Trucost was engaged by Schnitzer Steel Industries, Inc. to provide assurance of selected environmental data for its 2017 Sustainability Report

**Intended users**
The intended users of this assurance statement are the management and stakeholders of Schnitzer Steel Industries, Inc (hereafter “Schnitzer Steel”).

**Responsibilities of Schnitzer Steel and assurance provider**
The management of Schnitzer Steel has sole responsibility for the preparation and content of its 2017 Sustainability Report. Trucost’s statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

**Assurance standard**
Trucost undertook the assurance in accordance with AA1000AS (2008) Type 2 moderate-level assurance, covering:

- Evaluation of adherence to the AA1000APS (2008) Principles of inclusivity, materiality and responsiveness (the Principles)
- The reliability of selected environmental performance information (greenhouse gas emissions, water use and waste generated).

Trucost used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate Schnitzer Steel’s performance information and adherence to the Principles.

**Scope and limitations**
Trucost was engaged to assure the data and claims in Schnitzer Steel’s 2017 Sustainability Report. This submission covered the period 01 September 2016 – 31st August 2017. This assurance analysis excluded the greenhouse gas emissions associated with Schnitzer Steel’s steelmaking operations. This assurance statement relates specifically to the select environmental performance information disclosed in the Sustainability Report, and may not be interpreted as validating environmental data reporting from other sources.

<table>
<thead>
<tr>
<th>SCOPE</th>
<th>SOURCE</th>
<th>UNIT</th>
<th>QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG Scope 1*</td>
<td>Natural gas, Diesel, Biodiesel, Gasoline, Ethanol, Fuel Oil, Kerosene, Propane and Acetylene</td>
<td>Metric tons</td>
<td>92,705</td>
</tr>
<tr>
<td>GHG Scope 2</td>
<td>Electricity</td>
<td>CO₂e</td>
<td>47,398</td>
</tr>
<tr>
<td>Water</td>
<td>Purchased and well water</td>
<td>m³</td>
<td>1,107,027</td>
</tr>
<tr>
<td>Solid waste</td>
<td>Landfill disposal</td>
<td>Metric tons</td>
<td>51,636</td>
</tr>
<tr>
<td></td>
<td>Recycled</td>
<td>Metric tons</td>
<td>567,914</td>
</tr>
<tr>
<td></td>
<td>Energy recovery</td>
<td></td>
<td>7,984</td>
</tr>
</tbody>
</table>

*Note: the scope 1 emissions included within the assurance do not include fugitive or process emissions associated with Schnitzer Steel’s steelmaking operations, which are reported to the Oregon Department of Environmental Quality and the US EPA under greenhouse gas reporting regulations.

**Methodology**
Trucost’s assurance methodology included the following activities:

- Review of the processes by which Schnitzer Steel defines the sustainability issues that are relevant and material to its operations and its stakeholders;
- Interviews with employees responsible for sustainability data collection and drafting of the Sustainability Report;
- Assessment of the extent to which Schnitzer Steel’s Sustainability Report and internal processes adhere to the Principles;
- Limited assessment of evidence provided to support key claims about selected environmental performance information;
- Review of processes and systems used to gather and consolidate environmental data; and
- Verification of data accuracy for a selection of sites, including an audit of conversion factors and calculations used.

**Findings, conclusions and recommendations**

*The principles:* Nothing came to Trucost’s attention to suggest that the Schnitzer Steel’s Sustainability Report does not adhere to the Principles.

*Data reliability:* Trucost did not find evidence to insinuate that the processes and systems in place to collect and collate environmental data are such that the company’s environmental performance would be erroneously described.
Findings, conclusions and recommendations
(continued)
Schnitzer Steel has implemented excellent processes and software systems to collect relevant data and uses a spreadsheet tool to calculate greenhouse gas emissions, water use and solid waste generation. Consumption data on energy, fuels, water, and waste was reviewed from original invoices.

Upon evaluating this system, Trucost found that the environmental performance data included was accurate and all minor edits were made as necessary. Trucost also found that the greenhouse gas conversion factors applied in the calculation spreadsheet were accurate and applied correctly. Trucost recommends that these emission factors continue to be updated annually or as available.

Assurance provider
Trucost has been researching, standardizing and validating corporate environmental performance data since 2000. Trucost’s research team has the relevant professional and technical competencies and experience to conduct an assurance to the AA1000 standard. Trucost did not provide any services to Schnitzer during FY2017 that could conflict with the independence of this work. This is the fourth year that Trucost has assured Schnitzer’s environmental data held within its response to CDP.

Trucost, part of S&P Dow Jones Indices
London, April 2018

Libby Bernick
Global Head of Corporate Business
Trucost was engaged by Schnitzer Steel Industries, Inc. to provide assurance of selected environmental data for its 2018 Sustainability Report.

**Intended users**

The intended users of this assurance statement are the management and stakeholders of Schnitzer Steel Industries, Inc (hereafter “Schnitzer Steel”).

**Responsibilities of Schnitzer Steel and assurance provider**

The management of Schnitzer Steel has sole responsibility for the preparation and content of its 2018 Sustainability Report. Trucost’s statement represents its independent and balanced opinion on the content and accuracy of the information and environmental data held within.

**Assurance standard**

Trucost undertook the assurance in accordance with AA1000AS (2008) Type 2 moderate-level assurance, covering:

- Evaluation of adherence to the AA1000APS (2008) Principles of inclusivity, materiality and responsiveness (the Principles)
- The reliability of selected environmental performance information (greenhouse gas emissions, water use and waste generated).

Trucost used the Global Reporting Initiative (GRI) and the GHG Protocol to evaluate Schnitzer Steel’s performance information and adherence to the Principles.

**Scope and limitations**

Trucost was engaged to assure the data and claims in Schnitzer Steel’s 2018 Sustainability Report. This submission covered the period 01 September 2017 – 31st August 2018. This assurance analysis excluded the greenhouse gas emissions associated with Schnitzer Steel’s steelmaking operations. This assurance statement relates specifically to the select environmental performance information disclosed in the Sustainability Report, and may not be interpreted as validating environmental data reporting from other sources.

### Findings:

**The principles:** Trucost has seen sufficient evidence to suggest that Schnitzer Steel’s data and reporting of such within the Sustainability Report, as covered by the scope and boundary of this statement, adheres to the Principles.

**Data reliability:** Trucost has been presented sufficient evidence to provide confidence that Schnitzer has effective processes and systems in place to collect and collate environmental data such that the company’s environmental performance is accurately described.
Evidence has been seen of Schnitzer Steel’s work to strengthen confidence in data collections and reporting. Trucost considers Schnitzer Steel to have excellent process and systems in place. Consumption data on energy, fuels, water, and waste was reviewed from original invoices. Upon evaluating this system, Trucost found that the environmental performance data included was accurate and all minor edits were made as necessary. Trucost also found that the greenhouse gas conversion factors applied in the calculation spreadsheet were accurate and applied correctly.

**Recommendations:**
Trucost recommends that applicable emission factors continue to be updated annually or as available.

**Assurance provider**
Trucost has been researching, standardizing and validating corporate environmental performance data since 2000. Trucost’s research team has the relevant professional and technical competencies and experience to conduct an assurance to the AA1000 standard. Trucost did not provide any services to Schnitzer during FY2018 that could conflict with the independence of this work. This is the fifth year that Trucost has assured Schnitzer’s environmental data held within its public reporting.

**Trucost, part of S&P Dow Jones Indices**
London, October 2018

Libby Bernick
Global Head of Corporate Business