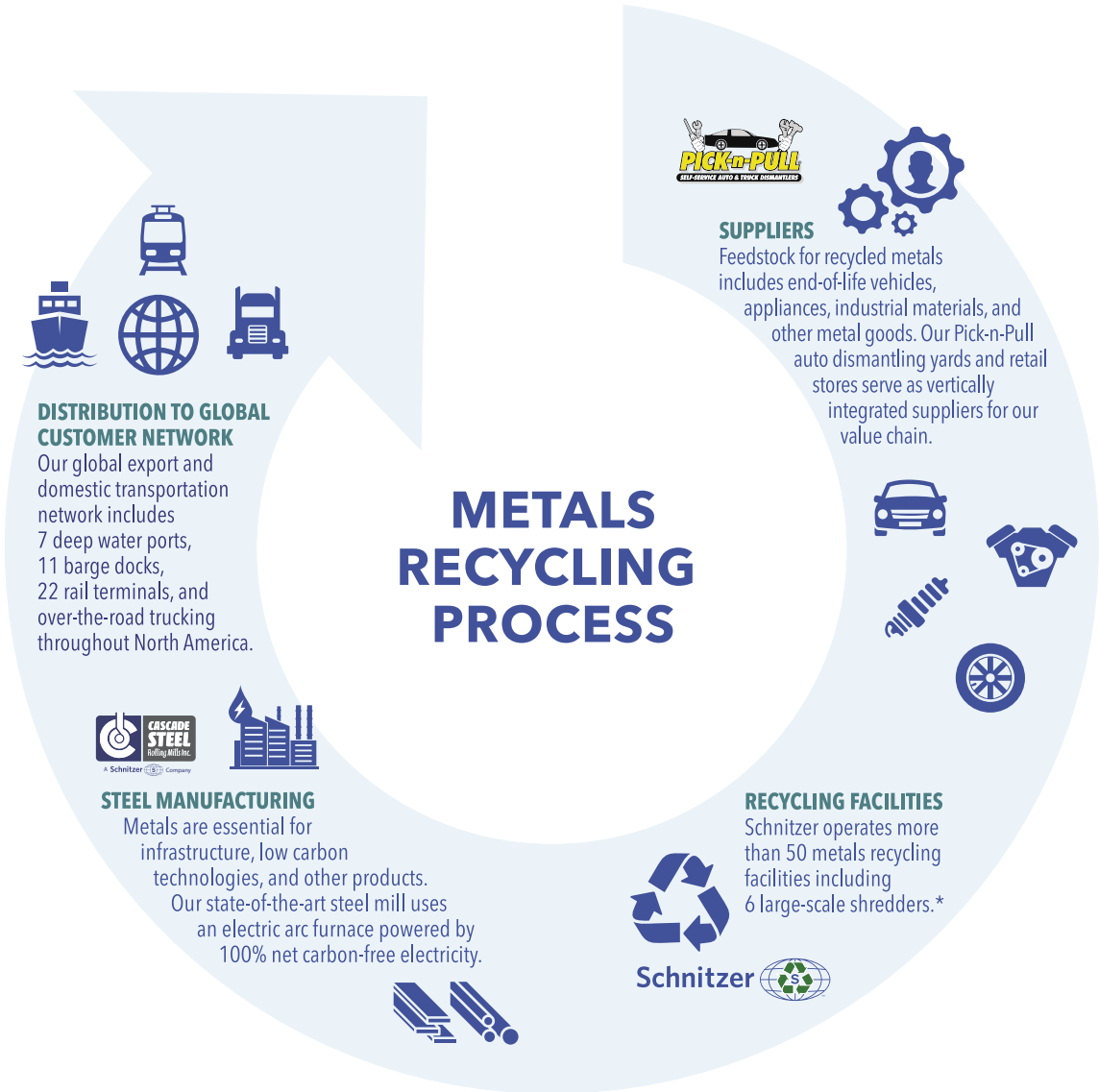


## OUR PEOPLE

Schnitzer’s diverse and dynamic team of more than 3,100 individuals includes frontline workers, mechanics, material sorters, equipment operators, and local experts including operations and logistics professionals and auto parts dismantlers. Our people contribute expertise and talent across a wide range of skillsets.

## OUR VALUE CHAIN

In fiscal 2021 we generated **\$2.76B** in revenue from our operations at **96** facilities in **23** states, Puerto Rico, and Western Canada.

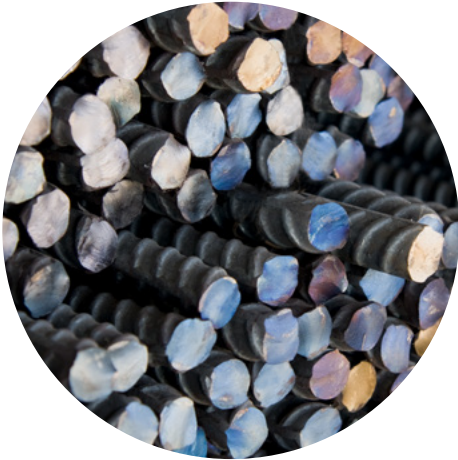


\*Facility count includes most recent acquisition of metals recycling facilities located in KY, MS, and TN in Q1 of fiscal 2022.



OUR MISSION

**AT SCHNITZER WE OPERATE AT THE INTERSECTION OF METALS RECOVERY, REUSE, RECYCLING, AND MANUFACTURING.** Galvanized by a commitment to taking action to sustain future generations, our people work responsibly to provide products and services our customers and communities trust—as we have since 1906.



OUR PURPOSE

**RECYCLING TODAY FOR A SUSTAINABLE TOMORROW**



OUR CORE VALUES

Schnitzer’s commitment to our core values of Safety, Sustainability, and Integrity remains strong. We work to create a more sustainable future by collecting, processing, and reusing metal, sparing natural resources and landfill space, and supplying critical feedstock to industries across the globe. Together, we leverage our collective strengths to deliver high-value products and services while forging trusted partnerships with our customers, suppliers, and communities.

SAFETY

**Safety Is Our Responsibility and Our Priority.**

At Schnitzer we are dedicated to creating a safe work environment and a sustainable safety culture. We emphasize employee engagement and continue to make meaningful progress in identifying and addressing potential risks before they result in injuries.

SUSTAINABILITY

**Sustainability Is Our Business.**

As one of North America’s largest manufacturers and exporters of recycled metals, Schnitzer works every day to help ensure a future with less waste, less used natural resources, and cleaner air and water. We turn the old into new, enable the obsolete to find new purpose, and in the process strengthen our partnerships and forge stronger communities.

INTEGRITY

**Integrity Is About Respect.**

We hold ourselves to the highest standards of ethical behavior. We treat everyone with respect and expect the same in return. We challenge ourselves to incorporate integrity into every aspect of our operations, working with honesty and treating one another fairly.



Our safety culture is always improving, not just by reinforcing safe behaviors, but by establishing an ongoing expectation of mutual accountability and a commitment to looking out for one another.”

– Suresh Rajapakse,  
VP Environmental, Health and Safety



Every Schnitzer employee has a meaningful impact on our sustainability performance. By putting our core value of Sustainability into action every day, we all help achieve our ambitious sustainability goals.”

– Brian Lewallen,  
Chief Sustainability Officer



At Schnitzer we stand for operating every day with integrity. Making sure every employee understands this, and understands what our values mean, is essential to our success.”

– Callie Pappas, Chief Ethics and Compliance Officer

# A Message from Schnitzer Steel CSO, **BRIAN LEWALLEN**

At Schnitzer every employee has a meaningful impact on our sustainability performance. Our fiscal 2021 Sustainability Report tells the story of our people working toward our shared sustainability goals and putting our core values into action. The past year's progress reflected here underscores our collective commitment to making the most of operational opportunities and persevering amid unprecedented challenges.

Schnitzer's sustainability endeavors continue to advance in the face of growing external ESG expectations. Far from a static process immune to market or political changes, our sustainability objectives and priorities remain in alignment with the ESG landscape to meet evolving demands set within the metals recycling, auto parts recovery, and steel manufacturing industries. We are continuously measuring progress across the triple bottom line (People, Planet, & Profit), achieving our goals, and setting ambitious new targets to drive progress for our business and our stakeholders.

National and global business initiatives and conversations around ESG increasingly emphasize the urgency of reducing carbon emissions and employing strategic measures to offset the impacts of climate change. Schnitzer's integrated operations provide a foundation for success within these parameters. From the way we source, process, recover, and transport recycled materials and vehicles to

the energy we use to produce sustainable steel, our business is positioned to make vital contributions and meet the demands of the low-carbon economy of the future.

We conducted a robust materiality assessment during fiscal 2021 to once again identify key issues and guide our sustainability strategy, reporting, and goal setting in alignment with the ESG topics most relevant to our Company. Previously completed in 2018, the updated assessment affirmed our top priorities, including but not limited to employee safety, environmental management, and talent recruitment and retention. We continue to renew our efforts to discover new and innovative approaches to drive further progress along these critical priorities.

This year we achieved our goal of 100 percent net carbon-free electricity use at our facilities ahead of our original 2022 schedule. We also made significant progress in achieving our goal of reducing greenhouse gas (GHG) emissions from recycling operations by 25 percent by the end of fiscal 2025 by reducing GHG emissions from metal shredding processes by 25 percent. These successes were made possible in large part due to significant capital investment in industry-leading control technologies, as well as

continuous improvement in employee engagement and management practices.

Expanding on our sustainability objectives, this year we have set a new goal to obtain the International Organization for Standardization (ISO) certification for the Company's Environmental Management System in fiscal 2022 and to incorporate 100 percent of our facilities by 2025. We are also proceeding toward achieving net zero GHG emissions by the end of fiscal 2050, with an initial interim goal of reducing Scope 1 GHG emissions from our recycling operations by 25 percent by end of fiscal 2025 using a fiscal 2019 base year. These goals align with Schnitzer's commitment to continuous improvement in limiting our environmental impact, while at the same time protecting and supporting our communities.

This year's Sustainability Report details, for the first time, the direct alignment between Schnitzer activity and the United Nations Sustainability Development Goals (UN SDGs). These global priorities, set in 2015, offer a framework to track sustainability progress and foster shared accountability in pursuit of real solutions to the societal challenges we face.

The UN SDGs also establish a common vocabulary for describing and accelerating our progress within the context of the global business community.

For example, we are positioned to help achieve SDG 12, Responsible Consumption and Production, as by virtue of our business model we actively create reductions in both waste accumulation and resource consumption. SDG 12 is particularly relevant for us, as it is about doing more and better with less. It is a global framework for increasing resource efficiency and establishing production patterns that allow economic growth without furthering environmental degradation. It supports our Company's and other organizations' efforts to adopt sustainable practices and promote sustainable development worldwide by 2030. Throughout this report there are many examples of key actions and initiatives underway toward Schnitzer's continued progress in alignment with this and several other UN SDGs.

I am encouraged and motivated by the many positive impacts and achievements of this year. Through the continued engagement and support of our valued employees, we are ready to take on the challenges together in the years to come.



Brian Lewallen  
Chief Sustainability Officer





# SUSTAINABILITY GOVERNANCE, STRATEGY, PRINCIPLES

## SCHNITZER'S CORPORATE GOVERNANCE

Sustainability is integrated into Schnitzer's corporate governance and organizational structure, and we measure progress across a range of metrics to ensure continuous improvement.

Our Chief Sustainability Officer (CSO) reports directly to our CEO and provides regular updates to our Board of Directors, all of whom offer guidance on sustainability strategy and execution. The CSO analyzes, builds consensus for, and manages sustainability-related initiatives, projects, and goals that are supported by executive-level leadership and remain visible throughout the organization.

Additional direction comes from Schnitzer's Sustainability Leadership Group, a cross-functional team spanning business lines, geographic regions, and job functions. The members of this group engage leaders throughout the business and collaborate on the development and deployment of sustainable and socially responsible business practices, mobilizing our workforce to apply environmental and social considerations to operational decisions.

## SUSTAINABILITY PRINCIPLES

Improving our sustainability performance requires an ongoing commitment from every Schnitzer employee. We bring this commitment to work each day through our core values, and provide tangible direction through actionable Sustainability Principles that connect employees to the triple bottom line—People, Planet, and Profit.

Schnitzer Sustainability Principles ask employees to put the Core Value of Sustainability into action by executing the following strategies:

1

### Continuous Improvement

We continuously explore and pursue practices that promote sustainable operations.

The journey to becoming a more sustainable company has no endpoint. We put the Continuous Improvement principle into action when we:

- Identify new opportunities to reduce greenhouse gas emissions and improve air quality.
- Define opportunities for storm, waste, and process water recycling, reuse, or recovery.
- Establish ways to improve metal feedstock quality to promote responsible material management practices.
- Develop new processes and controls to improve the safety of our workplace environment.

2

### Technology & Innovation

We celebrate the benefits of sustainable technologies and innovation.

Sustainable technologies and innovation protect the environment and advance our ability to provide resilient products and resources to the communities where we operate. We put the Technology & Innovation principle into action when we:

- Implement new technologies such as advanced metals recovery systems.
- Construct environmental control systems to benefit local community air and water quality.
- Deploy equipment to significantly reduce GHG emissions.
- Adapt to a changing metals stream.

3

### Working with Purpose

We are committed to positively impacting our communities and fostering a diverse and inclusive workplace culture that actively supports our employees, customers, suppliers, investors, and communities.

We put the Working with Purpose principle into action when we:

- Prioritize our employees' health and well-being.
- Promote a workplace culture where everyone is treated with respect and fairness and given equal opportunity to reach their full career potential.
- Work to address unconscious biases.
- Positively impact communities through volunteerism and charitable giving.

4

### Eliminate Waste

We create sustainable value through safety improvement and operational efficiency.

Waste can be defined as wasted time or diminished productivity, as well as wasted materials sent to landfills that could otherwise be recycled. We put the Eliminate Waste principle into action when we:

- Improve safety performance.
- Increase operational efficiency.
- Invest in technologies and services that allow us to send less material to landfill.
- Participate in office and facility recycling and reuse efforts.





# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In 2015 the United Nations (UN) introduced 17 Sustainable Development Goals (SDGs) to provide targets and indicators for broad global sustainability achievement. UN SDGs call on the global community to apply innovation and capital to mobilize efforts around a common set of targets.

Schnitzer sustainability goals have aligned with relevant UN SDGs over the past six years, but in fiscal 2021 we made the decision to formally update our reporting to account for this alignment and provide a more detailed mapping of SDGs specific to our business, values, and material issues. From here, we plan to advance Schnitzer sustainability goals in tandem with UN SDGs based on the issues of greatest significance to our future commitments, investments, and initiatives.

UN SDGs aligned directly with Schnitzer Sustainability Goals:



The SDGs offer a framework for refining our priorities and fostering shared accountability with the global business community in contributing real solutions to the societal challenges we face. SDGs also provide a common vocabulary for describing and accelerating our progress.

These global goals lay out a common purpose and set of priorities across all dimensions of sustainable development and assist in the creation of more effective partnerships with governments and civil society organizations, as well as other companies large and small.

## MATERIALITY ASSESSMENT

In fiscal 2021 we conducted a materiality assessment to identify the issues that matter most to our business and our stakeholders. Having most recently performed a similar assessment in 2018, these results establish the updated material topics and priorities for our sustainability strategy going forward, and inform the way we set goals and report on our sustainability achievements.

Updates from the 2018 assessment largely represent changes in nomenclature and an evolving understanding of societal and environmental impact. As an example, emphasis on energy consumption and reduction has transformed into a focus on the ultimate effect: climate change.

The materiality assessment identified Schnitzer’s top issues and priorities as:

<div>ENVIRONMENT</div> <ul style="list-style-type: none"><li>▶ Environmental Management</li><li>▶ Carbon Neutrality</li><li>▶ Air Quality</li><li>▶ Local Environmental Impacts</li></ul>	<div>SOCIAL</div> <ul style="list-style-type: none"><li>▶ Employee Safety</li><li>▶ Talent Recruitment &amp; Retention</li><li>▶ Training &amp; Development</li><li>▶ Local Community Relations &amp; Trust</li></ul>	<div>PRODUCT</div> <ul style="list-style-type: none"><li>▶ Recycled Metals &amp; Recycling Services</li><li>▶ Technological Innovation</li><li>▶ Material Quality</li><li>▶ Circular Economy</li></ul>	<div>GOVERNANCE</div> <ul style="list-style-type: none"><li>▶ Climate Change Management</li><li>▶ Ethics</li><li>▶ ESG Governance</li><li>▶ Customer Satisfaction</li></ul>



# OUR SUSTAINABILITY GOALS

## PROGRESS & NEXT STEPS

Our sustainability goals align directly with the issues that matter most to our stakeholders, as defined through the results of our 2021 materiality assessment. First established in fiscal 2019, these goals are embedded in Schnitzer's long-term business strategy.

In fiscal 2021 we achieved industry-leading milestones and have set new goals that will continue to positively impact our employees, the customers we serve, and the communities in which we operate.



## PEOPLE

### SAFETY

#### Goal

- Achieve a 1.00 total case incident rate (TCIR) by end of fiscal 2025.

#### Fiscal 2021 Highlight

- Achieved Total Case Incident Rate of 1.71, a 10% improvement over the prior year, making fiscal 2021 the safest year in our Company's 116-year history.

### VOLUNTEERISM & COMMUNITY ENGAGEMENT

#### Goal

- Donate at least 10,000 hours of paid volunteer time off (VTO) by end of fiscal 2025.

#### Fiscal 2021 Highlight

- Our employees logged and donated 913 volunteer hours in fiscal 2021 (1,011 hours cumulative since January 2020 when VTO benefits became active).

### WELLNESS

#### Goals

- Achieve a 25% employee participation rate in our physical and mental wellness programs by end of fiscal 2025.
- Achieve a 70% employee participation rate in our retirement benefits program by end of fiscal 2028 to promote the financial wellness of our workforce.

#### Fiscal 2021 Highlights

- Launched a new digital wellness initiative to better support work-life balance.
- Achieved 45% employee participation in our retirement benefits program, a 29% improvement over our fiscal 2019 base year.



## PLANET

### OPERATIONS

#### Goals

- Maintain 100% net carbon-free electricity use every year.
- Achieve net zero GHG emissions for all operations by end of fiscal 2050.

#### Fiscal 2021 Highlights

- Achieved 100% net carbon-free electricity use for the first time in our Company's history.
- Achieved a 19% reduction in Scope 1 and 2 emissions as compared to our fiscal 2019 base year.

### ENVIRONMENTAL MANAGEMENT SYSTEM

#### Goals

- Deploy an ISO 14001:2015 certified Environmental Management System (EMS) by end of fiscal 2022.
- Incorporate 100% of Company facilities within our ISO 14001 certified EMS by end of fiscal 2025.

#### Fiscal 2021 Highlight

- Implemented an EMS in advance of ISO 14001:2015 certification.



## PROFIT

#### Goal

- Achieve a profitability improvement target of \$15/ton, over our fiscal 2019 base year, using sustainability-based initiatives by end of fiscal 2023.

#### Fiscal 2021 Highlight

- Achieved best financial performance in a decade, driven by strong global demand for recycled metals, progress on our multi-year strategic volume growth goals, and higher productivity.



# SCHNITZER'S SUSTAINABILITY ROADMAP



## 2021-22

- Deploy an enterprise-wide ISO 14001 certified EMS.
- Maintain 100% net carbon-free electricity use.

### WE ARE HERE

## 2023

- Achieve operating income of \$8/ton from new advanced metal recovery technology and \$7/ton from ferrous volume growth to 5.3 million tons.
- Maintain 100% net carbon-free electricity use.

## 2025

- Achieve a 1.00 TCIR.
- Support communities with at least 10,000 hours of VTO.
- Achieve a 25% employee participation rate in our wellness program.
- Reduce Scope 1 and 2 GHG emissions from recycling operations by 25%.
- Maintain 100% net carbon-free electricity use.
- Incorporate 100% of facilities within our ISO 14001 certified EMS.

## 2028

- Achieve a 70% employee participation rate in our retirement benefits program.
- Maintain 100% net carbon-free electricity use.

## 2050

- Achieve net zero GHG emissions for all operations (steel manufacturing, metals recycling and auto dismantling).
- Maintain 100% net carbon-free electricity use.

### NET ZERO BY 2050 ACTION PLAN

- ✓ Reduce Scope 1 process GHG emissions via:
  - Advanced emissions control technologies.
- ✓ Reduce Scope 1 fuel and natural gas GHG emissions via:
  - Fuel conservation best practices.
  - Switching to alternative fuels as available.
  - Use of all-electric equipment as available.
- ✓ Reduce Scope 2 grid-electricity GHG emissions via:
  - Electricity conservation best practices.
  - Advanced energy storage systems.
- ✓ Reduce Scope 3 emissions via:
  - Supply chain engagement.
  - Industry partnerships.
  - Other information sharing and goal alignment.



2019  
(base year)





# Measuring Our Impact

At Schnitzer we are in the business of sustainability, as we operate at the intersection of metals recovery, reuse, recycling, and manufacturing. What we do, who we serve, and why it matters are all defined by this shared purpose.

By transforming used metals into feedstock for the production of new materials, Schnitzer's operations provide critical environmental benefits to metal-intensive industries like construction, telecommunications, energy, and transportation. Our products and services illustrate the notion that

recyclable metal is a resource to be reintroduced into the supply chain again and again, creating long-term environmental, social, and financial value for our employees, communities, and stakeholders alike. Instead of extracting virgin ore from the earth, Schnitzer's products and services reduce the need to mine finite resources while keeping valuable materials out of the landfill.

In many ways, our impact is measured by the resources we keep in the ground, emissions we avoid, and valuable materials we recover.



Achieving operational excellence is the result of continuous improvement that only comes from unrelenting effort.”

– Michael Henderson,  
President, Operations





# WHAT WE DO:

## Metals Recycling

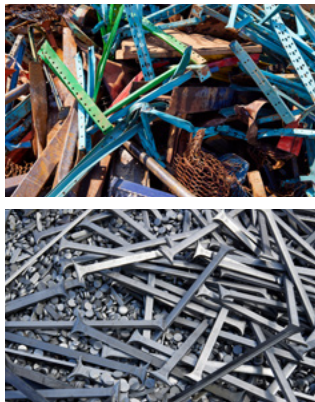
As one of North America’s largest metals recyclers, Schnitzer facilities acquire, process, and recycle millions of long tons of ferrous metals and hundreds of millions of pounds of nonferrous metals every single year.

These recycled metals represent critical feedstock in the global economy, supporting production of bridges, buildings, cars, public transit and passenger rail systems, and appliances, as well as more metal-intensive technologies, such as wind turbines, hydropower dams, advanced battery storage systems, upgraded electricity lines and electric vehicle charging stations, new broadband and reliable high-speed internet technology, and data centers.

Recycled metals are used to build critical infrastructure and produce essential technologies that provide meaningful environmental benefits including greenhouse gas emissions reduction, decreased air pollution, energy conservation, and water savings, as well as decreased materials sent to landfill. As the global community advances decarbonization strategies, the demand for recycled metals continues to grow.

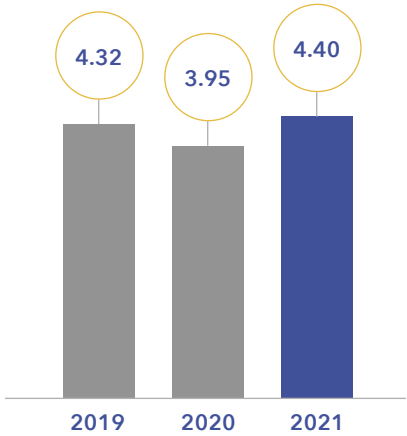
### BREAKING DOWN SCHNITZER’S RECYCLED METALS STREAM

#### FERROUS METALS



Ferrous metals enter our facilities initially as car bodies, appliances, and unused materials from manufacturing plants. After a rigorous intake process, these products run through our high-powered metal shredders. Once shredded, we extract valuable ferrous metals from the material, eventually transporting material grades to domestic and international mills to be melted and processed further. Finished products made from this material include rebar and flat products that support critical infrastructure projects across the world.

Ferrous Volumes Sold  
(million long tons)

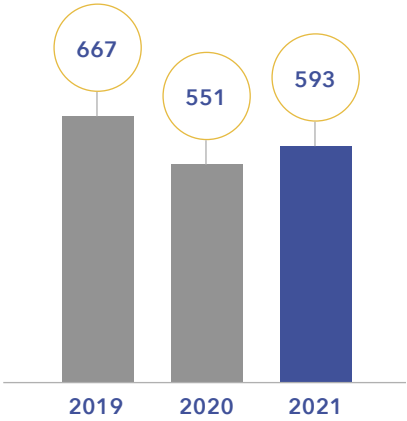


#### NONFERROUS METALS



Nonferrous metals like aluminum, copper, lead, nickel, tin, titanium, and zinc make up the nearly 593 million pounds of materials processed by Schnitzer each year. Nonferrous metals arrive at Schnitzer facilities in many different forms. Using copper wire and piping as an example, materials are processed on-site where nonferrous components are extracted. After additional machine sorting and chopping, copper is transported to third-party smelters and made into new products. Increasingly relevant in today’s marketplace, copper, the world’s most conductive metal, is used in the construction of electric vehicles—as much as four times the amount currently used in internal combustion engine vehicles—only reinforcing the growing demand for recycled nonferrous metals.

Nonferrous Volumes Sold  
(million pounds)



### WHAT IS SCRAP?

Scrap is recyclable material, generally metal, sourced from industrial manufacturers, large retailers, landfill operators, and small businesses. From vehicle parts and building supplies to surplus materials and machinery, metal scrap has monetary value and is classified by grade or type, often relating to chemical composition and purity.



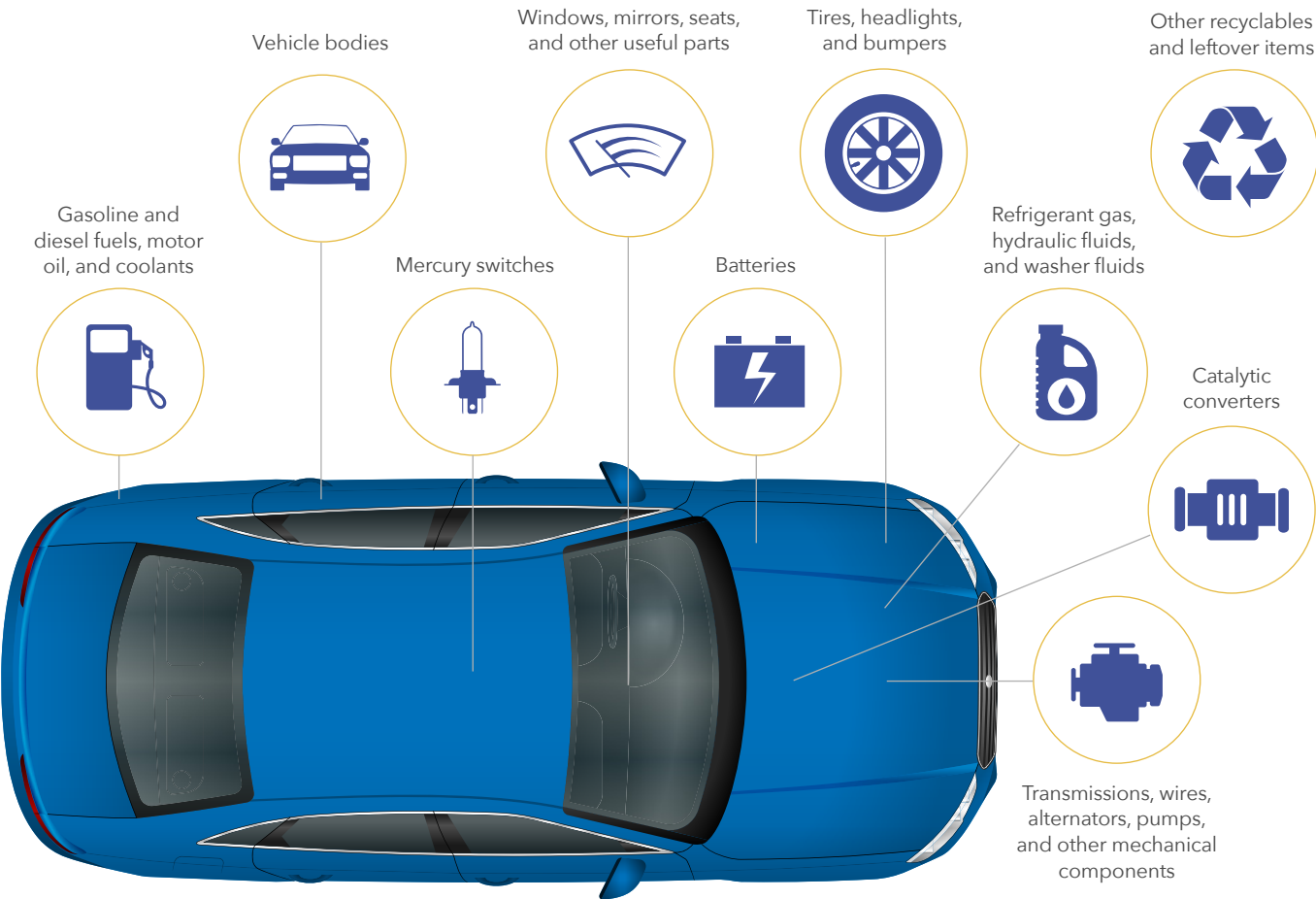
WHAT WE DO:



Auto Dismantling, Parts Recovery, and Vehicle Recycling

Our Pick-n-Pull business is an industry-leading chain of auto dismantling and self-service retail stores that sell original equipment manufacturer (OEM) auto parts to retail and wholesale customers. For over 30 years, Pick-n-Pull has offered affordable, quality parts for foreign and domestic cars, vans, and light trucks throughout our national network of 50 stores.

PICK-N-PULL EXTRACTS VALUE FROM END-OF-LIFE VEHICLES FOR REUSE AND RECYCLING



2021 PICK-N-PULL BY THE NUMBERS





FOLLOW THE JOURNEY  
OF A VEHICLE AT OUR  
OPERATIONS



Arrival of vehicle

Vehicles at Pick-n-Pull locations are inspected upon arrival.



Removal and processing of problematic materials

Fluids, batteries, mercury switches, and other potentially hazardous materials are removed from the vehicle. These materials are processed by third-party partners for responsible reclamation, recovery, incineration, or landfill disposal.



Customer opportunities for reuse

Vehicles are organized in self-service yards for customers to pick, pull, and purchase vehicle parts.



Preparing vehicles for materials recovery

After vehicle parts are sold, the remaining auto bodies are crushed and transported to one of Schnitzer's metals recycling facilities or other metals recycling locations in North America.



Vehicle recycling process

Vehicle bodies undergo a shredding and sorting process where ferrous and nonferrous metals are recovered and sold to manufacturing operations. These materials are processed at steel mills and smelters around the world to make new products.







## WHAT IS AN ELECTRIC ARC FURNACE?

Electric arc furnaces (EAFs) use high-voltage electric currents to melt recycled ferrous scrap metal, the primary raw material feedstock. EAFs produce significantly less GHG emissions than basic oxygen furnace (BOF) steelmaking, which uses a mix of virgin iron ore, recycled metal, coal, and limestone as the raw material feedstock.

Our steel mill and EAF are powered by 96 percent renewable energy sources, making our steel products some of the most sustainable on the market.

# WHAT WE DO:

## Steel Manufacturing

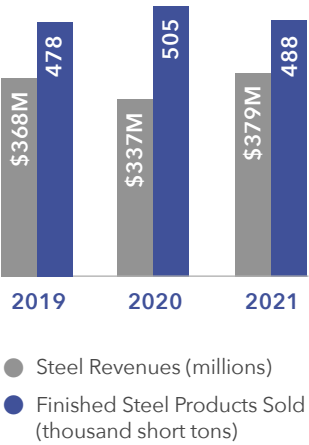
### SUPPLYING LOW-CARBON STEEL TO BUILD HIGH-VALUE INFRASTRUCTURE AROUND THE WORLD

At our state-of-the-art electric arc furnace (EAF) steel mill, we melt and shape recycled metal into steel products, including rebar, coiled rebar, wire rod, merchant bar, and other specialty items. These materials are used in numerous applications in construction by manufacturers, such as reinforcing concrete in highways, supporting bridges, and providing feedstock for new building development, to name just a few.

Our steel manufacturing operation, Cascade Steel Rolling Mills, leverages Schnitzer's integrated business model by sourcing much of its metal feedstock from our own recycling facilities. We power this facility using primarily carbon-free hydroelectricity, greatly reducing the environmental impact of our operation and the overall carbon content of our finished steel products.

Located in McMinnville, Oregon, Cascade Steel's finished products are sold to customers primarily located in the western U.S. and Canada.

Finished Steel Product Volumes Sold



We sell finished steel products to customers located in the Western United States and Western Canada. Customers in California accounted for **52%, 55%, and 54%** of our steel revenues in fiscal 2021, 2020, and 2019, respectively.

95%

recycled content in finished product

87%

steel dust recycled

### DOMESTIC STEEL CAPACITY

As 21st century technologies continue to become more metal-intensive, a strong domestic steel industry is critical to U.S. national and economic security. Steel plays an important role in supporting critical infrastructure and strengthening the competitiveness of many domestic manufacturing industries. By leveraging EAF technology, Schnitzer's sustainable steel products are already delivering on the expected demand in the steel marketplace, as countries around the world seek low- or zero-carbon products and services.

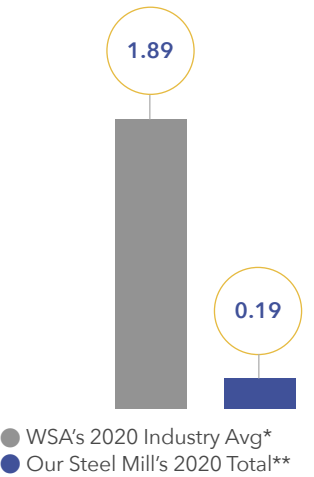
### LEVERAGING VALUABLE BYPRODUCTS FROM STEEL MANUFACTURING

Our steel manufacturing operations also produce three valuable byproducts: steel dust, mill scale, and slag.

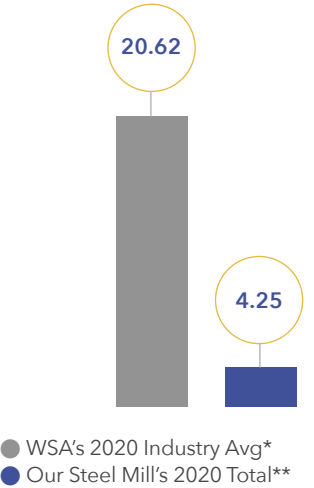
**Steel dust** is separated, analyzed, and often sold to recyclers that recover zinc from the material, thereby reducing virgin zinc mining and production. Similarly **mill scale** is reused, as it offers valuable opportunities to offset virgin iron ore mining and production.

**Slag** typically represents the highest-volume byproduct from the steel manufacturing process and contains a mixture of silica, calcium, magnesium, aluminum, and iron oxide residuals from the fluxes used during the smelting process. For every metric ton of steel produced in an EAF, 0.17 metric tons of slag is generated. Steel slag is a valuable commodity sold for reuse by cement companies to substitute for lime. It can also be used in road construction to replace natural aggregates, in agriculture as a fertilizer, or as coastal marine blocks.

CO2e Emissions Intensity (mtCO2e/mt)



Energy Intensity (gj/mt)



\*Industry averages sourced from the [World Steel Association indicators 2020 data](#).

\*\*Energy intensity includes all energy and fuel sources consumed. GHG intensity includes all Scope 1 and 2 emissions, and estimated Scope 3 emissions from "upstream" scrap metal recycling and sourcing operations to our steel mill.

## LOW-CARBON STEELMAKING

In 2020 Schnitzer upgraded the carbon injection system at our steel mill to allow for more precise carbon input amounts when melting recycled ferrous metal. This increased precision results in lower emissions and less waste generated during this process.



## PROVIDING RECYCLING SOLUTIONS

Our Reverse Logistics teams purchase materials from industrial and commercial customers to provide additional feedstock for our metals recycling facilities. We also offer recycling solutions for nonmetal materials like pallets, Styrofoam™, cardboard, and plastic to improve operational efficiencies and deliver environmental benefits to multinational retailers across various industries.

After performing on-site assessments and audits at a business location, we determine available recyclable materials and offer solutions that add value, improve logistics, and optimize operations and processing. Our services turn difficult-to-manage materials into operational and financial assets.



# WHO WE SERVE

### OUR CUSTOMERS & SUPPLIERS

Our people work responsibly to provide the products and services our customers and suppliers trust.

Our Pick-n-Pull stores, for example, serve individuals like car enthusiasts, mechanics, and those seeking low-cost replacement auto parts, as well as businesses such as autobody shops and core auto parts manufacturers.

Schnitzer's metals recycling operations serve global construction, automotive, and power industries, while purchasing supplemental materials from recyclers and retailers to add feedstock at our processing facilities. Our ability to acquire, sort, and sell metals entering the marketplace through the reverse supply chain is grounded in our knowledge of recyclable materials, metal commodities, salvage vehicles, and automotive parts and cores. This expertise has allowed us to develop and leverage longstanding relationships with suppliers and customers across the globe to meet the growing demand for recycled metal products and tailored recycling solutions.

4.3M+

retail customer visits to Pick-n-Pull stores annually.

14K+

commercial and industrial suppliers and customers of recycled metal products and services.



At Schnitzer responsible operations reflect an unwavering emphasis on safety, a continuous search for technological innovation, and a focus on efficiency.”

– John Hebert, Chief of Operations

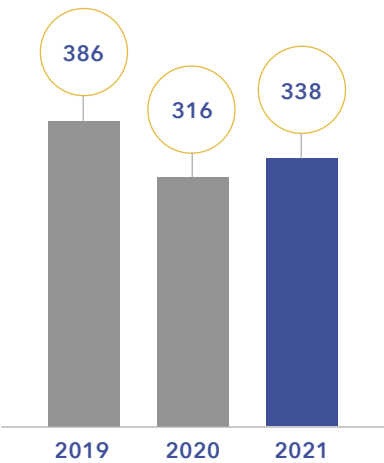
Our steel manufacturing operation accepts material from Schnitzer metal recycling facilities, and serves primarily domestic customers, including steel service centers, steel fabricators, contractors, and building developers.

Finished products deliver the recycled content and reclamation performance needed to support green building projects, significantly contributing to LEED certification and other local government sustainable building code and certification requirements.

### OUR COMMUNITIES

Our communities are important stakeholders. We work responsibly to limit our environmental impacts and improve the communities where we work and live. Along the way, we create sustainable and local jobs; support community organizations, start-ups, and small and large businesses; and develop innovative solutions that create long-term environmental, social, and financial value in our communities.

Pick-n-Pull's End-of-Life Vehicle Purchase Volumes (thousands)





# WHY IT MATTERS

Our Company’s and the recycling industry’s extensive history in the United States provide important context for the sustained value of metals recycling and steel manufacturing. The use of recovered, reused, and recycled metals is foundational to the production of sustainable metal products. Investments to support UN SDGs for clean energy, clean water, green transportation, and industrial infrastructure will all increase the use of recycled metals.

## TRANSITIONING TO A LOW-CARBON FUTURE

Global carbon reduction efforts are a powerful structural driver of demand for recycled metals and will lead the way to the decarbonization of the new economy. A low-carbon economy and many low-carbon technologies are widely acknowledged to be more metal-intensive. The use of recycled metals is now an important strategic solution for companies, industries, and governments that are focused on carbon reduction. It is a competitive differentiator for metal producers and fabricators, and it is a critical part of every community’s commitment to supporting the circular economy and reducing material going to landfills. The material we recover and recycle directly supports the transition to a sustainable future.



USING  
**1 TON  
OF RECYCLED  
METALS**  
VERSUS 1 TON OF  
CORRESPONDING  
VIRGIN MATERIAL IN THE  
MANUFACTURING PROCESS  
RESULTS IN UP TO:



STEEL

**58%  
LESS**

CO<sub>2</sub>e  
emissions\*



COPPER

**65%  
LESS**

CO<sub>2</sub>e  
emissions\*



ALUMINUM

**92%  
LESS**

CO<sub>2</sub>e  
emissions\*

In fiscal 2021 Schnitzer’s 4.74 million metric tons of ferrous and nonferrous sales volumes has helped to avoid approximately 5.19 million metric tons of CO<sub>2</sub>e emissions. \*\* This is equivalent to removing more than 1.1 million passenger vehicles driven from U.S. roads for an entire year.\*\*

\* CO<sub>2</sub>e savings are sourced from the BIR-commissioned study conducted by Imperial College London “[Report on the Environmental Benefits of Recycling – 2016 edition, pg. 26](#)”.

\*\* Equivalent figure is calculated using the U.S. EPA’s “[Greenhouse Gas Equivalencies Calculator](#)”.



## CONNECTING OUR BUSINESS TO LOCAL AND GLOBAL COMMUNITIES

Our business activities connect us to both the local communities where we operate and the global business communities where we deliver our products and services. Schnitzer offers recycling job opportunities in our local operating markets. Our focus on diversity, equity, and inclusion underpins our hiring practices, as our workforce reflects the communities where we operate.

Our environmental and community engagement practices seek to minimize local impacts and accommodate the evolving needs of each community. We are actively involved with the business and trade associations that reflect the industries and communities we serve.

Our global impact draws a direct connection to industries and communities across the world. By aligning our sustainability goals with the United Nations Sustainable Development Goals, we strengthen this connection, with shared priorities for a sustainable future.

IN FISCAL 2021 OUR DIRECT AND INDIRECT  
CONTRIBUTIONS\* INCLUDED:

**\$8B+** total economic impact

**34K+** jobs supported

**\$2.2B+** in wages earned

**\$897M+**  
in federal, state, and local tax revenue

\*Direct and indirect contributions include our own footprint as well as estimates for our suppliers and re-spending by employees of the U.S. steel industry and U.S. metal recycling industry. Statistics are based on our fiscal 2021 sales volumes of finished steel, recycled ferrous metals, and recycled nonferrous metals, and data sourced from economic impact studies facilitated by the American Iron & Steel Institute ([AISI](#)) for the U.S. steel industry and the Institute of Scrap Recycling Industries, Inc. (ISRI) for the U.S. scrap recycling industry.



# Designing Our Sustainable Future

Recycling, recovery, and manufacturing processes that are part of Schnitzer's operations also require energy, water, and other resources to function, and involve processes that can affect the local environment.

To responsibly manage and mitigate our environmental impact we deploy innovative infrastructure and process controls that reduce greenhouse gas emissions and capture and recycle stormwater at our sites. We invest in and utilize advanced recycling technologies to recover and produce more and higher-quality materials, sending less to landfills.

At Schnitzer we know that the decisions and investments we make in our operations today allow us to enhance our ability to responsibly manage our environmental impact and deliver value across our supply chain.



Advancing sustainable business practices and further integrating sustainability throughout our operations have been foundational elements of our success.”

– Richard Peach, Executive Vice President,  
Chief Financial Officer & Chief Strategy Officer



# SUSTAINABLE OPERATIONS START WITH SOUND ENVIRONMENTAL MANAGEMENT

Our Environmental Management System (EMS) provides the data we need to make thoughtful business decisions that protect our people, the environment, and the communities where we work and live.

In 2021 we developed an EMS with a specific focus on:

- ▶ Compliance with applicable environmental laws, regulations, and industry standards.
- ▶ Reducing impacts on the environment through resource conservation.

- ▶ Operational environmental performance improvement strategies, including environmental targets, key performance indicators, and periodic site audits.
- ▶ Environmental awareness, engagement and training, and engagement strategies for Schnitzer’s employees, customers, suppliers, and communities.
- ▶ Minimizing environmental resource usage by reducing energy consumption, water use, air emissions, and waste generation.
- ▶ Evaluating and implementing technologies and operational changes that improve environmental performance.

An EMS is a set of processes and practices that enables an organization to reduce its environmental impacts. It integrates processes for training employees and allows an organization to monitor, analyze, and report environmental performance information to internal and external stakeholders.

Our EMS formalizes Company policies and practices that facilitate continued compliance with applicable laws, regulations, and industry standards concerning environmental protection. It also provides a uniform approach to environmental stewardship and operating standards, pushing us beyond legal minimum requirements to impart a positive environmental impact in the communities we serve.

15,000  
hours of EPIP related  
training

## ENVIRONMENTAL PRACTICES IMPROVEMENT PROGRAM (EPIP)

We view environmental stewardship as a critical responsibility of every employee, and we provide required training resources based on their job function.

Environmental stewardship at our facilities requires careful planning and training to ensure responsible material management. Especially important when handling nonrecyclable materials that enter our facilities through end-of-life vehicles, our teams practice proper identification, handling, separation, containment, labeling, storage, and eventually shipment of liquid and solid, flammable and nonflammable, and hazardous and nonhazardous wastes. Our EPIP is a systematic approach that addresses the many types of nonrecyclable materials that enter our facilities.

By properly managing the materials collected at our locations, we reduce our impact on the local environment and provide a pathway for recyclability or responsible disposal.

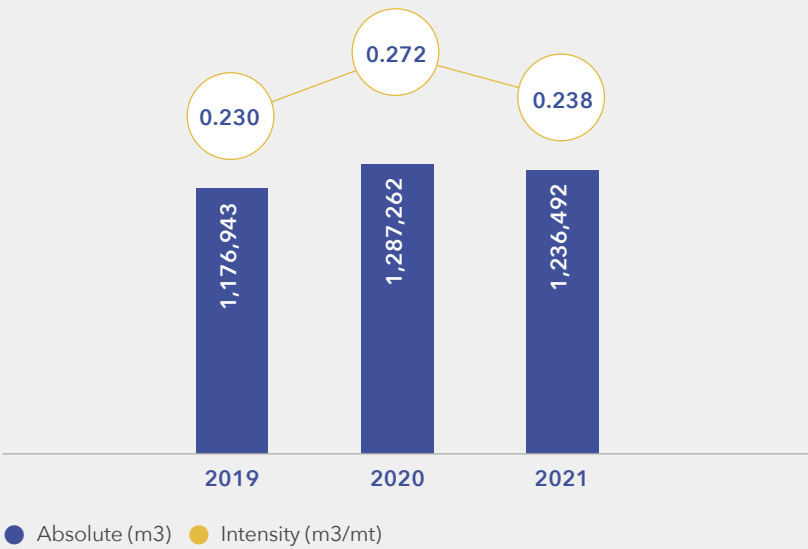




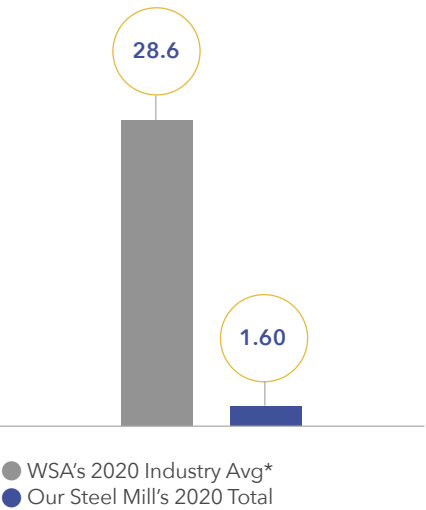
USING WATER RESPONSIBLY & INVESTING IN STORMWATER MANAGEMENT

The increasing frequency of extreme weather events presents an opportunity to positively impact water security in the long term. As a recognized member of the CDP 2021 A List for Water Security, we are committed to using water responsibly and prioritizing efficiency and conservation measures to preserve this valuable resource.

Our Water Footprint  
(cubic meters)



Water Use Intensity  
(cubic meters/mt)



\*Industry average sourced from the World Steel Association's 2020 policy paper, "[Water Management in the Steel Industry](#)".

96%  
of our steel mill's process water is recycled.



INVESTING IN STORMWATER MANAGEMENT

Every year we invest millions of dollars to improve and enhance the physical infrastructure of our facilities. Water-related upgrades and modifications may include routine maintenance and repair, as well as installation of new stormwater management equipment to improve conveyance, storage, treatment, and water recycling and reuse capabilities. These investments represent our primary levers for realizing opportunities to improve and sustain water security in our communities.

Since 2016 we have invested more than \$57 million in environmental controls that allow us to capture and clean stormwater. We've completed projects for new stormwater treatment systems and conveyance infrastructure at 12 of our Pick-n-Pull locations in California, Texas, Oregon, Washington, Missouri, and Kansas. Each treatment system is unique to the site, tailored to its geography, property size, and relevant surfaces.





**93%**  
of the nonmetal material that we process is beneficially reused as alternative daily cover in landfills, supporting the conservation of more than 1.8 million cubic meters of topsoil.

# RECOVERING MORE & CREATING QUALITY MATERIALS

At Schnitzer we are on a continuous journey to recover more metal and recyclables from the feedstock we process and improve the metal content of the commodities we produce. Our strategic investments in advanced metal recovery systems, innovative recycling programs for both metal and nonmetal materials, and technology upgrades to our steel manufacturing process illustrate our commitment to maximizing the sustainability of our products and services. The new technologies encompass advanced copper separation, advanced aluminum separation, and primary nonferrous recovery. In fiscal 2020 and 2021 we commissioned five new systems. We expect to complete the commissioning of the remaining eight systems in fiscal 2022.

**ADVANCED METAL RECOVERY TECHNOLOGY SYSTEMS**  
While ferrous metal makes up the overwhelming majority of Schnitzer’s recycled metal products by weight—more than 93 percent—we are implementing advanced separation and processing systems to meet the increasing demand for more refined grades of recycled nonferrous metal.



These new technologies improve the recovery rate and purity of specific materials like aluminum and copper.

In 2021 we completed technology upgrades with the objective of enhancing our ability to separate shredded metals into furnace-ready commodities and recover even more metals from the recyclable materials we process.

Our Advanced Metal Recovery Technology Systems are targeted to recover more ferrous and nonferrous metals found in household appliances and vehicles while maintaining stringent safety standards and minimizing residual materials sent to landfills. Our Advanced Aluminum Separation Technology Systems precisely identify and efficiently sort various grades of metal in our nonferrous “Zorba” product. Our upgraded cable processing systems allow us to cut insulated copper wire into small pieces and separate copper material from plastic, producing both greater volume and a higher-quality copper to meet the stringent standards set by our downstream smelting customers.

All together, these strategic investments are expected to increase Schnitzer’s available product line and allow our facilities to extract a greater volume of ferrous and nonferrous metal, while also reducing material sent to landfills. These technology advancements improve our ability to competitively market our products to both domestic and international customers. The rollout of these new technologies is anticipated to be completed in fiscal 2022, with total capital expenditures estimated to be \$115 million, of which \$77 million has been invested, including \$36 million during fiscal 2021.





# EMISSIONS REDUCTION

Over the past five years Schnitzer has taken a leadership position within the metals recycling industry with the deployment of best available control technologies for air emissions generated by metal shredding activities. Our efforts included extensive source testing, engineering, and commissioning state-of-the-art control and treatment systems, fast-tracking capital investments to capture, treat, and eliminate the process emissions from our four major shredding facilities.

On our largest throughput shredders, we are installing enclosures with regenerative thermal oxidizers to treat volatile organic compound (VOC) emissions. VOC treatment protects local air quality by reducing the potential for ground-level ozone formation and significantly decreasing greenhouse gas emissions. By enclosing our shredders and designing control and treatment systems in a manner consistent with U.S. EPA protocols, we are able to capture more than 95 percent of the emissions produced during the shredding process.



Achieved

## 96%

reduction in process emissions from first system installed, compared to fiscal 2019.

Invested more than

## \$56M

since 2016 in emissions reduction and air quality control technology equipment.

## OUR PROGRESS ON SHREDDER EMISSIONS CONTROL SYSTEMS

Since 2016 we have invested more than \$56 million to deliver state-of-the-art emissions control systems at our shredder facilities. Fiscal 2021 progress and expected fiscal 2022 progress on each of these projects is highlighted below:



EVERETT, MA

### RESULT

System has eliminated approximately 8,000 mtCO<sub>2</sub>e since start-up.

Fully commissioned and operational at the end of fiscal 2021.



OAKLAND, CA

### UNDER CONSTRUCTION

System is estimated to eliminate more than 7,800 mtCO<sub>2</sub>e annually.

Upgrades to the existing enclosure and particulate matter control system are underway. Commissioning and initial start-up operations are scheduled for fiscal 2022.



TACOMA, WA

### IN DESIGN

System is estimated to eliminate more than 6,200 mtCO<sub>2</sub>e annually.

Designing full emissions control, VOC treatment, and acid gas scrubbing systems.



PORTLAND, OR

### IN DESIGN

System is estimated to eliminate more than 3,600 mtCO<sub>2</sub>e annually.

Designing full emissions control, VOC treatment, and acid gas scrubbing systems.



KAPOLEI, HI

### IN DESIGN

Designing an enclosure and particulate matter emissions control system.



SALINAS, PR

### IN EXPLORATION

Exploring island infrastructure resiliency, electricity grid stability, and renewable energy technology systems to determine project feasibility.





FUEL ECONOMY OF OUR TRANSPORTATION FLEET & EQUIPMENT

Our efforts to reduce emissions extend beyond our processing activities to include combustion emissions associated with fuel consumption at our operations. In an effort to improve fuel efficiency of equipment, we have invested more than \$79 million since 2016 to upgrade frontline equipment, such as our material handlers, loaders, dump trucks, and forklifts.

Accounting for roughly one quarter of our total energy footprint, reducing equipment fuel use represents an exciting opportunity for improvement across our operations. Switching to low-carbon fuel alternatives, including electrification of both on- and off-road assets, is essential to achieving our emissions reduction targets.

ACHIEVING NET CARBON-FREE ELECTRICITY

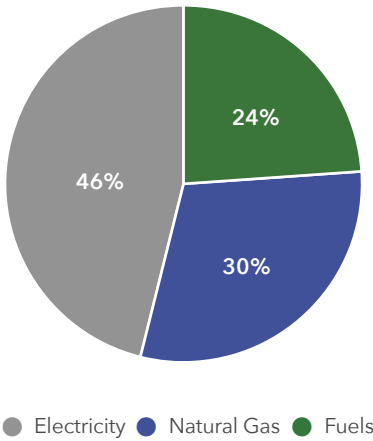
In 2021, for the first time in our Company's history, Schnitzer's aggregate power mix represented sourcing of 100 percent net carbon-free electricity.

By investing in and supporting community-focused green power purchase programs, we are actively strengthening grid stability and resiliency and supporting the use of affordable power from renewable, carbon-free, or low-carbon sources within our communities.

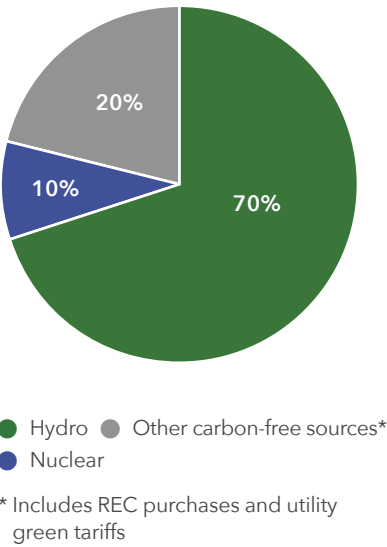
Moving forward, we are exploring the use of advanced battery energy storage systems and similar on-site energy solutions to support continued availability of carbon-free energy options.



Our Energy Mix



Our Power Mix



PARTNERING WITH LOCAL GOVERNMENT TO REDUCE EMISSIONS AND IMPROVE AIR QUALITY

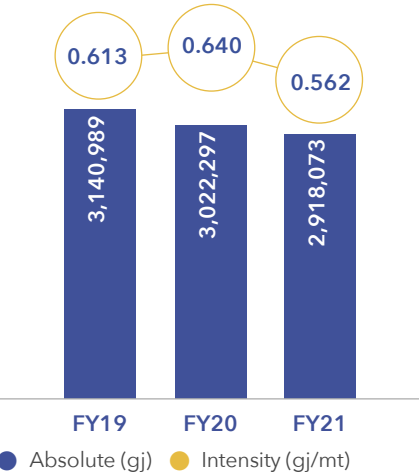
In 2021 Schnitzer's Providence, Rhode Island facility, in partnership with the Rhode Island Department of Environmental Management, was awarded grant funds through the U.S. EPA's Diesel Emissions Reduction Act (DERA). The DERA program seeks to protect human health and improve air quality by reducing emissions from diesel engines. Grant funds administered to Schnitzer through this program were used toward the purchase of a high-efficiency, hybrid materials handler that replaced three older, less efficient pieces of equipment.



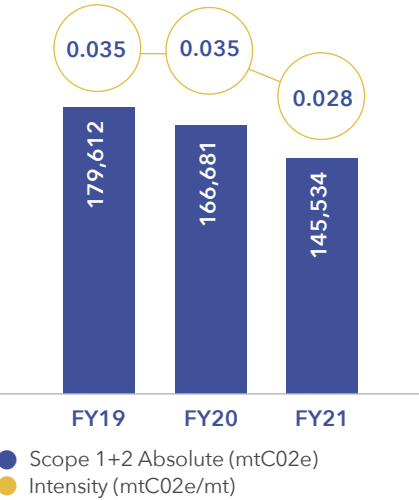
Our efforts to upgrade to new equipment illustrates Schnitzer's commitment to sustainability. In combination with our own investments throughout the New England area, we have reduced the total number of assets in use from eleven to just five. Our new equipment requires significantly less fuel to operate and results in emissions reduction that improves local air quality."

– Michael "Vern" Jones  
Northeast Regional Asset Manager

Our Energy Footprint



Our Emissions Footprint







## SUPPORTING BART'S EFFORTS TO LAUNCH A MORE SUSTAINABLE FLEET

The Bay Area Rapid Transit (BART) system launched a plan to decommission more than 600 of its oldest train cars, many of which have been in use since the early 1970s. Upon decommissioning, these cars will travel to Schnitzer's Oakland, California metals recycling facility for dismantling. Recycling the 15 tons of steel, 6 tons of aluminum, and 1 ton of copper from the cars will support future infrastructure and transportation projects while allowing BART to transition to a more sustainable fleet, reducing its carbon footprint and improving local air quality.

### PARTNERSHIPS TO ADDRESS SCOPE 3 EMISSIONS

#### Engaging Our Supply Chain

Our suppliers of both goods and services represent an essential link in Schnitzer's value chain. We rely on recycling suppliers to sell us end-of-life vehicles, appliances, and other metal materials; heavy industrial equipment suppliers for tools we use to process metals like shears, cranes, bulldozers, dump trucks, and forklifts; and rail companies, ship owners, and port operators to transport our recycled materials to mills, smelters, and foundries in the U.S. and around the globe.

At Schnitzer our teams engage extensively with suppliers on sustainability topics including environmental footprints, climate change risks, responsible working conditions, anti-corruption, and ethics and compliance.

We also partner with manufacturers and major retailers who produce and sell household products to achieve sustainability-related recycling and waste-reduction goals.

For example, our Recycling Services team helped one of our major retail customers develop a better way to package, ship, and recycle expanded polystyrene (EPS) foam. Our team utilized our network of portable balers to compress the EPS foam into solid blocks, which was then used to make insulation and new packaging products. Through this program we have processed, repurposed, and diverted from landfills 89,000 pounds of EPS to date.

## MEASURING TO MINIMIZE: REDUCING EMISSIONS FROM OVERSEAS SHIPPING EXPORTS

In quantifying Scope 3 emissions from our overseas shipping activity, Schnitzer engaged with one of our bulk cargo vessel exporters to review their Energy Efficiency Operational Indicator (EEOI). EEOI measures operational work efficiency, also known as transport work, calculated as the amount of CO<sub>2</sub> emitted per one unit of cargo carried for each nautical mile. This voluntary measure, introduced by the International Maritime Organization in 2009, is calculated based on a vessel's operational data and offers a comparison between the same ships on the same trade, or between trades.

Utilizing vessels with lower EEOIs for an appropriate voyage can decrease the carbon footprint of a given trip. Additional emissions reductions—as much as 50 percent—can result from minimizing ballast days, or the distance a ship travels empty from its previous discharge port to its next load port.





# Powering Our People & Cultivating Strong Communities

At Schnitzer we put people first. We know that building a sustainable tomorrow requires collaboration and communication among our employees and the communities we serve. Our sustainable future is rooted in partnership and shared progress.

Cultivating a workplace culture where people feel safe, included, valued, and prepared with the tools and resources they need to succeed is a crucial part of our One Schnitzer business model. By aligning our environmental, social, and economic impacts with the needs of those around us, we foster a workplace focused on operational excellence, safety, and commitment to the communities in which we operate.



Achieving diversity, equity, and inclusion is a journey, not a destination. Our workforce was built on integrity and continues to thrive because we maintain a culture of respect, fairness, and equal opportunity.”

– Stef Murray,  
Chief Diversity & Inclusion Officer



# ACHIEVING OUR SAFETY GOALS

Safety is one of our core values, and accordingly our focus is on ensuring everybody goes home safe and healthy every day. Our approach is to proactively foster a safety culture, with employee engagement and active leadership, as well as risk and hazard identification, management, and, where possible, elimination.

Our teams are dedicated to keeping those who enter our facilities healthy and safe. We implement and constantly refine safety systems, and strive for an injury-free workplace through proactive and continuous improvements to our processes and training.

Fiscal 2021 was the Company's **SAFEST YEAR ON RECORD.**

40 facilities have gone **RECORDABLE-FREE FOR 3 YEARS**, since fiscal 2019.

74 facilities were **RECORDABLE-FREE** in fiscal 2021.



Our Health & Safety policies and programs ensure:

Adequate supply and proper use of personal protective equipment.

Training and practice on machine, equipment, truck, and operator safety.

Emergency preparedness for potential safety incidents and natural disasters.

Incident and accident management, procedures, and protocols.

Appropriate workplace ergonomics in the field, in the office, and at home.

Proper chemical handling, labeling, and storage.

Fire prevention and emergency response.

These policies and programs align with leading industry practices and rely on the expertise of our health and safety leaders. Our strong safety culture is continuously improving, as we constantly reinforce safe behaviors and encourage a sense of mutual accountability.





We also track safety performance across a variety of industry standard metrics, including:

- ▶ Total Case Incident Rate (TCIR).
- ▶ Days Away, Restricted, or Transferred (DART).
- ▶ Lost Time Incident Rate (LTIR).
- ▶ Fatality Rate.

CELEBRATING OUR SAFEST YEAR YET

Over the past 18 months, additional safety measures due to the ongoing impacts of the COVID-19 pandemic required our Health and Safety teams to adapt to an evolving situation while continuing to perform normal job tasks. Despite these challenging conditions, we are proud to celebrate 2021 as the safest year in our Company’s history, having recorded a Total Case Incident Rate (TCIR) of 1.71, a 10 percent improvement over 2020, our previous best.

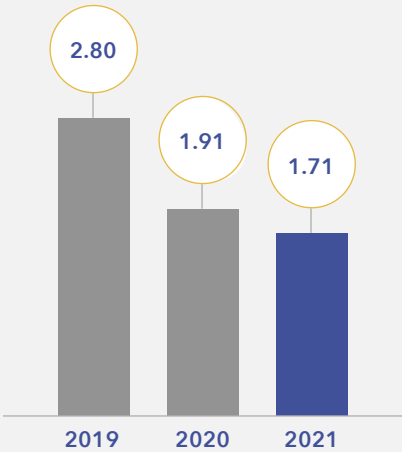
We attribute this achievement to our efforts over the past several years to engage leaders and frontline employees to address root causes of safety incidents and implement immediate preventative measures to eliminate risk of future occurrences.

55 SCHNITZER OPERATIONS RECEIVE ISRI CIRCLE OF SAFETY EXCELLENCE (COSE) AWARDS

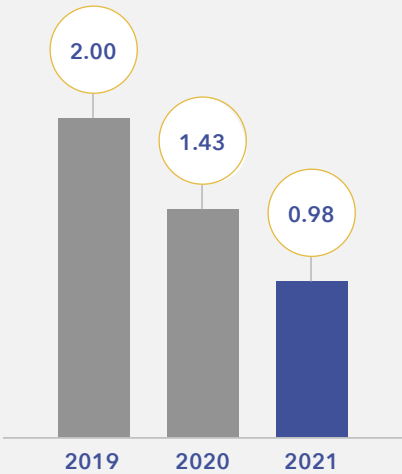


Locations across our operation received ISRI’s COSE award for outstanding commitment to employee safety. This award recognizes a location’s ability to instill core safety values and exhibit continuous improvement in safety programs and worker incident reduction.

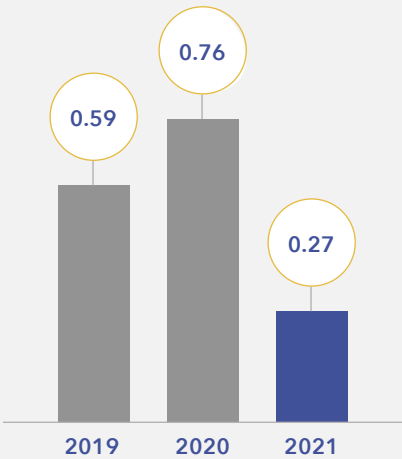
Our Total Case Incident Rate\*  
(# of incidents per 200K working hours)



Our Days Away, Restricted, or Transferred Rate  
(# of incidents per 200K working hours)



Our Lost Time Incident Rate\*  
(# of incidents per 200K working hours)



\*COVID-19 cases for which contact tracing could not identify a source of exposure outside of work are included in OSHA reporting in accordance with OSHA reporting requirements using a designated special code for the nature of the illness. These cases are excluded from the TCIR and LTIR metrics shown above.

SAFE DRIVERS,  
SAFE COMMUNITIES

Our team of more than 200 drivers is responsible for safely hauling recycled metals, end-of-life vehicles, and finished steel products across all parts of the country. Our driver safety practices include use of on-vehicle cameras in all trucks with machine vision and artificial intelligence (MV/AI) triggers to identify and signal lane departures, forward collisions, following distance, cell phone usage, seatbelt usage, distracted driving, speeding, harsh cornering, and incomplete stops. Vehicles also employ real-time, in-cab alerts that react to MV/AI triggers to encourage self-correction. We utilize GPS tracking on all trucks and make use of electronic logging devices to manage hours of service and vehicle inspection reports.

We promote safety by offering quarterly bonuses for safe driving behaviors and requiring rigorous training for both new hires and existing drivers. Our environmental training programs offer best practices around spill response, fuel conservation, idling policies to minimize associated air emissions, and other related regulatory compliance practices.



Safety is more than a priority at Schnitzer, it is one of our core values. By continuously working to improve our programs and policies, we ensure that our teams operate responsibly in our communities and return home safely at the end of each day.”

– Melissa Frangiosa, Fleet Safety Director





# LAUNCHING THE SERIOUS INJURY AND FATALITY PREVENTION PROGRAM

In 2021 we launched our Serious Injury and Fatality (SIF) prevention program, targeting nearly 400 managers and supervisors across the organization. The development of this program began in 2020 with the identification of critical workplace risks that pose the greatest threat to employee safety.

The SIF program creates a foundation for safe work practices by defining controls for each of the critical risks. Site leaders perform frequent field-based observations to verify that controls are in place and functioning properly. Gaps or inconsistencies found during these observations are addressed immediately. Beyond reducing individual injuries and fatalities, the SIF program promotes a collaborative learning environment that supports safety improvements throughout the Company.

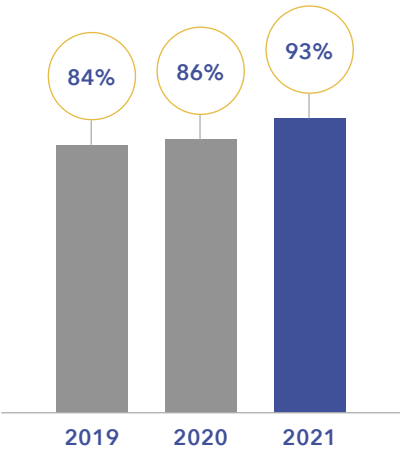
## LEVERAGING TODAY’S SUCCESS FOR FUTURE SAFETY IMPROVEMENT

When it comes to safety, our work is never truly finished. Building a safe work environment requires perseverance, attention to detail, and a commitment to continuous improvement.

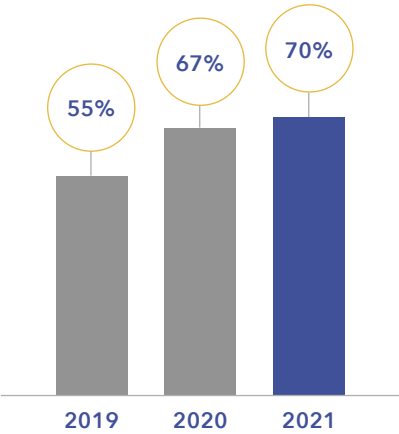
Our safety success can be credited, in part, to Layered Safety Observations (LSOs)—a dedicated time for a manager to observe an employee perform a work task. After the task is complete, the pair discusses potential hazards and existing controls. Managers may offer constructive feedback, and employees share concerns or suggestions for process improvement.

Through an analysis of our Lost Time Injuries, we also understand that nearly 54 percent of workplace injuries are associated with handling, lifting, or other activities that result in muscle strains or overexertion. Enhanced training programs focused on incorporating proper work techniques—safe lifting, twisting motion avoidance, warmup and stretching exercises to prepare for the workday—have proven successful in reducing injuries and incidents.

Our Lost Time-Free Facilities



Our Injury-Free Facilities



We keep safety and environmental stewardship at the forefront of everything we do at our steel mill. We pride ourselves in the quality of our products, our customer service, and the conscientious and innovative individuals who make up our team.”

– Matt Ruckwardt, Chief of Steel Operations & Business Performance Administration



In 2021 routine LSOs and enhanced training practices for frontline supervisors contributed to our overall safety performance, with 70 percent of our facilities operating without a recordable injury and 93 percent posting no lost time for the year.

To reinforce our engagement and training efforts we perform daily safety huddles, morning stretch and flex exercises, Field-Level Risk Assessments (FLRA), and monthly Environmental Health and Safety town hall meetings.

Maintaining a safe work environment also requires adopting a holistic view of occupational health—extending beyond physical health to include mental well-being and environmental factors. We incorporate daily informal interactions and conversations to assess mental work readiness. If an employee appears to be in distress or unfit for work, we offer a 24-hour medical line to facilitate engagement with a healthcare professional. When employees face specific risks due to extreme weather, our teams adopt appropriate measures to accommodate work conditions.

## SAFETY IN STEELMAKING

In 2021 we installed and implemented several new systems and controls to achieve improved safety results at our steel mill.

A remote-control trackmobile system now facilitates the daily transportation of nearly 3,000 tons of material handled at the steel mill, reducing the number of employees involved in material transportation.

Additional improvements to walking paths along rail lines have reduced risks associated with ankle, knee, and other walking-related injuries for conductors. The installation of rail crossing barriers, an upgrade that allows operators to take control of an intersection while moving railcars, reduces the risk of train or vehicle collision.

Together these technology and process improvements support our ongoing effort to reduce risk and improve efficiency across the facility.



# EMPLOYEE TRAINING & DEVELOPMENT

38,500 HOURS  
of employee training  
and development in 2021.

At Schnitzer we are committed to helping all employees reach their full potential, starting with our robust talent acquisition and hiring process that prioritizes outreach to a diverse array of candidates.

Our training and development programs go beyond onboarding and individual job task assignments to include programs related to occupational health and safety practices, environmental management systems, frontline leadership development, business ethics and compliance, and diversity, equity, and inclusion.

We utilize live in-person sessions when appropriate, offsite workshops, and online interactive modules to facilitate the ongoing education of our employees, often bringing teams together to hear directly from leadership and share experiences among peers.

## SUPPORTING OUR WORKFORCE ON A PATH TO SUCCESS

In 2021 we launched a frontline leader development initiative to address our evolving workplace needs. The initiative aimed to strengthen communication fundamentals and provide leadership best practices, including:

1

Building Foundational Leadership Skills

communication essentials, including active listening and learning how to provide high-impact feedback.

2

Leading People

Coaching skills for leaders to value diversity and encourage collaboration to generate creative ideas and effective solutions.

3

Driving Results

Developing high-performance teams that achieve meaningful and measurable business goals.

THROUGH THIS PROGRAM, 550 EMPLOYEES ACROSS OUR COMPANY IN LEADERSHIP ROLES AT MULTIPLE LEVELS COMPLETED MORE THAN 8,000 COMBINED HOURS OF LEADERSHIP TRAINING.



## BUSINESS LEARNING & AWARENESS PROGRAM

In 2021 we launched our Business Learning and Awareness Program to advance efforts to communicate the many different facets of our business to the larger employee community.

Program objectives included:

- ▶ Providing broad exposure to senior leadership teams.
- ▶ Offering an opportunity to learn about Company goals and ongoing initiatives within various functional areas.

- ▶ Highlighting connections between department functions and business success.
  - ▶ Communicating foreseeable business challenges across the Company.
  - ▶ Presenting development opportunities within specific departments and business functions to employees across the Company.
- Through the Business Learning and Awareness Program, we hope to promote continued education around business objectives and help employees develop a strong understanding of roles and responsibilities outside of their immediate scope of work.



I look forward to the Business Learning and Awareness Program sessions and town halls as they are opportunities to learn about other facets of our Company's business. More importantly, I really appreciate having regular opportunities to ask questions and get answers in real time from members of the executive team and senior leadership. These are opportunities I wouldn't be exposed to in my daily work – opportunities that have enabled me to find new ways to contribute to the continued improvement and positive impacts our Company strives for."

– Nures Kara, Senior Environmental/Project Manager





**OUR CORE VALUES  
& CODE OF  
CONDUCT TRAINING**

We believe that success is about more than just productivity and financial performance; it reflects a commitment to operating every day in accordance with our core values—safety, sustainability, and integrity.

Through the annual *Our Core Values* training, we review the principles behind our Company’s shared purpose and responsibilities. We implement a new interactive course each year that additionally highlights selected topics of particular relevance. The course also includes an overview of the Company’s Code of Conduct. By pairing these topics, we actively reinforce our shared accountability. In 2021 Schnitzer’s *Our Core Values* course was completed by 100 percent of our workforce.

**100%**  
of our workforce is  
trained on our Code  
of Conduct.



**SCHNITZER CERTIFIED  
AS A GREAT PLACE  
TO WORK®**

In August of 2021, Schnitzer was certified as a Great Place to Work®, joining a distinguished group of companies that value employee trust, respect, pride, and camaraderie.

Great Place to Work® sets the global standard for businesses seeking to measure and improve workplace culture, employee experience, and leadership behaviors.

Schnitzer received this certification based on employee responses to an anonymous Trust Index Survey administered by Great Place to Work®. Just 3 percent of the United States civilian workforce are currently employed by a Great Place to Work Certified™ organization. Our Great Place to Work Certification is a testament to our ongoing commitment to enhancing employee experience, fostering a workplace culture of inclusion, and operating according to our core values—safety, sustainability, and integrity.

**SPOTLIGHT ON LONG-TENURED EMPLOYEES**

**SJ WILLIAMS**



In 2021 SJ Williams celebrated 52 years as a Schnitzer team member, earning the status as the longest-tenured employee in Schnitzer history. Throughout his time with the Company, SJ has held various Operator roles, and is currently serving as a Crane Operator at our Attalla, Alabama, facility.

**WAYNE GIBSON**



Wayne Gibson started at Cascade Steel Rolling Mills in 1971. Eight months later, he took a position operating a crane in the steel mill’s melt shop and has been there ever since. Prior to his career with Cascade Steel Rolling Mills, Wayne served in the United States Army for three years. He is one of many valued veterans in our Schnitzer employee community.





# ENHANCING EMPLOYEE HEALTH & WELLNESS

Over the past 18 months we have focused on protecting and supporting our employees throughout the COVID-19 pandemic. Our teams worked to find creative ways to bring employees together, offering additional connectivity to Schnitzer’s health and wellness programs.

In an effort to support COVID-19 vaccination throughout the Company, we offered transportation to and from clinics and vaccination centers and provided paid time off for employees to go to vaccination appointments for themselves and family members during normal working hours.

We responded to the need for virtual healthcare options by providing access to MDLive, a telemedicine resource that allows employees to meet with a healthcare provider without leaving home. Recognizing the need to prioritize mental health offerings, we accelerated existing initiatives to deliver telehealth services for mental health

support and launched training programs to encourage mental health monitoring at work. We are committed to continually enhancing employee benefits to offer support where needed, adjusting to changes across our workforce and society.

## COMPREHENSIVE WELLNESS STRATEGY

We are committed to supporting the health and well-being of our employees. Our Wellness strategy is built on three pillars: mental, physical, and financial wellness.

To support mental and physical wellness, we are expanding the benefit offerings of our Employee Assistance Program (EAP) to include webinars and podcasts on mental health, virtual health check-ins, tips for healthy remote work, and flexible work schedules. We are also hosting “Wellness Challenge Events” to educate our employees on balanced nutrition and healthy eating, improved sleep, stress-relief tactics, and relaxation activities.



I love that digital wellness is not anti-tech, it is healthy-tech. Benefits I have experienced personally as I dial back my screen time include improved connection with others as well as myself, getting better sleep, and even getting more exercise.”

– Terri Williams, Marketing Director and Digital Wellness Leader

Our financial wellness program has emphasized increasing employee awareness and understanding of our retirement and savings plans. Through our 401(k) and Company matching program, we are providing benefits to our employees upon retirement. In 2022 we are expanding our voluntary benefits to offer employees identity theft protection and supplemental accident coverage.

## WELLNESS IN AN EVER MORE DIGITAL ERA

Work, school, family gatherings, and most social interactions over the past year relied heavily on digital tools and resources. The transition from regular in-person interactions to a daily reliance

on digital communication tools has impacted frontline workers, office-based employees, students, community leaders, parents, and educators alike, as we all face new challenges and adapt to social limitations.

To offer employee support, Schnitzer launched a digital wellness initiative—an effort to create an environment where individuals can share information and resources, increase awareness, learn from one another, and encourage discussion around how technology impacts our lives. This initiative seeks to promote and support an intentional and healthy relationship with technology in the workplace and at home.



# FOSTERING DIVERSITY, EQUITY, & INCLUSION

At Schnitzer we believe the more diverse our employee community is the broader the perspectives and stronger our connections can be. We know that the best opportunities for innovation are generated by shared information and ideas.

Fundamental to our success is our ongoing commitment to fostering an environment that attracts a diverse workforce and cultivates genuine inclusivity where employees collaborate toward a common goal. We strive to attract, motivate, and reward individuals who work with pride and passion, and promote an expectation of mutual respect and accountability. We support fairness and equity, and reject the discrimination and oppression of any individual or group.

### MEASURING DIVERSITY, EQUITY, & INCLUSION LEADERSHIP

Our formal Diversity, Equity, and Inclusion program celebrates employees of all backgrounds. We are committed to advancing a safe and healthy work environment in which individuals are treated equitably and with dignity and respect. Accordingly, we have a zero-tolerance policy against discrimination and harassment. Our employees' annual training includes the strict prohibition of discrimination based on race, ethnicity, age, military status, sex, sexual orientation, gender identity, and religion.

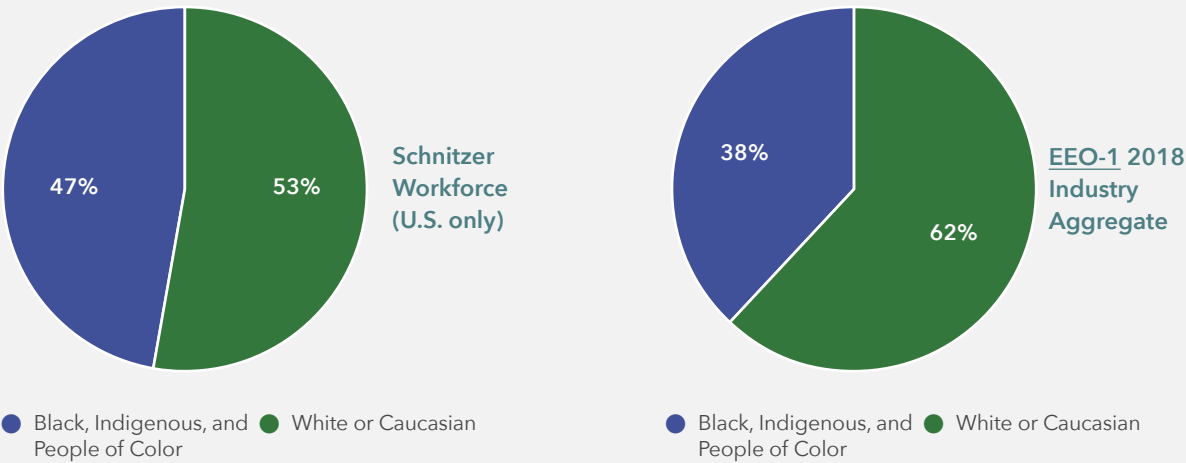
To better understand our own employee population and identify opportunities to enhance inclusivity, we collect and benchmark diversity data. We are especially proud of Schnitzer's representation of women on our Board of Directors. Four of our eight Directors (50 percent) are female—more than twice the Russell 3000 average of 22.6 percent. We seek diverse slates of qualified candidates for all Company leadership positions.

### ENGAGING EMPLOYEES EVERY DAY

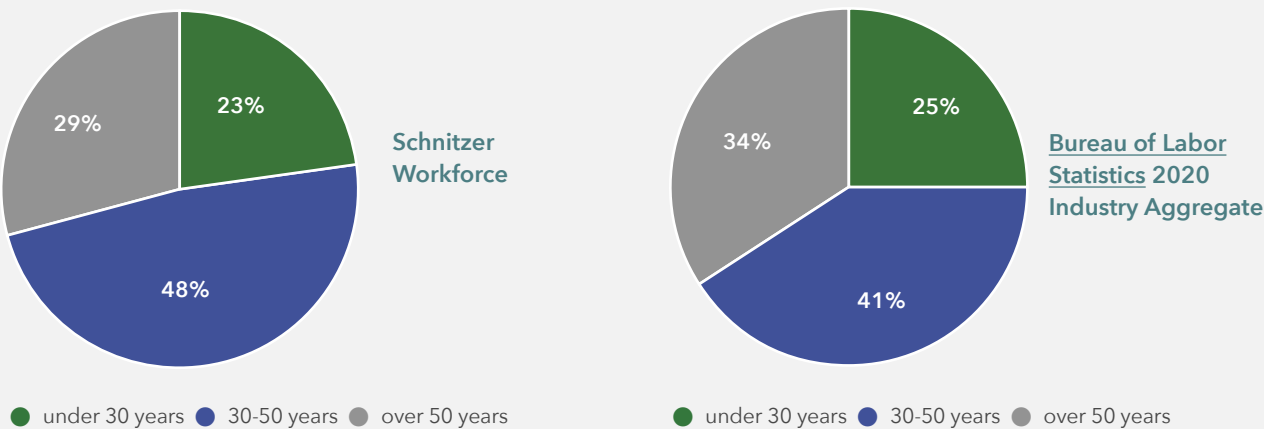
Our Engaging Employees Every Day (3Es) initiative increases cultural awareness, inspires employee collaboration, and creates an environment where open and safe conversations can take place. Town hall meetings are held at each of our facilities, complemented by all-Company virtual “town call” meetings featuring our Chairman and CEO and other members of the senior leadership team. These regular meetings offer a dedicated space for employees to hear from leadership teams and provide direct and candid feedback on workplace experiences.

Based on employee suggestions from 3E programs, in 2021 we added new elements to our existing Safety, Teamwork, Attitude, Resourcefulness (STAR) Award program, which recognizes outstanding workplace performance.

Our Workforce Ethnicity Association vs. Our Industry Averages



Our Workforce Age Breakdown vs. Our Industry Averages





EMPLOYEE RESOURCE GROUPS

Schnitzer's Employee Resource Groups (ERGs) are voluntary, employee-led groups that promote a diverse and inclusive workplace aligned with our Company's purpose, values, and business practices. ERGs are open to all employees and aim to build a sense of belonging and deepen the understanding of our shared purpose.

Each ERG maintains an executive sponsor and steering committee to support group administration. Members have the option to fill other leadership and administrative positions, and all employees are welcome to participate in ERG activities, regardless of membership status. In fiscal 2021 we expanded the number of our ERGs from four to six. Approximately 10 percent of our employees are actively enrolled in at least one of our ERGs, and we have had approximately 1,000 employees participate in various ERG-sponsored events to date.

PRIDE

► **Mission:**  
*To develop and nurture an inclusive community for all gender expressions, support Schnitzer's efforts to diversify staff at all levels, and actively work to attract, retain, and motivate LGBTQ+ employees and their allies.*

Like all Schnitzer's ERGs, PRIDE seeks to create an environment where members feel included, engaged, and valued. PRIDE supports and celebrates the LGBTQ+ community at work and beyond through a mentoring program and internal education efforts about issues faced by LGBTQ+ individuals.

Building community through the PRIDE ERG means providing an outlet for employees to both voice concerns and highlight the contributions of LGBTQ+ individuals and their allies. Through quarterly virtual meetings open to all employees, the PRIDE ERG offers a regular communication channel and has successfully engaged employees from across the organization.

In 2021 the PRIDE ERG initiated a Gender Identity and Pronoun education campaign about using an individual's desired pronoun as a form of mutual respect. Additional group efforts included launching an education campaign about creating and maintaining safe spaces—environments where all people, regardless of sexual orientation and gender identity, feel supported and welcome.



BLACK EMPLOYEE NETWORK (BEN)

► **Mission:**  
*To provide an open forum where employees with shared interests can aspire, develop, support, and collaborate to reach their highest potential, represent Schnitzer in our communities, and serve as a key resource to the Company.*

The BEN ERG creates a platform for employees to share perspectives and ideas in pursuit of a more equitable and inclusive workplace culture. The group actively builds awareness around racial issues and encourages open communication among all Schnitzer employees.

One of the primary goals of the BEN ERG is educating our workforce on the historic and societal challenges faced by our Black colleagues. Schnitzer has taken steps toward this goal by creating a formal training program for leaders to promote bias-free recruitment practices. Building on this effort, the BEN ERG is developing a mentorship program and hosts networking events for BEN members to engage within the broader Schnitzer community.

During the month of February, the BEN ERG supported Company efforts to celebrate Black History Month, providing content for an employee-focused social media campaign and suggestions for educational materials for the entire Schnitzer community.

The BEN ERG also seeks to establish external partnerships to incorporate best practices as the group continues to grow and evolve. By forming relationships and expanding existing partnerships with Historically Black Colleges and Universities (HBCUs), BEN will offer internship and employment opportunities to graduates, establishing a pipeline for Schnitzer's talent and recruitment efforts.



WOMEN@SCHN

► **Mission:**  
*To engage, empower, develop, and support women at Schnitzer.*

Women@Schn is dedicated to supporting and mentoring women in the workplace and in our communities. The group holds regular events to advance women personally and professionally by creating opportunities for mentorship and career advancement, providing social opportunities for networking, and establishing a forum for discussing women’s workplace issues. The group incorporates member feedback by administering frequent surveys to find new engagement opportunities for both women and men throughout the organization.

In 2021 Women@Schn launched a powerful Speaker Series with the theme, “Thriving Through the Second Shift,” to highlight the reality that for many women the workday is not over after completing daily workplace responsibilities. Instead, women often begin their “second shift,” caring for children and other family members. The group found that addressing this topic head-on advanced the critical conversation around finding remedies and developing relief strategies.



In the Speaker Series sessions, Women@Schn also touched on topics including societal expectations around women’s responsibilities at home and at work, and impacts to these expectations as a result of the COVID-19 pandemic. Whitney Cox, Schnitzer’s Diversity, Equity, and Inclusion Program Manager, spoke about challenges that women encounter in the workplace, and the importance of acknowledging and openly discussing these challenges at all levels of the Company as the first step toward addressing them. Whitney said, “We have to be resilient and lift each other up.”

VETERANS EMPLOYEE RESOURCE GROUP (VERG)

► **Mission:**  
*To serve as a strategic partner group within Schnitzer, to promote a sense of belonging and connection through increased engagement, to attract new talent and facilitate community outreach, and to offer opportunities for networking and personal and professional development.*



Schnitzer is proud to be a military-friendly employer and an organization that honors and respects the commitment to service. Through a common military background, members

often share experiences around team dynamics, goal setting, and coalition building. The VERG celebrates member stories and experiences through guest speaker events—opportunities to hear directly from veterans and educate others within the organization about military service and the transition to civilian life. The unique perspectives and insights offered during these events are valuable to our entire organization and serve to support the members and participants, as well as extend their reach to others.

HISPANIC EMPLOYEE RESOURCE GROUP (HERG)

► **Mission:**  
*To promote and celebrate cultural awareness in the workplace and to give the Hispanic community at Schnitzer a forum to interact with one another, open avenues of support and networking, educate others, and advance personally and professionally.*

Schnitzer’s Hispanic Employee Resource Group officially launched in September 2020 during National Hispanic Heritage Month. With the support of the group’s executive sponsors, more than 100 participants attended the kickoff meeting. Membership and attendance have since grown substantially.

The group seeks to build on advancement pathways for Hispanic employees within the organization, and increase outreach, communication, and engagement with frontline Hispanic employees to promote collaboration across functional levels.



“The HERG promotes increased dialogue between Hispanic employees and Company leadership teams, offering an important opportunity to share ideas, information, and valuable development tools.”

– Pedro Orbezo, Co-Leader of HERG

BUILDING UP INDIVIDUALS’ LIVES DAILY EMPLOYEE RESOURCE GROUP (BUILD)

► **Mission:**  
*To build up others.*

The purpose of the BUILD ERG is to address critical needs in our communities through volunteerism, specifically by seeking out partnerships with organizations that support underserved populations.



BUILD offers the opportunity for Schnitzer employees to dedicate time, resources, labor, and knowledge to help address the needs of others. Like other ERGs at Schnitzer, an important objective of this group is education. BUILD asks members to share experiences and knowledge based on their diverse backgrounds and cultures, and provides an outlet for employees to learn about and from one another and apply their discussions to our communities to advance efforts to build up others.

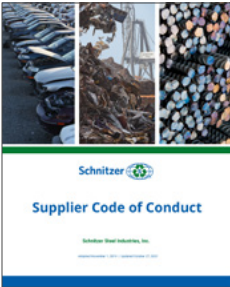


# BUILDING ON INTEGRITY & RESPECT

Integrity underscores Schnitzer's commitment to operating from an ethics-based approach, focused on honesty and transparency, responsible leadership, and social responsibility. Our Ethics and Compliance program establishes and maintains the framework for how we treat one another and our stakeholders. By integrating ethically sound behaviors, we build trust and establish an expectation of personal and organizational responsibility.

## ETHICS & COMPLIANCE PROGRAM

Schnitzer's independent Ethics and Compliance function is governed by its charter, through which our Chief Ethics and Compliance Officer follows direct reporting lines to both the CEO and the Board of Directors through its Audit Committee.



Conducting business according to our core values requires a common set of ethical rules, which we present in our Code of Conduct and Supplier Code of Conduct, which communicates ethical guidelines for relationships with those in our supply chain. Schnitzer's Ethics and Compliance Program promotes the Codes of Conduct and fosters an inclusive and equitable environment where employees feel comfortable reporting concerns.

Each year Schnitzer employees participate in formal training on the Company's core values to review key information, including ethical behavior standards, best practices for reporting misconduct, rules against retaliation, the importance of mutual respect and accountability, and our efforts related to diversity, equity, and inclusion.

The Ethics and Compliance Program works to ensure that communications are inclusive and accessible to all by creating training content available in both English and Spanish, written and audio formats, and by distributing emails, posters, and flyers to convey messages clearly.

We empower employees to raise compliance concerns by offering multiple communication channels, including a third-party, confidential, multilingual hotline, through which employees may choose to remain anonymous. Regardless of reporting method, our team ensures all reports are promptly investigated and resolved.



## ETHICS IN ACTION AWARD

Schnitzer's Ethics in Action Award program recognizes employees who consistently

demonstrate ethical behavior. Award recipients exhibit a willingness to alert others to a potential hazard or problem and a tendency to go above and beyond normal duties to help customers and colleagues alike.

Employees at all levels may nominate colleagues throughout the year using an online portal. Our Chief Ethics and Compliance Officer recognizes honorees each year—an important opportunity to highlight everyday choices that make a difference.

## ANTICORRUPTION PROGRAM

We scrutinize our operations for corruption risks and constantly upgrade our training and operational programs to address those risks. Our comprehensive Anticorruption Policy prohibits bribery, money laundering, and engaging with terrorists or other sanctioned entities. The policy also prohibits facilitation payments and requires meticulous recordkeeping.

Our policy is underscored by an expansive set of internal controls, training, and third-party monitoring. Our Anticorruption Handbook and other reference guides help employees understand relevant roles, rules, and requirements to ensure accountability. Our International Anticorruption Council, chaired by the Chief Ethics and Compliance Officer and consisting of senior leaders in operations, finance, legal, sales, procurement, IT, and internal audit, monitors the oversight and execution of Schnitzer's Anticorruption Program.

## HUMAN RIGHTS

As a business engaged in commercial transactions throughout the world, we take our responsibilities seriously to respect human rights everywhere we operate. Schnitzer's Human Rights Policy reinforces our commitment to upholding the internationally recognized human rights standards as set forth in the United Nations' Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.







**2021 WORLD'S MOST ETHICAL COMPANIES®\***

Schnitzer earned the prestigious distinction as one of the Ethisphere® Institute's 2021 World's Most Ethical Companies®.

The Ethisphere® Institute's World's Most Ethical Companies® distinction recognizes organizations actively driving positive change in the business community through ethical and

responsible business practices. Schnitzer has received this honor for each of the last seven years, solidifying our status as part of a distinguished group of companies that drive community improvement, build capable and empowered workforces, and foster corporate cultures focused on ethics and a strong sense of purpose.

Each year we analyze the results of our World's Most Ethical Companies® report, gaining significant insight into current best practices and leveraging data to plan improvements across the Company.

\*"World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.



Our continued recognition as one of the World's Most Ethical Companies® is particularly meaningful to all of us at Schnitzer because it reflects our ongoing efforts to improve and sustain performance. It means that our strong ethics and compliance program supports a sustainable culture of integrity and safety, dedication to customers and suppliers, and engagement with our communities.”

– Callie Pappas, Vice President & Chief Ethics and Compliance Officer



**RECOGNITION AS RESPONSIBLE GLOBAL LEADERS**

Schnitzer was named the winner of the S&P Global Platts 2021 Global Metals Awards Industry Leadership Award for Scrap & Recycling. The S&P Global Platts Global Metals Awards recognize and celebrate the best of the best in the metals industry. Winners include metal companies from 6 countries, all recognized for individual and company achievements across 15 categories of operational excellence. According to the judging panel, the winners were those who “have thrived and made progress by leaps and bounds with their environmental, social, and governance credentials, while maintaining financial strength.”



Schnitzer was named by *Newsweek* as one of America's Most Responsible Companies of 2021. In partnership with the global data research firm Statista, *Newsweek* developed this list based on their analysis of 2,000 of the largest U.S. publicly traded companies, an independent survey of 6,500 U.S. consumers, and research on publicly available environmental, social, and governance data points.



# CULTIVATING COMMUNITY

Schnitzer employees are active members of the communities where we operate. Through direct charitable giving and employee volunteerism, 2021 marked an important year filled with meaningful community engagement as individuals, families, and organizations met the ongoing challenges of the global pandemic. Beyond our planned community engagement, we supported disaster relief efforts, leveraging our assets and deploying our resources to those in need.

## INVESTING IN OUR COMMUNITIES

Our community investment programs center around a core set of priorities that seek to provide relevant and purposeful impacts for local individuals and community groups. Schnitzer community investments sustain organizations that support:

- ▶ Children & Families
- ▶ Education and Workforce Development
- ▶ Food Insecurity & Hunger Relief
- ▶ Environmental Conservation & Protection

## CHILDREN & FAMILIES

The Boys & Girls Clubs of America’s mission is to enable young people, especially those in marginalized and underserved communities, to reach their full potential as productive, caring, and responsible citizens. Through our partnerships across the country, Schnitzer has provided broad support for this mission. We view our contributions as a form of service and assistance in the short term, as well as a long-term investment in the leaders of our sustainable tomorrow.

In 2021 Schnitzer supported local Boys & Girls Clubs of America chapters in several U.S. states, Puerto Rico, and Canada, providing charitable contributions, donating supplies including COVID-19 protection necessities, supporting summer camps and academic assistance programs, funding recreation and arts activities, and organizing and participating in fundraising events.

Schnitzer is actively involved with the following Boys & Girls Clubs:

- ▶ Boys & Girls Club – Central New Hampshire
- ▶ A.G. Gaston Boys & Girls Club – Birmingham, Alabama
- ▶ Murphy Felton Tindall Boys & Girls Club – Macon, Georgia
- ▶ Rockwood Boys & Girls Club – Portland, Oregon
- ▶ Boys & Girls Club – Washington State
- ▶ Boys & Girls Club – Oakland, California







**FOOD INSECURITY & HUNGER RELIEF**

Since its inception in 2010, Schnitzer's National Food Bank Initiative has worked to address urgent community needs to combat hunger and food insecurity. Through longstanding partnerships with many local food banks across the country, Schnitzer employees collect donations for nonperishable food items, and the Company matches individual contributions.

In response to ongoing COVID-19-related food insecurity emergencies in many of our local communities over the last year, Schnitzer increased support to accommodate new and evolving needs. For instance, when the Emergency Food Network (EFN) in Pierce County, Washington, began delivering food directly to recipients' homes, they realized that many individuals did not have can openers to access nonperishable items. Employees at Schnitzer's Tacoma, WA facility responded by donating hundreds of can openers and organizing a community scrap drive to source additional funding for the EFN.

Fiscal 2021 marked one of our most successful fundraising efforts in this initiative's history, raising over \$433 thousand in donations to more than 50 food banks and surpassing a \$3 million donation milestone.



I was homeless at one point for two years. During that time, I relied heavily on food banks to survive. I am forever grateful for those who donated money and food to those food banks so I had something to eat. When I have an opportunity to give back, I try my hardest to do as much good as I can.”

– Glenn Dorsey, Customer Service Agent at the Columbus, Ohio, Pick-n-Pull and 2021 Donation Leader

**EDUCATION & WORKFORCE DEVELOPMENT**

Schnitzer employs a diverse and dynamic workforce of more than 3,100 individuals across the U.S., including Puerto Rico, and Western Canada. Our teams provide essential metals recycling and recovery services, helping to keep valuable materials out of the landfill, while conserving energy and natural resources. Supporting education and workforce development programs that promote skilled labor jobs like those at Schnitzer is essential to our national and global transition to a low carbon economy.

Our recent partnership with The Steel Yard, a nonprofit organization in Providence, Rhode Island, aims to promote education and training programs, introducing talented individuals to the metal recycling industry. In July 2021, our charitable donation supported a scholarship fund for youth campers to attend welding, blacksmithing, jewelry, and ceramic summer camps in a safe and welcoming environment. We are currently working to establish routine donations of scrap metal, such as rebar, angle iron, etc., for future training programs, and exploring opportunities to invite youth to become more involved with The Steel Yard's workforce training program as a pipeline for potentially hiring individuals who have completed their training.

**ENVIRONMENTAL CONSERVATION & PROTECTION**

Environmental conservation and protection exist at the core of our business: saving energy and water, conserving virgin resources like wood, ore, and oil, and avoiding pollution and greenhouse gas emissions as we provide essential products and services that keep industries and economies running strong. Beyond these daily efforts to promote sustainability through our operations, we partner with local community groups and

nonprofit organizations to expand our impact and protect the environment.

**Earth Day Partnerships**

Working alongside local groups across the country, Schnitzer employees leverage Earth Day to showcase our commitment to environmental conservation and protection. In 2021 our employees, including their families and friends, participated in cleanups along rivers, lakes, and shorelines, neighborhood parks, and pedestrian greenways, volunteering their time, talents, and tools to beautify and restore the environment and our communities.

2021 partnerships included:

- ▶ American River Parkway Foundation (ARPF) – Carmichael, California
- ▶ Friends of Mandela Parkway “Community Clean Up” – Oakland, California
- ▶ Piedmont Park Conservancy – Atlanta, Georgia
- ▶ Malama na Honu Green Sea Turtle Sponsorship – Oahu, Hawaii
- ▶ Attleboro Conservation Commission at Cranberry Pond – Attleboro, Massachusetts
- ▶ Mystic River Watershed at Torbert MacDonald Park – Medford, Massachusetts
- ▶ Bayside Trail Clean Up – Portland, Maine
- ▶ City of Johnston “Community Clean Up” – Johnston, Rhode Island
- ▶ Greater Yamhill Watershed Council at Cozine Creek (GYWC) – Yamhill and Chehalem Valleys, Oregon
- ▶ SOLVE Oregon for “Oregon Spring Cleanup” – Portland, Oregon
- ▶ Beach Clean Up with Puyallup Tribe of Indians (PTOI) at Canoe Landing – Tacoma, Washington



Natural Disaster Aid & Response

Schnitzer operates in communities throughout the country that have suffered this year from tornadoes, wildfires, and other natural disasters and the increasingly commonplace impacts of climate change. Beyond our regular, scheduled community engagement activities, we provided natural disaster relief assistance and deployed our resources to those in need.

► Answering the Call—Disaster Relief After a Tornado in Calhoun County, Alabama

Alabama had at least 10 tornadoes on March 25, 2021, including the Ohatchee-Wellington Tornado in Calhoun County, roughly 30 miles southeast of Schnitzer’s recycling facility in the town of Attalla, Alabama.



Jody Free, Senior Purchasing Manager at our Attalla recycling facility, is also a 30-year veteran volunteer

firefighter. Upon learning of the disaster in nearby Calhoun County, Jody answered the call for local supplies. Remembering their reserve of hand sanitizer, masks, gloves, and other items meant for use by Schnitzer employees at the recycling yard, she partnered with Company leadership to donate these items to those who needed them most, coordinating next-morning delivery to shelters for displaced tornado victims.

“Schnitzer gives back to its communities and encourages its employees to do the same,” Jody said. “It was the right thing to do and, knowing that these individuals had lost everything in the storm, it was the least we could do.”

► Wildfire Relief and Debris Management

As wildfires become more common during the summer months, especially across the western U.S., we find ourselves in a unique position to support cleanup and recovery services for affected communities. Burned materials like vehicles, RVs, or other metal appliances generally found in a home require proper management, and Schnitzer recycling facilities deliver environmentally responsible solutions.

Through a partnership with the Oregon Department of Transportation’s Debris Management Task Force, our Pacific Northwest operations supported recovery of many household items burned during the wildfires that devastated Oregon in 2020. Prioritizing environmental stewardship and resource conservation, Schnitzer is proud to offer a second life and transform these materials into usable resources.



Supporting Ocean Cleanups

The Fishing for Energy program was launched in 2008 as a partnership with the National Fish and Wildlife Foundation (NFWF) and the National Oceanic and Atmospheric Administration (NOAA) Marine Debris Program.

The program provides grant funding to safely remove abandoned fishing gear from waterways and responsibly dispose of the collected materials. To date the program has collected more than 4.5 million pounds of gear and engaged over 1,000 fishermen by providing recycling collection bins at 56 ports across 13 U.S. states.

Since March 2020 Fishing for Energy has awarded over \$5.1 million in grants to more than 55 projects in 17 U.S. states, Washington, D.C., and Puerto Rico.



Schnitzer is proud to continue our partnership with NFWF and support the Fishing for Energy Program. For more than 10 years, Schnitzer operations have processed this discarded fishing gear to facilitate responsible disposal and recycling. By supporting the fishing community and working to keep our waterways clean, we strengthen our commitment to the environment—on both land and sea.”

– Colin Kelly, Vice President of Public Affairs



SCHNITZER’S VOLUNTEER PROGRAM

Schnitzer’s Volunteer Time Off (VTO) Program aims to connect employees directly to the communities where we operate. From coaching children’s sports teams, leading scout troops, and chaperoning field trips, to organizing and attending science fairs and after-school activities, participating in city cleanup efforts, and working at food pantries, our employees take advantage of this program to actively engage and support our communities.

Through the Company’s VTO benefit, employees receive eight paid hours to participate in local volunteer efforts as we work toward a shared goal of volunteering 10,000 hours by 2025.

This year’s opportunities for in-person service were again limited due to pandemic restrictions, but where they did exist, our employees stepped up. For instance, the American Red Cross faced a severe shortage of blood donations because of their inability to host in-person blood drives. In addition to our cash contribution to the American Red Cross to support nationwide support for emergency assistance, disaster relief, and disaster preparedness education, this year employee volunteers organized a blood drive that enabled our employees to safely donate.



NATIONAL & LOCAL INDUSTRY ENGAGEMENT

Schnitzer’s involvement in national and local chambers of commerce provides opportunities to engage and collaborate with people charged with making decisions that impact business communities in the areas where we operate. Our involvement allows us to learn and share best practices with our peers, and participate in the development of public policies that protect the environment while promoting sustainable business practices.

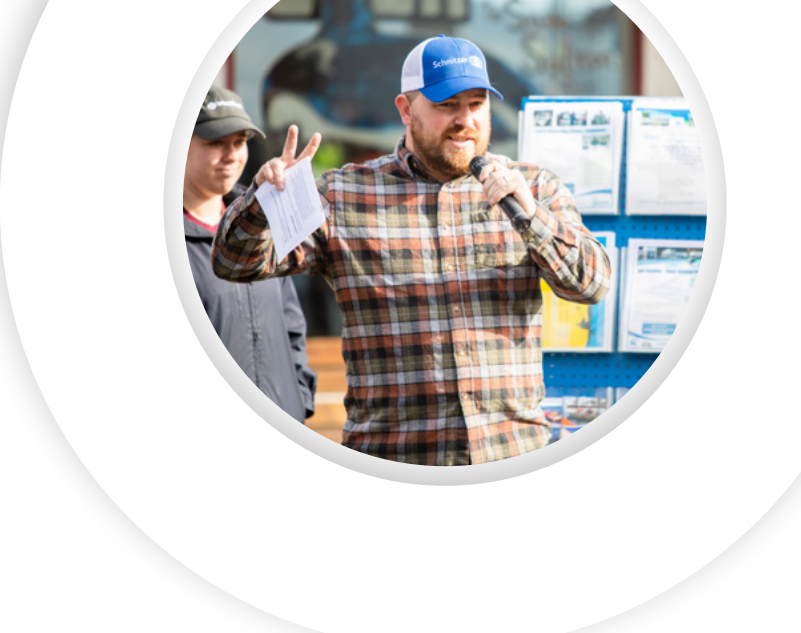
Our commitment to being a responsible and respected global corporate and community business citizen drives us to work constructively in partnerships with our communities.

OUR CHAIRMAN & CEO PARTICIPATES ON THE BUSINESS ROUNDTABLE

Business Roundtable CEOs have been leading the charge for sustainability in the business community. As a unified group, the CEOs are working to demonstrate that environmental sustainability and economic growth in the U.S. go hand in hand, and are achievable together. U.S. businesses are making a positive impact on sustainable outcomes, which can be seen through major trends encouraging efficiency through reuse and recycling and advancing renewable energy, growing sustainable investing, and reducing carbon emissions. See the [Business Roundtable’s Sustainability Spotlight featuring Tamara Lundgren](#).

SCHNITZER ACADEMY

In 2021 Schnitzer launched a three-year partnership with Student Programming for Athletic and Academic Transitioning at McClymonds High School and Laney College in Oakland, and Universal



Technical Institute in Sacramento, California. The partnership program, known as Schnitzer Academy, offers educational resources and hands-on training for students interested in the metal recycling industry, eventually providing job opportunities at our recycling facilities and Pick-n-Pull retail stores. We donate used cars, sheet metal, and other resources to support classroom training, offer paid internship opportunities, financial assistance, and scholarships. We lead facility tours and eventually provide a pathway to full-time employment. Our employees visit classrooms to share real world experience and expertise on topics including metal work, industrial hydraulics, and vehicle dismantling and welding.

Schnitzer Academy aims to bring talented individuals to the metal recycling industry, while also providing an educational platform for sustainable development throughout our local communities and beyond. In the coming years we plan to expand Schnitzer Academy in other parts of the country, engaging students interested in a career in the metals recycling industry and developing the talent necessary to advance the use of sustainable metal processing technologies for infrastructure and related development.





# Appendix

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## ASSURANCE STATEMENT

Since 2014 we have engaged with S&P Global Market Intelligence to provide assurance of selected Key Performance Indicators (KPIs), including Scope 1, 2, and 3 greenhouse gas emissions; energy consumption by source; water withdrawal by source; disposition of recycled, recovered, and landfill material; and occupational workforce safety performance. S&P Global Market Intelligence has undertaken assurance of these KPIs in accordance with AA1000AS (2008) Type 2 moderate-level assurance.

## GRI Index

Schnitzer references relevant standards developed by the Global Reporting Initiative (GRI), a global framework for sustainability reporting, providing a clear and transparent way for organizations to report their environmental, social, economic, and governance impacts.

## SASB Disclosures

Schnitzer reports on relevant metrics developed by the Sustainability Accounting Standards Board (SASB) for our Primary SICs Sector (Extractives & Minerals Processing) and Primary SICs Industry (Iron & Steel Producers).

## CDP/TCFD Reporting

Since 2017 Schnitzer has been a respondent to CDP’s questionnaires. CDP is a nonprofit organization that operates the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.

Over the years our reporting to CDP has been beneficial in engaging with investors, suppliers, and customers on the environmental value of the Company, as well as providing valuable information on the Company’s governance structure and involvement, risks and opportunities, integrated sustainable business strategy, environmental-related targets and performance, and showing progress toward managing our GHG emissions, energy use, water consumption, and supply chain impacts. In 2021 we received CDP scores of A- (Climate) and A (Water Security).

CDP’s climate change questionnaire is aligned with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)—a body established in 2015 by G20 Finance Ministers and Central Bank Governors within the Financial Stability Board (FSB), and its chair at the time, Mark Carney, then Governor of the Bank of England. This group is concerned with the financial stability ramifications of climate change resulting from the potential mispricing of assets and misallocation of capital.

The Task Force on Climate-related Financial Disclosures (TCFD) develops voluntary, consistent, climate-related financial risk disclosures for companies to provide information to stakeholders. Schnitzer supports this initiative and is committed to providing our stakeholders with relevant information on climate-related issues. Our approach and assessment results are summarized below.

TCFD-related information can be found in the Designing Our Sustainable Future section of this report and our CDP disclosures. CDP’s climate change questionnaire contains over 25 TCFD-aligned questions, which form the basis of the analysis above. These questions are contained within the Governance, Risks & Opportunities, Strategy, Targets and Emissions modules.



# ASSURANCE STATEMENT

## Assurance statement

Trucost was engaged by Schnitzer Steel Industries, Inc. to provide assurance of the environmental and social data held within its 2021 Sustainability Report, CDP Climate Change Response, and CDP Water Response.

**Intended users**

The intended users of this assurance statement are the management and stakeholders of Schnitzer Steel Industries, Inc. (hereafter “Schnitzer”).

**Responsibilities of Schnitzer and assurance provider**

The management of Schnitzer has sole responsibility for the preparation and content of the 2021 Sustainability Report and CDP Climate Change and Water Response (hereafter, CDP). Trucost’s statement represents its independent and balanced opinion on the content and accuracy of the information and environmental and social data held within.

**Assurance standard**

Trucost undertook the assurance in accordance with AA1000AS v3 (2020) Type 2 moderate-level assurance, covering:

Evaluation of adherence to the AA1000APS (2018) Principles of inclusivity, materiality, responsiveness, and impact (the Principles).

The reliability of specified environmental performance information (TCIR, energy use, greenhouse gas emissions, water use, waste generated and waste disposed of).

Trucost used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate Schnitzer’s performance information and adherence to the Principles.

**Scope and limitations**

Trucost was engaged to assure the data and claims in Schnitzer’s 2021 external reporting, encompassing the period of 1 September 2020 – 31 August 2021. Trucost was asked to assure reporting for specific KPIs. Schnitzer took an operational control approach.

Trucost verified the environmental and social impacts, as calculated by Schnitzer, within the table below.

GHG EMISSIONS			ENERGY	
	UNIT	QUANTITY	UNIT	QUANTITY
By Scope				
GHG Scope 1- Fuel Combustion <sup>1</sup>	Metric tons CO2e	48,352	GJ	694,396
GHG Scope 1- NG Combustion		44,911	GJ	886,280
GHG Scope 1- Production Process		52,272		NA
GHG Scope 2- Location-based electricity	Metric tons CO2e	25,291	GJ	1,337,398
GHG Scope 2- Market-based electricity <sup>2</sup>		0		
GHG Scope 3- Business Travel	Metric tons CO2e	707		NA

WATER	unit	QUANTITY
Purchased municipal water	m3	1,227,189
Extracted well water	m3	9,303

WASTE	unit	QUANTITY
By Source Category		
Business waste	Metric tons	7,504
Process waste	Metric tons	697,133
By Disposition <sup>3</sup>		
Landfill disposal	Metric tons	72,552
Beneficial Re-use/Recycling	Metric tons	632,085
By Regulation <sup>4</sup>		
U.S. Federal RCRA	Metric tons	4,255

EMPLOYEE SAFETY	unit	QUANTITY
TCIR <sup>5</sup>	Number of cases per 200,000 hours worked	1.71

<sup>1</sup>The quantity reported under GHG Scope 1 fuel combustion include the following fuel types: Diesel, Biodiesel, Gasoline, Ethanol, Fuel Oil, Kerosene, Propane, Propylene, and Acetylene.

<sup>2</sup> The quantity reported under GHG Scope 2 market-based emissions include bundled and unbundled utility green tariffs or energy attribute certificates for the reporting year. This quantity also includes Schnitzer’s voluntary purchase and retirement of 35,300 MWh verified renewable energy credits to achieve 100% net carbon-free power mix in their market-based contracted grid-electricity.

<sup>3</sup>The quantity reported under the beneficial Re-use/Recycling category is inclusive of materials for re-use/recycling, materials used for energy recovery and may include U.S. Federal RCRA materials.

<sup>4</sup>The quantity reported under U.S. Federal RCRA may be inclusive of both disposition types i.e. by landfill disposal, and re-use/recycling.

<sup>5</sup>TCIR stands for Total Case Incident Rate (TCIR) as the number of work-related injuries per 100 full-time workers during a one year period. Source: OSHA

In 2021, Schnitzer’s business travel activity remained restricted and limited due to the COVID-19 pandemic, resulting in low business travel emissions. The company also made enhancements to its waste management procedures, including record keeping practices and personnel training. These enhancements have helped achieve more accurate reporting of regulated and disposed waste. In 2021, Schnitzer’s disposed waste quantities increased due to increase in production activity and its enhanced waste management procedures.

**Methodology**

Trucost’s assurance activities included the following:

- Review of the processes by which Schnitzer defines the sustainability issues that are relevant and material to its operations and its stakeholders.
- Interviews with managers responsible for sustainability performance and data collection
- Assessment of the extent to which Schnitzer’s sustainability activities adheres to the Principles
- Review of processes and systems used to gather and consolidate environmental data
- Verification of data accuracy for a selection of sites, including an audit of conversion factors and calculations.

## Assurance statement

PRINCIPLE	COMMENTS
<b>Inclusivity:</b> the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability	Schnitzer takes a comprehensive approach to ensure active engagement of all relevant internal and external stakeholders which includes its shareholder, employees, and local communities as well as regulators, customers, suppliers, and relevant non-profit associations. Schnitzer keeps its stakeholders informed of its initiatives, policies and strategies through annual public disclosures like Sustainability report, CDP report, newsletters, and periodic notifications. Schnitzer also welcomes feedback and suggestion from its stakeholders through various channels like surveys, meetings and direct engagement with stakeholder group. All stakeholder concerns are given equal priority. During the reporting period, Schnitzer engaged with 100% of its identified stakeholder groups. The Company’s Board of Directors is provided with quarterly updates on major risks by their Executive Team, including Senior Vice Presidents and General Counsel. Additionally, the Chief Sustainability Officer reports quarterly to Chairman and CEO on issues of climate-related strategy, monitoring implementation and performance of set objectives, goals and targets.
<b>Materiality:</b> determining the relevance and significance of an issue to an organization and its stakeholders	Schnitzer conducted its materiality assessment exercise during the reporting period to identify relevant environment, social and governance topics material to its business. The issue prioritization was determined through both results of surveys and discussions held through stakeholder engagement process. The issues identified were classified in three tiers depending on their rank and priority with tier 1 issues being of highest priority followed by tier 2 and tier 3 issues. The top five material topics for Schnitzer are: environmental management, employee safety, talent recruitment and retention, employee training and development, local community relation and trust. Schnitzer combines both qualitative and quantitative approach to identify, analyze and mitigate the material risks to the organization. These risks are also brought to the attention of company leadership as needed. From the climate risk perspective, regulatory risk, and physical risk from acute weather events are still considered material due to its impact on the supply chain and its operations.
<b>Responsiveness:</b> an organization’s response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions, and performance, as well as communication with stakeholders	Schnitzer ensures that it responds to all its stakeholder concern related to its environmental and social topics coming through different channels within a reasonable time. The stakeholder concerns and feedback are taken in due consideration in developing business strategies. Schnitzer also strives to leverage process improvements that include both new metal recovery technology and behavioral improvement practices that recover more scrap metal, and indirectly mitigate the excess GHG emissions associated with manufacturing new metal via newly mined virgin resources. This allows Schnitzer to stay relevant and competitive in the transition to low-carbon economy. Besides this, Schnitzer regularly evaluates opportunities to minimize its emissions through renewable energy.
<b>Impact:</b> Organizations should monitor, measure, and be accountable for how their actions impact broader ecosystems	Schnitzer makes investments in plant equipment to improve the efficiencies of carbon inputs into its steel manufacturing process in effort to conserve raw resources and lower its carbon outputs. Schnitzer has plans to roll out a software program system that facilitates the real-time monitoring and management of energy consumption across all its facilities. It also evaluates its carbon pricing risk on annual basis. The Company’s management is incentivized for achievement of sustainability goals anchored to 2025 and 2050 targets, particularly related to its strategic objectives and EH&S performance. Overall, this has encouraged management to seek to develop climate-related performance projects.



Assurance statement



Findings, conclusions, and recommendations

The Principles:

Nothing came to Trucost’s attention to suggest that Schnitzer’s CDP Response or Sustainability Report does not adhere to the AA1000 Principles.

Data reliability:

Schnitzer has implemented rigorous processes to collect and aggregate global energy consumption, GHG emissions, water use, and waste generation. Upon evaluating this system, Trucost found that data was accurate overall and any minor corrections were made as necessary.

Assurance provider

Trucost has been researching, standardizing, and validating corporate environmental performance data since 2000. Trucost’s research team has the relevant professional and technical competencies and experience to conduct an assurance to the AA1000 standard. Trucost has conducted this assurance independently and impartially and in compliance with S&P Global’s policies and procedures, including its Code of Business Ethics that provide a framework relating to ethical conduct, conflict of interest, and compliance with law.

Trucost, part of S&P Global  
London, October 2021



Steven Bullock  
Global Head of Research and Innovation



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# GRI INDEX

## General Disclosures

DISCLOSURE NUMBER	DESCRIPTION	2021 REFERENCE/RESPONSE
GRI 102: General Disclosures		
Organizational Profile – 2016 Standards		
102-1	Name of the organization	Schnitzer Steel Industries, Inc.
102-2	Activities, brands, products, services	What We Do: Metals Recycling, Auto Dismantling, Parts Recovery, and Vehicle Recycling, Steel Manufacturing 2021 10-K page 2-3
102-3	Location of headquarters	Portland, Oregon
102-4	Location of operations	2021 10-K page 4, 29
102-5	Ownership and legal form	2021 10-K page 32
102-6	Markets served	2021 10-K page 3-9
102-7	Scale of the organization	About Schnitzer 2021 10-K page 38
102-8	Information on employees and other workers	About Schnitzer / Powering Our People 2021 10-K page 12
102-9	Supply chain	Appendix / SASB Disclosures 2021 10-K page 7-8, 19-20, 34-35, 60
102-10	Significant changes to the organization and its supply chain	2021 10-K page 9, 60
102-11	Precautionary Principle or approach	Schnitzer does not prescribe to the Precautionary Principle, but has a comprehensive enterprise risk management process.
102-12	External initiatives	2021 ESG Achievements / Our Sustainability Goals
102-13	Membership of associations	National & Local Industry Engagement
Strategy – 2016 Standards		
102-14	Statement from senior decision-maker	Chairman and CEO Message
102-15	Key impacts, risks, and opportunities	About Schnitzer / Our Sustainability Goals 2021 10-K page 15-28
Ethics & Integrity – 2016 Standards		
102-16	Values, principles, standards and norms of behavior	About Schnitzer / Our Core Values Code of Conduct
102-17	Mechanisms for advice and concerns about ethics	Building on Integrity and Respect Code of Conduct

DISCLOSURE NUMBER	DESCRIPTION	2021 REFERENCE/RESPONSE
Governance – 2016 Standards		
102-18	Governance structure	Sustainability Governance, Strategy, Principles 2021 10-K page 14, 91 Proxy Statement
102-19	Delegating authority	Sustainability Governance, Strategy, Principles Proxy Statement / Corporate Governance Guidelines
102-20	Executive-level responsibility for economic, environmental, and social topics	Chairman and CEO Message CSO Message Sustainability Governance, Strategy, Principles
102-21	Consulting stakeholders on economic, environmental, and social topics	Materiality Assessment
102-22	Composition of the highest governance body and its committees	Proxy Statement
102-23	Chair of the highest governance body	Tamara L. Lundgren is Chairman of the Board and Chief Executive Officer CEO Message
102-24	Nominating and selecting the highest governance body	Proxy Statement
102-25	Conflicts of interest	Code of Conduct page 13-14
102-26	Role of highest governance body in setting purpose, values, and strategy	Chairman and CEO Message About Schnitzer / Sustainability Governance, Strategy, Principles Proxy Statement
102-27	Collective knowledge of highest governance body	Proxy Statement
102-28	Evaluating the highest governance body's performance	Proxy Statement
102-29	Identifying and managing economic, environmental, and social impacts	Chairman and CEO Message Sustainability Governance, Strategy, Principles 2021 10-K page 14-28, 35-36
102-31	Review of economic, environmental, and social topics	Sustainability Governance, Strategy, Principles Materiality Assessment Our Sustainability Goals
102-32	Highest governance body's role in sustainability reporting	Sustainability Governance, Strategy, Principles Proxy Statement / Chairman & CEO Letter to Shareholders
102-33	Communicating critical concerns	Building on Integrity and Respect Code of Conduct page 5-6
102-34	Nature and total number of critical concerns	This information is confidential
102-35	Remuneration policies	Proxy Statement
102-36	Process for determining remuneration	Proxy Statement
102-37	Stakeholders' involvement in remuneration	Proxy Statement
102-38	Annual total compensation ratio	Proxy Statement
102-39	Percentage increase in annual total compensation ratio	Proxy Statement



DISCLOSURE NUMBER	DESCRIPTION	2021 REFERENCE/RESPONSE
Stakeholder Engagement – 2016 Standards		
102-40	List of stakeholder groups	Materiality Assessment Appendix / Assurance statement
102-41	Collective bargaining agreements	2021 10-K page 12, 27, 81
102-42	Identifying and selecting stakeholders	Materiality Assessment Appendix / Assurance statement
102-43	Approach to stakeholder engagement	Materiality Assessment Appendix / Assurance statement
102-44	Key topics and concerns raised	Sustainability Governance, Strategy, Principles Materiality Assessment Our Sustainability Goals
Reporting Practice – 2016 Standards		
102-45	Entities included in the consolidated financial statements	2021 10-K page 60
102-46	Defining report content and topic boundaries	Materiality Assessment
102-47	List of material topics	Materiality Assessment
102-48	Restatements (reconciliations) of information	Appendix / Assurance statement
102-49	Changes in reporting	This report reflects our updated list of material sustainability issues based on our 2021 materiality assessment, previously assessed in 2017-2018. This report does not cover our acquisition of Columbus Recycling, which transactionally closed on October 1, 2021.
102-50	Reporting period	Fiscal Year 2021: September 1, 2020 – August 31, 2021
102-51	Date of most recent report	Fiscal Year 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<a href="mailto:Sustainability@schn.com">Sustainability@schn.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	GRI content index
102-56	External assurance	Appendix / Assurance statement
GRI 200: Economic		
Economic Performance – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	About Schnitzer 2021 10-K page 32-38
103-2	The management approach and its components	About Schnitzer Sustainability Governance, Strategy, Principles 2021 10-K page 32-38
103-3	Evaluation of the management approach	About Schnitzer Sustainability Governance, Strategy, Principles 2021 10-K page 32-38
201-1	Direct economic value generated and distributed	About Schnitzer Measuring Our Impact 2021 10-K page 32-38
201-2	Financial implications and other risks and opportunities due to climate change	CDP Climate Questionnaire Response (A- score for 2020 submission)

DISCLOSURE NUMBER	DESCRIPTION	2021 REFERENCE/RESPONSE
201-3	Defined benefit plan obligations and other retirement plans	2021 10-K page 81-84 Proxy Statement
201-4	Financial assistance received from government	Potential government incentive mechanisms are occasionally evaluated and considered in analysis of site/facility projects/ investment activities. No public institutions hold any major shares in Schnitzer.
Anti-Corruption – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	Building on Integrity and Respect Code of Conduct page 18-20
103-2	The management approach and its components	Building on Integrity and Respect Code of Conduct page 18-20
103-3	Evaluation of the management approach	Building on Integrity and Respect Code of Conduct page 18-20
205-1	Operations assessed for risks related to corruption	Building on Integrity and Respect Code of Conduct page 18-20
205-2	Communication and training about anti-corruption policies and procedures	Building on Integrity and Respect Code of Conduct page 18-20
Anti-Competitive Behavior – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	Code of Conduct page 15-17
103-2	The management approach and its components	Code of Conduct page 15-17
103-3	Evaluation of the management approach	Code of Conduct page 15-17
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Code of Conduct page 15-17
GRI 300: Environmental		
Materials – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	About Schnitzer Sustainability Governance, Strategy, Principles Measuring Our Impact 2021 10-K page 2-14
103-2	The management approach and its components	About Schnitzer Sustainability Governance, Strategy, Principles Measuring Our Impact 2021 10-K page 2-14
103-3	Evaluation of the management approach	Our Sustainability Goals Measuring Our Impact 2021 10-K page 2-14
301-1	Materials used by weight or volume	Measuring Our Impact 2021 10-K page 2-14
301-2	Recycled input materials used	As a recycling company, and manufacturer of steel using recycled scrap metal, virtually all material inputs into our primary products and services are recycled materials. For example, our finished steel products contain 95% recycled content by weight, using recycled ferrous metal sourced internally from our own recycling and joint venture operations.
301-3	Reclaimed products and their packaging materials	Not applicable – While many of our products are considered to be "reclaimed", they are predominately shipped void of packaging materials.



DISCLOSURE NUMBER	DESCRIPTION	2021 REFERENCE/RESPONSE
Energy – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	Designing Our Sustainable Future
103-2	The management approach and its components	Materiality Assessment Our Sustainability Goals Designing Our Sustainable Future
103-3	Evaluation of the management approach	Materiality Assessment Our Sustainability Goals Designing Our Sustainable Future
302-1	Energy consumption within the organization	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures
302-2	Energy consumption outside of the organization	CDP Climate Questionnaire Response (A- score for 2020 submission)
302-3	Energy intensity	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures
302-4	Reduction of energy consumption	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures
302-5	Reductions in energy requirements of products and services	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures
Water and Effluents – 2018 Standards		
103-1	Explanation of the material topic and its Boundary	Designing Our Sustainable Future CDP Water Questionnaire Response (A List score for 2021 submission)
103-2	The management approach and its components	Materiality Assessment Our Sustainability Goals Designing Our Sustainable Future CDP Water Questionnaire Response (A List score for 2021 submission)
103-3	Evaluation of the management approach	Materiality Assessment Our Sustainability Goals Designing Our Sustainable Future CDP Water Questionnaire Response (A List score for 2021 submission)
303-1	Interactions with water as a shared resource	CDP Water Questionnaire Response (A List score for 2021 submission)
303-2	Management of water discharge-related impacts	CDP Water Questionnaire Response (A List score for 2021 submission)
303-3	Water withdrawal	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures CDP Water Questionnaire Response (A List score for 2021 submission)
303-4	Water discharge	CDP Water Questionnaire Response (A List score for 2021 submission)
303-5	Water consumption	CDP Water Questionnaire Response (A List score for 2021 submission)

DISCLOSURE NUMBER	DESCRIPTION	2021 REFERENCE/RESPONSE
Emissions – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	Designing Our Sustainable Future
103-2	The management approach and its components	Materiality Assessment Our Sustainability Goals Designing Our Sustainable Future
103-3	Evaluation of the management approach	Materiality Assessment Our Sustainability Goals Designing Our Sustainable Future
305-1	Direct (Scope 1) GHG emissions	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures CDP Climate Questionnaire Response (A- score for 2020 submission)
305-2	Energy indirect (Scope 2) GHG emissions	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures CDP Climate Questionnaire Response (A- score for 2020 submission)
305-3	Other indirect (Scope 3) GHG emissions	Designing Our Sustainable Future Appendix / Assurance Statement CDP Climate Questionnaire Response (A- score for 2020 submission)
305-4	GHG emissions intensity	Designing Our Sustainable Future CDP Climate Questionnaire Response (A- score for 2020 submission)
305-5	Reduction of GHG emissions	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures CDP Climate Questionnaire Response (A- score for 2020 submission)
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Appendix / SASB Disclosures
Waste – 2020 Standards		
103-1	Explanation of the material topic and its Boundary	Designing Our Sustainable Future
103-2	The management approach and its components	Materiality Assessment Our Sustainability Goals Designing Our Sustainable Future
103-3	Evaluation of the management approach	Materiality Assessment Our Sustainability Goals Designing Our Sustainable Future
306-1	Waste generation and significant waste-related impacts	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures
306-2	Management of significant waste-related impacts	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures
306-3	Waste generated	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures
306-4	Waste diverted from disposal	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures
306-5	Waste directed to disposal	Designing Our Sustainable Future Appendix / Assurance Statement Appendix / SASB Disclosures



DISCLOSURE NUMBER	DESCRIPTION	2021 REFERENCE/RESPONSE
Environmental Compliance – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	Designing Our Sustainable Future EMS Policy & Commitments
103-2	The management approach and its components	Materiality Assessment Our Sustainability Goals Designing Our Sustainable Future EMS Policy & Commitments
103-3	Evaluation of the management approach	Materiality Assessment Our Sustainability Goals Designing Our Sustainable Future EMS Policy & Commitments
307-1	Non-compliance with environmental laws and regulations	2021 10-K page 30-31
GRI 400: Social		
Powering Our People & Cultivating Strong Communities		
Occupational Health and Safety – 2018 Standards		
103-1	Explanation of the material topic and its Boundary	Achieving Our Safety Goals
103-2	The management approach and its components	Materiality Assessment Our Sustainability Goals Achieving Our Safety Goals
103-3	Evaluation of the management approach	Materiality Assessment Our Sustainability Goals Achieving Our Safety Goals
403-1	Occupational health and safety management system	Achieving Our Safety Goals
403-2	Hazard identification, risk assessment, and incident investigation	Achieving Our Safety Goals
403-3	Occupational health services	Achieving Our Safety Goals Employee Training & Development Enhancing Employee Health & Wellness
403-4	Worker participation, consultation, and communication on occupational health and safety	Achieving Our Safety Goals Employee Training & Development Enhancing Employee Health & Wellness
403-5	Worker training on occupational health and safety	Achieving Our Safety Goals Employee Training & Development Enhancing Employee Health & Wellness
403-6	Promotion of worker health	Achieving Our Safety Goals Employee Training & Development Enhancing Employee Health & Wellness
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Achieving Our Safety Goals
403-9	Work-related injuries	Achieving Our Safety Goals Appendix / Assurance Statement Appendix / SASB Disclosures

DISCLOSURE NUMBER	DESCRIPTION	2021 REFERENCE/RESPONSE
Training and Education		
404-1	Average hours of training per year per employee	Employee Training & Development At a minimum, our employee training and development programs administer in the range of 8-10 hours per employee per year.
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training & Development
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Training & Development All employees receive regular performance and career development reviews.
Diversity and Equal Opportunity – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	Fostering Diversity, Equity, & Inclusion
103-2	The management approach and its components	Materiality Assessment Our Sustainability Goals Fostering Diversity, Equity, & Inclusion
103-3	Evaluation of the management approach	Materiality Assessment Our Sustainability Goals Fostering Diversity, Equity, & Inclusion
405-1	Diversity of governance bodies and employees	Fostering Diversity, Equity, & Inclusion
Non-Discrimination – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	Fostering Diversity, Equity, & Inclusion
103-2	The management approach and its components	Materiality Assessment Our Sustainability Goals Fostering Diversity, Equity, & Inclusion
103-3	Evaluation of the management approach	Materiality Assessment Our Sustainability Goals Fostering Diversity, Equity, & Inclusion
406-1	Incidents of discrimination and corrective actions taken	Fostering Diversity, Equity, & Inclusion The Company does not tolerate any form of discrimination, has a non-discrimination policy that is acknowledged by all employees and comprehensively investigates and addresses any concerns raised. Code of Conduct page 8-9



DISCLOSURE NUMBER	DESCRIPTION	2021 REFERENCE/RESPONSE
Human Rights Assessment – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	Code of Conduct page 32-33
103-2	The management approach and its components	Code of Conduct page 32-33
103-3	Evaluation of the management approach	Code of Conduct page 32-33
412-1	Operations that have been subject to human rights reviews or impact assessments	Building On Integrity and Respect Schnitzer operates in fully developed economies, in urban environments across the United States, including Puerto Rico, and western Canada – all of which have common arrangements for the protection of people at large. None of our workforce can be characterized as vulnerable as a group. However, issues of unconscious biases, including bullying and intimidation may arise, and are addressed in our Code of Conduct, Human Rights policy, and other Company policies, which include the rights to independent representation, independent internal hearing (separated from direct line management reporting) and whistle-blower provisions.
412-2	Employee training on human rights policies or procedures	Building On Integrity and Respect All employees receive training on our Code of Conduct upon joining the Company. All Schnitzer employees, both union and non-union, participate in annual training on our Company’s core values, which includes instruction on our Code of Conduct and ethical behavior.
Local Communities – 2016 Standards		
103-1	Explanation of the material topic and its Boundary	Cultivating Community
103-2	The management approach and its components	Materiality Assessment Our Sustainability Goals Cultivating Community
103-3	Evaluation of the management approach	Materiality Assessment Our Sustainability Goals Cultivating Community
413-1	Operations with local community engagement, impact assessments, and development programs	Cultivating Community
Public Policy		
415-1	Political contributions	Cultivating Community

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURES

**SASB SECTOR / SICs**  
Extractives & Minerals Processing / Iron & Steel Producers – Industry Standard Version 2018-10

**REPORTING PERIOD**  
Fiscal Year 2021 (September 1, 2020 through August 31, 2021)

METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE/COMMENT	
Activity Metrics					
Production Activities					
Raw steel production, percentage from: (1) basic oxygen furnace processes	Quantitative	Metric tons (t), Percentage (%)	EM-IS-000.A	Not applicable. We do not produce steel via basic oxygen furnace (BOF) processes. All steel we produce is via electric arc furnace (EAF) processes. From a GHG emissions standpoint, EAF steelmaking results in far lower GHG emissions than BOF steelmaking. Comparable CO2e emissions factors per metric ton of steel produced are: 1.83 for global steel production, 1.59 for U.S. integrated steel production, 0.65 for all U.S. steel production, 0.21 for U.S. EAF steel production. Our emissions factor is approximately 0.17.	
Raw steel production, percentage from: (2) electric arc furnace processes	Quantitative	Metric tons (t), Percentage (%)	EM-IS-000.A	417,000 100%	<p>Melt shop production: Our melt shop includes an EAF, a ladle refining furnace with enhanced steel chemistry refining capabilities, and a five-strand continuous billet caster, permitting the mill to produce special alloy grades of steel not currently produced by other mills on the West Coast of the U.S. The melt shop produced approximately 460 thousand short tons of steel in the form of billets during fiscal 2021. The substantial majority of these billets are reheated in a natural gas-fueled furnace and are then hot-rolled through the rolling mill to produce finished steel products. The rolling mill has an effective annual production capacity under current conditions of approximately 580 thousand short tons of finished steel products.</p> <p>The primary feedstock (over 90% by weight) for the manufacture of our finished steel products is ferrous recycled scrap metal. Our steel mill obtains substantially all of its scrap metal raw material requirements from our integrated metals recycling and joint venture operations.</p> <p>In fiscal 2021, we sold 488 thousand short tons of finished steel products, i.e., rebar and wire rod, as well as over 4 million metric tons of ferrous scrap metal (including intercompany sales to our steel mill) for use in EAF steelmaking in the U.S. and around the world.</p> <p>To learn more please review our <a href="#">2021 Sustainability Report</a>.</p>



METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE/COMMENT	
Total iron ore production	Quantitative	Metric tons (t)	EM-IS-000.B	Not applicable. We do not consume or sell iron ore in the production of our steel products. Rather, the recycling of 1 metric ton of ferrous scrap for use in EAF steelmaking is estimated to conserve 2,425 pounds of iron ore. Therefore, by extension, our operations supported the conservation of more than 10.8 billion pounds of iron ore in fiscal 2021. Additionally, we produce three valuable coproducts: millscale, baghouse dust, and slag. Millscale functions as a metallurgical input to steelmaking, supporting the avoidance of iron ore production and the conservation of raw iron ore, while baghouse dust avoids zinc production and slag avoids cement and gravel production.	
Total coking coal production	Quantitative	Metric tons (t)	EM-IS-000.C	Not applicable. We do not consume or sell coking coal in the production of our steel products. Rather, the recycling of 1 metric ton of ferrous scrap for use in EAF steelmaking is estimated to conserve 1,389 pounds of coal. Therefore, by extension, our operations supported the conservation of more than 6.2 billion pounds of coal in fiscal 2021.	
Accounting Metrics					
Greenhouse Gas Emissions					
Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO2-e, Percentage (%)	EM-IS-110a.1	145,534 0%	Currently, 0% of our gross global Scope 1 emissions are covered under emissions-limiting regulations. We are required to annually report GHG emissions from our steel mill to the State of Oregon Department of Environmental Quality (ODEQ) and the U.S. Environmental Protection Agency (EPA). In March of 2020, the Governor of Oregon issued an executive order directing state agencies to take certain actions to reduce and regulate GHG emissions, including the development of a "cap and reduce" program that would cover large stationary sources. In Oregon our steel manufacturing and metal shredding operations may be subject to emissions-limiting regulations in the near term that may impact approximately 53% of our Scope 1 emissions.
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	EM-IS-110a.2	Our sustainability goals are aligned with our long-term business success with targets for fiscal 2030 to 2050 in the (a) long-term and fiscal 2022 to 2025 in the (b) short-to-medium term, set to a base year of fiscal 2019. We have set a fiscal 2025 goal to achieve net zero from all operations with an interim target to reduce Scope 1 GHG emissions from our recycling operations by 25% by end of fiscal 2025. Mechanisms for achieving our goal and meeting our targets may include (1) capital investments in emissions control and air pollutant elimination technologies on our metal shredding operations, (2) capital investments to achieve greater fuel-economy by retrofit and/or replacement of on-road transport vehicles and off-road equipment, (3) capital investments to electrify equipment that is currently fuel-consuming, (4) sourcing a greater proportion of fuels with suitable low-carbon fuel alternatives (i.e., renewable natural gas, renewable diesel, biodiesel and ethanol fuel blends), (5) capital investments in other energy efficiency technologies for water and space heating applications that reduce our consumption of natural gas, and (6) the purchase and retirement of "high-quality" carbon offsets. Limiting factors to achieving these goals may include (i) a shortfall in or inability to make adequate capital investments, (ii) a shortfall in the emission reduction performance of control technologies acquired and deployed, (iii) an inability to acquire and deploy adequate emission reduction controls and energy efficiency technologies, (iv) an inability to source suitable low-carbon fuel alternatives, and (v) an inability to source "high-quality" carbon credits. In fiscal 2021, we achieved an 8% reduction in Scope 1 emissions from all operations compared to our base year. We have obtained external assurance, by S&P Global Market Intelligence in accordance with AA1000AS Type 2 moderate-level assurance, for 100% site coverage and sources of Scope 1 emissions.	
To learn more please review our <a href="#">2021 Sustainability Report</a> .					

Metric	Category	Unit of Measure	Code	Response/Comment	
Air Emissions					
(1) CO	Quantitative	Metric tons (t)	EM-IS-120a.1	274	We report on distinct air emissions associated with the consumption of fuels by our on-road transport vehicles and off-road equipment only. The emittance of some of these pollutants (i.e., VOCs) from other sources, such as production processes or the consumption of natural gas, may be reported on within our gross global Scope 1 emissions in terms of metric tons of CO2-e.
(2) NOx (excluding N <sub>2</sub> O)				1,264	
(3) SOx				83	
(4) PM <sub>10</sub>				89	
(5) MnO				n/a	
(6) Pb				n/a	
(7) VOCs				110	
(8) PAHs				<1	
Energy Management					
(1) Total energy consumed	Quantitative	Gigajoules (GJ), Percentage (%)	EM-IS-130a.1	2,918,073	In fiscal 2021, we experienced an 7% decrease in total energy consumed compared to our base year. Sources of energy consumed by our operations include grid electricity, natural gas, and other fuels (listed below). In the medium-term, we anticipate our energy consumption to increase, from both renewable and non-renewable sources. We have obtained external assurance, by S&P Global Market Intelligence in accordance with AA1000AS Type 2 moderate-level assurance, for 100% site coverage and sources of energy consumed.  To learn more please review our <a href="#">2021 Sustainability Report</a> .
(2) Percentage grid electricity				46%	
(3) Percentage renewable (including carbon-free): (i) total energy, (ii) grid electricity use, (iii) fossil fuel consumption				46% 100% <1%	
(1) Total fuel consumed	Quantitative	Gigajoules (GJ), Percentage (%)	EM-IS-130a.2	1,580,675	In fiscal 2021, we experienced a 7% decrease in total fuel consumed compared our base year. Sources of fuel consumed by our operations include natural gas, diesel, biodiesel blends, gasoline, ethanol blends, fuel oil, kerosene, propane, propylene, ametalene, and acetylene. We have obtained external assurance, by S&P Global Market Intelligence in accordance with AA1000AS Type 2 moderate-level assurance, for 100% site coverage and sources of fuel consumed.  To learn more please review our <a href="#">2021 Sustainability Report</a> .
(2) Percentage coal				0%	Not applicable. We do not consume coal as a source of fuel. Rather, the recycling of 1 metric ton of ferrous scrap for use in EAF steelmaking is estimated to conserve 1,389 pounds of coal. Therefore, by extension, our operations supported the conservation of more than 6.2 billion pounds of coal in fiscal 2021.
(3) Percentage natural gas				56%	In fiscal 2021, we experienced an 8% decrease in total natural gas consumption compared to our base year. Our primary use of natural gas is in the reheat furnaces and melt shop of our steel manufacturing operations, where precasted billets are reheated and then processed through our rolling mill to produce our finished steel products – rebar and wire rod. Our secondary use of natural gas consumption is in regenerative thermal oxidizers of our metal shredding operations where captured VOC air emissions are treated to reduce GHG emissions from our shredding production processes. In fiscal 2021, our steel manufacturing operations were briefly shuttered. This one-off event is the primary reason for decreased natural gas consumption. In the medium-term we anticipate our natural gas consumption to increase.
(4) Percentage renewable				<1%	We consume a small amount of biodiesel-blended and ethanol-blended fuel in our on-road transport vehicles and off-road equipment. In the medium-term, we anticipate our renewable fuel consumption to increase.



METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE/COMMENT	
Water Management					
(1) Total fresh water withdrawn	Quantitative	Thousand cubic meters (m³), Percentage (%)	EM-IS-140a.1	1,236	<p>In fiscal 2021, we experienced a 5% increase in total fresh water withdrawn compared to our base year. Our steel mill is the primary user of water, representing 57% of total fresh water withdrawal and maintaining a water recycling rate of approximately 96% in fiscal 2021. Our metal shredding operations are also significant users of water, representing 31% of total fresh water withdrawal in fiscal 2021. We have obtained external assurance, by S&amp;P Global Market Intelligence in accordance with AA1000AS Type 2 moderate-level assurance, for 100% site coverage and sources of fresh water withdrawn.</p> <p>To learn more please review our <a href="#">2021 Sustainability Report</a>.</p>
(2) Percentage recycled				96%	<p>Our steel mill is the primary user of water, representing 57% of total fresh water withdrawal and maintaining a water recycling rate of approximately 96% in fiscal 2021. Our metal shredding operations are also significant users of water, representing 31% of total fresh water withdrawal in fiscal 2021. Water recycling rates and capabilities for our metal shredding operations are influenced by various factors, such as (i) weather-related events (i.e., floods, hurricanes, storms, wildfires, heat waves, and droughts), (ii) regulatory compliance requirements regarding control and treatment of wastewater and stormwater, and (iii) existing infrastructure, conveyance and storage equipment, and control technologies for practicable collection and reuse of water.</p>
(3) Percentage in regions with high or extremely high baseline water stress				2%	<p>The percentage of total fresh water resources indirectly withdrawn from areas characterized to have high or extremely high baseline water stress remains unchanged at approximately 2%. Our operations source water from (1) third-party purchased municipal water sources and (2) onsite well extracted renewable groundwater sources. Approximately 20% of our sites purchase water from municipalities that operate in geographic areas characterized to have high or extremely high baseline water stress. At this time, water availability directly linked to the respective geographic locations of our operations is not believed to be of significant concern as water is not a direct, raw material input of our products, and our water uses in operations are limited in scope to predominately cooling in steelmaking and metal shredding production processes, emergency response fire suppression, emissions control, dust suppression, and to lesser extent, landscaping irrigation, human sanitation and consumption.</p>

METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE/COMMENT		
Waste Management						
Amount of waste generated	Quantitative	Metric tons (t), Percentage (%)	EM-IS-150a.1	704,637	In fiscal 2021, we experienced a decrease in total waste generated compared to our base year as a result of (i) greater stakeholder engagement with our providers of waste services and (ii) greater employee training on proper waste classification, handling, storage, and management. We have obtained external assurance, by S&P Global Market Intelligence in accordance with AA1000AS Type 2 moderate-level assurance, for 100% site coverage and sources of waste generated.  To learn more please review our <a href="#">2021 Sustainability Report</a> .	
Percentage hazardous				<1%		
Percentage recycled				90%		
Workforce Health & Safety						
(1) Total recordable incident rate (TRIR) for full-time employees	Quantitative	Rate	EM-IS-320a.1	1.71	In fiscal 2021, our TRIR fell 39% and our NMFR fell 81% against our base year. Our fatality rate remains 0%.  To learn more please review our <a href="#">2021 Sustainability Report</a> .	
(2) Fatality rate for full-time employees				0		
(3) Near miss frequency rate (NMFR) for full-time employees				15.27		
(1) TRIR for contract employees				Not applicable. We do not report on rates exclusive to “contract employees.”		
(2) Fatality rate for contract employees						
(3) NMFR for contract employees						
Supply Chain Management						
Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	Discussion and Analysis	n/a	EM-IS-430a.1	Not applicable. A process for managing iron ore and/or coking coal sourcing risks is not necessary because we do not consume iron ore or coking coal. Rather, the recycling of 1 metric ton of ferrous scrap for use in EAF steelmaking is estimated to conserve 2,425 pounds of iron ore and 1,389 pounds of coal. Therefore, by extension our operations supported the conservation of more than 10.8 billion pounds of iron ore and 6.2 billion pounds of coal in fiscal 2021. Additionally, we produce three valuable coproducts: millscale, baghouse dust, and slag. Millscale functions as a metallurgical input to steelmaking, supporting the avoidance of iron ore production and conservation of raw iron ore, while baghouse dust avoids zinc production, and slag avoids cement and gravel production.  In regards to any existing or projected risks or constraints in obtaining other raw materials, we believe we operate the only mini-mill in the Western U.S. that obtains the majority of its scrap metal feedstock from an integrated metals recycling operation. Our metals recycling operations provide our steel mill with a mix of recycled metal grades, which allows the mill to achieve optimum efficiency in its melting operations. Although the synergies from our integrated operations allow us to be our own source for some raw materials, particularly with respect to scrap metal for our steel manufacturing operations, we rely on third-party suppliers for other input needs, including inputs to steel production such as graphite electrodes, alloys, and other required consumables.		



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Feedback on this Sustainability Report  
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