

**F. Nicholas Grasberger III**  
*Chairman and Chief Executive Officer*



## Fellow Stockholders:

This past year has been one of unprecedented challenge and change at Harsco. Last year, in my annual letter to shareholders, with an eye on our transformational journey to becoming a global, market-leading environmental solutions company, I wrote: “If a business is to succeed, it must adapt to the ever-shifting climate in which it operates.” Candidly, as I wrote this, I was thinking about another acquisition. I could not have imagined that our ever-shifting environment would be a virus that unleashed havoc and devastating disruption on the global population and economy, changing many lives and businesses forever.

From day one of our COVID-19 response, our focus has been on employee care, business continuity and liquidity. Armed with our Employee Care Value, which is more than a commitment but a promise to our employees to create a safe and healthy workplace for them, we quickly established the HarscoCares COVID-19 Global Principles. These standards set policies firmly in place that applied to everyone, everywhere and included mandatory face mask wearing, social distancing and hand washing. We swiftly closed offices where we determined our employees could work from home. We worked hard to establish all on-site employees across all divisions as essential workers, enabling them to continue to serve our customers during lockdowns, while procuring personal protection equipment to ensure their health and safety as well as that of their families, loved ones and our customers. We also launched a microsite that more than 76 percent of our employees have accessed and has been benchmarked by many other companies, most much larger than us.

I have long said that our 13,000 employees are our most valued asset, and this is more evident today than ever. Their performance during a global pandemic is outstanding, and I have difficulty putting into words how appreciative I am of their contributions during this difficult time.

To ensure business continuity and liquidity, we immediately implemented actions to reduce SG&A and boost operating earnings, resulting in \$20 million in savings this past year. We also significantly decreased our capital spending to support free cash flow, resulting in \$65 million to our bottom line. And importantly, we amended our credit agreement to provide additional financial flexibility if we were to need it.

The results of these actions were positive considering the backdrop we were operating against. Overall, our financial performance has been solid. Harsco Environmental exceeded our expectations given that at one time almost half of its sites were either shut down or significantly impacted by COVID-19. Our Clean Earth division met expectations, while our Rail division, despite a stellar first half of the year, saw the rail transport industry bottom out in the second half of 2020 and fell short of plan.

Despite the pandemic, but staying true to our word, we closed on another major acquisition with our purchase of Stericycle's Environmental Solutions (ESOL) business last April. With a network of 13 federally-permitted treatment, storage and disposal facilities (TSDFs) across the United States, ESOL collects, receives and processes more than half a million tons of hazardous waste annually, serving more than 90,000 customer locations with 450,000 service stops annually. The addition of ESOL to the Clean Earth hazardous waste platform is a unique opportunity for Harsco to bring together two highly complementary market-leading waste management portfolios and establishes our Company as the owner of one of the largest networks of federally-permitted waste management sites in the U.S. ESOL expands Clean Earth's geographic scope from primarily the northeast United States to the entire country. The purchase of ESOL was absolutely a strategic move, but it fit into our corporate ethos as well.

We believe our long-term success depends not only on our financial performance, but also on our contributions to society and the value we deliver to our customers, employees, suppliers, shareholders and communities. Today, environmental solutions and services comprise nearly 85 percent of Harsco's total revenue, up from less than 65 percent of total revenue in 2018.

I'm proud to say that we are making a difference and others are noticing. In 2020, for the very first time, Harsco was named one of "America's Most Responsible Companies" by *Newsweek* magazine. We also received an invitation to join one of the steel industry's most exclusive clubs: Responsible Steel. This non-profit organization's mission is to maximize steel's contribution to a more sustainable society and its member lists contain some of the largest companies in the world, which, like us, are committed to making the world a better place. Last year, Harsco also released its largest and most comprehensive ESG Report, transparently outlining our ESG goals and progress to date, while recognizing that there is still much work to be done. All this corporate diligence led to significant improvements in our ESG ratings, which I believe makes Harsco more appealing to ESG-oriented investors while improving our reputation on Wall Street. External recognitions are proof-points that we are on the right path.

We ended 2020 with the confidence that we have diligently worked to mitigate the impact of COVID-19 and were largely successful in an extremely difficult environment. I begin this year with the hope that the vaccine rollouts will minimize the health risks associated with COVID-19 and stabilize the global economy. This will be an important year for Harsco as we continue to lay the foundation for the next steps in our transformational journey. Our direction is clear, our strategy is working, and our future is promising.

Thank you for your continued support, trust and confidence.

A handwritten signature in black ink, appearing to read "F. Nicholas Grasberger III". The signature is fluid and cursive, with a stylized "F" and a long, sweeping underline.

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Chairman and Chief Executive Officer  
March 10, 2021