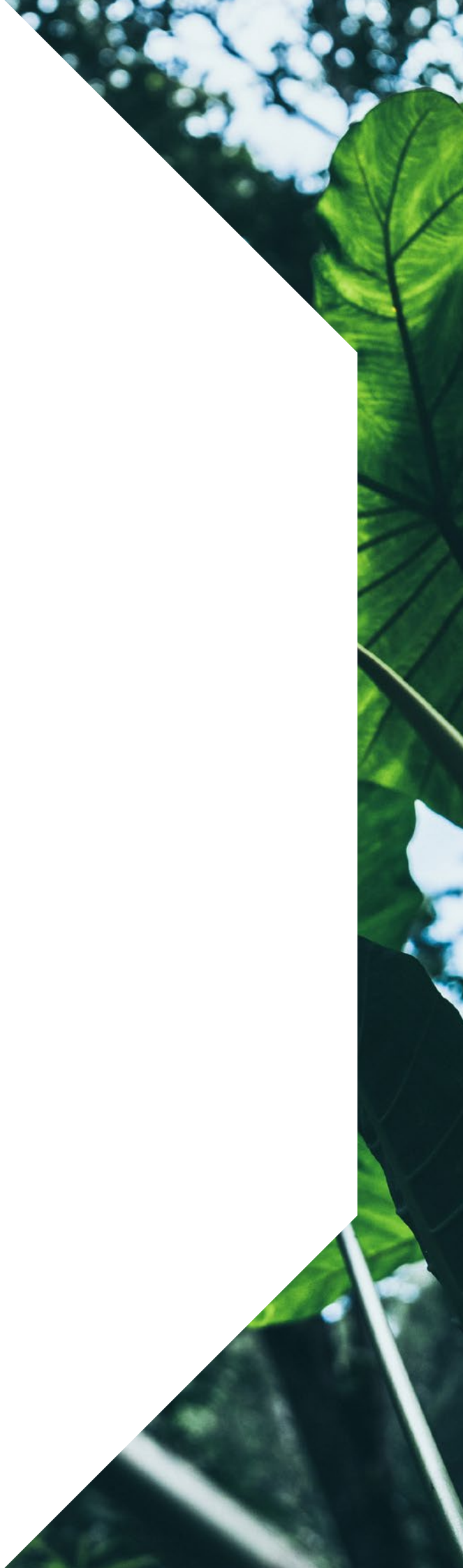
SIMS LIMITED

Strategic Focus

Leveraging Decarbonisation and Circularity

2024 Climate Report

CONTENTS



Our purpose-led strategy allows us to create value by providing a pathway to circularity and decarbonisation.

Create a world without waste to preserve our planet.

We enable the re-use of finite natural resources and foster the decarbonisation of our customers' supply chains, which creates measurable, positive impact for individuals, communities, industries and governments.

Acknowledgement

We acknowledge the Traditional Owners of the land where we operate and work. We recognise their continuing connection to land, waters, and culture. We pay our respects to their Elders, past and present.

Forward-looking statements

The material contained in this document is a presentation of information about the Sims Limited business portfolio's current activities at the date of the close of the reporting period, 30 June 2024. It is provided in summary form and does not purport to be complete.

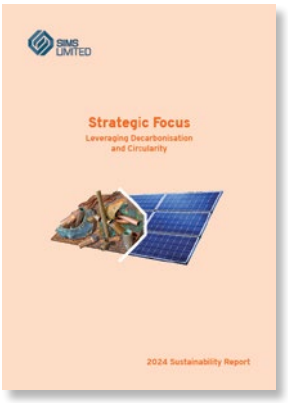
It should be read in conjunction with Sims Limited's periodic reporting and other announcements that have been lodged with the Australian Securities Exchange (ASX). To the extent that this document may contain forward-looking statements, such statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties, and other factors – many of which are beyond the control of the business portfolio – and may cause actual results to differ materially from those expressed in the statements contained in this release.

This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situations or needs of any particular investor.

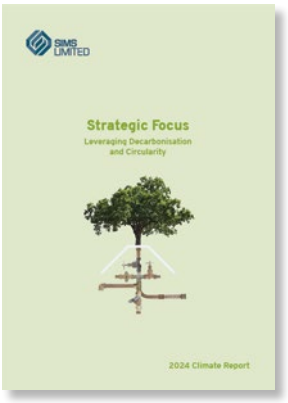
Sustainability Reporting Suite

Sims Limited's sustainability reporting suite, which includes the FY24 Sustainability Report, Climate Report, Sustainability Databook and the 2024 Modern Slavery Statement, will be available at www.simsltd.com/sustainability.

All sustainability reporting for the period from 1 July 2023 through 30 June 2024 was done in accordance with the Global Reporting Initiative (GRI) Standards, and the GRI index is available in the Sustainability Databook. The Annual Report and statement of financial results are available at www.simsltd.com/investors. All currency amounts are in Australian dollars.

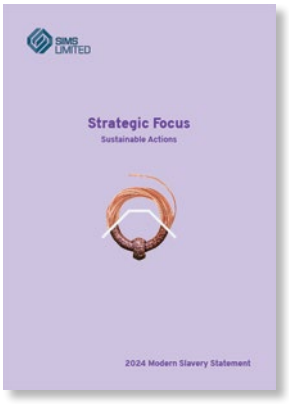


Sustainability Report FY24



Climate Report FY24

Sustainability Databook FY24



Modern Slavery Statement FY24

Chair and CEO Statement

Philip Bainbridge
Chairperson

Dear Stakeholders,

This marks my first annual letter as Chairman of Sims Limited. I was drawn to this company because of its powerful purpose: to create a world without waste to preserve our planet. This mission continues to inspire me every day. Being the Chairperson of Sims Limited is a privilege, as our efforts play a vital role in the circular economy and the decarbonisation of the metals industry. We must continue this important work to combat climate change and support our customers in their transition to a low-carbon world—particularly in the metals sector, which is crucial for the global shift towards sustainability.

The sole nature of our business has an inherent positive impact on the environment and consequently on broader society. Every tonne of scrap used for steel production avoids 1.5 tonnes of carbon dioxide emissions, 1.4 tonnes of iron ore extraction, 740 kilograms of coal extraction and 120 kilograms of limestone extraction, compared to producing steel from raw materials. Internally, all our short and long-term business initiatives are part of our broader decarbonisation efforts, aimed at reducing our carbon emissions while improving operational efficiency.

Our commitment to creating a world without waste to preserve our planet remains at the core of our strategy. This year, despite the economic downturn, we have continued to progress our climate action initiatives, laying the groundwork for long-term sustainability and resilience.

Given the market challenges and performance levels during FY24, we took a cautious approach to capital expenditure. We prioritised investments in key areas, such as upgrading our sites' electricity infrastructure to support future electrification and replacing diesel-fuelled assets. While we've encountered some challenges — such as the high cost of low-emission equipment and limited supplier options — we remain committed to decarbonising our operations.

For certain types of equipment, there are currently no low-carbon alternatives that offer the same functionality as our existing assets, presenting operational challenges and causing delays in the transition. Additionally, despite these hurdles, we continue to prioritise initiatives that advance our decarbonisation goals, ensuring sustainability remains central to our long-term strategy.

As we navigate these challenging times, our focus remains on delivering long-term sustainable value for our shareholders and advancing our climate strategy. The board remains committed to its oversight role, ensuring that our governance practices align with our sustainability goals and drive continuous improvement. We are confident that with continued innovation, strong governance, and strong commitment, we will achieve our long-term goals and contribute to a circular, low carbon economy.

On behalf of the Board, thank you for your ongoing feedback and continued support.

Sincerely,

Philip Bainbridge,
Chairperson

Stephen Mikkelsen

Group CEO
& Managing Director

Dear Stakeholders,

As we reflect on the past year, we are proud of the progress Sims Limited has made in advancing sustainability and the circular economy. Despite challenges such as a tight scrap market and softer steel demand, we made significant strides in our strategic agenda. Our business demonstrated resilience and continued to advance decarbonisation, delivering value to our customers, the environment, and society.

The non-ferrous markets remained strong, and we see promising medium to long-term opportunities driven by metal-intensive infrastructure, global decarbonisation of steelmaking, and the electrification of industries. These trends, coupled with our unique capabilities in metal recycling and material recovery, position us well for continued success.

Sustainability and Climate Initiatives

Our purpose, to create a world without waste to preserve our planet, guides our everyday decisions and actions, with inherent awareness of the impact we have on the environment and society.

Health and safety remain a priority, reflected in the third consecutive year of TRIFR improvement. Our simplification strategy has resulted in a more streamlined organisation, concentrating on the metals business in Australia and the U.S.In the past financial year, we recycled approximately 7.1 million tonnes of steel scrap, potentially avoiding 11.5 million tonnes of CO2e emissions compared to producing the same amount of steel from raw materials. To put it into perspective, it is the equivalent to the annual emissions from approximately 2.5 million cars, and to absorb this amount of CO2e, it would take 52.7 million trees over 10 years to grow for 10 years. Our commitment to becoming carbon neutral by 2030 and achieving net zero by 2050 is unwavering. We are proud to announce that 100% of our North American-operated businesses excluding 17 sites from Baltimore Scrap Corp continued using renewable electricity.

Over the past year, we have focused on innovative technology trials and upgrading site infrastructure as we continued to shift to electrification of diesel equipment in the future. We remain committed to purchasing and installing fixed electric material handlers where possible.

We have recently installed fixed “plugged in” stationary electric material handlers across United Kingdom, North America, and Australia. Each installation saves between 103 to 124 tonnes of CO_2e per annum by replacing larger diesel machines.

In partnership with SOLMEC, we introduced our first mobile electric material handler, a 25-tonne machine unrestricted by an electric cord, powered by batteries, in the UK. This new machinery offers excellent performance with reduced costs, great battery life, and zero emissions. We estimate it will reduce carbon emissions by approximately 70 tonnes of CO_2e per annum.

Sims Metal has been investigating ways to increase electrification in the North American East over the past few years. During 2024, we commenced a project in Chesapeake, securing a 1,600 tonne fixed shear called Vezzani, that will significantly reduce diesel fuel consumption and torch cutting by 70%. The installation began in June and was completed in September 2024.

These are a few examples of the fact that innovation remains a cornerstone of our strategy. Our Sims Resource Renewal business is pioneering the transformation of hard-to-treat automotive shredder residue into valuable products. In Sims Lifecycle Services, we are leveraging the growth of AI and data centre expansion to drive business scaling and efficiency.

Looking Ahead

As we look to the future, we remain committed to our purpose: to create a world without waste to preserve our planet. The global trends towards decarbonisation and electrification present significant opportunities for our business. We will continue to focus on executing our growth strategy, capitalising on these trends, and driving sustainable value for our stakeholders.

Thank you for your continued support.

Sincerely,

Stephen Mikkelsen,
Managing Director & Group CEO

Sustainability Highlights

B

CDP Climate score in 2023

83%

renewable electricity consumption

Lowered emissions

31%

Scope 1 and 2 (market-based) emissions. Based on FY20 baseline

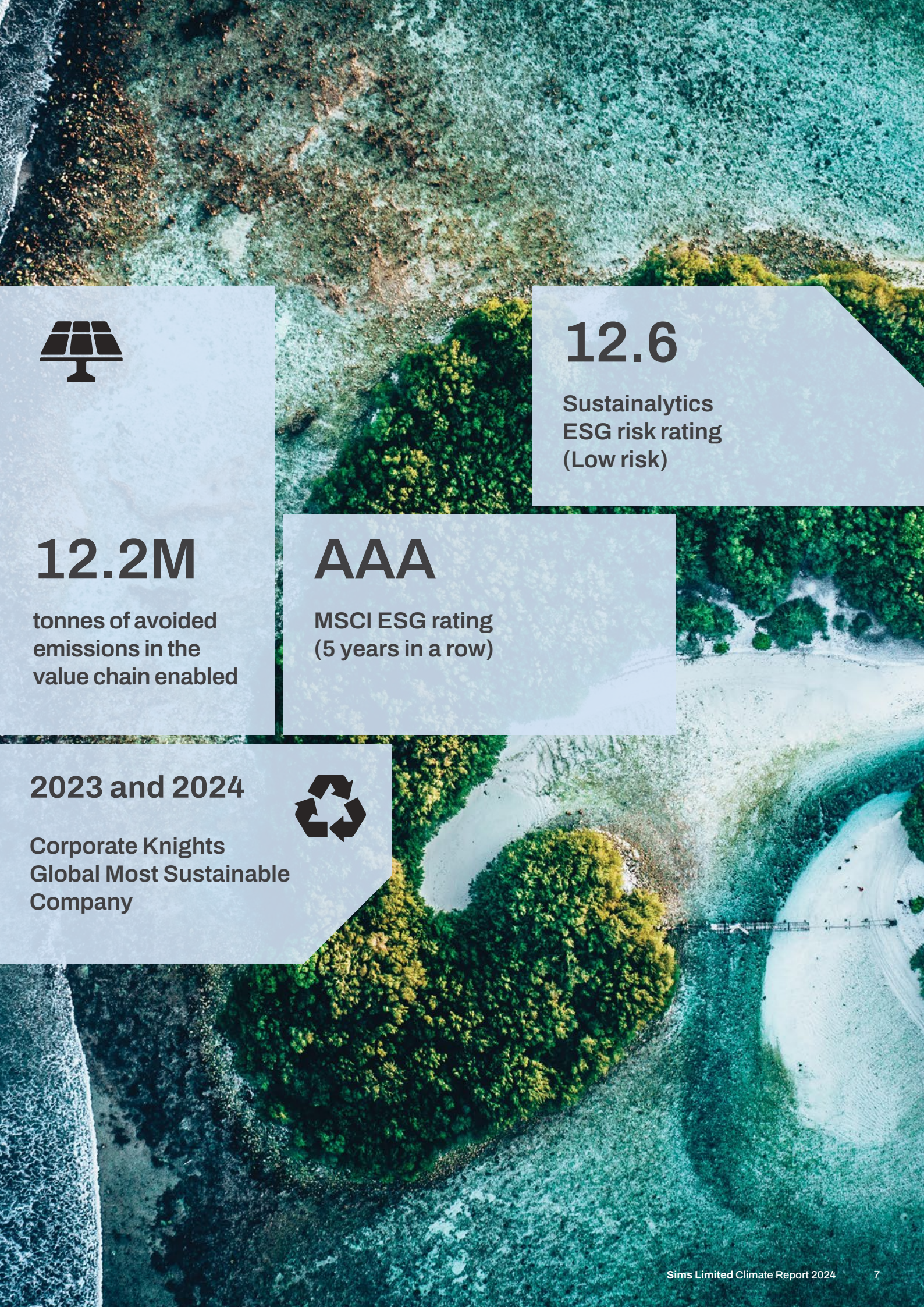
Asia-Pacific **Climate Leader** 2024

FT FINANCIAL TIMES | CLIMATE LEADERS 2024
statista

#1

Named World's Most Sustainable Corporation

GLOBAL100 2024 THE WORLD'S MOST SUSTAINABLE CORPORATIONS



12.6

Sustainalytics ESG risk rating (Low risk)

12.2M

tonnes of avoided emissions in the value chain enabled

AAA

MSCI ESG rating (5 years in a row)

2023 and 2024

Corporate Knights Global Most Sustainable Company

Our Strategy and Position on Climate Change

We acknowledge that the warming of the planet is unequivocal and is clearly influenced by human activity, and we believe the world must pursue the Paris Agreement goals to limit the impacts of climate change, which is guided by the latest climate science. Sims Limited believes the circular economy is essential to address the shared global challenge of climate change.

As the world grapples with the need for urgent climate action, Sims Limited's purpose is to create a world without waste to preserve our planet. Through our circular business activities, we help customers achieve lower carbon intensity in their processes and products, as well as avoid disturbing carbon sinks in the natural environment by reusing finite natural resources. We also act on reducing greenhouse gas (GHG) emissions from our own business as we work to achieve our purpose and enable the low-carbon economy of the future.

To achieve the Paris Agreement goals, a wide-scale transformation of energy, industrial and transport systems, as well as enabling technology, will be required. As these sectors decarbonise, they will also build out new infrastructure, contributing to a growing demand for renewable energy technologies, lower-carbon mobility in all forms, and the data centre technology that assists efficient and intelligent operations.

Impacts and outlook of steel production

Steel production accounts for

7%
of global emissions[1]

Compared to producing steel from raw materials, every tonne of scrap used for steel production avoids[3]:

1.5
tonnes of carbon dioxide emissions

1.4
tonnes of iron ore extraction

740
kilograms of coal extraction

120
kilograms of limestone extraction

Demand for recycled materials is forecast to increase in a 2050 net-zero scenario[2]

There are at least 18 different steel industry standards, protocols and initiatives related to decarbonisation of the global steel industry – for producers, consumers, and financiers. Science Based Targets Initiative (SBTi), CA100+ and the Climate Bonds Initiative include reduction targets over time[4]

1 IEA Iron and Steel Technology Roadmap.
2 IEA Energy Technology perspectives 2023. In The net zero scenario opportunities for recycling and secondary production are maximised.
3 World Steel Association. Maximising scrap use helps reduce CO2 emissions.
4 Hasanbeigi, A.; Sibal, A. 2023. What is Green Steel? Definitions and Scopes from Standards, protocols, initiatives, and Policies around the World. Global Efficiency Intelligence. Florida, United States.

As these sectors grow, so too will the demand for the metals and cloud devices needed to build them, especially as societies globally continue to urbanise. Copper is required for the buildout of electrification and renewable energy. Aluminium is required for electric vehicles and solar panels. Low-carbon steel will be in demand as cities grow – for buildings, rail infrastructure and wind turbines. Our circular businesses enable us to support the delivery of these goals by recycling and supplying metals and cloud devices that are essential to a circular, low-carbon economy.

We recognise the need for action on our own emissions and in FY22, we announced new, more ambitious targets for our climate action. Based on the FY20 baseline, electricity accounted for nearly 50% of the portfolio's emissions, and as such we made a commitment to source renewable electricity for all of our operations by 2025. We have achieved significant progress in North America, UK, and New Zealand, but more work is required in Australia, where the cost of renewable energy remains challenging. The remaining portion mainly comes from fossil fuels in our road fleet and mobile plant, and we are pursuing opportunities to reduce diesel in our operations. We are also committed to take responsibility for our direct emissions with a goal of becoming carbon neutral by 2030. Our ambition is to become net zero in our direct operations (Scope 1 and 2)[1] by 2050.

Sims Resource Renewals (SRR) continues to assess and develop technology to convert Automative Shredder Residue 'ASR' into valuable products. During FY24 we successfully commissioned and operated the SRR Demonstration plant in Rocklea, Queensland. The initial trials processed ASR at design rates and produced a high-quality syngas as well as vitrified product. Based on the successful trials at the demonstration plant, SRR will continue operating trials through FY25-26 and is seeking to accelerate the development of this technology by partnering with others across the circular plastics value chain.

At Sims Limited, the low-carbon transition is at the heart of our business strategy as we seek to increase our positive impact in the circular economy and take actions to decarbonise our operations and value chain in line with our energy and climate targets. The strategic and scenario analyses we have conducted demonstrate that, as an enabler of the global circular economy, Sims Limited is well-positioned to assist customers in lowering their respective carbon footprints as the world transitions to a circular, low-carbon economy.

This is our third Climate Report. Progress against our plan is published annually, and we have committed to update our transition plan and put it to an advisory vote every three years, with next update to be approved at the 2025 AGM. The disclosures in this report incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Recycled Steel Supports Decarbonisation

All standards highlight the use of scrap as a critical pathway to low-emissions steel

Responsible Steel, Science Based Targets initiative (SBTi), the Global Steel Climate Council and the IEA provide specific targets for steel emissions intensity

This landscape is complex – there is significant variation in target audience, features, boundaries, targets, requirements, and validation procedures

1 Covers total Scope 1 and 2 emissions (excluding Baltimore Scrap Corp & Joint Ventures).

Our Strategy, Targets and Ambitions

Our sustainability strategy is designed to help drive positive impact on our environment and society while creating value for our stakeholders. In FY23, we reported 26 sustainability targets supporting our pillars: Operating Responsibly, Closing the Loop, and Partnering for Change, which were initially set in FY20. We are proud of how far we have come and to have established ourselves as a leader in sustainability.

In FY24, we refined our sustainability framework to better align with our current stage of development and evolving business strategy, particularly our increased focus on metals. As a result, some targets have been met and integrated into standard operations, while others have become obsolete due to strategic shifts. This update supports our broader simplification strategy and maintains our commitment to transparency and accountability through robust KPI reporting.

We are committed to sustainability through three fundamental pillars: Operate Responsibly, Action on Climate, and Communities.

Operate Responsibly: We prioritise a safety-first culture, workforce development, and stringent ethical and transparency standards. We are dedicated to creating a diverse, equitable, and inclusive environment for all employees. Through advocacy, we aim to raise operating standards across the metal industry.

Action on Climate: We focus on reducing our carbon footprint and minimising environmental impacts, including waste. Leveraging technology and our team of experts, we develop innovative solutions that drive decarbonisation and foster circular economies for our customers.

Communities: We build strong, trusted relationships within our communities through active engagement and social license programs. By investing in local initiatives and giving back, we strive to enhance the well-being and quality of life for all community members.

For more details on this strategy, refer to the FY24 Sustainability Report by visiting www.simsltd.com/sustainability.

Sustainability framework

Our Purpose

Create a World Without Waste to Preserve our Planet

Pillars	Operate Responsibly	Action on Climate	Communities
Areas of Focus	■ Safety culture ■ Diversity, Equity & Inclusion ■ Skilled and engaged workforce ■ Stringent ethical and transparency standards ■ Advocacy to raise operating standards in metal industry	■ Reduce our impact on the environment ■ Reduce waste to landfill ■ Innovation to accelerate customers' decarbonisation and promote circular economies	■ Build trusted relationships within our communities through engagement and contributions

Our Action on Climate pillar involves addressing all goals in our strategy. Developing a skilled, diverse workforce; being transparent; advocating to raise standards in our industry; partnering for impact in our communities; and creating new circular business models are all essential to achieving our climate action plan.

In FY22, Sims Limited announced new climate action targets in response to the increasing urgency of climate change and the material importance of reducing GHG emissions to our stakeholders. This included a renewable electricity commitment that recognises the importance of electrification to advancing our decarbonisation roadmap and accelerating our carbon neutral target from 2042 to 2030. We believe these new targets better reflect the importance of climate action in pursuit of our purpose.

All of these goals relate to our total direct emissions (Scopes 1 and 2), and our targets distinguish between achieving carbon neutrality (2030) and net-zero CO_2e emissions (2050). In the lead-up to 2030, we will implement our carbon action plan below.

This plan includes the transition to renewable electricity since electricity is responsible for nearly 50% of our baseline emissions.

Considering the number of mobile plant and road vehicles with an expected lifespan beyond 2030 and a lack of availability of low-emissions alternatives, eliminating emissions from fuel combustion (Scope 1 emissions) before 2030 is not possible. Remaining emissions will be balanced using verified carbon offsets. We consider "net zero" (2050) to be the point at which emissions are reduced by at least 90% compared with the company's baseline year with residual emissions offset.

In FY22, we measured our value chain emissions (Scope 3 emissions) for the first time. We continue to look for opportunities to refine our methodologies and data. We also have engaged with SBTi in the development of the steel sector pathway released in September 2023. Refer to the 'Emissions in Our Value Chain' section (p. 26) for a discussion on Scope 3 emissions and our immediate action plans.

Short term: 2025[1]

- Reduce Scope 1 and Scope 2 emissions by 23% compared to our FY20 baseline
- Use 100% renewable electricity in all operated businesses
- Achieve carbon neutrality in Sims Lifecycle Services' direct operations

Medium term: 2030[1]

- Achieve carbon neutrality in direct operations (scope 1 and 2)

Long term: 2050[1]

- Achieve net-zero CO_2e emissions in all our direct operations

Science-Based Targets

Targets are considered "science-based" if they are in line with what the best available climate science says is necessary to meet the goals of the Paris Agreement's ambitious aim to limit average global warming to well-below 2°C by the end of the century compared to pre-industrial levels, and pursue efforts to limit warming even further to 1.5°C.

Our targets, which cover our Scope 1 and 2 emissions (excluding Baltimore Scrap Corp and Joint Ventures), were developed following the Science-Based Targets Initiative (SBTi) cross-sector absolute reduction methodology for near-term targets. This methodology (also referred to as the absolute contraction approach) specifies that all companies reduce their absolute emissions at the same rate relative to the baseline year, irrespective of initial emissions performance. For Scope 1 and 2 targets set with a base year of 2020 or earlier, aligned to a 1.5°C scenario, the absolute reduction approach prescribes a 4.2% minimum linear annual rate of reduction[2]. From this approach, Sims Limited derived our existing 23% absolute reduction by 2025 target.

Based on our analysis, the emissions reductions associated with our short-, medium- and long-term targets for Scope 1 and 2 emissions fall within the range of emissions reductions required to be considered aligned with a 1.5°C scenario and the goals of the Paris Agreement. In FY24, Apex Group Ltd. reviewed our methodology and targets and provided an opinion that our Scope 1 and 2 targets are aligned with a 1.5°C pathway, which can be found at the end of 2023 Climate Report.

As our Scope 3 emissions represent more than 90% of our total inventory, any target that is formally endorsed by the SBTi must include a Scope 3 emissions reduction target that covers at least 67% of Scope 3 emissions. As more than 80% of our Scope 3 emissions come from the processing and use of our sold scrap product during secondary metalmaking, these emissions would have to be included in a Scope 3 target. Please refer to the 'Emissions in Our Value Chain' section (p. 26) for more details on Scope 3 emissions and pathways.

Sims Limited cannot "deduct" avoided emissions from the processing of our sold products against this requirement.

1 Scope 1 and 2 (market-based) emissions. All targets in reference to FY20 baseline. Excluding Baltimore Scrap Corp & Joint Ventures.
2 Science Based Targets. Getting Started Guide for Science-based Target Setting

Climate Change Governance

Climate change is a material governance and strategic issue, and our Board of Directors has ultimate responsibility for oversight of climate-related matters, including strategy, policies and risk management, enabling the company to understand and manage climate risk while also seizing the opportunities presented by the transition to a low-carbon economy as part of our strategy.

Board of Directors

Has ultimate responsibility for oversight of climate-related matters, including strategy, policies and risk management

Safety, Health, Environment, Community and Sustainability (SHECS) Committee

- Assists the Board in overseeing its climate-related performance and governance responsibilities

Risk Committee

- Reviews climate-related risk
- Is ultimately responsible for overseeing the embedding of climate risk into the enterprise risk management (ERM) approach and setting the risk appetite for the company

All members of the Board participate in each committee meeting, which supports holistic consideration of climate-related topics. The charters for these committees are available in the Company's annual Corporate Governance Statement and Director's Report and at www.simsltd.com/governance.

CEO

Executive Leadership Team (ELT)

- Accountable for identifying, managing, and monitoring climate-related risks and opportunities within the ERM framework and risk appetite
- Responsible for implementing the strategic direction and delivering the goals approved by the Board. These include implementation of climate-related targets and policy positions, identification and management of risks and opportunities, and reporting on these topics to the Board directly and/or through the relevant Board committees.
- Accountable for the company's actions and commitments to embed climate change into our risk management and business strategy.

CFO

Group Director, Investor Relations and Sustainability

- Accountability for oversight of climate-related matters across the company. This includes monitoring performance across the business and performance disclosure
- Accountable for the company's actions and commitments to embed climate change into our risk management and business strategy.

Head of Assurance

- Responsible for providing and maintaining the ERM framework, in which climate change risk is considered. This includes maintaining the ERM system and embedding climate change into our risk management

Key risks and progress against targets are reported to the Board's Risk Committee at least quarterly.

Board Engagement on Climate in FY24

Climate change and the low-carbon transition are routinely on the Board's agenda, including strategy, risk management and progress against our targets. In FY24, the Board:

- Endorsed the FY23 Climate Report.
- Monitored progress to decarbonisation targets.
- Engaged with shareholders on climate-related matters through the chair and CEO.
- Considered climate-related issues when reviewing acquisitions, divestments, joint ventures, and restructuring.
- Reviewed changes to climate-related risk disclosure in the FY24 Annual Report.
- Reviewed changes to climate policy and regulation at the global and national level, such as changes to the Australian Safeguard Mechanism and mandatory climate reporting under the Australian Sustainability Reporting Standards (ASRS).

In addition, the Risk Committee reviewed key risks and their indicators, including those related to climate change.

Since FY23, we have been a signatory to the Action Declaration on Climate Policy Engagement which was launched at COP27. Signatories commit to ensuring their climate policy engagement, and that of their industry associations, helps to advance Paris-aligned climate action. We had conducted a review of the climate policy positions of industry associations of which Sims Limited is a member, and the full report is published on our website. We detected no material misalignments between their positions and Sims Limited's energy and climate policy.

Sims Limited is also a member of the Australian Climate Leaders Coalition (CLC). The CLC is a group of cross-sectoral Australian corporate CEOs supporting the Paris Agreement commitments and setting and implementing public decarbonisation targets.

Advocacy Efforts

This year, Sims Limited continued its advocacy efforts through industry associations and direct government engagement, aligned with our purpose – To create a world without waste to preserve our planet. Key areas of focus included:

- Promoting recycled metals' role in decarbonising metal production.
- Supporting circularity in the tech sector, especially data centre repurposing.
- Advocating for a ban on unprocessed ferrous scrap exports in Australia.
- Educating regulators on metal recycling and circular economy initiatives.
- Raising awareness of Lithium-ion battery safety risks.

As an industry leader we engage in policy consultations, such as feedback on Australia's green metals opportunities, and continue to lead in addressing Lithium-ion battery challenges.

Our annual Industry Association Climate Review will be published by the end of 2024.

External Stakeholder Engagement

Our climate change strategy is supported by active engagement with our stakeholders, including investors, customers, policymakers, and our communities. We regularly review our plans in response to stakeholder views, changes to climate change policy and regulation, and the latest scientific knowledge on climate. Action on GHG emissions has also been identified as a material topic under our materiality assessment.

The Board uses a range of formal and informal communication channels to understand the views of shareholders in relation to climate change. Increasingly, commentary related to climate change is part of all routine investor engagements, including roadshows, investor days and investor engagement meetings.

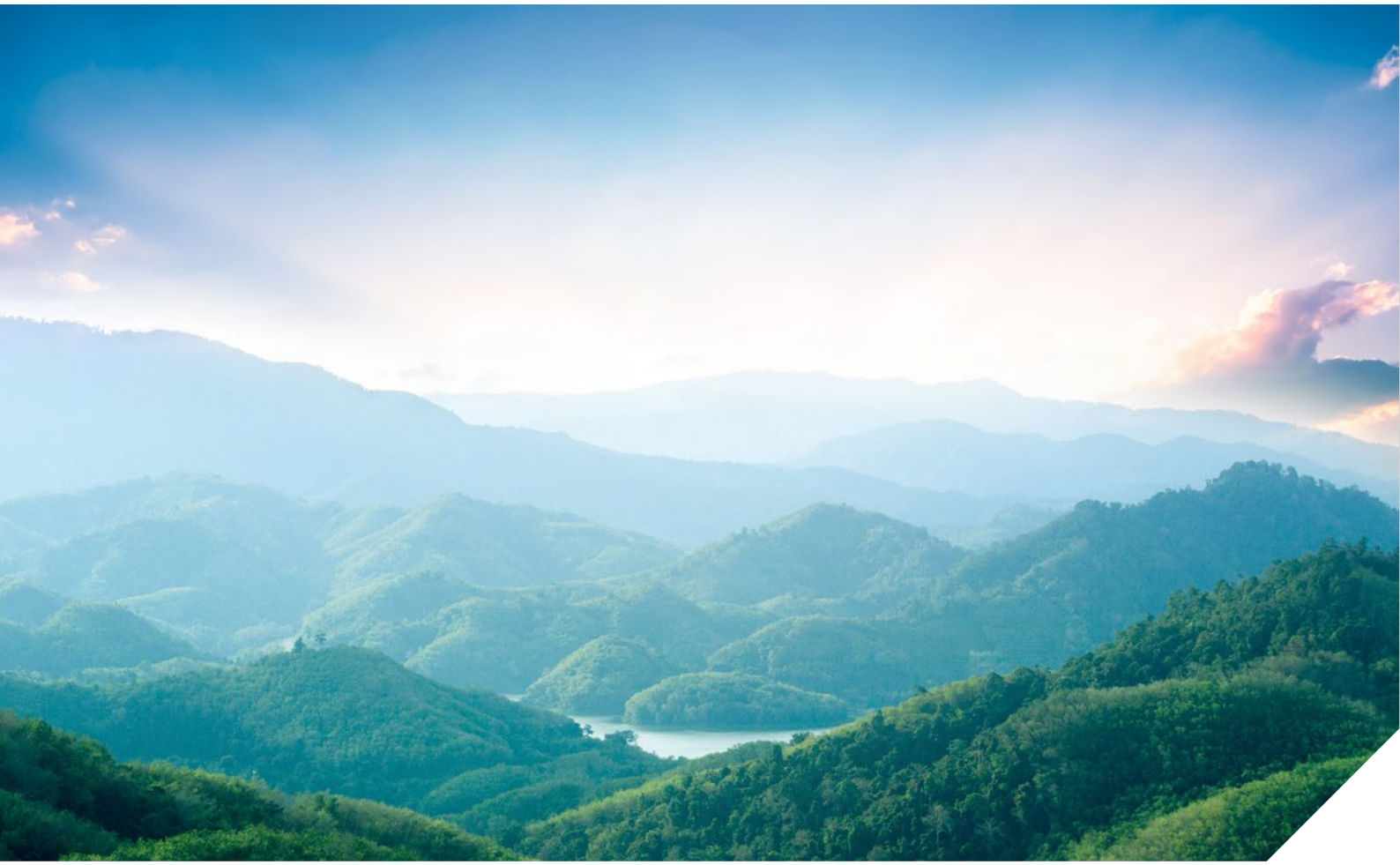
This past financial year, the chair, CEO, chief financial officer (CFO), members of the executive team and Investor Relations teams met with investors and analysts globally. Included in our climate-related topics was ESG governance and value chain emissions. Investors were also interested to hear about our progress against various regulatory developments including mandatory climate reporting in Australia (ASRS), and California government controls introduced to USA sites.

In FY25, we will:

- Complete a stakeholder engagement survey, as we continue to integrate Baltimore Scrap, remove UK operations and Closed Loop from our portfolio.
- Conduct a search for a partner for Sims Resource Renewal, which will further impact our portfolio in the coming year.

Sims Limited frequently works with stakeholders and engages with government on the design of circular economy and waste management policy and regulations, which are increasingly aligned to climate action objectives. We do this under our Operate Responsibly Pillar in line with our long-standing support of policy and regulation that is applied equally and consistently, to lift the market to the high standards to which we operate.

Sims Limited frequently works with stakeholders and engages with government on the design of circular economy and waste management policy and regulations.



Opportunity and Risk Management

Risk Assessment Process

Sims conducts an annual risk assessment involving the Board, Executive, specialist staff, and the Enterprise Management team. This process includes:

1. **Internal Enterprise Risk Register:** Maintained by each operating division and reviewed quarterly to identify high-impact and high-likelihood risks that need escalation to the Board and Executive Leadership Team. All risks are prioritised using the same scale of impact and likelihood. Climate-change related risks are not currently deemed to be in the 'Major' or material range for the company.
2. **External Sources:** Inputs from organisations like the World Economic Forum, IMF, and consultancy firms are assessed and consolidated into an Emerging Risks Dashboard by the Enterprise Management team.
3. **Mega-Trends and External Reviews:** Analysis of relevant mega-trends and external environment reviews conducted by the Executive Leadership Team.
4. **Strategic Priorities:** Consideration of the Company's strategic priorities for the upcoming year.

During the 2024 financial year, this review included horizon scanning for emerging risks, trends, and opportunities, with a focus on ESG and climate-related policies. This ongoing activity is part of the quarterly risk reviews to ensure timely and relevant risk management. We have incorporated additional impact criteria for the assessment of risks, notably impacts to the Environment, Community, and Legal and Regulatory.

In informing our strategy, Sims Limited has identified climate-related risks and opportunities over the short (2030), medium (2050) and long term (2070). These occur in relation to both the physical risks of rising temperatures and the transition to a low-carbon economy.

Consistent with the TCFD recommendations, we have used scenarios to assist us with understanding these risks and opportunities. Scenarios describe a range of possibilities for the future, to provide a structured way of thinking through uncertainty and making strategic choices.

We have used both lower and higher emissions scenarios to understand the potential projected range of climate-related financial impacts. We used publicly available information from the Representative Concentration Pathways (RCPs) adopted by the Intergovernmental Panel on Climate Change Fifth Assessment Report (IPCC AR5) and Network for Greening the Financial System (NGFS) to describe different possible futures and indicative economic and social impacts.

The RCPs to inform the climate trajectories were used to measure the impacts of acute and chronic climate changes on Sims Limited's assets and infrastructure. The NGFS climate scenarios have been selected to help to understand the impact of environmental and climate change policy (e.g., carbon pricing) on the cost of operations, inform the projected demand landscape for recycled metals and electronics, and the required timings for Sims Limited to decarbonise.

Physical risks can be acute (e.g., cyclones or floods) or chronic (e.g., sustained higher temperatures that may lead to sea-level rise). Transition risks and opportunities encompass the impacts of policy, regulatory and market changes required to transition to a low-carbon economy. To select the most material climate change risks and opportunities for scenario analysis, senior management perspectives on future climate and risks and opportunities for Sims Limited were captured in a survey and an Executive Leadership validation and prioritisation workshop was conducted. These results were reviewed and validated separately by the Board of Directors. The process was facilitated by a third party. In our TCFD analysis conducted in 2021, we considered physical risks at our 22 largest sites and at 36 strategic destination ports worldwide. In subsequent years, we have expanded this analysis to consider all operational sites, as well as additional risk indicators such as water stress.

In FY23, we extended our analysis of physical risk and created a new risk management dashboard that incorporates information about climate risk for all premises, using two different scenarios. The information comes from publicly available sources and considers factors, such as water stress, sea-level rise, and temperature rise. The dashboard can be overlaid with additional information about the site, such as demographic information or processed volume, to help provide a holistic risk picture. The dashboard is available to operational and strategic staff to inform decision-making.

In FY24, in response to the increased risk of fires in Australia, we conducted a comprehensive bushfire risk assessment. This assessment utilised data from state government sources and other external resources to evaluate each of our Australian sites and determine their exposure levels. Key factors considered in the assessment included historical bushfire proximity, fire intensity, and vegetation density.

Following the assessment, our Health and Safety and site teams were involved to update business continuity and emergency response plans for sites identified with high exposure. These updated plans and preparedness measures have been standardised to ensure consistent application across all sites.

		Risk or opportunity assessed	Metrics considered	Time frame
PHYSICAL RISKS	**Extreme Heat**	Productivity (from workers and machinery) may decrease, resulting in a negative financial impact to Sims Limited. Water availability may be limited, causing impacts to dust suppression activities. This may also trigger safety risks associated with machinery malfunction or overheat, and health issues associated with overheating.	■ Fraction of the year in locally defined hot days ■ Days above 33°C/90°F ■ Sites in water-stressed areas	2030 2050 2070
	Extreme Rain (Flooding and Cyclones)	Increased flooding risk may disrupt Sims Limited's value chain, impacting revenue.	■ Wettest day rainfall ■ Cyclones/hurricanes ■ Mean sea-level-rise (2050 only) ■ 1-in-100-year extreme sea-level rise (2050 only)	2030 2050 2070
TRANSITIONAL RISKS/OPPORTUNITIES	**Greater Climate Change Regulation**	Climate change is accelerating the rate and magnitude of change in environmental policy and regulations. This may change the costs of doing business for Sims Limited operations and key suppliers. Stricter emission regulations present an opportunity for Sims as customers look for circular services in order to decarbonise faster.	Carbon pricing policies and regulations ■ Cost of carbon ■ Recycling policies and regulations ■ Increased reporting requirements	2030 2050 2070
	Increased Demand for Recycled and Refurbished Products	Action to limit climate change will likely accelerate the demand for recycled materials due to changing consumer and customer expectations as well as legislation. This would generate revenue for Sims Limited.	Steel demand (MT*) ■ Availability of scrap steel (MT) ■ Increase of available scrap steel (%) * Metric Tonnes	2030 2040 2050
	Investment to Decarbonise Operations	Sims Limited will likely need to invest to achieve its 1.5°C commitments. We will need to monitor emerging technologies and solutions to make financially prudent investments. We will engage in the purchase of carbon offsets for residual emissions.	■ Energy generation ■ Energy storage ■ Modern transition fuels (e.g., biofuels) ■ Carbon market development	2030 2040 2050
	Access to Capital	Investors and financiers seek to lower the emissions impact of their portfolios in line with changing market preferences and/or regulation. The drive to a low-carbon economy leads to new finance models becoming available.	External ESG assessments and ratings	2030 2040

Reference scenario	Results and impacts	Incorporation into strategy
RCP 4.5 RCP 8.5	By 2050, all sites may experience an additional 5% to 40% hot days in a year. By 2050, 35 sites could be located in water-stressed areas, of which four sites are considered large water users (>10,000 m^3 per annum).	Sims Limited's Environment, Health and Safety (EHS) policy already covers heat stress. We are investing in water recycling solutions to reduce water consumption. We are also investing in advanced dust suppression technology that significantly reduces water consumption. Scenario results are used to inform further resilience activities, including investigating any technology, process changes or structural alterations that may reduce impacts from heat.
RCP 4.5 RCP 8.5	The considered climate metrics are all expected to increase. We have identified key locations that are more exposed than others. Storm surges and sea-level rise may cause significant regional damages.	We are already adapting to extreme weather events such as flooding in Queensland and hurricanes in the United States. Adaptation differs depending on the relative risk and treatment available. The results of our scenario analysis are used to better inform future mitigation and adaptation plans for expected increases in impacts. We are considering these impacts in due diligence processes. This extreme weather risk is not unique to Sims Limited and can in part be avoided through stakeholder collaboration and collective action to accelerate decarbonisation.
NGFS Scenarios: Orderly Disorderly Hothouse world	Sims Limited may see the highest increase in costs if we do not take any climate action (disorderly scenario). Governments are assumed to introduce immediate but divergent climate-related policies. Governments may also introduce penalties, fines and other punitive and disciplinary actions which may increase companies' expenses, reduce cash-flow and impact profitability, competitiveness and licence to operate.	Sims Limited already keeps abreast of changing regulation and legislation relevant to our business. This allows us to monitor and prepare for future changes. In FY22, we announced an increase in the ambition of our climate-action targets and have taken action to decarbonise our operations, independent of a regulatory requirement. We have a adopted a shadow carbon price internally to model the potential impacts of carbon pricing on our operations and strategy. We are also in the process of preparing for the mandatory climate reporting under the current draft of ASRS.
NGFS Orderly	The availability of recycled steel and scrap supply are expected to continue increasing. Sims Metal's processing demand under these scenarios are projected to double by 2050.	Achievement of global climate targets necessitates the transition to a more resource-efficient and circular economy, which is already core to Sims' strategy and corporate purpose. We continued to advance our strategy in FY24 with the acquisition of Baltimore Scrap Corp (BSC) sites. BSC is one of the largest metal recyclers in the American Northeast with 17 facilities across five states – Maryland, Virginia, Pennsylvania, New York, and New Jersey – with sales volumes of approximately 600,000 tonnes per annum. BSC's operations include four shredders and extensive rail, barge and port infrastructure, and the business is well-positioned with attractive proximity to both growing domestic demand markets and export. See the Metrics and Targets section of this report for more on our performance against our strategic goals to accelerate the circular economy and achieve our purpose.
NGFS Orderly	For Sims Limited to transition in line with a 1.5°C-aligned scenario (Net Zero by 2050), we will need to invest in projects that reduce fossil-fuel use and increase the percentage of renewable energy used. This is consistent with our targets and strategy.	Sims Limited has committed to becoming net zero by 2050 with staged goals at 2025 and 2030. Our Scope 1 and 2 targets are consistent with the SBTi methodology. We have defined our key pathways to decarbonisation as per Managing Our Operational Footprint Section in this document. We use an internal shadow price on carbon to model potential impact of decarbonisation investment and costs of potential carbon offsetting.
NGFS Orderly	Sims low-carbon revenue model and disclosure of ESG performance is attractive to ESG-focused investors and lenders.	Sims Limited has invested in focused ESG data and reporting resources to improve transparency, and this enables us to demonstrate our ESG credentials. Transparency on our performance positions us to be able to take advantage of emerging sustainability finance instruments, such as green bonds or sustainability-linked loans, if required in the future.

Managing Our Operational Footprint

Reducing our operational emissions is a key strategic driver for Sims Limited. We disclose Scope 1 and 2 emissions totals based on an operational control boundary. Emissions associated with joint ventures where we do not have operational control are presented in the Scope 3 boundary, according to our equity interest.

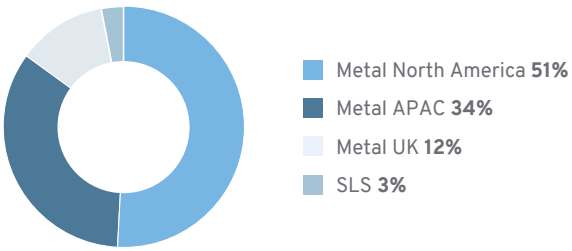
Targets[1]	FY20 Baseline[2]	FY24 Result		FY24 Progress
Short-term Reduce emissions by 23% by 2025	147,909 t CO_2e	102,422 t CO_2e	31% reduction	We have met our initial target of 23% emissions reduction compared to FY20 levels. This has been driven by an increase in renewable electricity. SLS is on track to becoming carbon neutral by FY25.
Short-term Use 100% renewable electricity by 2025	0%	83%	83% increase	
Short-term SLS to become carbon neutral by 2025	4,148 t CO_2e	1,159 t CO_2e	72% reduction	
Medium-term Direct operations to become carbon neutral by 2030	147,909 t CO_2e	102,422 t CO_2e	31% reduction	
Long-term Net Zero by 2050 in all our direct operations	147,909 t CO_2e	102,422 t CO_2e	31% reduction	

Our priority is to invest in reducing our operational emissions, with carbon offsets used for those emissions we cannot eliminate or reduce before 2030.

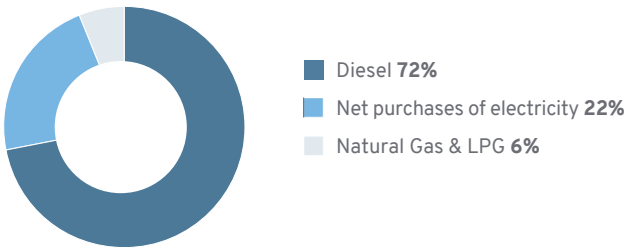
As shown here, the main sources of our operational emissions in FY24 were diesel (72%) and electricity (22%).

In FY24 our footprint decreased by 31% from the baseline year (additional 2% from FY23 levels), largely because of executing renewable electricity transactions in line with our commitment to source 100% renewable electricity by 2025. This included all sites in the United States and Canada as well as all current circular centre operations by SLS globally.

CO_2e Emission Contribution (Location-Based)



CO_2e Emission Sources (Market-Based)



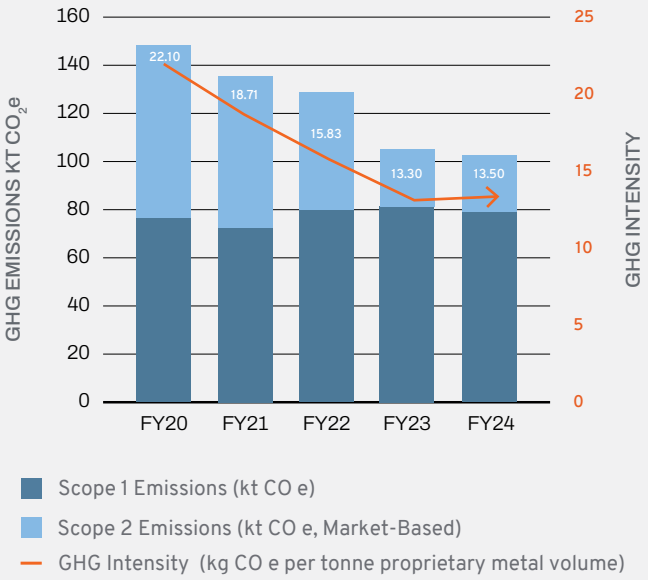
1 All targets in refence to FY20 baseline; market-based emissions; Scope 1 and 2 only.

2 Our GHG inventory Management Plan requires a baseline restatement given the acquisition of Baltimore Scrap Corp. We do not have the necessary data for this reporting year, but we plan to recalculate the baseline in FY25 to align with other changes, including the divestment of our UK division after FY24. We have estimated the emissions for the new business in FY24, which will account for about 5% of total location-based emissions and 3.6% of market-based emissions.

GHG emissions and calculating GHG intensity

As can be seen in the chart aside, Sims Limited has been steadily reducing the total emissions since FY20. Despite our significant progress toward using renewable electricity, there was a slight increase in our Scope 2 emissions for FY24. This increase was due to higher temperatures during the year and the electrification processes we have been undergoing.

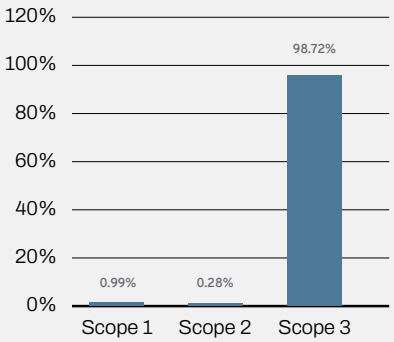
GHG emissions and intensity



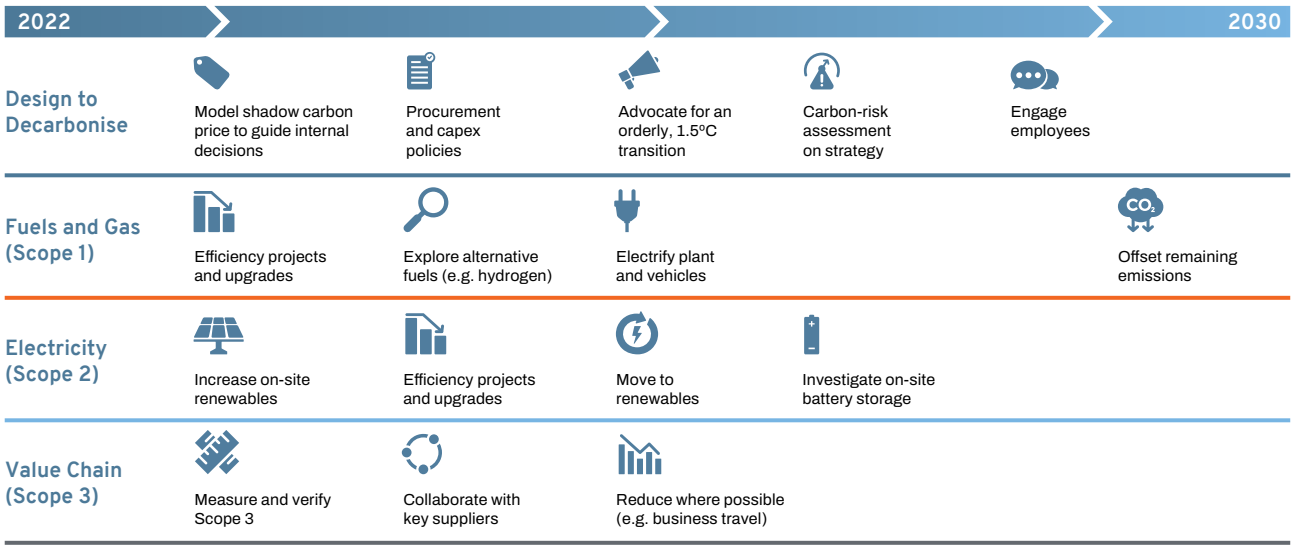
Greenhouse emissions (GHG) can also be expressed relative to another unit, such as revenue or tonnes of production, which is called an intensity metric. This is useful for understanding the relative intensity of GHG emissions compared to our business activity. We have presented this as tonnes of CO_2e per million tonnes of proprietary metal volume. As we do not process brokered volume, it does not have a large impact on our Scope 1 and 2 performance and has been omitted from the intensity calculations. However, emissions relevant to brokered volume (e.g., transport, customer processing, etc.) are included in the Scope 3 boundary.

Our emission intensity metric has increased compared to last year. This is due to emissions decreasing at a lower rate (2%) compared to a decrease in total sales volumes (2.4%). Sims' primary product is a commodity and subject to external trends.

Scope 1, 2 and 3 emissions (FY24)



Pathway to carbon-neutral operations



Our priority is to invest in reducing our operational emissions, with carbon offsets used for those emissions we cannot eliminate or reduce before 2030.

Sims Limited remains steadfast in its commitment to achieving the above strategic goals, despite facing several challenges on the horizon. These include reduced CAPEX spending, the emergence of new technologies that have yet to enter the market, fluctuations in the carbon offsets market, and the ongoing transition to renewable energy.

Our primary focus is on decarbonising our operations rather than relying on the purchase of carbon offsets, reflecting our commitment to sustainable and responsible business practices.

Decarbonising Our Electricity Supply

Sims Limited plans to deliver our short-term target by initially focusing on decarbonising our electricity supply. In line with our commitment to use 100% renewable electricity by 2025, we will support renewable generation in our contract procurement of electricity and match our consumption with renewable electricity credits (RECs). We have also installed renewable energy generation at our sites. These are low-risk options that can be achieved with modest investment in mature, commercially available technologies. In line with our Energy & Climate Policy, we will advance energy efficiency and conservation methods throughout the portfolio. These projects will reduce energy demand and costs, as well as emissions.

Planned electrification of the diesel fleet will increase electricity consumption at our yards, so moving to renewable electricity early is of strategic importance to recognise the maximum emissions reductions and support capacity and demand management at sites.

In FY24, electricity contributed to 22% of our emissions footprint (market-based calculation), down from 47% in the baseline year, because of our increased use of renewable electricity. During the year we continued to purchase unbundled Green-e certified renewable energy certificates (RECs) in the US to match the electricity consumption of the North American sites not already covered by renewable electricity supply contracts (including those in regulated markets where Sims Limited cannot choose the suppliers).

Globally, we now use 100% renewable electricity at more than 110 sites across the Sims Limited portfolio, including operation of all of SLS' circular centres by the close of the year end. Just under 60% of renewable electricity consumption is supplied as a 'bundled' product, with remaining consumption matched with unbundled RECs, which are generally sourced from within the country of consumption. In general, where we have purchased unbundled RECs, they have been purchased from renewable electricity generators within the country of consumption[1].

Sims Limited also progressed deployment of on-premises renewable electricity with installation of Solar across four Australian Sites towards the end of FY23. While on-premise installations will, in general, cover only a small amount of consumption, these installations offer value for money, can reduce daytime demand peaks and associated charges, and reduce Scope 2 and Scope 3 emissions (as they relate to upstream electricity transmission loss).

1 Canadian consumption is matched with USA origin RECs. Canada and the United States are considered to form a single renewable electricity market. UK consumption was matched with EU Guarantees of Origin prior to April 2023, andUK Renewable Energy Guarantees of Origin from 1 April onwards.

Electrifying our fleet

Investing in green technology

Sims Metal has invested $300,000 in a new electric car flattener at its Providence, Rhode Island facility, replacing the previous diesel model. The electric car flattener, manufactured by Overbuilt, can crush up to 159 tons of force (PSI 2,000 lbs) with advanced controls and automation, enhancing both environmental and operational efficiency. This upgrade is expected to reduce CO_2 emissions by 9.6 tonnes annually. The investment aligns with *Rhode Island's 2021 Act on Climate*, which mandates significant reductions in greenhouse gas emissions by 2030, 2040, and 2050. This move demonstrates Sims Metal's commitment to sustainability and supports the Rhode Island's net-zero carbon emissions goal and positive impact on the local green economy.

Sims Metal has partnered with Volvo Trucks to introduce its first electric heavy goods vehicle at the Newport end-of-life fridge facility in the UK, saving up to 40 tonnes of CO_2e emissions annually. This electric truck, which charges with 100% renewable electricity, also provides a quieter and more comfortable driving experience for our drivers. The Newport facility, one of the UK's largest fridge recycling centres, processes up to 750,000 units per year, contributing to our goal of using 100% renewable electricity across all business divisions by 2025.

First Mobile Electric Material Handler

Sims Metal has partnered with Solmec to replace one of its onsite material handlers with a brand new 25 tonne electric mobile material handler, in Barnsley, UK. Solmec is an Italian company that manufactures material handling machines on wheels or tracks and stationary loading machines; the company is known for its technology and high product and component standard.

The new electric machinery offers great performance with reduced cost, great battery life and zero emissions and fumes. The 25 tonne Solmec Material Handler can operate for a minimum of eight hours with a recharge time of 10 hours. We estimate it will reduce carbon emissions by approximately 70 tonnes of CO_2e per annum.

Sims has already installed fixed "plugged in" stationary electric material handlers across Avonmouth UK, Richmond CA and Brooklyn, VIC. We estimate that each installation saves between 103 to 124 tonnes CO_2e emissions per annum as these are replacing larger diesel machines. The 25 tonne Solmec is our first fully mobile electric material handler, it is movement and utilisation are not restricted by an electric cord.

The electric material handler joins our decarbonisation actions, across the entire company, aiming to reduce our carbon emissions while also improving our operation's efficiency. We will be procuring additional electric handler for other sites already (ordered for Brooklyn, Australia).

Vezzani – 2,000 tonne fixed Shear being placed in Chesapeake USA

Sims Metal has worked for several years to increase electrification in the North American East. The evaluation process included desk research, visits to two manufacturing facilities, and seven shear installations. Chesapeake, VA, was selected as the best site for a Vezzani 2,000 tonne fixed shear with a downstream system that removes non-ferrous concentrate from Heavy Melt Steel (HMS), reducing torch cutting by 70%. The fully electric shear and crane will significantly lower diesel consumption and eliminate the need for two mobile shears with excavators. Installation began in June and is expected to be completed the end of 2024.

Other key electrification projects include the commissioning of an electric shear at our Avonmouth, UK site, replacing a diesel unit; installing an electric material handler in North Haven, USA; and adding an electric forklift at Milperra, Australia. Additionally, we focused on energy efficiency projects, such as replacing the shredder motor at Brooklyn, Australia, to address energy spikes and downtime. The new controllers now regulate mill and motor speed, improving throughput and reducing costs and air emissions due to atomised water injection and dust capture in the mill enclosure.

Left: Vezzani progress August 2024. Chesapeake USA.
Bottom: Brooklyn Victoria Shredder Upgrade to Mill enclosure

Reducing Diesel Use

Combustion of diesel and petrol contributed 72% of operational emissions in FY24. Most of the consumption was from diesel used in mobile plant equipment in our metal yards. Diesel may be displaced by alternative fuels, such as biodiesel or hydrogen, but we believe that electrifying assets has the strongest potential to reduce emissions in the near term. In addition to emission reductions, lower operating and fuel costs can be achieved through electrification. It also reduces the number of potential instances when operational employees could be exposed to particulate emissions from diesel combustion.

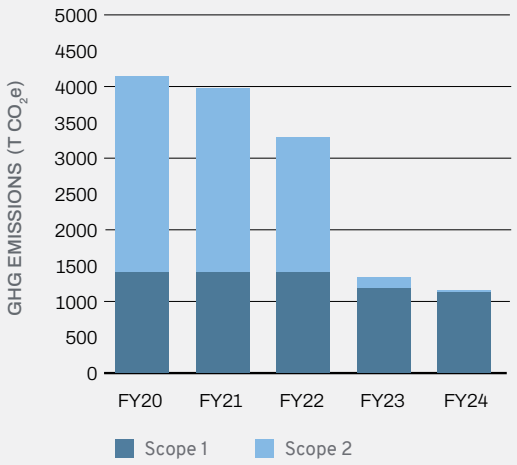
Where electric options are readily available and are commercially comparable to diesel assets (considering whole-of-life operational costs), they are being adopted, and electric assets are being deployed throughout the company. However, for other asset classes such as our road fleet, low-emissions options may not yet meet our operational or commercial requirements. In line with our global procurement strategy to ensure value for money is delivered for Sims, we increased our engagement with original equipment manufacturers (OEMs) and non-operated joint ventures to identify and trial cost-effective low-emissions options. Our work over FY24 on material handlers illustrates this approach. (See case study on p. 21).

We will adopt a phased approach to replace fossil-fuel assets based on their useful economic life. As we pursue electrification, we are also investigating using biofuels as an interim step to accelerate progress toward our 2030 target. However, global supply chains for biodiesel are not evenly developed, and we would want to use biofuels that have been produced sustainably. In FY22, we conducted a small-scale trial of hydrogen injectors retrofitted to diesel engines, however, fuel savings from the trial, combined with the difficulty our drivers had with the units, did not warrant expansion of the trial.

Sims Lifecycle Services: Advancing Toward Carbon Neutrality

Sims Lifecycle Services (SLS), a global leader in IT asset disposition (ITAD), data centre IT circularity and electronics recycling, is progressing toward its commitments of achieving 100% renewable electricity and carbon neutrality at all circular centres by 2025. Renewable electricity is now used for the operation of all of SLS circular centres, covering more than 99% of electricity consumption. SLS customers include innovative technology and data centre businesses, which are defining the decarbonisation agenda in their sector. By achieving carbon neutrality as early as 2025, SLS will further help its customers reduce emissions impacts across their own value chains.

SLS Emissions Change (Market-Based)



To achieve its 2025 commitments, SLS is taking the following actions:

- Switching to 100% renewable electricity contracts at premises where we directly contract for electricity. Where we do not, use our influence to encourage landlords to provide renewable electricity or cover usage with us.
- Pursuing energy-efficiency and conservation programs across the portfolio.
- Pursuing electric and low-emissions options in the SLS light-duty vehicle fleet.
- Setting desired environmental criteria for new premises as we expand our global operations.

The biggest challenge to fully decarbonising SLS operations is the use of natural gas for heating in its warehouses. SLS is currently reviewing initiatives that can be implemented, both independently and in partnership with landlords, to address this issue. A small portion of emissions also comes from fuel used in light-road vehicles, and we're exploring electric and low-emission options for the fleet, primarily light vans with data destruction devices. Most logistics are handled by third-party haulers, which fall under Scope 3 emissions.

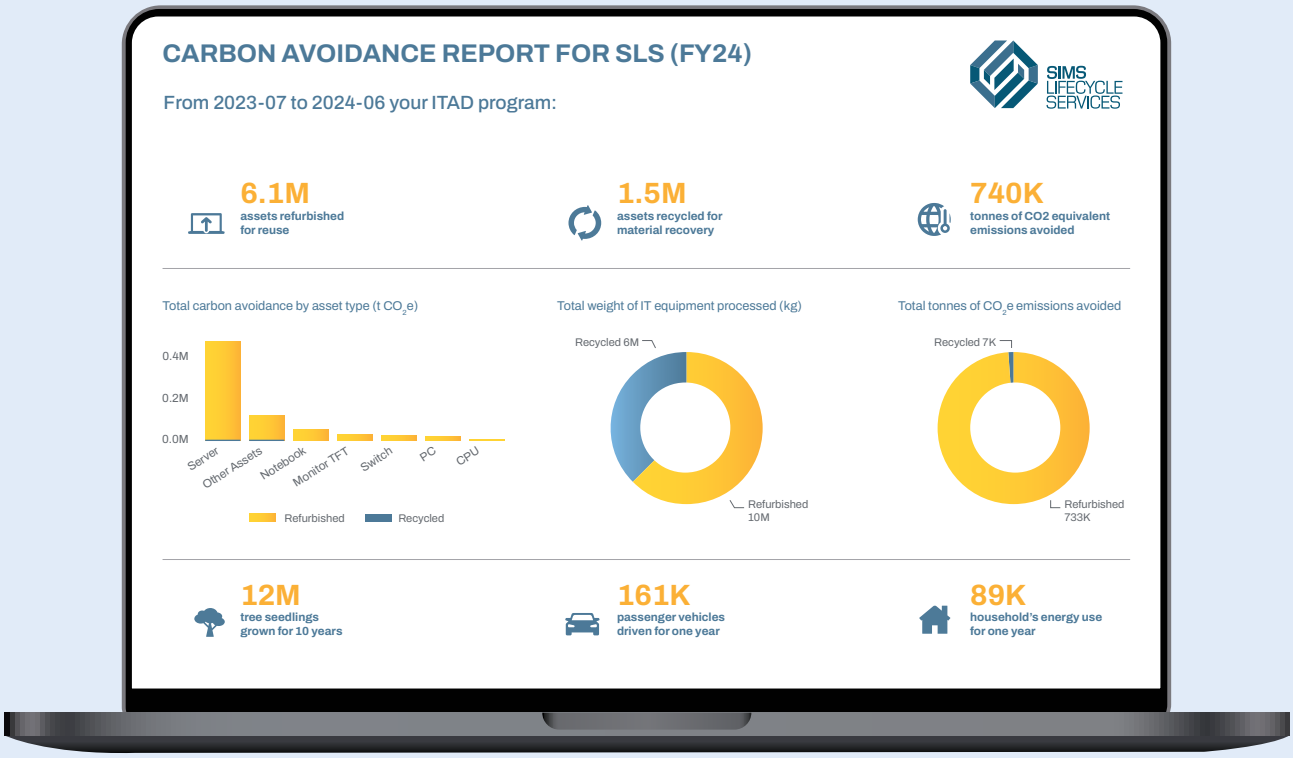
As SLS executed its strategy in FY24, focusing on repurposing and refurbishing cloud units, the Franklin Park facility in Illinois, which refines precious metal scrap from industries like automotive, biomaterials, and aerospace, became less aligned with the business strategy. Consequently, we made the strategic decision to transfer this facility to Sims Metal, creating a new entity called Sims Precious Metals. From 1 July 2024, the facility's emissions have been allocated to Sims Metal. This facility generated 51% of the emissions, making it the most significant contributor in the SLS business.

SLS Refines Sustainability Calculator with Newcastle University

In FY22, Sims Lifecycle Services (SLS) launched its award-winning sustainability calculator, which gives customers insight into the avoided emissions enabled by SLS' services. Using the calculator, we are also able to determine the total emissions avoided by our customers repurposing and recycling IT assets. For FY24, the total avoided emissions impact was 740 kilotonnes of CO_2e. Through our focus on and innovative solutions for extending the life of more and more data centre components, we were able to increase our positive impact related to data centre components such as memory and processors by close to 80 percent in FY24 compared to the previous year.

The calculator quantifies avoided emissions not only from recycling, but also from the reuse of whole IT assets as well as components. For the second time, SLS partnered with Newcastle University (UK) to conduct comparative Lifecycle Assessments (LCAs) on four additional key products using the ISO 14044 methodology along with extensive market research to support second use-phase assumptions.

These LCAs allowed us to further refine the database behind our calculator. As SLS customers mature their own reporting, they value the increased insight the calculator provides.



"Using the calculator, we are able to determine the total emissions avoided by our customers repurposing and recycling IT assets."

Emissions in Our Value Chain

At Sims Limited, we recognise that climate change is a shared global challenge and that our actions are not complete without engaging the value chain.

Like many companies, the emissions in our value chain are significantly higher than the emissions from our direct operations. Because they are outside of our own operations, we do not have operational control of these emissions and must engage, collaborate, and use our influence to drive reductions, as well as to obtain accurate and complete data.

Over the past 12 months, we have engaged with our value chain to refine our procedures to collect more detailed data for our most material Scope 3 emissions.

Scope 3 Category	Kilotonnes of CO_2e	FY24	FY23	FY22	FY21
Category 1	Purchased goods and services	147.9	100.6	93.0	65.7
Category 2	Capital goods	42.5	34.0	94.8	44.9
Category 3	Fuel and energy-related activities	38.9	38.3	32.3	29.6
Category 4 and 9	Up and downstream transportation and distribution[a]	859.1	556.9	586.8	516.9
Category 5	Waste generated in operations	–[b]	–[b]	–[b]	0.1
Category 6	Business Travel	3.6	4.8	–[b]	0.8
Category 7	Employee commuting	–[b]	–[b]	–[b]	9.4
Category 10	Processing of sold products[c]	3,447.0	3,354.6	3,024.3	3,036.30
Category 11	Use of sold products	3,330.5	3,329.2[d]	47.3	15.7
Category 15	Investments[e]	46.8	61.4	52.8	50.3
Total		**7,916.3**	**7,479.8**	**3,931.3**	**3,769.7**

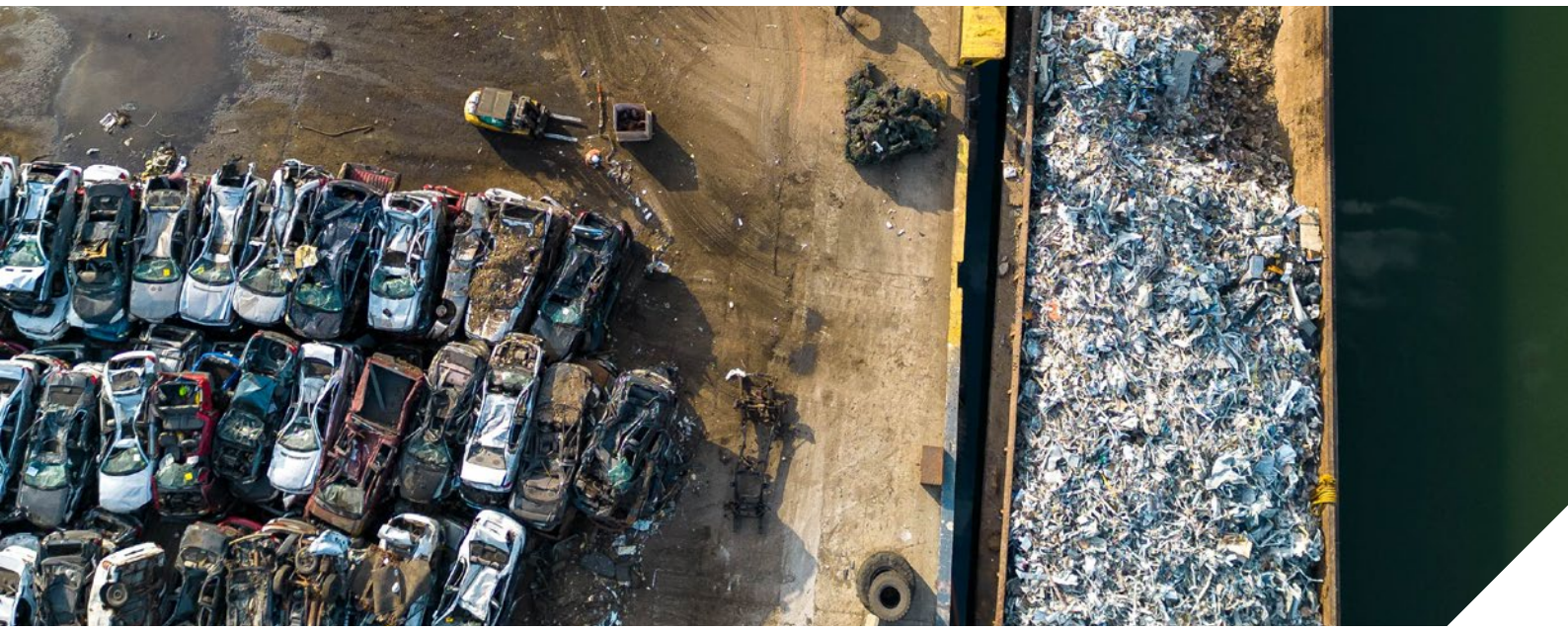
a From FY23 category 4 and 9 are presented together. Increase driven by significantly improved data set quality for land transport and containers in our North American Business.

b As these categories were less than 1% of scope 3 emissions in FY21, they were not remeasured subsequently. Sims Limited will continue to assess their inclusion for measurement.

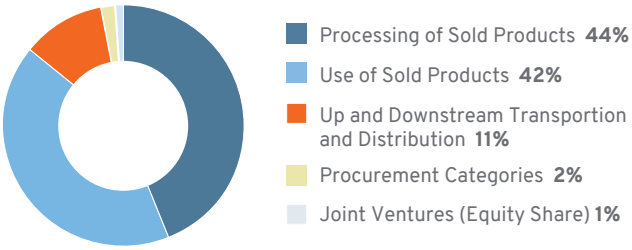
c 99.6% of this category relates to the remelting of processed metal products into new metals.

d Restatement of FY23 CO_2e emissions due to updated methodology. No restatement of FY22 and FY21.

e Sims Limited accounts for non-operated joint ventures according to equity share.



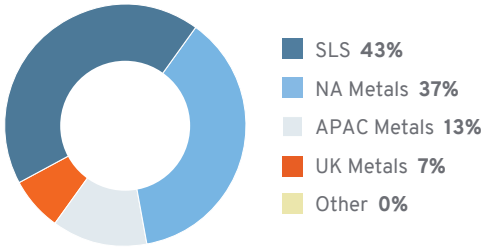
Sims Limited % Contribution by major categories



Sims Metal's value chain contributes to 57% of Sims Limited's total Scope 3 emissions.

The largest sources of Sims Metal scope 3 emissions are from the steel and maritime sectors and relate to the processing and freight of our sold product and. Our ability to make significant reductions to Scope 3 emissions will depend on the decarbonisation of these sectors in line with the Paris Agreement goals. More details on the trajectory of these sectors are discussed below.

Sims Limited % Contribution by Business Unit



Sims Lifecycle Service's value chain contributes 43% to Sims Limited's total value chain emissions.

The most significant Scope 3 emission source for Sims Lifecycle Services is the use of resold and refurbished products, i.e. the electricity they consume in their next lifecycle. This represents 42% of the total inventory. In FY24, we have updated the methodology for calculating this category, refining our data sources and assumptions, and aligning more closely to the use of our products in energy-intensive data centre applications.

Use of sold products

The global data centre industry currently contributes approximately 1.5% to global electricity use,[1] excluding cryptomining applications. Within the sector, rapid advancements in device and data centre energy use efficiency are facing up to the rapid growth of data centres and computing-intensive applications such as for developing and training Artifical Intelligence models. Key industry players such as many hyperscalers and industry associations like the Climate Neutral Data Centre Pact (CNDCP) already have commitments such as sourcing renewable and 24/7 carbon free electricity to reduce the climate impact of their data centres.

Aligned with a 1.5 °C pathway, full decarbonisation of the electricity sector is expected to be in 2040. We will continue to purchase renewable electricity that contributes to increasing the share of renewable energy in the electricity grid which will support achieving these milestones. As we have no impact on energy efficient design of the devices and components for which we are enabling an extended life, our focus will remain on those emissions that we can directly address with our value chain, such as emissions from third party logistics and subcontracted processing. At the same time, we will continue making a positive impact on reducing the embodied emissions of data centres and other IT devices by continuing to increase the number of units we redeploy.

1 IEA
2 SBTi Power Sector Guide

Processing of sold products

The remelting of our processed metal products, particularly ferrous metals which make up the majority of our traded volume is a significant source of our Scope 3 emissions.

The future trajectory of this category relies on our customers' decarbonisation roadmaps, which in turn will be guided by the development of renewable energy, technology solutions within the sector, and government policies that enable this transition. Through engagement, we know that some of our customers, particularly customers in domestic markets, have set Scope 1 and Scope 2 emissions reduction targets for their businesses. These commitments take varying forms: reduction in emissions intensity (e.g., CO_2e per tonne of product); absolute emissions reduction within this decade; and net-zero goals by 2050. These commitments are underpinned by national net-zero commitments in our core domestic and export markets, including Australia (2050), the United States (2050) and Turkey (2053). In FY24, a large percentage of our emissions in this category were generated in countries that have net-zero pledges by 2055, rising to 98% by 2070.

The decarbonisation of the steel sector is a significant challenge, as outlined in a 2021 report by the Institutional Investors Group on Climate Change (IIGCC) in partnership with Climate Action 100+ (CA100+). In their modelling of even the most ambitious trajectory for innovation, investment and adoption of decarbonisation measures, the steel industry is considered unlikely to reach net zero by 2050.[1] A 2023 analysis by the IEA concludes that the current pipeline of low- and near zero-emission projects falls short of what is required to meet the Net Zero Emissions by 2050 Scenario, and high-emissions projects make up around two-thirds of all announced projects worldwide.[2]

By supplying more processed scrap product to customers, Sims Limited would contribute to reducing their emissions intensity (compared to making the same amount of steel from raw materials). In parallel, the increased volume would cause Sims Limited's own Scope 3 emissions to rise, at least until there is widespread decarbonisation in the sector.

In 2023, the SBTi and the steel sector developed science-based, target-setting methodologies, tools and guidance for steel companies and stakeholders. Sims Limited participated in the public consultation process about the proposed methodology. Steelmakers seeking to use the sector-based pathway must include specific processes (illustrated in the core system boundary graphic below), regardless of whether they are a Scope 1, 2 or 3 emission for a particular steelmaker. This ensures SBTi targets are based on consistent, comparable accounting.

In consultation and in their published work examples, SBTi confirmed that the steel sector methodology is appropriate for use for setting targets for Scope 3 emissions for the processing of sold scrap product, as long as all processes the scrap product undergoes inside the iron and steel core boundary are included in the Scope 3 calculation. This is different from the approach we had used prior to FY23, when we have re-evaluated our methodology for this category. Our research indicated that a higher proportion of Basic Oxygen Furnace (BOF) process energy was more correctly allocated to ironmaking (from raw materials) rather than steelmaking and we adjusted our calculations accordingly. For FY24 we used the SBTi methodology, and we intend to apply it consistently going forward. We are now also including emissions from hot rolling of steel in our calculations, giving greater alignment with the SBTi core boundary.

We continue to evaluate alternate SBTi methods for Scope 3 target setting. The economic contraction approach (i.e., emissions reduction per dollar of revenue) is not appropriate for Sims Limited due to commodity cycle volatility. The absolute contraction approach would require a Scope 3 target of 25% reduction by 2030 (well below 2°C), which is not a credible expectation for our most material contributors to Scope 3 emissions.

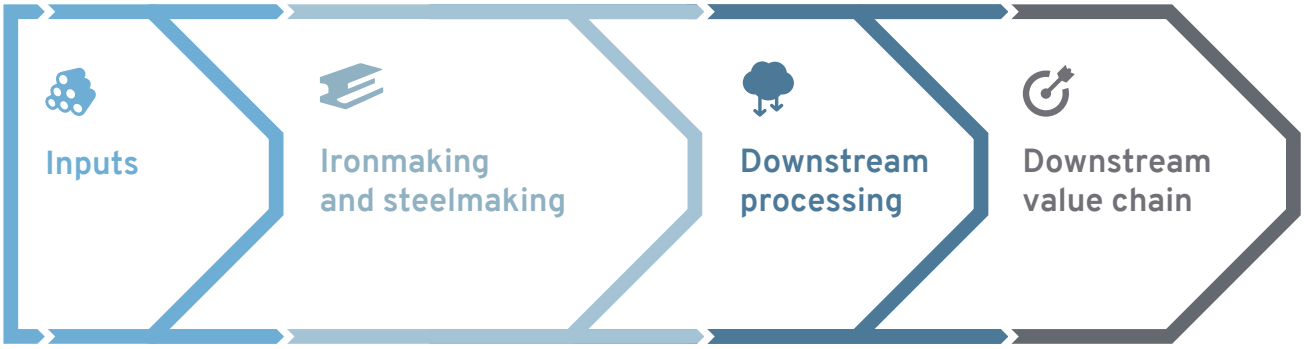
In our approach to collaborate for reducing emissions from the processing of our sold products, Sims Limited will:

- Continue to engage with their to understand and support their Scope 1 and 2 emissions targets
- Continue to engage with customers and monitor customer publicly disclosed reporting, including disclosure of emission intensities and boundaries
- Continue to improve our processes to deliver high-quality inputs that can be efficiently processed by customers
- Engage with and monitor research from organisations such as SBTi, Responsible Steel and the Transition Pathways Initiative to understand the industry trajectory and pathways
- Continue improving our understanding of how our current and future products can support innovative low-carbon approaches to steelmaking

1 Climate Action 100+, The Global Sector Strategies: Investor interventions to accelerate net zero steel report
2 IEA: Steel Industry

SBTi iron and steel core boundary

Core system boundary



Inputs	Ironmaking and steelmaking		Downstream processing	Downstream value chain
Iron and steel scrap collection and sorting	Coke making	Oxygen plant	Hot rolling	Emissions from exported off-gases
Upstream transport	Sintering	Lime production	Cold rolling	Export of power
Iron ore mining	Blast furnace	Pelletisation	Coating	Export of blast furnace slag
Coal mining	Basic oxygen furnace	Boilers and power plant (surplus gas)		Downstream transport
Extraction of natural gas	Casting	Smelting reduction		Fabrication
Power production (imported)	DRI	Electric arc furnace		
Production of H_2/Syngas		Secondary metallurgy		
Extraction of other petroleum products				
Production of biomass and biogas				
Limestone mining				
Non-ferrous ore mining				
Ferroalloys production				

Source: SBTi Steel Sector Guidance

Upstream and downstream transport and distribution

This year, we have presented the Scope 3 emissions for third-party freight together as the outlook and pathways are remarkably (upstream and downstream transport and distribution) similar. Transport (primarily sold product) is the third largest source of emissions in the Scope 3 boundary, of which the largest contributor (over 80%) is the marine freight of processed metal. Third-party heavy road, rail, and barge freight (either to a domestic destination or to a seaport) makes up the remainder of this category.

Sims Limited freights globally, using chartered vessels for bulk shipment and containers for smaller quantities. Vessel choice and availability is restricted both by ongoing global supply chain challenges and the preference of bulk vessel operators to take other cargo. Scrap cargo is perceived as less desirable than other bulk commodities (e.g., food products like grains) because of factors including loading/unloading damage, fire risk and the low margins of the shipped product. Therefore, it is likely that low-emissions vessels will not be shipping scrap cargo for some time.

In 2023, the International Maritime Organisation (IMO) revised their GHG reduction targets to include an enhanced common ambition to reach net-zero GHG emissions from international shipping close to 2050. It also includes a commitment to ensure an uptake of alternative zero and near-zero GHG emissions by 2030, as well as indicative checkpoints for 2030 and 2040, targeting at least a 20% reduction by 2030 and 70% by 2040, compared to 2008 emission levels. The IMO also envisages a reduction in carbon intensity of international shipping (to reduce CO_2 emissions per transport work), as an average across international shipping, by at least 40% by 2030. The new level of ambition relates to the uptake of zero or near-zero GHG emission technologies, fuels, and/or energy sources – they are to represent at least 5%, striving for 10%, of the energy used by international shipping by 2030.[1]

The new strategy is far more ambitious than the previous strategy, which aimed for a 50% reduction in emissions by 2050 and has been estimated to align with a pathway well below 2°C, although not to a 1.5°C pathway. [2]

1 It is envisaged that a review of the 2023 IMO GHG Strategy will be finalised when the Marine Environment Committee meets in autumn 2028, with a view to adoption of the 2028 IMO Strategy on reduction of GHG emissions from ships.

2 The ICCT. IMO's newly revised GHG strategy: What it means for shipping and the Paris Agreement.

As we freight globally, it is reasonable to anticipate that low- or zero-emission shipping infrastructure may not be uniformly available across all marine routes, and that global progress will be uneven.

During FY23 we engaged with the 10 container lines that Sims Metal uses most frequently to understand more about their climate commitments. Of the 10 lines:

- Seven had carbon-neutral commitments at 2050 or before, with one at 2060.
- Six had a medium-term emissions reductions target (at or before 2030).
- One could provide specific emissions calculations for Sims Limited freight

We were also able to move to a carbon-neutral product with a container line used in the United Kingdom (separate from the 10 analysed above).

Sims Limited's product is freighted on road by our own heavy goods vehicles (HGVs), where emissions will be captured in our Scope 1 boundary, and by third-party haulers, typically owner-drivers, from which emissions are reported in the Scope 3 boundary. Current availability of zero-emission heavy freight is challenging as the electric truck market share remains low across most major markets. As of 2024, electric medium- and heavy-duty trucks account for about 2.1% of global truck sales. This marks a continued increase from previous years, reflecting the growing adoption of electric vehicles in the heavy-duty sector. However, the percentage of zero-emission heavy-duty vehicles is about 9.2% in China and 2.7% in the European Union, and only 0.6% in the United States.[1] Paris Agreement goals, the share of zero-emission HGVs needs to rise to 45% by 2030 and to nearly 100% no later than 2040, if the transportation sector is to fulfil its emissions reduction responsibilities.[2]

There is some reason for optimism regarding the increased presence of zero-emission vehicles in the Sims Limited value chain. In 2021, the United Kingdom became the first nation in the world to commit to phasing out new, non-zero-emission HGVs weighing 26 tonnes and under by 2035, with all new HGVs sold in the United Kingdom to be zero emission by 2040.[3] Research from the US Department of Energy indicated that low-emissions heavy trucks are expected to become cost-competitive with diesel equivalents by 2035.[4]

During COP27, the United States committed to the Memorandum of Understanding on Zero-Emission Medium- and Heavy-Duty Vehicles, where countries commit to working together to enable 100% zero-emission new truck and bus sales by 2040 with an interim goal of 30% zero-emission vehicle sales by 2030. New Zealand and the United Kingdom are also signatories. During FY23, the Australian government published the country's first EV strategy, although limited to light vehicles.[5] Under the 2024 update, one of the six desired outcomes of the national EV strategy is an increase in local manufacturing and recycling, which may present a further opportunity for Sims Limited.[6] We will assess the impact of this policy and how Sims will support EV recycling.

Sims Metal continues to share learnings from vehicle electrification both internally and with our value chain. We have also deployed EV charging infrastructure at several sites, where it is accessible to employees and site visitors, to encourage EV uptake in our communities.

We will take a collaborative approach with our value chain in seeking to decarbonise third-party road freight. This may involve investigating how we can support charging infrastructure or vehicle availability for owner-drivers, leveraging our own efforts to decarbonise our vehicle fleet. In general, we seek to minimise road travel distances by strategically our metal processing sites near deep water ports, which minimises freight costs, as well as emissions.

Sims Limited will:

- Continue to identify options for low-emissions mode substitution (e.g., more volume transported via rail)
- Evaluate how GHG intensity could be incorporated as a criterion in chartering
- Continue to engage with shipping companies to obtain quality emissions data, where available
- Investigate ways to optimise utilisation of containers and trailers, including third-party units
- Investigate ways we could support third-party hauler electrification (e.g., provision of charge points)

1 Zero-emission bus and truck market in the United States: A 2022–2023 update - International Council on Clean Transportation
2 The ICCT. Heavy-duty zero-emission vehicles: Pace and opportunities for a rapid global transition.
3 Gov UK. UK confirms pledge for zero-emission HGVs by 2040 and unveils new chargepoint design.
4 Energy GOV. DOE Projects Zero Emissions Medium- and Heavy-Duty Electric Trucks Will Be Cheaper than Diesel-Powered Trucks by 2035.
5 Australian Government. National Electric Vehicle Strategy.
6 Australian Government. National Electric Vehicle Strategy Annual Update 2023-24.

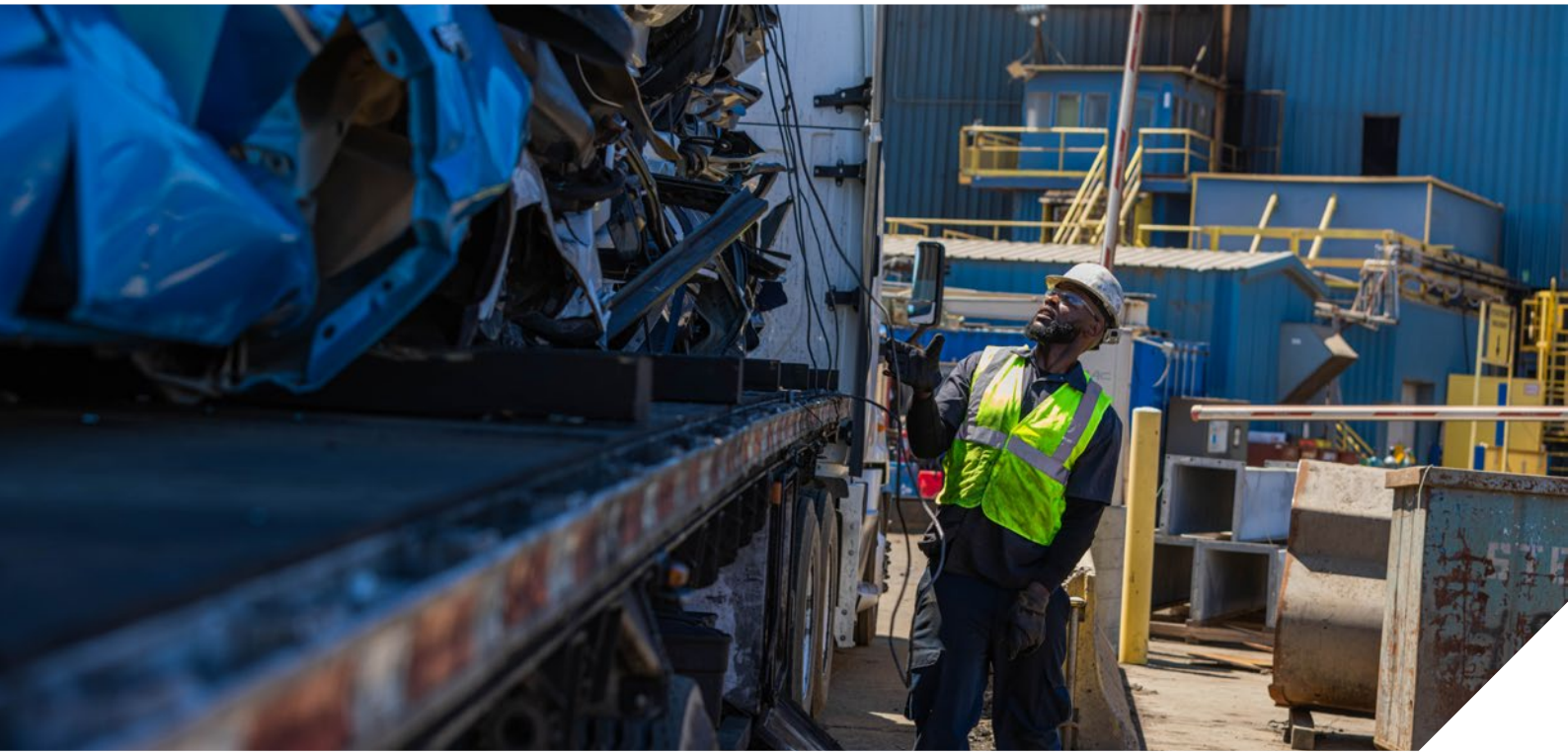
Procurement-related categories

Sims Limited's reported Scope 3 emissions inventory for procurement-related categories (e.g., purchased goods and services, capital goods, upstream fuel- and energy-related activities, and business travel) represent, as an aggregate, the fourth largest contributor to our FY24 Scope 3 emissions. These are also categories that may be exposed to carbon pricing and therefore help to identify climate risks and opportunities in our value chain.

Reported emissions in these categories include emissions from production of equipment used in our operations, construction materials used in our capital projects, professional services, business travel, and the upstream emissions related to the production of fuels used in our operations.

Aligned with the GHG Protocol reporting standards, our emissions estimations for procurement categories are generally based on the spend-based method, which covers cradle-to-gate emissions, where an industry-average emission factor is applied to the economic value of the goods and services consumed. In FY24, we re-measured business travel as this was the second year since FY21 that had not been affected by pandemic-related travel restrictions. This showed that business travel is still not a material source of emissions in the value chain.

The Sims Limited Supplier Code of Conduct sets out our expectation that suppliers have an emissions reduction program in place. We have provided the Code of Conduct to new and existing vendors, and it is referenced in our standard purchase order terms and conditions. Sims Limited will also seek to include climate and environmental performance criteria in supplier onboarding initiatives to be deployed in future years.



Avoided Emissions in the Value Chain

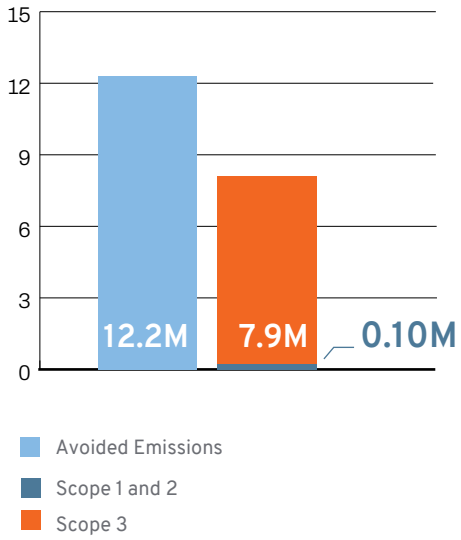
Avoided emissions are emissions saved outside of a product's life cycle or value chain, due to the use of that product. As the emissions are saved outside the value chain of a company's activity, they are not captured under conventional Scope 1, 2 and 3 frameworks.

Sims Limited is part of a value chain that diverts materials from landfill. These diverted materials are sorted and then refurbished, and parts are harvested or recycled to make new products. This avoids depletion of non-renewable resources, as well as the GHG impacts associated with the extraction, refining and transport of raw materials. In the metals value chain, secondary metals also require less energy to be made into new products than raw materials do. The additional lens from avoided emissions analysis, complementing conventional carbon metrics, is therefore useful to our stakeholders in examining the opportunities and risks for us in the climate transition.

In FY24, Sims Limited enabled more than 12.2 million tonnes (FY23: 12.4 million) of avoided emissions compared to making the same products with raw materials. Almost 11.5 million (FY23: 11.6 million) was from the use of Sims Metal product and 0.74 million (FY23: 0.76 million) enabled by Sims Lifecycle Services' ITAD services.

Unlike the GHG Protocol's accounting standards for Scopes 1-3, there is not an accepted methodology for avoided emissions, which are sometimes referred to as "Scope 4." In presenting this analysis, Sims Limited has used the same data reference points and assumptions that informed our Scope 3 calculation for Category 10 (processing of sold product). The recycling impact credit has been based on publicly available lifecycle studies, including from WorldSteel, which have been updated this year, and customised with a global weighted average of our activities, including our direct operational emissions (Scope 1 and 2), and inbound and outbound transport as presented in the Scope 3 inventory.

Sims limited emissions in the value chain (t CO_2e)



Sims Limited is part of a value chain that diverts materials from landfill. These diverted materials are sorted and then refurbished, and parts are harvested or recycled to make new products.

Carbon Offset Strategy

Although Sims Limited prioritises emissions reductions projects, carbon offsets will be required to deliver the company's carbon-neutral goals (2025 for SLS and 2030 for the rest of the portfolio businesses), particularly for Scope 1 emissions where solutions may be limited. We have not yet utilised any voluntary offsets as we prioritise direct reductions of our operational emissions. For transparency, we intend to disclose the type of offset we acquire when the time comes. While we are committed to maintaining our scope 1 and 2 targets aligned with the SBTi 1.5°C pathway, we are yet to define to what extent our carbon neutrality claim by 2030 relies on carbon offsets as it will be influenced by progress on scope 3 emissions reduction.

Where Sims Limited procures carbon offsets, we have set out the following core principles to guide our approach:

- Source offsets that deliver robust co-benefits for the environment and communities, preferably aligned with our sustainability strategy.
- Apply robust standards for the quality of offsets, such as Verified Carbon Standard or Gold Standard offsets, to ensure they deliver additional benefits and permanence.
- Source a mixture of offsets generated in the countries where we operate and other countries to help manage the costs of offsets and maximise flexibility in procurement.
- Disclose the amount of offsets we retire.

Our strategy will be to purchase offsets through a partnership arrangement rather than direct investments in projects. Sims Limited will also evaluate options for generating offsets within our own value chain (sometimes known as "insetting").

At the time of writing, Sims Limited's business divisions were not required or regulated to participate in a carbon market in any geography. We monitor these developments as a part of the company's climate risk and opportunity management approach, including the updates regarding the Safeguard Mechanism legislation in Australia. The Safeguard Mechanism applies to facilities that emit more than 100,000 tonnes of carbon dioxide (CO_2) equivalent in a year. It sets legislated targets, known as baselines, on the net greenhouse gas emissions of covered Safeguard facilities.

There are 219 Safeguard facilities covered across the mining, manufacturing, transport, oil, gas, and waste sectors. These facilities produce around 30% of Australia's greenhouse gas emissions. Sims facilities are not captured under the Safeguard Mechanism regime.

Through the supply of processed scrap metals, we provide a supporting pathway for our customer decarbonisation journeys. As trends, such as changing stakeholder expectations and customer demand, and policy and regulatory settings to encourage decarbonisation become increasingly prevalent such as the Safeguard Mechanism, there is increasing attention being given to the role of processed scrap metal in the manufacturer of lower emissions metals. The use of secondary metals is a replacement for extracted minerals and resultant high energy and resource use required in the transformation of these minerals into new metals and our customers are quickly looking for ways to implement or substitute secondary metal material into their production processes. Importantly, although there are other energy and technological solutions to aid in carbon reduction, the use of scrap metal is the most immediately available pathway to lowering emissions in the steel making process.

Delivering a Just Transition

The Paris Agreement recognises the need to reduce emissions.[1] There are three sustainability pillars underpining our strategy; Operate Responsibly, Action on Climate Change and Communities.

The transition to a low-carbon, circular economy benefits communities and environments. Our integral role in this shift means we occupy a unique position to also deliver long-term value for our employees and investors.

Our scenario analysis showed that our business growth will be resilient in different carbon scenarios, so we anticipate continued growth in our operations. While we regard this as a positive contribution to communities by delivering local employment, supply chain opportunities, waste reduction and community engagement, we also acknowledge that other impacts, such as dust, noise, and traffic, are not as desirable. We strive to ensure that we are good neighbours and implement controls for these impacts, and we measure the effectiveness of these impacts. Sims Limited is investing in advanced controls to further reduce our own environmental impacts. We also play an active role in our communities by supporting community organisations, schools, and the local environment by investing our resources, time and business solutions. Our social license and community impact frameworks are described in more detail in this year's sustainability report.

As part of our business operations, we may close or relocate certain sites, which would affect our employees and communities. Our sites vary in size from small feeder yards that employ a handful of people to our largest site in Jersey City in the United States, which employs just under 300 people. In general, the closure of a single site would not affect the economic viability of a community, but when and where site closures do occur, we assist employees with employment services and other support.

As we execute our business strategy to thrive in a low-carbon, circular economy, we will continue to understand and address the potential positive and negative impacts on human rights. This is consistent with our commitments to human rights, including the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and our existing due diligence processes in this area.

We can support progress toward a just transition by collaborating with governments, supply chain partners, customers, and our communities to identify opportunities that contribute to this shift. In Australia, we have committed to creating sustainable opportunities for Aboriginal and Torres Strait Islander people in our business and value chain as part of our Innovate Reconciliation Action Plan. We are collaborating with like-minded businesses through our membership in organisations, such as the Circular Electronics Partnership and the Australian Climate Leaders Coalition.

1 United Nations Climate Change

Capital Investment and Green Revenue in a 1.5°C World

Sims Limited is a green revenue business and our capital investment advances our growth strategy.

In FY23, the Financial Times Stock Exchange (FTSE) 100 Index Russell's Green Revenues Classification System (GRCS) assessed Sims as having 99.69% green revenue. The FTSE Russell's GRCS incorporates evolving global standards and best practices to research and analyse companies based on their impact on climate change mitigation and adaptation, water, resource use, pollution, and agricultural efficiency. The FTSE Russell evaluates each business activity in the GRCS through the lens of seven environmental themes, which includes all six European Union Taxonomy objectives. Our business activities fall into the Tier 1 category for businesses that deliver clear and significant environmental benefits.[1] Sims Limited was also assessed as a 100% green revenue business by Corporate Knights in its 2024 analysis.

As always, investment decisions are subject to our rigorous commercial criteria to ensure that our capital allocation can enable us to safely manage our operations and provide a return on investment that is in line with our strategy and broader prudent obligations. As part of this obligation, we have set an internal (shadow) price on carbon.

A shadow carbon price is an internal decision-making aid that applies a theoretical surcharge per tonne of carbon emissions (CO_2e). The shadow carbon price is used to help us better understand the potential impact of external carbon pricing on our capital expenditure, investments, and strategic decisions. Sims Limited conducts carbon sensitivity analysis for decision-making with pricing modelled at a range of price points up to AU$100/t CO_2e by 2030. The carbon price is set in reference to external analysts, carbon markets in the geographies we operate, and peer disclosure. It is subject to review over time. Further information on our capital structure is provided in the 2024 Annual Report. Our breakdown of capital expenditure (A$ million).

	Environment	Sustaining	Total
FY23	11.6	159.9	171.5
FY24	29.7	166.8	196.5

In the procurement of goods and services, our overarching consideration is ensuring the best value for money. Value for money is not necessarily the lowest price, nor is it the highest-quality goods or services. Value for money is derived from a fair and balanced assessment of a range of financial and non-financial factors, including quality, cost, fitness for purpose, capability, risk, total cost of ownership, and social and sustainability criteria, including environmental costs. By including a shadow carbon price in our decision-making criteria, this supports our investments in lower-emissions options, other things being equal.

1 FTSE Russell

Reporting in FY25

Australia has recently made significant strides in mandatory climate reporting with the passage of the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024*. This legislation, set to take effect from 1 January 2025, mandates large entities, including Sims, to disclose their climate-related risks, opportunities, and strategies in line with the Australian Sustainability Reporting Standards (ASRS) developed by the Australian Accounting Standards Board (AASB).. The Australian Auditing and Assurance Standards Board (AUASB) will develop assurance standards.

The new mandatory climate reporting regime in Australia and globally presents an opportunity for us to advance our climate disclosures over the coming years and we are committed to doing so. During this reporting period, we have engaged a third-party consultant to conduct a gap assessment against these standards. In FY25, we will develop a plan to further improve our disclosures and align them with the proposed requirements, including updating our scenario analysis testing, and looking for opportunities to refine our Scope 3 greenhouse gas emissions inventories.

EXTERNAL RECOGNITION

World's Most Sustainable Corporations (Global 100 – #1)

Corporate Knights and As You Sow

AAA ESG rating categories

B grade in 2023

Low ESG risk[1]

TAHITO Te Tai Rehua Fund – TransTasman Equity Fund , supporting Indigenous ethical investing 2024

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

FTSE4Good

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CONTACT

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

Ana Metelo
Global Director, Investor Relations and Sustainability

ana.metelo@simsmm.com

Taskforce on climate-change related financial disclosures (TCFD) index

	Disclosure	Sims Limited's response
Governance	Describe the board's oversight of climate-related risks and opportunities.	**FY24 Corporate Governance statement** available at https://www.simsmm.com/investors/governance. **FY24 Annual Report** • Directors' report Climate Change Risks (P38-39) **FY24 Climate Report** • Board engagement on climate change (p13-14) • Climate change governance (p12)
	Describe management's role in assessing and managing climate-related risks and opportunities.	**FY24 Climate Report** • Climate change governance (p12) • Opportunity and risk management (p15)
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	**FY24 Corporate Governance statement** available at https://www.simsmm.com/investors/governance. **FY24 Annual Report** • Directors' report Climate Change Risks (P38-39) **FY24 Climate Report** • Our Strategic Approach (p8-11) • Risk and opportunity management (p15-17) • Emissions in our value chain (p26-33)
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	**FY24 Annual Report** • Adapting to an Evolving Market (p-2) **FY24 Climate Report** • Our Strategic Approach (p8-11) • Opportunity and risk management (p15-17) • Delivering our ambition (p18-25) • Emissions in our value chain (p26-33) • Capital expenditure and green revenue in a 1.5C world (p36)
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**FY24 Climate Report** • Our Strategic Approach (p8-11) • Opportunity and risk management (p15-17)

	Disclosure	Sims Limited's response
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	**FY24 Corporate Governance statement** available at https://www.simsmm.com/investors/governance. **FY24 Annual Report** • Directors' report Climate Change Risks (P38-36) **FY24 Climate Report** • Climate change governance (p12-14) • Opportunity and risk management (p15-17)
	Describe the organization's processes for managing climate-related risks.	**FY24 Corporate Governance statement** available at https://www.simsmm.com/investors/governance. **FY24 Annual Report** • Directors' report Climate Change Risks (P38-39) **FY24 Climate Report** • Climate change governance (p12-14) • Opportunity and risk management (p15-17)"
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	**FY24 Corporate Governance statement** available at https://www.simsmm.com/investors/governance. **FY24 Annual Report** • Directors' report Climate Change Risks (P38-39) **FY23 Climate Report** • Climate change governance (p12-14) • Opportunity and risk management (p15-17)"
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	**FY24 Climate Report** • Climate governance (p12-14) • Delivering on our ambitions (p18) • Pricing carbon (p36) **FY24 Sustainability Data Book** – Energy and Emissions tab **FY24 Sustainability Data Book** – Water tab
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	**FY24 Climate Report** • Delivering our ambition (p18-36) • Emissions in our value chain (p26-33) **FY24 Sustainability Data Book** • Energy & Emissions tab"
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	**FY24 Climate Report** • Our strategy, targets and ambition (p10-11) • Delivering our ambition (p18-25) • Emissions in our value chain (p26-33) **FY24 Sustainability Data Book** – Energy and Emissions tab

INDEPENDENT LIMITED ASSURANCE STATEMENT

To: The Stakeholders of Sims Limited

Apex Companies LLC, (Apex) was engaged to provide limited assurance of the greenhouse gas (GHG) emissions and select sustainability data reported by Sims Limited (Sims) for the period stated below. This limited assurance statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions and select sustainability data is the sole responsibility of Sims. Sims is responsible for the preparation and fair presentation of the GHG emissions statement and select sustainability data in accordance with the criteria. Apex's sole responsibility was to provide an independent assurance opinion on the accuracy of the GHG emissions and select sustainability data reported and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement and select sustainability data based upon the assurance. Assurance activities applied in a limited level of assurance are less extensive in nature, timing and extent than in a reasonable level of assurance.

Boundaries of the reporting company GHG emissions and select sustainability data covered by the assurance:

- Operational Control
- Worldwide
- Exclusions from the scope of Sims' GHG emissions assertion are:
    - Refrigerants

Types of GHGs: CO_2, N_2O, and CH_4

GHG Emissions and Sustainability Data Statement:

- Scope 1: 79,621 metric tons of CO_2 equivalent
- Scope 2: Location-Based: 66,347 metric tons of CO_2 equivalent
- Scope 2: Market-Based: 22,801 metric tons of CO_2 equivalent
- Scope 3:

  Category 1 - Purchased Goods & Services: 147,897 metric tons of CO_2 equivalent

  Category 2 - Capital Goods: 42,507 metric tons of CO_2 equivalent

  Category 3 - Fuel- and Energy-Related Activities: 38,850 metric tons of CO_2 equivalent

  Category 4 - Upstream Transportation and Distribution: 859,114 metric tons of CO_2 equivalent

  Category 6 - Business Travel: 3,587 metric tons of CO_2 equivalent

  Category 10 - Processing of Sold Products: 3,446,969 metric tons of CO_2 equivalent

  Category 11 - Use of Sold Products: 3,330,477 metric tons of CO_2 equivalent

  Category 15 – Investments[1]: 46,767 metric tons of CO_2 equivalent
- Total Water Consumption: 669,564,373 liters
- Total Waste Volume (automotive shredder residue only): 1,099,371 metric tons
- Total NO_x and SO_2 Air Emissions (from combustion sources): 1,233 metric tons

[1] Joint ventures with Kariyarra and Ngardimu are excluded due to lack of data availability.

- Total Energy Consumed: 1,876,522 gigajoules
- Gender Pay Gap: -3.3%
- Health and Safety Data
    - Critical Risk Incident Rate: 0.64
    - Total hours worked: 11,510 thousand hours
    - Total recordable injuries: 57
    - Fatality count: 0
    - High-consequence injury count: 5
    - High-consequence injury rates (per 200,000 hours and per 1,000,000 hours)
        - Per 200,000 hours: 0.09
        - Per 1,000,000 hours: 0.43
    - Recordable work-related injury rates (per 200,000 hours and per 1,000,000 hours)
        - Per 200,000 hours: 0.99
        - Per 1,000,000 hours: 4.95
    - Number of lost time injuries: 13
    - Lost time injury frequency rates (per 200,000 hours and per 1,000,000 hours)
        - Per 200,000 hours: 0.23
        - Per 1,000,000 hours: 1.13

Data and information supporting the Scope 1, Scope 2 and Scope 3 GHG emissions assertion were in some cases estimated rather than historical in nature. Data and information supporting the sustainability data assertions were generally historical in nature, but in some cases estimated.

Period covered by assurance:

- Fiscal Year 2024 – July 1, 2023 to June 30, 2024

Reporting Protocols against which assurance was conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard, Revised Edition (Scope 1 and 2) and the GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- OSHA and US Bureau of Labor Standards (Safety Data)
- Company criteria (Sustainability Data)

Verification/Assurance Protocols used to conduct the assurance:

- ISO 14064-3 Second Edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

- International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board

Level of Assurance and Qualifications:

- Limited
- This assurance used a materiality threshold of ±5% for aggregate errors in sampled data for each of the above indicators.

GHG Verification Methodology:

Evidence-gathering procedures included, but were not limited to:

- Interviews with relevant personnel of Sims and their consultants;
- Review of documentary evidence produced by Sims and their consultants;
- Review of Sims' data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and,
- Audit of sample data used by Sims to determine GHG emissions.

Sustainability Data Assurance Methodology:

Evidence-gathering procedures included, but were not limited to:

- Assessing the appropriateness of the Reporting Criteria;
- Conducting interviews with relevant Sims personnel and their consultants regarding data collection and reporting systems;
- Reviewing the data collection and consolidation processes, including assessing assumptions made, and the data scope and reporting boundaries;
- Reviewing documentary evidence provided by Sims and their consultants;
- Agreeing a selection of the data to the corresponding source documentation;
- Reviewing Sims systems for quantitative data aggregation and analysis; and
- Assessing the disclosure and presentation of the subject matter to ensure consistency with assured information.

Assurance Opinion:

Based on the assurance process and procedures conducted to a limited assurance level of the GHG emissions and sustainability data statement shown above, Apex found no evidence that the GHG emissions statement and sustainability data statement:

- is not materially correct and is not a fair representation of the GHG emissions and sustainability data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that Sims has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of the GHG emissions and sustainability data for the stated period and boundaries.

Statement of Independence, Integrity and Competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Sims Limited, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

Jessica Jacobs, Lead Verifier
ESG Senior Project Manager
Apex Companies, LLC
Cincinnati, Ohio

David Reilly, Technical Reviewer
ESG Principal Consultant
Apex Companies, LLC
Santa Ana, California

October 23, 2024

This independent assurance statement, including the opinion expressed herein, is provided to Sims Limited and is solely for the benefit of Sims Limited in accordance with the terms of our agreement. We consent to the release of this statement by you to the public or other organizations but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this statement.

INDEPENDENT LIMITED ASSURANCE STATEMENT

To: The Stakeholders of Sims Limited and Sims Lifecycle Services

Apex Companies LLC, (Apex) was engaged to provide limited assurance of the greenhouse gas (GHG) emissions reported by Sims Lifecycle Services (SLS), a wholly-owned subsidiary of Sims Limited, for the period stated below. This limited assurance statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of SLS. SLS is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex's sole responsibility was to provide an independent assurance opinion on the accuracy of the GHG emissions reported and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based upon the assurance. Assurance activities applied in a limited level of assurance are less extensive in nature, timing and extent than in a reasonable level of assurance.

Boundaries of the reporting company GHG emissions and select sustainability data covered by the assurance:

- Operational Control
- Worldwide
- Exclusions from the scope of SLS' GHG emissions assertion are:
    - Refrigerants

Types of GHGs: CO_2, N_2O, and CH_4

GHG Emissions Statement:

- **Scope 1:** 1,120 metric tons of CO_2 equivalent
- **Scope 2: Location-Based:** 2,129 metric tons of CO_2 equivalent
- **Scope 2: Market-Based:** 39 metric tons of CO_2 equivalent

Data and information supporting the Scope 1 and Scope 2 GHG emissions assertion were in some cases estimated rather than historical in nature.

Period covered by assurance:

- Fiscal Year 2024 – July 1, 2023 to June 30, 2024

Reporting Protocols against which assurance was conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard, Revised Edition (Scope 1 and 2) and the GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard

Verification/Assurance Protocols used to conduct the assurance:

- ISO 14064-3 Second Edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Limited

- This assurance used a materiality threshold of ±5% for aggregate errors in sampled data for each of the above indicators.

GHG Verification Methodology:

Evidence-gathering procedures included, but were not limited to:

- Interviews with relevant personnel of SLS and their consultants;
- Review of documentary evidence produced by SLS and their consultants;
- Review of SLS' data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and,
- Audit of sample data used by SLS to determine GHG emissions.

Assurance Opinion:

Based on the assurance process and procedures conducted to a limited assurance level of the GHG emissions and sustainability data statement shown above, Apex found no evidence that the GHG emissions statement and sustainability data statement:

- is not materially correct and is not a fair representation of the GHG emissions and sustainability data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2).

It is our opinion that SLS has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of the GHG emissions for the stated period and boundaries.

Statement of Independence, Integrity and Competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Sims Limited, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

Jessica Jacobs, Lead Verifier
ESG Senior Project Manager
Apex Companies, LLC
Cincinnati, Ohio

David Reilly, Technical Reviewer
ESG Principal Consultant
Apex Companies, LLC
Santa Ana, California

October 27, 2024

This independent assurance statement, including the opinion expressed herein, is provided to Sims Limited and is solely for the benefit of Sims Limited in accordance with the terms of our agreement. We consent to the release of this statement by you to the public or other organizations but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this statement.

VERIFICATION OPINION DECLARATION
GREENHOUSE GAS EMISSIONS

To: The Stakeholders of Sims Limited

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Sims Limited (Sims) for the period stated below. This verification opinion declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Sims. Sims is responsible for the preparation and fair presentation of the GHG emissions statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG emissions statement based on the verification. Verification activities applied in a limited level of assurance verification are less extensive in nature, timing, and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Worldwide

Types of GHGs: CO_2, N_2O, CH_4

GHG Emissions Statement:

- **Scope 3:**
    - **Use of Sold Products:** 3,329,172 metric tons of CO_2 equivalent

Data and information supporting the Scope 3 GHG emissions statement were in some cases estimated rather than historical in nature.

Period covered by GHG emissions verification:

- Fiscal Year 2023 – July 1, 2022 to June 30, 2023

Criteria against which verification was conducted:

- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3)

Reference Standard:

- ISO 14064-3 Second Edition 2019-04: Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of ±5% for aggregate errors in sampled data for the above indicator.

GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of Sims and their consultants;

- Review of documentary evidence produced by Sims;
- Review of Sims data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of sample of data used by Sims to determine GHG emissions.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions statement shown above:

- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

It is our opinion that Sims has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Sims, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:

Jessica Jacobs, Lead Verifier
ESG Senior Project Manager
Apex Companies, LLC
Cincinnati, Ohio

David Reilly, Technical Reviewer
ESG Principal Consultant
Apex Companies, LLC
Santa Ana, California

October 23, 2024

This verification opinion declaration, including the opinion expressed herein, is provided to Sims Limited and is solely for the benefit of Sims Limited in accordance with the terms of our agreement. We consent to the release of this statement by you to the public or other organizations but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this declaration.

Create a world without waste to preserve our planet.

SIMS LIMITED

simsltd.com