



ESG Briefing

Enabling Decarbonisation

28 October 2022



Agenda

Integrated Business Strategy

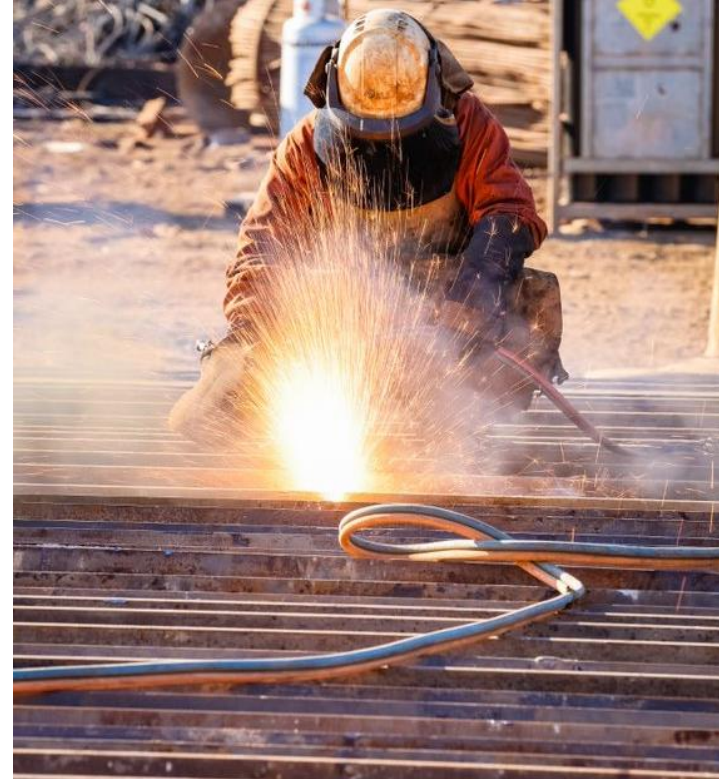
Alistair Field,
Group CEO & Management Director

Sustainability Governance

Gretchen Johanns,
Group Chief General Council

Sustainability Strategy & FY22 Performance

Elise Gautier,
Chief Risk & Sustainability Office





Alistair Field
Group CEO & Managing Director





Acknowledgment of Country



Integrated approach to business performance

Growth strategy embedded in the sustainability strategy

Tailwinds

- Increased environmental concerns and more stringent environmental controls
- Global push for high quality metals
- Growing demand for recycled copper and aluminum
- Increased focus on waste management
- Electrification and energy transition to drive copper and aluminium prices
- Increased demand for recycled metal
- Increased demand for cloud services

Materiality

- Actions on GHG Emissions
- Community Relations
- Employee Health & Safety
- Environmental Compliance
- Innovation & Tech for Circular Economy

Sustainability Strategy

- Operate Responsibly
- Close the Loop
- Partner for change



Growth Strategy

Grow core business and leverage synergies to expand into adjacent markets:

Expand metal volumes in favourable regions

Grow non-ferrous business (US)

Enter resource renewal

Repurpose cloud infrastructure

Expand proven landfill energy business overseas

Growth projects must meet sustainability and 15% post-tax IRR requirements

FY25 Targets

9.6m tonnes
Ferrous volumes

300,000 tonnes
Non-ferrous volumes

120,000 tonnes
ASR/year

8.5m
Repurposed units

50mw
Sims Energy Capacity

Create a world without waste to preserve our planet



FY22 Sustainability Highlights

Advanced towards our purpose and continued to be recognised



**FT-Nikkei-Statista
Asia-Pacific Climate Leader**

★★★

**United Nations
Global Compact Signatory**

★★★

2022 Carbon Clean 200 List

★★★

**Corporate Knights 2022
World's 100 Most Sustainable
Corporations**

★★★

**Newsweek's 2022 America's
Most Responsible
Companies**

37% of
electricity from
renewable
sources

21%
carbon
footprint
reduction¹



Record year
in safety
performance

Achieved our
target of **25%**
women in
leadership roles



¹From FY20 baseline



Gretchen Johanns
Group Chief General Counsel



Our robust sustainability governance

Makes us accountable and ensures effective implementation of the sustainability strategy across the business

Leadership Oversight

Group CEO &
Managing Director



Group Chief
General Council



Chief Risk,
Compliance &
Sustainability
Officer

Board Oversight

Board Committees

- Safety, Health, Environment, Community & Sustainability (SHECS)
- Risk
- People & Culture
- Nomination/Governance
- Audit

Accountability

Sustainability

- Is integrated with the business targets, employee performance framework and remuneration structures
- Is embedded in the approval processes of M&A and growth projects



Fast-evolving US regulatory environment

Despite the minimal impact of our metal operations, we proactively take the necessary steps to ensure that we stay ahead of all our stakeholders' expectations, including communities and government

- Historically it was not possible to measure volatile organic compounds (VOC) from shredders
- As technology progressed and shredders were enclosed, VOCs could be directed to a stack and measured
- It is now possible to determine the level of shredder VOCs through testing
- Shredder VOCs are believed to be mostly due to the presence of incidental levels of petroleum products in end-of-life vehicles (ELVs) in infeed materials
- In order to minimize VOCs, Sims takes a number of steps prior to shredding materials, including the removal of fluids such as oil and fuel
- Sims complies with applicable federal and state VOC thresholds
- Results from a recent study conducted for a competitor identified no health risks at EPA thresholds ¹
- Allocated environmental Capex for FY23 and beyond

¹ Overview of Assessment of Air Emissions from Reserve Management Group (RMG) Operations, Jeff Harrington, February 15, 2022, Tetra Tech



Roll out of plan in NAM has started

We have worked closely with the USEPA and State EPAs to measure VOC emissions and install controls

- NAM has 12 shredders: 9 ELV/metal shredders, 2 dedicated to shredding aluminium (Sims Alumisource) and 1 idled (Johnston RI)
- Sims is actively working with the USEPA and individual State EPAs on the implementation of advanced emissions controls
- Several factors are considered to determine the appropriate emissions controls for a shredder, including the shredder size, the amount of material shredded (throughput), the type of material and the location of the shredder
- Based on work to date, Sims will install emissions controls on its shredders in Chicago, Illinois, Jersey City, New Jersey, and Morrisville, Pennsylvania. These shredders are the priority based on their size and/or the amount of material they handle
- As a first step, Sims is also planning to test its shredder emissions in Redwood City, California
- Timing:
 - Chicago: In October 2021, Sims agreed to install emissions controls. In September 2022, Illinois EPA issued the construction permit required to install those emissions controls. The installation will take approximately two years to complete
 - Jersey City: In June 2022, Sims submitted the application to modify our shredder air permit to allow installation of emission controls. Sims is awaiting approval from the New Jersey EPA
 - Morrisville: Sims is preparing to submit a plan approval application for installation of VOC controls



Case study – Chicago

Achieved positive outcome with approval of construction permit. Sims will invest \$15 million in advanced controls that have only been made by a handful of facilities nationwide

Local context

- The relocation of the operations of a Sims' competitor from Lincoln Park to the Southeast Side of Chicago resulted in extensive community protests
- The Mayor denied a final permit to operate to Sims' competitor
- The case attracted significant media attention

Process for Sims' permit renewal

- In 2019, following the protocol approved by the US Environmental Protection Agency (USEPA), Sims performed an emissions test and agreed with USEPA an emission factor for the shredder and appropriate throughput restrictions
- Sims was prepared to use this number in the application for an updated Illinois State shredder emissions permit. However, the Illinois EPA requested that Sims retest the emissions despite the involvement of the USEPA in the prior test.
- In light of our corporate purpose and the community's feedback, Sims decided to update the technology rather than spend time debating the method and accuracy of additional testing. The discussions with the Illinois Attorney General have been constructive and a necessary step to approve the implementation of the controls. Sims agreed to the measures and was not asked to admit a failure to meet the necessary standards or any wrongdoing
- Engagement with the local community, where we have operated and built relationships for more than 30 years has been, and continues to be our priority



In September 2022, Sims announced that the Illinois Environmental Protection Agency had endorsed Sims Metal's plan to enclose its metal shredder at all emission points and add state-of-the-art advanced emission controls by approving the request for a construction permit





Elise Gautier

Chief Risk & Sustainability Officer



An aerial photograph of a lush green landscape featuring terraced rice fields. The terraces are carved into the hillsides, creating a series of concentric, wavy lines that follow the contours of the land. A small, irregularly shaped pond is nestled within the terraces on the right side of the image. The overall scene is vibrant and green, with some brownish patches indicating dry earth or paths.

**The Value Sims Creates is
Innately Sustainable**

Sims' portfolio of businesses

Assists customers in lower their respective carbon footprints as the world transitions to a circular, low-carbon economy



In FY22 Sims delivered 98.16% to 100% green revenue

**FTSE
Russell**

**FTSE 100 Index Russell's Green
Revenues Classification System
(GRCS) assessment**



Leading the way to a circular economy

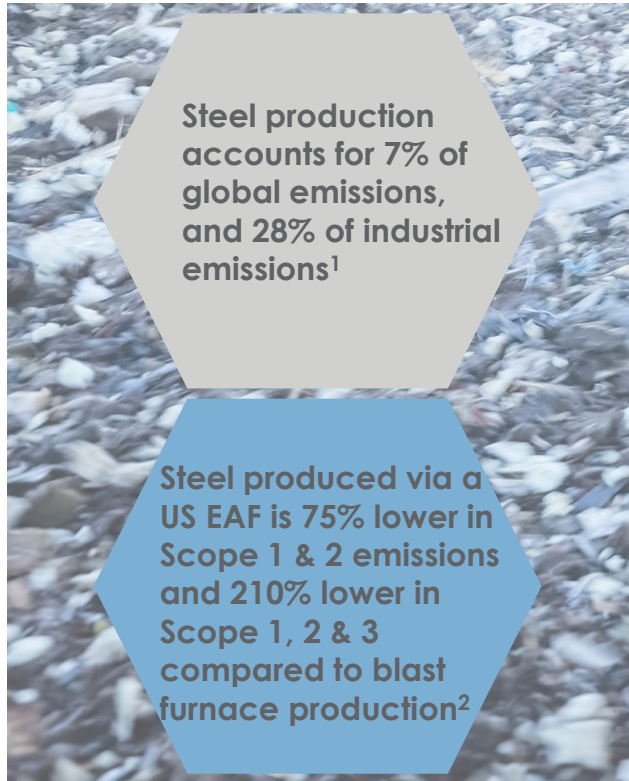
Moving to efficient, renewable electricity can address 55 percent of global GHG emissions to meet the UN climate goals, it will be essential to address the remaining 45 percent that comes from manufacturing everyday products.

Ellen Macarthur Foundation

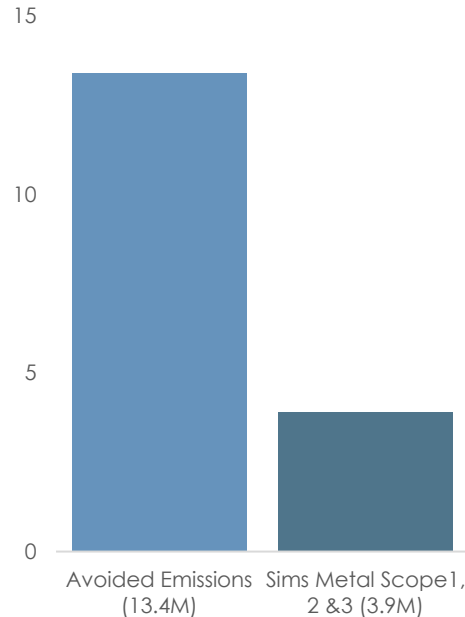


Our role in decarbonisation

Sims Metal enables the decarbonisation of the steel industry



Direct, Value Chain and Avoided Emissions FY21



Our Positive Impact

8.3 million tonnes of ferrous metal recycled with Sims Metal globally had the potential to avoid 13.4 million tonnes of CO₂ – equivalent to the annual emissions of some of Australia's largest coal fired power plants³

¹ IEA, "Energy Technology Perspectives 2020"

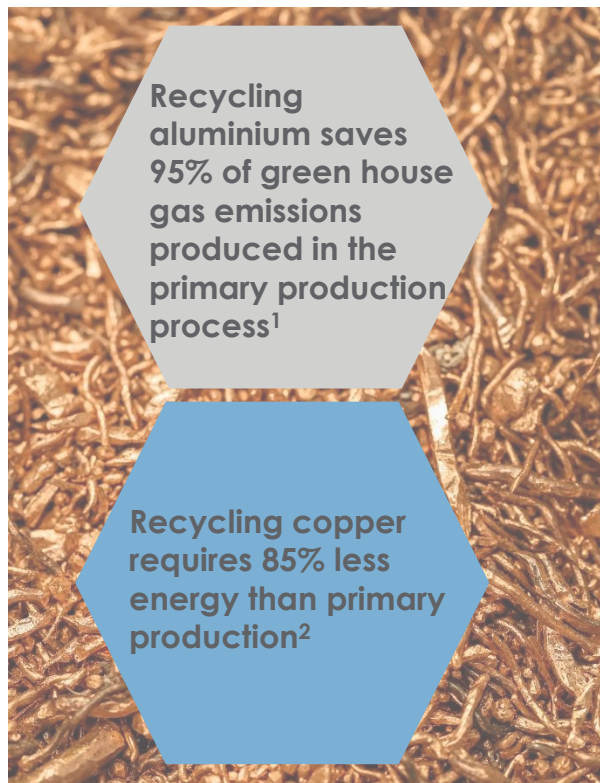
² Steel Manufacturers Association, [Steelmaking Emissions Report 2022](#)

³ www.cleanenergyregulator.com



Our role in decarbonisation

Sims Metal enables the Energy Transition



Copper and Aluminium are Essential Metals for the Energy Transition



Power grids



EV charging



EV batteries



Wind



Solar

Our Strategy

Strategic investment to enable the recovery of more copper and aluminium from Zorba

Acquired Alumisource – a metal recycling business that processes discarded aluminium and markets furnace-ready aluminium products, such as Alumishred™

¹ International Aluminium, [Aluminium Recycling Fact Sheet](#), 2020

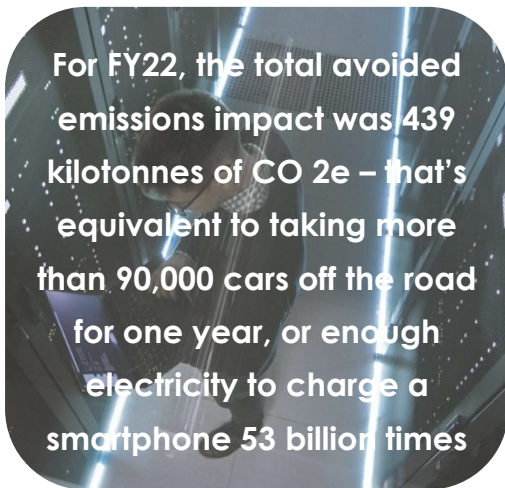
² Copper Alliance, "Recycling"



Our role in decarbonisation

Through circularity, our adjacent businesses address environmental-related problems

Sims Lifecycle Services



For FY22, the total avoided emissions impact was 439 kilotonnes of CO₂e – that's equivalent to taking more than 90,000 cars off the road for one year, or enough electricity to charge a smartphone 53 billion times

Enables decarbonisation of the data centre infrastructure and other IT assets, through repurposing and recycling

Sims Resource Renewal



By 2030, every year we intend to divert more than 1 million tonnes of automotive shredder residue (ASR) from landfill to create new products



An aerial photograph of a beach with turquoise waves crashing onto the sand. The text is centered over the image.

Sustainability Strategy & FY22 Performance

Our Sustainability Strategy

Designed to drive positive impact on society, environment and all our stakeholders

Our strategy comprises
9 ambitions or goals



27 targets for Accountability and Transparency

In 2022 updated climate ambition and targets to accelerate emissions reduction across the business

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 (Managers that sit at CEO-1 and CEO-2 in reporting structure)	●
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 engage 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 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 policies	●
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	●

● In-progress ● Achieved

CLOSE THE LOOP



5	Achieve net zero by 2050	
5.1	Reduce Scope 1 and 2 emissions by 23% by FY25	●
5.2	UPDATED IN 2022 - 100% renewable electricity by 2025	●
5.3	UPDATED IN 2022 - SLS carbon neutral by 2025	●
5.4	UPDATED IN 2022 - Sims carbon neutral by 2030	●
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 services	
7.1	Close loops by expanding secondary metal volumes to 9,600k tonnes of Fe and 300,000 tonnes of Non-Ferrous	●
7.2	Repurpose 8.5 million units	●
7.3	Expand municipal recycling coverage by 50%	●
7.4	Capture methane from landfills outside Australia and New Zealand (50 Megawatt)	●

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	●



Overview Sustainability Progress in FY22

Early achievement of key targets

Early achievement of key targets

- ✓ Representation of women on the Board above 40%
- ✓ 25% women in manager positions and above
- ✓ Number of training courses increased by 50%
- ✓ Trained 100% of employees and agents on Code of Conduct and anti-bribery policies
- ✓ Trained 100% of employees on human rights, modern slavery and labour rights

Important progress made

- Brought forward carbon neutrality target by 12 years
- 21% decrease in operational emissions from FY20 baseline
- 37% of electricity from renewable sources
- Best year on record for safety – Total Recordable Injury Frequency Rate, Lost Time Incident Rate and Critical Risk Incident Rate
- Reduced gender pay gap to 8.2% in FY22 compared to 9.4% (FY21)
- Rolled out elevated human rights due diligence for high-risk suppliers
- Externally assured a wider range of metrics including Scope 1, 2 & 3 GHG emissions, safety performance, water and waste



Electric crane at Richmond, USA








Operate Responsibly



Progress in FY22

Best year on record for safety and early achievement of key gender gap targets

	FY20	FY21	FY22	Target	
Foster a safe working environment 					
Eliminate Critical Safety Risks, Critical Risk Incident Frequency Rate (CRIFR)	0.83	0.49	0.35	≤0.50	1- Continued to execute the Critical Risk Management Programme
Close gender gap 					
25% women in manager positions and above	15%	17%	26%	25%	1- Launched Women Leading @ Sims: 33% of participants were promoted during or after the programme; second cohort commenced in FY23Q1 2- Modified recruitment process for senior leadership operational roles
Reach 0% gender pay gap across Sims Limited	-	9.4%	8.2%	0%	1- Standardized methodology for calculating the gender pay gap 2- Undertook a detailed gender pay gap analysis on entry level positions in NAM; improved salary structures to address gaps
Achieve representation of women on the board ≥40 percent	37.5%	37.5%	50.0%	≥40%	Appointment of Vicky Binns
Develop a skilled and engaged workforce 					
Invest in education by increasing the number of available career development training programmes by 50% and promoting them	225	376	469	338	More than 67,000 course completions in FY22 (including mandatory training)
Ensure management incentive plan is consistent with sustainability goals	100%	Partial	Partial	Partial	1- FY22 STI KPIs linked to safety and gender diversity 2- FY22 LTI KPIs linked to growth targets

Develop a skilled and engaged workforce

Continued to develop future leaders through our internship programme

What our millennial and generation Z employees like about working at Sims

“

“Sims has a diverse range of projects that interest me as an Engineer. The cadet program presented me with exposure to all aspects of the business, and solidified my decision to work here.”

Jack.H., Project Engineer

“

“I joined because Sims offered me an opportunity to positively contribute to the global environment in a way bigger than any individual efforts I could make”

Lauren T. – ERP Cadet

“

“I like the exposure to the different aspects of engineering, and the opportunity to think outside the square to improve recycling processes”

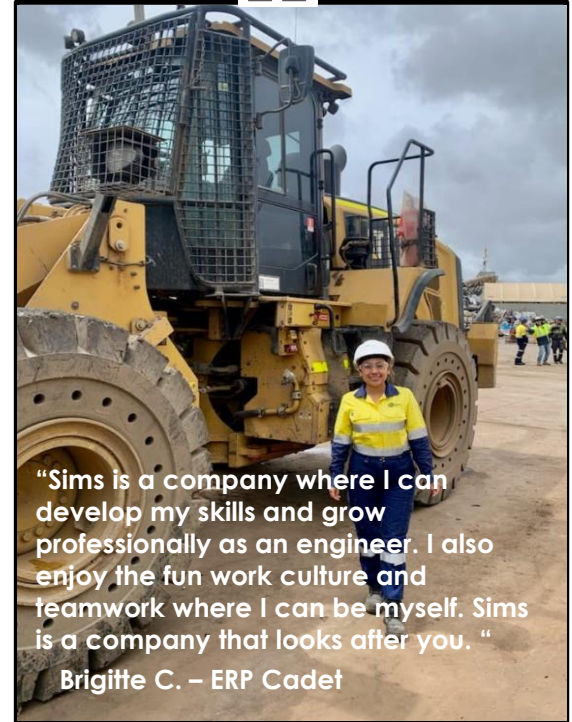
Bella.P. – Graduate Engineer

“

“Recycling gives a purpose to my work”

Ben G.– Electrical Engineer

“



“Sims is a company where I can develop my skills and grow professionally as an engineer. I also enjoy the fun work culture and teamwork where I can be myself. Sims is a company that looks after you. “

Brigitte C. – ERP Cadet



Foster a safe working environment

Consistent commitment to safety through strong leadership support, transparent monitoring, and continuous multi-year efforts in control measure enhancement.

Critical risks focus

- Traffic management identified as an area of highest risk level and likelihood of occurrence
- Completed 369 pedestrian-to-vehicle Critical Control Verifications in FY22, generating 580 improvement actions globally

Functional alignment

- Global EHS functional alignment achieved in order to deliver consistent solutions to the business and drive standardised EHS requirements implemented across all regions

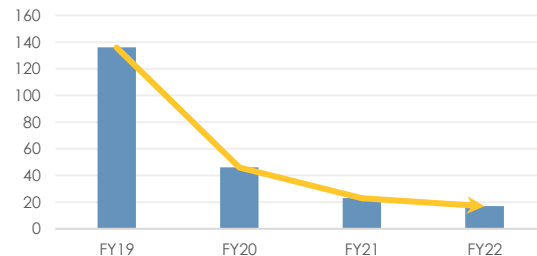
Technologically enabled and data driven

- Technology partnerships to access actionable data and modify work environment to ensure safe ergonomic processes
- Conducted trial of artificial intelligence solution for early detection/early warning of fires

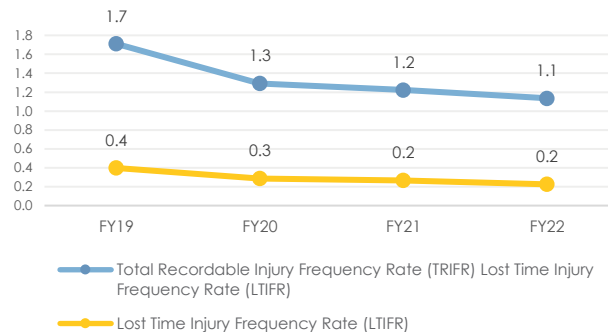
Culture of Safety

- Enhanced EHS global communications, transparency and common accountability through circulation of daily incident reports, incident learning, global Critical Risk Incident Review webinars and monthly EHS Focus critical control information

CRITICAL RISK INCIDENTS



INJURY RATES



▼ **56%**

reduction in lost
time injuries

FY19 vs FY22

▼ **49%**

reduction in
recordable injuries

FY19 vs FY22

▼ **88%**

reduction in critical
risk incidents

FY19 vs FY22





Close the Loop



Progress in FY22

Accelerated our climate action with more challenging targets

	FY20	FY21	FY22
Become carbon neutral by 2030 and achieve net zero by 2050			
Short term Reduce Scope 1 and 2 emissions by 23% by FY25 (market based)	147.9 kt CO ₂ e	135.2 kt CO ₂ e	116.6 kt CO ₂ e 21% reduction
Short term 100% Renewable Energy by 2025	0%	19%	37%
Short term SLS carbon neutral by 2025	7.1 kt CO ₂ e	6.8 kt CO ₂ e	6.9 kt CO ₂ e 2.5% reduction
Medium term Sims Limited carbon neutral by 2030	147.9 kt CO ₂ e	135.2 kt CO ₂ e	116.6 kt CO ₂ e 21% reduction

- Our targets were developed following the Science-Based Targets Initiative (SBTi) methodology to align with the goals of the Paris Agreement
- Our long-term target is to be net zero by 2050.

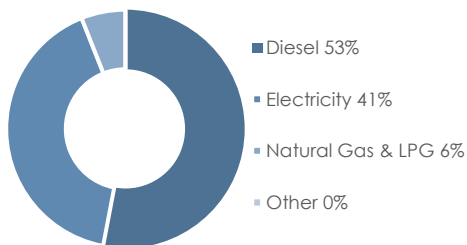


Deep dive on our FY22 scope 1 & 2 emissions

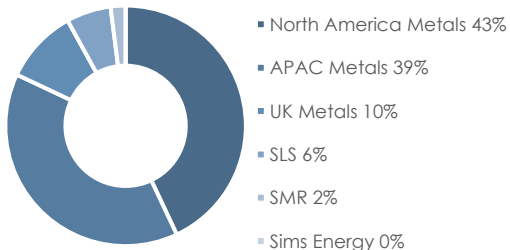
Decreased overall footprint by 21% despite 12% increase in sales volumes

- Main sources of our operational emissions in FY22 were electricity and diesel
- The primary lever was new 100% renewable electricity supply agreements
 - Sims Metal: New Jersey in the US and Kwinana in Australia; 10 sites in New Zealand
 - SLS: 5 Circular Centres across Europe and Asia
 - This is in addition to 100% renewable electricity for all UK (from FY21)
- Progress on scope one emissions made primarily from diesel displacement (mobile plant)

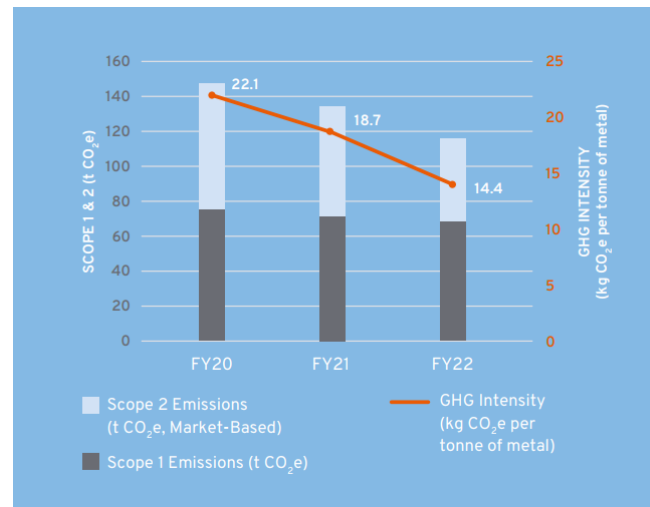
FY22 EMISSIONS SOURCE



CO₂e CONTRIBUTION (MARKET-BASED)



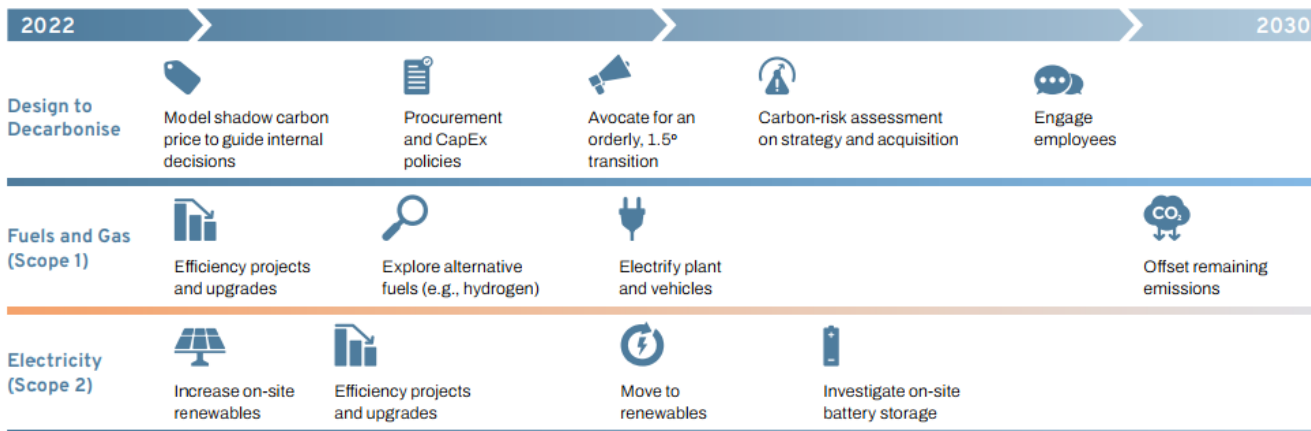
GHG INTENSITY



Our Pathway to decarbonisation

Renewables and displacing fossil fuels are our priorities

PATHWAY TO NET ZERO



Our position on offsets

Our priority is direct reductions of our operational emissions. However, there will be a role for offsets particularly for Scope 1 emissions where solutions may be limited. In our climate report, we have detailed our offset strategy, including:

- Apply robust standards for the quality of offsets, such as Verified Carbon Standard or Gold Standard
- Source offsets that deliver robust co-benefits for the environment and communities
- Disclose the amount of offsets we retire.

Sims did not retire any offsets in FY22.

Short term - 2025

Reduce emissions by 23% compared to FY20 baseline
Use 100% renewable electricity
Achieve carbon neutrality in SLS' direct operations

Medium term - 2030

Achieve carbon neutrality in direct operations across the portfolio businesses

Long term - 2040

Achieve net-zero emissions in our direct operations



Emissions in the value chain

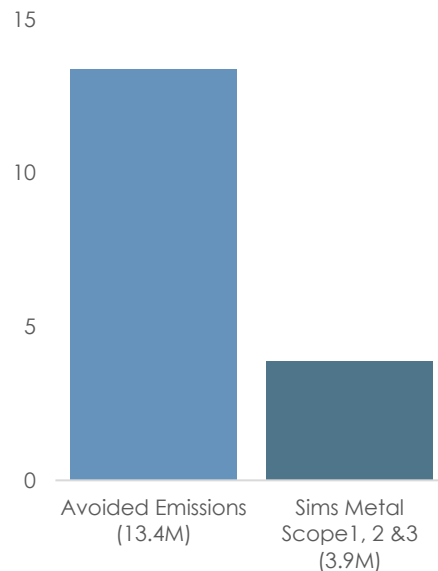
New disclosure in FY22

- Sims has measured our Scope 3 emissions and the potential avoided emissions in our value chain, to help present a complete picture for our stakeholders
- More than 90% of scope 3 emissions relate to processing and freight of Sims Metal's sold product¹
- JV scope 3 emissions (including SA Recycling) were 1%
- In FY21, the **ferrous metal recycled by Sims* had the potential to avoid 13.4M tonnes of emissions, compared to manufacturing the same amount of steel from virgin materials**
- **The use of our products directly reduces steelmaking customer's emissions**

Material Scope 3 Categories

Scope 3 Category		(t CO ₂ e)	% of Scope 3
Category 1	Purchased goods & services	93,039	2%
Category 2	Capital goods	94,776	2%
Category 3	Fuel-&-energy-related activities	32,286	1%
Category 4	Upstream transportation & distribution	547,970	1%
Category 9	Downstream transportation & distribution	38,757	14%
Category 10	Processing of sold products	3,024,248	76%
Category 11	Use of sold products	47,304	1%
Category 15	Joint ventures (equity share)	52,828	1%
Total*		3,931,208	

* Due to rounding, may not equal 100%



Emissions in our value chain

Taking a further step on our journey to tackle carbon emissions

Setting Scope 3 ambitions

- Sims is staking the first steps in the Scope 3 pathway, beginning with disclosure and research outlined in this year's report
- Key sectoral guidance from SBTi is expected in FY23, which will be essential in setting a plan that is ambitious and credible. We will consider this and provide an update in our FY23 report
- The use of Sims Metal products (Scope 3) in steelmaking is a direct reduction in customer emissions (compared to manufacturing with raw materials) and results in end products that are lower in embodied emissions.

Sims' Scope 3 emissions are dominated by hard-to-abate sectors

- Steel Industry is unlikely to reach net zero by 2050¹
- SBTi and the steel sector are working to develop science-based, target setting methodologies, tools and guidance for steel companies and stakeholders²
- The IMO has set goals to reduce average GHG emissions intensity across international shipping by at least 40% by 2030 and 70% by 2050³

Our immediate plans

- Engage with our Sims Metal customers to better understand their decarbonization strategy
- Investigate ways we can support transport decarbonization, particularly for owner-drivers in our supply chain
- Work with suppliers and customers in material categories to improve our data accuracy and collection

¹ Institutional Investors Group on Climate Action (IIGCC), "[Global Sector Strategies: Investor Interventions to Accelerate Net Zero Steel](#)" (2021)

² Science Based Targets, Sector Guidance, Steel

³ International Maritime Organization (IMO), "[Our Work: Greenhouse Gas Emissions](#)"





Partner For Change



Investing in our communities

In FY22 we continued to focus on positively impacting the communities where we operate

SDGS IMPACTED THROUGH COMMUNITY ENGAGEMENT



Examples of our positive impacts

- **UN SDG 2:** Zero Hunger - Pilsen Food Pantry, Chicago, Illinois
- **UN SDG 4:** Quality Education - Rocklea State School Flood Relief
- **UN SDG 11:** Sustainable Cities and Communities – Partnering for Impact, Monterey Business Corridor Association
- **UN SDG 16:** Peace, Justice and Strong Institutions – Ukraine Relief
- **UN SDG10:** Reduced Inequality - Reflect Reconciliation Action Plan
- **UN SDG 5 and 10:** Gender Equality, Reduced Inequalities – Partnership with iWomen (Kwinana Industries Council iWomen project)

¹⁵ Includes donations of money and resources, value of time and community-benefitting sponsorships.



Sustainability

Strengthened sustainability credentials

Corporate
Knights

Ranked 11th in the Global 100 list of most sustainable companies, ranked for the 8th time

MSCI
ESG RATINGS



Received maximum AAA rating

CCC B BB BBB A AA AAA



Ranked #6 in Sustainability Magazine Top 100 companies in sustainability¹



Included in Financial Times/Nikkei Asia inaugural APAC Climate Leaders List



Terra Carta Seal for creation of sustainable markets¹



Included in Newsweek's list of America's Most Responsible Companies for the second year in a row

Who we work with



Bureau of
International
Recycling



Global Compact
Network Australia



¹Announced in 2H FY22



Looking ahead

Responding to material topics and emerging themes

Operate responsibly

- Compliance to Care – safety leadership programme
- Expanding the Critical Risk Management programme to causes of high frequency injuries
- FY23 short term incentives continue to include diversity, equity and inclusion targets
- Roll out environmental capex
- Conduct employee engagement and safety culture surveys

Close the Loop

- Continue decarbonization pathway and projects
- Understand SBTi guidance for the steel industry, and set scope 3 ambitions accordingly
- Taking first steps to build a framework for biodiversity and nature
- Sims Resource Renewal demonstration plant in Rocklea
- FY23 long term incentives linked to climate-related targets

Partner for change

- Development and implementation of Group level social licence framework after Australian pilot
- Piloting in Australia stakeholder relationship and consultation management tool to support governance
- Performing trials using various technology to improve metal shred quality, benefiting melt yield and reducing tramp elements
- Working with automotive manufacturers to assist with sustainability initiatives for current and future vehicle production, including design for recycling, closed loop recycling and supply chain integration for parts and material reuse





Questions & Answers

