



**2020**

# ESG REPORT



# MESSAGE FROM CEO

At ATI, our core values are the foundation of everything we achieve. The strength of these values – Integrity; Safety & Sustainability; Accountability; Teamwork & Respect; and Innovation – is woven into our corporate mindset, driving us to do the right things in the right way. Our values ensure we keep our people safe, protect the environment while delivering for our customers, create the diverse and inclusive culture we aspire to lead, and support the communities in which we operate.

Environmental stewardship, social engagement and strong corporate governance support the growth of shareholder value and are fundamental to the long-term success of ATI. As industry leaders, we're helping to forge the path forward as environmental, social and corporate governance expectations evolve for our employees, customers and markets.

The year 2020 was demanding for ATI, as we and our customers adjusted to meet rapid declines in demand brought on by the pandemic. During this time — as always — the health and safety of our people was our paramount concern. We took immediate and decisive action across our global operations to safeguard the health of our workforce and long-term health of our business.

At the same time, we remained committed to furthering our stated environmental goals, improving the diversity of our workforce, cultivating an inclusive corporate culture focused on talent and career development, continuing to foster local community involvement, and sustaining our long and proud tradition of robust and engaged corporate governance. I am pleased to say that, as detailed in this report, we have continued to advance these priorities and look forward to the future opportunities they present.

Now, we emerge from the downturn poised for recovery and future growth as a result of our team's relentless efforts. Thank you for your support as we look forward to discovering new ways to solve the world's toughest challenges through materials science.

**Robert S. Wetherbee**  
President and Chief Executive Officer



## OUR CORE VALUES

### Integrity

We do the right things the right way; it's the cornerstone of our relationship with every stakeholder.

### Safety & Sustainability

We are committed to a Zero Injury Culture, protecting our people and the planet through our products and the way we operate.

### Accountability

We do what we say we are going to do. We set a standard for excellence and hold ourselves and our team accountable for our actions, results and delivering value for our customers.

### Teamwork & Respect

We seek and celebrate diverse views, capabilities and experiences to power our collaborative work environment.

### Innovation

We embrace change and unique perspectives to create sustainable value, acting with urgency and taking calculated risks to learn and continuously improve.



# REPORT HIGHLIGHTS

More than  
**62%**  
recycled materials  
used in production

**46%**  
decline in Green  
House Gas (GHG)  
intensity (emissions per ton of  
production) since 2018

More than  
**6 BILLION**  
gallons of water recycled  
by our largest manufacturing facilities  
in 2020 and greater than 10% decline in  
kilogallon of freshwater intake per unit of  
production since 2018



**48.4%**  
of 2020 new hires were  
diversity/inclusion  
candidates

Instituted enterprise-wide target for 80% of all open job slates to  
include a minimum of  
**30% DIVERSE  
CANDIDATES**

**WORLD-CLASS  
SAFETY RECORD**  
no COVID-related fatalities

**2020  
REPORTING**  
aligns with the Sustainability  
Accounting Standards Board  
(SASB) framework



# WHO WE ARE

## Our Vision: Solving the World's Challenges through Materials Science.

ATI is a \$3 billion global manufacturer solving the world's most difficult challenges through materials science; advanced, integrated process technologies; and relentlessly innovative people. We produce advanced specialty materials and complex components that withstand extremes of temperatures, stress and corrosion to improve, power and protect human lives every day.

At ATI, we create new specialty materials, then shape them to meet our customers' needs for ultimate performance, efficiency and long-term value. Whether the challenge is searing heat, crushing stress, blistering corrosion or all of the above, our technologies make amazing achievements possible. Our materials play a critical role in delivering:

- ▶ Every new generation of aircraft in the last 50 years and jet engines that continue to safely push the limits of power, fuel efficiency and reliability. Our materials and components help aircraft manufacturers save fuel, reduce emissions, reach new levels of efficiency and reliability, and safely carry millions of air travelers every single day;
- ▶ Clean energy solutions that range from flexible solar panels, to wind turbines, to materials for geothermal applications, nuclear reactors and flue-gas desulfurization equipment;
- ▶ Next-generation defense systems and armor for protecting people and equipment from the ever-evolving threat of deadly explosive weapons; and
- ▶ Medical advances ranging from superconducting MRI machines to implantable stents and artificial joints that save and improve thousands of lives every day.

Our rapidly evolving world requires robust and versatile materials and components produced in an ecologically sustainable manner. We are determined to help meet that need. We're investing in the capabilities and science that will enable customers to sustainably tackle the next generation of life-changing challenges, whatever they may be.

## Product Sustainability — Helping Customers Achieve Results

To grow and thrive, the world's essential industries — aerospace and defense, specialty energy, medical, and consumer electronics — rely on solutions made from advanced specialty materials. Customers rely on ATI for materials with enhanced corrosion and/or heat resistance, strength, and other properties for a wide array of applications that promote sustainability, including alloys and components that:



Are essential to **pollution control equipment** in power plants and ships and to the treatment of ship ballast water



Improve the performance of land-based gas turbines, assisting in the **transition to cleaner fuels**



Support **sustainable nuclear energy applications** and fuel cell interconnects and solid oxide fuel cells used for on-site power generation



Help enable electrolyzers used in the **production of hydrogen from water**



Are used in the production of **solar panels**



**Save and improve thousands of lives every day by:**

- ▶ Providing strength, formability and biocompatibility in knee and hip implants, orthopedic screws and braces, dental implants, spinal implants, cardiac stents, pacemaker lead wires and other applications
- ▶ Enabling life-changing insights in MRI systems where they are used in superconducting magnets





# 2020 CHALLENGES AND RESPONSE

When the potential impact of the COVID-19 pandemic on our people, practices and business began to emerge in early 2020, we recognized that the urgency of the situation required significant and comprehensive action.

**Protecting the Health of Our Team.** As a critical manufacturing sector business, we were able to continue operating throughout the pandemic, which required an immediate focus on the measures necessary to maintain employee safety.

Beginning in the first quarter of 2020, we immediately developed responsive plans and strategies that centered on keeping our people safe, first and foremost, and sustaining the health of our business for the duration of the crisis and beyond. We convened a cross-functional and global rapid response team comprising leaders across various disciplines within our organization that quickly established pandemic-related safety protocols across all our operating facilities world-wide. Members of our work force who were able, given the nature of their job responsibilities, were strongly encouraged to work remotely, and our digital technology team swiftly implemented tools and security measures to provide highly reliable and secure remote access for much of our global workforce, enabling near-seamless remote work and minimizing in-person interaction. At the same time, our procurement team worked to ensure that employees working in-person were well-supplied with personal protective equipment and other materials necessary for them to successfully follow our safety protocols.

Our response team met frequently and regularly throughout 2020 to monitor and assess the health of our employee population; the impact of evolving federal, state and local actions and requirements in response to the pandemic; and other matters. The team reported regularly to executive management. Additionally, updates regarding ATI's response to the pandemic were a central point of reporting and discussion at every meeting of our Board throughout 2020 and into 2021, helping to ensure Board-level oversight of the pandemic's inherent risks and impacts to our businesses.

***As a result of these extensive efforts and the collective actions of our dedicated workforce, ATI experienced only very limited known work-place transmission of the COVID-19 virus and, as of the publishing of this report, no COVID-related employee deaths.***



**Safeguarding the Health of Our Business.** From a business and financial standpoint, our 2020 performance was significantly affected by the sudden onset of widespread uncertainty and sweeping challenges to the global community and economy. Some of our most important end markets — such as the commercial aerospace industry — were among those most deeply impacted by the onset of the COVID-19 pandemic and its many repercussions. As a result, our business witnessed marked declines in customer demand for our products and, consequently, its financial performance.

In response to these challenges, and in tandem with our efforts to ensure continued safe working conditions for our employees, we aggressively implemented cost reductions and other measures to limit the impact of rapidly changing market conditions on our bottom line. We were also able to leverage our customer relationships and reputation for operational excellence to grow our future market share in the industries and with the customers that we serve.



## 2020 Financial Result Highlights

### Sales of \$2.98 billion compared to \$4.12 billion in the prior year

- ▶ Reflected significant impact of the COVID-19 pandemic and associated economic downturn on many of the end markets that we serve
- ▶ Achieved 10% sequential improvement in fourth quarter revenue compared to the third quarter of 2020

### Gross profit of \$293 million compared to \$638 million in 2019

Net loss attributable to ATI of \$1,573 million, including \$1,507 million in restructuring and other charges, net of associated tax impacts, compared to net income attributable to ATI of \$258 million in 2019

### Preserved strong liquidity and cash position

- ▶ Refinanced more than \$200 million in long-term debt at a meaningfully improved interest rate, ensuring that our next significant debt maturity does not occur until mid-2023
- ▶ Ended the year with total liquidity of over \$950 million, including \$646 million of cash on hand at December 31, 2020, compared to \$491 million at December 31, 2019

### Positioned our business for future recovery and growth

- ▶ Reduced costs by nearly \$150 million
- ▶ Reduced inventories and improved managed working capital throughout 2020
- ▶ Announced plans to exit production of low-margin standard stainless steel sheet products, streamline the operations of our AA&S segment and redeploy capital

While we experienced significant losses in 2020, we believe that the comprehensive actions we took helped to mitigate those losses, improve the efficiency of our business and, importantly, position our business for recovery and growth. Moreover, as demonstrated in this report, we continued to make progress toward our previously established environmental and safety goals, as well as on other ESG-related fronts, despite the unprecedented challenges facing our business.

*There are data points in this report that may appear different or unique for 2020 and potentially in the future because of the impacts of the COVID-19 pandemic on our industry and business. Where possible, we provide additional information and explanation.*

### Sales

**\$2.98B**

### Net Loss

**\$1.57B**

### Reduced Costs

nearly

**\$150M**

### Gross Profit

**\$293M**

### Cash on Hand

**\$646M**

at 12/31/2020



# OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) APPROACH

At ATI, we recognize that long-term excellence and profitability require that we operate in ways that promote environmental and social sustainability, supported by appropriate governance structures and enterprise risk oversight practices. By definition, this is an ever-evolving and developing, principles-based effort. One of our core values is Safety & Sustainability, and we're committed to protecting our people and our planet through our products and the way we operate. We continually refine our efforts to enrich the communities in which we operate, lessen our environmental impact, improve the health and safety of our employees, and ensure the sustainability and quality of our workforce. **Recently, we were pleased to be named by Newsweek as one of America's Most Responsible Companies for 2021.**

- ▶ **Environmental Sustainability.** As described in this report, we continue to make progress toward established performance targets for reductions in energy intensity, Green House Gas (GHG) emissions and freshwater intake, as well as targets for full ISO 14001 certification at each of our facilities and increases in our already extensive production use of recycled materials. This report addresses our progress toward these targets in 2020 and provides additional disclosures on other air emissions, water management and waste management efforts.
- ▶ **Social Engagement.** Attracting, retaining, developing and ensuring the safety and wellbeing of a talented and diverse workforce is key to the sustainability of our business. This report describes the human capital management initiatives we have in place to meet these challenges, including the cultivation of a diverse



workforce and inclusive culture and engagement in our local communities. Additionally, as described in this report, we are deeply committed to workplace safety and have an outstanding enterprise-wide safety record. To that end, we are progressing toward our goal of obtaining ISO 45001 certifications at each of our manufacturing facilities, one component of our comprehensive efforts to ensure continued workplace safety and promote a zero-injury work environment.

- ▶ **Corporate Governance.** ATI has a long tradition of strong corporate governance that extends to the governance and oversight of ESG matters. We have a diverse, highly credentialed, highly experienced and highly engaged Board that guides the strategic direction of our business. This report addresses our history of Board leadership and diversity, our practices associated with risk management and oversight, the governance of our ESG initiatives and related matters, including our cybersecurity initiatives and ethics and compliance programs.





This 2020 ESG Report aligns with the reporting framework articulated by the Sustainability Accounting Standards Board (SASB). We are engaged in adopting the Task Force on Climate-related Financial Disclosures (TCFD) framework and currently intend to provide disclosures aligned with TCFD's voluntary disclosures in 2022. In this process, we are assessing the actual and potential impacts of climate-related risks and opportunities on ATI's business, strategy and financial planning.

***As we identify, assess and manage any related risks, we may choose to modify or supplement one or more of our previously articulated environmental sustainability goals, or related metrics, to ensure that our goals remain aligned with, and meaningful in the context of, the evolving risks and opportunities facing our business as a result of climate change and other environmental sustainability considerations.***

Additionally, in 2020 we announced plans to exit production of low-margin standard stainless sheet products and streamline our production footprint by consolidating certain parts of our operations. These changes are expected to create additional operational efficiencies and may also drive changes to our previously articulated goals, as we work to ensure that our ESG efforts continue to align with the evolving nature of our business.

## We are Committed to:

- ▶ Conducting business in accordance with applicable laws, regulations, permits and ATI's Corporate Guidelines for Business Conduct and Ethics;
- ▶ Respecting the rights of people affected by our activities and fostering a respectful dialogue with them;
- ▶ Supporting local communities and contributing to their sustainability through measures such as locally sourcing goods and services and employing local people;
- ▶ Establishing non-discriminatory conduct in the workplace, hiring practices and career advancements. Ensuring that hiring, advancements and promotions are unbiased and based on merit and ability;
- ▶ Continually improving safety, health and environmental policies, management systems and controls so they are fully integrated into company activities;
- ▶ Promoting a culture of safety and continually reinforcing company-wide safety efforts and maintaining programs that effectively address workplace hazards and monitor and protect employee health and safety;
- ▶ Conducting operations in a sound environmental manner and seeking to continually improve performance;
- ▶ Promoting the efficient use of energy and material resources in all aspects of our business; and
- ▶ Practicing product stewardship and promoting research to enhance the benefits of our products to society.

We ensure that all ATI employees are involved in the enhancement of health and safety initiatives.





# ENVIRONMENTAL SUSTAINABILITY

At ATI, we are committed not only to maintaining and operating our businesses in full compliance with all applicable environmental laws, regulations and rules, but also to reducing the environmental impact of our business above and beyond what is required of us.

### A Legacy of Investment in Impact Reduction

- ▶ The wastewater treatment facility at our Brackenridge, PA facility, installed in 2007, **recycles water up to three times**, which reduces the volume of water withdrawn from navigable water. **Over six billion gallons** of water have been recycled at this facility since its installation.
- ▶ A separate facility related to our Brackenridge operations recycles **pallets, crates and other wooden packaging material**.
- ▶ A deionization system installed at our Richburg, SC facility in 2018 enables that facility to **reuse water in its largest cooling tower multiple times**.
- ▶ In 2020, we completed a LED lighting retrofit at our operations in Cudahy, WI, **reducing annual energy usage at that facility by 8.4 million kWh**. This reduction is equivalent to, for example, the aggregate GHG emissions of more than 1,200 passenger cars driven for one year or the GHG emissions avoided by recycling more than 2,000 tons of waste or the carbon sequestered by nearly 100,000 tree seedlings grown for 10 years. A similar investment at our facility in Remscheid Germany achieved a **reduction in energy usage equivalent to a 45% reduction in CO2 emissions** by that facility.
- ▶ Our Millersburg, OR facility recovers aqueous ammonia at **over 99.5% efficiency**, allowing for the recovery and reuse of **up to 4 million pounds** of aqueous ammonia annually.
- ▶ Through a program that returns oily absorbent materials to a processing center that cleans and recycles them for reuse, our participating facilities have **diverted more than 15,000 pounds of oily waste** from landfills in just the last two years.
- ▶ In 2010, in partnership with the cities of Albany and Millersburg, OR, we developed the **“Talking Water Gardens,”** an innovative water discharge and treatment system using constructed wetlands to cool and safely return treated water to the Willamette River, **helping to protect the river’s sensitive fish habitat**.

### Goals for Reducing Our Environmental Impact

We have established the following near- and longer-term goals relating to reductions in energy intensity, GHG emissions and freshwater intake, as well as targets for full ISO 14001 certification at each of our facilities and increases in our already extensive production use of recycled materials.

| 2022  | 2025*   | 2030*   |
|---|---|---|
| Include all manufacturing facilities in metrics | Reduce Energy Intensity 5%                            | Reduce Energy Intensity 7%                            |
| All manufacturing facilities ISO 14001          | Reduce CO2e/GHG emissions intensity by 5%             | Reduce CO2e/GHG emissions intensity by 7%             |
|   | Reduce freshwater intake intensity by 5%              | Reduce freshwater intake intensity by 8%              |
|   | Increase recycled materials used in production to 80% | Increase recycled materials used in production to 83% |

\*Using 2018 performance as a baseline year.



## Our 2020 Performance and Progress Toward Our Goals

Currently the data that we report generally includes our domestic manufacturing operations. As noted above, our goal is to include all of our manufacturing operations in the data that we report for 2022 and beyond. Additionally, at the end of 2020, we had 39 facilities, 19 of which had obtained ISO 14001 certification of their environmental management programs, in furtherance of our goal to obtain ISO 14001 certification of all of our manufacturing facilities by the end of 2022.

The following summarizes our recent performance relative to our other primary environmental sustainability goals:

| Metric                    | Units               | 2018 Performance* | 2019 Performance | 2020 Performance | 2018 Intensity unit/ton of production | 2019 Intensity unit/ton of production | 2020 Intensity unit/ton of production |
|---------------------------|---------------------|-------------------|------------------|------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| <b>Energy Consumed</b>    | Gigajoules          | 10,312,837        | 10,630,491       | <b>8,526,017</b> | 3.02                                  | 3.06                                  | <b>3.04</b>                           |
| <b>CO2e Emissions</b>     | Metric Tons of CO2e | 848,865           | 553,298          | <b>407,052</b>   | 0.25                                  | 0.16                                  | <b>0.14</b>                           |
| <b>Fresh Water Intake</b> | Kilo-gallons        | 3,831,532         | 3,314,029        | <b>2,827,096</b> | 1.12                                  | 0.90                                  | <b>0.99</b>                           |

\* We use 2018 as our baseline year for measuring progress toward our goals. Reported data is for our seven largest operating sites.

| Metric*                  | 2018 Tons Recycled | 2019 Tons Recycled | 2020 Tons Recycled | 2018 Recycled Materials Used in Production | 2019 Recycled Materials Used in Production | 2020 Recycled Materials Used in Production |
|--------------------------|--------------------|--------------------|--------------------|--|--|--|
| <b>Material Recycled</b> | 60,865             | 185,889            | <b>205,508</b>     | approximately 75%                          | approximately 77%                          | <b>62%</b>                                 |

\*We use 2018 as our baseline year for measuring progress toward our goals. "Recycled materials used in production" refers to the percentage of raw materials used in our production of specialty metals that is sourced from scrap metal, either purchased or originating from our own manufacturing processes.



## Energy Intensity

For 2020, our total volume of energy consumed by our seven largest operating sites was significantly lower than our 2018 baseline year. Specifically, energy consumed declined from approximately 10.3 million GJ in 2018 to approximately 8.5 million GJ in 2020. However, this decline was largely attributable to the significant decline in production volume that we experienced in 2020 compared to 2018 and 2019, primarily as a result of the COVID-19 pandemic. When operating at lower volumes, our facilities are less efficient, resulting in a slight increase in energy intensity of .02 GJ/tons produced, representing an approximately 0.6% increase in energy intensity, following similar increases in 2019 as compared to 2018.

### Our strategic plans for reducing energy intensity and achieving our performance goals include:

- ▶ Conducting energy audits
- ▶ Investing in new technology
- ▶ Installing energy efficient lighting
- ▶ Replacing and/or optimizing compressors
- ▶ Maximizing production capabilities and schedules to reduce waste

## Greenhouse Gas (GHG) Air Emissions

Our GHG emissions (which, as reported, include both Scope 1 and Scope 2 emissions) for both 2019 and 2020 were significantly lower than our base year 2018 emissions. Year-over-year total emissions declined by more than 26% in 2020 compared to 2019, following a nearly 37% improvement for 2019 compared to 2018 that was primarily attributable to increased purchases of carbon-free electric generation. Although our performance in 2020 was impacted by COVID-related declines in production activity, we believe that these year-over-year trends represent meaningful progress toward our goals for 2025 and beyond.

Our short-term strategy to manage Scope 1 emissions includes installation of low emission sources in new equipment installations, enhancing emission capture where feasible and maximizing the efficiency of our production and operations. To manage Scope 2 emissions, we engage in energy auditing, install LED lighting, and pursue other energy reduction strategies. Developing overall emissions reduction targets and analyzing performance against those targets assist in achieving desired reductions.

To reduce GHG emissions from the energy purchased for our production, we have contracted for electricity from non-fossil fuel sources. **Currently, the majority of our electricity is sourced through a zero-emission nuclear supply contract:**

| Energy Type                  | 2020 GJ          | 2020 %      |
|------------------------------|------------------|-------------|
| Grid Electricity (GJ)        | 1,239,074        | 15%         |
| Nuclear Electricity (GJ)     | 1,530,768        | 18%         |
| Natural Gas Use (GJ)         | 5,712,448        | 66%         |
| Fuels (GJ)                   | 43,727           | 1%          |
| <b>Total Energy Use (GJ)</b> | <b>8,526,017</b> | <b>100%</b> |

Total Electricity as a % of Total Energy: 32.5%

Nuclear Electricity as a % of Total Electricity: 55%

Covered under emissions-limiting regulations: 0%

Longer term, we continue to evaluate options for installing or purchasing power from renewable sources, including solar and wind and other emissions-free electricity sources, as well as adding emission reducing equipment as we upgrade or replace equipment in our facilities.



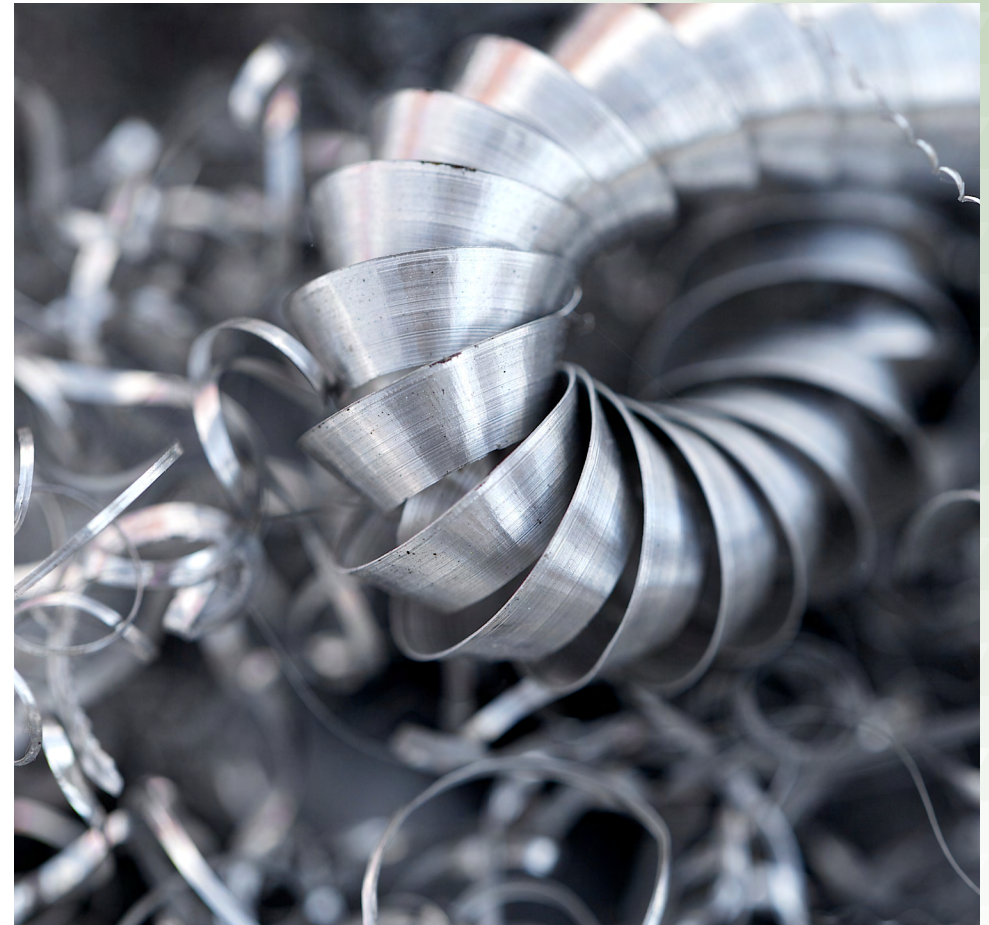


## Freshwater Intake

Our facilities use water for various purposes, and our sources of water vary from location to location, including withdrawals from navigable waters and municipal supplied sources, but generally our operations are located in areas where water stress is not an issue. Nevertheless, we are focused on reducing use of fresh water in our operations, and water reclamation and reuse is paramount to our water use reduction strategy.

At our seven largest sites, we recycled over 6 billion gallons of water in 2020. Historically, we made significant investments in water reclamation equipment at our Brackenridge, PA hot rolling and processing facility. In late 2018, our Richburg, SC facility added a water treatment unit and other equipment to allow water reuse prior to discharge, resulting in a 3.6 million gallon reduction of freshwater usage in 2019 compared to 2018.

Our freshwater intake for both 2019 and 2020 declined compared to our base year 2018 emissions. Year-over-year total freshwater intake declined by approximately 14.7% in 2020 compared to 2019, following an approximately 13.5% improvement for 2019 compared to 2018. Although our performance in 2020 was impacted by COVID-related declines in production activity, we believe that these year-over-year trends represent meaningful progress toward our goals for 2025 and beyond.



## Material Recycled

The principal raw materials we use in production of our specialty materials is scrap metal. We have an interest in recycling the scrap we generate in our production and endeavor to recover as much material as we can and return it to our processes. Approximately 62% of the feedstock we used in production for 2020 was scrap, compared to approximately 77% in 2019 and 75% in our base year 2018. We consistently evaluate opportunities to recycle scrap generated in our production back into our processes, provide scrap materials to customers to use in their processes and products or take scrap from customers.



## Additional Environmental Efforts

### Waste Management

We endeavor to recycle, reuse and reclaim waste generated in the course of our processes. Some of our byproducts are sold to customers who reclaim them into useful products. We are mindful that materials disposed of in landfills are wasted resources, and we aim to reduce the input where possible.

In areas that provide access to adequate recycling, we manage and recycle business waste including metals, acids, oils, packaging materials, wood, office paper and cardboard. In excess of 205,000 tons of materials were recycled in 2020, excluding revert material and scrap metal purchased for production and byproducts sold to third parties.

**Significant spills in 2020 = zero**

**Tailing waste ponds and underground injection of waste = zero**

### Air Emissions

Many of our facilities measure and report air emissions of the following parameters. Of those facilities that report, **the following is an aggregate of emissions in 2020.** ▶

| PARAMETER   | 2020-tons/yr. |
|---|---------------|
| <b>CO (carbon monoxide)</b>                           | 86,245        |
| <b>NOx (nitrous oxides excluding nitrous dioxide)</b> | 102,885.00    |
| <b>SOx (sulfur oxide)</b>                             | 35.32         |
| <b>Particulate Matter</b>                             | 262.43        |
| <b>MnO (manganese)</b>                                | .55           |
| <b>Pb (lead)</b>                                      | .11           |
| <b>VOCs (volatile organic compounds)</b>              | 239.42        |
| <b>PAHs (polycyclic aromatic hydrocarbons)</b>        | Not collected |

### Environmental Compliance and Risks

We consider environmental compliance to be an integral part of our operations. All of our operations have a comprehensive environmental management and reporting program that focuses on compliance with applicable federal, state, regional and local environmental laws and regulations. Each system includes mechanisms for regularly evaluating environmental compliance and managing changes in business operations while assessing potential environmental impact.

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**ATI had no significant issues with compliance in 2020.**

We are subject to various domestic and international environmental laws and regulations that govern the discharge of pollutants and disposal of wastes, and which may require that we investigate and remediate the effects of the release or disposal of materials at sites associated with past and present operations. We could incur substantial cleanup costs, fines and civil or criminal sanctions, third party property damage or personal injury claims as a result of violations or liabilities under these laws or non-compliance with environmental permits required at our facilities. We are currently involved in the investigation and remediation of a number of our current and former sites as well as third party sites. We also could be subject to future laws and regulations that govern greenhouse gas emissions and various matters related to climate change and other air emissions, which could increase our operating costs.



# SOCIAL ENGAGEMENT

## Ensuring Workplace Safety and a Zero-Injury Culture

### Our Safety Record and Certification Goal

Safety is one of our core values. We are an industry leader in safety and health, with a robust environmental safety and health process and world-class associated safety results. We believe every injury is preventable and work aggressively to achieve our goal of an injury-free culture.

Our recent safety record:

| 2020                           | 2019                           | 2018                           |
|--------------------------------|--------------------------------|--------------------------------|
| Fatalities=0                   | Fatalities=0                   | Fatalities=0                   |
| Recordable Incident Rate =0.87 | Recordable Incident Rate =1.14 | Recordable Incident Rate =1.63 |
| Lost Time Rate = 0.21          | Lost Time Rate = 0.21          | Lost Time Rate = 0.34          |

Per 200,000 hours worked.

As our recent record illustrates, our safety results are well below applicable industry averages. For example, according to the Bureau of Labor Statistics, the Primary Metals Manufacturing Total OSHA Recordable Rate average in 2019 was 4.4, compared to our enterprise rate that averaged 1.21 annually since 2018.

In 2018, we established a goal of obtaining ISO 45001 certification for all of our manufacturing facilities by 2022. As of December 31, 2020, we had 39 facilities, 32 of which had obtained either ISO 18001 or OSHAS 45001 certification of their safety management programs.

### Awards

ATI Specialty Materials won the N.C. Department of Labor Safety award for outstanding on-the-job safety achievements during 2019. At least one of our facilities has received this award every year since 1978.

ATI also won the South Carolina Chamber of Commerce safety award for 2019. The award honors South Carolina Companies that had a successful safety record and recognizes companies and their employees who have had a commendable Lost Workday Case Rate during the prior calendar year.

At the time of publication, 2020 award decisions had not been made.

### Our Pandemic Response

As noted earlier in this report, our immediate and thorough response to the emerging COVID-19 pandemic in early 2020 enabled us to quickly extend our existing safety culture and outstanding safety record to management of the pandemic and its impact on our people and business.

***As a result of these extensive efforts and the collective actions of our dedicated workforce, ATI experienced only very limited known work-place transmission of the COVID-19 virus and, as of the publishing of this report, no COVID-related employee deaths.***







## Promoting Effective Human Capital Management

We believe that world-class leadership and fostering a culture that enables us to build and grow a talented team through career development and opportunities is foundational to our vision. Attracting, retaining and developing members of our workforce is key to the sustainability of our business. As the economy and our business grow, so do both demand for qualified candidates and the retirement rate for older workers; hence we are always competing for talent in an environment of increasingly challenged supply. To that end, we have developed — and continue to enhance and refine — a robust and comprehensive talent management program that spans from recruitment and selection to performance management, career development and retention of our top talent and, ultimately, to succession planning across our organization.

### Talent Acquisition

- ▶ Partner closely with a targeted number of colleges and universities specifically known for programs that are relevant to our business in order to identify materials science, STEM expertise and other relevant talent, as we have developed similar partnerships with high schools and relevant trade schools.
- ▶ Engage with external professional recruiting firms to enhance our recruiting efforts for key positions.
- ▶ Use pre-employment assessment tools to identify candidates who we believe would adapt well to our culture and be most suited to a particular opportunity.
- ▶ Actively engage with campus and professional diversity groups.

### Professional Development

- ▶ **Global Leadership Development Program (GLDP).** The GLDP is our Company-wide, flagship program designed to build the skills of our employees across each level of leadership. It includes a series of multi-day training programs tailored to reach and serve a broad range of current and potential leaders across the ATI organization.
- ▶ **Business Acumen Series.** This more narrowly focused leadership education program is designed to develop skills in key areas, such as finance. The purpose of this program is to facilitate a common framework and understanding of financial business acumen to improve decision making critical to the sustainable success of our business.
- ▶ **Early Career Leadership Development Program.** Our selective Early Career Leadership Program is designed for high-potential and motivated college graduates. This five-year program, which is designed to prepare our future leaders, accelerates participants' professional development by rotating them through a variety of business-critical assignments and development opportunities.
- ▶ **Insights Discovery Program.** This program, which we incorporate as an element of our other professional development programs, is designed to support employees in exploring and developing targeted competencies such as self-awareness, communication, conflict management, giving and receiving feedback, influencing others and other skills.



## Engagement and Performance Management

- ▶ **Senior Leader Communication and Transparency.** We actively seek opportunities for regular engagement and communication by our CEO and other senior executive leaders with our broader employee population. For example, we hold a quarterly CEO Review that follows the release of our quarterly earnings and is accessible to hundreds of employees across the Company. These reviews provide an opportunity for our CEO and other senior leaders to communicate their perspectives on our recent financial results, as well as financial education and enterprise-level education on topics such as global commercial and other growth initiatives, cybersecurity, ethics and compliance, talent and development programs, opportunities for community engagement, and safety.
- ▶ **Annual Employee Engagement Surveys.** Annually, we conduct a confidential company-wide employee engagement survey. Feedback from these surveys provides our management team with valuable information about our workplace culture. It is reviewed with our Board and used to develop and refine other aspects of our overall human capital management and other growth strategies.
- ▶ **Performance Management Framework.** We maintain a robust annual performance management process across the organization. Together with their supervisors, employees identify annual goals and, at the end of the year, provide their own self assessments as to goal achievement and defined core competencies. Employees are reviewed based on the same criteria by both their managers and a second-level reviewer. The results of each annual assessment inform short term incentive compensation and career advancement decisions and are reviewed with employees in one-on-one sessions with their managers.

## Succession Planning

We maintain a formal succession planning process and career mapping framework that is designed to work in concert with our performance management processes and ensure a systematic and ongoing dialogue regarding career development and succession planning at both the individual employee level and more broadly at an enterprise level. We believe that the robust and systematic nature of these programs is critical to optimizing our talent management and ensuring sustainably high-quality management of our business over the long term.





## Fostering Diversity and Inclusion

Ultimately, continuing ATI's long tradition of relentless innovation and operational excellence demands the contributions of leaders and other team members with a wide array of characteristics, backgrounds, experiences, knowledge and skills. One of the principal aspirations of our comprehensive human capital management effort is the cultivation of a workforce that is diverse in every sense and a climate of inclusion that promotes the development, advancement and well-being of our key talent. Simply put, for our business to continue thriving, we must attract, coach and retain the best, and that requires a commitment to workforce diversity.

To identify opportunities to improve our recruiting efforts and enhance the inclusiveness of our workplace culture, we collect and regularly review with our senior leadership various diversity statistics relating to gender, ethnicity, age, military service and other attributes, some of which are illustrated in this report. We also use our annual Employee Engagement Survey to solicit employee perceptions of the diversity and inclusiveness of our corporate culture. Quantitative analysis of our employee population, coupled with a more qualitative understanding of how we are perceived and of the particular challenges we may face as a manufacturing company in the specific regions in which we operate, helps to inform our policy decisions and initiatives related to workforce diversity.

We are committed to increasing the representation of women and of racial and ethnic minorities and military veterans of all backgrounds among our employee ranks. **To support this objective, we have an enterprise-wide target for 80% of all job candidate slates to include a minimum of 30% diverse candidates.**

### Gender and Ethnic Diversity

We recognize that the proportions of women and ethnic and racial minorities included in our leadership and total workforce do not reflect the composition of the general population. However, we have long benefited from gender diversity on our Board, and women contribute to our business at the highest levels of senior leadership. In fact, we have been recognized for at least ten consecutive years by 2020 Women on Boards for having a Board comprising at least 20% women. Additionally, two of the seven current members of our Executive Council, including our Executive Vice President, AA&S and HPMC, and our Chief Human Resources Officer, are women.

Our most recent employee engagement survey results demonstrated year-over-year improvement in employee perceptions of the diversity and inclusiveness of our corporate culture. A majority of respondents agreed that as an organization we value diversity and cultivate a work environment that is accepting of individual differences. However, our ultimate goal is that all respondents take a positive view of our efforts to promote diversity and inclusion.

### Veterans

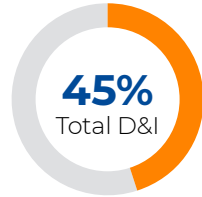
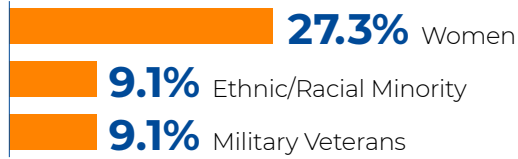
Understanding that we have many opportunities to improve our diversity initiatives, we believe that ATI stands out in its efforts to support and provide career opportunities to veterans of the U.S. armed forces. More than 5% of our senior leadership and nearly 9% of our total employee population are military veterans. The defense market is critical to ATI and a growing component of our business, and we have a formal company-wide strategy and commitment to the recruitment, career development and retention of veterans and the extended military community. We value the contributions of our military community members and recognize the technical and leadership skills earned through the devotion to our company and country.



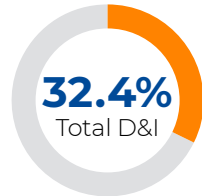
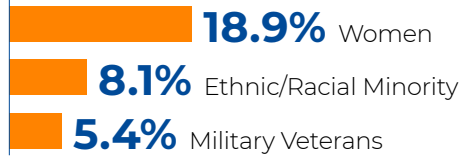


## Diversity & Inclusion in Leadership

### Board of Directors



### Senior Leadership

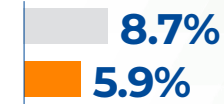


## Employee and New Hire Diversity & Inclusion

### Women



### Military Veterans



### Ethnic/Racial Minorities



### Total Diversity & Inclusion



■ Total Employee Population    ■ 2020 New Hires

- ▶ Additionally, we are making extensive efforts to identify and attract diverse candidates through comprehensive recruiting strategies that include, among other initiatives, campus partnerships with female and minority student chapters of targeted professional groups, such as the Society of Women Engineers, Society of Hispanic Engineers, and Society of Asian Scientists and Engineers at our partner universities and increased outreach through engagement with additional networking groups, such as the National Society of Black Engineers, the National Association of Black Accountants and the Association of Latino Professionals in Accounting and Finance.
- ▶ We believe that we are seeing the impact of our diversity initiatives. Notably, our 2020 new hires statistics outpace the composition of our existing employee base for both women and ethnic minorities. While military veterans as a proportion of our total workforce exceeds the percentage of veteran new hires in 2020, at 5.9% of 2020 new hires, our success in recruiting veterans during 2020 is consistent with the representation of military veterans in the general U.S. population. Military veterans comprise nearly 9% of our total workforce, or nearly 50% higher than their proportion of the general U.S. population.





## Human Rights

ATI is committed to conducting its business activities ethically, with integrity, and in a manner that respects human rights. While we believe that the risk of human rights violations occurring in ATI's supply chain or daily activities is low, violation of human rights, including through human trafficking, is a serious global issue. We are committed to complying with all applicable local, national and international laws and regulations related to the protection of human rights, including laws and regulations that prohibit human trafficking and slave labor. ATI's Policy Regarding Combatting Trafficking in Persons applies to all ATI employees, contractors and agents. A copy of the policy is provided annually to employees and is also part of ATI's Supplier Expectations and Supply Chain Policies. Our policy reflects our commitment to protecting human rights and is designed to support compliance with applicable laws and regulations such as the United States Government's Federal Acquisition Regulations clauses related to combating trafficking in persons and the UK Modern Slavery Act.

ATI will take appropriate action, up to and including termination, against any employees, agents or contractors that violate this policy.

Individuals who become aware of an actual or potential violation of this policy are instructed to report the matter immediately to ATI's Chief Compliance Officer.



## Community Involvement

In the summer of 2020, wildfires burned more than five million acres in Oregon, California and Washington, displacing tens of thousands of people who lost their homes and livelihoods. Our Specialty Alloys & Components business operates in the Albany/Millersburg, Oregon and Richland, Washington communities, close to the areas where the fires occurred. Our employees in these areas lost homes and farms and experienced damage to their properties. With our commitment to Safety & Sustainability in mind, we donated \$25,000 to the American Red Cross to support their mission to prepare for, respond to and help people recover from the Oregon wildfires, including in the Albany/Millersburg area. ATI matched our employee contributions, dollar for dollar, up to an additional \$25,000 contribution.

ATI is a proud supporter of United Way and through its employee campaigns contributed over \$250,000 to United Way Chapters throughout the United States.

All our business units are engaged with their communities through monetary donations, food bank drives, school supplies and toy drives for the holidays. Our extremely generous employees deserve special recognition for all the time, effort and resources they committed to charitable causes, even during a global pandemic.

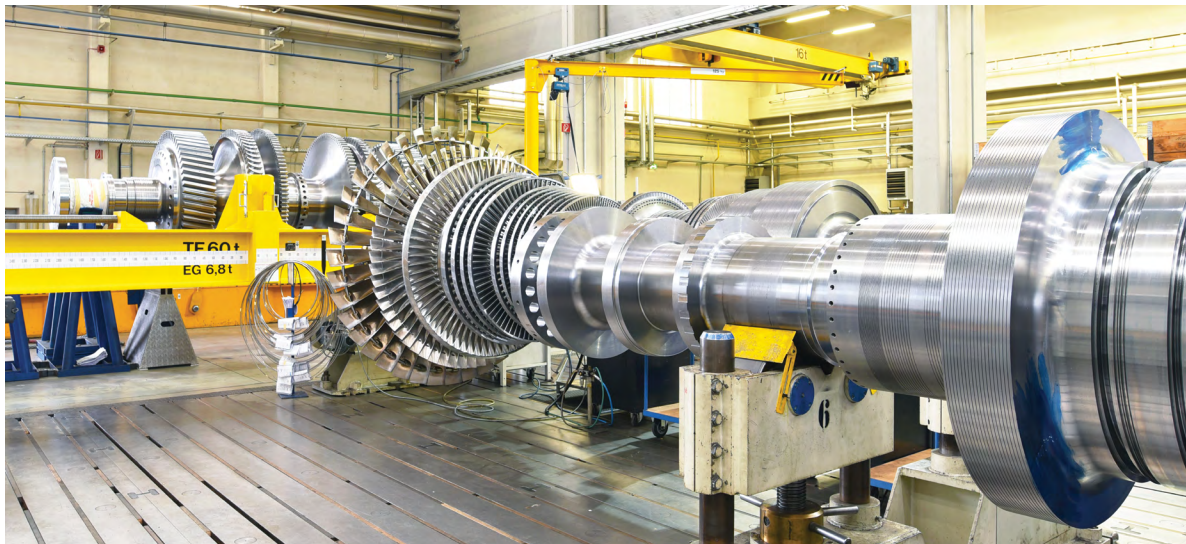




# CORPORATE GOVERNANCE

We are committed to a strong self-governance program. Our corporate governance practices are designed to maintain high standards of oversight, compliance, integrity and ethics, while promoting growth in long-term stockholder value. The role of our Board of Directors is to ensure that ATI is managed for the long-term benefit of our stockholders and other stakeholders.

Each year, we review our corporate governance and compensation policies and practices and engage with our stockholders. In our ongoing effort to ensure that our governance policies and practices consistently reflect best practices, we take suggestions from our stockholders into consideration, along with developments and evolving trends reflected in the standards established by proxy advisory firms, as well as in the policies, practices and disclosures of other public companies. In this way, we affirm our commitment to **RELENTLESS INNOVATION™** by continually evolving our programs to benefit all of our stakeholders. You can learn more on our website [ATImetals.com](https://www.atimetals.com)



## Governance Highlights

**Our commitment to good corporate governance is illustrated by the following practices:**

- ▶ Board independence (8 out of 9 directors are independent)
- ▶ Lead Independent Director
- ▶ Independent directors regularly meet in executive sessions without management present
- ▶ 100% independent Audit & Risk, Personnel & Compensation, and Nominating & Governance Committees
- ▶ Annual Board and committee self-assessment
- ▶ Strong corporate governance guidelines and policies
- ▶ Majority voting/director resignation policy for uncontested elections
- ▶ Board diversity (female and minority directors comprise over 30% of our current Board)
- ▶ Mandatory director retirement age
- ▶ Proxy access
- ▶ Limits on future severance arrangements
- ▶ Robust stock ownership guidelines for directors and executive management
- ▶ Intensive succession planning for our Board and executive leadership
- ▶ Well-established Board strategic and risk oversight function





## Our Board

ATI has a diverse, highly credentialed and highly experienced Board. Our directors possess a variety of tenure, qualifications, backgrounds, skills and experiences contributing to a Board that is well-rounded and well-positioned to effectively oversee our business and promote the interests of our stakeholders.

### Highly Engaged Board Guides the Strategic Direction of Our Company

- ▶ Actively oversees long-term strategic planning and capital allocation decisions, including through an annual, multi-day strategic planning meeting in addition to regular quarterly and other Board meetings.
- ▶ Regularly assesses and oversees management and mitigation of known and emergent risks to our business.
- ▶ Conducts site visits at our facilities throughout the United States. Though our recent ability to conduct these visits has been curtailed by the ongoing COVID-19 pandemic, they are a valuable component of our normal governance practices; visiting our facilities allows our directors to meet with management and other employees and to gain both firsthand exposure to the technologies that drive our success and deeper knowledge of the strengths and challenges of our business and how they tie to our near- and long-term strategic goals.
- ▶ Actively and continuously engages in robust Board and senior management succession planning.
- ▶ 100% overall attendance rate for Board and Committee meetings during 2020, and more than 96% over the last three years.
- ▶ Market-driven stock ownership guidelines.

### Robert S. Wetherbee

#### Board Chair\*

President and Chief Executive Officer, and Chair Elect, Allegheny Technologies Incorporated

### J. Brett Harvey

#### Lead Independent Director\*

Retired Chairman and Chief Executive Officer of CONSOL Energy, Inc., a leading diversified energy company in the United States

### Leroy M. Ball

President and Chief Executive Officer, Koppers Holdings, Inc., a leading integrated global provider of treated wood products, wood treatment chemicals and carbon compounds

### Herbert J. Carlisle

President and Chief Executive Officer of the National Defense Industrial Association (NDIA), and retired four-star general from the United States Air Force (USAF)

### Carolyn Corvi

Retired Vice President, General Manager of Airplane Programs of The Boeing Company

### James C. Diggs

Retired Senior Vice President and General Counsel of PPG Industries, Inc., a producer of coatings, glass and chemicals

### David P. Hess

Retired EVP and Chief Customer Officer for Aerospace, United Technologies Corporation, a global leader in aerospace and technology, formerly President, Pratt & Whitney

### Marianne Kah

Retired Chief Economist for ConocoPhillips and current adjunct senior research scholar at Columbia University's Center on Global Energy Policy

### David J. Morehouse

Chief Executive Officer and President of Pittsburgh Penguins LLC, which owns and operates the Pittsburgh Penguins National Hockey League team

\* as of May 2021

*Diane C. Creel, John R. Pipski and James E. Rohr, who served on the Board during 2020, retired in May 2021, prior to the publication of this report.*



### Focused and Thoughtful Board Refreshment

- ▶ Our Board routinely engages in succession planning and adds new members on an opportunistic basis when it identifies candidates whom it believes have experience, skill sets and other characteristics that will enhance Board effectiveness.
- ▶ We have a mandatory retirement age, and our Board engages in recruitment as appropriate to support its refreshment efforts.
- ▶ Our annual Board evaluation process assesses the Board's existing skill sets and the need or desirability of adding members; the Board can appoint new members when presented with candidates who fill a particular need or otherwise would serve as an asset to the Board.

### Diversity of Background



- ▶ 1 completed nearly 40 years of military service
- ▶ 1 qualifies as an audit committee financial expert
- ▶ 4 have extensive experience related to aerospace/defense
- ▶ 2 served as senior executives in the commercial aerospace industry, our largest end market
- ▶ 1 has over 20 years of executive experience in oil & gas

### Board Refreshment & Independence

**+4** directors added    **-4** directors retired    over the last 5 years

- ▶ 3 longer-tenured directors retired concurrently with our 2021 Annual Meeting.
- ▶ All non-management Directors (**89% of our directors**) are independent.

### Diversity of Experience



### Director Tenure





## ESG Governance and Oversight

Our Board of Directors and its Audit & Risk Committee are informed about climate-related and other environmental and social issues affecting ATI and its business on a regular basis and are actively engaged in overseeing the Company's response to evolving ESG risks and opportunities. Additionally, our Board and certain of its committees annually review budgets and business plans that incorporate ESG-related risks, opportunities and contemplated capital projects.

At the management level, ATI has established a dedicated ESG Steering Committee comprising subject matter experts from across the Company's business units that is tasked with tracking our progress toward our stated environmental and safety goals and with evaluating projects that impact our progress, including for the purpose of potentially expanding relevant projects and initiatives. Additionally, we have established more specialized committees that focus on matters such as water reclamation, energy sources and consumption, and LED lighting. Our Board Chair, President and Chief Executive Officer and the other members of ATI's senior Executive Counsel receive regular updates on these and other ESG-related matters.



## Cybersecurity

Our Chief Information Security Officer leads a dedicated cybersecurity team that drives a global program based on risk management and defense-in-depth strategies. We place a high priority on the security of our information and operational technologies in each of our global business units. We focus on continuous improvement to meet and exceed industry and regulatory cybersecurity standards to protect our personnel, our intellectual property, and our customers' sensitive data. We protect, control, monitor, and test our systems by leveraging governance processes, and both proactive and reactive technology. We also closely track national vulnerability databases and threat intelligence reporting from several national, international, public, and private organizations. Our employees are trained to be an additional line of defense through education and awareness training programs and regular phishing exercises to have a "healthy sense of paranoia" against cyber threats.





## Ethics and Compliance

ATI is committed to more than just adherence to laws and regulations. Our commitment is to reflect the highest level of integrity and ethics in our dealings with each other, our customers, our suppliers, our stockholders, the public, and the government agencies with whom we engage. [ATI's Corporate Guidelines for Business Conduct and Ethics](#) are a reminder and summary of key Company policies applicable to the conduct of all of our employees in every part of the world.

[Our Corporate Guidelines for Business Conduct and Ethics](#) (our "Code of Ethics") apply to all directors, officers and employees, including our principal executive officer, our principal financial officer, and our controller and principal accounting officer. We require all directors, officers and employees to adhere to our Code of Ethics in addressing legal and ethical issues encountered in their work.

Our Code of Ethics requires that our directors, officers and employees avoid conflicts of interest, comply with applicable laws, conduct business in an honest and ethical manner, and otherwise act with integrity and honesty in all of their actions by or on behalf of the Company. It includes a financial code of ethics specifically for our Chief Executive Officer, our Chief Financial Officer, and all other financial officers and employees, which supplements the general principles in the Code of Ethics and is intended to promote honest and ethical conduct, full and accurate reporting, and compliance with laws, as well as other matters.

Only the Audit & Risk Committee of the Board can amend or grant waivers from the provisions of the Code of Ethics relating to the Company's executive officers and directors, and any such amendments or waivers will be promptly posted on our website at [ATIMetals.com](https://www.atimetals.com). To date, no such amendments have been made or waivers granted.

### Mandatory Employee Training

All employees are provided with a copy of the Code of Ethics. Each year, we require all officers and managers to certify as to their understanding of and compliance with the Code of Ethics. In addition, all directors, officers and other employees must annually complete an interactive online ethics course addressing the Code of Ethics. This course is part of ATI's broader ethics and compliance program, which includes online ethics training that is administered by a third party. **In 2020, ATI's online ethics courses addressed:**

- ▶ Anti-corruption/anti-bribery
- ▶ Cybersecurity
- ▶ Protecting intellectual property
- ▶ Sexual harassment
- ▶ Diversity and inclusion
- ▶ Reporting ethical concerns

We encourage employees to communicate concerns before they become problems. We believe that building and maintaining trust, respect and communication between employees and management and between fellow employees is critical to the overarching goal of efficiently producing high quality products, providing the maximum level of customer satisfaction, and ultimately fueling profitability and growth.

**The ATI Ethics Helpline provides for confidential, secure, and anonymous reporting and is available 24 hours a day. Additionally, our Chief Compliance Officer and ethics officers at our operating companies also provide confidential resources for employees to surface their concerns without fear of reprisal.**

Additionally, we have joined the Business Ethics Leadership Alliance, which has over 330 member companies and focuses on leadership in ethics.



## Supply Chain Responsibility and Supplier Expectations

Compliance with our Supplier Expectations and Supply Chain Policies is a fundamental requirement of conducting business with ATI. In the event a supplier fails to comply with our Supplier Expectations and Supply Chain Policies, ATI reserves the right to take appropriate action, which may include, without limitation, suspension and/or termination of engagement with the supplier. ATI's Supplier Expectations and Supply Chain Policies are outlined on our public website and address the following:

- A. Integrity + Ethics** - ATI expects all of our suppliers to conduct their business ethically and with integrity and to comply with the basic principles set forth in ATI's Corporate Guidelines for Business Conduct and Ethics. This includes compliance with all applicable local, national, and international laws and regulations.
- B. Safety, Health, & Environmental Compliance** - ATI expects its suppliers to commit to operating a safe workplace and to follow and proceed with using all applicable safety, health and environmental laws, regulations, and rules.
- C. Anti-Corruption & Anti-Bribery Compliance** - ATI expects its suppliers to comply in all respects with the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and all other anti-corruption and anti-bribery laws and regulations applicable throughout the world.

### D. Human Rights -

- a. ATI's Policy Regarding Combatting Trafficking in Persons** - ATI expects all of its suppliers to conduct business in a manner that respects human rights and to comply with all local, national and international laws, regulations and standards related to employment and labor practices and the prohibition of human trafficking and slave labor. ATI also expects all of its suppliers to comply with the basic principles and standards of the ATI Policy Regarding Combatting Trafficking in Persons. ATI reserves the right to immediately suspend or discontinue engagement with suppliers and will take appropriate action if we suspect any supplier has violated any law or regulation related to prohibition of human trafficking and slave labor or has not met the standards of the ATI Policy Regarding Combatting Trafficking in Persons.
- b. Conflict Minerals** - ATI expects all of its suppliers to conduct business in a manner that respects human rights and not to support sources or parties that contribute to human rights abuses. ATI expects its suppliers to be aware of the requirements of the Dodd-Frank Act and to fully support ATI's Dodd-Frank Act compliance efforts by providing transparency into the supply chain from the original source to ATI. ATI will immediately suspend or discontinue engagement

with any supplier where we have identified that such supplier is sourcing from, or linked to, any party that supports illegal armed groups, fuels conflict, contributes to human rights abuses, or is not in compliance with the rules promulgated under the Dodd-Frank Act.

[See more at ATIMetals.com About ATI-Suppliers.](#)

## Responsible Procurement/Ethical Sourcing

ATI's policy is to only purchase materials from legitimate and reputable suppliers, and to maintain a sustainable and responsible supply chain that does not in any way contribute to human rights abuses, fuel conflict, or benefit illegal armed groups. In accordance with this policy, ATI has implemented internal risk-based due diligence procedures designed to provide transparency to the origin of conflict minerals in our supply chain. **These procedures are based around three main elements:**

1. Product Risk Assessment
2. Supplier Risk Assessment
3. Reasonable Country of Origin Inquiry

In accordance with these procedures, for products that we manufactured in 2020, the responses to ATI's Reasonable Country of Origin inquiry during the 2020 calendar year reporting period gave ATI no reason to believe that any tin, tungsten, tantalum or gold not from scrap or recycled sources that are intentionally added and necessary to the functionality or production of our products ("necessary conflict minerals") originated in the Democratic Republic of the Congo or adjoining countries (the "Covered Countries").





# TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Under the Sustainability Accounting Standards Board (“SASB”) sustainable industry classification system, we fall within the Iron & Steel Producers industry classification. We do not engage in integrated steelmaking. Although our operations include Electric Arc Furnaces (EAFs), which use scrap steel, *we do not melt carbon steel* or operate iron and steel foundries, nor is our production limited to ferrous products. Our operations could also be included within the Aerospace and Defense category on the basis of the SASB standards inclusion of certain value-added processing of aerospace materials. Accordingly, the following also references certain components of the Aerospace and Defense SASB reporting framework.

| TOPIC                                 | ACCOUNTING METRIC  | CATEGORY                | 2020 - UNIT OF MEASURE  | CODE         | REPORT LOCATION   |
|---------------------------------------|--|-------------------------|---|--------------|---|
| Greenhouse Gas Emissions <sup>1</sup> | Gross global Scope 1 and 2 emissions, percentage covered under emissions-limiting regulations  | Quantitative            | <b>407,052</b><br>Metric tons (MT) CO <sub>2</sub> e<br>-52% from 2018<br>0% covered under emissions-limiting regulations | EM-IS-110a.1 | Environmental Sustainability<br>- Our 2020 Performance and Progress Toward Our Goals<br>- GHG Air 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 | Environmental Sustainability - GHG Air Emissions  |

<sup>1</sup> Data primarily includes our domestic manufacturing facilities





| TOPIC                                | ACCOUNTING METRIC  | CATEGORY     | 2020 - UNIT OF MEASURE  | CODE         | REPORT LOCATION  |
|--------------------------------------|--|--------------|---|--------------|--|
| <b>Air Emissions<sup>2</sup></b>     | <b>Air emissions of the following pollutants:</b><br>(1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs) | Quantitative | Metric tons (t)<br><br>See in body of report for detail on 2020 Performance   | EM-IS-120a.1 | Environmental Sustainability<br>- Additional Environmental Efforts   |
| <b>Energy Management<sup>1</sup></b> | Energy Management (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable   | Quantitative | 8,526,017<br>Gigajoules (GJ) consumed<br><br>100 % grid electricity<br><br>Using a market based grid mix for 2020 76.6% was purchased from renewable sources, including nuclear power | EM-IS-130a.1 | Environmental Sustainability<br>- Our 2020 Performance and Progress Toward Our Goals<br>- Energy Intensity |
|                                      | (1) Total fuel consumed, (2) percentage coal, (3) percentage natural gas, (4) percentage renewable   | Quantitative | Total Fuel consumed (other than electricity)<br>6,947,689 MMbtu<br>0% coal,<br>0% renewable   | EM-IS-130a.2 | N/A  |

<sup>1</sup> Data primarily includes our domestic manufacturing facilities

<sup>2</sup> Data includes facilities that are otherwise required to report



| TOPIC                                | ACCOUNTING METRIC  | CATEGORY     | 2020 - UNIT OF MEASURE  | CODE         | REPORT LOCATION   |
|--------------------------------------|--|--------------|---|--------------|---|
| <b>Water Management<sup>1</sup></b>  | (1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress                        | Quantitative | (1) Approximately 2.8 million kilo-gallons<br>(2) Not reported<br>(3) 0%                                      | EM-IS-140a.1 | Environmental Sustainability<br>- Our 2020 Performance and Progress Toward Our Goals<br>- Freshwater Intake |
| <b>Waste Management<sup>2</sup></b>  | (1) Amount of waste generated, (2) percentage hazardous, (3) percentage recycled   | Quantitative | 514,815.64 Metric tons (t) of waste was generated and disposed of in 2020, of which 0.32% was hazardous waste | EM-IS-150a.1 | Environmental Sustainability - Material Recycled  |
| <b>Workforce Health &amp; Safety</b> | (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees | Quantitative | (1) 0.87 per 200,000 hours worked<br>(2) 0<br>(3) Not reported  | EM-IS-320a.1 | Social Engagement - Ensuring Workplace Safety and a Zero-Injury Culture                                     |

<sup>1</sup>Data primarily includes our domestic manufacturing facilities

<sup>2</sup>Data includes our seven largest manufacturing facilities



| TOPIC                 | ACCOUNTING METRIC  | CATEGORY     | 2020 - UNIT OF MEASURE | CODE         | REPORT LOCATION                      |
|-----------------------|--|--------------|------------------------|--------------|--------------------------------------|
| <b>Product Safety</b> | Number of recalls issued; total units recalled   | Quantitative | 0                      | RT-AE-250a.1 | N/A                                  |
|                       | Number of counterfeit parts detected; percentage avoided   | Quantitative | 0                      | RT-AE-250a.2 | N/A                                  |
|                       | Number of Airworthiness Directives received, total units affected  | Quantitative | 0                      | RT-AE-250a.3 | N/A                                  |
|                       | Total amount of monetary losses as a result of legal proceedings associated with product safety                      | Quantitative | 0                      | RT-AE-250a.4 | N/A                                  |
| <b>Data Security</b>  | (1) Number of data breaches, (2) percentage involving confidential information                                       | Quantitative | 0                      | RT-AE-230a.1 | N/A                                  |
|                       | Description of approach to identifying and addressing data security risks in (1) company operations and (2) products | Qualitative  | N/A                    | RT-AE-230a.2 | Corporate Governance - Cybersecurity |