



# Sustainability Report

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**2018**







# Message from CEO



ATI is committed to more than just compliance with all 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. A core value of ATI is the safety and sustainability of our products, our people and the communities in which we operate. ATI is committed to the relentless pursuit of innovation and improvement in all we do including our sustainability initiatives.

Last year we established and published goals relating to various aspects of our operations. We are updating our progress on these goals and describing some of the projects we have completed to improve efficiency to achieve the goals. This report also expands the discussion of our innovative approach to potential risks and mitigation efforts related to our business, and includes discussion of additional social, employee, and governance issues of interest to readers.

ATI helps its customers achieve their goals and to make products that reduce the impact to the environment. This report highlights some of the products that withstand harsh environments and facilitate cleaner air and water.

By being more transparent about potential environmental, social, and other risks we face, we are able to better pursue strategies to avoid or mitigate issues we face while making our products.

We are pleased to educate you about our ongoing goals, risks, and efforts.



**Robert S. Wetherbee**

*President and  
Chief Executive Officer*



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# ATI Overview

ATI is a global manufacturer of technically advanced specialty materials and complex components. Our largest markets are aerospace & defense, representing approximately 50% of total sales, led by products for jet engines. Additionally, we have a strong presence in the oil & gas and energy markets. In aggregate, these markets represent about 70% of our revenue. ATI is a market leader in manufacturing differentiated products that require our materials science capabilities and unique process technologies, including our new product development competence. Our capabilities range from cast/wrought and powder alloy development to final production of highly engineered finished components, including those used for next-generation jet engine forgings and 3D-printed aerospace products.

[See 10K annual and 10Q reports](#)

## 2018 ATI Highlights

### EMPLOYEES

8,600+

### SALES

\$4.05B

UP 15% VS. 2017

### SEGMENT OPERATING PROFIT

\$413

UP 46% VS. 2017



# ATI's Sustainability Policy



Allegheny Technologies Incorporated recognizes the need to minimize environmental impacts 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—this strategy 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.

## Business Conduct and Ethics

### The Company is 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 expect all ATI employees to be involved in the enhancement of health and safety initiatives.



# ATI Goals and Performance

## EMISSIONS, WATER, AND RECYCLED MATERIALS

Metric	Units	2018 Performance*	2018 Intensity unit/ton of production
Energy Consumed	Gigajoules	10,318,477	3.02
CO <sub>2</sub> e Emissions	Tons of CO <sub>2</sub> e	877,390	0.26
Freshwater Intake	Kilo-gallons	3,831,532	1.12
Material Recycled	Tons Recycled	10,591	.004%

\*In preparing this report, a review of previously reported data for 2017 revealed several significant data errors for some locations. As a result, we are restating our baseline year as 2018. Reported data is for the seven largest operating sites.

## PERFORMANCE TARGETS\*\*

2022	2025	2030
Include all manufacturing facilities in metrics	↓ Reduce Energy Intensity 5%	↓ Reduce Energy Intensity 7%
All manufacturing facilities ISO 14001 and 45001 certified	↓ Reduce CO <sub>2</sub> e/GHG emissions 5%	↓ Reduce CO <sub>2</sub> e/GHG emissions 7%
	↓ Reduce freshwater intake 5%	↓ Reduce freshwater intake 8%
	↑ Increase recycled materials used in production to 80%	↑ Increase recycled materials used in production to 83%

\*\*When using 2018 as baseline year.

## 2018 in Review: Our Accomplishments

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FATALITIES

877,390 tons

CO<sub>2</sub>e EMISSIONS

.004%

RECYCLED MATERIAL

63%

LOST TIME FROM WORK  
(IMPROVEMENT VS. 2017)

1.12/tons

PRODUCED WATER INTENSITY

3.02/tons

PRODUCED ENERGY INTENSITY





# Environmental

## ATI's Environmental Policy

At ATI, safety, health, and environmental compliance are the prerequisites to all operations. We are committed to providing a safe workplace and our goal is to finish each day incident- and injury-free. We are also committed to maintaining and operating our businesses in full compliance with all applicable environmental laws, regulations, and rules.

## General Risk of Environmental Factors (cited in 10K)

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

Annual Report F-8

## Risks Associated with Environmental Matters

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 noncompliance 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. See Annual Report F-12. We have no active or closed tailing ponds.

## Water Reduction Goals and Projects in 2018

In 2018, we established a goal to reduce our use of fresh water by 5% from baseline year 2017 by 2025. Due to data collection issues, we restated our baseline year to 2018, but remain committed to the goals and achievements by previously stated years. To achieve the stated goals, we established a cross-functional and cross-company water conservation team to share best practices, ideas, and information relating to fresh water and its preservation. The ATI water conservation team evaluates and implements projects to achieve reductions in freshwater consumption and to reduce waste of water resources.



# Environmental

## Waste, Recycling, and By-Products

ATI is relentlessly pursuing ways to reduce the amount of waste entering landfills. To that end, we are committed to finding ways to reduce waste generated, to recycle by-products, and using recycled material in our manufacturing processes. We are focused on expanding sales of by-products that are subsequently incorporated into useful products and increasing efforts to reduce waste from our operations.

An example of waste reduction is our Cudahy, Wisconsin, facility that uses washable absorbent pads and socks that we have stationed in our machining and billet saw areas, Physical Test, and Die Room. We expanded our program in 2018 to include the billet saws and Die Room to further reduce wasted pads. Cudahy also rents petroleum product spill kits in 55-gallon drums that have washable pads and socks. These spill kits are used in emergencies to absorb oil or coolant before entering the environment. The kits reduce the amount of disposed absorb-all (dry absorbent) that goes to landfill.

By-products generated at the Millersburg facility such as magnesium chloride are sold to customers who produce useful products from them, while metals reclaimed by production are recycled back through the ATI facility.

### Vandergrift acid regeneration

Acid regeneration systems have been employed at various Flat Rolled Products facilities for years. Additional regeneration systems were installed at

the ATI Vandergrift facility in 2018. The systems were installed to regenerate spent sulfuric acid and spent mixed (nitric and hydrofluoric) acids. As a result of this project, reductions in usage of nitric, hydrofluoric, and sulfuric acids, as well as lime consumption and sludge generation were achieved. Reductions achieved to date:

Nitric acid	↓ 57%
Hydrofluoric acid	↓ 30%
Sulfuric acid	↓ 25%
Lime	↓ 35%
Wastewater Treatment Plant Sludge	↓ 20%

### Vandergrift shotblast baghouse dust and quench/annealing furnace scale

Prior to 2012, approximately 1,000–1,200 tons of spent shotblast baghouse dust and quench/annealing furnace scale from the Vandergrift facility was landfilled annually at an approved residual waste facility. Beginning in 2012, ATI sold the baghouse dust and scale to an approved recycler. In 2018, ATI developed a process with different recyclers to produce briquettes from the spent shotblast baghouse dust and scale that are presently charged into the electric arc furnaces at the ATI Brackenridge facility

as a raw material, replacing purchased metallics, and retaining the material in-house. This ultimately reduces the amount of raw materials needed and eliminates waste by-products.

### Brackenridge melt shop — baghouse dust

Prior to 2018, production burning baghouse dust was sold to a recycler for metallics reclamation. Beginning in 2018, the baghouse dust in supersacks was directly charged into the electric arc furnaces at the ATI Brackenridge facility as a raw material, removing the offsite transportation, replacing purchased metallics, and retaining the material in-house.

## Climate Change Risk

Climate change, such as the rise in global temperatures from increased levels of carbon dioxide (CO<sub>2</sub>) and other greenhouse gases, contribute to changes in the seasons and other ecosystem disruptions. Such changes may cause adverse weather that could affect our ability to operate our facilities. The implementation of a Carbon Cap-and-Trade Plan in the United States or in states where we operate could put a price on carbon dioxide emissions or require permits to emit certain gases. These programs could affect our operational costs.



# Environmental

## To mitigate effects of global climate change, all ATI operations are committed to:

- Reducing their energy intensity through conservation efforts and energy efficiency.
- Reducing greenhouse gas emissions 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.

## Our Goals and Targets

We have several strategic plans for reducing energy intensity. Our freshwater consumption is targeted for reduction through projects to reduce consumption, including reusing water. To reduce the GHG emissions from production we have contracted for electricity from non-fossil fuel sources and continue to look for ways to reduce carbon emissions from production.

## Potential impact of climate risks and impact on financial planning

In 2018, we set a goal to reduce GHG emissions from the 2017 baseline by 5% by 2025. While we are resetting our baseline year to 2018, our goals are

not changed. Recognizing the potential risk of the effects of climate change, ATI is committed to reducing its carbon output. Efforts to date include investing in newer, more efficient processing technology at our larger facilities. ATI established a company-wide efficient lighting program to reduce energy consumption. Installation of LED lighting at several locations has begun, and we will track the Kwh savings. We are focused on developing strategic and innovative initiatives to reach our goals.

## Investing in new equipment/efficiencies

We worked on two substantial lighting projects in 2018 with WESCO for the Cudahy forging operations where we are constructing our expanded isothermal and heat-treat capabilities.

### • The heat-treat area is expected to achieve:

**kW Demand Reduction: 54**

**Annual kWh Savings: 472,322**

- Equivalent to **10,860 trees** planted each year
- Equivalent to **78 cars** off the road each year
- Equivalent to **933,699 lbs.** reduced CO<sub>2</sub> emissions each year

### • Isothermal Press Area is expected to achieve:

**kW Demand Reduction: 9**

**Annual kWh Savings: 81,538**

- Equivalent to **1,875 trees** planted each year
- Equivalent to **14 cars** off the road each year
- Equivalent to **161,182 lbs.** reduced CO<sub>2</sub> emissions each year

These two projects in our Cudahy forging operation led to a significant reduction in lighting-related energy and maintenance costs in these specific areas and 1% overall reduction in energy consumption for the facility.

In addition, we completed electrical projects to save energy:

- In our Irvine, California, facility a Battery Peak Trimming project installed a battery storage unit to reduce demand from the electric utility
- Multiple locations: power factor correction to reduce demand from the electric utility
- Brackenridge melt shop electrode consumption reduction

The electric arc furnaces at the ATI Brackenridge facility utilizes graphite electrodes. The production of graphite electrodes is a high electrical energy consumption process. In 2018, an electrode consumption reduction team at the Brackenridge facility developed new practices on the electric arc furnaces which resulted in a 5% reduction in graphite electrode consumption.





# Environmental

## Vandergrift installation of VFD Fan

The ATI Vandergrift facility team installed a VFD (variable frequency drive) exhaust fan at the Z-8 Cold Rolling Mill emission control fume exhaust. This installation resulted in an annual reduction of 295,100 kilowatt hours. To put this into perspective, the average household consumes approximately 10,800 kilowatt hours per year (U.S. Energy Information Administration).

## Purchasing energy from renewable sources

ATI is purchasing more than a half-million MWh of its electricity in Western Pennsylvania pursuant to a contract that includes Emission Free Energy Credits (EFECs) that are tied to Exelon/Constellation's nuclear fleet.

## Our Environmental Management System — ISO 14001

Each ATI operating company has an environmental management system that includes mechanisms for regularly evaluating environmental compliance and managing changes in business operations while assessing potential environmental impact. Our goal is for every manufacturing location to achieve an ISO 14001 certified Environmental Management System by 2022. At the end of 2018, 42% of ATI Operations achieved ISO 14001 certification and at the end of the third quarter 2019, 46% achieved certification.

## Products and Innovation

### Making the products needed for a sustainable economy

Our materials enable our customers—and in many cases our customers' customers—to do amazing things, from operating jet engines at 2,800° F to equipping our nation's defense, to safely and efficiently transporting highly corrosive liquids and exhaust streams to enabling life-changing medical insights. The next generation jet engines use our products to advance nickel-based superalloys and metallic powder alloys to meet increased fuel efficiency standards that require hotter-burning engines. We continue to increase our production capacity for advanced metallic powders for use in next-generation aerospace products, including additive manufacturing applications.

We enable our customers to develop and make more energy-efficient products. Our alloys are used for solar, fuel cell, and geothermal applications.

We enable our customer's success in highly corrosive environments by developing and producing specialty materials for equipment that can operate for up to 30 years in these harsh environments, reducing the need for replacement.

Our specialty alloys are used in medical applications for replacement knees, hips, and other prosthetic devices and offer the potential of longer product lifespans versus previous implant generations.



ATI will continue to pursue purchases from renewable sources of energy.

# Social

## Community Involvement

ATI and each of its operating locations have important connections to their communities, engaging in volunteer activities within the community.

ATI Specialty Materials Pennsylvania locations had 35 attendees participate (salary and hourly represented) to pack food for children to take home on weekends.



ATI Specialty Materials employees volunteered with H.O.P.E. (Hearts Of People Everywhere) for the Christmas Bureau of Union County. HOPE's mission is to support the Christmas Bureau and to collaborate with businesses, communities, schools, churches, civic organizations, and individuals to help meet the needs of neighbors. HOPE uses volunteers to raise funds and other resources, and to promote community awareness, to help families in need to have a joyful holiday.

ATI Specialty Materials, ATI Corporate, and ATI Forged Products participate in blood drives and encourage employees to donate blood via the Red Cross or local blood banks.

ATI Forged Products conducted a food drive for the Milwaukee area hunger task force, where employees donated 600 lbs. of food, which the company matched with a cash donation. They also donated to Cudahy Youth Baseball to improve fields and concession areas in addition to participating in a charitable golf outing and 5K race.



Our Flat Rolled Products business engaged in a United Way Day of Caring, painting and cleaning a community YMCA. The effort was very well received by the participants and community. ATI Flat Rolled Products employees collected new toys for the annual Toys for Tots program.

# Social

Wood from packing cases at our Birmingham, UK facility was donated to a local school. They treated the wood and used it for a border at ground level to protect the fence and give a sharper line. They also made two new bench seats. Future donations will be used to make raised garden beds for the children to grow their own vegetables/plants.



Employees from the ATI corporate office participated in the Pittsburgh Marathon, raising money for Our Clubhouse, a charitable organization that offers programs and support for those with cancer.

## Charitable Giving

We recognize the important work performed by first responders in our communities. Many of these organizations rely on volunteers to render fire and emergency services and they rely on monetary

donations to keep up with equipment and facility needs. ATI Flat Rolled Products donated more than \$20,000 in 2018 to various fire departments and emergency rescue units throughout the United States.

Our 100 corporate headquarter employees again demonstrated their commitment to our communities by achieving 100% participation in the annual United Way workplace campaign. They collectively donated an astounding \$215,000 for the United Way and its agencies. In addition, the employees participated in United Way's Hoodies for the Holidays drive, donating 23 university hooded sweatshirts to members of the United Way Middle School Mentor program as a way to inspire them to continue their education after high school. The hoodies can be a conversation starter for these students to think about their educational future and what it will take to get there. Young corporate employees and their friends volunteered for the gift wrapping event to wrap the hoodies for holiday presents. Many of our corporate employees serve on United Way committees, from Women's Leadership Council to Bridges Society and allocation committees.

For more information on ATI's community involvement and charitable giving, Click to view the: Community Involvement video:

[Community Involvement Video](#)

## Employees

ATI helps our employees to care for themselves now and in the future, providing competitive health coverage with an emphasis on preventive care, and an employer-match 401(k) savings plan that encourages employees to save for the future in addition to any company-provided benefits. ATI makes available education on planning for retirement to assist employees in making decisions on their future.

We have  
approximately  
8,600 full-time  
employees,  
of which  
approximately  
15% are located  
outside the  
United States.





# Social

## Attraction

ATI is an Equal Employment Opportunity employer and our talent attraction methodology is inclusive, offering us the ability to strengthen our diversity. We are recognized annually as a Military Friendly employer who appreciates and values those who have served and how their relentless dedication and skills transition into key roles within our business. Our facilities are engaged in a “Hard-Hat Sticker Program” that recognizes veterans for their service by placing a service-specific sticker on their hard hats. This program further builds our camaraderie and culture. ATI offers careers at all levels and seeks out thought leaders and achievers who can positively contribute to our approach of Relentless Innovation. We offer apprenticeship programs that help develop careers for those who have a passion in skilled trades. Our intern program and Early Career Leadership Programs provide us an opportunity to attract the best and brightest from a select group of core colleges and universities while also building relationships with diverse campus organizations.

## Retention

As part of our efforts to retain employees, in 2018 we launched an annual Employee Engagement Survey to gather input from our employees, so we may target opportunities where we can improve the work experience. By listening to our employees and identifying areas of continuous improvement, our employees recognize they are a part of driving our

culture of providing a workplace where employees are treated with dignity and respect, free of discrimination, and where all employees can fulfill their potential based on merit and ability.

Our Apprenticeship, Early Career Leadership, and our Global Leadership Development programs allow our employees to grow and develop business skills to propel their career.

## Labor and employment policy

We are committed to equal opportunity and fair treatment of employees. ATI and its subsidiary companies will provide equal employment opportunities to all applicants without regard to applicant's race, color, religion, sex, gender, genetic information, national origin, age, veteran status, disability status, or any other status protected by federal or state law. The company will provide reasonable accommodations to allow an applicant to participate in the hiring process, if so requested.

## Training our employees

In an ongoing effort to support our employees in career development, we focus on training, skill enhancements, and professional development. In 2018 we launched the Global Leadership Development Program to train frontline leaders and management employees. The program, which teaches self-awareness, critical thinking, communications, and other essential skills is being expanded to senior management and executives in 2019.

## Diversity and inclusion

To attract and retain the best and brightest employees, we embrace diversity and inclusion and strive to expand the composition of our employee population.

### WOMEN AND MINORITIES ACROSS ATI—2018

**3 of 12** women directors

**1 of 6** women on executive committee

**1 of 12** minority directors

**0** minority executives

ATI has been recognized for eight consecutive years by 2020 Women on Boards for having a Board comprised of 20% women.

## Training future employees

The Union County, North Carolina, Chamber of Commerce and Union County Public Schools (UCPS) team together to support Make-It-In-Union County Week (October 1–5), an important manufacturing awareness initiative. ATI technical staff made presentations at various middle and high schools to discuss what ATI Specialty Materials does and to promote possible engineering careers. The main goal of the presentations was to engage students in an activity in order to promote manufacturing, career/working skills, and our company.



# Safety

We continued to focus on safety across ATI's operations during 2018. At year-end 2018 65% of ATI Operations have achieved OSHAS 18001 or ISO 45001 certification. Our goal is to have every manufacturing operation certified to OSHAS 18001 or ISO 45001 standards by end of year 2022.

## Policy on Safety and Occupational Health

We conduct our business committed to the safety of our people, our products, and the communities in which we operate. At ATI, safety, health, and environmental compliance are the prerequisites to all operations. We are committed to providing a safe workplace and our goal is to finish each day incident- and injury-free. We are also committed to maintaining and operating our businesses in full compliance with all applicable environmental laws, regulations, and rules.

## STATS FOR 2018 COMPARED TO 2017 (per 200,000 HRs)

2018 Lost Time	2017 Lost Time	2018 Total Recordables	2017 Total Recordables
0.34	0.54	1.63	2.36





# Supply Chain

Raw materials, such as nickel, cobalt, and ferrochromium, are available to us and our specialty materials industry competitors primarily from foreign sources. Some of these foreign sources are located in countries that may be subject to unstable political and economic conditions, which could disrupt supplies or affect the price of these materials. We purchase our nickel requirements principally from producers in Australia, Canada, Norway, Russia, and the Dominican Republic. Zirconium raw materials are primarily purchased from the United States and China. Cobalt is purchased primarily from producers in Canada. More than 80% of the world's reserves of ferrochromium are located in South Africa, Zimbabwe, Albania, and Kazakhstan. Niobium is purchased principally from producers in Brazil, and our titanium sponge comes from sources in Japan and Kazakhstan. We enter into long-term supply contracts where possible to ensure an adequate supply of these items and require suppliers to comply with all laws and regulations pertaining to their business.

## Ensuring suppliers protect human rights—auditing and verification

We require suppliers to acknowledge and agree to comply with the basic principles set forth in ATI's Corporate Guidelines for Business Conduct and Ethics. The supplier expectations are included in ATI's Terms and Conditions and by signing a purchase agreement, are indicating that the terms will be followed. Internal audit does test that the purchase agreements are reviewed and approved.

## Our suppliers' environmental, sustainability and governance is important

We increasingly rely on our suppliers to help us achieve our sustainability goals. In an ongoing effort to innovate and improve, ATI conducts business

with suppliers who are required to commit to and demonstrate responsible and sustainable conduct. Our supplier onboarding process requires suppliers to comply with all relevant laws and regulations and to demonstrate a program for compliance and ethical standards.

Compliance with the following Supplier Expectations and Supply Chain Policies is a fundamental requirement of conducting business with ATI. In the event a supplier fails to comply with any of these 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.







# Governance

## Human Rights Policy

ATI's policy is to comply with all applicable employment and labor laws and to conduct its business activities in a manner that respects human rights and does not in any way contribute to or support human rights abuses. ATI is committed to compliance with all applicable laws, rules, and regulations related to the protection of human rights and prevention of human rights abuses, including, but not limited to, U.S. Government Federal Acquisition Regulation clauses related to Combatting Trafficking in Persons, the California Transparency in Supply Chain Act, the U.K. Modern Slavery Act, the Dodd-Frank Act Conflict Minerals Rule, and all prohibitions against trafficking in persons, slave labor, child labor, or the support of illegal armed groups.

### **Commitment to involving suppliers, appropriate stakeholders, implementation, and verification of effectiveness**

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.

We expect 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. By signing an agreement with ATI, suppliers are committing to the promise that the terms will be followed. We include our supplier expectations and policies on the company website as well.

#### About ATI Suppliers

### **Risks to human rights**

To address the possibility that our suppliers could be at risk of human rights violations, we will be expanding our processes for screening suppliers, verifying compliance, and enforcing our expectations.

### **Business Conduct and Ethics**

With respect to ATI companies, we annually train and educate employees on the code of conduct and ethical behavior. Our internal audit group performs testing each year by selecting a sample of employees and validating they completed the ATI code course regarding Business Conduct and Ethics and as part of that course, they certify they understand and abide by the code of conduct, including human rights.





# Governance

We validate the guidelines have been distributed to all employees. Internal audit obtains evidence that conduct and ethics are addressed. We inspect that procedures are in place to inform employees of the Corporate Guidelines for Business Conduct & Ethics. We inspect to ensure the employee's acknowledgement of the Guidelines was documented (either via completion of an online course or via authorized signature), evidencing that the distribution to employees occurred.

## Integrity & Ethics

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.

Each employee, agent, and representative of ATI must be the conscience of our business. The Company requires that we **Do What's Right™** and always be accountable for our actions..

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.

## Safety, Health, & Environmental Compliance

At ATI, safety, health, and environmental compliance are the prerequisites to all operations. We are committed to providing a safe workplace and our goal is to finish each day incident- and injury-free. We are also committed to maintaining and operating our businesses in full compliance with all applicable environmental laws, regulations, and rules.

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.

## Anti-Corruption & Anti-Bribery Compliance

ATI is committed to doing business ethically and in compliance with all laws that apply to our businesses throughout the world. Consistent with our values, ATI has a zero tolerance policy toward bribery and corruption in all aspects of our business and in all countries in which we operate. ATI will comply with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and the anti-corruption and anti-bribery laws of all countries in which we operate or do any business.

ATI expects its suppliers to comply in all respects with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and all other anti-corruption and anti-bribery laws and regulations applicable throughout the world.

We conduct supplier due diligence on potential key suppliers to manage risk in our supply chain related to the areas of anti-bribery, anti-corruption, trade compliance, child and slave labor, criminal history, human trafficking, and conflict minerals.

## Sustainability Governance

The Audit Committee of our Board of Directors is responsible for overseeing the sustainability program. Reports on sustainability are provided annually to the Audit Committee.

### Board diversity

In 2018, 3 of 12 board members were female. One of 12 was a minority. In 2018, we announced that a female would become the Board Chair in 2019. We recognize the benefits and importance of diversity on the board and will continue to seek the best candidates as openings arise on the board.

### Lobbying and political advocacy

From time to time, we engage in limited political advocacy and lobbying efforts. Activities are limited and coordinated with the Senior Vice President, General Counsel, Chief Compliance Officer, and Corporate Secretary.

Additional information on governance can be found here: <https://ir.atimetals.com/corporate-governance/governance-highlights>



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