HARSCO



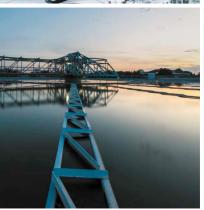








Environmental, Social & Governance Report 2018 – 2019











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Message from Harsco Chairman & CEO Nick Grasberger

It is with great pride that I introduce Harsco's 2018-2019 Environmental, Social and Governance (ESG) Report. This report builds on our previous sustainability reports in both scope and span. The last 18 months have been an exciting period of change for our business, and this expanded report tells a more comprehensive story about our business strategy, the environmental solutions we are delivering to our customers, our strong corporate governance approach, and the investments we are making in our people and communities.

We are committed to growing Harsco in ways that reflect our values, honor our history, and preserve our future. More and more, investors, shareholders, consumers and other stakeholders are judging businesses on their social impact as much as their share price. It is no longer good enough for a company to simply be profitable. It must also be responsible. This is progress – and we welcome it. Harsco always has been an environmental solutions company. We have seen first-hand the environmental challenges facing our industries and have worked in recent years to transform our portfolio to address those challenges. We view sustainability as not just an obligation, but also an opportunity.

Harsco's success in recent years has been fueled by continued investment in our people, our processes, and our culture, and we take seriously our role as conscientious corporate citizens. As our business grows, our responsibilities to our customers, our communities, and our shareholders grow as well. We believe that to create value for our shareholders, we must also create value for our society, and use our success to drive real and transformative change. It is embedded into our values and dictated by our heritage.

Our journey to this point has been remarkable, but there is always more that can be done to position Harsco to tackle the challenges of tomorrow. I believe that success is directly correlated with both a willingness and readiness to change. I am proud of all we have accomplished, and excited by what lies ahead.

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We believe our long-term success depends not only on our financial performance, but also on our contributions to society.



Our History. Our Vision.

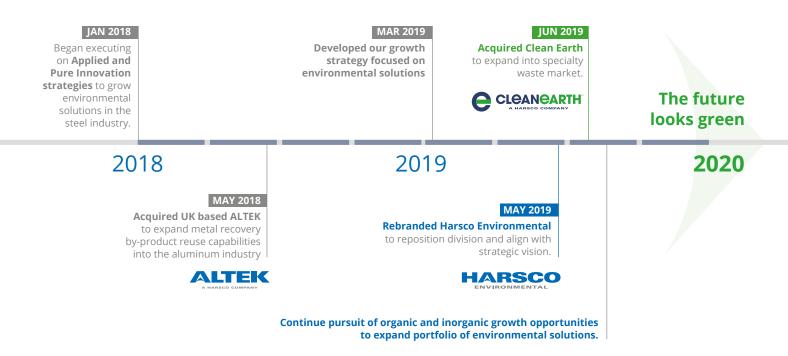
A LEGACY BUILT ON INNOVATION AND INTEGRITY

Harsco traces its beginnings to 1853, with the founding of the Harrisburg (PA) Car Company. Times and technology have changed immeasurably during Harsco's nearly 170 years, and our business has changed along with it. Through our long history, however, there has been one constant: our commitment to innovation that meets demand. Today, that demand – in terms of both economics and expectation – is for businesses to manage their environmental impacts and to improve the communities in which they operate.

OUR VISION

Our vision is to be a global leader of environmental solutions. In recent years, we have moved to focus our growth strategy on environmental solutions and to accelerate our strategy by reconfiguring our portfolio through acquisitions and divestitures. In 2019, we took two giant steps forward in that process. The first was a rebranding of our Metals & Minerals division into Harsco Environmental. This rebrand – the largest we've ever undertaken – better reflects Harsco Environmental's existing services and our desire to deliver even more high-value environmental solutions tailored to our customers' needs.

The second major step was our acquisition of Clean Earth, one of the largest independent specialty waste companies in the United States. Clean Earth expands our capabilities to solve a wider variety of environmental challenges to a more diverse base of customers.



OUR COMPANY TODAY

At Harsco, we are a team of great people inspired by big ideas. The world's leading steelmakers, rail companies, chemical manufacturers and utilities look to us to support the safe, reliable delivery of products and services to the global marketplace.



CLEAN EARTH is an industry leader in fullservice, sustainable disposal and recycling solutions, providing remediation and beneficial reuse solutions for contaminated soil, dredged material, and hazardous waste.



HARSCO ENVIRONMENTAL is the largest and most comprehensive provider of onsite environmental services and materials processing to the global metals industry, serving as a technology partner for cleaner, more efficient metal production and providing solutions for reuse of by-products.



HARSCO RAIL is a global supplier for railway track maintenance and construction. Harsco Rail provides expert engineering, innovative environmentally advantaged products, safety technology, dedicated parts and services, contracting services and quality maintenance.



HARSCO INDUSTRIAL has been providing tailormade products to customers in a broad spectrum of industries for nearly 100 years, and is renowned for practical, meaningful solutions, top-flight customer support, and the best-known, mostrespected products in their markets.













Our Values. Our People.

Beyond our commercial achievements, we believe we have an even greater responsibility to our customers, our colleagues, and our communities: to be a force for good. That commitment begins at home.

Seven days a week, 365 days a year, at over 200 operating locations in some 35 countries, more than 11,000 Harsco employees come together to build our products and deliver our services. Across cultures, time zones, and organizational lines, our values are the link that connects us all. As the cornerstone of our shared Harsco culture, these values reflect our overarching direction and purpose as a business and guide our employees' behaviors and decisions. With these Core Values, and our Code of Conduct, we have equipped every Harsco colleague with the tools, training, and guidance to always do the right things, the right way.

do the right things, the right way.











OUR CORE VALUES

- Integrity: We demonstrate an uncompromising commitment to ethical principles. We act ethically and in the interest of the customers we serve. We treat others with dignity and respect, and value honesty above all else.
- **Passion for Winning:** We are passionate about winning through creating exceptional value for our employees, customers and shareholders. Excellence is not an act, but a habit.
- **Employee Care:** We are committed to safe, appealing work environments, market-competitive benefits programs and investment in personal development. We must treat our people as we would like to be treated ourselves, and we must attract and retain the very best talent throughout our organization.
- **Satisfy the Customer:** We are engaged in the relentless pursuit of customer satisfaction by listening to the customers' needs, and consistently delivering value that exceeds their expectations.
- **Inclusion:** We strive to create an environment where all people are actively included. Our diverse global workforce is our most valuable asset. We must foster a climate in which every employee is encouraged to engage and dedicate his or her talents and experience.
- **Respect:** We respect all individuals and their contributions. Harsco will not tolerate discrimination or harassment of any kind. Our employees have a right to a safe, respectful workplace. Our management has a mandate to provide it.













CORPORATE GOVERNANCE

Excellence in corporate governance is fundamental to how we manage and operate Harsco. This approach extends to how we manage environmental, social and governance issues. Harsco's values and policies are memorialized in our **Code of Conduct**, which is available in over 20 languages.

The Code of Conduct applies to all Harsco operations, including subsidiaries. Its principles are further memorialized in our Business Partner Code of Conduct, which applies to all third parties that do business with Harsco. All employees and contractors are required to complete Code of Conduct training upon joining Harsco; this training is frequently reinforced in other ongoing Compliance trainings and communications. Further, Harsco's Internal Control Framework applies to all employees and is provided to new hires.

Oversight for ESG issues is provided by the Nominating & Corporate Governance Committee of our Board of Directors. To learn more about our approach to managing environmental, social and governance issues, see our <u>ESG index</u> and <u>Corporate Governance</u> sections of our website.

COMPLIANCE & ETHICS

Harsco has a dedicated Global Compliance & Ethics program that reinforces our uncompromising commitment to doing business the right way.

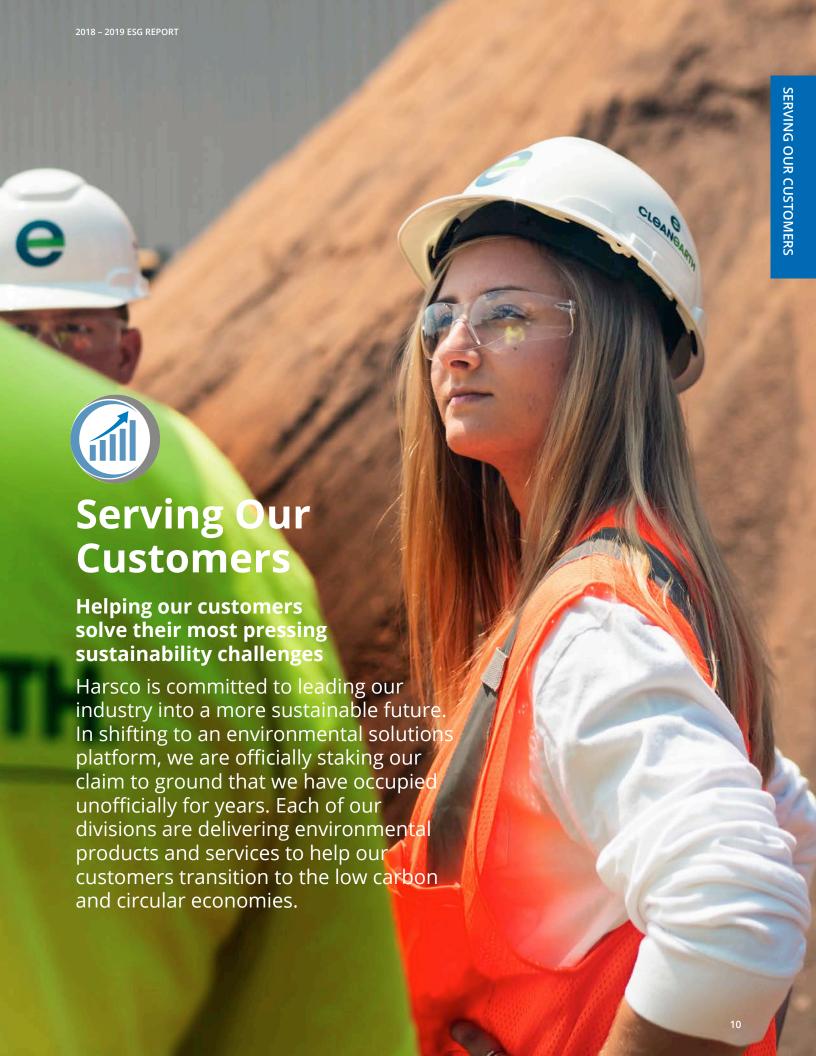
Harsco's global compliance program is led at the executive level by our Chief Compliance Officer and is overseen ultimately by the Audit Committee of our Board of Directors. Harsco's Vice President of Global Compliance & Ethics executes and drives compliance initiatives, such as ongoing training, communications, and investigations of misconduct, consistent with the expectations of the U.S. Department of Justice.

Harsco's global compliance program works closely with our corporate partners in Human Resources, Internal Audit, and Finance to specifically tailor initiatives to the various risks inherent in Harsco's businesses, to test relevant policies and controls, and to ensure appropriate risk mitigation regarding Harsco's third-party business partners.

Harsco also has a robust anti-bribery/anti-corruption policy, consistent with the requirements of the U.S. Foreign Corrupt Practices Act and the UK Bribery Act. The policy includes stringent requirements for interactions with government officials and prohibits facilitation payments. The policy is also reflected in Harsco's due diligence program, which screens potential business partners and other third parties that seek to do business with Harsco. Harsco's written agreements include numerous anti-bribery /anti-corruption provisions that Harsco actively monitors for compliance and enforcement.









Clean Earth is proud to be an industry leader in full-service, sustainable disposal and recycling solutions. Clean Earth's journey toward a sustainable business is led and nurtured by each team member to create a better future for our people, partners, and planet. Our team of experts works tirelessly to leverage fresh thinking, honest communication, and innovative technologies to create unmatched customized solutions that will carry forward for generations to come.

Environmental Services and Solutions Highlights

Clean Earth offers a wide range of treatment technologies – including thermal desorption, stabilization, bioremediation, chemical fixation, fuel blending and more – to help our customers address the environmental challenges of treating, recycling and disposing of contaminated soil, dredged material, CCPs, and hazardous and non-hazardous wastes in a cost-effective way.

Clean Earth is dedicated to recycling every ton possible on every project. In order to increase recycling rates for our customers, Clean Earth provides in-depth environmental support to assure every possible ton that can be recycled, is recycled.

 Contaminated soils – As one of the nation's leading environmental remediation companies, Clean Earth processes nearly four million tons of soil per year. With over 25 years of experience treating and recycling contaminated soil for beneficial reuses including construction fill and brownfield reclamation, Clean Earth has a longstanding legacy of environmental responsibility and stewardship. transformation into innovative value-added products.





- **Dredged materials** Clean Earth's dredged material disposal division, Clean Earth Dredging Technologies has spearheaded technology allowing us to recycle dredged material for a wide variety of beneficial uses.
- Hazardous waste Clean Earth's expertise and technical capabilities enable us to process a wide variety of hazardous waste materials from many industries, including defense, construction, industrial, chemical, pharmaceutical, and consumer package goods companies.





Recycling E-Waste from Hurricane Maria

When Hurricane Maria struck Puerto Rico as a Category 4 storm, the US Environmental Protection Agency was the lead federal entity responsible for the collection and proper off-island removal of waste, with the primary goal to keep the waste out of landfills and out of harm's way. Hurricanes create enormous amounts of debris and removing electronics materials from the general debris waste is essential to the protection of our environment. Electronic waste, if improperly disposed, can contaminate land, waterways and groundwater with high concentrations of leached lead, phosphors and other toxic materials that can cause health problems and environmental damage.

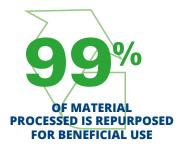
Clean Earth received over 1.4 million pounds of electronic waste in five 40-foot shipping containers. It was all 100% RIOS Certified recycled in our Allentown, PA location.











HARSCO

Harsco Environmental – our largest division – recovers and recycles metal and repurposes by-products into value-added products. At over 145 sites in more than 30 countries, Harsco Environmental is Making a World of Difference™ for customers across the globe. Every day, we leverage our global reach and decades of market insight into innovative and highly-effective by-product management and mitigation solutions for our clients. Through our shift in focus toward an environmental platform, we now view every customer need through the lens of sustainability. In pursuing our own environmental goals, we are in turn helping our customers to meet theirs.

Environmental Services and Solutions Highlights



- **Slag Management** Our slag management capabilities help optimize service costs and reduce environmental impacts of steel production, helping our customers maximize the metal recovery from slag and enhance the quality of the by-products for transformation into innovative value-added products.
- Resource Recovery Our Metal Recovery Plants use crushing and magnetic separation processes to recover the metal contained in iron and steelmaking slag for reuse in the steelmaking process, helping our customers replace virgin raw material with recycled material and reducing material sent to landfill.





- **Scrap Management** Our scrap management methodology helps our customers increase the recycled content in steel production and delivers cleaner, denser scrap material that requires less energy to process, providing environmental and performance benefits material sent to landfill.
- Aluminum Dross and Scrap Processing
 Our ALTEK business is a technology-based company
 with specialist expertise in the design, manufacture and
 installation of aluminum dross and scrap processing systems.



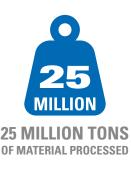
- Construction aggregate
- Asphalt
- Metallurgical additives
- Abrasives for blasting
- Roofing granules for asphalt shingles
- Fertilizer and soil conditioners
- · Cement additive
- Insulation



Micro-pelletizing and briquetting to recover value

Steel plants generate numerous finely-sized waste streams that contain value, yet cannot be recycled back into the steel making process in their current form. Harsco developed effective methods of blending these wastes with proprietary binders in custom-designed micro-pelletizing and briquetting processes to agglomerate them into forms which are acceptable for reuse back into the steel making process. We implemented our innovative micro-pelletizing and briquetting at the JSW Bellary steel plant in India in 2018. Our customer is now consuming more than 200,000 tons per year of Harsco briquettes back into the steel making process. This material was previously landfilled without any value recovered.







10 MILLION TONS
OF METAL RECOVERED & RECYCLED



5 MILLION TONS
OF VALUE-ADDED PRODUCTS MARKETED



More and more, rail travel – both cargo and passenger – is being recognized for its environmental benefits. The data are clear: studies show that the greenhouse effect of gas emissions per kilometer on railway transport is 80 percent less than cars. There is no greener method than rail to move people or product. Railroads across the globe look to our Rail division and its suite of manufactured products and technological services to maintain their tracks' safety and efficiency.

Over 125 major railways around the world have chosen Harsco Rail's Maintenance of Way (MOW) products to optimize the condition of their tracks and improve rail velocity. Harsco Rail partners with customers around the world to ensure that our railways remain a reliable, safe, swift and sustainable mode of transportation and commerce.

Environmental Product Highlights

Harsco Rail has developed hybrid diesel-electric drivetrains for a number of our maintenance vehicles for customers seeking opportunities to electrify their rail systems and who are demanding cleaner, low emission vehicles for track maintenance in tunnels and other confined spaces where air quality can be a critical environmental and health issue.



Helping SBB achieve environmental vision of electrifying rail system

We are partnering with SBB, the national railway company of Switzerland, to build rail maintenance cars for the Swiss Gotthard Base Tunnel, the world's longest railway tunnel. The vehicles can be powered by electricity only or a combination of diesel and electric power. Harsco vehicles are helping SBB to achieve its availability and reliability goals for the Gotthard, the world's longest railways tunnel, and from 2020 for the Ceneri base tunnel. Harsco's hybrid vehicles therefore contribute to the north-south transfer of passengers and goods in Europe.

HARSCO

Harsco's Industrial Group provides high-quality, customtailored products to meet the needs of customers over a wide range of industries from power plants to petroleum refineries, roadways to railroads, and beyond.

Environmental Product Highlights

Our Patterson-Kelly business designs and manufactures a range of high-efficiency commercial boilers, water heaters and controls equipment that help our customers reduce their energy use, water consumption and utility spend:



Commercial boilers - High efficiencies (up to 97 percent), low cost of ownership, low greenhouse gas emissions and a small boiler footprint make our commercial boilers ideal for cost saving, environmentally friendly and space-saving designs.



Control equipment – Our P-K Controllers provide the ability to recognize and monitor operational variables, make critical adjustments and help our customers achieve high efficiency and performance from their boiler systems.





High efficiency water heaters

We partnered with The JW Marriott Starr Pass Resort & Spa in Tucson, AZ to replace hot water boilers with high-efficiency P-K commercial boilers and P-K control systems to help ensure peak efficiency. The new system is expected to achieve 50 percent fuel savings and eliminates the need to store 6,000 gallons of hot water required by previous system.

Striving to eliminate or reduce our impacts, globally

Harsco takes great pride in caring for our customers and communities, and in protecting the environment for future generations.

ENVIRONMENTAL COMMITMENT

We are committed to delivering the highest-quality environmental management in our operations, and to ensuring compliance with all environmental regulations. In 2019, we formalized our environmental commitment with a refreshed, enterprise-wide **Corporate Environmental Policy**. This policy outlines our commitment to conscientious environmental stewardship and applies across all Harsco divisions and subsidiaries. We also expect all third parties that do business with Harsco to share our environmental standards.





World Environment Day

Our Environmental division launched an environmental awareness campaign in conjunction with the United Nations' World Environment Day, supporting the theme of reducing air pollution. Employees were encouraged to plant trees at their homes, offices and customer sites, and World Environment Day celebrations were held at many of our customer sites.

ENVIRONMENTAL MANAGEMENT AND PERFORMANCE

To support our policy implementation, our Environmental Health & Safety team utilizes an environmental management system to manage regulatory compliance, internally report environmental incidents across the Company's operations, and manage corrective actions to address incidents. In addition, more than 40 percent of our facilities around the globe are ISO 14001 certified, the leading environmental management standard in the industry.

Evaluation of environmental risks and opportunities are evaluated on a quarterly basis through Harsco's enterprise risk management process and are reported to the Board of Directors' Audit Committee at the Company's quarterly board meetings.

Salient environmental risks monitored and managed by the EHS team include climate change and GHG emissions, energy use and management, air quality and management, waste and hazardous materials management, and water and wastewater management. We also perform audits of our operations' environmental compliance and performance through our Internal Audit team and our Harsco Way Assessments, which target a review of every Harsco facility every two to three years.

We strive to improve our environmental footprint through operational efficiency and continuous improvement efforts. Our divisions set sustainability and environmental goals relevant for their businesses. For example, our Environmental division has set a goal to reduce diesel fuel use – the largest energy and source of GHG emissions for the division – by 2.5 percent in 2019. Our Clean Earth division has set a number of sustainability goals as part of their 2016–18 sustainability plan.



Continuous Improvement

Our Operations teams are tasked with identifying continuous improvement opportunities to enhance the efficiency of our operations, reducing expenses and our environmental impact. One example from our Environmental division was transitioning from large rigid dump trucks to terminal tractors and trailers for transporting material at our Tornio site in Finland. The increased capacity and higher fuel efficiency of the terminal tractors and trailer approach reduced the number of trips required for the material movements by 40 percent and GHG emissions from fuel consumption by 60 percent.





Ensuring a safe workplace

We set high standards to ensure that our employees go home to their loved ones. Safety is of paramount importance in everything we do. Our goal, each and every day, is that our people return home unharmed.

We will achieve our goal by conducting all business activities in a manner that protects the safety and health of our employees, contractors, suppliers, customers, and communities. We are committed to providing a safe work environment where the only acceptable number of injuries is zero, and we expect our employees to work proactively to eliminate all incidents.

Our Safety policy is formalized in our Code of Conduct and applies to all Harsco operations, facilities and suppliers. The Company's safety policies and operational controls are overseen by a cross-functional Safety Committee composed of senior leaders from every division and Corporate. The Committee reports to Harsco's Chairman and Chief Executive Officer.

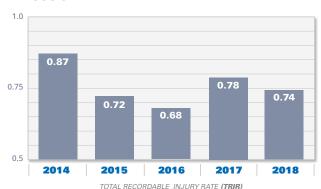
CASE STUDY CASE STUDY

ATI Latrobe

This is a small site that has achieved a huge accomplishment: 17 years – and counting – without a single recordable injury. It's a remarkable statistic, made even more so because of the unique nature of our Latrobe operation. Each employee on this five-member team is trained to perform every task and role at the site, exposing them to virtually every job and hazard. Despite that, this group is well into its second injury-free decade. A record this impressive is no accident. It is the direct result of a workplace culture that places a premium on safety.

2019

HARSCO SAFETY DATA



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HUMAN CAPITAL MANAGEMENT

Harsco employs a matrix organization structure, assigning clear ownership of specific responsibilities around human capital strategy and workforce management across the business.

Employee Care is a Core Value. We provide our employees with market-leading financial, health and wellness, and career opportunities. Specific benefits vary worldwide and are based on regional needs, but some common features of our benefit program, available to all employees globally, include recognition, opportunity, involvement and reward.

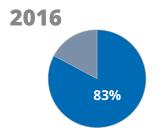
The Company has established a comprehensive development framework with training guidance applicable globally for all employees. Our leadership programs are built around our Core Values and ensure common commitments and alignment throughout the organization.

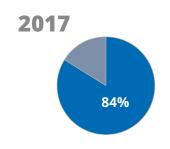
EMPLOYEE ENGAGEMENT

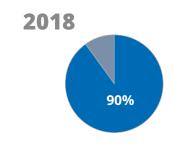
We conduct a global employee engagement survey annually and encourage all employees to participate. This survey is a way for Harsco to measure current employee engagement and get necessary input to make Harsco an even better place to work.

The survey results are cascaded through the organization by both global and local leaders. In response to survey feedback, voluntary employee-led teams, coined Feed Forward, develop and implement projects, programs and activities.

EMPLOYEE ENGAGEMENT SURVEY PARTICIPATION







Houston, Texas: After flooding in the wake of Hurricane Harvey, Harsco sites across the country stepped in to ensure continuity of service at Reed and IKG.

Safety event at Harsco's Timoteo, Brazil site.



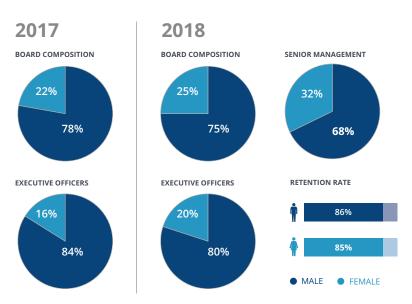


DIVERSITY & INCLUSION

Harsco is committed to creating an inclusive and dynamic workplace where everyone is heard and can excel. We value our differences and welcome the unique contributions, perspectives, and ideas of every employee. Wherever we do business, we work together in a spirit of collaboration, respect, and inclusion, and know that many perspectives can produce the best solutions. We are a value-driven organization creating support and opportunity for all.



GENDER DIVERSITY DATA



IMPACT AWARDS

Our employees work hard, constantly strive for excellence, and go above and beyond what their designated roles require. We believe their efforts deserve to be recognized and celebrated. Harsco's Impact Awards provide every employee the opportunity to nominate his or her exceptional colleagues. In 2018, we had over 600 nominations from employees in 11 countries.



Leaders of each Division review their business's respective nominations and select winners in categories that reflect our core busines's drivers and values. These awards recognize individuals, teams, and sites that have made significant contributions to Harsco, and who serve as examples to others

In addition to the Division Awards, our CEO Awards are Harsco's highest honor. As the name implies, these awardees are personally selected by our Chairman and CEO and embody the very best of Harsco.

COMMUNITY INVESTMENT

Harsco's civic engagement efforts reflect our commitment to building strong, sustainable communities.

Every day, in every corner of the globe, Harsco employees volunteer their time and talents to our neighbors and neighborhoods. We encourage and support volunteerism, offering opportunities throughout the year for employees to dedicate Harsco time for charitable work. Through the support of both Charitable Causes committees and Feed Forward teams, employees are provided the opportunity to participate in a wide variety of community and charitable focused activities.

At the Corporate level, our giving is focused on three discrete categories: **Sustainability**, **Education** and **Community Engagement**. Our Corporate efforts are currently heavily concentrated in the immediate area surrounding our Pennsylvania headquarters, but we are developing a mechanism to globalize our giving in Sustainability and Education.



Harsco Rail Feed Forward Team, Columbia, SC

Our team at Harsco Rail Columbia answered an appeal to help their neighbors in need. The challenge: how to fill the gap caused by the unexpected closure of a food bank that saw 80,000 visits per year. The Rail team jumped into action, organizing an employee drive that collected 4,700 pounds of food for Mission Lexington, another area food pantry.



Volunteers conduct highway trash pickup near our Corporate headquarters.



Planting trees for World Environmental Day in Brazil.



Celebration of National Tree Day in Brendale, Australia.

Looking Forward

We are proud of our accomplishments in 2018 and 2019, which together demonstrate our continued efforts to integrate ESG into our business and affirm our strategic vision to be a global leader of environmental solutions.

We work hard to realize our sustainability goals. Across Harsco, dedicated and experienced sustainability professionals work in close collaboration with senior management at both the Leadership and divisional levels to help ensure Harsco's business and sustainability strategies are aligned.

We constantly invest in new technologies and innovation to help solve our customers' environmental challenges. Businesses across industries are facing tightening environmental regulations and greater expectations from investors, customers and other stakeholders for better environmental performance – to become part of the solution to the many environmental challenges we face today. At Harsco, we believe these environmental demands will only continue to accelerate into the future, providing an enormous market opportunity for our business.

Our collective goal is to drive uptake of Harsco's environmental solutions across our divisions, globally. At Harsco, our greatest opportunity to make an impact is to grow our business and help our customers meet the environmental challenges of the coming decade.

Cope Willis

Cope 4.m

Vice President Sustainability & Environmental Solutions



