

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT 2019-2020

Accelerating our transformation

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CEO LETTER

Nick Grasberger shares key milestones we have achieved and our future strategic direction.

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INNOVATIVE SOLUTIONS

Deliver innovative solutions to help our customers solve their most pressing sustainability challenges.



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INSPIRED PEOPLE

Foster a diverse and inclusive company culture that recognizes, supports and encourages personal development and community contributions.



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SAFE WORKPLACES

Keep our people safe with the highest safety standards on all our sites, ensuring our people return home unharmed every day.



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THRIVING ENVIRONMENT

Reduce our impact through our commitment to the highest quality environmental management practices and continuous improvement.



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ESG DATA TABLE

A summary of our SASB and related GRI data points considering our reporting framework.

About this report

Our 2019-2020 Environmental, Social and Governance (ESG) Report is our most comprehensive sustainability report to date, informed by leading market standards including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). This report outlines our four focus areas, our vision and strategy as well as the importance of our Values, Code of Conduct and governance structure in enabling our continued success. This report covers the 2019 fiscal year and the first half of 2020.

CEO letter

I am pleased to share **Harsco's 2019-2020 Environmental, Social and Governance (ESG) Report**, which highlights our accomplishments as well as the future plans anchoring our comprehensive sustainability strategy.

The past year has been a period of unprecedented change at Harsco. Adding to the extraordinary global circumstances presented by COVID-19, **Harsco is undergoing a complete business transformation into a global, single thesis environmental solutions provider.**

Now, more than ever, we are confident that our strategic decision to focus on the urgent societal needs of providing environmental solutions for industrial and specialty waste streams is in the best interest of our people, our planet and our shareholders.

As I reflect over the past year, I am proud to share key milestones in the execution of our transformation strategy. Specifically, **we divested our Industrial division**, completing the sale of its three businesses. At the same time, **we acquired Clean Earth**, one of the largest specialty waste processing companies in the U.S., providing processing and beneficial reuse solutions for hazardous wastes and contaminated materials.

This spring, we made another strategic investment, **acquiring Stericycle's Environmental Solutions business**, increasing our geographic scale and reach while enabling us to create a leading national hazardous waste management platform. With these changes, we now expect **more than 80 percent of Harsco's total revenue to come from environmental services**, compared to just 60 percent three years ago.

Lastly, I think it's important to acknowledge how Harsco has risen to the challenges of the COVID-19 pandemic, continuing to **provide essential services to all our customers while ensuring the health and safety of our employees.** Just weeks into the pandemic, we published our HarscoCares COVID-19 Global Principles, which are new policies and procedures to further protect the health and safety of our employees, customers and their families.

Our Global Principles are consistent with our focus on Employee Care as one of the core Harsco Values. **We will continue to focus on the health and safety of our employees, customers and the communities** where we operate, while working diligently to provide our customers with the services and products they need.

We recognize that these efforts are only the beginning, and there is much work to be done. But, I want all our stakeholders to know that **advancing sustainability and being a more purpose-driven company will play an essential role in Harsco's future.**



F. Nicholas Grasberger
Chairman and Chief Executive Officer



Our Vision and Strategy

Our vision is to be a global leader of environmental solutions. We deliver innovative solutions, environmental services and products to our customers.



GLOBAL SITUATION

Currently society uses **1.7 times Earth's natural resources every year** — an unsustainable natural resource debt where just **8% of extracted resources were recycled or reused in 2020** (Circularity gap report). Transitioning to a lower-carbon, circular economy is a pressing global challenge that can help alleviate the pressures on our natural resources and climate. Recycling and repurposing key raw materials is critical to reduce this natural resource debt and help address a changing climate as we shift toward a more circular economy.



Society uses
1.7x Earth's
resources



8% of extracted
resources
recycled or reused

OUR SOLUTIONS



We are solving environmental challenges for our customers while providing environmental benefits for society at large.



Our treatment, recycling and repurposing of industrial waste and byproducts help accelerate the circular economy, preserve natural resources and reduce carbon emissions.

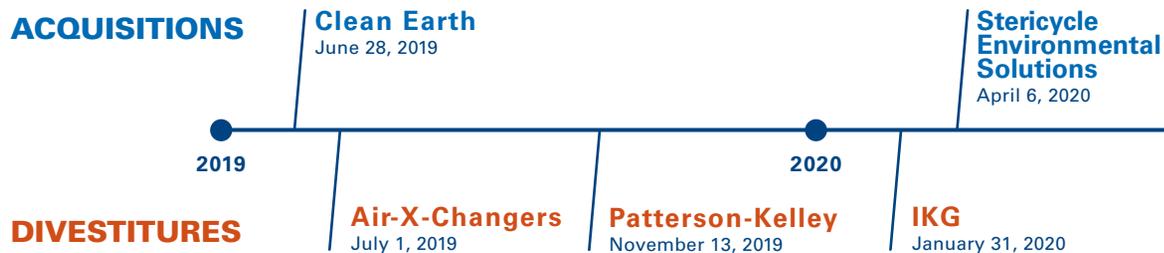
OUR TRANSFORMATION TOWARDS A SINGLE THESIS ENVIRONMENTAL SERVICES COMPANY

We are transforming into a global, market-leading, single-thesis environmental solutions platform. Through our transformation, we are creating greater long-term value for our shareholders by shifting to a less cyclical, capital-light business with higher growth potential. In 2019 and 2020, Harsco’s industry classification has been changed to waste management or environmental services by leading industry classification standards including the Global Industry Classification Standard and Industry Classification Benchmark.



KEY COMPANY STATISTICS

TIMELINE 2019 – 2020



CURRENT DIVISIONS



HARSCO IN NUMBERS



\$1.5BN
2019 revenue



30+
countries



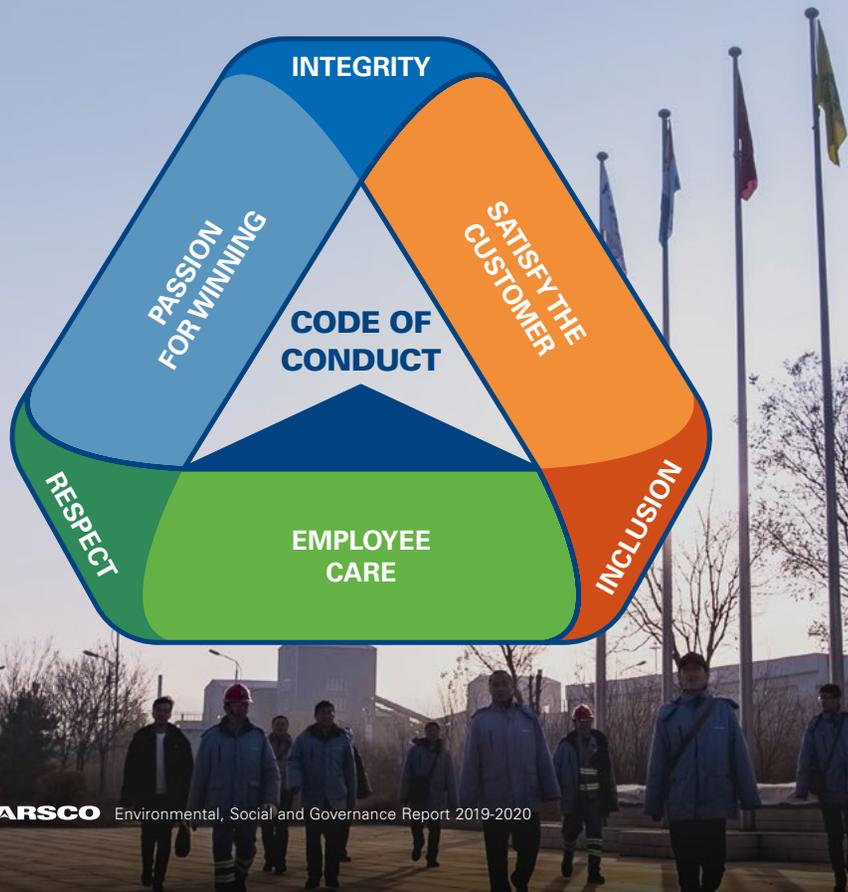
13,000
employees



170+
years in business

Values and Governance

As the cornerstone of our shared culture, our Harsco 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.



OUR SIX CORE VALUES

EMPLOYEE CARE

We are committed to safe, appealing work environments, market-competitive benefits programs and investment in personal development.

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.

SATISFY THE CUSTOMER

We are engaged in the relentless pursuit of customer satisfaction by listening to their 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.

INTEGRITY

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.

RESPECT

We respect all individuals and their contributions with zero tolerance for discrimination or harassment. Our employees must have a safe, respectful workplace.

CORPORATE GOVERNANCE

Excellence in corporate governance is fundamental to how we manage and operate Harsco, from our everyday business to ESG issues. Harsco’s Values and policies are integrated within our [Code of Conduct](#). This Code applies to all Harsco operations, including subsidiaries. All employees are required to complete Code of Conduct training upon joining Harsco, and all vendors must agree to follow Harsco’s [Business Partner Code of Conduct](#).



BOARD OF DIRECTORS

Eight members serve on Harsco’s Board of Directors, seven of whom are independent. Board members are elected annually. There are three standing committees: the Audit Committee, the Management Development and Compensation Committee, and the Governance Committee. Oversight of ESG issues is provided by the Governance Committee. Our Board of Directors’ biographies, committee charters, and our governance guidelines are posted on our corporate governance [website](#).



Harsco Board of Directors visit a Harsco Environmental site in the Netherlands

KEY GOVERNANCE 2019-2020 ACHIEVEMENTS



Increased ESG oversight at the director level by expanding the Governance Committee’s review of ESG strategy, initiatives and policies, including emerging ESG issues, laws and regulations.



Kathy Eddy and Carolann Haznedar, two of our Directors, were recognized by WomenInc. as two of the 2019 Most Influential Corporate Board Directors.



Established new executive leadership oversight on environmental strategy, management and compliance.



Enhanced focus on ESG in the 2020 enterprise risk management process.



Released a new corporate [human rights policy](#) in May 2020.



Continued our focus on the Global Compliance & Ethics program with increased communications and training.

COMPLIANCE AND ETHICS

We have a dedicated Global Compliance & Ethics program that reinforces our uncompromising commitment to doing business the right way. The 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 also has a Vice President of Global Compliance & Ethics, who is responsible for leading a global compliance team that proactively drives the company’s ethics and compliance program through frequent trainings and communications. The program builds awareness and reinforces the importance of following Harsco’s Code of Conduct and our policies on a broad array of topics, such as anti-bribery/anti-corruption, due diligence, and conflicts of interest.

KEY COMPLIANCE ACCOMPLISHMENTS IN 2019-2020 INCLUDE:

- 1 The launch of Compliance Councils - composed of cross-functional leaders within each business to address relevant “A-Z” compliance issues and promote direct ownership of compliance and ethics by management.
- 2 The launch of a compliance assessment initiative to measure awareness of key compliance principles and resources, management’s “tone from the top,” and the effectiveness of our program. Results of the assessment are discussed with management and plans are developed to address any necessary remedial actions.
- 3 Adding root cause analysis or “lessons learned” as a required step in our investigations to ensure proper remedial actions beyond discipline are implemented after an investigation of misconduct is closed.



COMPLIANCE DAY 2020

On March 11, 2020, Harsco employees around the world – including our Executive Leadership - participated in our first “Compliance Day.” The objective was to reinforce awareness about the importance of compliance and ethics at Harsco via engaging employees in a variety of fun and interactive activities. Simple, easy to share messaging for all levels of the organization was also provided. We received overwhelmingly positive feedback with strong participation.



Compliance Day in our Harsco Environmental office in Rio de Janeiro, Brazil.

Our Focus Areas, Goals and KPIs

As part of our ESG strategy, we have identified four focus areas where Harsco can deliver value for our business and positive outcomes for our stakeholders – **Innovative Solutions, Safe Workplaces, Inspired People** and **Thriving Environment**. We define our ambition, goals and key performance indicators (KPIs) for our focus areas below and provide more details on our actions and progress in the following sections of the report.

In 2019, we conducted a materiality assessment of ESG issues and identified 10 key sustainability risks and opportunities which inform our 4 focus areas:

- Waste & Hazardous Materials Management
- Employee Attraction & Retention
- Ethics & Competitive Behavior
- Human Rights & Labor Management
- Health & Safety
- Air Quality & Management
- Water & Wastewater Management
- Climate Change & GHG Emissions

Focus area	Ambition	Goals / KPIs
 Innovative Solutions	Help our customers solve their most pressing sustainability challenges.	<ul style="list-style-type: none"> • Derive over 90% of our annual revenue from environmental products and services • Aggressively grow our portfolio of environmental solutions • Maximize the amount of customer waste and byproduct material we recycle or repurpose
 Inspired People	Support the growth and development of our employees and communities.	<ul style="list-style-type: none"> • Achieve 90% participation rate in annual employee engagement survey • Enhance diversity and gender representation on our Board and senior management • Contribute over 10,000 hours of employee volunteer service with community organizations
 Safe Workplaces	Ensure our people return home unharmed every day.	<ul style="list-style-type: none"> • Achieve a Total Recordable Incident Rate (TRIR) less than 1.25 in 2020 • Demonstrate year over year improvement in our five-year safety record
 Thriving Environment	Reduce our environmental impacts.	<ul style="list-style-type: none"> • Demonstrate year over year improvement in our five-year environmental compliance record • Reduce the energy and carbon intensity of our operations by 15% by 2025 • Quantify carbon emissions avoided from Harsco Environmental's recycling and repurposing solutions



Innovative Solutions

Deliver innovative solutions to help our customers solve their most pressing sustainability challenges.

STRATEGIES

1 **SCALE UP** our proven environmental solutions to new markets and customers.

2 **DEVELOP** new solutions that meet unmet market needs or operate in a more efficient, effective manner than current market solutions.

3 **INVEST** in and partner with innovative start-ups and businesses that offer sustainable solutions.

HIGHLIGHTS IN 2019-2020

Harsco Environmental's Applied Innovation team deployed two of its high efficiency mobile metal recovery plants in Turkey and India in 2019 and 2020. Our mobile plants processed over 1 million tons of material in 2019 – recovering metal from customer waste stockpiles using less energy per ton of material processed than our fixed plants.



Clean Earth equipped its centralized water treatment plant in Detroit, Michigan to accept PFAS-contaminated water and other emerging contaminants, making it one of the first large scale PFAS water treatment facilities in Michigan.



Harsco Rail introduced its new TX16 Production and Switch Tamper for high production and accurate track correction. The TX16's increased productivity rate and reduced weight, coupled with the higher-efficiency systems, results in significantly lower fuel consumption per mile of tamped track and a reduced carbon footprint.



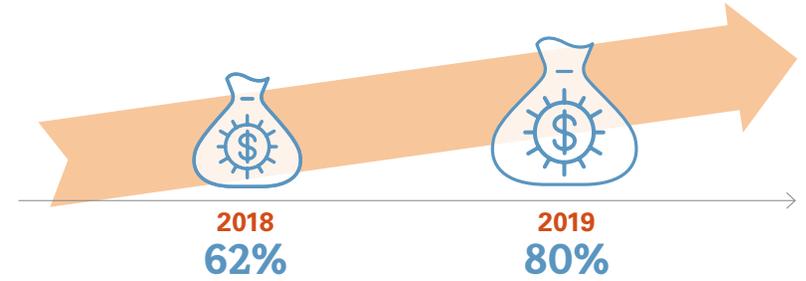
OUR RECYCLING & REPURPOSING SOLUTIONS

We deliver solutions for treating, recycling and repurposing materials across a wide range of customers, industries, and industrial byproducts and specialty wastes, including steel, aluminum, soils, water, electronics, fuel, batteries and more.

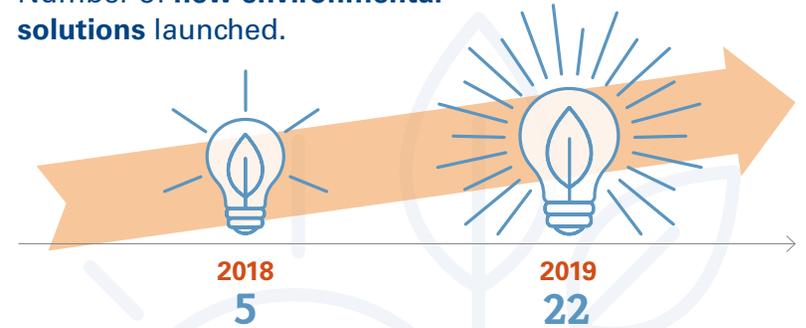


KPIs

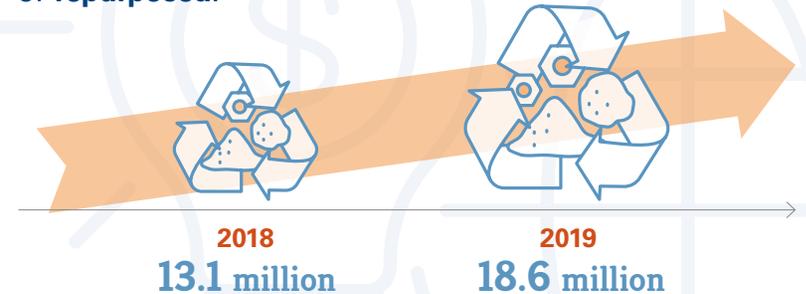
Percentage of **total revenue** from environmental solutions.



Number of **new environmental solutions** launched.



Tons of **material recycled or repurposed**.





Inspired People

Inspire people through a diverse and inclusive company culture that recognizes, supports and encourages personal development and community contributions.

STRATEGIES

- 1** **INVEST** in the career development of our global employees.
- 2** **FOSTER** a diverse and inclusive culture, knowing that diversity of perspectives, backgrounds, and talents strengthens our business.
- 3** **ENGAGE** our employees through our annual engagement survey and Feed Forward program.
- 4** **RECOGNIZE** our employees through our Global Impact Awards program.
- 5** **ENHANCE** our focus on sustainability and education in our community engagement and charitable giving.

HIGHLIGHTS IN 2019-2020

We expanded our portfolio of employee training and development with our **Supervisor 101/202**, **Certified Harsco Leader** and **Commercial Effectiveness** programs in Harsco Environmental.



We launched a company-wide leadership development series in response to COVID-19: "Leading Through Crisis"

Harsco received recognition as a Winning "W" company by **2020 Women on Boards** for having at least 20% women on our board of directors in 2019.

Over 100 individuals and teams across Harsco were recognized in 2019 in our fifth annual Impact Awards.



As part of our Employee Care initiative, we launched a COVID-19 microsite to keep employees informed and connected with timely information on health & safety, working effectively remotely and enabling employees to share photos of themselves and their families. The microsite averaged over 10,000 page views per month.

INTERNATIONAL DAY OF WOMEN AND GIRLS IN SCIENCE

In celebration of International Day of Women and Girls in Science and women's empowerment, we hosted a week-long **social media series featuring Harsco women leaders in technical roles** across the company.



KPIs

Participation in annual employee survey.

80%
2019



Gender Diversity & Retention.



Annual charitable giving and employee volunteerism.



2019



5,500 hours
EMPLOYEE VOLUNTEER CONTRIBUTIONS

2019



Safe Workplaces



Keep our people safe through the highest safety standards on all our sites, ensuring our people return home unharmed every day.

STRATEGIES

1 **ESTABLISH** a culture of ownership and accountability in which everyone is responsible for safety.

2 **DEVELOP** leading safety practices and provide comprehensive training programs.

3 **MONITOR** our safety performance and striving to continuously improve our safety processes, programs, and procedures.

HIGHLIGHTS IN 2019-2020

We engaged a leading third party to review our safety program and implemented a number of the recommendations from the evaluation, including a new corporate [health & safety policy](#).

We implemented **HarscoCares COVID-19 Global Principles** at all facilities to ensure the health & safety of our people around the world through the COVID-19 crisis.

Harsco Environmental moved to a multisite certification in its EMEA region for **ISO 9001/14001/18001** – achieving new certifications at 9 sites in Spain and France in the process.

Our Clean Earth division launched a new **Management of Change** program in 2019.

Harsco Environmental's Tangshan site closed 2019 with a **new safety record**: 1,750,895 hours of Lost Time Incident Free.



HARSCO RAIL NORTH AMERICA CONTRACT SERVICES TEAM CEO IMPACT AWARD

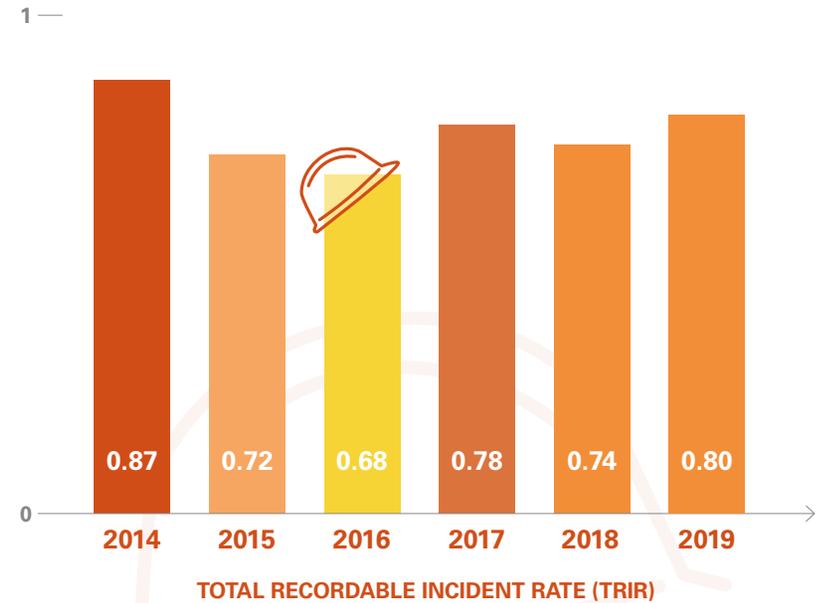
Harsco Rail’s North America Contract Services Team, which provides track maintenance service for Class 1 railroads, was awarded a 2019 CEO Impact award for the team’s safety excellence. The CEO Impact Award is the highest award selected by our Chairman & CEO, Nick Grasberger. Below are a few of the team’s accomplishments during the 2019 calendar year:

- 1** Developed and implemented a robust training calendar to ensure all crew members are aware of risks and how to control them in their daily activities. Finished the year with a 100% completion rate for all courses.
- 2** Received the National Railroad Construction & Maintenance Association (NRC) Platinum Award for Safety Excellence two years in a row, 2018 and 2019. This is the NRC’s highest award for safety excellence.
- 3** Completed 2019 with a Total Recordable Injury Rate of 0.00 and a Major Injury Rate of 0.00. The North America Contract Services team’s last recordable injury was May 15, 2013.



KPIs

Total Recordable Incident Rate.



Number of ISO 18001 / 45001 certified (Health & Safety Management) sites.





Thriving Environment

Reduce our environmental impacts globally through our commitment to the highest quality environmental management practices and continuous improvement.

STRATEGIES

- 1** **ESTABLISH** our leadership commitment through our corporate environmental policy and executive oversight.
- 2** **IMPLEMENT** environmental management systems consistent with ISO 14001 or other leading management standards.
- 3** **TRACK** our environmental performance across key performance indicators and through regular audits of our operations' environmental compliance.
- 4** **SET** objectives and targets to improve our environmental performance.
- 5** **MONITOR** emerging environmental trends and issues that may impact our business.

HIGHLIGHTS IN 2019-2020

We released a new [corporate environmental policy](#) in August 2019.

We completed the first enterprise baseline study of energy use and greenhouse gas (GHG) emissions for 2018 and 2019 with a review by Internal Audit.



In North America, Harsco Environmental implemented an asset management tool across over 300 mobile assets to improve efficiency of vehicle movements and reduce idling. This resulted in a 10% reduction of diesel fuel consumption and emissions. We plan to roll out this fleet management strategy globally.

We established new business processes and systems to systematically collect, analyze and report energy and GHG emissions data through our ERP systems.

We set our first corporate-wide energy and carbon reduction targets.

We [joined Responsible Steel](#), the world's first sustainability standard for the steel industry.



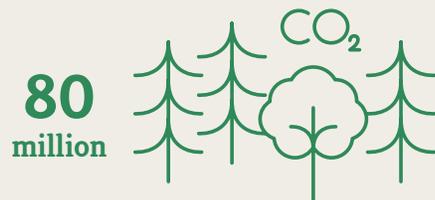
EMISSIONS AVOIDED FROM OUR RECYCLING ACTIVITIES

We estimate the recycling activities and value-added products of Harsco’s Environmental division in 2019 contributed to the avoidance of **over 5 million metric tons of carbon emissions**. This benefit can be passed-on to our customers and helps contribute to a lower-carbon, circular economy.

THIS AMOUNT IS:



Nearly **20 times Harsco’s annual carbon emissions** (scope 1 and 2).



Equivalent to the carbon sequestered **over 10 years by more than 80 million trees** (EPA GHG Equivalencies Calculator).

KPIs

Number of **ISO 14001 certified** (Environmental Management) **sites**.



	Energy intensity.	Scope 1 & 2 GHG emissions intensity.
2018	 2,800 GJ / million \$	 190 mt CO ₂ e / million \$
2019	 3,000 GJ / million \$	 197 mt CO ₂ e / million \$

GRI Code	Governance	
Organizational Profile		
102-1	Name of the organization	HARSCO CORPORATION [NYSE: HSC]
102-2	Activities, brands, products, and services	Divisions: Clean Earth, Harsco Environmental, Harsco Rail; Harsco is a provider of environmental solutions for industrial and specialty waste streams and innovative technologies.
102-3	Location of headquarters	350 Poplar Church Road; Camp Hill, PA 17011
102-4	Location of operations	Operations in 30 countries
102-5	Ownership and legal form	Publicly traded on NYSE
102-6	Markets served	Global
102-7	Scale of the organization	2019 revenue: \$1.5BN
102-8	Information on employees and other workers	Employees: 13,000
102-10	Significant changes to the organization and its supply chain	Page 5
Strategy		
102-14	Statement from senior decision-maker	Page 3 , CEO letter
102-15	Key impacts, risks, and opportunities	Page 4 – 5 , Our Vision and Strategy
Ethics & Integrity		
102-16	Values, principles, standards, and norms of behavior	Page 6 – 8 , Values and Governance
102-17	Mechanisms for advice and concerns about ethics	Harsco Integrity line
Governance		
102-18	Governance structure	www.harsco.com/corporate-governance
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance Committee
Reporting Practices		
102-46	Defining report content and topic Boundaries	Page 2
102-47	List of material topics	Page 9
102-48	Restatements of information	No restatements of information
102-49	Changes in reporting	No significant changes
102-50	Reporting period	July 2019 to June 2020
102-51	Date of most recent report	2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Cope Willis, VP of Sustainability

ESG Policies

- [Code of Conduct ↗](#)
- [Business Partner Code of Conduct ↗](#)
- [Environmental Policy ↗](#)
- [Health & Safety Policy ↗](#)
- [Human Rights Policy ↗](#)
- [Anti-Bribery / Anti-Corruption Policy ↗](#)

GRI Code	Environmental	2019	2018	SASB Code
Environmental Solutions				
	Percent of annual revenue from environmental solutions (%)	80%	62%	
	Number of new solutions launched annually	22	5	
Energy¹				
302-1	Direct energy use (GJ)	3,979,760	3,190,151	
302-1	Indirect energy use (GJ) ²	552,887	570,671	
302-1	Total energy use (GJ) ³	4,532,647	3,760,821	RT-IG-130a.1
GHG Emissions^{1,4}				
305-1	Scope 1 (t CO ₂ e)	249,845	210,062	IF-WM-110a.1
305-2	Scope 2 (t CO ₂ e)	46,283	46,187	
305-3	Scope 3 (t CO ₂ e) ⁵	31,126	30,690	
	Emissions avoided from recycling activities	5,500,000		
Recycling & Resource Recovery				
	Amount of material recycled (tons)	18,620,960	13,151,818	IF-WM-420a.3
Environmental Management				
	Number of facilities certified to ISO 14001	50	49	
GRI Code	Social	2019	2018	SASB Code
Health & Safety				
403-2	Total recordable incident rate	0.8	0.74	IF-WM-320a.1
	Number of facilities certified to ISO 18001/45001	51	50	
Gender Representation				
405-1	Gender representation of Board (% Female / % Male)	25% / 75%	25% / 75%	
405-1	Gender representation of Executive Officers (% Female / % Male)	20% / 80%	20% / 80%	
405-1	Gender representation of Senior Management (% Female / % Male)	19% / 81%	32% / 68%	
401-1	Retention rate (% Female / % Male)	72% / 88%	86% / 85%	
Employee Engagement				
	Percent of total employees participating in annual employee survey (%)	80%	90%	
Community Engagement				
	Charitable contributions (\$)	\$295,685	\$299,317	
	Employee volunteer hours	5,500		

NOTES:
 1. Energy and GHG emissions data for 2018 and 2019 are reported for major operating / manufacturing facilities of Harsco's continuing operations based on best available information and do not include the discontinued operations associated with Harsco's Industrial division.
 2. For Harsco Environment, indirect energy use includes electricity provided by some customers as part of contract services and in some cases relies on customer provided electricity consumption data or must be estimated based on best available information.
 3. Total energy use increased from 2018 to 2019 due to M&A activity in 2019 and the resulting changes in our enterprise energy baseline.
 4. GHG emissions estimates made based on GHG Protocol's corporate standard.
 5. Scope 3 emissions estimates include business air travel and emissions from electricity provided by customers as part of contract services.

HARSCO

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Corporate Headquarters**

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