



SCHNITZER STEEL INDUSTRIES, INC.

Fiscal 2017- Fiscal 2018
Sustainability Report

PROVIDING SUSTAINABLE SOLUTIONS IN
THE GLOBAL MARKETPLACE



Tamara L. Lundgren

President and CEO



A message from our CEO

As a leader in the metals recycling industry, we are proud to present our fifth annual Sustainability Report covering Fiscal Years 2017 and 2018. We have enhanced our report, providing additional details on our Company's environmental, social, and governance (ESG) progress across five areas: (1) integrity, ethics, and compliance; (2) safety, health, and wellness; (3) diversity, inclusion, and cultural awareness; (4) community engagement and partnerships; and (5) environmental performance and protection.

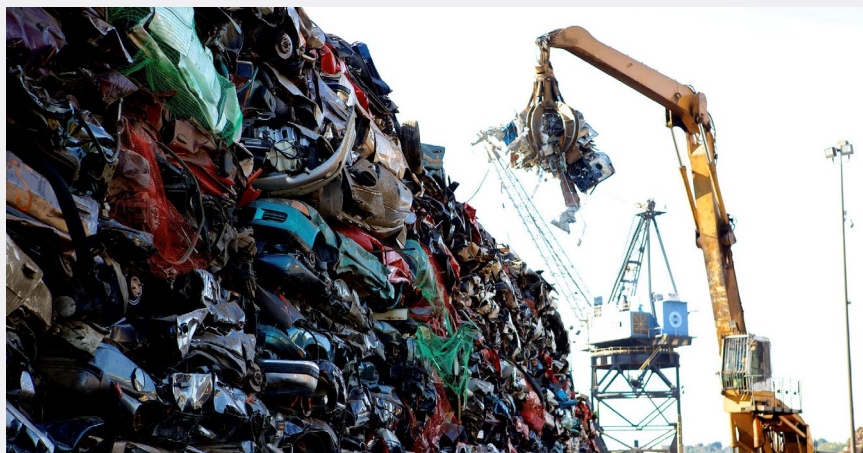
At Schnitzer, Sustainability is at the core of what we do. By recycling scrap metal, we are diverting and reusing millions of tons of materials each year that might otherwise be destined for landfills. The ferrous and non-ferrous scrap metal we process is utilized to manufacture new metal-based products, conserving natural resources and significantly reducing greenhouse gas emissions. We estimate that, based on our ferrous scrap volumes in fiscal 2018, over 4 million metric tons of CO₂ emissions were avoided compared to the use of new iron ore to manufacture steel. This is the equivalent of taking more than 900,000 cars off the road for one year.

Sustainability is also at the core of how we operate. Almost 80% of our electricity consumption comes from renewable sources. As a result of our investment in a state-of-the-art water recycling system, we re-use 80% of the water at our steel manufacturing mill in Oregon. We are building on these foundations to do even more in these areas and others, including investing in environmental control and advanced processing technologies and reducing emissions from and increasing the fuel efficiency of our front-line equipment.

As further described in this report, we continue to show year-over-year improvement in our Sustainability key performance indicators which have been externally verified and assured for accuracy. In both Fiscal Years 2017 and 2018, we lowered our carbon emissions, energy consumption, water usage, and process waste generated on a normalized (per unit) basis. We also diverted more waste from landfills by recycling higher volumes of scrap metal. While 76% of our facilities experienced zero lost time due to injuries in Fiscal Year 2018, we are committed to improving our safety performance across all of our facilities. Every job can and must be done safely every day.

We have been creating value through recycling for over a century. On behalf of our Board of Directors and our over 3,500 employees, I invite you to read this report which highlights how we continue to positively impact the communities where we work and live and the many ways we are contributing to a sustainable future for all our stakeholders.

A handwritten signature in black ink that reads "Tamara L. Lundgren".



Overview of Schnitzer

Founded in 1906, Schnitzer Steel Industries, Inc. (“Schnitzer”) has grown into one of North America’s largest recyclers of ferrous and nonferrous scrap metal with a workforce of over 3,500. Sustainability is at the center of our business model, and we actively promote and support sustainable practices throughout our operations.

Today, we operate 96 auto and metals recycling facilities in 23 states, Puerto Rico, and Western Canada. Through our seven deep water ports and our access to rail and interstate highways, Schnitzer is well-positioned to efficiently deliver processed scrap metals for reuse by mills and foundries around the world. Our steel mill in Oregon produces finished steel products such as reinforcing bar (rebar), merchant bar, and wire rod from recycled scrap metal primarily sourced from our own metals recycling operations. Through our 52 retail self-service auto parts stores, we recover and re-sell millions of parts from end-of-life vehicles. In 2018, we were recognized as a World’s Most Ethical Company for the fourth consecutive year by the Ethisphere Institute and named Scrap Company of the Year for the third time by American Metal Market.

Our ability to deliver sustainable value is tied to our ability to deliver sustainable profitability to our shareholders. At Schnitzer, we generate both economic and environmental benefits by providing long-term metal recycling solutions globally. Our financial performance is a key driver of our Sustainability performance. In Fiscal Year 2017 and Fiscal Year 2018, we improved our financial performance, generating \$56 million (Fiscal 2017) and \$149 million (Fiscal 2018) in consolidated operating income and earnings per share from continuing operations of \$1.60 (Fiscal 2017) and \$5.46 (Fiscal 2018), while improving on our Sustainability key performance indicators.

Schnitzer’s corporate headquarters are located in Portland, Oregon, and the Company has traded on the NASDAQ under the symbol SCHN since our initial public offering in 1993. The Company has paid a dividend every quarter since being listed. More information can be found by visiting our website at www.schnitzersteel.com.

A leading metals recycler, Schnitzer provides sustainable value to the global economy

As a leader in scrap metal recovery and a manufacturer of finished steel products made from recycled scrap metal, we are helping to build a more sustainable world. We process and capture value from end-of-life products, diverting materials that might otherwise be headed to landfills and significantly reducing reliance upon newly mined natural resources.

Steel, our largest traded material, is the world's most recycled product. Using recycled steel in manufacturing saves approximately 75% in energy input, reduces water use by approximately 40% and virgin material use by 90%, and minimizes mining waste generation by 97% compared to manufacturing using newly mined ore.

In addition, our auto dismantling facilities support an affordable and sustainable secondary parts market. Recovering and reusing auto parts from end-of-life vehicles reduces the extraction of virgin materials utilized in the manufacturing of new parts. After customers have removed desired parts from a vehicle, we crush the vehicle and recycle it through our shredding process to maximize the recovery of recyclable material from the car.

At Schnitzer, we continually strive to develop and apply innovative solutions to improve our operations. We are proud to share our story that illustrates how what we do makes good sense for business, society, and the environment.

What We Do:



Acquire and recycle millions of tons of scrap metal each year, including autobodies, rail cars, home appliances, industrial machinery, manufacturing scrap, and construction and demolition scrap, through our 96 auto and metals recycling facilities



Sell our recycled metal products for reuse by steel mills and other manufacturers located in 26 countries, including the U.S.



Manufacture finished steel products such as rebar, merchant bar, and wire rod at our electric arc furnace steel mill in Oregon using recycled scrap metal primarily sourced from our own metals recycling operations



Sell millions of serviceable used parts from end-of-life vehicles at our 52 retail self-service auto parts stores, providing affordable parts to customers while saving resources that would be consumed in producing new parts

The Inherent Value of Recycling

Acting as a critical link in the steel manufacturing supply chain, the scrap recycling industry plays a prominent role as a job creator, economic leader, and environmental steward. Based on economic impact studies released by the Institute of Scrap Recycling Industries, Inc. (ISRI) and Schnitzer's 2018 fiscal year scrap production volumes, we estimate our direct and indirect impacts on the U.S. economy to be valued at approximately **\$4.6 billion**.

Additionally, we estimate our direct and indirect contributions to be:

21,104
U.S. jobs supported

\$1.35 billion
in wages earned

\$521.5 million
in taxes generated

With 96 operating facilities, we are proud to be supporting the economies of 23 states, 85 metropolitan cities, and over 100 communities across the U.S., Puerto Rico, and Western Canada.

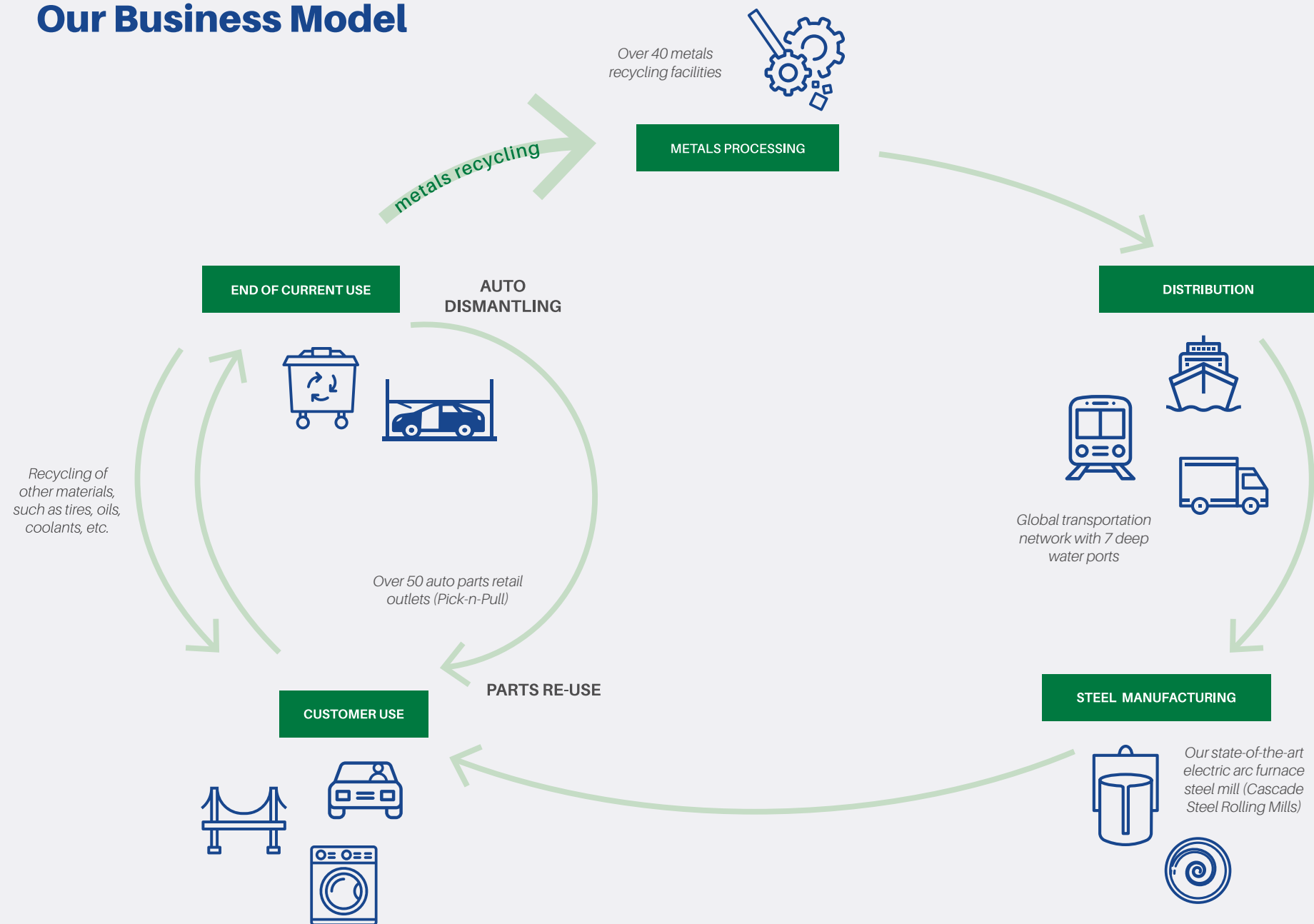
The value-added environmental benefits of the scrap recycling industry are just as significant. According to the World Steel Association, **for every metric ton of scrap steel recycled, 1.5 metric tons of CO₂ emissions are avoided.**

The inherent value of metals recycling and steel manufacturing benefits many industries:

- **Resource Conservation:** 1 metric ton of steel made from scrap conserves approximately 1,728 pounds of iron ore, 1,389 pounds of coal, and 401 pounds of limestone
- **Energy Use:** The recycling of a single can saves an amount of energy equivalent to: 1 laundry load, 1 hour of TV, or 24 hours of a 10-watt LED bulb.
- **Homes:** Today, it takes approximately 28 trees to build the average U.S.-sized wood-framed home; the same-sized steel-framed home would require just 7 recycled cars.
- **Transportation:** Shipping goods by sea is the most environmental-friendly, followed by trains then trucks. Steel is the major material used in ship hulls, shipping containers, rail systems, and heavy transport equipment.
- **Infrastructure:** The most common applications of steel use in buildings and infrastructure are made up of reinforcing bar (rebar).

As a recycler of scrap metal for use in remanufacturing in both domestic and foreign markets and a manufacturer of finished steel products made from 100% scrap metal, we are supporting sectors, industries, and economies beyond our own.

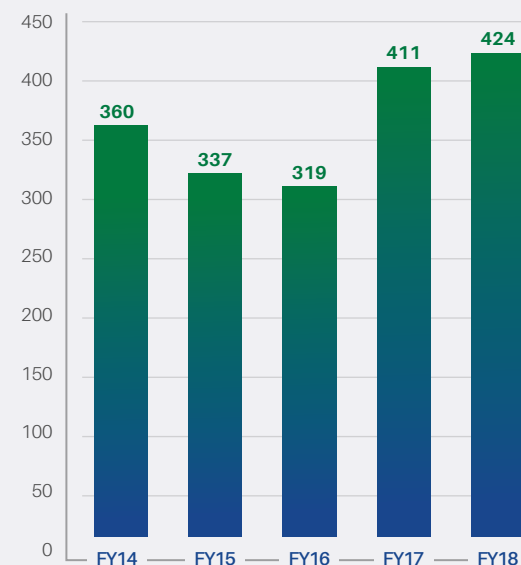
Our Business Model



Auto Dismantling

Through our Pick-n-Pull brand, we operate an industry-leading chain of self-service used auto parts stores providing recovered, affordable auto parts to our valued customers. For over 30 years, Pick-n-Pull has offered quality parts for a wide variety of makes and models of domestic and foreign cars, vans, and light trucks. With a focus on excellent customer service, developing ways to enhance efficient parts recovery and reuse, and upholding Schnitzer values, Pick-n-Pull is changing the self-service auto parts industry.

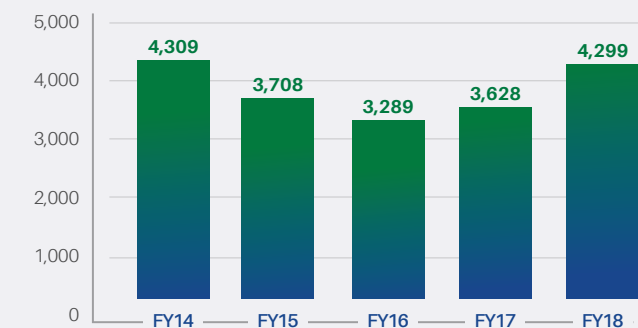
Cars – Purchased Volumes (000's Cars)



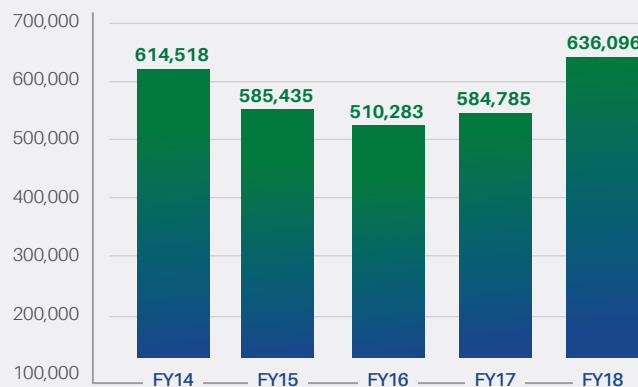
Metals Recycling

As one of North America's largest recyclers of scrap metal, Schnitzer's metals recycling facilities acquire, process, and recycle ferrous and nonferrous metal. Our strategically located facilities on both the East and West Coasts of North America enable efficient sourcing and delivery of processed metals to mills and foundries around the world for use in new metal product manufacturing. Our direct access to rail, major highways, and deep water export terminals creates a competitive advantage for our business and allows us to transport our products in a cost-effective and energy-efficient manner. Strategic capital investments in facility infrastructure, equipment, and advanced technologies deliver recycling solutions and provide high-quality, efficient scrap metal processing.

Ferrous Scrap – Total Sales Volumes (000's Long Tons)



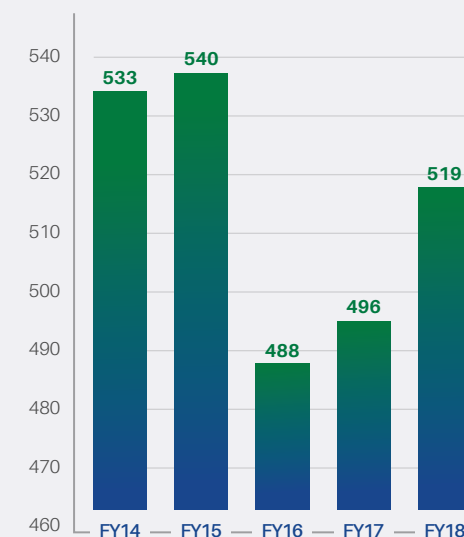
Nonferrous Scrap – Total Sales Volumes (000's Pounds)



Steel Manufacturing

For more than 40 years, Cascade Steel Rolling Mills, Inc. has provided the Western U.S. and Canada with high-quality steel products produced from recycled scrap metal at our state-of-the-art electric arc furnace steel mill. Our products include rebar, coiled rebar, wire rod, merchant bar, and other specialty products.

Steel Products
– Finished Volumes (000's Short Tons)



1 long ton = 2,240 pounds
1 short ton = 2,000 pounds

The Environmental Benefits of Recycling

Recognized as one of the world's first green industries, scrap recycling reduces demand for our natural resources, achieves significant energy savings, avoids substantial air emissions, and reduces the amount of material disposed of in landfills. **According to the EPA, scrap recycling in the U.S. saves the carbon equivalent of approximately 410 million tons of greenhouse gas emissions annually.**

Schnitzer Fiscal Year 2018 Environmental Benefits

**AVOIDED 4.2 MILLION
METRIC TONS OF CO₂
EMISSIONS**



Equivalent to saving more than 477 million gallons of gasoline or taking more than 907 thousand cars off the road for 1 year



Equivalent to the carbon sequestered by more than 5 million acres of U.S. forest in 1 year

**SAVED 10 MILLION
GIGAJOULES OF
ENERGY**



Enough energy to power more than 259 thousand U.S. homes for one year

**SAVED 7.4 MILLION
CUBIC METERS OF
WATER**



Enough water to fill more than 5,400 Olympic-sized swimming pools

**CONSERVED 10
MILLION CUBIC
METERS OF
LANDFILL SPACE**



Equivalent to the amount of garbage generated by 5.9 million U.S. residents for one year

Note: Based on Schnitzer's Fiscal Year 2018 volumes, the Report on the Environmental Benefits of Recycling published in 2016 by the Bureau of International Recycling (BIR), along with fact sheets published by the World Steel Association (WSA), and other resources published by the U.S. Environmental Protection Agency (EPA). Calculated environmental benefits based on the use of ferrous scrap metal in comparison to the use of newly mined iron ore in steel manufacturing.

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About this Report

Our actions illustrate Schnitzer's commitment to Sustainability

As proud as we are of our history, Schnitzer also recognizes the value of change and innovation. We are continuously exploring and pursuing management practices that promote sustainable operations. In the past year, we have established a sustainability governance structure that will allow us to develop and deploy strategies that embrace change and innovation, setting a foundation that will enable us to refine the measurement of our progress across a wide range of sustainability metrics.

Because we highly value the perspective of our stakeholders, we have conducted a Sustainability Materiality Assessment ("SMA") to identify key Sustainability-related topics relevant to our employees, communities, shareholders, customers, and suppliers, among others. From surveys, interviews, and meetings, the SMA identified the issues that matter most to our stakeholders.

Aligned with the findings of our SMA, this year's Sustainability Report shares progress across five areas: (1) integrity, ethics, and compliance; (2) safety, health, and wellness; (3) diversity, inclusion, and cultural awareness; (4) community engagement and partnerships; and (5) environmental performance and protection.

Now in our fifth year of reporting, we have enhanced our Sustainability Report to cross-reference against Global Reporting Initiative (GRI) Standards. As in prior years, our Sustainability key performance indicators are aligned with internationally recognized standards, and the metrics we are reporting have been assured by independent analysis.

At Schnitzer, we are driven by our culture and commitment to our core values including:



Sustainability

Schnitzer helps provide sustainable value through recycling resources, extracting maximum use out of end-of-life products and reducing the need for intensive mining of virgin material for use in steel manufacturing. For every 100 metric tons of ferrous scrap recycled, approximately 97 metric tons of carbon dioxide emissions are avoided in steel manufacturing, saving 230 gigajoules of energy and conserving 45,000 gallons of water.

Our auto recycling facilities also support the concept of re-use by providing affordable used vehicles and auto parts to consumers. For each car recycled, approximately 86% of its material content is recycled, reused, or used for energy recovery, reducing greenhouse gas emissions by approximately 2.38 metric tons.

We understand the importance of using sustainable practices within our operations that help meet customer quality needs while, at the same time, minimizing environmental impacts. As we look to the future, sustainable innovations that create competitive advantage, improve the financial performance of our company, and support responsible environmental stewardship will remain central to our business strategy and long-term success.



Safety

Schnitzer is dedicated to providing a safe workplace for our employees, contractors, visitors, and the neighborhoods and communities where we are located. We approach safety management proactively through leadership accountability, hazard identification, training, employee empowerment, and open communication.

Schnitzer has a fully dedicated professional health and safety team to educate employees, maintain regulatory compliance, and facilitate continuous safety improvement through effective management practices and safe work procedures. We work together to identify and eliminate potential risks throughout the company and expect every employee to do their part.

Our health and safety management program follows four guiding principles to inform decision-making and guide actions: Ownership (all employees are responsible), Collaboration (building a culture of safety), Priority (constant risk evaluation), and Vigilance (assess, monitor, and follow policies).



Integrity

At Schnitzer, integrity is at the core of every relationship. We treat employees, customers, business partners, suppliers, investors, and the public with respect, fairness, and integrity, and expect the same in return. From day one, we instruct our employees to act ethically in all business dealings.

Across our Company, we strive to operate at the highest level of legal and ethical standards. Conducting business according to these values and promoting a positive, safe workplace requires a clear set of guidelines. Our Code of Conduct sets forth the ethical principles that guide our business and drive our culture of compliance, ethical decision-making, and accountability.

We place high value on a diverse and inclusive workforce where everyone is treated with dignity and respect. At Schnitzer, we work hard to build and maintain a culture based on Integrity.

The top issues identified in the Sustainability Materiality Assessment are:

1. Diversity, inclusion, and equal opportunity
2. Occupational health and safety
3. Economic performance
4. Anti-corruption
5. Supporting and engaging local communities
6. Environmental compliance
7. Career development and job security
8. Compliance with competition laws
9. Energy (consumption and reduction)

Materiality

In 2018, we conducted a Sustainability Materiality Assessment (SMA) to identify, analyze, and act on environmental, social, and economic dimensions that may have significant impact on Schnitzer and its stakeholders.

The objective of the SMA was to prioritize key issues most material to our stakeholders. Stakeholder groups include current and prospective employees, shareholders, regulators, local communities, customers, suppliers, and relevant non-profit associations.

Combining surveys, meetings, a review of publicly available information regarding our industry sector, and internal stakeholder interviews, we assessed the importance of key Sustainability-related issues according to the:

- Importance to Schnitzer; and
- Importance to external stakeholders

Results were averaged and plotted to identify the relative importance of each issue. The insights gained from our SMA are being used to help guide our Sustainability strategy and communications, including this Sustainability Report.



Sustainability Governance

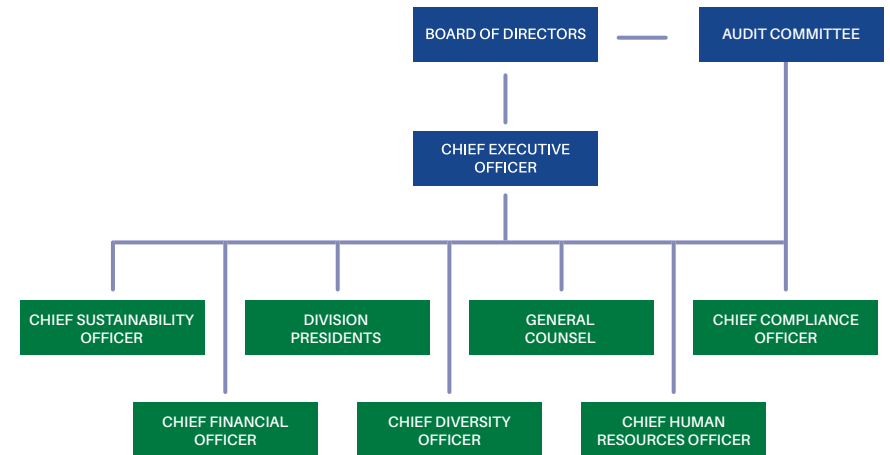
From Schnitzer's origins over a 110 years ago as a one-man scrap metal collection operation to its position as one of North America's largest metal recyclers, strong leadership and governance have been keys to our sustained success and our growth. Today, our experienced team leads the Company in establishing sustainable business practices that are essential to our future growth and long-term success.

At Schnitzer, corporate governance policies and procedures provide a strong foundation upon which we operate. These policies and structures promote business strategies and operations that produce successful results for all of our stakeholders.

Over this past year, we have further integrated sustainability into our existing corporate governance and organizational structures. At the end of Fiscal Year 2017, our CEO appointed a Chief Sustainability Officer (CSO), reporting directly to her. The CSO provides regular updates to our Board of Directors which oversees the Company's Sustainability strategy.

The CSO analyzes, builds consensus for, and manages sustainability-related initiatives, projects, and goals that are supported by executive-level leadership and are visible throughout the organization.

Schnitzer also has a Sustainability Leadership Group that serves as an internal strategic working group to collaborate on the development and deployment of sustainable and socially responsible business practices. This cross-functional group engages leadership across business units, geographic regions, and job functions. The group seeks to design practical and sustainable solutions and to mobilize our workforce to carry out initiatives such as applying environmental considerations to equipment procurement decisions and planned operational changes, supporting our culture of ethical behavior, and leading other stakeholder engagement events including participation by our employees in Earth Day activities.





Andrew J. Naporano III

Chief Sustainability Officer

A message from our Chief Sustainability Officer

Corporate commitment to Sustainability is positively shaping our world while creating tangible financial benefits to companies willing to actively engage in the effort. Through our business model, we are actively addressing resource scarcity, supporting our communities, and promoting environmental stewardship. As one of North America's largest metal recyclers, Schnitzer is well positioned to serve the needs of our shareholders, employees, customers, suppliers, communities, and other stakeholders more effectively than ever before.

Schnitzer's strategy is deeply rooted in Sustainability, and both Fiscal Year 2017 and 2018 have been exciting years in our Sustainability journey. We have made progress on our Sustainability practices: decreasing our carbon and process waste generated volumes per ton, deploying capital in more environmentally efficient operational equipment, and developing a multi-year corporate Sustainability strategy that we believe will deliver even more sustainable value in the future. To realize this strategy, we rely on the actions of our more than 3,500 employees who bring their individual skills, experience, and passions to bear.

We continually strive to be good stewards of our environment; to deliver positive social benefits for all our stakeholders, including our employees and the communities in which we operate; and to create a well-positioned Sustainability strategy that supports strong financial performance in the competitive global marketplace.





Integrity, Ethics, and Compliance



Integrity is at the center of all we do. While the role of Schnitzer's Compliance Program is to foster a company-wide culture of ethical behavior and compliance with law, we recognize that the ultimate responsibility for integrity — doing the right thing every day — lies with each and every one of our employees. Our recognition as a World's Most Ethical Company for four consecutive years is a source of great pride and an acknowledgement that our employees are indeed upholding Schnitzer's core values of sustainability, safety, and integrity.



Callie Pappas

Chief Compliance Officer

Ethisphere's World's Most Ethical Companies® Award

In 2018, Schnitzer was named a World's Most Ethical Company for the fourth consecutive year by the Ethisphere Institute, an international think tank focused on ethics and compliance. This prestigious award is given exclusively to companies that have a material impact on the way business is conducted by fostering a culture of ethics and transparency at every level of the company. Specifically, winners must demonstrate leadership in five key categories: ethics and compliance; corporate citizenship and responsibility; culture of ethics; governance; and leadership, innovation, and reputation. Only 135 companies worldwide were honored in 2018. Schnitzer is the only metals recycling company among the winners.



Note: "World's Most Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC

Integrity, Ethics, and Compliance

Integrity is a core value at Schnitzer. Our Board of Directors, the executive team, and all of our employees are responsible for adhering to our Code of Conduct and all applicable laws and regulations and for maintaining our high standards of ethical behavior and business practices. Simply stated, everyone on the Schnitzer team is expected to do the right thing every day and treat everyone with respect and fairness as we serve our customers, business partners, investors, and communities.

This guiding principle of integrity means:

- Doing the right thing for the right reasons, even when it may be more convenient or advantageous to take another approach.
- Honoring and fulfilling our commitments and agreements as responsible citizens and employees.
- Being honest, straightforward, and transparent at all times.
- Working with honest companies equally dedicated to doing business in an ethical manner.
- Acknowledging when we make mistakes, learning from them, and not repeating them.
- Recognizing that every employee is responsible for ethics and compliance.
- Never compromising our core values.



Integrity, Ethics, and Compliance

Schnitzer maintains a robust and effective independent corporate compliance program led by our Chief Compliance Officer who reports jointly to the CEO and to the Audit Committee of the Board of Directors.

Ethics Program

Our focus is on promoting our Code of Conduct, communicating and educating our employees on the importance of making ethical decisions, and fostering an environment where employees feel free to report concerns.

We train all of our non-union employees annually on our Code of Conduct as part of the “Our Core Values” training. In Fiscal Year 2017, we began including unionized employees in this training, and we will include all union employees in this training by the end of Fiscal Year 2019. We communicate broadly with our employees in English and Spanish. In Fiscal Year 2017, we presented inaugural Ethics in Action Awards to individuals and locations nominated by their colleagues for exemplifying our core values.

We empower our employees — the eyes and ears of our Company — to raise issues or concerns regarding compliance with our Code of Conduct. We offer multiple reporting channels, including a third-party confidential, multilingual hotline. We investigate and take appropriate action on all reports.



We have received Ethisphere's Ethics Inside Certification every year since 2015, recognizing our superior employee and leadership culture that promotes ethical business practices.

Anti-Corruption and Anti-Bribery Program

Our Anti-Corruption Program utilizes risk assessment and risk management tools to promote strict adherence to applicable anti-corruption and anti-bribery laws and regulations, including maintaining accurate books and records. We scrutinize all business units for corruption risks and constantly evolve our program to address those risks.

In addition to our Code of Conduct, we have a comprehensive Anti-Corruption Policy available to all employees that details prohibitions against bribery, money laundering, and engaging with terrorists or other sanctioned entities. The policy also requires Schnitzer to maintain accurate books and records and prohibits facilitation payments.

Our Anti-Corruption Manual helps employees understand these prohibitions and requirements set forth in the Anti-Corruption Policy and specifies roles and responsibilities for the Anti-Corruption Program, driving accountability.

Our International Anti-Corruption Council, comprised of senior leaders in operations, finance, legal, sales, procurement and audit, monitors the execution of Schnitzer's Anti-Corruption Program and promotes it within the organization.

Essential elements of the Schnitzer Anti-Corruption Program are:

- Accurate and transparent books and records
- Effective third-party monitoring (including due diligence and auditing)
- International contract administration
- Anti-corruption internal controls
- Wire transfer controls and payment monitoring
- Designated party screening

100% of business units analyzed for corruption risk

100% of non-union employees trained on our Code of Conduct (full union employee participation by end of Fiscal Year 2019)

100% of Code of Conduct complaints investigated



Ethisphere reviewed our Anti-Corruption Program and has awarded us their Anti-Bribery Program Verification every year since 2015. Recipients of this designation must prove they have designed, implemented, and enforced a robust, exemplary anti-corruption program capable of reasonably detecting and preventing bribery and corruption.





Safety, Health, and Wellness



Building a strong safety culture begins with us – each employee of Schnitzer. We value our people above all else and demonstrate that through our daily actions. We build effective safety systems to help manage risks in the workplace and encourage timely and transparent reporting of safety incidents, including near misses, so we can learn how to avoid reoccurrence. Building an injury-free workplace requires each one of us to be a safety champion every day.



Suresh Rajapakse

VP Health and Safety



Safety, Health, and Wellness

A critical focus on the safety of our employees, visitors, suppliers, and customers is an essential priority for the strength and success of our organization. Starting and ending each day at Schnitzer means starting and ending safely.

Our safety policies and programs are based on leading industry practices and developed in partnership with the unique expertise of our employees.

Safety management is not proprietary — we actively participate in industry organizations involving best practices, reporting standards, benchmarks, and increasing the dialogue regarding industry safety trends.

Schnitzer continues to place extra focus on implementing injury prevention programs to further work toward an injury-free workplace.

Serious safety incidents can be life-altering and impact families, friends, and co-workers. We recently updated and expanded our Critical 6 Program that was initially established in Fiscal Year 2011 and is focused on eliminating potential high-risk events.

The Critical 6 include:

1. Lockout and control of hazardous energy
2. Confined spaces
3. Fall protection
4. Driver's safety
5. Use of mobile equipment
6. Torching

With our Critical 6 Program, we aim to emphasize both constant diligence in daily operations in our facilities and embed safety in our team culture.



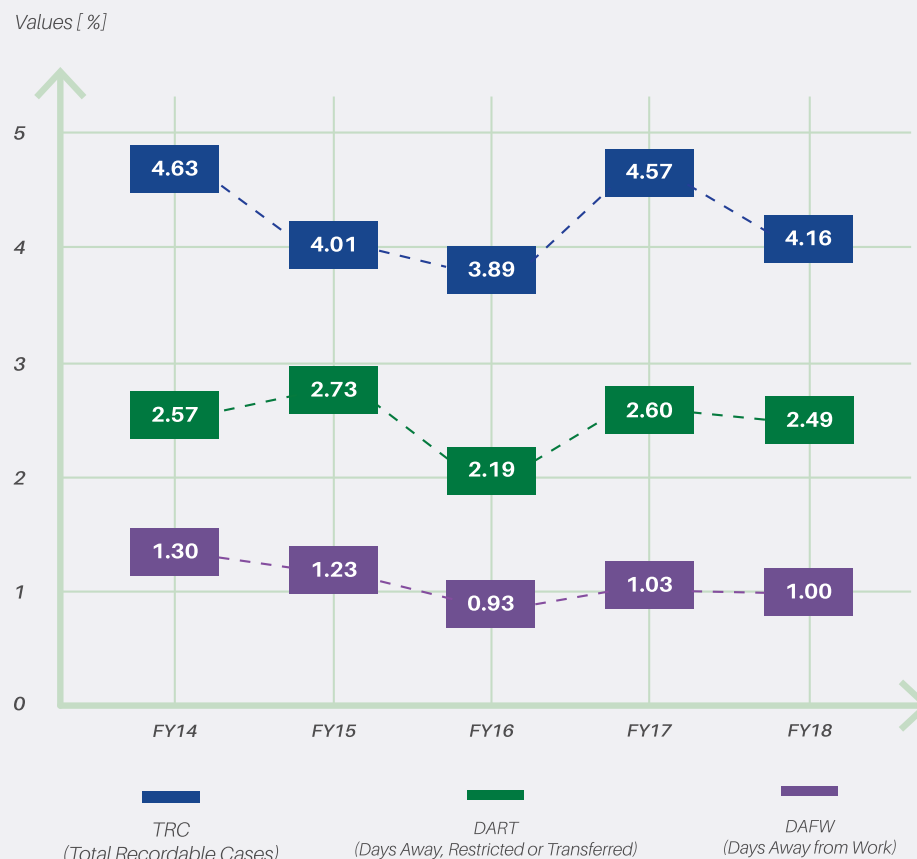


Schnitzer is committed to providing a safe and healthy work environment

Schnitzer's safety culture is an essential component of our success. While we improved our performance in 2018, we strive to continually improve our safety culture. A strong safety culture benefits our employees, customers, and suppliers while supporting us in achieving our operational efficiency and performance goals. Key elements of building our strong safety culture include: individual ownership, collaboration, active vigilance to assess risks and eliminate workplace hazards, and mutual accountability among employees for each other's safety. While 76% of our facilities experienced zero lost time due to injuries in Fiscal Year 2018, we are determined to continually improve our safety performance across all of our facilities.

At Schnitzer, we continually optimize safety education and training to maximize the protection and productivity of all. We also developed and offered new training programs and certification opportunities such as our ProTread over-the-road driver training and fire prevention training.

SAFETY KEY PERFORMANCE INDICATORS



TRC: 4.16
9% Improvement

DART: 2.49
4% Improvement

DAFW: 1.00
3% Improvement

Note: Improvement reflects reduction from Fiscal Year 2017 to Fiscal Year 2018.

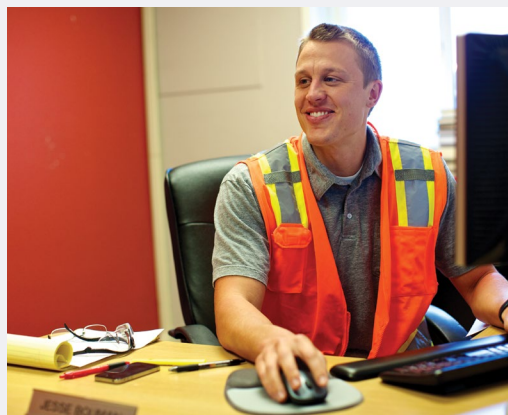


Leading by Example

We are proud of the following sites, among others, that lead by example with a strong safety culture.

46 FACILITIES RECORDABLE-FREE IN 2018.
THE FOLLOWING FACILITIES HAVE BEEN
RECORDABLE-FREE FOR 5 OR MORE YEARS:

- Vancouver, WA - Auto Dismantling Facility, 9 years
- Pasco, WA - Metals Recycling Facility, 9 years
- Cartersville, AL - Metals Recycling Facility, 6 years
- Fresno, CA - Metals Recycling Facility, 6 years
- Atlanta, GA - Metals Recycling Facility, 5 years



Employee Wellness

The Schnitzer Wellness Committee promotes healthy lifestyles and proudly sponsored the following events:

- Home fire preparedness: With support from the American Red Cross Sound the Alarm campaign, we offered free home smoke detector installation to ensure all employees have working fire alarms.
- Company-wide annual blood drive: Schnitzer is a corporate sponsor of the American Red Cross Missing Type campaign and sponsored regional blood drives to support the communities where we operate.



Safety Recognition

Schnitzer is a charter member of the Institute of Scrap Recycling Industries (ISRI) Circle of Safety Excellence and was recognized with the following awards:

WARWICK, RI TRANSPORTATION FLEET

- 2017 Pacesetter Award, 1st Place, Medium Class 1,000,001–5,000,000 Miles
- 2017 Best Fleet Award, 3rd Place, Medium Class 1,000,001–5,000,000 Miles

TACOMA, WA TRANSPORTATION FLEET

- 2017 Pacesetter Award, 1st Place, Small Class 300,000 – 500,000 Miles
- 2017 Best Fleet Award, 3rd Place Small Class 300,000 – 500,000 Miles



Diversity, Inclusion, and Cultural Awareness



At Schnitzer, we believe that if you are not actively including, you may be accidentally excluding.

Stef Murray

Chief Diversity Officer



We recognize that a company's culture is a clear representation of every employee's attitude and efforts. At Schnitzer, we have an unwavering focus on strengthening that culture for all, every day.

Erich Wilson

Chief Human Resources Officer



Employee Voices

"I did not think that I would be able to advance in the Company because my direct managers are all men. When I spoke to my manager about this, he found me an executive female mentor and encouraged me to speak to the Vice President of Human Resources. I now have routine career discussions and believe that I have a bright future with the Company."

"Prior to joining the Company I was uncertain of how members of the LGBTQA community would fare in this type of industry. As a gay male I can honestly say that my experience working at Schnitzer has been phenomenal. My manager and co-workers are inclusive and supportive of my ideas and contributions. I feel valued and accepted. I couldn't ask for a better team of people to work with."

"I've worked here for over 33 years and my experience is treated as an asset not a liability. The people I work with now are some of the best and brightest we have ever seen. I know that if I have a problem it will be taken seriously and addressed quickly. I couldn't always say that before. I'm proud to work for Schnitzer."

Diversity, Inclusion, and Cultural Awareness

At Schnitzer, diversity and inclusion are the keys to our past achievements and fundamental for future success. We actively encourage a culture where everyone is treated with respect, fairness, and equal opportunity to reach their full potential within the organization. Maintaining a diverse workforce is not only ethically the right thing to do, it also drives innovation and creates stronger teams.

In 2017, to build on our progress in this area, we launched a formal Diversity and Inclusion Program to drive these principles throughout Schnitzer and strengthen our workforce. In 2018, we appointed a Chief Diversity Officer, reporting to our CEO. It is important to not only embrace employees of all backgrounds but to actively recruit from diverse talent pools as well. We are committed to fostering a respectful workplace with a zero-tolerance policy on discrimination and harassment based on race, ethnicity, age, military status, sex, sexual orientation, gender identity, and religion.

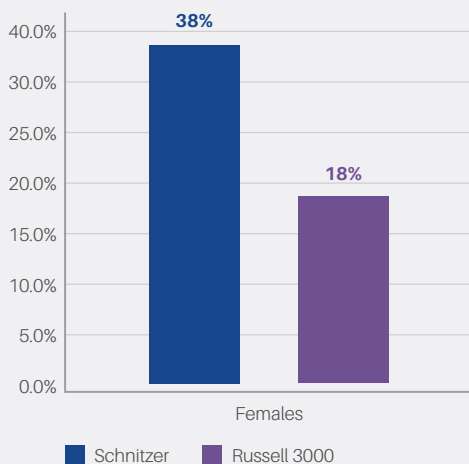
In order to develop a healthy company that embraces diversity at all levels, principles of diversity and diverse perspectives are incorporated throughout the organization, from our production employees to our management and executive teams.



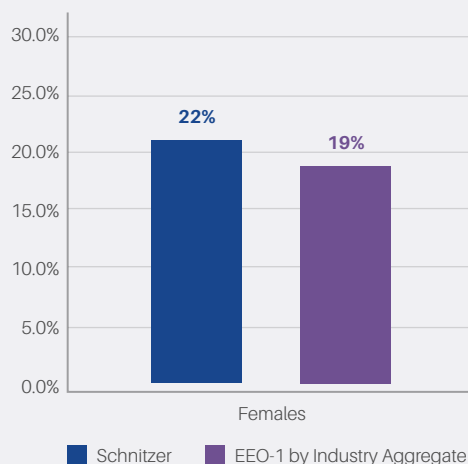
Measuring Diversity and Inclusiveness

With over 3,500 employees, we take pride in our strong and inclusive workforce. To bolster our efforts in cultivating and maintaining a diverse population at work, Schnitzer has undertaken significant efforts to collect and benchmark diversity statistics against industry averages. This allows us to better understand the profile of the Company and identify opportunities to be even more inclusive. **At Schnitzer, while we have made great progress and our diversity representation is generally comparable to -- and exceeds in some areas -- the industry average, we are not standing still. We are focused on doing more to attract a diverse workforce and promote a culture of inclusiveness.**

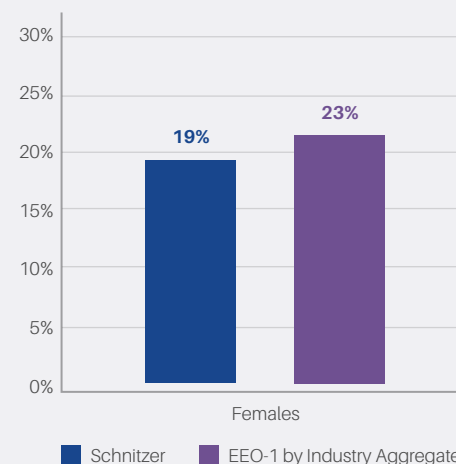
BOARD OF DIRECTORS
GENDER ASSOCIATION



EXECUTIVE AND SENIOR
OFFICER GENDER ASSOCIATION



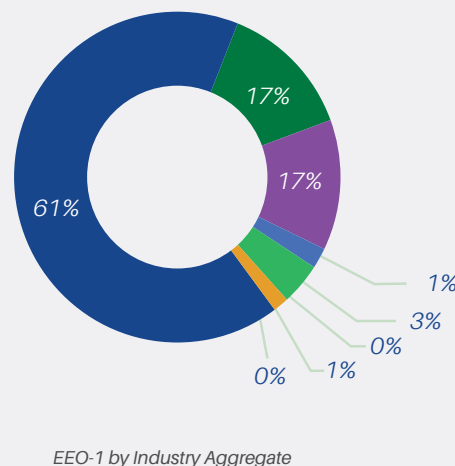
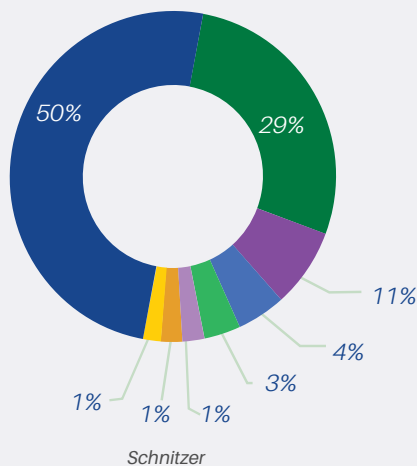
WORKFORCE
GENDER ASSOCIATION



WORKFORCE ETHNICITY
ASSOCIATION

U.S. workforce population only

- Caucasian
- Hispanic
- African American
- Two or More Races
- Asian
- Nat. Hawaiian / Other Pacific Islander
- American Indian / Alaska Native
- Not Specified



Cultural Awareness Campaign

An important component of maintaining a diverse workplace is building a positive, inclusive company culture based on mutual respect. As employees, we strive each and every day to foster a work environment that creates and enriches diversity.

In 2018, we rolled out our cultural awareness campaign focused on increasing cultural awareness, inspiring employee engagement, and fostering an environment where open and safe conversations can exist. The campaign is multi-faceted and includes posters, videos, newsletters, and discussions in town hall meetings designed to raise awareness and empower everyone to set a positive example and take responsibility for improving our culture. Topics covered as part of the campaign include bias and harassment, discrimination, bullying, and the importance of fostering a positive, inclusive culture at work.



Discrimination Impacts Everyone



Discrimination creates an unhealthy, unsafe workplace for all of us. Together, we can prevent discrimination at Schnitzer, so everyone feels respected and valued.

It Starts With Leadership



As a leader at Schnitzer, you set the tone. What you say and do every day creates and reflects our culture. When you set a positive example, others follow. It's up to you to show your employees what it means to bring your best self to work every day.

Podemos mejorar nuestro ambiente laboral



Cada uno de nosotros tiene el poder de hacer de nuestro ambiente laboral compartido un lugar positivo, solidario y acogedor para todos. Todo se reduce a la manera en que nos tratamos unos a otros cada día.





Community Engagement and Partnerships



Every day I welcome the opportunities available to connect Schnitzer with all of our host communities. At Schnitzer, we believe in the value of community engagement and partnership. The relationships we build, grow, and strengthen with our neighbors, schools, chambers of commerce, civic organizations, and law enforcement truly lie at the heart of our business.



Colin Kelly

Director of Governmental and Public Affairs

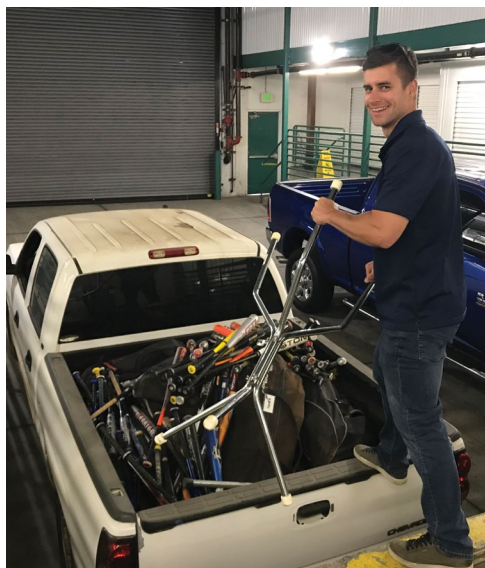
Community Engagement and Partnerships

We value community involvement throughout all parts of our businesses. In addition to operational excellence, Schnitzer is dedicated to the communities in which we live and work and has a long legacy of volunteerism, partnership, and charitable giving. Employees lead our local community engagement efforts through direct involvement in community initiatives and memberships in community organizations, as well as participation in philanthropic and charity events.

Employees at all of our facilities are frequently active and engaged in a wide range of local causes that include disaster relief and emergency preparedness/response, homelessness and food shortages, K-12 STEM and trade school education, environmental cleanups, and habitat restoration.

North Oakland Little League/South Oakland Little League (NOLL/SOLL) Illegal Bat Recycling

In July 2018, Schnitzer's Oakland, CA facility helped recycle over 300 illegal aluminum baseball bats for NOLL/SOLL and donated the proceeds for new equipment.



Support of an education scholarship fund with Portland Community College

In June 2018, Tendayi "Aldo" Mhlanga, in pursuit of an Associate's Degree in Electrical Engineering, was the recipient of our Schnitzer Steel – Chuck Ford Memorial scholarship. "Growing up in the less privileged communities of Southern Africa has taught me to value education. Your financial support has moved me one step closer to my goal of graduating. By awarding me the scholarship, you have eased the financial burden I had and I can now concentrate on learning."

Civicrops Graduation "Deans List" Sponsorship

Schnitzer was a title sponsor in West Oakland, CA for Civicrops' Recycling Jobs Training and High School Diploma Academy.



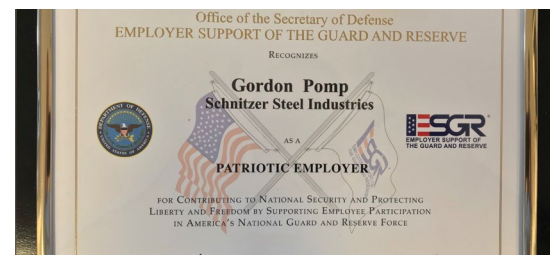
Industry Involvement

We are a proud member of the following organizations and associations:

American Wire Producers Association (AWPA)
Automotive Recyclers Association (ARA)
Bureau of International Recycling (BIR)
Business Roundtable (BRT)
Concrete Reinforcing Steel Institute (CRSI)
Institute of Scrap Recycling Industries (ISRI)
National Association of Manufacturers (NAM)
Steel Manufacturers Association (SMA)
U.S. Chamber of Commerce

"A Patriotic Employer" in Tacoma, Washington

In May 2018, Gordon Pump (Shredder Operations Manager in Tacoma, WA), received the 2018 Employer Support of The Guard and Reserve Award, which highlights employers who support military Reserve and National Guard members when serving on military duty.



Celebrating Earth Day with our local communities

In April 2018, Schnitzer participated in the global celebration of Earth Day. This year, Schnitzer employees went above and beyond, with over 1,300 employees from 80 facilities participating around the country.

Our annual Earth Day celebrations are a clear example of how our business is rooted in Sustainability. Our volunteerism efforts convey our commitment and connectedness to the communities we serve. Local leadership and environmental stewardship roles within our communities are essential to our continued success.

Our Earth Day activities ran the gamut from cleanups of local parks, beaches, and trails to invasive plant cutbacks, scrap drives with local school districts, customer appreciation days, tree planting, and recycling education booths. A few highlights include:

- Pick-n-Pull hosted a national “REuse and REcycle” campaign sharing do-it-yourself repair procedures, easy replacement alternatives, and maintenance techniques through YouTube videos, infographics, and online community narratives.
- Various metals recycling locations partnered with local public works departments to aid recycling efforts, participated in community beautification projects, and sponsored classroom recycling education in partnership with EarthDay.org.
- Cascade Steel Rolling Mill provided a free scrap drop for discarded metals and redundant electronics for the local community, partnering with the local Chamber of Commerce, Recology Western Oregon, and a local Boy Scout troop.
- Together with WestRock Company, Fastenal, and Metro Parks, Schnitzer organized and led a beach cleanup of Owens Beach in Point Defiance Park in Tacoma, Washington. Attendees from local high schools and over 50 people from the Northwest region met for three hours to pick up waste and debris along the Puget Sound.
- Our Eugene, Oregon, facility hosted its annual community sustainability open house, bringing educational information to hundreds of customers and community members.
- Our Portland, Oregon, facility held an annual barbeque and marketing event that brought in more than 1,400 tons of recyclable ferrous and nonferrous materials.



In partnership with SOLVE Oregon,
6,200 volunteers including Schnitzer
employees picked up **69,000**
pounds of trash and planted **3,500**
new native trees and shrubs





Photo Credit: Sustainable Coastlines Hawaii



Schnitzer Steel has been integral in our ability to keep Hawaii's coastlines clean. Beyond assisting in the process of shredding hundreds of thousands of nets annually so they can be converted to energy at H-Power, Schnitzer Steel also shreds our large ocean plastic allowing for it to be more easily transported.



Kahi Pacarro

Executive Director, Sustainable Coastlines Hawaii

Recovering resources while helping protect the environment

Scrap Drives

In Tacoma, Washington, Schnitzer organized its annual scrap drive in April 2018 to support Meeker Middle School. The scrap drive kept 5,460 pounds of material out of local landfills, and proceeds from the drive will help the school purchase critical items like uniforms, textbooks, and other teaching aids.

Our Kapolei, Hawaii, yard supports the Aloha Aina Recycling Drives in Oahu in partnership with the Kokua Hawaii Foundation, a non-profit specializing in community-based recycling and education programs. Schnitzer donates all proceeds from the drives to local schools. The proceeds from the scrap drives are used to purchase school classroom supplies, school garden supplies, and food at student club meetings. Beyond that, these proceeds also support educational field trips, enable the students to attend local conferences, and assist in the building of vermicomposting bins.

Ocean Cleanups

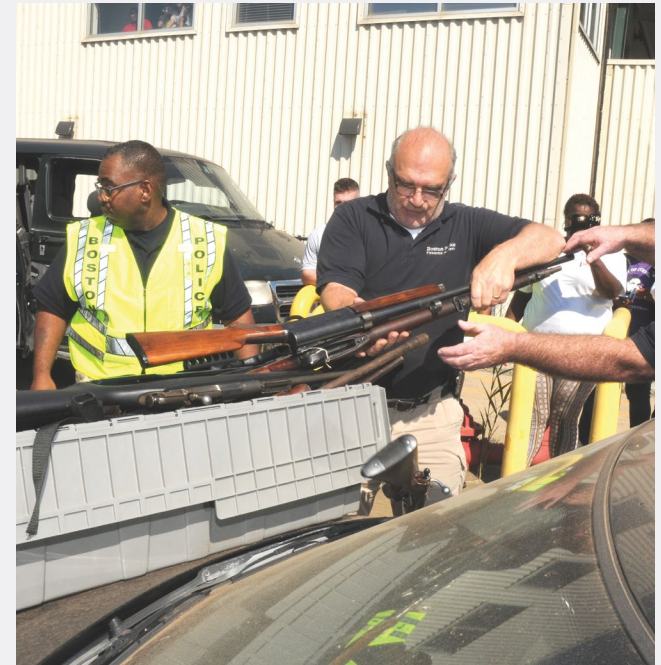
Since 2008, our Fishing for Energy partnership has provided collection bins at 54 participating ports in nine states, drawing over 3.8 million pounds of old or unwanted fishing gear. Gear collected at the ports is first sorted at Schnitzer for metals recycling before any remaining non-recyclable material is converted into energy at third party locations. Approximately one ton of fishing nets equals enough electricity to power one home for 25 days. Jeff Trandahl, executive director and CEO of the National Fish and Wildlife Foundation, noted that "Schnitzer Steel's support has been instrumental in the long-term success of this innovative conservation program, which recycles such derelict gear for energy and other useful purposes."



Contributing to a safe and positively engaged society

Weapons Destruction and Recycling

Since 2009, Schnitzer in Everett, MA has supported the Boston Police Department and other local police departments by recycling metal from weapons taken off the streets. Boston Police, one of sixteen local police departments, bring the guns to Schnitzer in Everett, which destroys the guns in its recycling facility. Police departments usually obtain the weapons from buyback programs and closed criminal cases, excluding homicides. Boston Police Firearms Examiner Gary Lewis said, "It's important we destroy them so they can't make it back into circulation, they can't make it back on the streets."



Training with Emergency Responders

Our facilities also support fire safety and prevention efforts by providing space and auto bodies for local fire departments to use in "Jaws of Life" and other lifesaving training exercises. Pick-n-Pull stores in Dallas, TX host monthly vehicle extraction classes conducted by both the Dallas Fire Department and the Irving Fire Department. All new recruits are trained on rescue and the use of the "jaws of life" equipment on selected vehicles. Pick-n-Pull is proud to be a part of these lifesaving classes. According to Irving Fire Department Captain McWilliams, "This hands-on training is invaluable and something we can't do at our training facilities. We are very thankful for Pick-n-Pull's support of the community."

Sponsorship for Local Art

In 2018, Schnitzer began an innovative partnership with the Crucible Fuego Youth Art Program, a nonprofit industrial arts school in Oakland, CA. The Crucible's Fuego Program is designed for high school students interested in arts education through creative re-use of materials.

As part of our contribution to this important program, we commissioned an art piece made from Schnitzer's own recycled material to display in our main Oakland office. We also hosted several visits where students learned about the recycling process to gain inspiration for their project.

Additionally, Schnitzer was the title sponsor of the Crucible's Annual Fire and Light Fundraising Gala and a sponsor of Portland Opera to Go education and outreach program where the organization provides musical performances and education to under-served schools throughout Oregon and southwest Washington.



Hunger Relief

One way Schnitzer is committed to our community is through our partnership with the Oregon Food Bank. We are excited to further this partnership by sponsoring an Oregon Food Bank truck that delivers food donations for distribution to those in need.

Over **\$250,000** Pick-n-Pull food bank donations in Fiscal Year 2018

Over **6,000,000** meal equivalents donated through the National Food Bank Drive since 2010



Supporting our Local Communities

Northern California Fire Relief

In response to the devastating October 2017 fires in Northern California, Schnitzer made it a priority to meaningfully contribute to the recovery process. Through a joint partnership with the Office of California State Assembly member Tony Thurmond and K to College (SupplyBank.org), we delivered 12 pallets of infant-care supplies and diapers to local schools in affected areas.

Employee Disaster Relief Fund

In Fiscal Year 2018, Schnitzer collected over \$120,000 to aid employees and their families in the aftermath of disasters. The Schnitzer charitable foundation, Recycling For A Better Tomorrow, helped 12 employee families who had been impacted by the hurricane in Puerto Rico.

Holiday Toy Drives

Just prior to the holidays, Schnitzer employees volunteered their time and energy with local community toy drives in Portland, OR and Oakland, CA, collecting donations and packaging gifts for local area children in need. In true Schnitzer fashion, the teams made efficient use of their volunteer time and cleared a significant backlog of inventory to keep the community toy drives on schedule. Recognizing this contribution to the success of the toy drives, the City of Oakland staff and the Mayor personally thanked the teams for their efforts.



Partnering with our Local Communities

At Schnitzer, we are proud to have a workforce of responsible community members who regularly engage with charitable organizations and donate time, needed resources, and knowledge for the good of the community. Our employees live and work in more than 100 communities in 23 states, 2 Canadian provinces, and Puerto Rico. Schnitzer actively embraces opportunities to support our employees in their community engagements and charitable efforts. Examples of local community partnerships include:

Neighborhoods and the Environment

- Citizens for a Healthy Bay
- David Suzuki Foundation
- Earth Day Network
- Friends of the Library in Macon-Bibb County
- Habitat for Humanity of McMinnville
- Juliette's House
- Yamhill Community Action Partnership
- Surfrider Foundation

Youth and Leadership Development

- Big Brothers Big Sisters
- Boys and Girls Clubs of America
- Boy Scouts of America
- Chelsea Chamber of Commerce
- Propeller Club
- Rotary #8
- Tacoma Youth Marine Foundation
- Volunteers of America

Education

- Arrowhead Sandstone Elementary
- Everett Public Schools
- Meeker Middle School
- Chemeketa Community College
- Portland Community College
- Linfield College
- McMinnville School District

Cities, Parks, and Culture

- Metro Parks Tacoma
- Everett Italian American Association
- Johnston Policy Benevolent Association
- Oakland Parks and Recreation Foundation
- Partnership for Providence Parks

Public Health and Wellness

- American Heart Association
- American Red Cross
- Emergency Food Network
- Special Olympics of Massachusetts
- Stampede for the Cure
- The Kidney Foundation of Canada
- Willamette Valley Cancer Foundation



Environmental Performance and Protection



A robust sustainability initiative is vital and central to our company's environmental programs to ensure responsible management of air, water, and land resources in the communities where we live and work.



Scott Sloan

VP Environmental



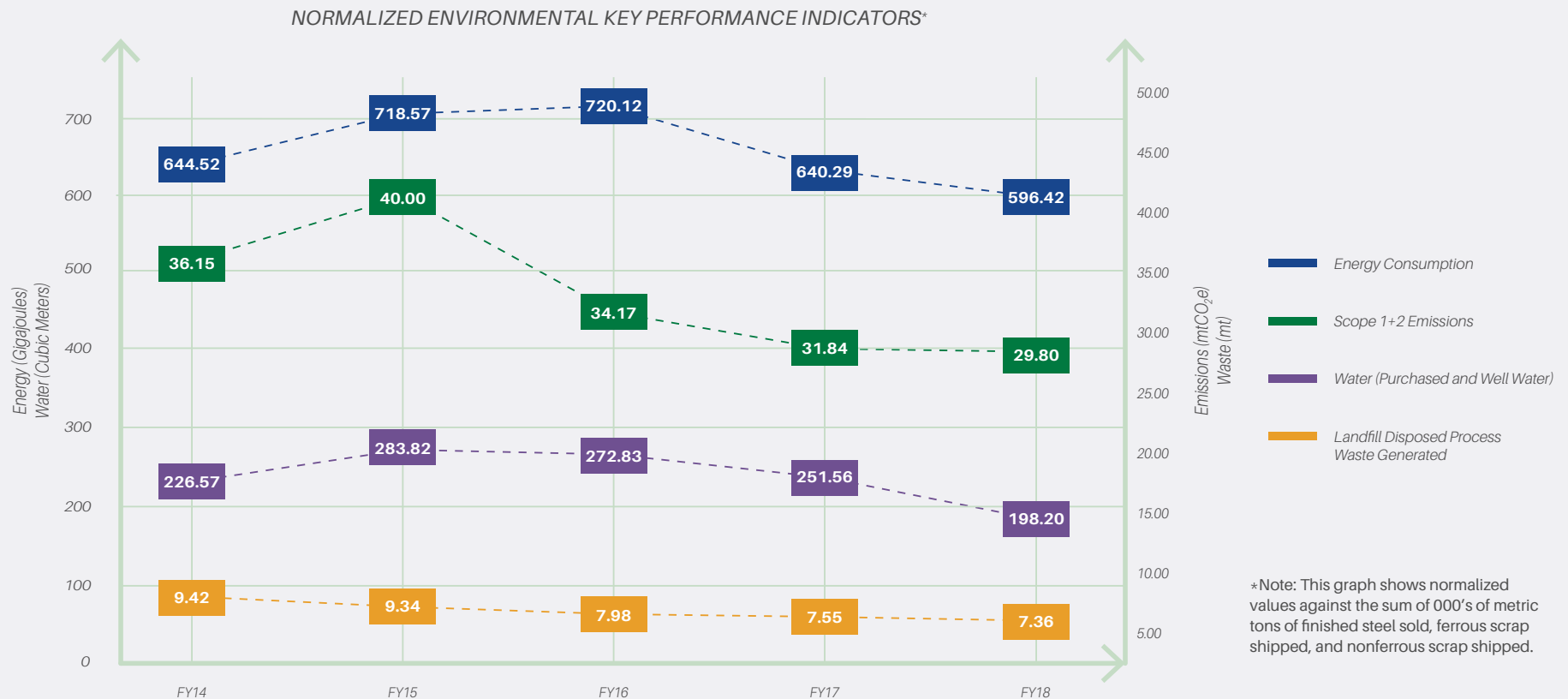
Environmental Performance and Protection

Our long-held commitment to Sustainability is more important than ever. Seeking added value through conservation, preservation, and recycling are the principles underlying more than a century of our success.

Our environmental programs focus on practicing environmentally beneficial recycling and operating our businesses in an environmentally responsible manner. Through our strategy to implement sustainable practices, we aim not only to comply with applicable environmental regulations, but also to pro-actively minimize our environmental impact in the short, medium, and long-term.

To measure our sustainability performance, we focus on carbon emissions, energy management and efficiency, water conservation and quality, resource recovery and waste diversion as Key Performance Indicators (KPIs). We present a normalized (per-unit) value to show our operational efficiency and an actual value for these metrics.

In Fiscal Years 2017 and 2018, we improved our operating efficiency, reducing our carbon emissions, energy consumption, water usage (purchased and well water), and process waste generation on a per ton basis.

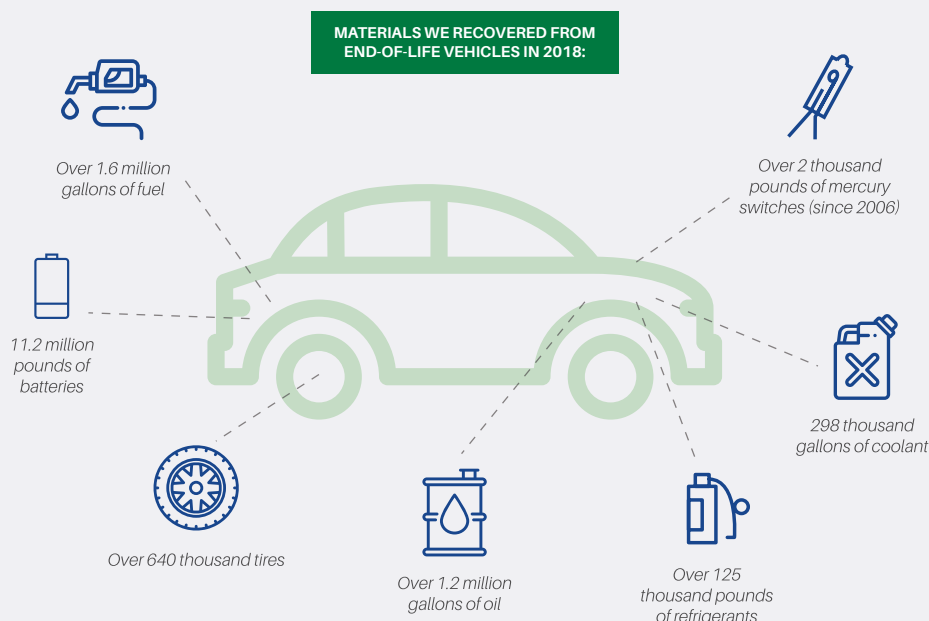


Recovering value from end-of-life dismantling and recycling by-products

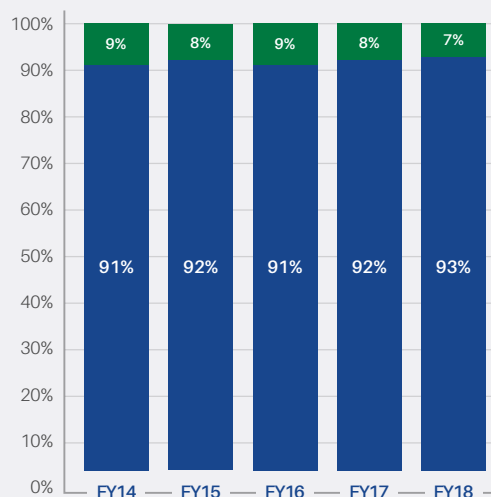
At Schnitzer, we aim to achieve the highest beneficial use of all by-products generated by our operations.

For example, a by-product of the metal shredding process is a non-metallic material known as shredder residue. Shredder residue consists of materials such as seat cushions, insulation, rubber, glass, foam, and plastics. When possible we recycle this automotive shredder residue for beneficial use as alternative daily cover for landfills. Daily cover is applied at the end of each day to the active portion of landfills to protect wildlife, minimize dust, deter pests, control odors, and isolate wastes that are placed into landfills. As many landfills traditionally use topsoil as daily cover, using automotive shredder residue instead can act to conserve topsoil and prevent the environmental impacts associated with topsoil mining. Shredder residue is also compactable which conserves landfill space. In Fiscal Year 2018, approximately 95% of shredder residue generated by our operations was beneficially used as alternative daily cover.

Similarly, through the steel manufacturing process at our Oregon steel mill, ferrous fines and solids that are by-products of finished steel are aggregated and recycled for beneficial use in various manufacturing and industrial applications. In Fiscal Year 2018, approximately 88% of this material was reused in this process.

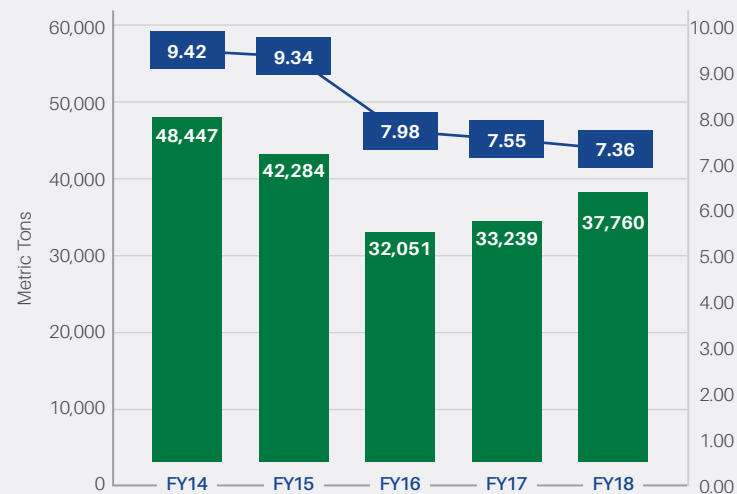


BY-PRODUCT DISPOSITION PROPORTIONS



■ Recycled By-products ■ Landfill Disposed By-products

LANDFILL DISPOSED PROCESS WASTE GENERATED

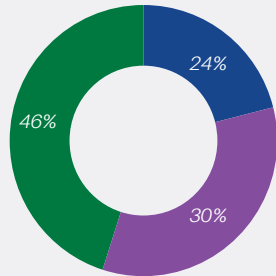


■ Absolute ■ Normalized (per 1,000's metric tons)

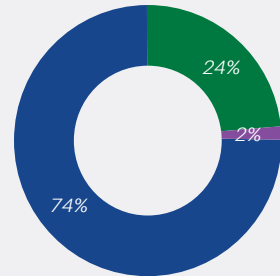
Increasing Energy Efficiency

We are continuously working to improve our energy efficiency. Approximately one quarter of the energy we consume is in the form of liquid and gaseous fuels for use in our equipment (on-road transportation fuels, off-road rolling stock, and metal-working activities). Each year we deploy capital to maintain and replace our equipment and seek out opportunities to improve fuel efficiencies.

ENERGY MIX



FUEL ENERGY BY GROUP

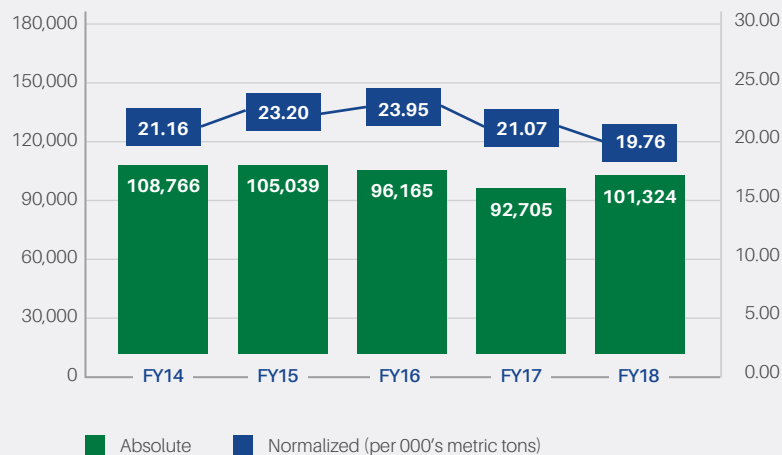


Electricity Fuels Natural Gas

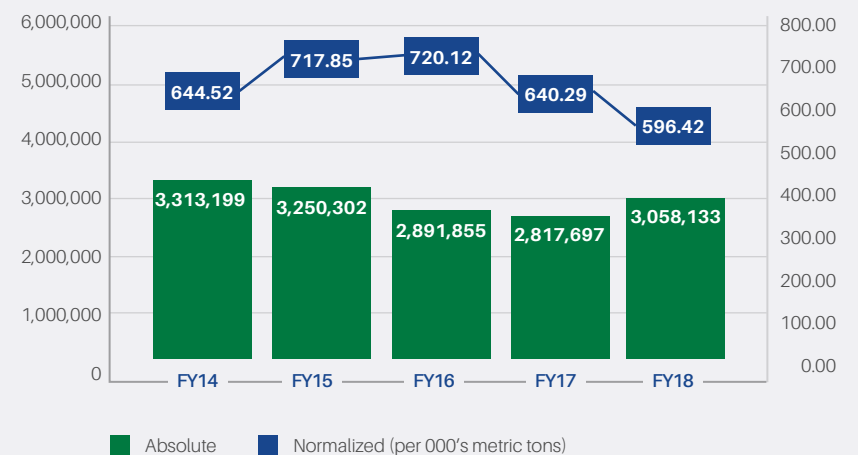
On Road Diesel Off Road Diesel
Gasolines and Other Fuels

In Fiscal Year 2018, our purchase of new model material handlers with EPA-certified "Tier IV" engines, automated idling and stop processes, and "ECO" modes are contributing to our efforts to maximize energy-efficiency, conserve fuel use, and minimize emissions. For example, we estimate that replacing our old model material handlers with new models improves fuel economy by 30%, in addition to reducing soot particles by 90% and reducing nitrogen oxide and hydrocarbon emissions by 50%.

SCOPE 1 EMISSIONS (MTCO₂E)



ENERGY CONSUMPTION (GJ)



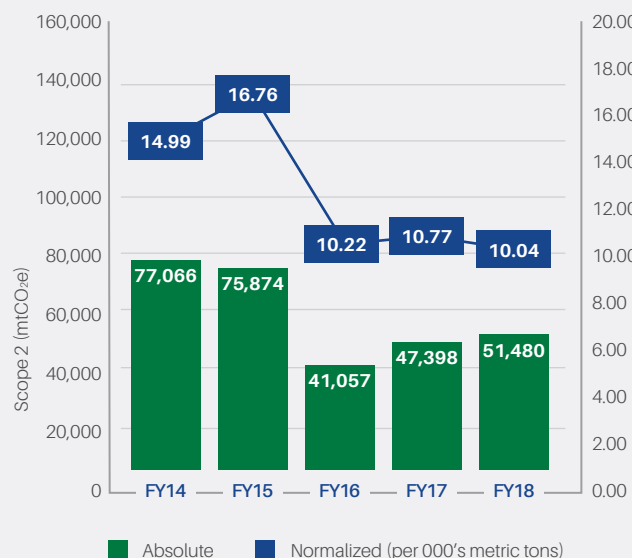
Expanding our use of renewable electricity

Access to reliable, affordable, and clean energy has long been an important catalyst to sustainable economic growth at Schnitzer. Building on this foundation, Schnitzer has also begun to take advantage of energy grid mixes that are less greenhouse gas intensive.

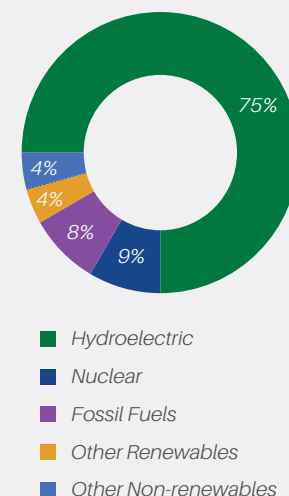
Schnitzer's headquarters reside in a LEED Gold certified building in Portland, Oregon. Our steel mill, located in McMinnville, Oregon, operates a state-of-the-art electric-arc furnace that consumes electricity largely sourced from hydroelectric power generated by the Columbia River Dam System. Additionally, a significant portion of our metals recycling business operates in the Pacific Northwest, which is also largely powered by hydroelectric and other renewable source with low or no emissions.

In Fiscal Year 2018, Schnitzer has taken further steps in support of sourcing our electricity from GHG-free sources through our partnerships with Community Choice Aggregators in California:

SCOPE 2 (LOCATION-BASED)
EMISSIONS (MTCO₂e)



FISCAL 2018 POWER MIX
(MARKET-BASED)



Our Oakland, CA shredder/port facility and Pick-n-Pull store are Brilliant 100 participants with East Bay Community Energy



Our Moss Landing, CA and Salinas, CA Pick-n-Pull stores are MBgreen+ participants with Monterey Bay Community Power



Our Richmond, CA Pick-n-Pull store is a DeepGreen participant with Marin Clean Energy



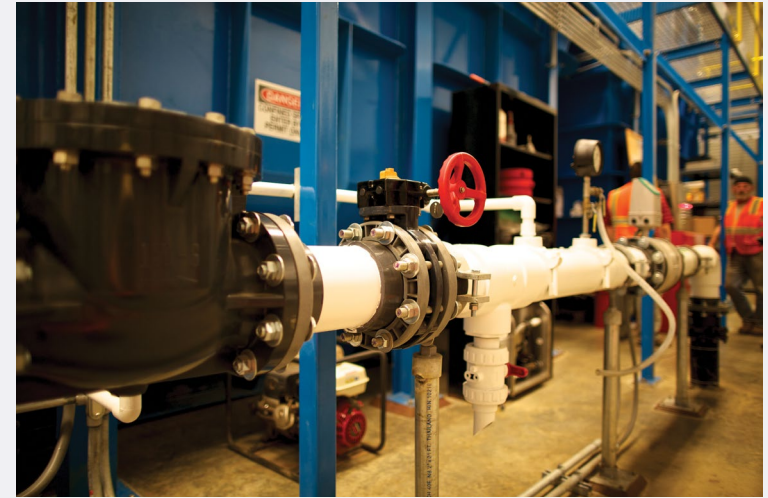
Our Windsor, CA Pick-n-Pull store is an EverGreen participant with Sonoma Clean Power



Storm water management

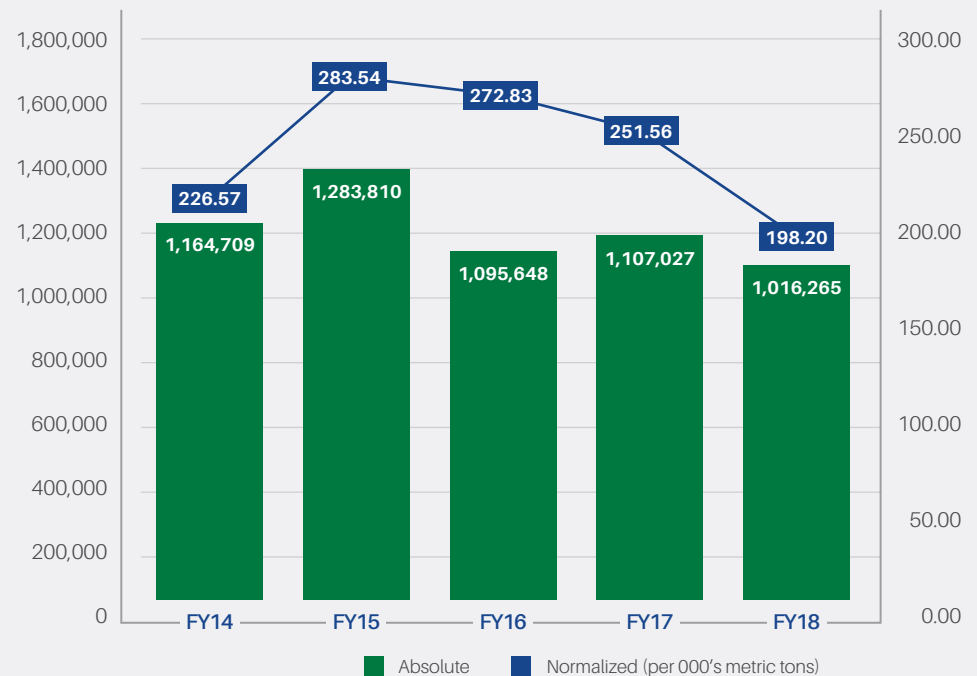
Clean water is one of our planet's most valuable resources. Over the past five years, we have dedicated over \$27 million in capital related to responsible storm water management. These capital resources have been utilized to construct and install new storm water infrastructure – storm water containment, conveyance, storage, recovery, and treatment systems – to improve storm water quality, increase storm water re-use, and minimize the volume of storm water discharges from our locations.

Our Oakland, CA and Everett, MA facilities have installed large water storage tanks and high capacity electrocoagulation (EC) treatment systems to collect and treat harvested storm water. In Oakland, water is harvested from catch basins and collected in tanks where it can be treated before being reused as cooling water in our shredder and dust suppression water throughout the facility.



ACROSS ALL OUR FACILITIES, WE ESTIMATE THAT WE RECYCLE APPROXIMATELY 60% OF AGGREGATE WATER USED.

WATER USAGE
(PURCHASED AND WELL WATER IN CUBIC METERS)





Using Water Efficiently

Efficient water use in our steel manufacturing and metal shredding operations has always been key to our water quality and conservation efforts. Further, in the context of climate change and extreme weather events, we are taking steps to assess our water management risks and monitor our water management performance.

Water use at our steel mill accounts for approximately 70% of total Schnitzer water usage. Thanks to a state-of-the-art water recycling system, process water at the facility is able to be recycled up to 5 times.

Water in our metal shredding operations is mainly used for shredder cooling needs, air-emission controls, and dust-suppression activities. As part of an on-going corporate program, we annually deploy capital to continually improve our overall water management and conservation capabilities, including: constructing new water storage tanks; upgrading and installing water treatment systems; and paving unimproved surfaces to minimize dust.

80% of the water used by our steel mill is re-used



Assurance and Disclosure

Voluntary Assurance:

Since 2014, we have engaged with Trucost to provide assurance of selected environmental data. Trucost undertook the assurance in accordance with AA1000AS (2008) Type 2 moderate-level assurance.



FISCAL 2017 TRUCOST ASSURANCE STATEMENTS

SCOPE	SOURCE	UNIT	QUANTITY
GHG SCOPE 1*	Natural gas, Diesel, Biodiesel, Gasoline, Ethanol, Fuel Oil, Kerosene, Propane and Acetylene	Metric tons CO ₂ e	92,705
GHG SCOPE 2	Electricity		47,398
WATER	Purchased and well water	m ³	1,107,027
SOLID WASTE	Landfill disposal	Metric tons	51,636
	Recycled		567,914
	Energy recovery		7,984

FISCAL 2018 TRUCOST ASSURANCE STATEMENTS

SCOPE	SOURCE	UNIT	QUANTITY
GHG SCOPE 1*	Natural gas, Diesel, Biodiesel, Gasoline, Ethanol, Fuel Oil, Kerosene, Propane and Acetylene	Metric tons CO ₂ e	101,324
GHG SCOPE 2	Location-based electricity		51,480
	Market-based electricity		50,143
WATER	Purchased and well water	m ³	1,016,265
SOLID WASTE	Landfill disposal	Metric tons	55,839
	Recycled		685,969
	Energy recovery		14,547

*Note: the scope 1 emissions included within the assurance do not include fugitive or process emissions associated with Schnitzer's steelmaking operations, which are reported to the Oregon Department of Environmental Quality and the U.S. EPA under greenhouse gas reporting regulations.

Voluntary Disclosure:

As a participant in the Carbon Disclosure Project (CDP) over the past two years, Schnitzer is committed to voluntary disclosures of our carbon emissions, energy use, and water consumption.



Awards and Recognitions

World's Most Ethical Companies

In 2018, Schnitzer was named one of the World's Most Ethical Companies for the fourth consecutive year by the Ethisphere Institute, an international think tank focused on ethics and compliance. This prestigious award is given exclusively to companies that demonstrate leadership in five key categories: ethics and compliance; corporate citizenship and responsibility; culture of ethics; governance; and leadership, innovation and reputation. Only 135 companies worldwide were honored in 2018.

2020 Women on Boards

Schnitzer has been recognized as a seven-time 2020 Women on Boards Winning "W" Company for the years 2011-2017. Winning companies are selected for demonstrating board diversity with 20% or more women on their boards of directors. 2020 Women on Boards is a non-profit organization committed to increasing the percentage of women who serve on company boards to 20% or greater by the year 2020. The organization educates corporate stakeholders on the importance of board diversity and promotes companies that exemplify good corporate governance.

Scrap Company of the Year

In 2018, Schnitzer was named Scrap Company of the Year at the American Metal Market's Awards for Steel Excellence event. The award recognized Schnitzer's industry leadership through commitment to safety, operational excellence, continuous improvement, customer service and sustainability. Schnitzer also won this award in 2013 and 2011.

ISRI Circle of Safety Membership

Since 2015, our membership in the ISRI Circle of Safety Excellence has served as a demonstration of our commitment to continuous improvement and to the safety of all of our employees and the communities we serve.



GRI Index

GENERAL DISCLOSURES		LOCATION (PAGE NUMBER(S) AND/OR URL(S))
102-1	Name of the organization	Overview of Schnitzer, Page 3
102-2	Activities, brands, products, services	Overview of Schnitzer, Page 3
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We would like to thank all of those who contributed by supplying information and images for this publication.

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