





Message from our CEO



ATI is pleased to issue this inaugural Sustainability Report covering our initiatives and progress in 2017.

Sustainability can mean many things. For ATI, it is recognizing that as a responsible corporate citizen with a significant global presence, we have an obligation to reduce our impact on the earth and its atmosphere, and to protect the safety of our employees and our visitors. Manufacturing products, supporting customers' sustainability initiatives, setting expectations for our supply chain and protecting our employees and visitors are essential to a long-lasting and profitable business.

Sustainability is an evolving and developing effort as we seek continuous improvement opportunities, and this report will expand and grow in the years ahead. We are pleased to educate you about our efforts and progress on this.

Richard J. Harshman

Chairman, President and Chief Executive Officer

Introduction



\$3.5B
IN REVENUE

ATI: At a Glance

ATI is a global manufacturer of technically advanced specialty materials and complex components. We have approximately 8,600 employees around the world. Our primary manufacturing locations are in the United States, the United Kingdom, Poland and China. We have service centers and offices on three continents. With revenue of \$3.5 billion for the twelve month period ending December 31, 2017, our largest market is aerospace & defense, particularly jet engines. We also have a strong presence in the oil & gas, electrical energy, medical, automotive and other industrial markets.

<https://www.atimetals.com/businesses/locations>

More information on our corporate governance can be found here:
<http://ir.atimetals.com/corporate-governance/governance-highlights>

Overview: ATI's Approach to Sustainability

Allegheny Technologies Incorporated recognizes the need to protect the environment through the measured and efficient use of natural resources. We also understand the importance of mitigating our own impact and supporting the communities in which we operate.

We take an active role in discovering and implementing means to protect and enhance our environment and our communities—it is this strategy that enables sustainability at ATI. Our commitment to sustainability is further reflected in our Principles of Corporate Responsibility, Corporate Guidelines for Business Conduct and Ethics, and Code of Sustainability.

<http://ir.atimetals.com/~media/Files/A/ATIMetals-IR/governance-documents/corporate-guidelines-for-business-conduct-and-ethics>

Sustainability

ALL ATI operations are committed to:

- Reducing their energy intensity through conservation efforts and energy efficiency.
- Greenhouse gas emissions reductions through operational efforts, energy conservation and procurement strategies
- Reducing consumption of water withdrawal through conservation, reuse, and equipment modification
- Increasing the amount of recycled materials used in our processes to eliminate waste in all phases of our manufacturing processes. Approximately 75% or more of the raw materials that ATI uses to manufacture specialty metals start from scrap material, which is either purchased or internally-generated by our own manufacturing processes.

- For baseline year 2017 and for our initial report, we collected information from our seven largest domestic facilities. Our goal is to report on metrics from all global operations by 2020.

2017 (7 Large Domestic Facilities)

Metric	Units	2017 total	2017 intensity unit/ton product
Energy Consumed	gigajoules	9,270,834	6.7
CO ₂ e Emissions	tons of CO ₂ e	656,852	0.48
Material Recycled	tons recycled	513,371	0.37
Water Intake	kilo-gallons	3,339,225	2.4

- 2020 Goals:
 - All facilities to be included in Metrics
 - All facilities ISO 14001 and 45001 certified
- 2025 Goals:
 - Reduce Energy Intensity 5%
 - Reduce CO₂e Emissions 5%
 - Reduce Freshwater Intake 5%
 - Increase Recycled Materials to 80%
- 2030 Goals:
 - Reduce Energy Intensity 7%
 - Reduce CO₂e Emissions 7%
 - Reduce Freshwater Intake 3%
 - Increase Recycled Materials to 83%



Sustainability



Sustainability Innovation

ATI has embarked on a mission to replace existing lights with LEDs in its facilities. LEDs will increase efficiency by up to 90% versus incandescent bulbs. Their lifespan will also reduce maintenance and replacement costs.

LED lamps were installed in our Coon Valley, WI, Operations and in a portion of the Cudahy, WI, Operations.

The Lebanon, KY, Operations replaced 25% of its existing factory lighting with LED lamps.

The Lebanon, KY, Operations switched to a new operating schedule that enables it to conserve energy by shutting down certain operations for extended weekends.

ATI Specialty Materials, including their Monroe, NC, Operations, recirculates processing water for minimal water consumption, instead of drawing new water from rivers and streams. Their Richburg, SC, Operations employs a closed-loop recycling and reclamation system that allows the recycling and reuse of absorbent material, thereby diverting waste from a disposal facility.

Waste stainless steel liners from ATI Specialty Alloys and Components business are recycled by ATI Flat Rolled Products business and used as raw material input.

We have implemented various practices throughout the company, such as installing motion sensor switches to

keep lights off when a room is not in use and recycling office paper, aluminum cans, plastic bottles and waste wood products.

Our STAL Joint Venture (JV) facility in Shanghai, China, showcases our dedication to protecting the health and safety of our employees. We implemented state-of-the-art safety standards exceeding local requirements. Our investment in safety in this facility has resulted in healthier employees and a safety record comparable to our U.S. facilities, and ultimately better-quality products for our customers.

Sustainability

Our Core Areas of Focus

ATI is committed to:

- Conducting business in accordance with applicable laws, regulations and 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, specifically in 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 our activities;
- Promoting a culture of safety and continually reinforcing our 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. This is invaluable in driving continuous improvements and in reaching our objectives. We evaluate all aspects of our overall program, leadership and performance to drive the improvements needed to reach our objectives. 45% of ATI Operations have achieved ISO 14001 certification and 63% have achieved OSHAS 18001 or ISO 45001 certification. Our goal is to have every operation certified to both ISO 14001 and OSHAS 18001 or ISO 45001 by 2020.

APPROXIMATELY
75% OR MORE
OF THE RAW
MATERIALS THAT
ATI USES TO
MANUFACTURE
SPECIALTY METALS
START FROM
SCRAP MATERIAL.



EVERY FACILITY
ISO
CERTIFIED
BY 2020

Sustainability

Product sustainability

Our specialty metals enable better use of resources by improving the energy productivity and efficiency of end-use products in various markets. We make metals of exceptional wear resistance, corrosion resistance, heat resistance, toughness, and strength.

The metals and alloys produced by ATI improve quality of life by reducing air pollution, providing advanced medical solutions, enabling clean water and eliminating waste.

Renewable Energy

Our materials are used in innovative alternative and renewable energy systems, for example:

- Titanium sheets are used in fuel cell batteries and battery storage;
- Lightweight alloys are used in turbines and structural supports for hydroelectric, steam, wind and solar power; and
- Thin sheet stainless steel is used in solar panels.

We also produce materials for the exploration and production of natural gas, which is a cleaner alternative to coal for power generation, and serves as the bridge fuel until the period when renewables eventually become a major source for energy.

Medical

- Biomedical implant materials (e.g., Ti 6-4ELI, TMZF, 6-7 15Mo, Zirc, Ni-Cobalt F799) are used in various applications from bone screws and plates to hip and joint replacements, as well as stents and mesh to repair the human body; and
- Our zirconium alloys are critical to MRI technology.

Clean Water

Commercially, pure titanium sheets are used in desalinization efforts to provide clean, sustainable water sources around the world.

Our nickel-based alloys are used in products for removing air and water pollution in marine applications to reduce impacts on our oceans and seas.

Other Sustainable Products

Our materials can also be found in other pollution reducing products including lightweight titanium castings and nickel forgings that reduce the weight of aerospace components to enhance fuel economy for aircraft, and in components of LED lamps and OLED screens.

Waste Elimination

Not only are our products waste reducing, the production process contributes to waste elimination. Most of ATI's alloys are 100% recyclable and include a high proportion of recycled metals.

New advancements in additive manufacturing (commonly known as 3D printing) have increased the demand for our powder metals. This form of manufacturing will further reduce the waste typically associated with the manufacturing and fabrication processes. Additive manufacturing virtually eliminates scrap that is otherwise generated during machining and fabricating. It allows localized production, dramatically reducing transportation of traditional materials and back-hauling of generated scrap. Our powder metals fill the growing demand for reliable materials needed for the developing just-in-time additive manufacturing market.

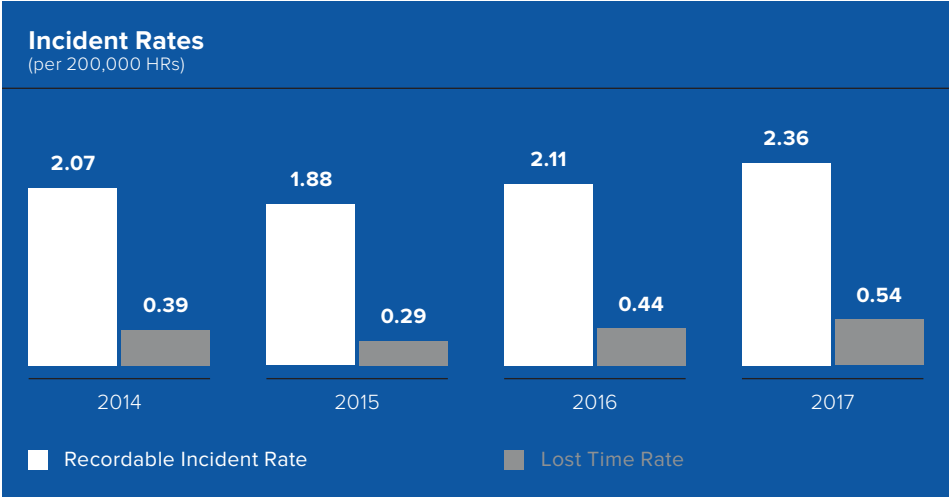
To read more about our products:
<https://www.atimetals.com/products>





Health and Safety

The health and safety of our employees is our highest priority. We strive for a safety record among the best in the world. Employees at every level of the Company are expected to guard against workplace injuries by recognizing risks and taking action to minimize injuries. In addition to complying with all applicable laws and regulations, we are committed to nurturing a culture in which safety is a core value. ATI is committed to making our operations the safest in the industry for our employees, contractor employees and the communities surrounding our plant locations. The objective of our safety policy is to prevent accidents, work-related illnesses, lost time caused by injury and illness to employees, and damage to plant operations.



Shown above is a four-year summary of safety metrics. While it is disappointing that incident rates have increased slightly in the last four years, the rates remain well below the average for U.S. industry. We continuously work to identify potential risks such as hand injuries, slips, trips and falls and life-threatening tasks. Job procedures are modified as appropriate, personal protective equipment is adjusted as necessary and training is performed to alleviate potential risks. Safety is everyone’s job at ATI, and recognizing and reducing risks is a part of our commitment to workplace safety.



Community

Community Involvement

ATI and each of its operating locations has an important connection to their communities.

United Way

United Way is the community's fundraiser, replacing and supplementing charitable organizations' fund-raising staff. In 2017, ATI and its employees generously contributed to their local United Way campaigns by making \$865,000 in charitable donations. In addition, many ATI locations participate in the United Way Day of Caring program, contributing 500–1,000 hours of volunteer service by our employees.

ATI Veterans Network

In 2017, ATI established the Veterans Network to link its nearly 600 employees who are veterans of the various branches of the military. The group consists of 138 volunteer members who meet to discuss ways to better engage ATI's veterans. A good example of this collaboration is our "Hard Hat Sticker Program." The Veterans Network discussed ways to recognize our ATI veterans for their service and came up with this program to place a service-specific sticker on veterans' hard hats. This small gesture allows every ATI veteran to be recognized for their service at work every day. Members of the network also volunteer to help in the attraction of veterans to ATI.



Community

Supporting the Community

ATI donated land in Pennsylvania to the Canton Township, PA, Recreation Center where they will create a senior center and activity center for residents. ATI Flat Rolled Products donated land in Brackenridge, PA, for use as a parking lot for the Allegheny River kayak and canoe boat launch ramp.

The ATI corporate office volunteered at the United Way Games for Good program and participates in many United Way Women's Leadership Committee activities that benefit local women, including assembling and donating dignity and safety kits for women in need.



ATI Specialty Materials' Bakers, NC, Operations celebrated Earth Day 2017 by planting trees.

The corporate office employees participate in the U.S. Marine Corps Toys for Tots toy drive, and donate thousands of dollars' worth of toys for children who might otherwise not receive a gift for the December holidays.

ATI's Oregon-based Specialty Alloys and Components (SA&C) group supports their communities in a variety of ways, from partnering and employing college students to donating to the United Way.

- SA&C provides a Cooperative Work Experience with the local community college and a program with Oregon State University and spends ~\$1.3M annually employing between 30 and 40 college students and 16 and 18 engineering students. The successful partnerships provide mentorship, college credits and exposure to manufacturing jobs. In several cases the students are employed full-time upon graduation; and
- Pipeline Program—~\$25K spent annually supporting partnership between K-12, LBCC, industry and local municipalities to bring heightened awareness and exposure to kids of all ages about career paths that require Career Technical Education (CTE).

This partnership supports programs like the following:

- CTE Signing Day
- National Manufacturing Day
- Women in Manufacturing Day
- Career Day for 3,000+ high school seniors
- Job Shadows
- Summer camps for middle school and high school students to explore CTE

- ATI employees volunteering time to sit on CTE curriculum development committees for LBCC
- Donation of unused tools and equipment to CTE programs
- CTE scholarships—\$7.5K in CTE scholarships available to all graduating seniors in Linn County enrolled in a CTE program
- ATI scholarships—\$10K in scholarships supporting all levels of post-secondary education for children of ATI SAC and Cast Products employees
- SA&C implemented a new Volunteer Incentive Program (VIP) in 2017 that is designed to donate money to charitable organizations to which an employee donates time. In its initial year, ~\$4K was donated to employee-championed non-profits in reward of ~400 hours of volunteer service for those non-profits. Additional community support from SA&C is demonstrated below:
 - Community events—~\$15K donated to events run by the City (Art & Air/River Rhythms) and the County (Linn County Fair). Sponsorship requires benefits for ATI SAC/CP employees in Oregon like VIP passes to the events and tickets/parking passes to the fair.
 - Needs-based charitable donations and sponsorships based on executive review and approval—~\$5K–10K across all SAC/CP facilities

Supply Chain Responsibility



Conflict Minerals

ATI is committed to full compliance with the Dodd-Frank Act. 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 in compliance with the Dodd-Frank Act. ATI will communicate as appropriate with its suppliers regarding these procedures.

Trafficking in Persons

ATI is committed to conducting its business activities in a manner that respects human rights and is in compliance with applicable local, national and international laws and regulations related to the protection of human rights, including the prohibition of human trafficking and slave labor. ATI strictly prohibits its employees, contractors, suppliers and agents from engaging in activities that violate the laws, regulations and corporate policies.



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External Recognition

Our ATI Flat Rolled Products' Louisville, OH, Operations were selected by the City of Canton, Ohio's Water Reclamation Facility to receive the Mayor's Environmental Quality Control Award. The award is given to a Canton area business whose waste removal practices go above and beyond the call for responsible environmental stewardship; who is in full compliance with the City of Canton Pretreatment Program; who has implemented an overall policy regarding control of industrial waste; and who has taken pollution prevention actions to reduce waste by recycling and reuse, and has substituted non-hazardous substances for hazardous materials.