



Create a world
without waste
to preserve
our planet

Sustainability Report 2020

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ABOUT US

Key Enabler of the Circular Economy

ABOUT US

2020 Sustainability Highlights

The Sims Purpose



24.6k
tonnes of cloud
material recovered



>600k
tonnes of municipal
curbside recycling
processed



8.2m
tonnes of secondary
metals recycled



450k
MWh of base-load renewable
energy generated via LMS
Energy (powers 80,000
homes per annum)

Managing Sustainability



Sustainability strategy
and goals developed

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

Member of DJSI Australia Index
since 2009



wbcsd

Member

of the World Business Council for
Sustainable Development and
active contributor of the circular
economy program



China announced new
regulations classifying high-
quality non-ferrous scrap as a
“renewable metal”

Our Performance

\$135m¹

invested to close the loop on
our metal recycling process
over the past three years

LMS Energy added a

350kW

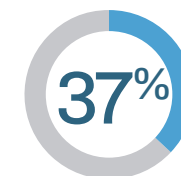
rooftop solar system at our
Gillman site, which meets ~15%
of its electricity needs



Won additional municipal
recycling contract in
Florida with contract terms
mitigating commodity risk



Commenced community consultation for the
first resource renewal facility planned in
Campbellfield, Victoria



Board of
Directors
are women



3
out of 12 ELT²
members are
female



14%
increase in reuse and
recycling of cloud material

¹ All currency figures referred to in this report are in Australian dollars unless otherwise stated.

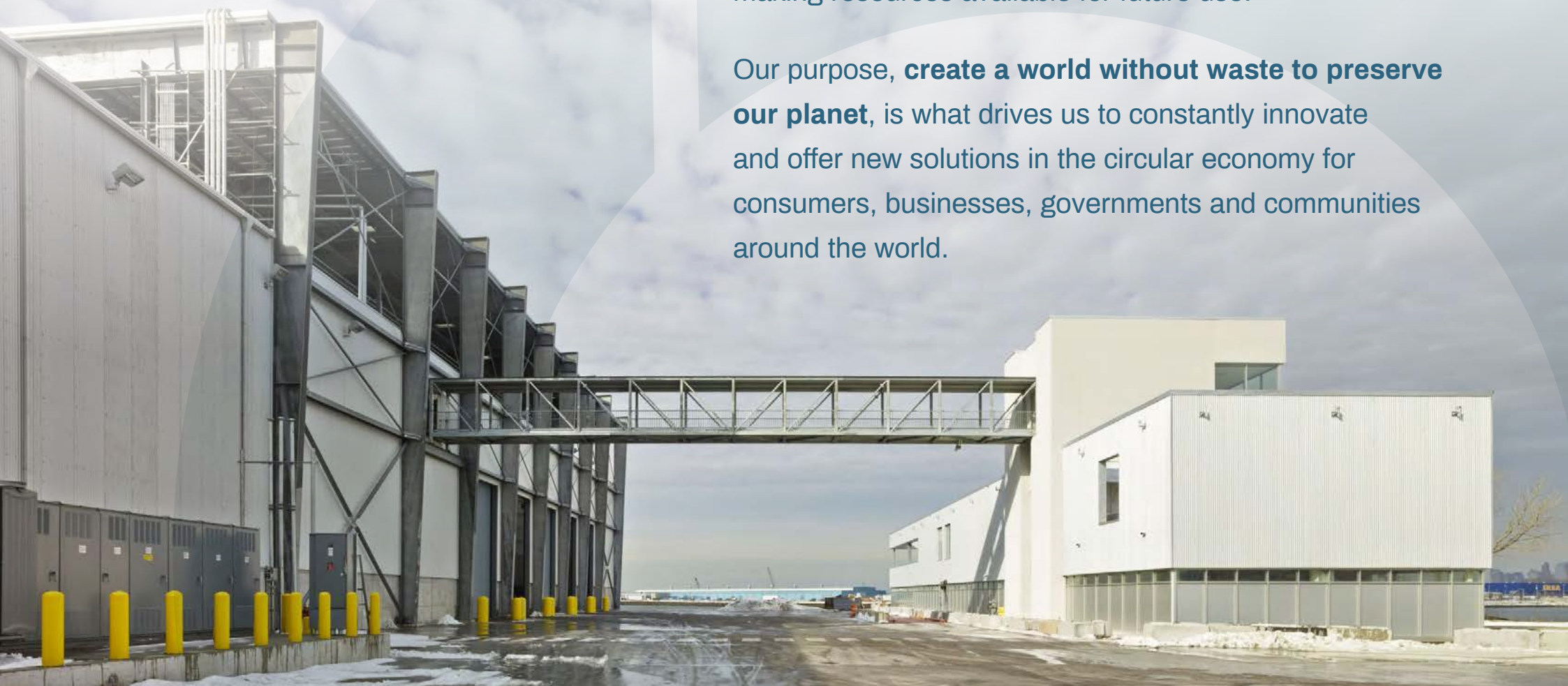
² Executive Leadership Team

ABOUT US

About Sims Limited

Sims Limited is a global leader in metal and electronics recycling, and an emerging leader in the municipal recycling and renewable energy industries. With more than 200 facilities and operations in 15 countries, Sims Limited plays an integral role in the circular economy by making resources available for future use.

Our purpose, **create a world without waste to preserve our planet**, is what drives us to constantly innovate and offer new solutions in the circular economy for consumers, businesses, governments and communities around the world.



ABOUT US

103 Years of Global Recycling Experience



200+

FACILITIES OPERATING IN
15 COUNTRIES

4,000

EMPLOYEES



103

YEARS OF RECYCLING
EXPERIENCE

\$4.9bn

SALES REVENUE IN 2020



	%
Other	41.7
Turkey	17.1
United States	19.5
China	9.8
Australia	8.7
South Korea	3.2

No single customer contributed 10 percent or more to the Group revenue for all the periods presented.

ABOUT US

At a Glance

Our Business Divisions



METAL RECYCLING

We buy, process and sell ferrous and non-ferrous recycled metals through our locations, primarily in Australia, the United Kingdom and the United States. We recover, process and sell steel, iron, copper and aluminium to manufacturers in 30 countries. Globally, we recover and recycle more than 8 million tonnes of scrap metal each year, and we continue to fortify and grow this area of our business through market optionality and operational excellence.

8.2m

TONNES OF **SCRAP METAL** RECYCLED IN FY20



ELECTRONIC LIFECYCLE SERVICES

We're a market leader in e-recycling, and we enable a range of industries to securely and responsibly reuse, recycle and manage the disposal of IT equipment and electronic products in a legally compliant, data secure, fully traceable and environmentally sustainable way. Data centre volumes increased 14 percent in FY20 to 24,600 tonnes compared to 21,600 tonnes in FY19. We're constantly exploring new innovative solutions to serve this vast emerging market by growing product stewardship and services for recycling the cloud, and closing resource loops for our customers.

24.6k

TONNES OF **CLOUD MATERIAL** RECOVERED IN FY20



MUNICIPAL RECYCLING

We lead urban recycling in New York City and manage a portion of the curbside recycling programme for Chicago – two of the largest urban areas in the U.S. We process and market more than 600,000 tonnes of municipal curbside material annually for New York City, Palm Beach County, and portions of New Jersey, Long Island and Chicago. We're evolving our municipal recycling capabilities to meet the needs of an ever-changing recycling landscape. Our mission is to develop transformative waste management solutions for the megacities of the future.

600k

TONNES OF **MUNICIPAL MATERIAL** RECYCLED BY SIMS MUNICIPAL RECYCLING IN FY20



RESOURCE RENEWAL

As part of our long-term growth strategy, we will expand our business offering to transform the material leftover following metals recycling – auto shredder residue (ASR), which currently is landfilled – into useful products for society. We will use proven, advanced plasma gasification technology, which will continually improve through our research and development. Our designs follow European emissions standards, which are the current global emissions benchmark. This line of business will allow us to close the loop on our own waste, reduce our local environmental footprint, save on landfill and energy costs, and develop a new revenue stream.

CONVERT
1m TONNES
OF **ASR** INTO QUALITY
PRODUCTS EACH YEAR BY
2030



RENEWABLE ENERGY

Our joint venture, LMS Energy, is a leader in landfill gas-to-renewable energy and an innovator in solar-on-landfill technology. LMS has a total of 27 landfill biogas-to-energy projects and 18 flaring projects in operation across Australia and New Zealand. These projects generate in excess of 450,000 megawatt hours of baseload renewable electricity annually, which powers 80,000 homes per annum. Additionally, LMS has five solar projects across Australia.

With 44 carbon abatement projects accredited under the Emission Reduction Fund, LMS has also been issued with more than 50 percent of all Australian Carbon Credit Units (ACCUs) under the landfill gas methodologies.

AN ESTIMATED
40m

TONNES OF **CARBON EMISSION REDUCTIONS** IN THE LAST 24 YEARS






ABOUT US

Sims Limited's Integrated Growth Strategy

Aligned with our purpose, we will grow current businesses (metals, electronics and municipal recycling) and expand into new environmental adjacencies.

Considering the major changes COVID-19 has had on the way we work, we reassessed our strategy and the global megatrends used to develop it. Both our strategy and global megatrends remain valid.

Strategic Growth: Targeting both a minimum 15% return on growth projects requiring capital and material Environmental, Social and Governance (ESG) benefits

Megatrends		Growth Strategy			FY20	FY25	FY25
Global push for high-quality metals		Expand metal volumes in favourable geographies	Ferrous Volumes ('000 tonnes)		6,301	9,600	1.8 million tonnes ¹ of additional metals recycled
			Non-Ferrous Retail Volumes ('000 tonnes)		141	300	
Growing demand for copper and aluminum scrap		Grow U.S. non-ferrous business	Resource Renewal Status		Pre-feasibility completed	Capacity 120k ASR tonne/year	145k tonnes ¹ of additional metals recycled
Increased environmental concerns		Enter resource renewal	Tonnes of cloud material		24,600	200,000	Converts 95% of ASR into useful products
An increasingly connected world		Recycle cloud infrastructure	Renewable energy (Megawatts)		67 ³	Under review	3.9 million ² units reused or redeployed
Increasing concerns around global warming		Expand proven landfill energy business overseas					~450k MWh ³ of renewable energy generated

¹ Based on an FY18 base year to FY25

² Estimated based on outcomes from 2019

³ Represents renewable energy generated by LMS Energy

ABOUT US

Chairman's Message

THE SIMS PURPOSE

In April 2019, we introduced the Sims purpose; create a world without waste to preserve our planet. This purpose demonstrates that sustainability is at the core of our business and is key to creating long-term shareholder value.

The world has changed significantly since we announced our purpose 18 months ago, with health, economic and societal challenges not faced for many years. The pandemic shows how deeply connected we are to one another, and the importance of working together to protect our health, way of life and planet. I am proud that Sims Limited is working with its employees, customers, partners, governments and communities to find ways to innovate and protect our environment.

Sims plays an integral role in the circular economy by making resources available for future use. Each year, Sims recycles millions of tonnes of secondary materials, diverting the material from landfills and reducing the need to extract new material. With 103 years of recycling experience, Sims will continue to innovate to find the safest and most effective technologies to recover and recycle materials, enabling Sims to achieve its purpose.

EXECUTING OUR STRATEGIC PLAN

Guided by the Sims purpose and our integral role in the circular economy, in FY19 we announced an ambitious five-year strategic plan. This plan set Sims on a path to pursue opportunities for growth

in its core metal and e-recycling businesses, and to reduce waste and produce clean energy to further long-term profitability and the reach of its sustainability efforts.

During FY20, Sims began executing this strategy. As part of Sims's five-year strategic plan, we announced our goal to reuse, redeploy, and recycle 200,000 tonnes of cloud material by the end of FY25. The "recycling the cloud" initiative demonstrates Sims' ability to play a critical role in helping businesses manage end-of-life technology and keep resources in use at their highest value for as long as possible. Despite the impact of the COVID-19 pandemic, Sims Lifecycle Services was able to grow its customer base during FY20 and remains on track to achieve its FY25 goal.

Our resource renewal programme is another component of our strategic plan, and an excellent example of our strategy to create a closed loop business model while generating attractive financial returns. In August, Sims announced its programme to transform the material left over following metal recycling into new, quality products, such as construction materials, electricity and feedstock for recycled plastics. The company aims to design and build 11 resource renewal facilities globally by 2030. The first facility is proposed for Campbellfield in Victoria and a research and development-focused pilot facility is proposed for Rocklea, Queensland.

THE SIMS PURPOSE:

**CREATE A WORLD
WITHOUT WASTE TO
PRESERVE OUR PLANET**



Geoff Brunson – Chairman

ABOUT US

CHAIRMAN'S MESSAGE *CONTINUED*

Key to Sims' strategic plan is its ability to innovate, whether it is installing new technology to increase metal yields or developing recycling solutions to meet the need in evolving industries, such as recycling the cloud. Our strategy provides the opportunity to further both long-term sustainability and profitability, to the benefit of our shareholders, employees, the communities in which we operate, our suppliers and our customers.

SETTING OUR SUSTAINABILITY STRATEGY

During FY20, Sims took another important step toward achieving its purpose. After a rigorous materiality assessment, we developed Sims' sustainability strategy with three pillars, **Operate Responsibly**, **Close the Loop** and **Partner for Change**, and ambitions to support the pillars. Our sustainability strategy is an integral part of our five-year strategic plan and will guide us in the execution of the plan.

Each of the three pillars is aligned to one of the United Nations Sustainable Development Goals (UN SDGs). We selected the three UN SDGs we can most impact, Decent Work and Economic Growth, Climate Action, and Responsible Consumption and Production. We strongly support the UN SDGs and will work to advance them.

Sims Limited Sustainability Strategy Pillars



**OPERATE
RESPONSIBLY**



**CLOSE
THE LOOP**



**PARTNER
FOR CHANGE**

Last year, we began reporting the Group's sustainability record using the Global Reporting Initiative as a guideline, which we continue in this year's report. We will also continue to adopt the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to more closely track and disclose our climate-related risks and opportunities.

SAFETY

The COVID-19 crisis has presented health and safety challenges not previously faced during the working lives of our leaders. Sims' first priority has been and will continue to be the safety of our employees, customers, suppliers and those in the communities where we operate. We will continue to maintain safe social distancing at our facilities and offices, execute enhanced cleaning protocols, and enable our employees to work from home where possible. Moreover, we will remain diligent in improving our protocols as risks are identified in the communities in which we operate around the world.

In addition to the measures we have taken in response to the pandemic, we have remained laser-focused on safety. During the 2020 fiscal year, the company prioritised improvements to its safety management system. We standardised operation practices and performance measures, and streamlined and simplified safety programs, standards and training. I am pleased to report a significant decline in both the total recordable injury frequency rate (TRIFR) and the lost time injury frequency rate (LTIFR) as compared to the prior year. Safety is paramount in all that we do, and it is key to operating responsibly. We will continue to use this systematic approach to driving improvement in safety until we reach our goal of zero harm.

GROWING OUR DIVERSE TEAM

The Board recognises the value of diversity – both in terms of background and experience – for achieving Sims' purpose. A diverse workforce is essential for developing the innovative and creative solutions necessary to drive a profitable and sustainable future.

Sims' workforce is geographically diverse with operations in 15 countries. We still need to improve our gender balance, and the Board and management remain focused on achieving this objective across the entire workforce while creating a workplace that fosters diversity in the broadest sense. The company continued to make strides to improve gender diversity in its workforce during FY20. This year, the company improved the diversity of its applicant pool, with women comprising 25 percent of all job applicants, and the company's overall female new hires well outpaced the current female population. These actions resulted in the company's female representation increasing to 21 percent at the end of FY20 from 19.5 percent in the prior year.

Our purpose clearly articulates our identity and will enable us to attract the best and brightest talent with the skills necessary to develop and implement sustainable solutions. Together with our employees, customers, partners, government and communities, we will collaborate to solve shared global challenges and achieve the future vision we seek.

On behalf of my fellow directors, I thank all of our employees for their dedication and efforts in creating a safer and more sustainable future over the past year.

ABOUT US

CEO's Message

The recycling and sustainability business is not for the faint of heart, and while we have had a number of pleasant and profitable years, fiscal year 2020 was not one of them. FY20 was challenging and was extremely impactful to our global business. We started FY20 with declining scrap prices and intense volatility, and we ended the year in the midst of a global pandemic. This pandemic not only affected our business, but it also affected the communities where we operate and do business.

COMMUNITY

Community and sustainability are extremely important to our business. While sustainability is the path for us to achieve our purpose, create a world without waste to preserve our planet, community is the way in which we ensure that we live our purpose daily. When we developed and introduced our purpose in FY19, we also established a strategic, multi-year plan that would allow us to drive scalable, sustainable growth throughout all of our business divisions, and also deliver on our environmental objective: reduce our waste and keep resources in use for as long as possible. For this reason, our sustainability and our corporate growth strategies are fully integrated.

Our purpose is the underlying and unifying thread for each of our initiatives, projects and programmes. We've established business relationships and partnerships with like-minded organisations to ensure that we are in the best position to achieve our purpose in the long-term, as well as our strategic targets – expand metal volumes in favourable geographies, grow non-ferrous

business, enter resource renewal, enhance data centre decommissioning infrastructure, and expand a proven landfill energy business overseas – in the near term.

The Sims Limited sustainability strategy is built on three pillars:

OPERATE RESPONSIBLY

We commit to operating as a best-in-class business that continuously improves its safety, business performance and employee engagement, and upholds ethical business practices.

CLOSE THE LOOP

Rethink the concept of waste, close our own material loop, and support others in doing the same.

PARTNER FOR CHANGE

Create shared value while developing new business models that support safe, healthy and productive value chains.

These three pillars correlate to, and are in support of, three of the 17 United Nations Sustainable Development Goals (**Decent Work and Economic Growth, Climate Action, and Responsible Consumption and Production**), because we understand that our business divisions do not operate in a vacuum. Each of our employees is keenly aware of the role we play in the global circular economy, and how our work and operations impact the communities where we operate and do business.

PEOPLE

It is our corporate responsibility to speak out and act against anything that infringes on the human and civil rights of another – least of which are racism, modern slavery, human trafficking and wage theft – within our company and throughout our value chains. In my view, silence is complicity, and I believe that everyone deserves respect.

The Board of Directors, the executive leadership team and I understand and appreciate how essential a diverse workforce – in background, thought and experience – is to our business and achieving our purpose. We are



Alistair Field – CEO & Managing Director

ABOUT US

CEO'S MESSAGE *CONTINUED*

also committed to having a workforce who supports our shared purpose and respects human rights. Sims Limited employees and I recognise the responsibility we have to protect and uphold the human and civil rights of our colleagues, our suppliers and our customers. We know this responsibility extends to the communities where we operate, as well as the communities where we provide our products and services. This has been an unwavering point throughout my life and career, and it is a sentiment that I bring to work and echo each and every day.

PLANET

With each passing day, we are reminded that the world faces a growing, global challenge of waste management and resource scarcity. Ultimately, we hope society's perception of how materials are used shifts. Instead of a "take-make-waste" mindset, the concept of a circular economy needs to be common knowledge and practice, so that society can start to think of "waste" as a valuable resource. We know that this mindset shift will not happen overnight. It will take a great deal of education, industry collaboration and political willingness for individuals and organisations to actively work to ensure that these materials end up in the right places for their value to be kept in the loop for as long as possible, thereby closing our collective resource loop.

Consider this: everything we use has a lifespan, and if we use resources in the right way, we can definitely close the resource loop in our lifetime. Through our business divisions and their respective service offerings, Sims Limited touches a number of products that are part of an individual's daily life – from food containers and electronics to appliances and major pieces of

infrastructure – all with varying lifespans. Generally speaking:

- A yogurt cup from purchase to use has a lifespan of a few days.
- A cellphone before upgrading is used for two to three years.
- A laptop's lifespan is approximately three to five years.
- A refrigerator is used for five to 10 years.
- A car will last the average person from 10 to 15 years.
- A bridge or a building can have a lifespan of 30 to 100 years.

PROSPERITY

Each of these items can be recovered as valuable raw materials for future products instead of being sent to landfill as waste. Our business divisions receive these products, sort them, refurbish them (when possible), harvest their parts, and then the recycled materials are sold to become new items. While the end of life for these products may not always be top of mind for an individual, it is always top of mind for us. We know the circular economy goes beyond recycling; it is focused on rescuing the past to ensure a more sustainable future. That's why we have expanded into higher value sustainability services, and we continue to invest in innovative technologies that allow us to extract more value from inputs and enter new business adjacencies that will allow us to redefine waste.

We have made a great deal of progress on the road to achieving our purpose and accomplishing our strategic targets in FY20. Despite a number of challenges this past fiscal year – the global coronavirus pandemic,

racism and social justice protest in virtually every corner of the world, and the financial implications that resulted – our team remains strong and resolute.

SAFETY

We drove continuous improvement in a number of areas in FY20, including safety. One of those areas of improvement included our new critical risk management programme. This programme allowed us to shift our focus so that we could identify and address the risks within our business that could lead to a serious injury. Although all Sims Limited employees are aware of this new safety focus, our leaders have an added responsibility to conduct frequent safety audits – we refer to them as critical control verifications internally – to challenge the effectiveness of our current safety measures and controls.

These audits have been highly successful and have resulted in hundreds of improvement opportunities that drive efficiency from a safety standpoint. We've highlighted these efficiencies in regular messages, in meetings and on our company intranet, so that employees are consistently aware of and engaged in the measures we are taking to keep us all safe while we do this important work.

As we build upon our legacy of offering innovative solutions in the circular economy, we will continue to promote and increase diversity, embrace differences, and foster an inclusive work environment where employees feel respected and valued. The future of Sims Limited is bright, and with the best team in the business, I know that there is no limit to what we can achieve together.



THE SIMS PURPOSE

Create a world
without waste to
preserve our planet

THE SIMS PURPOSE

From Linear to Circular: We Need to Solve a Waste Mindset Problem

One of the world's most daunting issues is the mounting waste problem.

- Each year, the world's cities generate approximately 2.01 billion tonnes of trash, far more than can be recycled or properly processed.¹
- Approximately 5.2 million tonnes of major appliances, including refrigerators, washing machines and water heaters, were landfilled in the United States in 2017, according to the EPA.²
- One year of electronic and electrical waste weighs as much as 50 million tonnes.³

This is not just a trash problem. The world has a consumption problem. Our global economy is designed for linearity – take, make, waste. We're of the mindset that when we buy something new, we get rid of what is old. As the Earth's population continues to grow and we consume more products, this traditional linear materials economy is unsustainable.

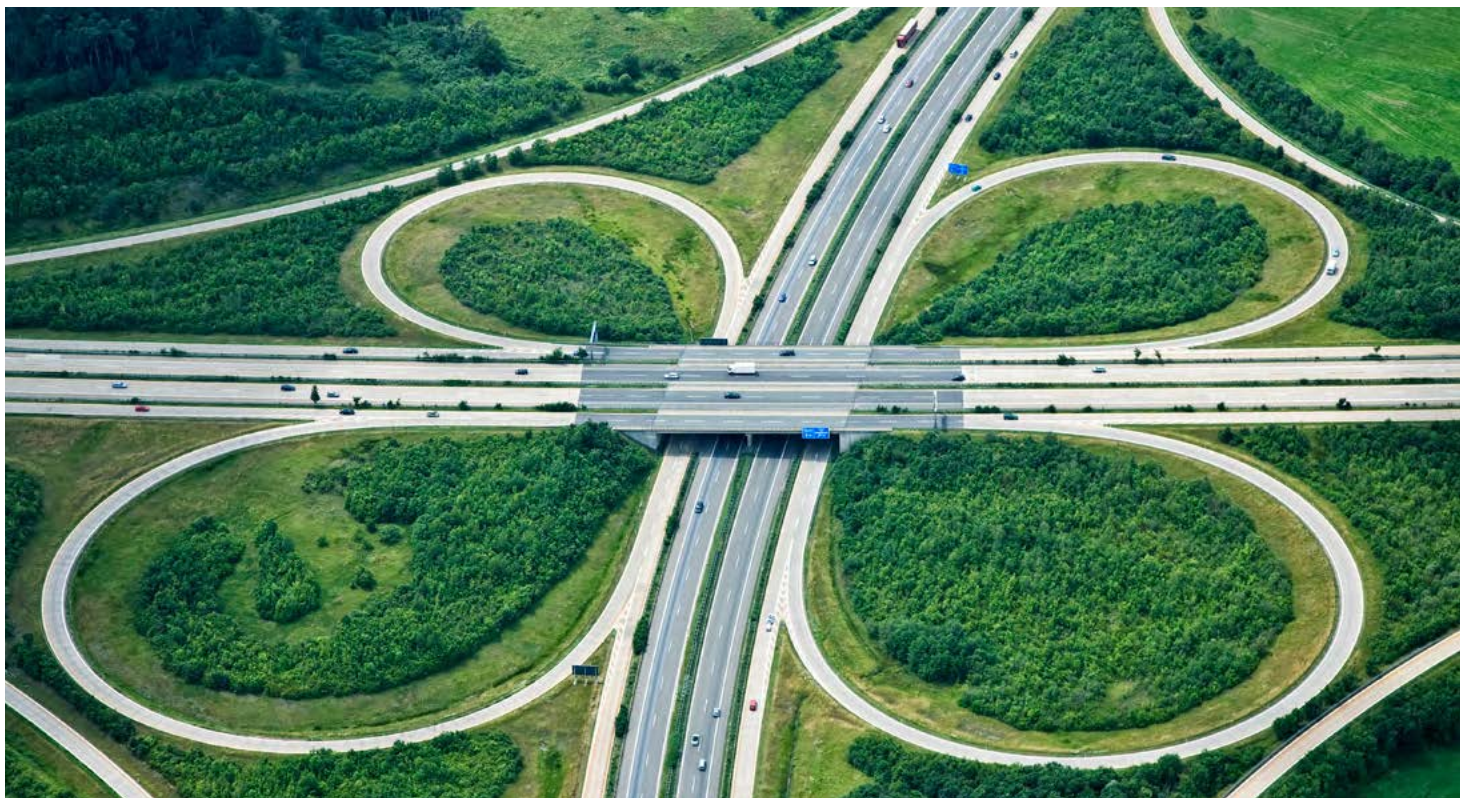
- **It strains our resources.** The UN International Resources Panel projects the use of natural resources to [double by 2050](#).
- **It overburdens our infrastructure.** In developing parts of the world, rapid industrialisation is happening in countries that have not yet developed the appropriate systems to deal with waste. Without the infrastructure to collect garbage, it is dumped in rivers, canals and streets, and it creates environmental and health hazards.
- **It results in lost opportunity.** According to the Ellen MacArthur Foundation, every second, the equivalent of one garbage truck of textiles is landfilled or burned globally. This leads to an estimated [\\$500 billion loss](#)

in value every year due to clothing that's barely worn and rarely recycled.

- **It harms our environment.** Approximately [100 billion tonnes](#) of resources flow into the economy each year, of which 32 billion tonnes of materials are collected as waste. Of this, only 8.65 billion tonnes, or 8.6 percent of total material use of society, is cycled, according to the Platform for Accelerating the Circular Economy.⁴ The majority of waste is landfilled, incinerated or

otherwise lost, which can contribute directly to climate change.

As a society, we need to shift our way of thinking and build a circular economy. Much more than managing waste, a circular economy actively aims to keep resources in use for as long as possible, then recover and regenerate products and materials at the end of each service life. In other words, the goal is to reduce, reuse, repair, repurpose and recycle.



THE SIMS PURPOSE

FROM LINEAR TO CIRCULAR: WE NEED TO SOLVE A WASTE MINDSET PROBLEM *CONTINUED*

Creating Value for Sims, Our Customers and the Environment

At Sims Limited, we're seeking ways to help the industries in which we're involved to capture more value in their activity by using circular principles and business models. We're doing this through:

- **The creation of closed loops:** As the largest listed metals recycling company in the world, Sims Metals takes common metal waste, such as cars and kitchen appliances, and efficiently process them into fist-size chunks, which are then sorted into various types of metals and sold. It may be a surprise that the most recycled consumer product in the world isn't a plastic bottle or soup can. It's the automobile.⁵ Approximately 80 percent of a vehicle can be recycled, and those recycled materials go into new vehicles or other products. Recycling metals saves significant resources: steel made with scrap metals uses 90 percent less virgin material, 70 percent less energy and 40 percent less water than steel made from mining iron ore and coal.⁶ Sims Limited is continually

investing to increase automation and improve the operations of each of its business divisions to deliver higher quality materials for customers.

- **Minimising residual waste and extracting maximum value from waste.** Sims Municipal Recycling is developing waste management solutions for mega cities, helping cities move to combine recycling material and increase recycling rates from waste. High recycling rates are essential for cities to minimise waste disposal costs, environmental and climate impacts, and to work toward zero waste. At our material recovery facility in Brooklyn, New York, autosort technology uses high-resolution, near-infrared sensors to identify up to 10,000 plastic objects per minute with more than 95 percent accuracy.
- **Second-life opportunities:** As one of the largest electronics recyclers, Sims Lifecycle Services is seeking to become the leading global provider of "cloud recycling" solutions and the supply chain partner of choice to meet OEM recycled plastic needs. The increase in consumption of electronics has three major ecological challenges. First, it increases mining and

procurement for the materials needed for production of gadgets. Second, discarded devices produce large quantities of electronic waste, which includes hazardous waste. And third, the large amount of data consumption requires significant amounts of electricity to power the data centres, which contributes to climate change. Electronic waste could be reduced through reuse, repair or resale, and Sims Lifecycle Services is working with information technology companies to drive new approaches to regenerate technologies and increase recycled content. For example, Sims Lifecycle Services recently collaborated with an information technology company to economically recover and recycle rHIPS and ABS plastics, which are then being used to manufacture new products. These products will have a Green Label to identify them as being manufactured with post-consumer, closed-loop recycled content.

- **Innovating new, regenerative business models:** Our joint venture partner LMS Energy is the owner of the largest landfill-to-renewable energy operation in Australia, providing a blueprint for landfill management optimisation. The recovery of landfill

gas by LMS reduces carbon emissions – 40 million tonnes to date – and provides enough local renewable energy to power approximately 80,000 homes annually. In addition, to close our own loop, Sims Limited established a new business division, Sims Resource Renewal. This division will take the material leftover from recycling old goods such as cars, washing machines and home appliances, and via plasma gasification, create new useful products.

Changing behaviour so people and businesses are encouraged to rethink waste and reduce, reuse, repurpose and recycle is also crucial. As a leading innovator in the global circular economy, we continuously are seeking new ways to effectively collaborate with stakeholders to shift mindsets and work toward a safe and sustainable future, where waste is seen as a resource. Through educational activities with municipal residents that encourage rethinking consumption and recycling resources to looking for practical levers for business to partner, innovate and join policy action, Sims is seeking to unlock value at every stage of the circular economy.

¹ *What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050*, World Bank

² *Facts and Figures about Materials, Waste and Recycling*, U.S. EPA

³ *New Circular Vision for Electronics*, World Economic Forum

⁴ *The Circularity Gap Report 2020*, Platform for Accelerating the Circular Economy

⁵ *World Auto Steel*

⁶ *BIR*

THE SIMS PURPOSE

The Sims Limited Sustainability Strategy

A Circular Economy Just Makes Good Sense

For 103 years, Sims Limited has enabled the circular economy. What has been a business rooted in making the most of the ecosphere's resources is now a formalised concept and practice at the forefront of the world's agenda.

That is why we can confidently say sustainability has been at the core of what we do; it is the right thing to do, and it makes good business sense. As we help divert millions of tonnes of secondary materials from landfill each year, we are directly reducing the need for extracting virgin raw materials – and that means that we are effectively fighting climate change.

Knowing that only 9 percent of the world economy is circular means circular business models need to thrive in order to deliver on climate change goals. Climate change and the circular economy are inextricably linked, as most secondary materials require significantly less energy to transform into products than primary ones.¹ Not to mention, the circular economy avoids the use of natural resources. Sims is at the centre of the

circular economy and in a great position to continue to drive this opportunity.

In 2020, COVID-19 created disruption and uncertainty, but it also made it abundantly clear that everything in the world is truly interconnected and more than ever businesses need to be adaptable, relevant and resilient to thrive. For a business to be successful in the long-term, its purpose needs to go beyond short-term stakeholder profit. Our purpose is to create a world without waste to preserve our planet.

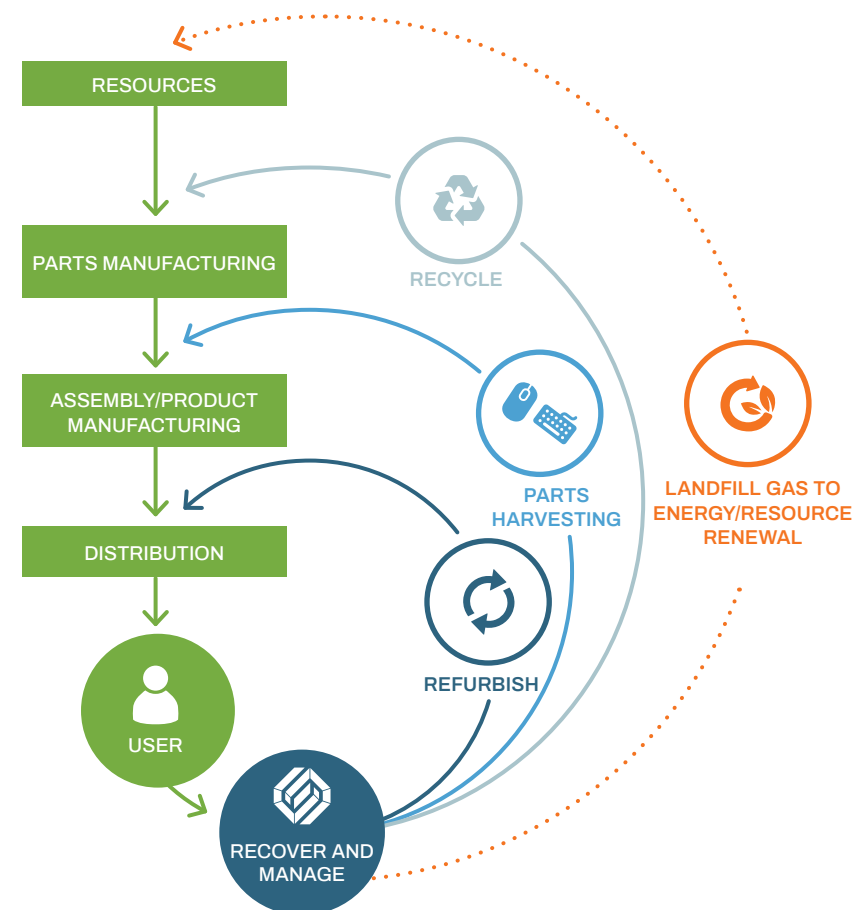
Our purpose is the basis we used to develop our strategic growth and sustainability strategies. Every single target of our growth strategy is embedded in our sustainability framework. This makes our sustainability framework

relevant to the company, as well as creating a higher level of accountability that clearly aligns sustainability with our long-term success. FY20 was a crucial year for designing and building our sustainability strategy and governance. To reaffirm our leadership commitments, we established baselines and targets, and actively engaged our stakeholders to identify gaps and opportunities.

DID YOU KNOW?

ONLY **9%**
OF OUR WORLD
ECONOMY IS CIRCULAR?

Sims Limited Enables the Circular Economy



¹ Source: *The Circularity Gap Report*

THE SIMS PURPOSE

THE SIMS LIMITED SUSTAINABILITY STRATEGY *CONTINUED*

After the rigorous materiality assessment carried out in FY19 and external validation with investors, academic and industry experts, we developed our sustainability ambitions and goals aligned to each pillar and to a United Nations Sustainable Development Goal (UN SDG).

The Sims Limited Sustainability Strategy



THE SIMS PURPOSE

THE SIMS LIMITED SUSTAINABILITY STRATEGY *CONTINUED*

Performance Indicator



OPERATE RESPONSIBLY



1	Foster a safe work environment
1.1	Total Recordable Injury Frequency Rate (TRIFR) ≤ 1
1.2	Lost Time Injury Frequency Rate (LTIR) ≤ 0.10
1.3	Achieve and maintain a safety culture index in the survey top quartile
1.4	Eliminate critical safety risks, Critical Risk Incident Frequency Rate (CRIFR) ≤ 0.50
2	Close gender gap
2.1	25% women in manager positions and above
2.2	Reach 0% gender pay gap across Sims Limited
2.3	Achieve representation of women on the board $\geq 40\%$
3	Develop a skilled and engaged workforce
3.1	Maintain an engaged and satisfied workforce as demonstrated by employee engagement survey results in the top quartile
3.2	Invest in education by increasing the number of available career development training programmes by 50% and promoting them
3.3	Improve annual employee performance review process to align with Sims Limited's purpose; incorporate role competencies and a skills development plan
3.4	Ensure management incentive plan is consistent with sustainability goals
4	Ensure transparency on how our business is conducted in an ethical manner
4.1	Train all employees and agents on our Code of Conduct, anti-corruption and anti-bribery
4.2	Provide all employees with training on human rights, modern slavery and labour rights to raise awareness and help fight human rights violations
4.3	Develop a supplier Code of Conduct and implement supply chain due diligence to identify and address high risk of human rights violations and unethical practices



CLOSE THE LOOP



5	Become carbon neutral by 2042 and achieve net zero by 2050
5.1	Multi-year targets under development for Scope 1 and 2
6	Achieve no waste to landfill
6.1	Build resource renewal capacity to transform 120k tonnes of ASR per year into new products
7	Close materials loops further by expanding capacity and services¹
7.1	Close loops by expanding secondary metal volumes
7.2	Recycle 200,000 tonnes of cloud material
7.3	Expand municipal recycling coverage by 50%
7.4	Capture methane from landfill outside Australia and New Zealand ²



PARTNER FOR CHANGE



8	Build trusted relationships with our communities
8.1	Establish at key sites a community index survey; track progress for continuous improvement
8.2	Annually, invest 0.5% of three-year rolling pre-tax profits in programmes that support environmental stewardship and economic empowerment
8.3	Dedicate paid employee time for community engagement/volunteerism activities
9	Create new business models that further the circular economy
9.1	Generate 10% of our EBIT from new business models and opportunities that enable the circular economy



¹ For more details, take a look at our [Growth Strategy](#).

² Under review

THE SIMS PURPOSE

THE SIMS LIMITED SUSTAINABILITY STRATEGY *CONTINUED*



By operating responsibly, we are looking to reinforce the foundation of a sustainable company where responsible and ethical business practices are upheld, and employees are protected, engaged and developed to strengthen our most important internal equity: people.



Closing the loop is what we do best. We help many close their material loops, and we commit to investing in technologies that will enable us to extract more value from the secondary materials we get. But even better, we are raising the bar on sustainability by closing our own materials loops and making the circular economy not only our business, but the principle we follow on how we operate.



Partnering for change is the only way to amplify our impact and create shared value. We commit to working with our value chain partners to create new business models that support a circular economy and engage with our communities to build trusted relationships.

Each of our sustainability pillars is intentionally aligned to one United Nations Sustainable Development Goal (UN SDGs). We understand the value of the 17 UN SDGs, and we fully support the vision they strive to accomplish. The best way we can support that vision is by being intentional agents of change and focusing on the UN SDGs we can impact the most. Those goals are:

- Decent Work and Economic Growth
- Climate Action
- Responsible Consumption and Production

With our focused strategy, we are entering into new adjacencies and creating new business models that keep resources in use at their highest value for as long as possible. We are a unique business that delivers on our strategic growth strategy by delivering strong ESG outcomes and profits. FY20 marks the beginning of a dramatic transformation for the world, and by executing on our sustainability strategy, we are setting Sims up to thrive for many years to come.



What's really exciting is the opportunity for this traditional industry to redefine itself as a critical link in a global circular economy. In Sims Limited's case, this means a companywide call to innovation, and an invitation to investors to reimagine themselves as sustainability advocates and communities as partners for change. Not all company or city climate-action plans include circular economy, but a 1.5°C scenario won't be achieved without it!

Terry Nelidov, Managing Director, Erb Institute at the University of Michigan



THE SIMS PURPOSE

Recycling and Reusing the Cloud

As the global demand for data centre storage grows, equipment at these facilities is being upgraded and expanded at a rapid pace. Instead of disposing end-of-life servers and computing equipment, Sims Lifecycle Services (SLS) is working with data centres and enterprises to “recycle the cloud” and redeploy retired hardware.

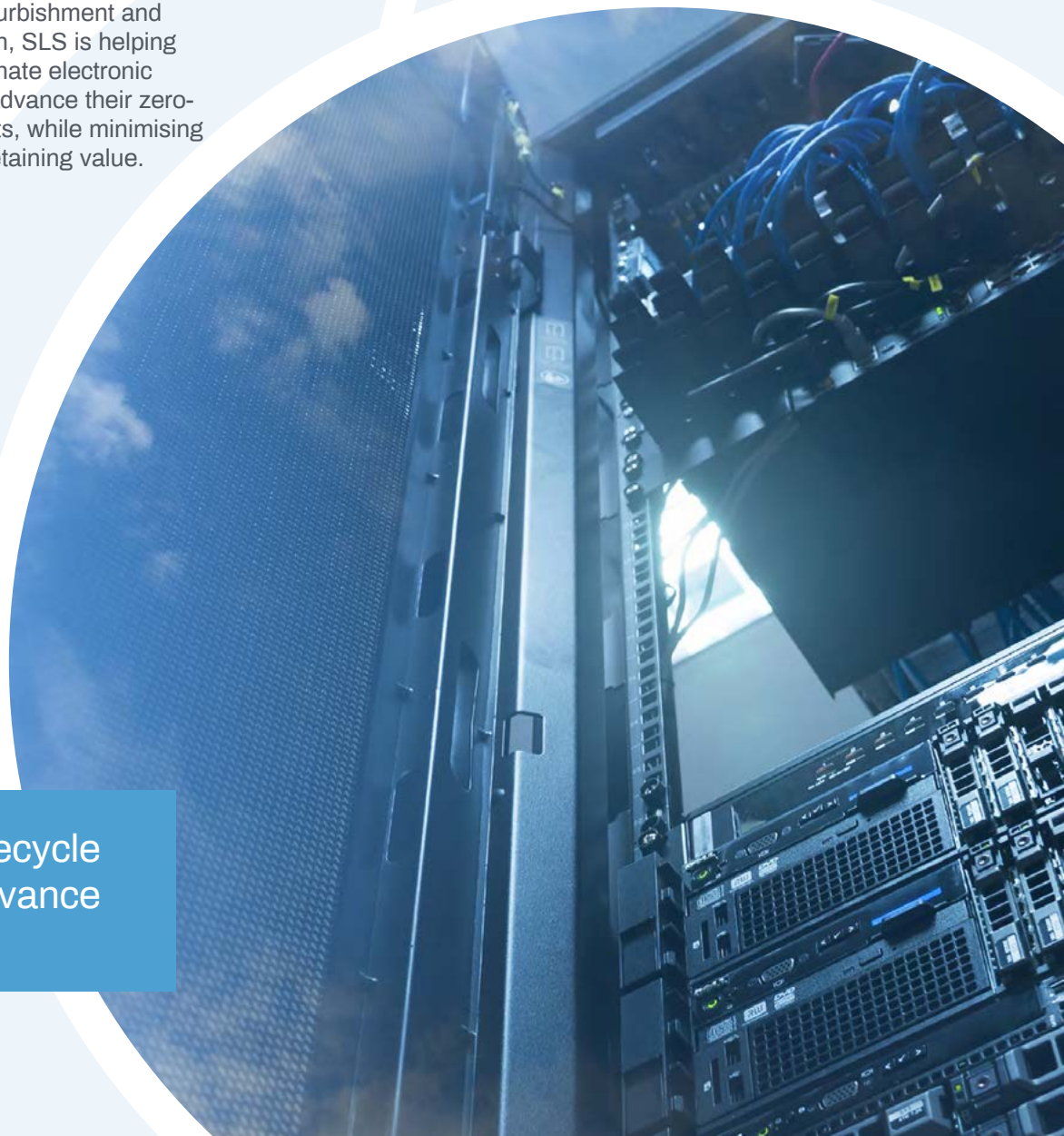
Worldwide, spending on cloud IT infrastructure is expected to grow at a five-year compound annual growth rate of 10.4 percent, reaching \$109.3 billion in 2024 and accounting for 63.6 percent of total IT infrastructure spend, according to [IDC](#). Currently, data centres utilise an estimated 6 million tonnes of rack and server material. Considering the lifecycle of data centre servers averages between three to five years, an

estimated 2 million tonnes of equipment is expected to be available for decommissioning each year.

To accelerate the transition to a more circular economy, SLS is helping companies securely manage hardware in their data centres. Once data centre material is decommissioned, SLS works with clients to provide guidance on how to best process equipment. Often, in accordance to client contracts, servers are dismantled to recover components that still possess value outside the data centre environment. Refurbished parts may be placed into inventory and reused to build remanufactured servers. In other instances, equipment is directly deployed back into data centres or sold externally.

Through refurbishment and redistribution, SLS is helping clients eliminate electronic waste and advance their zero-waste targets, while minimising costs and retaining value.

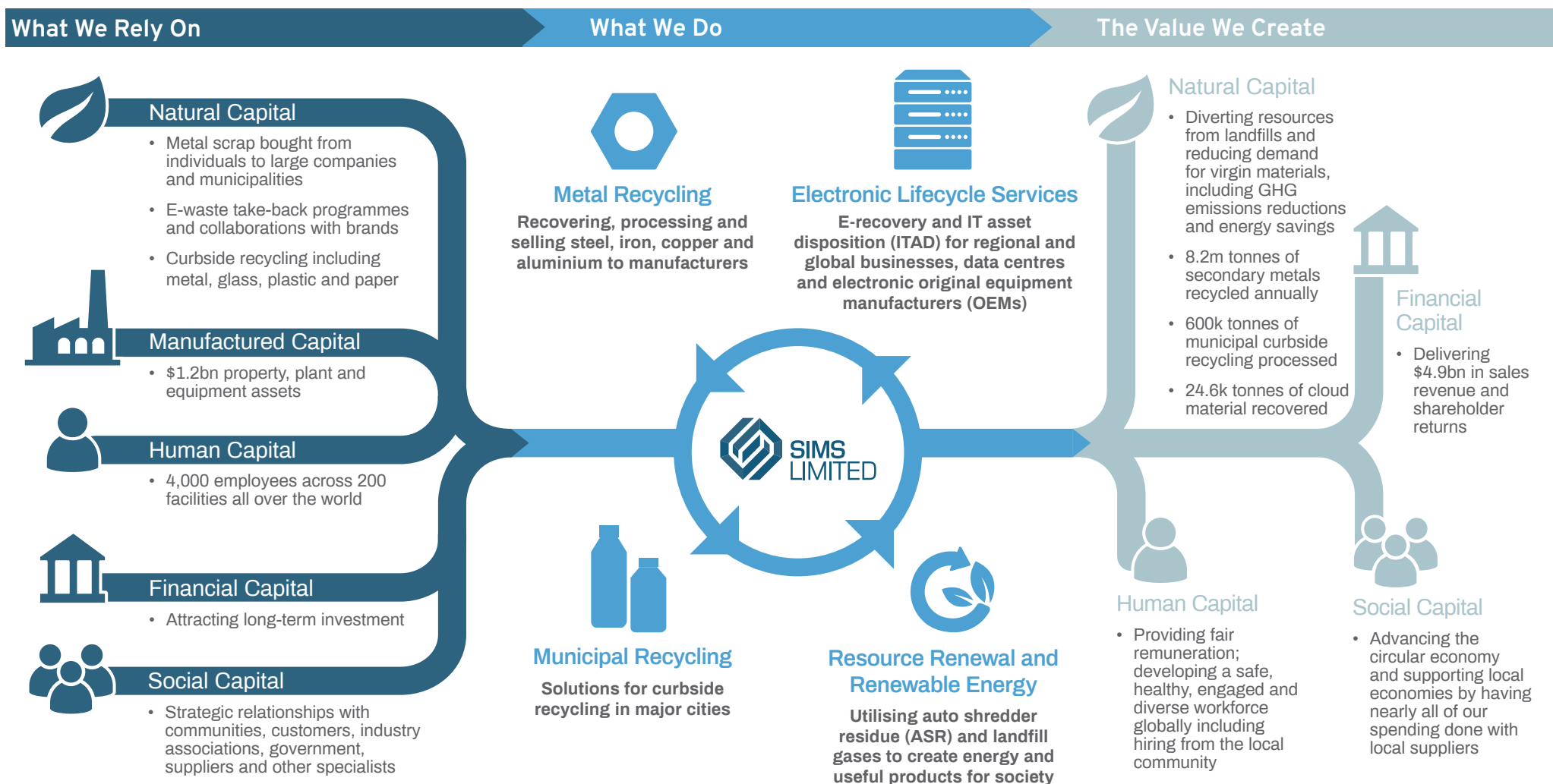
Through refurbishment and redistributions, Sims Lifecycle Services is helping clients eliminate e-waste and advance their zero-waste targets, while minimising costs.



THE SIMS PURPOSE

How Sims Limited Creates Value

Sustainable growth creates economic opportunities, environmental and social benefits, and increases business resilience. This transition requires a systemic shift that closes, optimises and values resource loops across the value chain.



THE SIMS PURPOSE

Demystifying Municipal Recycling

When we drop an empty plastic bottle or yesterday's newspaper into our curbside recycling bin, few of us think of ourselves as an essential supplier to a global, multibillion-dollar value chain. But the actions we take to sort our recyclables in our kitchens is the first step in the path toward ensuring that our used household materials find a second life in new products and advance a circular economy.

Few people understand this better than Tom Outerbridge, who has been the general manager of Sims Municipal Recycling (SMR) for more than 15 years. SMR is the processor and marketer of all commingled curbside recyclables collected in New York City, as well as surrounding towns and cities. SMR also handles recyclables for Palm Beach County, Florida. Outerbridge is currently responsible for approximately 600,000 tonnes per year of recyclables produced by 11 million people.

"We take in mixed recyclables – metal cans, glass bottles and plastic containers – at our material recovery facilities (MRFs), where they are sorted into distinct resin types and different grades of metal so they can be sold into the secondary materials market. We process them to the degree that they become suitable feedstock for the next stage in the manufacturing process," Outerbridge explains.

When more people understand the importance of reducing waste in a finite world, I believe more people will recycle and find ways to do a better job of it. **Tom Outerbridge, general manager of Sims Municipal Recycling**

Global Markets and Fluctuating Demand

Similar to farming or mining, the recycling business is impacted by both global markets and local conditions. On the demand side, a natural disaster or change in government policy half a world away can seed disruptions. Earlier in 2020, when the COVID crisis and economic downturn punctured oil prices, it also cut the price of new plastic – making drink bottles made from recycled plastic resin less economically viable. Why? Because every piece of plastic starts life as a fossil fuel and recycled materials have to compete with virgin raw materials prices.

Sims Municipal Recycling is currently responsible for processing approximately 600,000 tonnes per year of recyclables produced by 11 million people

Likewise, when China, the largest consumer of recycled materials, stopped the import of recycled material in 2018, municipalities across North America and Europe felt the ripple effects. "For us, the impact on the market is very material specific," Outerbridge says. "Where China was playing the biggest role as the world's largest consumer of recycled materials was in the area of residential curbside paper and in mixed plastic."

SMR was less impacted by the ban on mixed plastics than other MRFs because it had invested in optical sensors and other state-of-the-art equipment that enabled it to fully sort its plastics stream into resin categories of type and color to the specifications of North American markets.

"Our paper, on the other hand, was going to China. It had the biggest, newest mills consuming residential mixed paper, and China was highly dependent on imported fibre for the paper products. That part of the business has been severely impacted."



As a result of this market disruption, many municipalities are facing higher costs to cover processing fees. "Recycling has always had costs associated with it. These have often been partly or largely offset by the sale value of recycled materials, but this model is now upside down due to depressed commodity values," Outerbridge explains.

Outerbridge sees Extended Producer Responsibility (EPR) legislation for packaging as one way to offset recycling costs to municipalities.

"If we think of recycling as a public service and an environmental necessity, you can look at EPR as a way to decouple that service from volatile commodity markets," he says. "The fee associated with the package is tied to the value or cost of managing that material."

THE SIMS PURPOSE

DEMYSTIFYING MUNICIPAL RECYCLING *CONTINUED*

Local Participation and Education

On the supply side, the recycling business is very grassroots and locally driven. The rules, practices and community norms around recycling vary considerably from place to place, contributing to dramatically different local recycling levels. Because of that, SMR works with its municipalities on public education to increase recycling rates and encourages that the right items reach the recycling bins without contamination.

“The success of our business is obviously dependent to a large extent on the market conditions and how good we are at operating,” Outerbridge says. “But the starting point for the whole business is: how well does the public participate?”

In New York, the recycling capture rate is approximately 55 percent. “This means 45 percent of good recyclables – items that we want and that we have the ability to process – are still going into a garbage bag,” he says. “That’s in the order of 100,000-plus tonnes a year of material that is being sent to a landfill at a cost to the city. Some of it doesn’t have a huge amount of value, but we still have a market for it. A lot of it does have value.”

Increasing Value Across the Recycling Supply Chain

Improving how our society uses materials is fundamental to our economic and environmental future. That’s why, in addition to overseeing daily operations, Outerbridge often can be found working with stakeholders across the value chain to demystify recycling and strengthen the system.

- Because successful recyclability starts in the product design phase, more and more **brand owners** are using the equipment at SMR’s New York processing facility to test the recyclability of new packaging.
- To enhance **public awareness**, Outerbridge and his staff regularly promote the importance of reducing waste and recycling through its education centre. Activities have ranged from open house events that draw hundreds of New Yorkers to hosting sustainability experts from the World Council for Sustainability Business Development and United Nations.
- To help expand markets for recycling, Outerbridge works with **trade associations, regional councils and**

legislators to help incentivise product manufacturers to choose materials that are most favorable for recycling.

When more people understand the importance of reducing waste in a finite world, Outerbridge believes more people will recycle and find ways to do a better job of it.

“The much bigger reward to the environment and to the planet is that you are displacing the use of virgin

raw materials,” Outerbridge says. “Yes, there’s an added benefit that you’re not putting a plastic bottle or paper into the landfill. But really the big environmental benefit in terms of energy consumption, water consumption and CO₂ emissions is that you’re replacing virgin raw materials with recycled materials to make new products. It’s far more efficient to make new aluminium out of recycled aluminium versus bauxite or paper out of recycled fibre versus raw virgin pulp.”





MANAGING
SUSTAINABILITY

Accountability, Strategic
Growth and Governance:
Key to Our Sustainability
Approach

MANAGING SUSTAINABILITY

Governance

Trust in our business depends on robust governance and processes that address the most important sustainability impacts and opportunities for our stakeholders and our business. We've taken a deep dive into these issues to evolve and strengthen how we manage sustainability.

Sims Limited's Board of Directors and executive leadership team (ELT) are committed to operating the business in an ethical manner consistent with the highest standards of corporate governance.

Our Board is responsible for establishing sound corporate governance practices that ensure we uphold our core values of safety, integrity, respect, transparency, excellence and social responsibility.

They also provide strategic guidance, set key objectives, monitor performance and validate that Sims Limited's internal control, risk management and reporting procedures are adequate and effective, and they name the CEO who will manage the overall organisation.

This is fundamental to fostering investor confidence and driving higher value for shareholders through prudent risk management and a culture that encourages ethical conduct, accountability and sound business practices.

You can find Sims Limited's Board and Committee Charters, General Codes and Policies, including the Safety, Health, Environment and Community Policies, [online](#). You can also read more about our approach to responsible business on [page 68](#) of this report.

The Board met 12 times during FY20. The meetings involved strategy review and extensive interaction with members of the executive leadership team, as well as the regular oversight exercised by the Board through its meetings. As COVID-19 evolved into a pandemic,

the Board met monthly at a minimum. Board members participated in key management committees and meetings that were established to address the risks associated with COVID-19. Notably, the chair of the Audit Committee of the Board participated in the global Finance Cash Flow Management Committee meetings and the chair of the Safety, Health, Environment, Community and Sustainability (SHECS) Committee of the Board attended the company's global COVID-19 Response Team meetings. The meetings established protocols to assist and protect employees and prevent the spread of the virus within our sites, as well as help execute across our sites the business continuity plan triggered by the pandemic.

Our Core Values

					
Safety Safety will always be our first priority. We believe that all incidents are preventable and we are committed to a goal of zero injuries.	Transparency We ensure a sense of appropriate transparency in everything we do.	Integrity We conduct all business with integrity and adhere to the highest standard of ethical business conduct.	Excellence We commit to excellence in everything we do and champion continuous development and sharing of best practices across the company.	Respect We will treat each other, our customers, visitors and community members with respect and dignity.	Social Responsibility We aim to be the world's safest and most responsible recycling and recovery company.

MANAGING SUSTAINABILITY

GOVERNANCE *CONTINUED*

Governance Committees


The Board is supported by a number of committees. We have a very engaged and committed Board of Directors, which results in a very high attendance and participation rate among Board members at all committee meetings.


Risk Committee	Risk
Assists the Board in fulfilling its governance and oversight responsibilities in relation to Enterprise Risk Management.	
Nomination/Governance Committee	N
Ensures the Board comprises individuals who are best able to discharge the responsibilities of directors and represent the interests of the company and its shareholders.	
Safety, Health, Environment, Community and Sustainability (SHECS) Committee	S
Oversees the company's SHECS policies, programmes and practices that affect, or could affect, the company's employees, customers, stakeholders and neighbouring communities, and the committee assists the Board in fulfilling and discharging its SHECS obligations.	
Remuneration Committee	Rem
Supports and advises the Board on the implementation and maintenance of coherent, fair and responsible remuneration policies that enable it to attract and retain executives and directors who will create value for shareholders of the company.	
Audit Committee	A
Assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to accounting and financial reporting, internal control structure, internal and external audit functions, and compliance with relevant legal and regulatory requirements in the committee's area of responsibility.	


Sims Limited Board				
Board Member	Independent/Non-Independent Executive Director	Committee Membership		
Geoffrey N Brunsdon	Chairman and Independent Non-Executive Director	Risk	N	Rem A
Alistair Field	Executive Officer	Risk	N	S
Tom Gorman	Independent Non-Executive Director			S
Hiroyuki Kato	Non-Independent Non-Executive Director			S A
Georgia Nelson	Independent Non-Executive Director	Risk		Rem A
Deborah O'Toole	Independent Non-Executive Director	Risk		Rem A
Heather Ridout	Independent Non-Executive Director	Risk	N	S Rem
James T Thompson	Independent Non-Executive Director		N	S Rem

Key:

 **Risk Committee**
(5 members)

 **Remuneration Committee**
(5 members)

 **Nomination/Governance Committee**
(4 members)

 **Audit Committee**
(4 members)

 **SHECS Committee**
(5 members)

 Chairperson

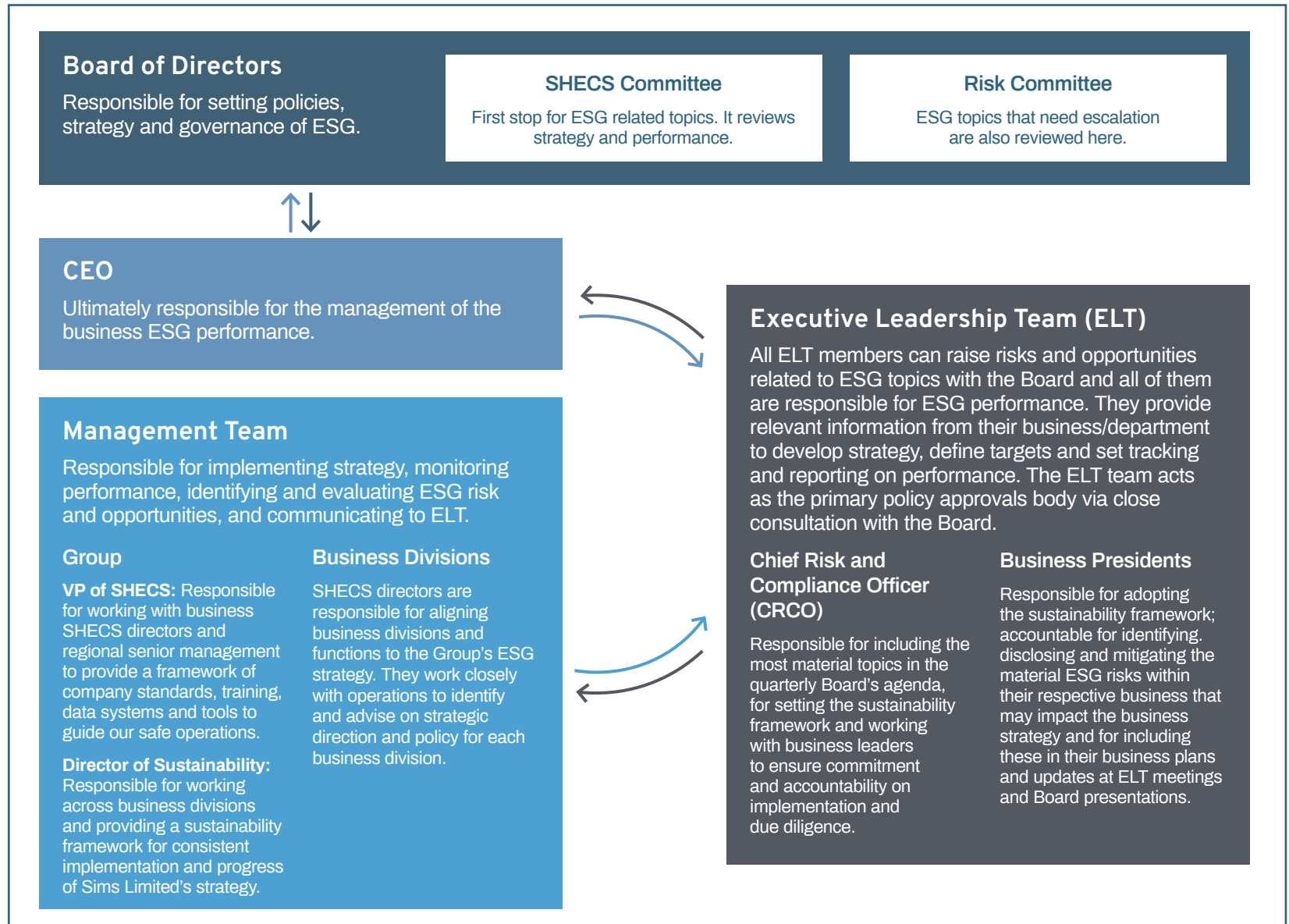
MANAGING SUSTAINABILITY

GOVERNANCE *CONTINUED*

Environment, Social and Governance Accountability

Risk and opportunities related to environment, social and governance (ESG) topics are identified, reviewed and managed by broad consultation supported by open communication and feedback mechanisms to ensure continuous improvement.

In 2019, we made a very intentional decision to change our structure to make sustainability a separate function, distinct from its previous position within environment, health and safety (EH&S). We appointed our first director of Sustainability in September, who reports directly to the chief risk and compliance officer (CRCO). This decision reflects our commitment to addressing the needs and opportunities that continue to arise in a fast-changing landscape. We know that our business does well, but we want to do even better at proactively driving the transition to a circular economy.









MANAGING SUSTAINABILITY

GOVERNANCE *CONTINUED*

Stakeholder Engagement

Stakeholder engagement is a key tool to create a feedback loop that enhances the way we do business, build relationships and create value. We define our stakeholders as those individuals or organisations that most affect or are affected by our company's business. By engaging in meaningful dialogue, we can drive change and shape the conversation around sustainability.

Stakeholder	Engagement Method	Key Topics	Objective
 Employees	Surveys, emails, intranet, townhalls, diversity and inclusion activities, sustainability report, annual report	Company's strategy, business updates, company's purpose, engagement, company's performance, employee development	Communicate company's direction, understand employee's needs, receive input for initiatives
 Shareholder/ Investor	Annual general meeting, Investor Day event, calls, emails, media, meetings, annual report, sustainability report, website	Company's financial performance, risk and opportunities, ESG strategy, climate change, company's strategy and governance	Build transparency, disclose company's performance, strategy and risk management
 Suppliers	Meetings, emails, calls	Opportunities, market trends, commodity value	Mitigate risks, improve operations, develop opportunities, enable the circular economy
 Customer	Meetings, emails, calls, sustainability report, annual report, website	Market trends, opportunities, value creation, limitations, quality of materials	Develop opportunities, enable the circular economy, update market trends
 Communities	Meetings, calls, website, local contacts, local events such as clean-ups, virtual engagement rooms	Noise, dust and other direct environmental impacts, community engagement and investment	Understand community's needs, be a good neighbour, access talent
 Governments and Regulators	Meetings, calls, letters, visits	Waste management, secondary materials classification, human rights, environmental compliance, permitting	Promote quality and markets for secondary materials, promote economic benefit of the circular economy, support the prevention of human rights violations, maintain license to operate

MANAGING SUSTAINABILITY

Materiality

It is crucial that we use our understanding of the evolving global sustainability landscape to shape our strategy, manage our impacts and increase transparency.

In 2019, we carried out a new materiality assessment to identify the issues that matter most to our business and our stakeholders. We used the results as a foundation to shape our new sustainability strategy and to define our material topics and boundaries for reporting.

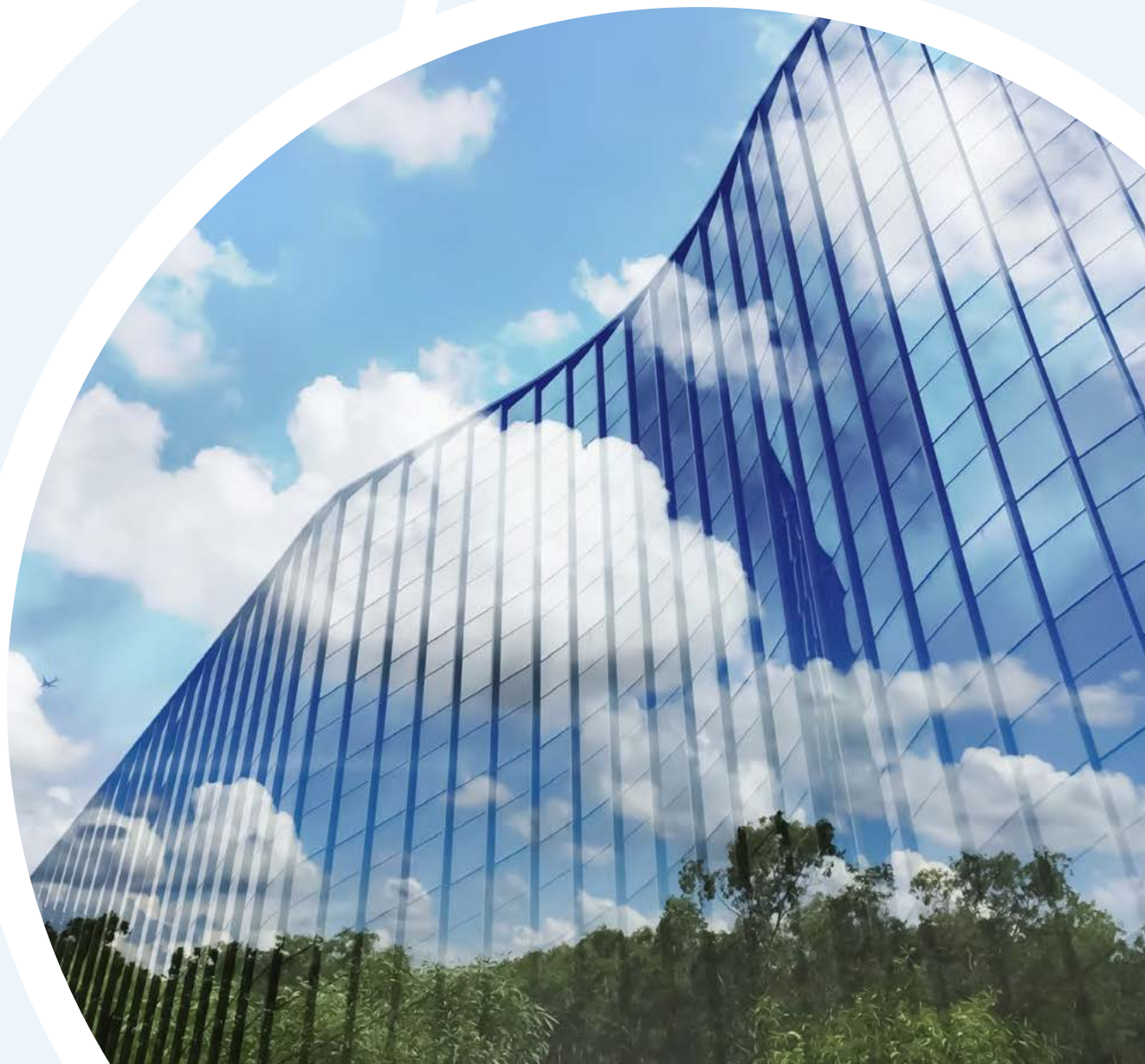
Approach and Methodology

We engaged third-party sustainability experts to conduct a materiality assessment on a range of social, economic, governance and environmental topics. We identified relevant stakeholders, including our Board of Directors, executive leadership team, investors, non-governmental organisations (NGOs), trade associations and subject matter experts. We then engaged them through a series of in-depth interviews and workshops.

Stakeholders were asked about their perceptions of Sims Limited, its sustainability impacts, and areas of challenge and opportunity. We tested a range of sustainability topics with each stakeholder and asked them to rank the relative importance of each topic.

The Board then scored each topic relative to its impact on the business – positive and negative – using a range of criteria.

We used the outcomes of this refining and prioritisation process to identify topics that should be elevated in our strategy and reporting.



MANAGING SUSTAINABILITY

MATERIALITY *CONTINUED*

Our Materiality Process

1

IDENTIFICATION

We developed an initial list of more than 290 topics based on a desktop review of:

- legislation
- industry trends
- megatrends
- UN SDGs considerations
- peer review
- media review
- Sims Limited's business strategy risk register reporting and prior materiality assessment

The list was informed by in-depth interviews with our:

- CEO
- Chairman of the Board
- Executive leadership team



2

PRIORITISATION

The list was grouped and clustered into 37 key topics, which were signed off by the CRCO, for internal and external testing. This testing was to prioritise the topics according to their importance to stakeholders and the impact on Sims Limited (both positive and negative).

A set of criteria was developed to measure importance to stakeholders including:

- relevance to the organisation's ongoing concerns,
- importance to stakeholder relationships,
- relevance to the organisation's sustainability priorities, and
- relevance of enabling judgements to be formed about Sims.

A set of criteria was also developed to measure impact, including factors such as:

- contribution to the purpose,
- sustainability ambitions and business strategy,
- potential financial impact (including defined financial thresholds),
- potential brand and reputation impact,
- potential impact on stakeholder relationships,
- potential for non-compliance or fines, and
- potential impact on licence to operate and impact on long-term business viability and continuity.



3

STAKEHOLDER ENGAGEMENT

Topics and criteria were tested with a range of external stakeholders to understand their perceived importance.

Stakeholders included investors, NGOs, customers, trade associations and thought leaders specifically chosen to provide a range of perspectives.

The impact of the topics on Sims Limited was tested during a workshop with Board members and combined with data collected on the importance to external stakeholders.



4

VALIDATION AND REVIEW

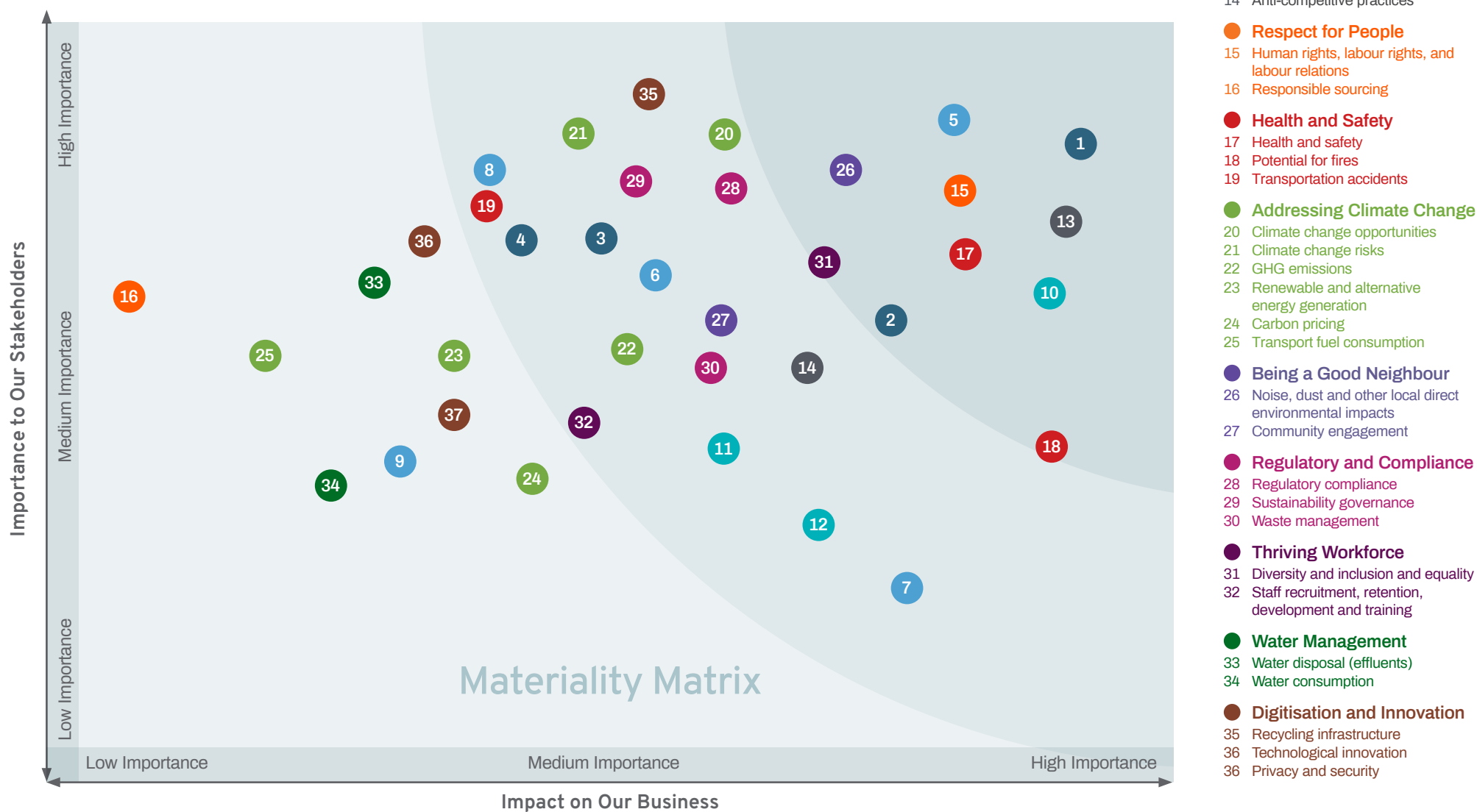
- The outcomes of the process were validated and reviewed by the CRCO, CEO and the executive leadership team.
- At key stages throughout the process, Sims Limited's previous materiality work and qualitative stakeholder feedback were referenced to ensure the results were a reasonable reflection of the Sims Limited's world, the challenges and the opportunities.
- The outcomes of the materiality assessment have been used to shape the new sustainability strategy. They were also reviewed against the business strategy for alignment and used to inform this reporting cycle.



MANAGING SUSTAINABILITY

MATERIALITY *CONTINUED*

Our Materiality Topics



MANAGING SUSTAINABILITY

Task Force on Climate-Related Financial Disclosures

Sims Limited enables the circular economy. By diverting valuable resources away from landfill, we bring benefits to our value chain, such as mitigating GHG emissions from landfills and reducing demand for virgin raw materials. But we want to do more. As part of Sims Limited's transformation, we are committing to adopt the Task Force on Climate-Related Financial Disclosures recommendations. We are developing a systematic and intentional approach to addressing climate change.



During the summer of 2019, we hosted an intern from the Environmental Defense Fund to calculate our carbon footprint and help us better understand the areas of major impact. This project made it clear that we need to improve our data collection systems, which was the focus of this past fiscal year. It also enabled us to better understand at a high level the main sources of our Scope 3 emissions.

Governance

We take a global strategic view of risk management and drill down to explore the concrete risks that could affect our business, including climate change. With support and input of the executive leadership team, our CRCO is responsible for bringing the company's risk mapping, including those related to climate change, to the Board of Directors and the Board's Risk Committee at least every quarter.

The Enterprise Risk Management (ERM) framework gives business units ownership of identifying and managing risks. ERM is supported and reinforced through discussion and appropriate action by the Group and Board levels. Risk mitigation plans and opportunity prioritisation are developed based on a detailed analysis of each risk. Action is taken to address any risks that exceed Sims Limited's risk tolerance level and to act on new opportunities. For more details, please review our [Risk Management Policy](#).

Strategy

We recognise that climate change may have a meaningful impact on the financial performance of the company over time, and we have started the process of assessing key climate-related risks and developing actions to mitigate their impact. We are using the

guidance provided by the TCFD and their list of climate-related risks and opportunities, which its high-level view is available on [page 34](#), to bring light into the areas of focus for Sims Limited.

As a key enable of the circular economy, Sims Limited and its business divisions divert valuable resources from landfill, bringing benefits such as greenhouse gas (GHG) mitigation and a reduction in demand for virgin raw materials. However, to achieve a bigger impact, broader awareness and collaboration is required. As a result, the company supports the development of new transition indicators for the circular economy via the Factor 10 project of the World Business Council for Sustainable Development (WBCSD), where we are active members of their circular economy program.

MANAGING SUSTAINABILITY

TCFD CONTINUED

At Sims Limited, we identify and monitor climate change risks on a regular basis and plan accordingly. By institutionalising climate change risks as part of our enterprise risk management function, we are better positioned to anticipate, detect and, ultimately, plan around these changes.

These are elaborated upon as follows:

Regulations

Regulations include cap and trade schemes, emissions limits and taxes on GHG emissions. The potential impacts include increased cost of purchased energy, capital costs needed for the electrification of equipment or lower emissions equipment, and cost associated with a potential carbon tax. While it is difficult to estimate the potential impact of future regulations on energy prices, Sims Limited will work on decreasing the potential impact by optimising its energy use and lessen reliance on fossil fuel sources. Sims Limited has not experienced any material impact related to these potential regulations but will continue to evaluate and monitor future development.

Public Policy

As awareness on the impacts of climate change continues to grow, so are the commitments by companies and governments to achieve carbon neutrality. Since we operate across the globe, Sims Limited will need to meet those commitments. An example is the endorsement by the European Council in December 2019 to make the EU climate neutral by 2050, in line with the Paris Agreement. We support these efforts as it aligns with our purpose, create a world without waste to preserve our planet, and we are preparing to meet those expectations.

Physical Risks

Key identified risks centre around the potential for increased and more extreme weather events impacting:

- health and safety issues for employees operating on sites (extreme temperatures);
- inability to maintain standard operational hours at facilities (extreme temperatures);
- docks, material handling and the transportation of products (intense rain and wind);
- access to a reliable supply of electricity (extended heat waves); and
- reliable operation of critical data storage sites (flooding, extended heat waves).

Sims Metals experienced a multimillion-dollar negative profit impact through its supply chain due to heavy flooding in some southern U.S. states, which made it difficult to move material and lowered intake volumes. While not all floods are due to climate change, this cost is a clear indicator of Sims Limited's possible increasing financial exposure due to extreme weather patterns.

Climate change also brings opportunities to Sims Limited. As support for a low carbon economy grows, it is likely that there will be an increased demand for secondary materials, potentially improving our margins and end-markets. In addition, as Sims Limited reduces emissions and transitions to renewables, we will be effectively reducing exposure to fossil fuel price increases and

volatility, and potentially accrue cost savings down the road as renewable energy prices become more competitive. Another opportunity aligned with our current growth strategy is to enter new adjacencies to more widely participate as an enabler of the circular economy. Our resource renewal business is allowing us to diversify and expand our services while continuing to support our purpose to create a world without waste. With the growth of cloud computing, more and more data centres and electronics are being used. Sims Lifecycle Services (SLS) is expanding services to ensure higher circular economy activities are provided before e-recycling such as refurbishing and parts harvesting. As we work with our value chain partners to support a low carbon economy, we see a significant growth opportunity for SLS.

In FY20, we were able to improve the quality and process of data collection to calculate our Scope 1 and 2 emissions. And we are currently working with third-party experts to finalise science-based targets (SBTs) that will put Sims Limited on the best path toward carbon neutrality. As our emissions come from an almost 60/40 split between electricity and fuels, mostly diesel, most of our focus will be on process optimisation and transitioning to renewable energy, along with equipment electrification.

Another area we will be working on is ensuring that climate change indicators are included in all capital expenditure approvals. Currently, CAPEX over US\$5 million requires the impact of climate change to be considered as standard practice. You can check our [energy and climate change policy](#).

MANAGING SUSTAINABILITY

TCFD CONTINUED

Given the nature of Sims Limited's business model, many of the climate-related risks come with climate-related opportunities for us to expand our role as an enabler of the circular economy. It means that as we look into mitigating our vulnerabilities to climate change, we can expand and evolve our services to better support climate change mitigation via the circular economy.

Climate-Related Opportunities																			
Climate-Related Risks				Horizon		Markets			Resource Efficiency		Products and Services		Energy Source						
				Years	Short term 0-5	Medium term 5-10	Long term 10+		Increase use of recycled content – Substitution to lower emissions products	Use of the circular economy as standard business	Access to new markets – business models		Extract more value from secondary materials	Use of waste to create new products		Development and/or expansion of low emissions goods and services	Ability to diversify business activities		Use of renewables – mitigate pricing volatility of fossil fuels
Transition Risks	Policy and Regulatory																		
	Carbon tax – emissions limits																		
	Enhanced emissions-reporting obligations																		
	Mandates on and regulation of existing products and services																		
	Technology																		
	Cost of transition to renewable energy																		
	Costs to transition to lower emissions technology/electrification																		
	Unsuccessful investment in new technologies																		
	Market																		
Uncertainty in market signals																			
Increased cost of raw materials																			
Physical Risks	Acute																		
	Increased severity of extreme weather events such as cyclones and floods																		
	Extreme temperatures limiting operational hours																		
	Extreme temperatures affecting health and safety of employees																		
	Intense rain and wind limiting product transportation and handling, docks																		
	Chronic																		
	Changes in precipitation patterns and extreme variability in weather patterns																		
	Rising mean temperatures																		
	Rising sea levels																		
Access to reliable supply of electricity																			

MANAGING SUSTAINABILITY

TCFD *CONTINUED*

Risk Management

Risk is present in everything we do. We operate in a complex global environment where opportunities come with associated risks. It is important to proactively identify, assess and manage the key areas of risk and potential loss of opportunity, so that we can mitigate the risks. Sims Limited's ERM framework is designed to support each business unit in the effective management of risk. It enables a consistent approach to risk identification, management and monitoring through the use of a global risk taxonomy. Clear definitions of roles and responsibilities are established through the risk governance structure. It is intended to enable consistent and frequent communication between the accountable management, the executive leadership team and the Board.

The purpose is to identify early warning signs of risks and opportunities to effectively manage them and support achieving our strategy and objectives.

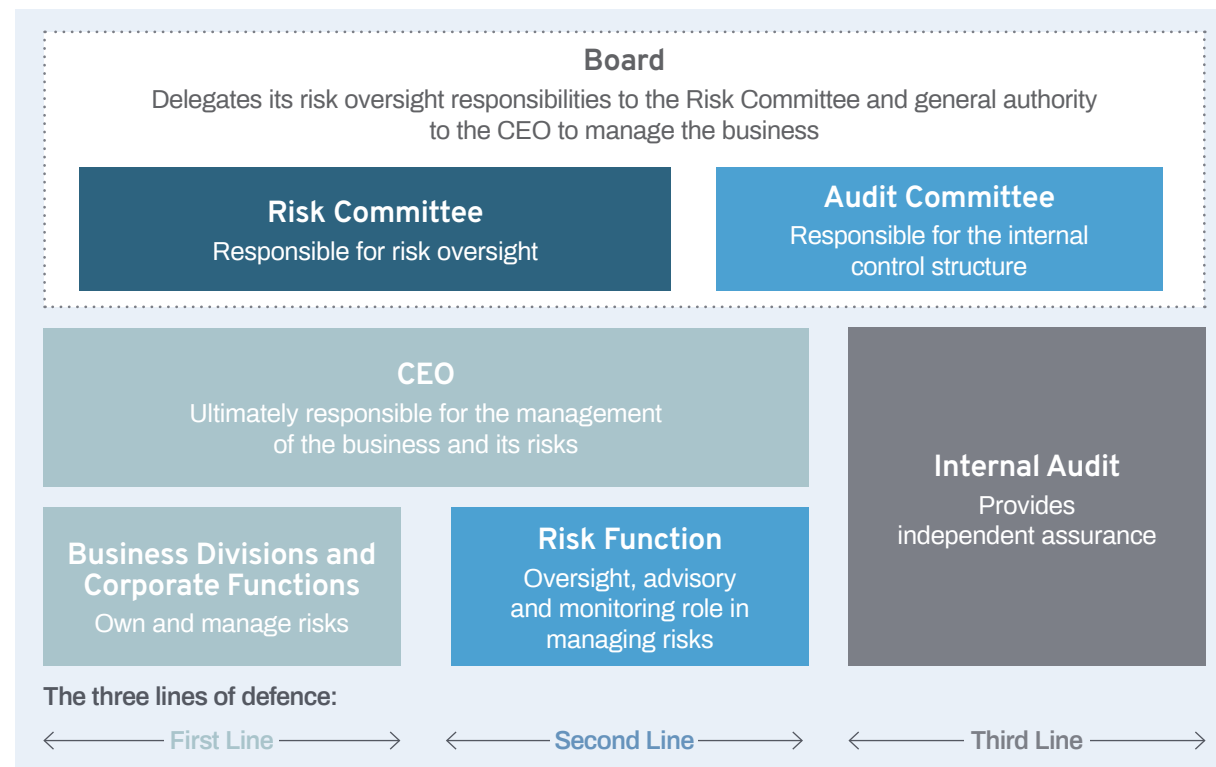
We identify climate-related

risks in many ways. At a global level, we use a range of inputs including the World Economic Forum's Global Risk Review. We analyse market and industry information and global risk trends to assess current and emerging risks and opportunities facing the company. We also explore global megatrends to keep abreast of the fast pace of change and anticipate potential impacts on Sims Limited.

Scenario analysis is the next step we will be taking in FY21 to provide a more robust understanding on the physical risks associated with climate change.

Metrics and Targets

FY20 was key to measure with higher accuracy our carbon footprint. We ensured that all sites were included in the data collection process and are also in the process of implementing a utility bill management service that will enable us to have a real-time view of our footprint at a site level while eliminating the need for manual data input. Our sustainability ambition is carbon neutrality as a way to become net zero and to better understand what that means for



Sims Limited in terms of timeline and cost. To that end, we have contracted the service of third-party experts to help us develop climate change targets following the Science Based Targets initiative (SBTi) methodology.

The SBTi analysis has been completed and we are commencing internal discussions to choose the path that makes the most sense for

the company. Sims Limited's leadership team is agreeing on a pipeline of projects and timelines to get there, and developing internal processes so decisions take into account climate change indicators. Knowing that our emissions are an almost 60/40 split between electricity and fuels, mostly diesel, we know that our first approach will be processes for the optimisation and transition

to renewable energy, and electrification of our equipment and fleet. Scope 3 emissions are not currently part of our scope. Once Scope 1 and 2 carbon neutrality multi-year goals are clear, we will start looking at how to best measure our Scope 3 emissions and how to work with our value chain to address emissions in these activities, which are mostly shipments via marine vessels.



OUR PERFORMANCE

Progressing Key Strategic Initiatives

OUR PERFORMANCE

Environmental

Environmental Management

Preserving the environment is at the heart of our business model. In a resource-constrained world, we must continually reduce the impact of our operations to mitigate climate change, optimise the use of natural resources, minimise waste and prevent pollution.

Management Approach

Our [environmental policy](#) sets out our commitment to conducting our business in a manner that protects the environment, supports ecologically sound and sustainable use of resources, minimises waste and prevents pollution.

The Natural Environment

In carrying out our business and making purchasing decisions, we take into account potentially harmful impacts on the natural environment: soil, water, air and biodiversity. We evaluate operational activities for environmental risk and put adequate safeguards in place to prevent harm before we commence our activities.

Industrial Processes

We strive to improve continuously our industrial processes to reduce the amount of electricity and other natural resources we consume, and reduce the waste our activities generate, which for us means extracting more value from the secondary materials we get.

In the [ESG governance section](#), you can see

the highest level of management structure that supports the operational Safety, Health, Environment, Community and Sustainability (SHECS) functions, which include SHECS managers and coordinators.

Internal audits provide assurance and reinforcement of day-to-day compliance with global SHECS standards and best practices. The audits are performed with the participation of a SHECS director from another business unit, who lends their expertise to the audit. The constitution of such audit teams allows for a robust process that leverages the rigorous audit approach with the deep expertise of our SHECS organisation.

The audits are in addition to general and specific inspections performed by each site's operations management and supervision, as well as those carried out by the SHECS organisation to review performance, drive continuous improvement and help identify and record hazards for corrective action.

In FY20, we completed one in-depth internal audit, and more than 4,000 proactive critical control verifications (CCVs). These focused monthly CCVs determine the effectiveness of



OUR PERFORMANCE

ENVIRONMENTAL | ENVIRONMENTAL MANAGEMENT *CONTINUED*

current controls, which generate improvement opportunities. Hundreds of improvement actions were also generated from more than 600 online general site inspections, which confirm that all minimum standard requirements are met at each of our sites. These inspections are monitored for proactive trending opportunities and risk control standardisation.

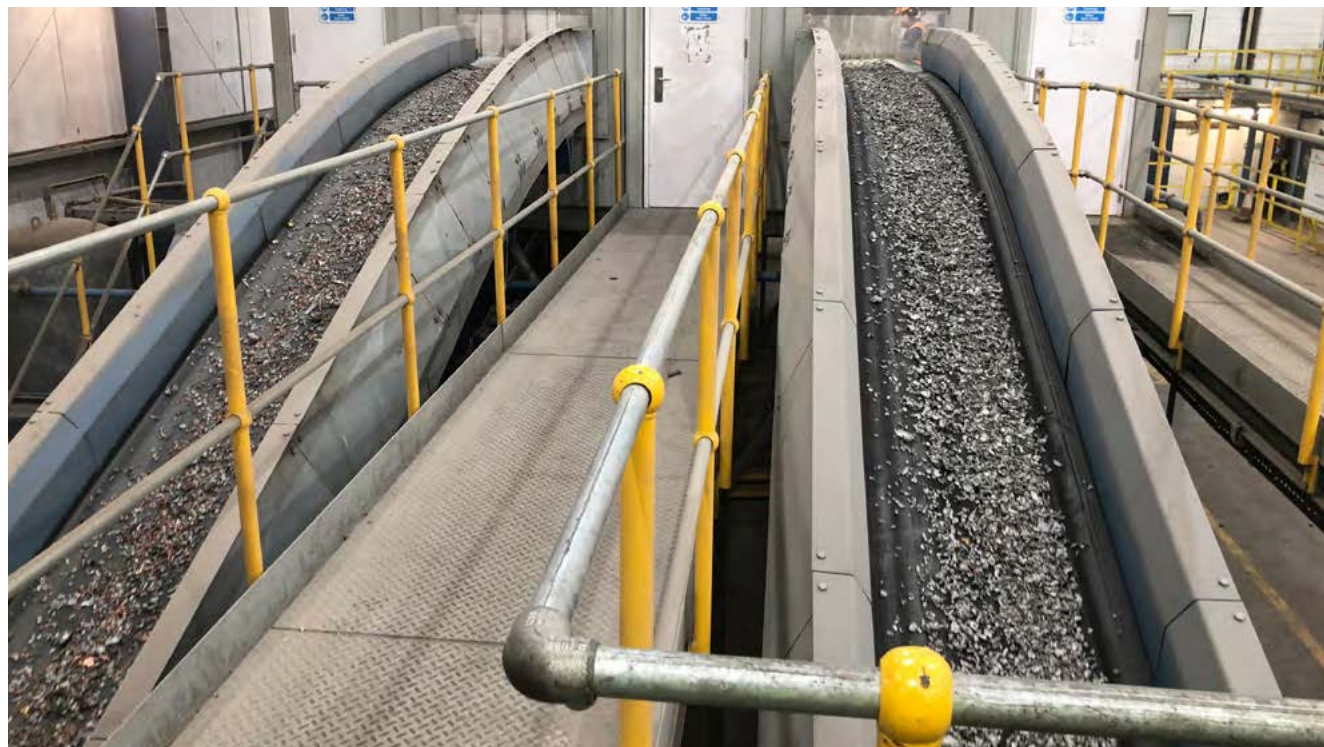
Performance

Due to data collection limitations, we previously used extrapolation factors to provide Sims Limited's overall environmental operational performance using our top 24 sites (our shredder sites) as the base for our calculations. Due

to the higher level of operational activity and material volumes managed at these sites as compared to our other yards, it was reasonable to apply the Pareto principle.

In FY20, we worked to collect data for all of our sites to have a complete view of our Scope 1 and 2 footprint, and we used location-based conversion factors to calculate Scope 2.

FY20 data will serve as the baseline year for our sustainability goals. However, given the challenges presented by COVID sales volumes were down by 17 percent, which directly impact the level of emissions generated.



Business Unit	Scope 1 + 2 (Thousand MT CO ₂ e)	Total Electricity Usage (Thousand GJ)	Scope 2 – Total Emissions From Electricity (Thousand MT CO ₂ e)	Scope 1 – Total Emissions From PNG, Diesel, LPG, Gasoline (Thousand MT CO ₂ e)	Fuel Consumption (Thousand GJ)	Water (Total usage million m ³)	Total Waste Generated (Thousand MT CO ₂ e)
Sims Limited Total	148.6	794.9	83.7	64.9	958	0.47	1,305
NA Metals (includes SMR)	71.9	482.3	41.4	30.4	443	0.25	744
ANZ Metals	47.9	148.9	28.7	19.3	277	0.13	260
UK Metals	19.6	123.7	8.5	11.1	159	0.05	294
SLS	9.1	39.8	5.0	4.1	79	0.04	7

OUR PERFORMANCE

ENVIRONMENTAL | ENVIRONMENTAL MANAGEMENT *CONTINUED*

CASE STUDY

Pitching In for Bushfire Relief

When more than a hundred bushfires ripped through Australia in an unusually early and intense fire season that began in September 2019 and intensified in January 2020 to catastrophic levels, Sims Limited's employees came forward with an outpouring of support for the first responders, impacted communities and fire-affected wildlife. The fires destroyed more than 12.6 million hectares of forest and affected nearly 3 billion animals, according to the World Wildlife Fund (WWF). Among the actions that Sims Limited and our employees took were:

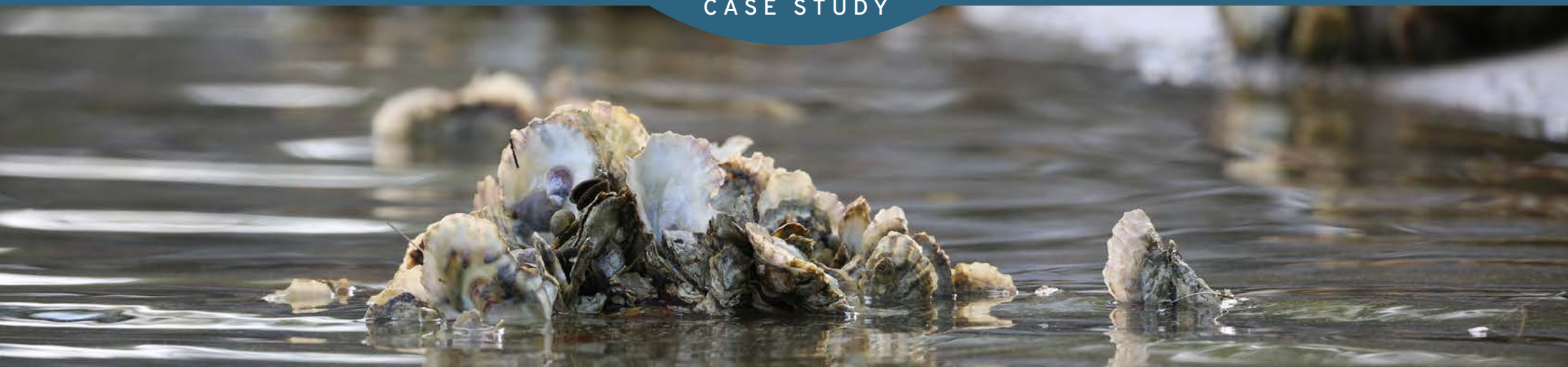
- **Donating to wildlife rescue efforts.** Sims Limited launched an employee matching programme to support WWF-Australia's efforts to fund the rescue and provide medical care and food to injured and starving wildlife displaced by the fires. Employees rallied in support of WWF's emergency response, donating \$10,000. Sims Limited matched that total and donated an additional \$60,000.
- **Volunteering time and equipment for cleanup.** Sims supported local relief efforts by offering free use of our equipment to communities and local councils. Longer term, we have contributed to cleanup efforts, including helping homeowners remove and dispose of scrap and metal waste.
- **Helping with firefighting and evacuation efforts.** Several Sims Metals employees were enlisted as first responders through their local fire brigades or as reservists, fighting to contain the fires or distributing food, clothing and water donations to evacuees. They received up to 2 weeks paid time off.



OUR PERFORMANCE

ENVIRONMENTAL | ENVIRONMENTAL MANAGEMENT *CONTINUED*

CASE STUDY



Oysters Grow in Brooklyn

Before New York Harbour became home to the largest city in the United States, it was home to one of the largest oyster populations in the world. A century later, however, the oyster population had dwindled to almost zero.

The Billion Oyster Project is seeking to restore New York Harbour's title as the oyster capital of the world and repopulate the harbour with one billion live oysters by 2035. The citizen-science project aims to

engage thousands of schoolchildren in marine restoration-based STEM education programs.

The Billion Oyster Project placed two oyster cages off the pier at our Sims Municipal Recycling facility in Sunset Park, Brooklyn. Students and teachers have participated in checking the cages, but it had been several years. In the summer of 2020, a group from Billion Oyster Project came to assess our oyster cages.

We learned that one cage had been lost, but could potentially still be developing life at the bottom of the harbour, and one remained and contained living and growing oysters and marine life. With the Statue of Liberty rising up from the horizon, Billion Oyster Project volunteers assessed whether the oysters were growing, reproducing and creating a sustainable population.

Beyond the water-filtering powers of oysters, their reefs can provide habitat for hundreds of species. They also can protect the city from storm damage by softening the blow of large waves, reducing flooding and preventing erosion along the shorelines. We are proud to work with Billion Oyster Project, and in the future, look forward to inviting students to conduct hands-on experiments in New York Harbour and help solve local environmental challenges.

OUR PERFORMANCE

Environmental

Energy and Greenhouse Gas Emissions

Despite growing calls for action, global carbon emissions continue to rise. Stabilising temperature increase to no more than 1.5°C* in support of the Paris Agreement will require widespread change, and businesses must play a crucial role.

Management Approach

We need energy to support the circular economy, and we are committed to optimising our energy footprint and the associated carbon profile of our day-to-day operations. We recognise that managing our energy usage and reducing carbon emissions is fundamental to our viability, prosperity and responsibility as a good corporate citizen.

In the past 12 months, there has been no material exposure to the risk of breaches of environmental licence conditions or legislation.

At a minimum, we comply with all applicable energy and carbon emissions laws, regulations and standards, and the monitoring and reporting rules of the countries in which we operate.

Sims Limited was one of the first organisations to participate in the Carbon Disclosure Project (CDP), and 2020 was our 15th year of participation.

We strive to achieve levels of performance that exceed basic compliance, and we are working on adopting the TCFD recommendations (see [page 34](#)). Part of that work includes the development of carbon neutrality goals using the SBTi methodology. Now that we have all the data, we are working with industry experts to approve a plan. FY20 was a year of transition as we developed a new set of sustainability goals and worked on standardising our data collection process, including the implementation of a utility bill management service via a third-party service provider.

As part of our approach, we will continue to target energy efficiency opportunities in our production processes and transportation activities. We seek to transition to renewable energy and lower carbon energy sources to transform our carbon profile.

CASE STUDY



Implementing Energy-Saving Technology

In FY20, we invested in systematic improvements that are helping us reduce our carbon emissions and move us closer to achieving carbon neutrality.

In Western Australia and Queensland, we invested in shredder automation software that improved efficiency and reduced energy consumption by 8%. This software initially will be rolled out across our ANZ Metals sites and saved an estimated annual savings of 289 tonnes CO₂e in FY20.

Along with successfully participating in the Australian Renewable Energy Agency demand response trial, we recently installed a solar array at our New South Wales facility, which offsets 8% of the site's electricity usage.

* Relative to pre-industrial levels

OUR PERFORMANCE

ENVIRONMENTAL | ENERGY AND GREENHOUSE GAS EMISSIONS *CONTINUED*

Our Performance

Carbon emissions

Total Group Scope 1 and Scope 2 CO₂ emissions for FY20 were 148.6 thousand MT CO₂e. We used location-based conversion factors for Scope 2 emissions, which represent 56 percent of our emissions totaling 83.7 thousand MT CO₂e. Our Scope 1 emissions represent 44 percent of Sims's emissions, totaling 64.9 thousand MT CO₂e mostly from diesel.

Energy

Our electricity consumption in FY20 was 795 thousand gigajoules. In FY20, we worked with our joint venture partner – LMS – to install a 350kW system on our Gillman, Australia, site to supply 15 percent of the site's electricity needs. It is estimated that the system will generate an annual savings of 237 MT CO₂e. Our goal is to lower our carbon footprint globally year-over-year.

A 350kW system was installed on our Gillman, Australia, site, which supplied 15% of the site's electricity needs.



Business Unit	Scope 1 + 2 (Thousand MT CO ₂ e)	Total Electricity Usage (Thousand GJ)	Scope 2 – Total Emissions From Electricity (Thousand MT CO ₂ e)	Scope 1 – Total Emissions From PNG, Diesel, LPG, Gasoline (Thousand MT CO ₂ e)
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SLS	9.1	39.8	5.0	4.1

OUR PERFORMANCE

Environmental

Resource Management

Closing resource loops is our business, and we will lead by example. We’re closing the loop on our own waste by improving our processes and investing in resource renewal technologies.

Management Approach

The waste we generate is primarily non-recoverable materials from our metals recycling process – known as automotive shredder residue (ASR). ASR is what remains once recoverable materials are removed following the recycling of metal-based goods such as cars, washing machines and shopping trolleys.

Our input materials first go through a shredder and then ferrous and non-ferrous metals are separated. In some locations, the non-ferrous stream goes

through a secondary separation process to extract additional value. ASR is the non-metallic residue left behind after our processing is complete. These non-recoverable materials are currently sent to landfill and are expensive to discard.

We look to minimise ASR from the beginning via strictly controlled quality control mechanisms and purchasing structure of incoming materials.

To close our own loop, we are investing in technologies to improve the separation quality of the inputs we receive and resource renewal technologies to convert ASR into useful products for society.

Sims Metals generated 1.3 million tonnes of ASR globally in FY20, and disposing of it cost more than \$100 million. We also produced 2,100 tonnes of hazardous waste, mostly from the electronic recycling materials we receive. In FY18 and FY19, Sims Limited generated 1.2 million tonnes of waste.

Performance

In FY20, we commenced community consultation for the first resource renewal facility planned in Campbellfield, Victoria. We will use proven, advanced plasma gasification technology that has been in operation for over 20 years.

Business Unit	Total Waste Generated (Thousand MT CO ₂ e)
Sims Limited Total	1,305
NA Metals (includes SMR)	744
ANZ Metals	260
UK Metals	294
SLS	7

IN FY18 AND FY19, SIMS LIMITED GENERATED

1.2 million tonnes OF WASTE



Non-Ferrous Cable Granulator Upgrade in Milperra, NSW

Milperra has operated a non-ferrous cable granulator since its first commissioning in 1990. The granulator shreds the cable into granules, which liberates the plastic from the copper. Then the granulator separates these elements so that the copper can be sold and the plastic disposed of. The granulator was not efficiently liberating the plastic and copper when processing low-grade cable, and it was found that the plastic waste resulting from the separation process contained up to 10 percent metal. The Engineering team conducted research into possible technologies that could improve copper recoveries with the low-grade cable and determined the Bano’s vertical turbo mill technology would be the best solution. The Bano Turbo mill works differently than traditional granulators, in that it balls fine wire up to increase density and allows the system to more effectively separate the fine wire from the plastic.

SAVINGS: The granulator is processing approximately 1,700 tonnes of low-grade cable per annum. The Bano Turbo mill recovers an additional 4.4 percent of copper. This equates to a 75 tonnes diversion from landfill per year, saving the business unit \$12,000 in landfill costs. Additional revenues were also generated due to the increased amount of copper recovered.

OUR PERFORMANCE

ENVIRONMENTAL | RESOURCE MANAGEMENT *CONTINUED*

Generating More Reusable Material from Metal Recycling

Resource renewal facilities to transform more than 1 million tonnes of automotive shredder residue (ASR) into new, useful product by 2030.

Through Sims Resource Renewal, we are aiming to build 11 resource renewal facilities globally by 2030, with the first facility proposed for Campbellfield in Victoria, Australia. A research and development pilot facility is also proposed at the company's existing metals recycling site at Rocklea in Queensland.

To help create a world without waste, we will take the material left over from recycling metal goods – such as cars, washing machines and home electrical appliances – that is currently landfilled and use it to create new useful products, such as construction materials, recycled plastic and electricity. The investment aims to divert more than a million tonnes of ASR from landfills each year.

This will enable us to immediately take responsibility for our waste, while investing in the critical research and innovation to improve the technology and progress the circular economy.

Environmentally State-of-the-Art Facility

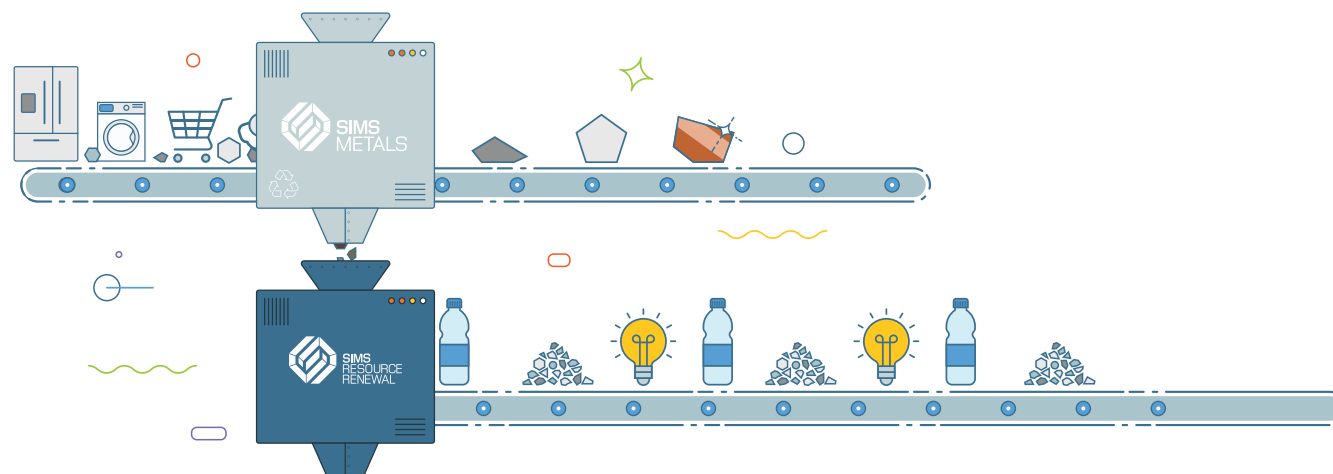
Our first facility proposed for Victoria will use [advanced, proven technology](#) to enable us to immediately reduce our annual environmental footprint by more than 60,000 tonnes of ASR, which otherwise would be taken to local landfills. The technology, known as plasma gasification, heats the ASR and transforms it into a mixture of gases known as synthesis gas (syngas). A glass-like product is also created. Importantly, this technology does not burn the ASR and does not produce the types of problematic emissions that some older forms of technology create.

Initially, electricity to power our own resource renewal facility and a neighbouring metals recycling operation will be produced. We will also use the glass-like material to create an aggregate product used for construction.

Research and development will focus on developing the different types of products that can be created from ASR, such as building blocks for recycled plastics. Our research and development will help position the facility globally as a leading centre for resource renewal and circular economy initiatives.

Modern plasma gasification technology is used safely around the world, and our designs will be based on European emissions standards, the current global emissions benchmark.

In addition to immediately stopping 60,000 tonnes of ASR going to landfill every year in Victoria, we will reduce trucking distance travelled on Victorian roads. We will also generate employment and industry development opportunities through the creation of about 100 jobs during construction and 20 jobs during operations.



OUR PERFORMANCE

ENVIRONMENTAL | RESOURCE MANAGEMENT *CONTINUED*

A Partner for Change

Sims Resource Renewal is genuinely committed to working in partnership with the communities in which we operate and beyond as a partner for change.

As well as working to reduce our environmental footprint and driving circular economy leadership, we are committed to enabling community involvement across all stages of our programme.

At Campbellfield, COVID-19 restrictions have meant thinking innovatively and collaboratively about how we can best enable involvement and input into facility building design, environmental and planning assessment processes, and defining local sustainability and social value initiatives.

We will continue to draw on the latest tools, including animations, 360-degree virtual engagement rooms, interactive feedback maps and online meetings, to enable community participation in an accessible and flexible manner.



Facility design and your input

Your details

Please tell us a bit about yourself. Please select the most appropriate response.*
(* Denotes compulsory field)

☐ Local resident
☐ Local business
☐ Work in the area
☐ Attend recreational activities in the area
☐ Other

If you would like to stay informed on the project and hear from the team, please provide your details below.

Postcode *

Enter a location

First name

Last name

Email *

Phone number

Address

Enter a location

Facility design and your input

1. Please tell us about any buildings or developments in Campbellfield or the general Hume City Council area that you feel add real value, from a visual perspective, to the character and identity of the local area.

Enter your feedback here

2. Why do you feel this (or these developments) add positive visual value to the local area?

Enter your feedback here

3. What are the top three things you think are most important for us to consider in the design of the proposed facility? E.g. sustainability, elements of design that reflect the unique character of the local area, provide opportunities for local community involvement, such as, an educational viewing platform.

Enter your feedback here

☒ Add me to the mailing list / invites to future events.

Submit

A 360-degree virtual engagement room enables community participation in an accessible and flexible manner.

OUR PERFORMANCE

Environmental

Water

Water resources around the world are facing pressure due to population growth, increasing urbanisation and climate change. Businesses have a duty to use water wisely in order to conserve resources and safeguard the environment and local communities.

Management Approach

Sims Limited continues to use small amounts of water mainly to manage dust generation from our operations to protect our employees and mitigate nuisance to our neighbours. Some of our water reduction initiatives included: high-pressure water atomisers for dust control, smart water and foam systems for shredder dust and temperature control, as well as better utilisation of on-site captured runoff water.

Performance

In FY20, Sims Limited consumed 0.47 million m³ of water globally equivalent to approximately 190 Olympic-size swimming pools. None of this water goes into our sold commodities. The water quantity value includes all of our facilities globally.

Business Unit	Water (Total usage million m ³)
Sims Limited Total	0.47
NA Metals (includes SMR)	0.25
Aus/NZ Metals	0.13
UK Metals	0.05
SLS	0.04



OUR PERFORMANCE

People

Health and Safety

At Sims Limited, safety is one of our core values, and it is an essential component of our success. Through our Environment, Health & Safety (EHS) Management System and framework, we drive continuous improvement in all safety- and health-related aspects across our operations.

Early in FY20, we learned through a global safety perception survey that our safety culture was perceived as strong.

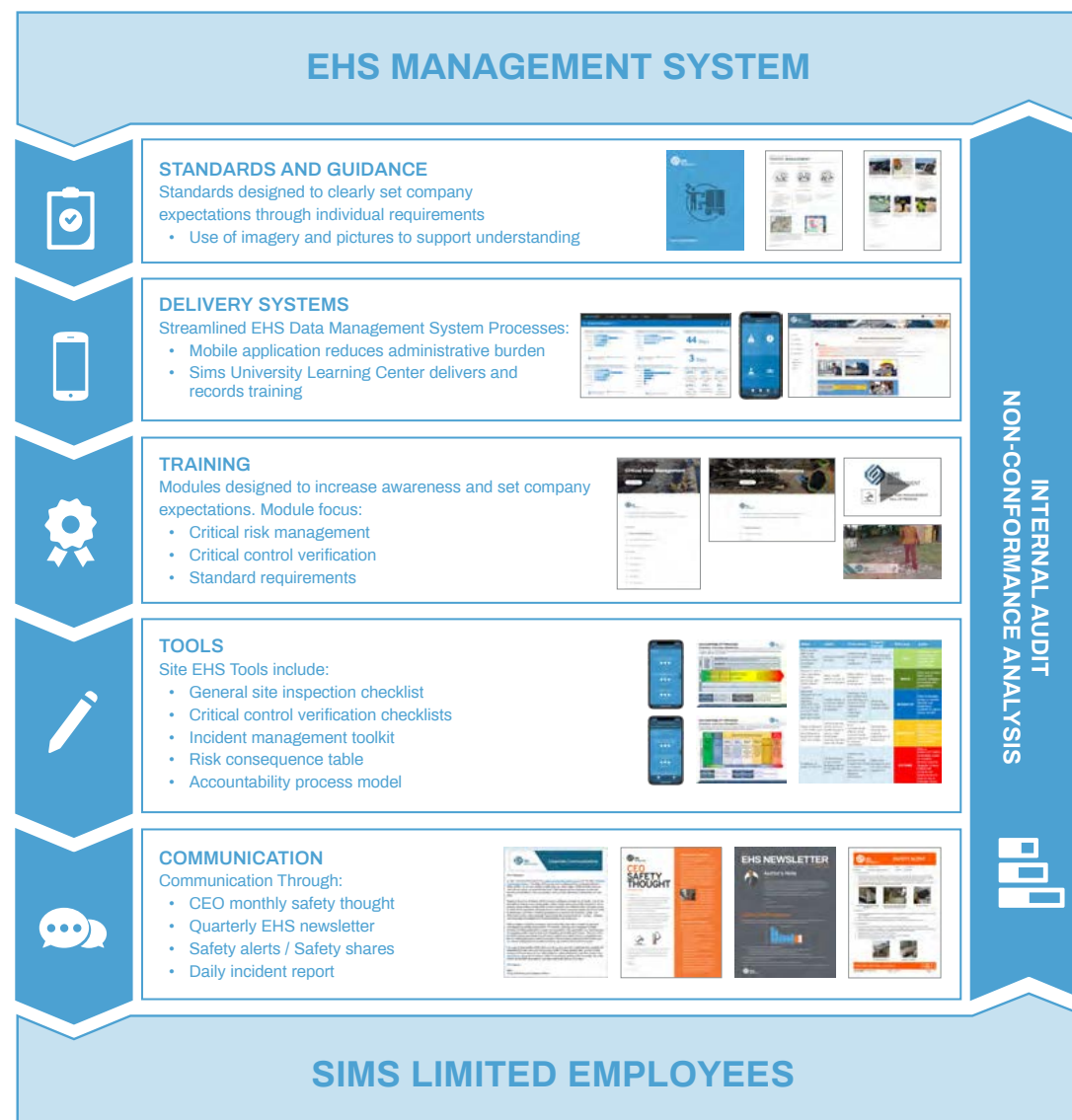
Management Approach

Our long-term approach to safety is built on a strong foundation that includes robust management systems, tools and standards to mitigate risks to employees, as well as clear governance starting with the Board of Directors' SHECS committee which reviews strategy and performance. In our [ESG governance section](#), you can find more details on our governing bodies.

From Objective to Reality

In the FY19 Sustainability Report, we indicated our intent to review and reassess our EHS management system with a particular focus on the end user – our field employees – and to concentrate on hazards and risks in our operations that could potentially result in serious injuries – our critical risks. Throughout FY20, significant work was done with input from our field employees to update our management system, which provides a framework of company standards, training, data systems and tools to create a safe working environment. This has led to a revised EHS management system that was built for and with our field employees in mind, thanks to their input. Their contributions throughout the process were invaluable.

Our revised EHS Management System Guide can be found [here](#).



OUR PERFORMANCE

PEOPLE | HEALTH AND SAFETY *CONTINUED*

Environment, Health and Safety Management System

Worker participation, consultation, training and communication.

Based on feedback received through focus group discussions, it became clear that our safety standards needed to be simplified and streamlined to effectively convey the company's requirements.

Employees of various backgrounds and experience worked alongside our EHS teams across our regions to review the requirements and streamline our safety standards. The underlying theme in the reviews was, "What does an employee need to know?" This resulted in standards illustrating key requirements with pictures making it easy for users to understand each requirement in the standards.

Through a 10-month redraft process, employees were involved in creating, reviewing and revising the company's safety standards.



Standards Draft Review (pre-COVID-19 distancing requirements): Sims Lifecycle Services – West Chicago



Final Draft Review (during COVID-19 pandemic)



New Safety Standard – simplified and easy to understand by employees






OUR PERFORMANCE

PEOPLE | HEALTH AND SAFETY *CONTINUED*

For each standard, training has been created to support and explain the requirements in the standard. Based on feedback received by employees, videos were identified as one of the preferred learning mechanisms throughout our organisation. Each standard is now accompanied with videos filmed within our operations with employees showcasing how to meet the requirements in the standards.

Requirements in standards are captured in global assessment tools, such as inspection and verification programmes that are available through mobile applications to our operations globally. Information and data captured in our EHS global delivery systems are analysed for trends and lessons learned. As a result, preferred practices are identified and shared in global communications. Access to the delivery systems and their content is made available to Internal Audit, which leverages this data in its audits.

EHS Management System FY20 Accomplishments

Standards and Guidance 	Delivery Systems 	Training 	Tools 	Communication 
<ul style="list-style-type: none"> › Revised EHS Management System Guide › Introduced 6 Simplified SHECS Standards › Implemented Critical Risk Management Program › Developed and Executed COVID-19 Response Plan › Completed Safety Culture Survey to Identify Opportunities for Improvement 	<ul style="list-style-type: none"> › Streamlined EHS Data Management System Processes › Rolled Out Mobile App › Increased Use of Sims University Learning Center 	<ul style="list-style-type: none"> › Launched Critical Risk Management Training to All Employees › Developed Critical Control Verification Training › Released 12 Critical Risk Training Aid Videos 	<ul style="list-style-type: none"> › Streamlined General Site Inspection Checklist › Created Critical Verification Checklists › Built Incident Management Toolkit › Revised and Simplified Risk Rating Matrix › Introduced Accountability Process Model › Developed Safety Performance Dashboards 	<p>Enhanced Communication</p> <ul style="list-style-type: none"> › Monthly CEO Safety Thought › Quarterly EHS Newsletter › Safety Alerts › Safety Shares › Daily Incident Report



Sims Limited Employees

OUR PERFORMANCE

PEOPLE | HEALTH AND SAFETY CONTINUED

Critical Risk Management

A comprehensive study of incident data experienced at Sims Limited over the last 10 years resulted in the identification of 12 critical risks (see icons below). These risks have the potential to lead to serious injuries at our sites. This information served as the basis for the development of our critical risk management programme.

The programme measures and tracks site management evaluation on the effectiveness of the current safety controls mitigating the critical risks noted in the incident study. These mini-assessments, called critical control verifications (CCVs),

are vital to Sims Limited’s continuous improvement efforts. Since the launch of the programme in the second half of FY20, over 4,000 CCVs were completed, generating opportunities to further improve upon current controls.

The use of CCVs was expanded and leveraged to measure the rollout, adoption and effectiveness of the COVID-19 precautionary measures deployed across all of our sites. It also provided a way to capture and address concerns expressed from employees as the company deployed measures to protect workers and introduced protocols to

limit the spread of the virus in our work environment. The COVID-19 Critical Control Verification checklist focused on new hygiene-related measures such as social-distancing requirements, employee interactions with customers or third parties, and reduction of paperwork handling, to name a few. All checklist measures were in accordance to requirements detailed in the Sims Limited COVID-19 Business Continuity Plan. **By the end of FY20, 1,000 COVID-19 CCVs were completed verifying controls are in place to protect our employees.**

 ELECTRICAL ENERGY	 FALLING OBJECTS	 FALL OF A PERSON	 FALL WHILE CLIMBING	 HAZARDOUS ENERGIES	 LIFTING DEVICES
 ROTATION AND MOVING PARTS	 MANUAL TASKS	 STACKED AND STORED MATERIAL	 VEHICLE ROLLOVER	 VEHICLE TO PEDESTRIAN	 VEHICLE TO VEHICLE

Improving Data Management

Sims Limited is going paperless. Whether it is a general inspection, a critical control verification or an incident investigation, reports are now digital. Further advancement on our data management system will continue to improve the mobility and end-user interface, simplify reporting processes, and reduce administrative burdens. We are looking to eliminate the use of paper-based reports, relying on in-field mobile apps use to capture evidence through real-time photographs and data entry. Historic paper-based

forms, such as authorization documents like permits-to-work, risk-based tools like field level risk assessments and job safety analyses, will ultimately be available digitally in the mobile app. The intent of these improvements is to capitalise on the data inputs from the field and obtain a return on investment from the time spent identifying hazards and risks. This effective data management and analysis will continue to drive global consistency and standardisation of controls through new levels of transparency.



Pre-COVID-19 Critical Control Verification development with SHECS, facility management and operators – Chicago



Critical Control Verifications Sims Metals – New Jersey

OUR PERFORMANCE

PEOPLE | HEALTH AND SAFETY *CONTINUED*

Safety Performance

With a clear focus on employee engagement and critical control effectiveness, FY20 saw a significant improvement of the total recordable injury frequency rate (TRIFR), achieving a rate equal to the lowest TRIFR ever recorded. The company finished FY20 with a TRIFR of 1.29 per 200,000 hours, which represents a 30 percent reduction in the actual number of recordable injuries when compared to FY19. A lost time injury frequency rate (LTIFR) of 0.27 was achieved, which represents a 29 percent reduction of actual lost time injuries in FY19.

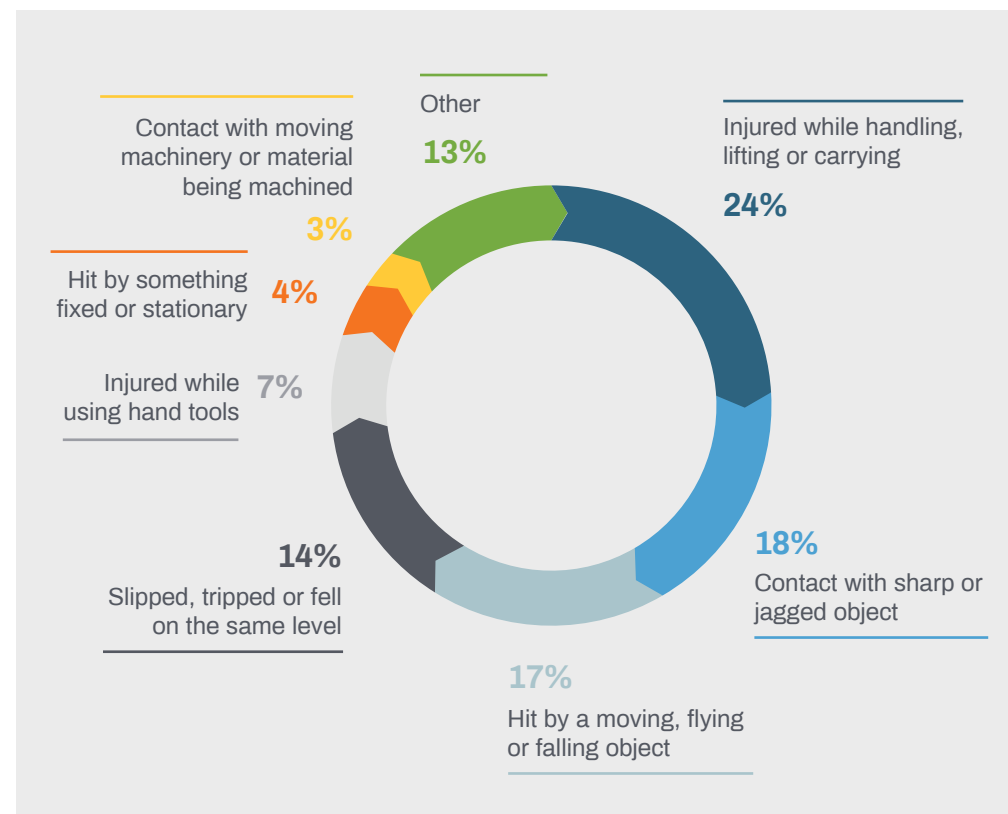
The majority of Sims Limited's injuries are lower risk, revolving around sprains, strains and lacerations due to manual handling and contact with sharp or jagged objects.

Current initiatives are in place and being executed to address tasks linked to higher injury rates. Deep dives of physical demands per tasks analysis are underway to reduce the number of injuries associated with sprains, strains and lacerations.

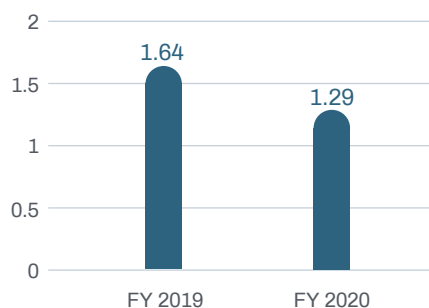
Our organization is highly committed to provide a safe working environment and, as such, to achieve world-class safety performance. We have the right people, the right culture and the focus to deliver this through our critical risk management programme.

The chart to the right displays our FY20 incidents by incident cause. This information includes injuries but also our near misses. Our more significant incidents this past year occurred with moving or falling objects.

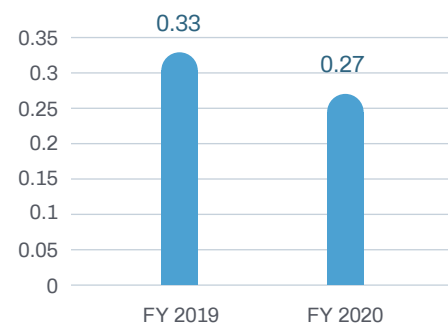
40% of lost time injuries (LTI) were associated with handling, lifting or carrying activities that resulted in muscle strain or tear injuries



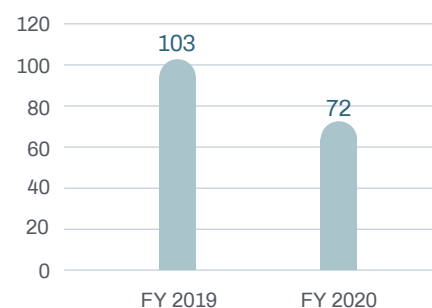
TRIFR*



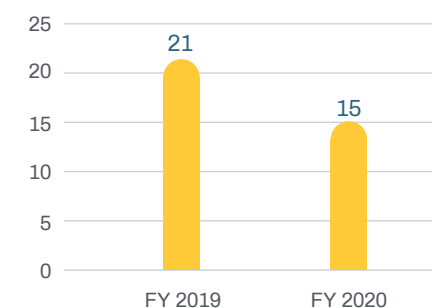
LTIFR*



Total Number of Recordable Injuries*



Total Number of Lost Time Injuries*



* All employees including temporary and agency workers

OUR PERFORMANCE

PEOPLE | HEALTH AND SAFETY *CONTINUED*

	Area	Total Hours Worked (Thousand Hours)	Fatality Count	High-Consequence Injury Count*	High-Consequence Injury Rate per 200,000 Hours	High-Consequence Injury Rate per 1,000,000 Hours	Recordable Work-Related Injury Count	Recordable Work-Related Injury Rate per 200,000 Hours	Recordable Work-Related Injury Rate per 1,000,000 Hours	Number of Lost Time Injuries	Lost Time Injury Frequency Rate per 200,000 Hours	Lost Time Injury Frequency Rate per 1,000,000 Hours
Employees Only	Sims Limited	9,820	–	5	0.10	0.51	61	1.24	6.20	14	0.29	1.45
	Sims Municipal Recycling	622	–	2	0.64	3.21	3	0.96	4.80	1	0.32	1.60
	North American Metals	3,538	–	2	0.11	0.57	17	0.96	4.80	1	0.06	0.30
	Sims Lifecycle Services	2,341	–	1	0.09	0.43	13	1.11	5.55	1	0.09	0.45
	Corporate Offices and Other	311	–	–	–	–	–	–	–	–	–	–
	Australia New Zealand Metals	1,687	–	–	–	–	22	2.61	13.05	9	1.07	5.35
	UK Metals	1,318	–	–	–	–	6	0.91	4.55	2	0.30	1.50
All Workers Including Temporary and Agency Workers	Sims Limited	11,139	–	5	0.09	0.45	72	1.29	6.45	15	0.27	1.35
	Sims Municipal Recycling	642	–	2	0.62	3.11	3	0.93	4.65	1	0.31	1.55
	North American Metals	3,807	–	2	0.11	0.53	17	0.89	4.45	1	0.05	0.25
	Sims Lifecycle Services	3,043	–	1	0.07	0.33	20	1.31	6.55	1	0.07	0.35
	Corporate Offices and Other	311	–	–	–	–	–	–	–	–	–	–
	Australia New Zealand Metals	1,913	–	–	–	–	25	2.61	13.05	10	1.05	5.25
	UK Metals	1,422	–	–	–	–	7	0.98	4.90	2	0.28	1.40

* High-consequence injury count as per GRI definition: work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months

OUR PERFORMANCE

PEOPLE | HEALTH AND SAFETY *CONTINUED*

Sims Limited's Response to the COVID-19 Pandemic

Preserve our company and protect our employees.

The complexities associated with operating in different global jurisdictions, the differences in federal, state and local government responses, the imposed restrictions and shutdowns, the varying virus infection rates and all the associated social and personal impacts demanded extraordinary effort, commitment and adaptability from our team. The leadership team consistently made swift and sound judgements to protect employees and company assets alike in these unprecedented times. All actions taken were to protect our employees and preserve our company so that we can emerge stronger from the crisis and stay on track to deliver our long-term value creation objectives to our shareholders.

Some decisive management actions included:

- executed a Business Continuity Plan,
- coordinated the unplanned and immediate change to working from home arrangements for a large portion of our workforce,
- established protocols and decision trees to address potential employee exposure to COVID,
- reviewed HR policies – Working From Home and leave,
- provided additional leave days for U.S. employees who needed to isolate,
- halted non-essential business travel,
- immediately executed COVID-related safety risk assessments, engineered

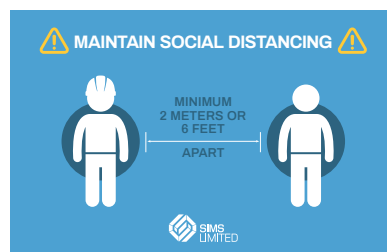


solutions for social distancing and contact elimination, and invested in improved personal protective equipment and hygiene procedures to provide a safe environment for our workforce who are essential

to keeping our operations running safely,

- assisted the workforce through timely access to available government assistance programmes,

company-funded emergency relief programmes and continued healthcare coverage for employees negatively impacted by the crisis,



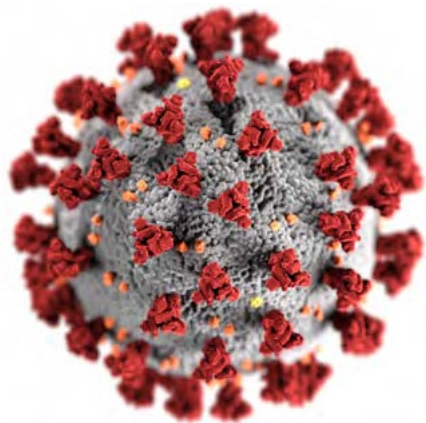
OUR PERFORMANCE

PEOPLE | HEALTH AND SAFETY *CONTINUED*

- made swift decisions on plant and office idling and closures, commensurate with the number of furloughed employees, particularly in the U.S., UK and New Zealand,
- shifted our focus immediately to cash preservation to ensure adequate liquidity remained to meet our operating needs,
- implemented safe return-to-work procedures, and
- reinforced our Employee Assistance Programme and access to virtual doctor visits.

As the pandemic affected our business, we had to close a number of our sites and furlough a number of employees. To alleviate some of the financial burden placed on our U.S. employees, Sims Limited maintained and paid for medical and prescription drug coverage premiums. In addition, Sims Limited provided a tax-free disaster relief payment of US\$1,200 to assist U.S. employees and their families with expenses at a time when unemployment centres were overloaded with requests.

Thanks to the dedication and ingenuity of our employees, we were able to keep our essential operations running in a safe and secure manner. As local jurisdictions made decisions to resume business, our facilities and employees were safely restarted following strict regimens for reinduction and training on new safety protocols. We recognise this crisis is far from over and remain diligent in maintaining and improving our protocols as risks are identified in the communities, in which we operate around the world.



We are proud and grateful to report that, as of 30 June 2020, with 4,075 personnel across the globe, Sims Limited had 24 diagnosed cases of COVID-19. All 24 employees have recovered from the illness.



OUR PERFORMANCE

Human Rights

We believe upholding human rights is vital to conducting a business ethically. It drives our development of a responsible supply chain and creation of a safe and fair workplace.

Management Approach

Sims Limited is committed to respecting, promoting and upholding fundamental human rights as set out in the UN Declaration of Human Rights defined for business in the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights and in the International Labour Organisation Core Conventions on Labour Standards.

We recognise our role and responsibilities within our sphere of influence and endeavour to avoid being complicit in, or encouraging, activities that may result in human rights abuses.

As such, we performed a risk assessment of our operations and supply chain globally. More than 99 percent of our 200,000-plus suppliers are located in low-risk countries as ranked by several world indices such as the International Labour Organisation Composite Score, the Prevalence Index Risk and Global Rights Index. We identified three high-risk countries in which suppliers are located: Pakistan, China and Hong Kong, and one high-risk country, Papua New Guinea, in which we have both operations and suppliers. We also identified the following high-risk supplier types in our operations that are often associated with

modern slavery risks of deceptive recruiting, debt bondage and forced labour:

- Recruitment/placement agencies
- Subcontractors
- Cleaning services
- Personal protective equipment/uniform providers
- Construction

We did not identify incidents related to modern slavery within our supply chain based on the due diligence performed in FY20. However, we continue to refine our supplier due diligence process to clearly address these risks. As an example, our current due diligence process in Sims Lifecycle Services is done via downstream vendor audits that include a social responsibility section. In this section, questions around labour conditions, child labour and compensation systems have been included since 2010. We will now expand it to explicitly include other modern slavery risks such as sourcing of employees and conditions of employment.

We continuously look to improve our processes to identify, address and prevent human rights violations, including modern slavery risks in our operations and our supply chain. To that effect, we issued Sims Limited Supplier Code of Conduct

CASE STUDY



Helping Students Span the Digital Divide

As schools closed due to COVID-19 and assignments shifted online in communities across the globe, some students, particularly in lower-income households, faced a major obstacle: they lacked a computer to complete their schoolwork.

Working with Hemmersbach Kids' Family – Direct Action programme, Sims Lifecycle Services donated 30 laptops to children in need. This donation made it possible for children in India and Poland who are living in orphanages to access online activities and educational resources. The refurbished computers not only advanced a circular economy but enabled these children to continue their education from a distance.

Hemmersbach Kids' Family helps children across the globe who live in poor conditions. The Hemmersbach Kids' Family in Poland works with 71 childcare facilities providing all housing, essentials and academic resources to support their educational and professional development. In India, Hemmersbach Kids' Family engages with orphanages and provides additional health and educational access and financial support.

OUR PERFORMANCE

PEOPLE | HUMAN RIGHTS *CONTINUED*

to codify our expectations for the business conduct of our suppliers and partners and are including the Sims Limited Supplier Code of Conduct as part of our contractual terms with vendors.

We have also developed both general awareness training and targeted training for employees with a higher likelihood of contact with modern slavery such as those in procurement, human resources and site management.

We work hard to stay abreast of developments in acceptable standards of human rights, such as safety in the workplace. At a minimum, we comply with all applicable local laws, regulations and standards of the countries in which we operate,

and we strive to exceed basic compliance.

We also strongly support efforts in our industry to ban practices that enable human rights violation. We support the Australian government's efforts to address the issues raised in the final report produced by the Black Economy Taskforce. In today's modern digital economy, there is no need for large cash transactions to take place. In the Australian scrap metal recycling industry, the widespread use of cash, primarily by small to mid-tier market participants, is a fundamental enabler of illegal activity such as tax evasion, money laundering and organised crime, many of which are linked to human rights violations.

The Sims Limited Code of Conduct details our commitments to human rights. This includes specific policies for the protection of rights for employees, including:

- The right to equal opportunity and nondiscrimination, regardless of ethnicity, gender, religion, age, sexual orientation, health status

or other such protected classifications;

- The right to security of persons, including protection against improper and unlawful harassment and against retaliation for employees who report non-conformance with government regulations, company policies and codes of conduct;
- The right to a safe and healthy workplace for each and every employee, regardless of status;
- The right to competitive remuneration, supporting the concept of competitive pay for work performed; and
- All other legal rights in respect of the workplace granted to our people in the regions in which we operate.

We are committed to the prohibition and elimination of child, forced and compulsory labour throughout the communities in which we operate. Our anti-slavery policy reflects our commitment to act ethically and with integrity in all our business relationships and to implement and enforce effective systems and controls



OUR PERFORMANCE

PEOPLE | HUMAN RIGHTS *CONTINUED*



to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

We have published a modern slavery statement for our UK operation since 2018 and will be

filing our first statement under the Australian Modern Slavery Act later this year. However, our commitment to respecting, promoting and upholding fundamental human rights goes

beyond meeting regulatory requirements. We understand that our business affects human rights through its daily interactions with employees, suppliers, customers, partners and communities. We also understand that our business can bring positive change to the lives of people who are affected by our operations. That is the reason why our CEO signed the World Business Council on Sustainable Development's Call to Action for Business Leadership on Human Rights to support and promote the realisation of human rights for all.

Performance

Freedom of association is one vehicle to protect the rights for employees. Our employees throughout Europe are free

to be represented by a works council and/or union without any obligation to report or inform their decision to the company.

Given the levels of voluntary disclosure, we estimate approximately 5 percent representation of our UK population and less than 5 percent representation for the rest of Europe following the sale of our electronic compliance scheme operations.

In Australia & New Zealand and North America, 45 percent and 38 percent of employees, respectively, are under a collective bargaining agreement.

All these percentages provide us with a rough estimate that approximately 29 percent of our global workforce is represented by a collective bargaining agreement.

COLLECTIVE BARGAINING AGREEMENTS – FY20

Region	% of employee population
North America	38
Australia, New Zealand	45
UK	5
Europe/ROW	0



At Sims Limited, we believe that every human being is deserving of respect, and it is our social responsibility to speak up and act on anything that infringes on the rights of another.

Alistair Field, CEO & Managing Director

OUR PERFORMANCE

Developing Talent

We are proud to be an equal opportunity employer, and we are committed to creating an inclusive working environment that is built on a foundation of mutual respect and inclusion where everyone can contribute, advance on merit and realise their full potential.

Management Approach

Sims University

Sims University is our global corporate university dedicated to global excellence through individual development.

Sims University strives to provide best-in-class learning solutions that are relevant, strategic and build a collective understanding of the business. It delivers online and class-based learning programmes through the Sims University Learning Center, our global learning management system that was launched in April 2018.

The Learning Center serves as a central repository for online operational, safety, compliance, skills-based and management/leadership training programmes.

Employees are able to self-select and complete training courses, including

mandatory safety-related training and compliance based courses such as cyber-security and our Code of Conduct. Mandatory training is automatically assigned to new and existing employees, and reports are generated to track status and completions. Employees with network access completed in excess of 26,000 online courses through the Sims University Learning Center in FY20.

We are constantly evolving our training offerings to support continual employee development and engagement in a rapidly changing operating landscape. For example, in 2020 for safety reasons, a large population of our workforce has been working remotely due to the COVID-19 pandemic. Sims University provides relevant and timely communications and training to support this new arrangement for our employees. We created a dedicated page to house digital resources to support our remote

Sims University strives to provide best-in-class learning solutions that are relevant, strategic and build a collective understanding of the business.

workers through a number of issues including: home office setup, conducting virtual meetings, work/life balance, mindfulness, resilience and health/wellness. We also developed manager toolkits, which provided our managers with the information they need to successfully manage their remote teams.

Current system limitations mean that non-management employees who work in our yard locations do not have network or computer access to take advantage of the Sims University Learning Center. Currently that represents approximately 50 percent

of our employees. To bridge this gap, managers conduct facilitated sessions and present content, such as monthly safety videos, during daily “toolbox talk” meetings and class-based training. To track more accurately the delivery of training for this population, attendance to safety training classes is recorded and uploaded to Sims University. For example, using this process, we implemented an “Introduction to Critical Risk Management” training in 2020 that was completed by more than 4,000 employees and was delivered both digitally, as well as in a classroom setting.

OUR TARGETED PROGRAMMES FOR LEADERSHIP GROUPS

Management Cadets

Regional programmes for college graduates and interns have been in place in the Australia and UK regions, and developed for the North America region in FY20.

Emerging Leaders

A dedicated programme for those responsible for leading teams and/or other managers was developed in FY20 and initially launched in the North America region.

Advanced Leaders

A programme for top-tier leaders and high-potential employees as identified through the organisational capability review process also launched in FY20.

OUR PERFORMANCE

PEOPLE | DEVELOPING TALENT *CONTINUED*

Leadership Development

Developing our current and future leaders is crucial for securing the talent and skills we need to drive our future growth. We are committed to promoting from within, and with the expansion of our core business and the acquisition of several new ones, we are providing opportunities to current and aspiring leaders.

Our leadership development approach aims to develop leaders who consistently embody the Sims Limited's leadership competencies and a "One Sims" global mindset. We use a multi-tiered approach comprised of targeted

programmes for specific leadership groups.

We implemented a blended leadership series for new managers with less than two years' experience that included a series of online modules, reflective exercises and individual management reinforcement.

Launched in 2017, the three-day North America Safety Leadership Certification programme targets yard managers and supervisors and is delivered via Sims University. To date, 1,151 employees have participated in this programme.

In September 2020, the CEO

and members of the executive team conducted the first of several planned town hall meetings for the top 100 leaders of the company globally to discuss status around key business transformation and strategic initiatives currently in process at the company.

Developing a High Performance Culture

The formal performance and development management system ensures that employees establish and work toward clear business and personal goals, as well as receive feedback on the progress they've made based on their job responsibilities and the company's values and

purpose. Career development needs and opportunities are also discussed during performance review meetings.

Performance

We have a very strong performance culture, but with the challenges of the global COVID-19 pandemic, portions of our workforce were furloughed, affecting our performance management process. The process takes place during the last quarter of our fiscal year – during April, May and June – and because of COVID-19 challenges, in FY20 our percentage of employees receiving formal evaluations

dropped to 40 percent from more than 70 percent the previous year. Along with formalised evaluations, our employees receive performance and career development reviews, as well as regular on-the-job feedback. Our employees under collective bargaining agreements have provisions that govern performance separately.

Our employees with network access completed in excess of 26,000 online courses through the Sims University Learning Center in FY20.

Women Working @ Sims – Maria Frank

What is your current role and how long have you been at Sims Metals? I was promoted to yard manager at the Frankfort, NY, facility in June, and I have been with Sims Metals for eight years.

Why did you join Sims Metals? In 2012, I was relocating back to the Frankfort area from Florida and was drawn to Sims Metals because it's a global company and felt my background in construction operations would be valued. Also, because of its size, this company would provide me with the growth and development opportunities I desired.

Why did you choose operations as a career path? What do you enjoy about your work? I have always had a passion and drive for operations because it utilises my strong organisational and analytical skills, but working in metals recycling was

unchartered waters for me. Every day, I'm excited about increasing my knowledge, taking on new challenges and helping people in ways I never thought possible.

Are there any personal or career achievements you'd like to highlight? I've had the opportunity to play a key role in a number of projects throughout my career: spearheading the consolidation of satellite offices into one central processing centre, creating and developing new procedures, and implementing new software programmes. I am excited to see what new achievements are in store for me as I move into my new role as yard manager. I'm a graduate of the University of Phoenix with an associate's degree in Business Management. I also have an amazing husband, a beautiful baby girl and three fantastic stepchildren. I credit them for motivating and supporting me to be the best I can be.



OUR PERFORMANCE

Diversity and Inclusion

Our sustainable business growth depends on developing and retaining a diverse workforce that reflects the ever-changing demographics of where we do business, who we do business with and the communities in which we operate and live.

Management Approach

Through a collaborative and inclusive culture, we can be more innovative, agile and responsive with a broader experience base and a diversity of approaches and resources. Our culture of responsibility and engagement also enables us to access and retain local talent and strengthen connections with communities.

In alignment with our purpose, Sims Limited supports all employees and celebrates the differences they each bring to the workplace.

Our commitment to diversity and inclusion focuses on four key principles:

- Foster a culture that shares a common set of values where difference is appreciated and accepted to support our

business strategy;

- Leverage cultural competence and knowledge to inform and accelerate the pace of our strategies and approaches;
- Positively impact employee engagement through a strong focus on inclusion; and
- Develop and enhance our relationships in the external marketplace.

As the company continues its diversity and inclusion journey, our global respect and inclusion strategy will operate under the three pillars of:

- People,
- Inclusive leadership, and
- Communities.

These pillars will guide a continued focus on a diverse and inclusive workforce, and visible and active leadership, as well as enhance sustainability and corporate responsibility in our communities.

This year, with the death of George Floyd in the United States, the world was

confronted with the harsh realities of racism and social injustice. In our CEO statement that speaks to the company's stance on **diversity, equity and inclusion**, Sims Limited acknowledges that while we may not be able to address what is happening out in the world, we can control our individual interactions with each other. Our core values underscore how we should act. Our colleagues deserve to be safe and treated with respect, and we have a social responsibility to speak out and act against racism.

To raise awareness among our employees, we compiled a global list of resources – books, articles, podcasts and other educational material – about

the history of racism and social injustice in the world we live in.

In Australia, we are supporting reconciliation efforts to improve the economic, health and social opportunities for Aboriginal and Torres Strait Islander peoples and their communities. Sims Limited has developed a REFLECT Reconciliation Action Plan (RAP) with the support of a newly established RAP Working Group that represents employees from across the region. The Sims Metals' RAP was published and shared on the company's dedicated "Respect & Inclusion" page on the intranet. Information is also included in the region's new hire welcome pack.



“
To be silent is to be complicit. We must all speak out against racism and injustice of all kinds. Embrace diversity. Act inclusively. Support equality. There's no limit to what we can accomplish together. **Alistair Field, CEO & Managing Director**

OUR PERFORMANCE

PEOPLE | DIVERSITY AND INCLUSION *CONTINUED*

Closing the Gap

Sims Metals complies with annual reporting requirements for wage gap analysis for its Australian and UK operations. The results from the latest Workplace Gender Equality Agency (WGEA) analysis in Australia indicated that the company's pay gap is currently at 4.65 percent compared to the national gender pay gap of approximately 14.1 percent. Sims Metals, UK gender pay gap has decreased from 2.83 percent to 2.38 percent in FY20, compared to the UK's overall national gender pay gap increasing to 17.9 percent. A pay equity analysis in North America indicated an overall pay gap of 19 percent, which is slightly below the overall as compared to the United States uncontrolled gender pay gap of 20 percent, which does not take into consideration role or qualifications.

Supporting New Parents

In response to employee feedback, the company embarked on a journey to provide a minimum level of paid parental leave for all employees globally – both men and women – in 2018. Statutory regulation or varying local company policy may provide leave in excess of this minimum. However, by establishing a minimum, we aim to provide a reasonable and consistent amount of time for bonding with a newborn or an adopted child. For non-birthing and

adopting parents, the minimum is four weeks' paid leave. For birthing parents, the minimum is six weeks' paid leave.

Employee Engagement

Employees have a direct line to our CEO – either via an email to a CEO mailbox, or via the “Ask Alistair” forum on our intranet. We also provide relevant updates about people moves, business updates, celebrations and highlights on what other sites across the world are doing on our intranet. As a result of the coronavirus pandemic and the large number of employees working remotely, we've hosted, and will continue to host, virtual town hall sessions with Alistair and other members of the executive leadership team. In addition, regions write and distribute local newsletters that include regional information and host town hall meetings for leaders to have open conversations with employees and highlight developments on specific areas of interest.

In FY20, to better support our employees who are experiencing different work arrangements due to the coronavirus pandemic, we conducted a work environment survey to assess the sentiment around remote working capabilities and our enhanced protocols. The feedback resulted in an increased focus on:

- working from home job aids,

“

We encourage all of our employees, customers and business partners to support our commitment as we continue to revitalise our community engagement, particularly with emphasis on strengthening relationships with, and providing opportunities for, Aboriginal and Torres Strait Islander people.

John Glyde, Chief Operating Officer, Sims Metals

- opportunities to continue collaboration, and
- health and wellness.

Sims Limited is committed to providing engaging and productive remote working arrangements. We assembled a global team to continue to review its effectiveness. In addition, we provide regular updates on how to optimise off-site work, and continue to look for additional opportunities to gather employee feedback on the success of this new way of working by utilising pulse surveys and focus groups.

Performance

In FY20, we maintained our focus on diversity and engagement with a wide range of programmes and initiatives around the globe.

Our industry is one that has been traditionally male dominated, and we're committed to providing a working

environment that is fit and welcoming for all employees.

We continue to track applicants for positions. In FY20, we exceeded our goal to have females comprise 25 percent of all applicants (internal and external). For positions advertised in FY20, we reached a female applicant rate of 30 percent.

We have taken the following actions to help close the gender gap in our workforce:

- Reviewed and overhauled our employment marketing materials to ensure the messaging resonates with female applicants,
- Instructed internal and external recruiters to specifically include female candidates in the applicant and short-list recruiting pools,
- Track and report on our female applicants and new hires quarterly to monitor progress, and

OUR PERFORMANCE

PEOPLE | DIVERSITY AND INCLUSION *CONTINUED*



- Newly incorporated female development and progression in our Organizational Capability Review process. Through this process, we specifically review our female professional workforce for their career progress, development plans and next potential development moves.

A series of diversity and cultural celebrations was held at our facilities in the U.S. to honour and educate employees about the contributions of our diverse society. Events ranged from presentations to online Q&A activities accessed through the Sims University Learning Center that spotlight Black History Month, Women's History, LGBTQ Pride Month and Hispanic Latino Heritage Month. In the U.S., UK and Australia, we acknowledged the International Women's Day theme of "Each for Equal" to celebrate women's contributions to society and raise awareness about the fight for gender

parity by featuring women and men in similar roles across the company on MySims, the company intranet.

Globally, Sims Limited reinforced the importance of mental health awareness for employees and their families by acknowledging World Mental Health Day. Through our intranet, we shared the World Federation for Mental Health (WFMH) website to raise awareness and generate support for mental health and its effects. Our Australia facilities participated in "R U Okay" day, a national day of action focused on suicide prevention and dedicated to reminding everyone that every day is the day to ask, "Are you OK?" and support those struggling with life's ups and downs. Employees were provided with variety of resources available to them through the company's Employee Assistance Programme and the "R U Okay" organisation.

CASE STUDY

BLACK HISTORY MONTH CELEBRATION

Celebrating Black History Month in the U.S.

In the U.S., as part of diversity and cultural month celebrations, Black History Month observations were held across many locations throughout the month of February. Employees participated in a variety of presentations that included a focus on the "Great Migration" and the Caribbean Migration of the early to mid-20th century. This period of time marks when significant numbers of Black citizens fled southern states for northern and western cities and West Indians immigrated to the U.S. for a better quality of life. As part of the celebration, members of the executive leadership team and other attendees enjoyed traditional foods of the African and Caribbean diaspora, as well as southern cuisine.

IN FY20, WE INCREASED THE
PERCENTAGE OF WOMEN IN
OUR EMPLOYEE BASE FROM

19.5% TO **21%**

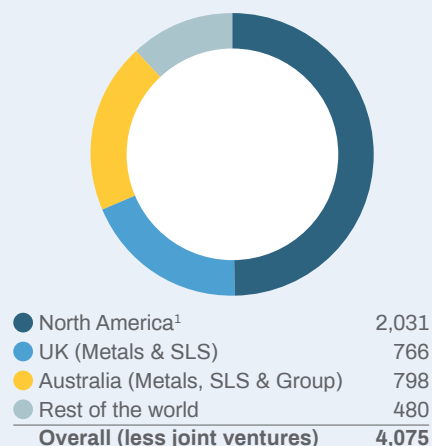
IN FY20, FEMALE REPRESENTATION
ON OUR GROUP'S BOARD OF
DIRECTORS WAS

37.5%

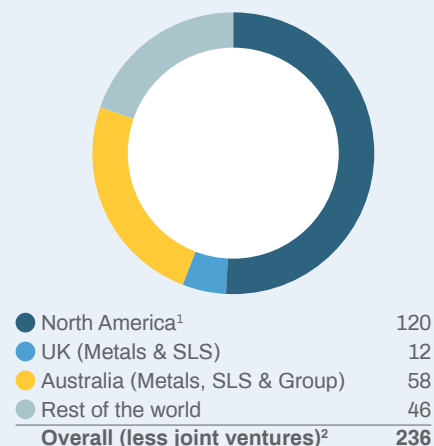
OUR PERFORMANCE

PEOPLE | DIVERSITY AND INCLUSION *CONTINUED*

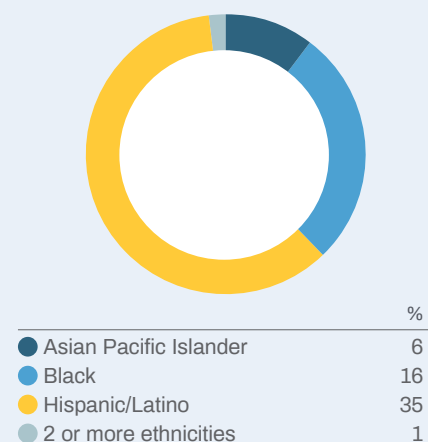
Total Employees at Fiscal Year End 2020



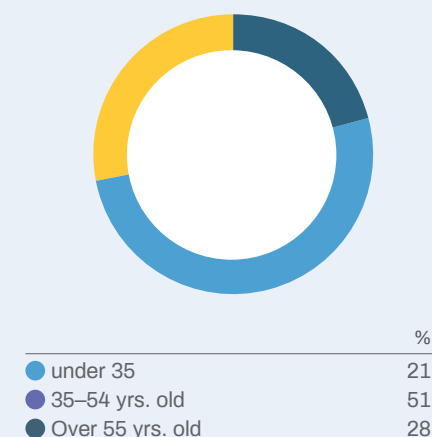
Total Temps/Contractors at Fiscal Year End 2020 (Excludes JV)



Minority Representation in Our U.S. Workforce



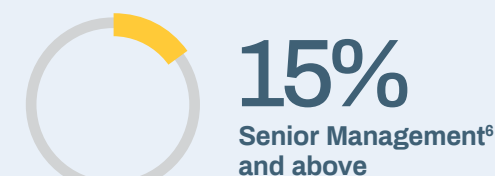
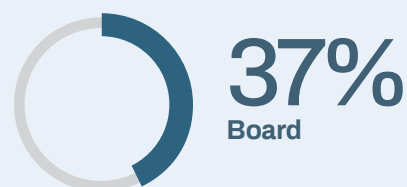
Age of Employees³



Gender of Employees¹



Diversity of Governance Bodies: % Females



¹ Includes North America Metals, US SLS, SMR and Corporate employees

² We started FY20 with 799 temps and mostly due to COVID-19, the number of temps had to be significantly reduced

³ Data collected where legislation allows

⁴ Includes UK Metals & SLS EMEA

⁵ Includes Metals, SMR, SLS – NA, Global Trade & Corporate

⁶ Senior Management generally sit at “CEO-2” in the Group’s reporting structure. “CEO-1” refers to the layer of senior executives reporting directly to the CEO, “CEO-2” to the next layer of management reporting to those senior executives, and so on.

⁷ Managers generally sit at “CEO-3 and CEO-4” (although in some instances “CEO-2”) in the company’s reporting structure.

THE SIMS PURPOSE

The Value of Education and Participation

Kara Napolitano oversees one of the most in-demand field trips in the greater New York City area – a tour of the Sims Municipal Recycling Materials Recovery Facility in Sunset Park, Brooklyn. Almost as soon as open slots appear on the facility's website, they are instantly booked.

Why the popularity? "For one, it's free," says Napolitano, the facility's education and outreach coordinator, with a laugh. In 2019, 8,000 visitors came through the facility's Recycled Education Centre and tours were booked months in advance.

She also quickly acknowledges that when it comes to immersive educational experiences, it is hard to beat the spectacle of 2.5 miles of conveyor belts and heavy machinery sorting a rainbow of recyclable glass, metal and plastics. Each day, 1,000 tonnes of New York City's residential recycling is received, sorted and prepared for sale at the facility. Visitors view the state-of-the-art sorting process from an elevated observation deck.

Schoolchildren aren't the only ones who are targeted by SMR's Education Centre. Napolitano also hosts adult and college-age groups, inspiring and empowering attendees of all ages to create less waste and recycle right.

During her tours, Napolitano fields a variety of questions. From younger elementary students, she is often asked questions such as, "Why don't we just shoot our trash

into space?" She uses these questions as opportunities to turn the discussion to how recycled items are valuable materials that shouldn't be wasted.

Adults tend to ask questions about the specifics of what can and can't be recycled, such as: "Can I recycle plastic bottle caps?" The answer: Yes, and keep caps on the bottle, so they don't fall through the 2.5-inch holes made for sorting shattered glass during processing.

"They worry they aren't doing it right," she said. "I encourage them to find the answers."

Meanwhile, Napolitano finds college-age visitors – many of whom are studying packaging design or are interested in sustainability – are taking a more holistic approach. **"They're not focused on the end of life; they're focused on the lifecycle,"** she said. **"They are interested in learning how products can be designed to be more recyclable."**

She has even hosted sustainability directors from companies that produce packaging. "Some had never been to a recycling centre before," she says.

Visitors can observe sustainable practices even before reaching the doors of the Recycling Education Centre, Napolitano says. On grounds, native plantings help with stormwater management, and the city's first commercial-scale wind turbine generates renewable energy.

"The experience starts as soon as visitors set foot on our grounds," Napolitano says.

Since COVID-19 hit in March, Napolitano has been forced to shift from in-person to [virtual tours](#). As the pandemic and its restrictions continue, she has noted a steady uptick in demand for these online tours and sees the opportunity to reach new audiences. The virtual tours have not only attracted New York City schools, but also students from Pennsylvania high schools, Maryland

“

It's a great way to see sustainability in action and to connect how individual choices to recycle collectively make a big impact. **Kara Napolitano, education and outreach coordinator at Sims Municipal Recycling**



colleges and graduate students as far away as China and Abu Dhabi. An important message that she emphasizes during these tours is, "Recycle where you can, but also think about where you can reduce."

"Recycling is good and it is helpful for creating a circular economy, but recycling alone is not the solution," Napolitano says. **"It is not going to manage all of the mounting waste that is being created. Reducing and reusing are far more impactful. So, I urge people to recycle where they can, but also consider where they can reduce and can make purchases that can be used and reused for longer periods of time. This way, your item doesn't become waste next week or next year."**

OUR PERFORMANCE

Community Engagement and Local Impacts

The communities in which we operate are key to our success and we want them to see us as a trusted partner. Our communities fuel our sustainable growth by providing links with local workforce, infrastructure and suppliers.

Management Approach

Sims Limited is committed to being a respected, responsible corporate citizen by working constructively with our communities and other stakeholders in engaging in the honest and ethical conduct of our business.

From contracts with companies for IT asset disposition to accepting cans, buckets and carloads from individual peddlers, we purchase valuable

resources to inject back into the circular economy. Our business model requires our facilities to be located in or near large metropolitan areas, and most of our employees, including senior management, are hired from the local community.

Our operations bring economic benefits to the communities where we work by employing people, buying services and products and paying taxes. We focus on transparently engaging with our

host communities, and we work openly with anyone who is impacted by our operations.

Our commitment to being a respected, responsible corporate citizen drives us to work constructively with communities and other stakeholders and ensure honest and ethical conduct in the way we conduct business.

?

DID YOU KNOW?

Nearly **100%**
of our
spending is on local
suppliers, big and small.

Our Stakeholder Engagement Approach

COURTESY AND RESPECT

Each employee is a representative of Sims and, as such, is accountable for their conduct. Our employees must act professionally, courteously and respectfully to all fellow employees, suppliers, contractors, visitors and members of the community at all times.

STAKEHOLDER ENGAGEMENT

We engage regularly, openly and honestly with the people living in local communities who may be affected by our operations, and we take their views and concerns into account in our decision-making. Our approach to engagement varies between regions and sites, but we always provide a way for the community to address any concerns and complaints in a timely manner, either via a Sims community focal point employee or a dedicated phone line for neighbours to call.

PRODUCT AWARENESS

Through Sims Municipal Recycling, we engage with stakeholders who are involved throughout the lifecycle of our products to promote the responsible use and management of those products. More than 8,000 community members and other stakeholders visit our Recycling Education Center in Brooklyn, NY, every year. Due to COVID-19, in-person visits were not an option, so we adapted and now offer virtual visits.

INVESTING IN COMMUNITIES

We also aim to have a positive, long-term impact by investing in projects that enhance social, environmental and economic well-being. Our sites support a large number of community initiatives through financial donations and volunteering. Over the coming years, we will develop a more strategic approach to community investments to maximise our collective positive impact across our sites and businesses.

OUR PERFORMANCE

PEOPLE | COMMUNITY ENGAGEMENT AND LOCAL IMPACTS *CONTINUED*

CASE STUDY

Employees Join Co-Worker in Building Her Dream Home

Affordable housing plays a critical role in building strong and stable communities. This is a major reason that Sims Lifecycle Services (SLS) in LaVergne, Tennessee, has partnered locally for the past several years with Habitat for Humanity – donating both financially and through employee volunteer labour to help build and improve homes for local residents. But in June 2019, when one of SLS' own employees, Joyce Agobi, was chosen to become a Habitat homeowner, her co-workers from across the greater Nashville area were especially proud to rally around her and assist with building her dream home.

Over the course of several days, SLS employees donned hard hats, took up hammers and volunteered their personal time to join Agobi, her family and the

Habitat team to assist with the build.

"Having our own home means security for me and my family," Agobi said. "It changed our lives. And having other Sims employees be part of this, just made it more meaningful. I am grateful."

Habitat for Humanity is a global nonprofit housing organisation working in local communities across all 50 American states and in approximately 70 countries. SLS LaVergne traditionally contributes US\$6,000 per year to the organisation, as well as has employees volunteer for at least two home builds or improvements per year. SLS looks forward to a continued partnership with Habitat for Humanity and to helping build and improve places that families will call home.



Having our own home means security for me and my family. It changed our lives. And having other Sims Lifestyle Services employees be part of this, just made it more meaningful. I am grateful. **Joyce Agobi, Asset Management Associate**

OUR PERFORMANCE

PEOPLE | COMMUNITY ENGAGEMENT AND LOCAL IMPACTS CONTINUED

Taking Action Worldwide

Together, our Sims Limited team is committed to building a stronger, more resilient future for the communities in which we live and work. Here's a sample of the many ways that our company and people contributed our time, talents and resources in FY20.

Click on the map dots to see how Sims Limited engaged with the communities in which we operate and do business.

OUR PERFORMANCE

Responsible Business

Integrity is one of our core values. We conduct business with integrity and adhere to the highest standard of ethical business conduct and transparency.

Preventing Anticompetitive Practices, Bribery and Corruption

Our Board is committed to establishing sound corporate governance practices that ensure we uphold our core values of safety, integrity, respect, transparency, excellence and social responsibility. This is fundamental to fostering investor confidence and driving higher value for shareholders through prudent risk management and a culture that encourages ethical conduct, accountability and sound business practices.

We posted our [Anti-Bribery & Anti-Corruption Policy](#) publicly both internally and externally to clearly communicate our expectations when conducting business on behalf of Sims Limited and its business divisions to its officers, employees, contractors, agents,

consultants, suppliers and its Board of Directors. The policy sets standards that either meet or exceed anti-bribery and anti-corruption requirements in each of the countries in which we do business. It sets the basic requirements that all employees must follow in their dealings on behalf of the company. All new employees are provided this policy during onboarding where they acknowledge that they have received it and understand it.

Sims Limited has assessed its corruption and bribery risk in its operations and identified that higher areas of risk are around the actions of its agents and commercial team members due to the nature of their interactions and the relative higher risk countries they do business in. Agents receive training on Sims

Limited's Code of Conduct upon initial approval, with refresher training during recertification. Commercial teams and global trade personnel are required to participate in annual anti-trust and anti-bribery/anti-corruption training. Additionally, in FY20 we highlighted our expectations that none of our employees will engage in corrupt behaviour, including guidelines around gift giving in our annual Code of Conduct training administered to all employees.

Ensuring Compliance

We provide annual training on our Employee Code of Conduct to all levels of our personnel, highlighting different areas to keep them in touch with this

vital guidance. This year we focused on avoiding even the appearance of bribery or corruption, including appropriate gift giving and receiving, and our zero tolerance for harassment, as well as how to raise concerns if employees have them.

Sims Limited does not tolerate harassment, retaliation or reprisals of any kind against any employee who has, in good faith, protested or raised a complaint with respect to a policy or practice of our Company or any of its employees.

One reporting mechanism is our independent hotline. We promote the hotline not just to employees, but to temporary workers and visitors as well as an option for reporting concerns about unlawful or unethical behavior at Sims Limited. We have also added the ability to ask questions about concerns through the hotline, which supports both reporting and querying anonymously. We

emphasise with our workers that the hotline is only one mechanism available to them. They may also talk to their line manager, human resources, the CRCO, ethics and compliance, general counsel, the CEO and the Board of Directors if they have concerns. This is also identified in [The code of conduct](#).

Third-party agents are required to acknowledge their understanding of our anti-corruption and company ethics requirements, as well as our incident reporting procedures. Our agents are located in countries where we typically do not have a presence, or have a limited presence, and act as intermediaries with our customers mainly for the sale of ferrous and non-ferrous secondary metals.

Sims Limited's internal audit services provide independent, objective assurance and consulting services to improve the company's operations. It

Our Anti-Bribery & Anti-Corruption Policy sets standards that either meet or exceed requirements in each of the countries in which we do business.

OUR PERFORMANCE

RESPONSIBLE BUSINESS *CONTINUED*

brings a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes for a broad range of audit-related tasks of a financial, operational, information technology, external reporting and compliance nature to provide assurance that Sims policies and processes operate effectively.

In FY20, our internal audit group conducted 20 internal audits and followed up on management action plans. Through the work performed by internal audit, no conflicts of interest nor incidents of corruption were identified.

Privacy and Security

We take great pride in having robust privacy and security policies and strives to be best-in-class, protecting any information and data in our custody and stewardship. We continue to strengthen information security systems by implementing security controls and training. For example, our users are regularly trained how to recognise a phishing

attack and what to do when one occurs. We provide this training via simulated phishing emails to our users, as well as through assigned cyber-security training through the Sims University Learning Center. We see this as a key growth driver for our business, as illustrated through our e-waste and IT asset disposition (ITAD) business, which serves blue chip clients across a range of industries to securely and responsibly recycle and manage the disposition of IT equipment and electronic products.

Employees throughout our global organisation are also trained on our Acceptable Use policy, which outlines the acceptable use of computer equipment and the protection of information assets.

Fair Remuneration

Each year, within our Annual Report to Shareholders, we disclose our [executive remuneration philosophy and guiding principle](#), along with how the pay outcomes are aligned to company performance. Our independent Board of Directors and executive leadership team

actively discuss the company's remuneration structure and design with key stakeholders including shareholders, Board members, investors and shareholder advisors. The outcomes of these discussions influence and shape changes made to the remuneration structure.

Shareholders are also provided with the opportunity to vote annually on the remuneration structure of the key management personnel, and the company has received better than 90 percent of the vote in favour for the past three years.

We adopted and implemented a global grading process using the well-established and validated Hay Grading methodology. This provides a consistent foundation for identifying roles of similar value throughout the company. With this foundation, we can apply a consistent approach to participation in incentives and other variable benefits. In addition to the globally consistent grading structure, we participate in and purchase independent salary surveys to ensure we are paying market competitive base and variable

pay based on the duties, skill requirements and location of employment.

Nearly all our employees, including senior management,

are hired from the local communities. In all of our operating jurisdictions, entry-level wage rates are above the minimum wage requirements.



OUR PERFORMANCE

Economic Performance

Sustainable economic performance is key to a sustainable business. We want to thrive through the creation of shared value whereby as our business grows, so do the communities around our operations, and our suppliers and other stakeholders also benefit.

Sales revenue of \$4,908.5 million in FY20 was down 26.1 percent compared to sales revenue of \$6,640.0 million in FY19. The decline was attributed to lower average sales prices, primarily in ferrous metals and zorba products, and lower sales volumes. At constant currency, sales revenue was down 29.3 percent to \$4,692.0 million. Sales volumes were 8.154 million tonnes in FY20 versus 9.803 million tonnes in FY19. The decline in volume was due principally to the low pricing environment during the half year ended 31 December 2019, which limited the attractiveness of collection and sale of scrap. This was exacerbated by the emergence of COVID-19 during the half year ended 30 June 2020 (H2 FY20).

It's disappointing to share that Sims Limited did not turn a profit in FY20. We closed the

year with an underlying EBIT loss of \$57.9 million due to the tough market conditions that persisted throughout the year and the unprecedented global health crisis during the second half. There were tentative signs of a recovery in scrap prices and volumes. However, in early 2020, the historic worldwide response to slow the spread of COVID-19 materially reduced intake volumes and sales prices in the second half – especially in North America, the United Kingdom and New Zealand.

Importantly, we have maintained a strong balance sheet throughout the pandemic with net cash as at 30 June 2020 of \$110.4 million.

Tax Matters

Tax matters are managed in accordance with Group policies, applicable country laws and regulations, and

the company's Corporate Governance Principles, which define its relationships with its stakeholders and govern how it conducts its business. Consideration is given to the company's reputation, brand, value creation, corporate and social responsibility when considering any tax initiatives.

Sims Limited's Tax Corporate Governance policy and the tax strategy support existing and current practices and processes that are performed

consistently throughout the global operations.

Sims Limited, throughout its legal entities, follows best practices and has adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework as the basis for the company's Tax Risk Management.

This tax risk management framework identifies, maintains, manages and monitors tax risks

and mitigating controls of the company. External and internal auditors periodically test and review to ensure that all of the internal controls are properly working and that documentation is maintained, evaluated, monitored and communicated to the executive leadership team, internal and external audit and the Audit Committee of the Board.

Economic value generated, distributed and retained, Australian dollars in millions	FY20	FY19	FY18
Revenues ¹	4,991.7	6,754.3	6,564.2
Operating costs	4,615.0	5,864.0	5,663.7
Wages/benefits	614.2	664.1	620.0
Payments to providers of capital, net	15.4	7.9	10.8
Payments to governments (taxes)	12.4	65.7	66.2
Payments to shareholders	50.6	107.9	106.8
Economic value retained	(315.9)	44.7	96.7

¹Includes other income and the share of results from equity accounted investments



ABOUT THIS REPORT

Stewards of Our Natural World

ABOUT THIS REPORT

Scope and Boundary

This report has been prepared using the Global Reporting Initiative (GRI) Standards as guidance – GRI referenced – covering FY20 reporting period.

We report all of the General Disclosures described in the GRI Standards, as well as the specific disclosures related to issues material to us.

We include a table inside the back cover of this report cross-referencing key GRI indicators and showing where, in this report, those topics are discussed.

Additional reporting that may be of interest to the reader can be found online:

- Downloadable version of [this report](#)
- Sims Limited's most recent previous report, covering the year ending June 30, 2019, and an archive of [earlier annual sustainability reports](#)
- 2020 Sims Limited [ASX fillings](#)
- Sims Limited [Investor Strategy Day and Full-year results presentations](#)

Glossary

Ferrous secondary recycling: comprises the collection, processing and trading of iron and steel secondary raw material.

Materials Recovery Facility (MRF): a specialised plant that receives, separates and prepares recyclable materials for supply to end user manufacturers.

Non-ferrous secondary recycling: comprises the collection, processing and trading of other metal alloys and residues, principally aluminium, lead, copper, zinc and nickel bearing materials.

Secondary metals: metal derived wholly or in part from scrap.

Twitach: floated fragmented aluminium scrap from automobile shredders.

Zorba: shredded mix of non-ferrous metals, mainly aluminium.

External Recognition

- Sims Limited was named in the Dow Jones Sustainability Index Australia Index for 11 consecutive years.
- MSCI ESG Fund Ratings | AAA ESG rating categories.
- World's Most Sustainable Corporations by Corporate Knights
- Clean200 by Corporate Knights and As You Sow
- "Leading" level of ESG reporting by ACSI — Australian Council of Superannuation Investors

External Memberships and Engagements:

Sims Limited is a member of World Business Council for Sustainable Development's (WBCSD) Circular economy programme which works on three projects:

- Factor 10
- Circular electronics partnership
- Plastics and packaging

CEO signed the World Business Council on Sustainable Development's Call to Action for Business Leadership on Human Rights

ISRI member

EDF – Environmental Defense Fund

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



Contact

Thank you for your interest in our report. We welcome your questions, comments and feedback. You may contact us at:

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1. Organisational profile		
102-1	Name of the organisation	5
102-2	Activities, brands, products and services	7
102-3	Location of headquarters	6
102-4	Location of operations	6
102-5	Ownership and legal form	Sims Limited is a publicly traded company, with a primary share listing on the Australian Securities Exchange and ADRs trading in the United States on the OTC Market. Page 97 Subsidiaries. footnote 23
102-6	Markets served	7
102-7	Scale of the organisation	6
102-8	Information on employees and other workers	63
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102-10	Significant changes to the organisation and its supply chain	Annual Report, page 96. footnote 22
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102-23	Chair of the highest governance body	26
102-24	Nominating and selecting the highest governance body	Remuneration Report section on the Annual Report, page 36
102-25	Conflicts of interest	Yes, conflicts of interest are required to be disclosed, updated and confirmed on an annual basis inclusive of our Board of Directors
102-26	Role of highest governance body in setting purpose, values and strategy	25
102-27	Collective knowledge of highest governance body	Information about our board members can be found in our Annual Report, pages 26-27
102-28	Evaluating the highest governance body's performance	Remuneration Report section on the Annual Report, page 36
102-29	Identifying and managing economic, environmental and social impacts	27
102-30	Effectiveness of risk management processes	27
102-31	Review of economic, environmental and social topics	27
102-32	Highest governance body's role in sustainability reporting	27
102-33	Communicating critical concerns	27
102-34	Nature and total number of critical concerns	We have a highly engaged and dynamic leadership body. Currently there is not systematic tracking of critical concerns as critical concerns are communicated and addressed in a timely manner
102-35	Remuneration policies	Remuneration Report section on the Annual Report, pages 36-57
102-36	Process for determining remuneration	Remuneration Report section on the Annual Report, pages 36-57

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102-37 Stakeholders' involvement in remuneration	Remuneration Report section on the Annual Report, pages 36-57
102-38 Annual total compensation ratio	Remuneration Report section on the Annual Report, pages 36-57
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102-56 External assurance	There was no external assurance

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201-2 Financial implications and other risks and opportunities due to climate change	32-35
201-3 Defined benefit plan obligations and other retirement plans	Annual Report, pages 86-87
201-4 Financial assistance received from government	Annual Report, page 74
GRI 202: Market Presence	
202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	69
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GRI 204: Procurement Practice	
204-1 Proportion of spending on local suppliers	65
GRI 205: Anti-corruption	
205-1 Operations assessed for risks related to corruption	68
205-2 Communication and training about anti-corruption policies and procedures	68-69
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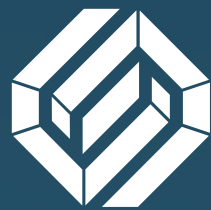
GRI TABLE *CONTINUED*

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GRI 300: Environmental Standards		
GRI 301: Materials		
301-1	Materials used by weight or volume	6.2 M tonnes of secondary metals recycled, 24.6K tonnes of data centre material recovered, 600K tonnes of municipal curbside recycling processed
301-2	Recycled input materials used	Nearly 100 percent of our inputs are secondary materials
301-3	Reclaimed products and their packaging materials	See 301-2
GRI 302: Energy		
302-1	Energy consumption within the organisation	42
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GRI 405: Diversity and Equal Opportunity		
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412-1	Operations that have been subject to human rights reviews or impact assessments	55
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