January 19, 2021

Dear Valued Customer,

This letter is in response to your inquiry regarding the scrap usage at our only manufacturing facility in Ghent, KY. NAS uses recycled scrap to produce stainless steel flat products and long products. The type of scrap includes both stainless and carbon, and is a mixture of post-consumer, and pre-consumer (i.e, home scrap). The recycled content varies per heat and grade of steel. The average recycled content for 2020 was approximately 81.7%. Post-consumer scrap is defined as waste material generated by households or by commercial, industrial, and institutional facilities in their role as end-users of the product which can no longer be used for its intended purpose. However, NAS does not guarantee any specific recycled content per steel grade or heat. NAS's goal is to maximize the quantity of scrap used per heat while maintaining the quality of the steel.

Post-Consumer Recycled Content	Pre-Consumer Recycled Content	Total Recycled Percentage
64.9 %	16.8 %	81.7%

The stainless and carbon scrap are procured from sources in North America. At NAS, scrap is melted to produce slabs and billets in Ghent, Kentucky. The slabs and billets are then further processed at our Ghent facility to make a variety of coils and long products.

Stainless Steel is a closed loop or self-sustainable material in that stainless is 100% recyclable. It is considered a valuable material at the end of the life cycle providing consumer motivation to ensure the material is directed back into the scrap stream to be recycled. This conserves natural resources further reducing energy consumption in the mining and refining process of the valuable elemental components (such as Iron, Nickel, Chromium, etc.).

If you have any questions please do not hesitate to contact me or your NAS Sales Representative at 502-347-6000, or via our website.

Sincerely,

Anil Yadav
Vice President of Operations
North American Stainless