



ASX & MEDIA RELEASE

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Sims Limited releases sustainability goals and outlines how its purpose drives economic, environmental and social value

Sims Limited, a global leader in metals and electronics recycling and an emerging leader in municipal recycling and renewable energy, announced its multi-year sustainability goals. With the release of new sustainability goals, Sims Limited CEO and Managing Director Alistair Field shares how the company's purpose, create a world without waste to preserve the planet, is creating long-term value for its stakeholders and propelling the company's next wave of growth.

In an interview published on the Sims Limited [website](#), Field outlines how the company's focus on sustainability has been essential to shaping Sims Limited's strategic growth plan.

"Our business model is built on the premise that purpose and profit go hand-in-hand. They are not an either/or proposition," Field said. "Guided by our purpose, we are entering into new adjacencies and creating new business opportunities that enable the circular economy by helping to keep resources in use at their highest possible value for as long as possible."

With the release of its [2020 Sustainability Report](#), Sims Limited is also releasing its fiscal year 2025 sustainability pillars and goals. Each of its sustainability pillars are intentionally aligned to one of three United Nations Sustainability Goals: Decent Work and Economic Growth, Climate Action and Responsible Consumption and Production.

"We identified three pillars – Operate Responsibly, Close the Loop, and Partner for Change -- after conducting a thorough materiality assessment with our stakeholders in FY19. We also are rolling out goals and performance indicators under each pillar, so that we can measure and track our progress," Field said. "Connecting our strategies with the global priorities of the SDGs provides us with the ability to make a larger positive impact through our business actions."

Sims Limited, along with its business divisions, is an enabler of the circular economy by diverting valuable resources from landfill and making these resources available for future use.

Authorised for lodgement by: The Company Secretary

About Sims Limited

Founded in 1917, Sims Limited is a global leader in metal and electronics recycling, and an emerging leader in the municipal recycling and the renewable energy industries. Our nearly 4,000 employees operate from almost 200 facilities across 15 countries. The Company's ordinary shares are listed on the Australian Securities Exchange (ASX: SGM) and its American Depositary Shares are quoted on the Over-the-Counter market in the United States (USOTC: SMSMY). Our purpose, create a world without waste to preserve our planet, is what drives us to constantly innovate and offer new solutions in the circular economy for consumers, businesses, governments and communities around the world. For more information, visit www.simsltd.com.

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Creating a Bigger Why: The Business Case for Purpose

Sims Limited's Chief Executive Officer and Managing Director Alistair Field addresses how fully integrating sustainability into the company's business strategy is propelling the company's next wave of growth.

LEARN MORE

Visit [Sims Limited's sustainability page](#) to learn more about our sustainability goals and to download our latest report.

Q: In 2019, Sims Limited unveiled a multi-year strategic growth plan. How did a focus on sustainability help shape that plan?

A focus on sustainability was absolutely essential to shaping our strategic growth plan, because our purpose, to create a world without waste to preserve our planet, is a long-term sustainability goal. Our company has four business divisions that play an important role in the circular economy. Each target of our growth strategy is embedded in our sustainability framework. From our metal and electronic recovery businesses to our municipal recycling and resource renewal businesses, we seek to divert waste from landfill and keep resources in use for as long as possible. The Sims purpose clearly articulates how we will generate long-term value for our employees, customers, communities and shareholders.

Q: There has been a lot of talk about how purpose-led companies are more competitive. What do you see as the value of a purpose-led company?

There is a quote by Friedrich Nietzsche that states, "He who has a why to live can bear almost any how." Essentially, if you have a reason to live or exist, you can do almost anything, and that is precisely how I would characterise Sims Limited and other purpose-driven companies. Leading with purpose does more than differentiate a company's brand; it's a guiding force for a company's strategy and investment opportunities. Guided by our purpose, we are entering into new adjacencies and creating new business opportunities that enable the circular economy by keeping resources in use at their highest possible value for as long as possible.

One example is our "recycle the cloud" or data center decommissioning and recycling initiative. To accelerate the transition to a more circular economy, we are advancing our service offerings to refurbish, harvest parts, redeploy and recycle data center equipment that is being decommissioned. Our Sims Lifecycle Services business division is working with clients to provide guidance on how to securely dismantle and recover components that still possess value outside of the data center environment. This is helping our clients eliminate e-waste and advance their zero-waste targets. As part of our strategic plan, our goal is to recover 200,000 tonnes of cloud material via refurbishing, harvesting parts, redeploying or recycling by the end of fiscal year 2025.

We also are taking action to close the loop within our own operations while saving costs and eliminating waste. Recently, we established a new business division, Sims Resource Renewal. This division will take material leftover from recycling old metal goods, such as cars and appliances and turn them into new, useful products, such as construction materials, recycled plastic and electricity. Our plans are to build seven resource renewal facilities globally by 2030 to divert more than one million tonnes of this material from landfill each year. This will help us achieve zero-waste disposal and lower energy costs over the long-term while making useful products for society with what was previously considered waste.

Q: How has your sustainability strategy continued to evolve in the past year?

In FY20, we took another important step forward and developed our sustainability strategy based on three pillars: **Operate Responsibly**, **Close the Loop**, and **Partner for Change**. We identified these pillars after conducting a thorough materiality assessment with our stakeholders in FY19. We also are rolling out performance indicators under each pillar, so that we can measure and track our progress.

Each of our sustainability pillars is intentionally aligned to one of the United Nations Sustainable Development Goals (SDG). These goals are Decent Work and Economic Growth, Climate Action and Responsible Consumption and Production. Connecting our strategies with the global priorities of the SDGs provides us with the ability to make a larger positive impact through our business actions.

We also are unique in that our growth strategies are tied to delivering strong Environmental, Social and Governance (ESG) outcomes along with profits. Each of the business growth areas that we've identified has key ESG measures that tie into the circular economy.

Q: When it comes to closing the loop, companies are being asked to take action on climate change. What has been Sims Limited's approach?

Climate change is more than an environmental problem. It has the potential to impact our way of life and pose a major risk to business performance. As part of our transformation, we are committed to developing a systematic approach to addressing climate change that moves us closer to carbon neutrality. For example, we are adopting the Task Force on Climate-Related Financial Disclosures recommendations. In FY20, we improved the quality and process of data collection to calculate our emissions, and we are currently working with third-party experts on science-based carbon-neutrality goals. We also recognise that managing our energy use and transitioning to renewable energies will be fundamental to meeting these targets.

Yet, beyond reducing our own carbon footprint, our business model provides several climate-related opportunities for us to expand and evolve our services to better support climate mitigation via a circular economy. For example, our joint venture partner LMS Energy is the owner of the largest landfill-to-renewable energy operation in Australia. The recovery of landfill gas by LMS has reduced carbon emissions by approximately 40 million tonnes to date and provides enough renewable energy to power 80,000 homes annually. We think this a blueprint for landfill management that can be leveraged across the globe.

Q: One of your sustainability pillars is Partner for Change. Why is this a focus?

As an enabler of the circular economy, we divert valuable resources from landfill, which brings benefits, such as greenhouse gas savings and reducing the demand for virgin raw materials. However, to achieve a bigger impact, we also need to collaborate with stakeholders to raise awareness about the benefits of a circular economy and to help create scalable solutions that improve how we collectively use and dispose of materials. It's more than recycling; it's also about shifting mindsets, so people and businesses are encouraged to rethink waste and find ways to unlock more value at every stage of the circular economy.

To help expand markets for recycling, we work with business associations like the World Business Council of Sustainable Development, and we are involved with its Factor 10 workstream. At our Sims Municipal Recycling material recovery facility in New York City, we also work with brand owners who want to test the recyclability of their packaging on our equipment. In addition, we promote reducing, reusing and recycling to thousands of community members and other stakeholders each year through our Recycling Education Center in New York.

Q: What excites you most about Sims Limited's approach to sustainability and how has it evolved?

Possibilities. When we first announced our strategic plan in 2019, I shared that Sims Limited is focused on investing and innovating in technologies that enable us to both achieve our purpose and generate financial returns. Our business model is built on the premise that purpose and profit go hand-in-hand. They are not an either/or proposition. I'm excited about how this approach has led our people to step up in new and creative ways. Our purpose is clearly driving our decision-making, and that is helping us think about our business models, technologies and processes in innovative ways that will continue to drive value – both in the immediate future, and over the long term.



Create a world
without waste to
preserve our planet

Our Purpose: Create A World Without Waste to Preserve Our Planet

In 2018, we looked to our future to plan a path for another 100 years. Our executive leadership team underwent a strategic planning process with the help of a third-party consultant in fiscal year 2018 to determine how Sims Limited could respond to a rapidly evolving world and create long-term value. The result was a clearly defined statement of purpose: create a world without waste to preserve our planet.

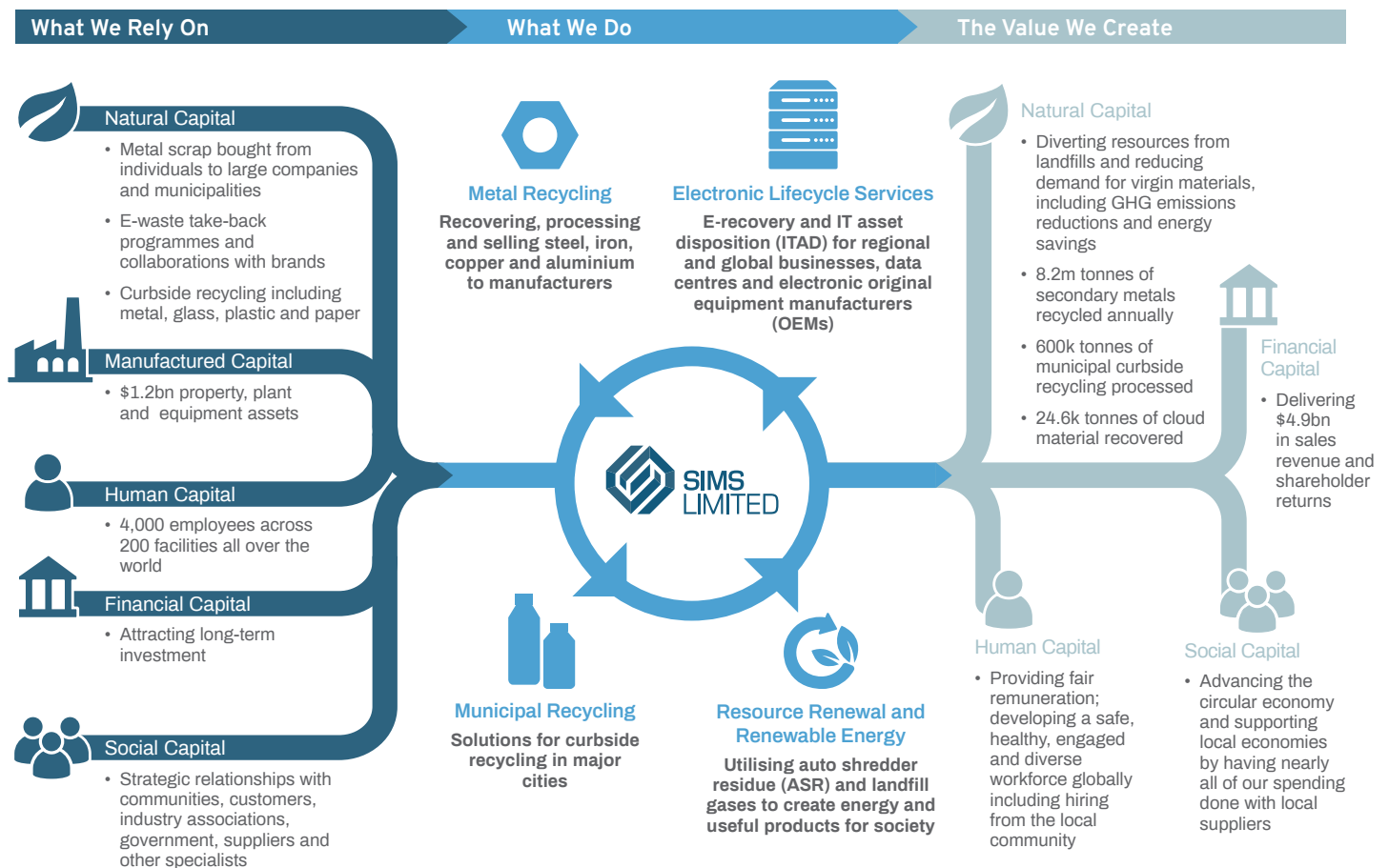
Today, our purpose guides everything we do and has formed the basis for a companywide transformation. In FY19, we used our purpose to align and expand our business divisions to further enable the circular economy and deepen our commitment to improving sustainability – both within our company and with the products and services we offer. Our growth strategy positions Sims Limited as a key provider of services in the circular economy to close materials loops and keep resources at their highest value for as long as possible.

In FY20, we took an important step forward and developed our sustainability strategy based on three pillars: **Operate Responsibly**, **Close the Loop**, and **Partner for Change**. We identified these pillars after conducting a thorough materiality assessment with our stakeholders in FY19. With the release of our 2025 sustainability goals, we also are rolling out performance indicators under each ambition, which we will use to measure and track our progress. (See p. 4).

We invite you to learn more about our sustainability strategy and our 2025 Sustainability Goals.

Sims Limited at a Glance

Sims Limited and each of our business divisions play an integral role in the circular economy by making resources available for future use.



Our Sustainability Strategy: Contributing to the United Nations Sustainable Development Goals

Our sustainability strategy is designed to help drive positive impact on our environment and society while creating value for our stakeholders. FY20 marks the launch of our sustainability strategy, and by executing our goals, we are setting Sims Limited up to thrive for years to come.

Our sustainability pillars are the foundation of our sustainability ambitions, from which our 2025 goals are built. Each of these pillars is aligned to one of the United Nations Sustainable Development Goals (SDGs), so that our actions contribute to a greater collective impact. We selected the three UN SDGs we can most impact: Decent Work and Economic Growth, Climate Action, and Responsible Consumption and Production.

Here's how our three pillars drive our sustainability progress and support the UN SDGs:



OPERATE RESPONSIBLY

Foundation of a sustainable company. Our people are our greatest asset, and together, we want to do our part to integrate sustainability into our workplace. We commit to operating as a best-in-class business by continuously improving our safety performance, employee engagement and operating performance, and by upholding responsible and ethical business practices.



CLOSE THE LOOP

Raising the bar on sustainability.

In an effort to address two of the world's most pressing environmental challenges – finite resources and growing consumption – we are focused on closing the loop. We commit to investing in innovative technologies to extract more value from materials, rethink waste and enable the circular economy, to not only close our own material loops but support others to do the same.



PARTNER FOR CHANGE

Amplifying our impact. To make truly meaningful progress, we will need to collaborate with a variety of stakeholders to enable a circular economy. We commit to working with our partners to create new business models that ensure safe, healthy and productive value chains to create shared value and keep resources in use at their highest value for as long as possible.


The Sims Limited Sustainability Strategy




Our 2025 Sustainability Goals: Tracking Our Progress

Our sustainability ambitions reflect where we want to arrive by 2025 and point to longer-term growth opportunities. Because “what gets measured gets done,” we have created discreet goals under each of our ambitions. We will measure and report on our progress toward achieving these goals.


Hover over each goal to learn specifics about our key performance indicators and targets.

OPERATE RESPONSIBLY 	
Foster a safe work environment	Total Recordable Injury Frequency Rate (TRIFR) ≤1
	Lost Time Injury Frequency Rate (LTIR) ≤0.1
	Achieve and maintain a safety culture index in the survey top quartile
	Eliminate critical safety risks, Critical Risk Incident Frequency Rate (CRIFR) ≤0.5
Close gender gap	25% women in manager positions and above ¹
	Reach 0% gender pay gap across Sims Limited
	Achieve representation of women on the board ≥40%
Develop a skilled and engaged workforce	Maintain an engaged and satisfied workforce as demonstrated by employee engagement survey results in the top quartile
	Invest in education by increasing the number of available career development training programmes by 50% and promoting them
	Improve annual employee performance review process to align with Sims Limited's purpose; incorporate role competencies and a skills development plan
	Ensure management incentive plan is consistent with sustainability goals
Ensure transparency on how our business is conducted in an ethical manner	Train all employees and agents on our Code of Conduct, anti-corruption and anti-bribery
	Provide all employees with training on human rights, modern slavery and labour rights to raise awareness and help fight human rights violations
	Develop a supplier Code of Conduct and implement supply chain due diligence to identify and address high risk of human rights violations and unethical practices



CLOSE THE LOOP 	
Become carbon neutral by 2042 and achieve net zero by 2050	Multi-year targets under development for Scope 1 and 2
Achieve no waste to landfill	Build resource renewal capacity to transform 120k tonnes of ASR per year into new products
Close materials loops further by expanding capacity and services ²	Close loops by expanding secondary metal volumes
	Recycle 200,000 tonnes of cloud material
	Expand municipal recycling coverage by 50%
	Capture methane from landfill outside Australia and New Zealand ³



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








¹ Managers that sit at CEO-1 and CEO-2 in reporting structure ² For more details, take a look at our [Growth Strategy](#). ³ Under review

A Business Growth Strategy Aligned to Sustainability

Our goal is to be a leading innovator in the circular economy. From our metal recycling and electronic recovery businesses to our municipal recycling and resource renewal businesses, we divert waste from landfill and keep resources in use for as long as possible. As part of our sustainability strategy, we are aiming to generate 10 percent EBIT from new business models and opportunities that enable the circular economy. As a result, we are expanding higher value services in the circular economy such as refurbishing and parts harvesting, continuing to invest in innovative technologies that allow us to extract more value from inputs, and entering new business adjacencies to redefine waste.

Every single target of our growth strategy is embedded in our close the loop pillar. This makes our sustainability strategy relevant to the company and key to driving long-term value. In addition, we are unique in that we have key Environmental, Social and Governmental measures tied to our growth strategy.

Growth Strategy Driven by Megatrends

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

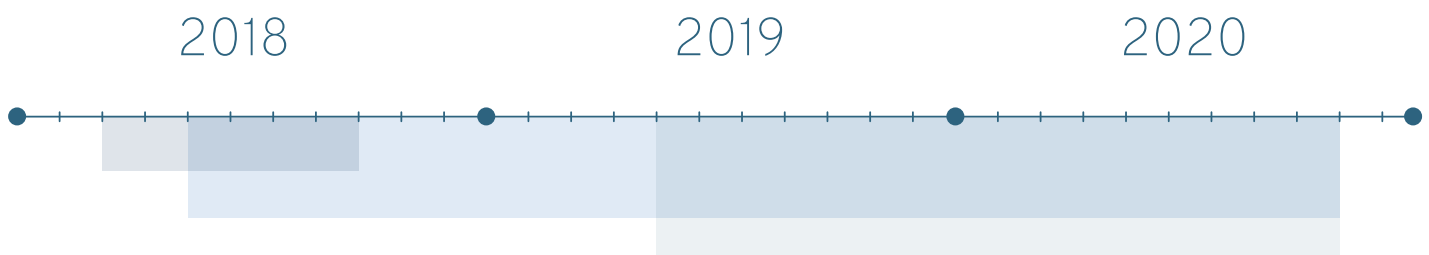
¹ Based on an FY18 base year to FY25

² Estimated based on outcomes from 2019

³ Represents renewable energy generated by LMS Energy

Sustainability Journey: A Timeline

Our 100-year anniversary marked the beginning of our transformation. All the pieces of our transformation are being placed together intentionally, making sure we have an outside-in perspective while letting our inside-out purpose guide our decisions.



* View the Investor's Day presentation [here](#).

Enabling a Circular Economy: Addressing Climate Change and Saving Resources



Recycling
**one tonne of
steel** saves

1,100 kg

of iron ore

630 kg

of coal

55 kg

of limestone



**Steel
recycling
uses**

74%

less energy

90%

less virgin material

40%

less water



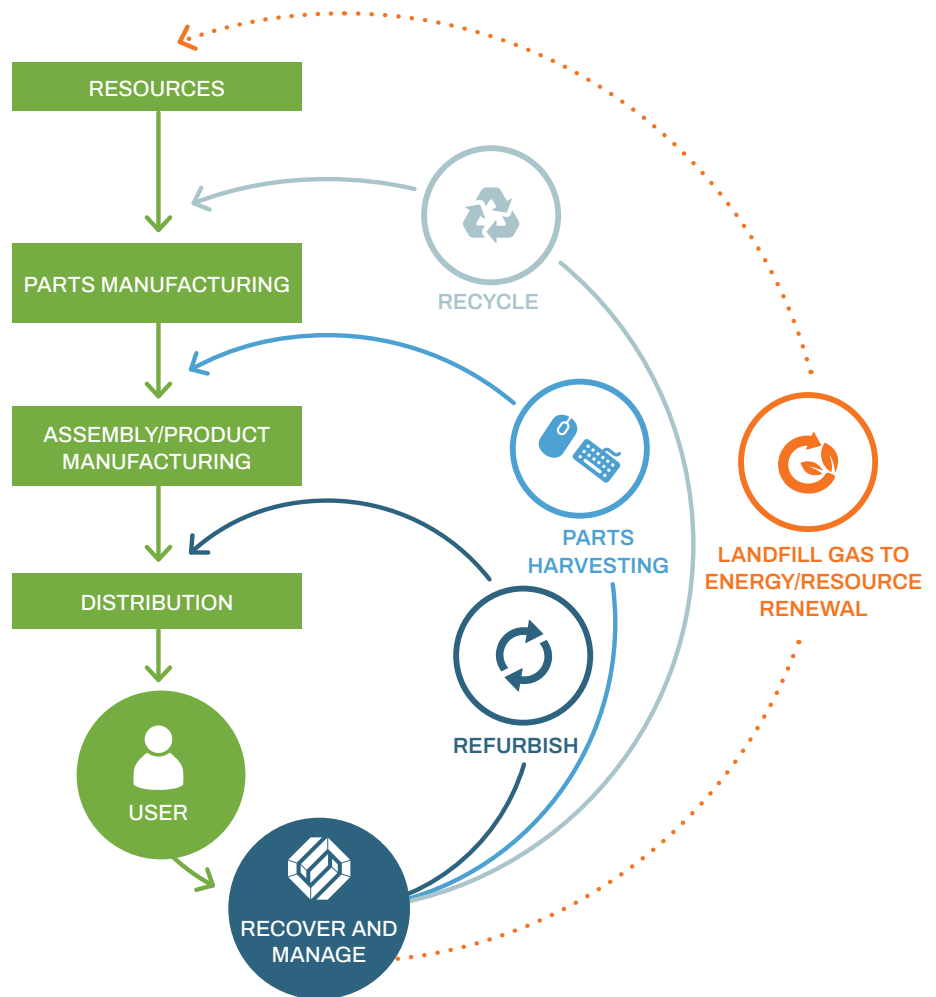
CO₂ emissions
are reduced by

58%

when using ferrous scrap
in steelmaking rather than
virgin ore

As a key enabler of the circular economy, Sims Limited and its business divisions divert valuable resources from landfill, bringing benefits such as greenhouse gas mitigation and a reduction in demand for virgin raw materials. Knowing that only nine percent of the world economy is circular means circular business models need to thrive in order to deliver on climate change goals. For the organisations we serve, enabling circular economy business models can capture benefits that include cost reduction, reduced energy consumption, and increased resource security.

Sims Limited Enables the Circular Economy

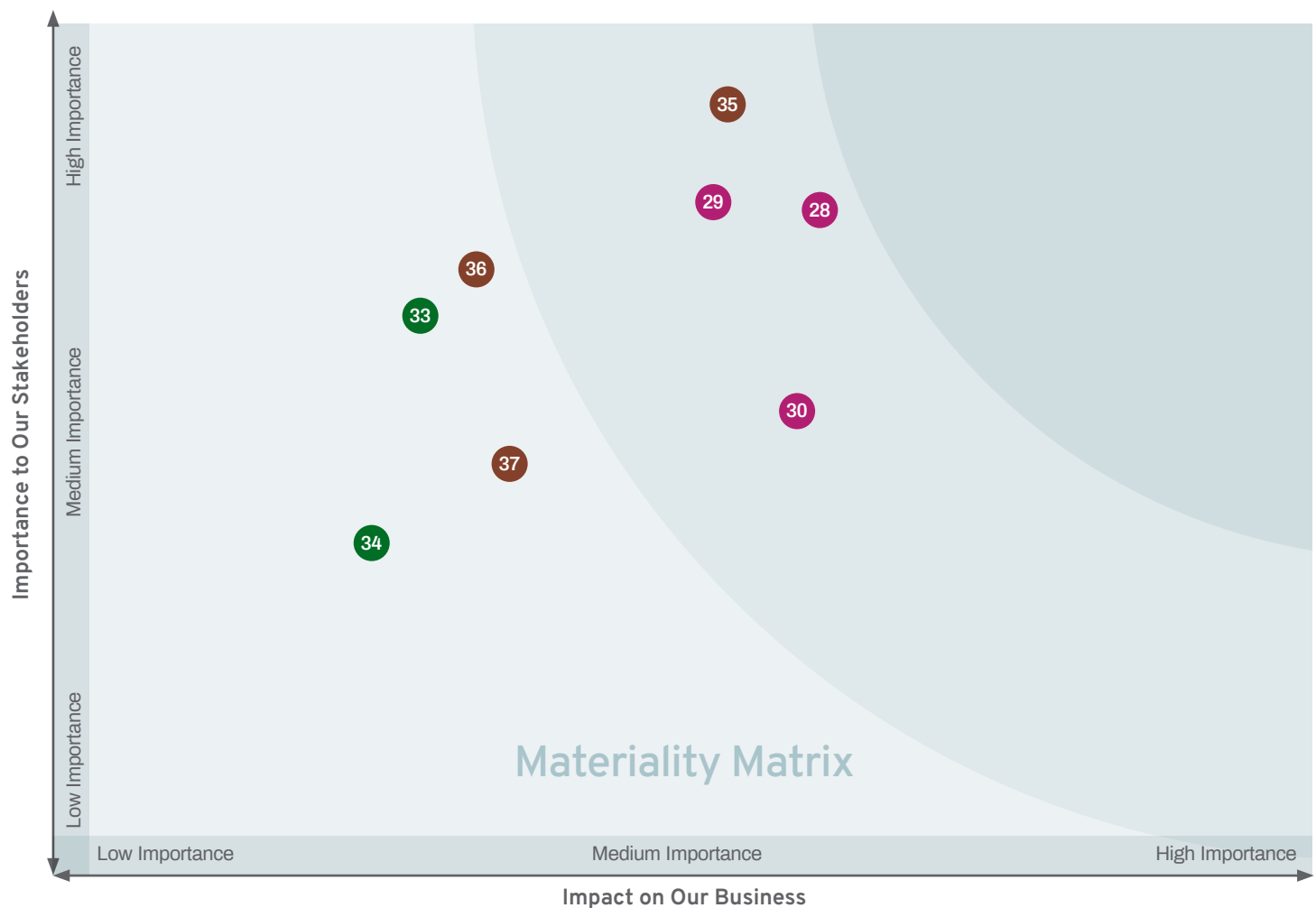


Our Sustainability Journey: A Systematic Path to Generating Environmental, Economic and Societal Value

It is crucial that we use our understanding of the evolving global sustainability landscape to shape our strategy. To arrive at our sustainability strategy, we carried out a materiality assessment to identify the issues that matter most to our businesses and our stakeholders. We followed process of identification, prioritisation, broad stakeholder engagement, and validation and review. As the topics reviewed were many, we grouped the results into main areas of action and all the top areas are addressed in our ambitions.

Our Materiality Topics and Alignment to Our Ambitions

Roll over material topics of high importance to see how they align with our 2025 ambitions.



Advance the Circular Economy

- 1 Circular economy
- 2 Quality of metal product outputs
- 3 E-waste
- 4 Process innovation

Quality of Inbound Materials

- 5 Hazardous or radioactive materials
- 6 Waste from operations sent to landfill
- 7 Increased cost of and availability of disposal options for ASR waste
- 8 Quality of inbound materials
- 9 Resource availability

Economic Performance

- 10 Economic performance
- 11 Geopolitical disruption
- 12 Ferrous metal price volatility

Ethical Business

- 13 Bribery and corruption
- 14 Anti-competitive practices

Respect for People

- 15 Human rights, labour rights, and labour relations
- 16 Responsible sourcing

Health and Safety

- 17 Health and safety
- 18 Potential for fires
- 19 Transportation accidents

Addressing Climate Change

- 20 Climate change opportunities
- 21 Climate change risks
- 22 GHG emissions
- 23 Renewable and alternative energy generation
- 24 Carbon pricing
- 25 Transport fuel consumption

Being a Good Neighbour

- 26 Noise, dust and other local direct environmental impacts
- 27 Community engagement

Regulatory and Compliance

- 28 Regulatory compliance

- 29 Sustainability governance
- 30 Waste management

Thriving Workforce

- 31 Diversity and inclusion and equality
- 32 Staff recruitment, retention, development and training

Water Management

- 33 Water disposal (effluents)
- 34 Water consumption

Digitisation and Innovation

- 35 Recycling infrastructure
- 36 Technological innovation
- 37 Privacy and security



SIMS
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Learn more: www.simsltd.com