

ENABLING DECARBONISATION

CONTENTS

Acknowledgement	01	Strategic focus	26
Forward-looking statements	02	External insight	26
Sustainability reporting suite	02	Resource stewardship	27
Sustainability highlights	03	Water management at St. Marys	28
Chair statement	04	Health and safety	30
CEO statement	06	Rewarding EHS excellence	33
How we create value	08	People	34
Our sustainability strategy	10	Diversity, equity and inclusion	34
FY25 sustainability strategy progress	12	Developing tomorrow's leaders in Singapore	35
Sustainability governance	14	Sims Metal reflect reconciliation action plan	36
Materiality refresh	17	Our partnership with iWomen	37
Stakeholder management	18	Partnering for impact: Monterey Business Corridor Association, San Jose, California	39
Energy and climate	20	Pilsen Food Pantry – Chicago, Illinois	40
Our climate targets and performance	20	Community engagement and impact	42
Managing our operational footprint	20	Ukraine relief	43
GHG intensity	21	Rocklea State School Flood Relief	44
Emissions in the value chain	22	Responsible business	46
An industry first – SLS calculated the impact of reuse	24	SLS assists suppliers to obtain sustainability certifications	47
Climate governance and management	25	Contact	51
Scenario-informed strategy and risk management	25	External recognition	51
Environmental management	26		
New structure, new coordination	26		

ACKNOWLEDGEMENT

Sims Limited acknowledges the First Nations people of the lands where we live 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 2022. 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 FY22 Sustainability Report, [Climate Report](#), Sustainability Databook and the 2021 Modern Slavery Statement, is available at www.simsltd.com/sustainability. All reporting for the period from 1 July 2021 through 30 June 2022 was done according to 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 FY22



CLIMATE REPORT
FY22



SUSTAINABILITY
DATABOOK FY22



MODERN SLAVERY
STATEMENT 2022
(DECEMBER 2022)

Business at a glance

SUSTAINABILITY HIGHLIGHTS



* From FY20 baseline; market-based emissions

ADVANCING OUR AMBITIONS



We are advancing toward our purpose, create a world without waste to preserve our planet. In an environment marked both by the physical impacts of climate change and the continuing effects of the pandemic, Sims Limited continued to deliver in providing circular solutions for a sustainable, low-carbon economy during FY22.

The United Nations Climate Change Conference of Parties (COP26) in Glasgow demonstrated the consensus among government, business and community leaders that rapid and effective decarbonisation is necessary to achieve a safe climate future. This gives new impetus to developing the circular economy to reduce the carbon intensity in critical sectors, such as steel and cloud infrastructure. Sims Limited plays an integral role in this process, and in FY22, we made more than 9.7 million tonnes of metal and 2.7 million repurposed cloud units available for future use.¹

Progress against our strategy

Three pillars – operate responsibly, close the loop and partner for change – serve as the foundation of our FY25 sustainability strategy. These areas are the most important to our company and stakeholders and where we can have the most impact. Each pillar is aligned to a United Nations Sustainable Development Goal (SDG): SDG 8 – Decent Work and Economic Growth, SDG 13 – Climate Action, and SDG 12 – Responsible Consumption and Production, respectively. Our company's strategic growth targets are embedded in our strategy, recognising the value that our company creates is inherently sustainable.

In FY22, we continued to make strong progress against the goals we outlined in our FY25 sustainability strategy. We marked our best year on record for safety performance, maintained our gender-balanced Board of Directors and achieved our goal of 25 percent women in senior management roles. We also brought forward our goal for climate neutrality by 12 years and recorded a 21 percent emissions reduction² since our FY20 baseline year. We also committed to using 100 percent renewable electricity by 2025, and we nearly doubled the amount of renewable electricity that we used in FY22 compared to the previous fiscal year.

Sustainability governance and reporting

During the year, the company and Board further advanced both ambition and oversight in sustainability. The Safety, Health, Environment, Community & Sustainability (SHECS) Committee is central to sustainability governance at Sims Limited and is supported by our Board committees, including the Risk Committee, the Audit Committee, and the People and Culture Committee. Quarterly performance monitoring against our key targets is provided to the Board and internal sustainability data and risk management systems have continued to be refined during FY22 to ensure effective management and

measurement. The Board also reviewed the results of a refresh of the company's material environmental, social and governance (ESG) topics. These topics will influence our strategic direction and our sustainability disclosures.

As a result, our company's sustainability reporting suite has evolved this year. First, it encompasses the publication of a Climate Report, which forms the basis of an advisory vote for shareholders at the 2022 Annual General Meeting. The Climate Report provides a holistic view of our climate-related governance, risks, opportunities, metrics and progress against our targets. This includes the first measurement of our Scope 3 emissions, and a statement on avoided emissions to help stakeholders understand Sims Limited's impacts in our value chain.

Sims Limited also produced a sustainability databook to enhance the accessibility of quantitative data, which was indexed against leading sustainability reporting standards. External assurance of our Sustainability Report has also been enhanced with the addition of environmental, health and safety metrics, which are subject to assurance for the first time this year. During FY22, Sims Limited became a signatory to the United Nations Global Compact, and the FY22 sustainability reporting suite demonstrates how we are responding to its 10 principles.

Create a world without waste

At Sims Limited, we build on a heritage of more than 100 years of innovation in the circular economy. We know that this experience in delivering safe, sustainable services gives us an important role in driving positive change in all the areas where we operate. We look forward to delivering on our strategy for sustainable growth with our employees, shareholders, customers, suppliers, partners and communities.

On behalf of my fellow Directors, I thank all of our employees for their dedication and effort in making Sims Limited a safe, inclusive and sustainable company. I also thank them for their daily demonstration of our purpose, create a world without waste to preserve our planet.

Geoff Brunsdon, Chairman

¹ Includes proprietary and brokered sales volume
² Market-based emissions

CONTRIBUTING TO A WASTE-FREE, LOWER-CARBON WORLD



For many, this fiscal year was marked by continued uncertainty. The ongoing coronavirus pandemic kept pressure on our people, communities and supply chains.

Extreme weather events, including flooding on the east coast of Australia, wildfires near Perth in Australia and in California in the United States, and the heatwaves in Europe and North America are markers of a warming world. Economic and geopolitical stress have also been defining features of the year. In these circumstances, a clear sense of purpose is essential. At Sims Limited, our purpose, create a world without waste to preserve our planet, seems more important than ever.

The year has also brought change to our company with Sims Metal's acquisition of Recyclers Australia and the U.S.-based Atlantic Recycling Group. We also divested a majority stake in Sims Municipal Recycling, Sims Resource Renewal continued to make progress toward being operational and Sims Energy marked its first year of operation. As our businesses evolve, so too does our sustainability strategy. This year, we refreshed our ESG material topics analysis and incorporated the topics into our priorities for the future. They are reflected in the presentation of our FY22 sustainability reporting suite.

In FY22, we articulated new climate goals that represent a lift in ambition for our businesses and better reflect our commitment to decarbonisation as we enable our customers to reduce their carbon emissions and also look to further reduce our own impact. The value we create is inherently sustainable, and the pillars of our sustainability strategy – operate responsibly, close the loop and partner for change – guide us to ensure that value is maximised.

Operate responsibly

Sims Limited leads the industry in safety performance due to our proactive, continuous improvement processes that focus on critical risks, as well as high-frequency risks. Our approach continues to reflect a safer workplace and bring us closer to our goal of zero harm. For the second year in a row, our company experienced the lowest number of critical risk injuries and lost-time injuries in our history and maintained our low number of recordable injuries. We were also fatality-free for the third consecutive year.

We made steady progress on our goals to build a more diverse and engaged workforce. Overall, we maintained a workforce of 22 percent women, but the number of women in executive and senior management roles doubled from FY21, which contributed to our strong progress toward our goal to have 25 percent of senior management roles held by women in FY25. The first cohort also completed the Women Leading @ Sims program, which will return in FY23.

Sims Limited has made a commitment to be ethical and transparent in our business operations, and we saw advancements here as well. We developed and rolled out extended due diligence for high-risk suppliers and trained employees and agents on our Code of Conduct. We also developed our process on human rights issues remediation so we can respond quickly to any detected violations. This commitment to human rights was affirmed by Sims Limited becoming a signatory to the 10 principles of the United Nations Global Compact during the fiscal year.

Close the loop

The circular businesses in our portfolio enable their respective customers to meet their own decarbonisation targets and achieve sustainable growth. In FY21, the 8.3 million tonnes³ of ferrous metal recycled with Sims Metal globally had the potential to avoid 13.4 million tonnes of carbon dioxide equivalent (CO₂e) emissions when compared to producing the same amount of steel from raw materials. The potential emissions avoided through using metals recycled by Sims Metal far outweigh the direct emissions from our own footprint. In line with our purpose, we also announced more ambitious targets to further reduce our direct footprint this year.

We are committed to using 100 percent renewable electricity across all of our operations by 2025. In FY22, we nearly doubled the amount of renewable electricity used, with 37 percent of our electricity consumption now from renewable sources. We also advanced our commitment to

achieve carbon neutrality for all our portfolio businesses by 12 years to 2030 from 2042. This is consistent with our position to advance the global transition to net zero as a leader in the circular economy. This year, we have reduced emissions by 21 percent from our FY20 baseline. We also set a shadow price on carbon to aid in our decision-making as we decarbonise. Finally, Sims Lifecycle Services will be carbon neutral in its direct operations by 2025, matching the ambition of our customers in the cloud sector.

As a leading innovator in the circular economy, closing the loop for materials is not only our business, but it is also the principle that dictates how we operate. Through Sims Resource Renewal, by 2030 we aim to close the loop on the more than 1 million tonnes of waste generated by the metal recycling process and use it to create new, valuable products. In FY22, important progress was made, with our demonstration plant in Rocklea, Queensland, expected to be operational in 2023, and a preferred site selected for our potential commercial facility in Queensland.

Although further work on our proposed commercial facility at Campbellfield, Victoria, was paused to assess considerations arising from the release of the Victorian Government's Waste-to-Energy Framework, ongoing engagement with the government continued, and we look forward to applying for a cap license once the process for expressions of interest under the framework has been finalised.

Partner for change

Like the transition to carbon neutrality, our purpose cannot be achieved alone. Despite the continued challenges caused by COVID-19 lockdowns and social distancing restrictions, we continue to proactively engage with our communities, customers and stakeholders, and find innovative ways to build value in our communities. I am extremely proud of the way our employees responded to the crisis in Ukraine, especially those who are located in Poland. They coordinated donations on the ground and led

an employee fundraising campaign, which Sims Limited matched with a \$200,000 donation to UNICEF.

We are proud to be recognised externally for our sustainability leadership. Sims Limited was ranked 11th on the 2022 list of the World's Most Sustainable Companies by Corporate Knights, included on the Corporate Knights Carbon Clean200 global list and named to the first Asia-Pacific Climate Leaders list by the Financial Times and Nikkei Asia. Sims Limited was also included on Newsweek's list of America's Most Responsible Companies for the second year in a row.

We take our role in managing our environmental and social impacts seriously. Our position as a leader in the circular economy and our purpose, create a world without waste to preserve our planet, means that we are always looking for opportunities to make a positive difference. We look forward to delivering on our sustainability strategy with our employees, shareholders, suppliers, partners, customers and communities. I truly believe that Sims Limited employs the best people in the industry, and it is gratifying to share the work they've accomplished through the commitments and actions in this report. On behalf of the executive leadership team, I extend my deepest appreciation to all of our employees for all they do every day to contribute to a waste-free world.

Alistair Field, Group CEO & Managing Director

HOW WE CREATE VALUE

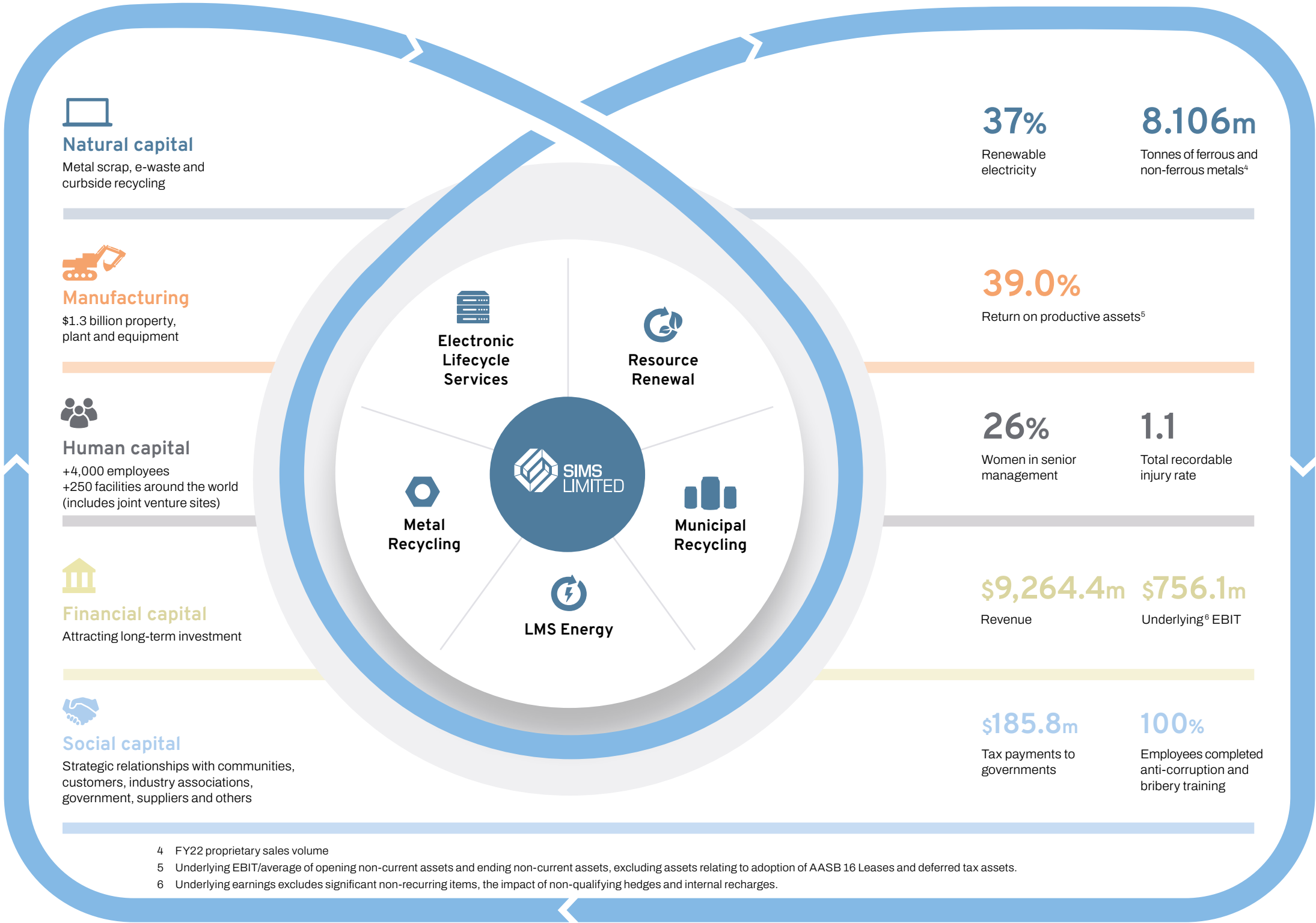
Our purpose – create a world without waste to preserve our planet – is what drives us to constantly innovate and offer new solutions in the circular economy for consumers, businesses, governments, and communities around the world.

What we rely on

What we do

The value we create

How we maximise value creation



Economic	Environmental	Social
We make positive contributions by:		
Delivering strong returns to investors	Enabling substantial avoided emissions in the value chain	Operating with the highest safety standards
Investing in innovation for the circular economy	Conserving natural resources and biodiversity through circularity	Building a diverse, skilled, engaged workforce
Supporting our customers' low-carbon growth and differentiation through environmental performance	Meeting and striving to exceed environmental standards; promoting better industry standards	Building partnerships and making contributions in communities
		Paying taxes and competitive salaries
Potential negative impacts:		
Investment in environmental capital	Generate CO ₂ e emissions in our own operations	Risk of safety and environmental impacts from operations
	Generate automotive shredder residue (ASR) waste that is currently diverted to landfill	Risks of labour or human rights violations in operations or supply chain
	Consumption of resources	Local impacts such as dust, noise and traffic
We maximise positive contributions and minimise negative impacts by:		
Implementing Sims Limited's growth strategy across our diversified circular businesses	Climate action plan and strong targets	Strong focus on critical risks and controls
Disciplined management of costs and capital	Investment in Sims Resource Renewal to close our own loops	Compliance and ethics program
	Resource efficiency programs	Supply chain due diligence program
	Increased use of renewable electricity	Investing in training and development
		Engagement with local communities
		Investment of environmental capital to reduce impacts of operations

OUR SUSTAINABILITY STRATEGY

For more than 100 years, Sims Limited's objective has been eliminating waste and mitigating the need for extracting virgin materials. We formally articulated our purpose, create a world without waste to preserve our planet, in 2018.

Our purpose is more than just a statement; it is a call to action and a declaration to society about our vision for the future. The results we deliver and how we deliver them are aligned to, and guided by, our purpose. Guided by our purpose, in FY19 we reorganized and expanded our business divisions to further enable the circular economy and enhance operational efficiencies. 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. We also took an important step forward and developed our sustainability strategy based on three pillars: operate responsibly, close the loop, and partner for change. These pillars reflect our purpose and values, and they are focused on the areas where our company can help drive positive impact while creating value for our stakeholders. We have incorporated measurable and ambitious goals across the three pillars of our strategy.

SIMS SUSTAINABILITY STRATEGY



1 tonne of steel produced from recycled sources avoids

1.5

tonnes of CO₂⁷

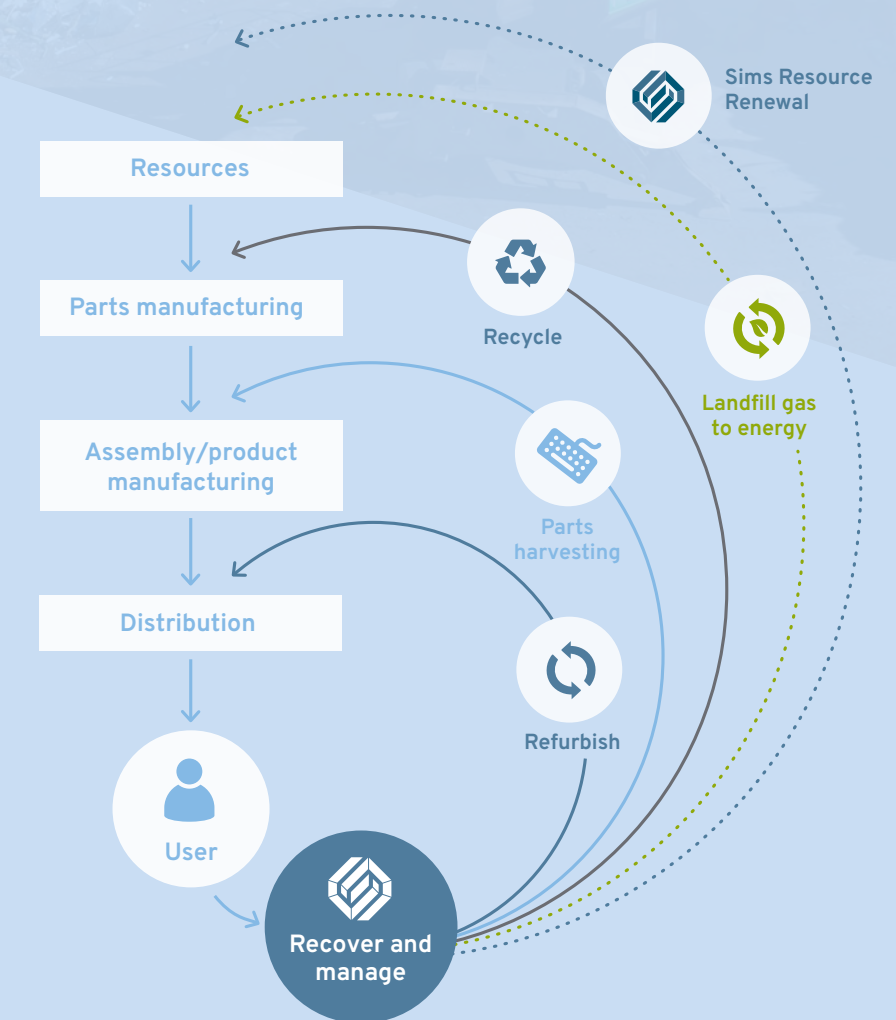


1 tonne of aluminium from recycled sources saves

14,000

kWh of energy and 40 barrels of oil⁸

HOW SIMS LIMITED ENABLES THE CIRCULAR ECONOMY



⁷ IEA, "Energy Technology Perspectives 2020"

⁸ IEA, "Iron and Steel Technology Roadmap" (October 2020)

FY25 SUSTAINABILITY STRATEGY PROGRESS

Our sustainability strategy is designed to help drive positive impact on our environment and society while creating value for our stakeholders.

We are in the third year of our sustainability strategy and recorded several achievements that demonstrate our commitment to tangible and practical progress. This year, we celebrate the early achievement of some key goals. They include:

- Achieve representation of women on the Board above 40 percent.
- 25 percent women in manager positions and above.
- Number of training courses increased by 50 percent.
- Trained 100 percent of employees and agents on our Code of Conduct, anti-corruption and anti-bribery policies.⁹
- Trained 100 percent of employees on human rights, modern slavery and labour rights.

Not only will we maintain these achievement levels, but we will also expand upon and surpass them. Every year, training materials are refreshed, including compliance

training, to build engagement and competence across our company. We changed our talent acquisition structure and processes to better access a diverse talent pool, and we launched new programs to provide mentorship, support and leadership opportunities for women at Sims Limited. These enhancements enabled us to exceed our original 25 percent target of women in leadership roles.

We also want to challenge ourselves to achieve more. In FY22, we added new goals to our strategy that reflect our ambitious commitment to climate action, bringing forward our carbon-neutral target to 2030 from 2042 and committing to using 100 percent renewable electricity by 2025. Furthermore, we continue to invest in our ability to measure progress over these indicators. In FY23, we will focus on better capturing community contributions and investigating methods for recording training activities beyond those conducted on our online platform, the Sims University Learning Center.

OPERATE RESPONSIBLY					
1	Foster a safe work environment	Target	FY20 Baseline	FY21	FY22
1.1	Total Recordable Injury Frequency Rate (TRIFR) ≤1	≤1	1.29	1.22	1.14
1.2	Lost Time Injury Frequency Rate (LTIFR) ≤0.10	≤0.10	0.27	0.24	0.23
1.3	Achieve and maintain a safety culture index in the survey top quartile	≥80	71	N/A	N/A (next survey in FY23)
1.4	Eliminate critical safety risks, Critical Risk Incident Frequency Rate (CRIFR) ≤0.50	≤0.50	0.83	0.49	0.35
2	Close gender gap				
2.1	25% women in manager positions and above	25%	15%	17%	26%
2.2	Reach 0% gender pay gap across Sims Limited	0%	–	9.4%	8.2%
2.3	Achieve representation of women on the board ≥40 percent	≥40%	37.5%	37.5%	50.0%
3	Develop a skilled and engaged workforce				
3.1	Maintain an engaged and satisfied workforce as demonstrated by employee engagement survey results in the top quartile	4/5 (overall engagement)	4/5 engagement (FY19)	4.1/5 engagement	N/A (next survey in FY23)
3.2	Invest in education by increasing the number of available career development training programs by 50 percent and promoting them	338	225	376	469
3.3	Improve annual employee performance review process to align with Sims Limited's purpose; incorporate role competencies and a skills development plan	100%	0	0	New HCM tool deployed
3.4	Ensure management incentive plan is consistent with sustainability goals	100%	Partial	Partial	Partial
4	Ensure transparency on how our business is conducted in an ethical manner				
4.1	Train all active employees and agents on our Code of Conduct, anti-corruption and anti-bribery policies ⁹	100%	0	100%	100%
4.2	Provide all active employees with training on human rights, modern slavery and labour rights to raise awareness and help fight human rights violations	100%	0	100%	100%
4.3	Develop a supplier Code of Conduct and implement supply chain due diligence to identify and address high risk of human rights violations and unethical practices	100%	0	Supplier Code of Conduct issued	Enhanced due diligence for high-risk suppliers

9 Agents are required to complete training every three years.



CLOSE THE LOOP					
5	Become carbon neutral by 2030 and achieve net zero by 2050	Target	FY20 Baseline	FY21	FY22
5.1	Reduce Scope 1 and 2 emissions by 23% by FY25 (market-based)	113.8kt	147.9*kt	135.2*kt	116.5kt (21%)
5.2	100% renewable energy by 2025	100%	0%	19%	37%
5.3	SLS carbon neutral by 2025	0t	7,126*t	6,831*t	6,942t
5.4	Sims Limited carbon neutral by 2030	0t	147.9*kt	135.2*kt	116.6kt
6	Achieve no waste to landfill				
6.1	Build resource renewal capacity to transform 120k tonnes of ASR per year into new products	120kt	0	0	0
7	Close materials loops further by expanding capacity and services				
7.1	Close loops by expanding secondary metal volumes to 9,600k tonnes of ferrous (global) and 300,000 tonnes of non-ferrous (North America)	9,600kt 300kt	7,709kt 140kt	6,870kt 147kt	7,664kt 200kt
7.2	Repurpose 8.5 million units	8.5M	1.6M	2.1M	2.7M
7.3	Expand municipal recycling coverage by 50%	750k net tons	500k	660k	612k
7.4	Capture methane from landfills outside Australia and New Zealand	50MW	0	0	9MW capacity

* Restated from previous year

PARTNER FOR CHANGE					
8	Build trusted relationships with our communities	Target	FY20 Baseline	FY21	FY22
8.1	Establish at key sites a community index survey; track progress for continuous improvement	Shredder sites	0	0	0
8.2	Annually, invest 0.5% of 3-year rolling pre-tax profits in programs that support environmental stewardship and economic empowerment [*]	Rolling 3-year EBIT average by 2025	0	\$644k	\$605k
8.3	Dedicate paid employee time for community engagement/volunteerism activities	Target on number of hours to be set in FY23	0	0	625 hours
9	Create new business models that further the circular economy				
9.1	Generate 10% of our EBIT from new business models and opportunities that enable the circular economy (average over FY20-FY25 period)	10% of FY25 EBIT	N/A	N/A	3.7% of average FY20-22 EBIT

* Capped at 0.5%, not to exceed 1% of current year EBIT

SUSTAINABILITY GOVERNANCE

Our commitment to sustainable business starts at the top of our organisation and is integrated across the company.

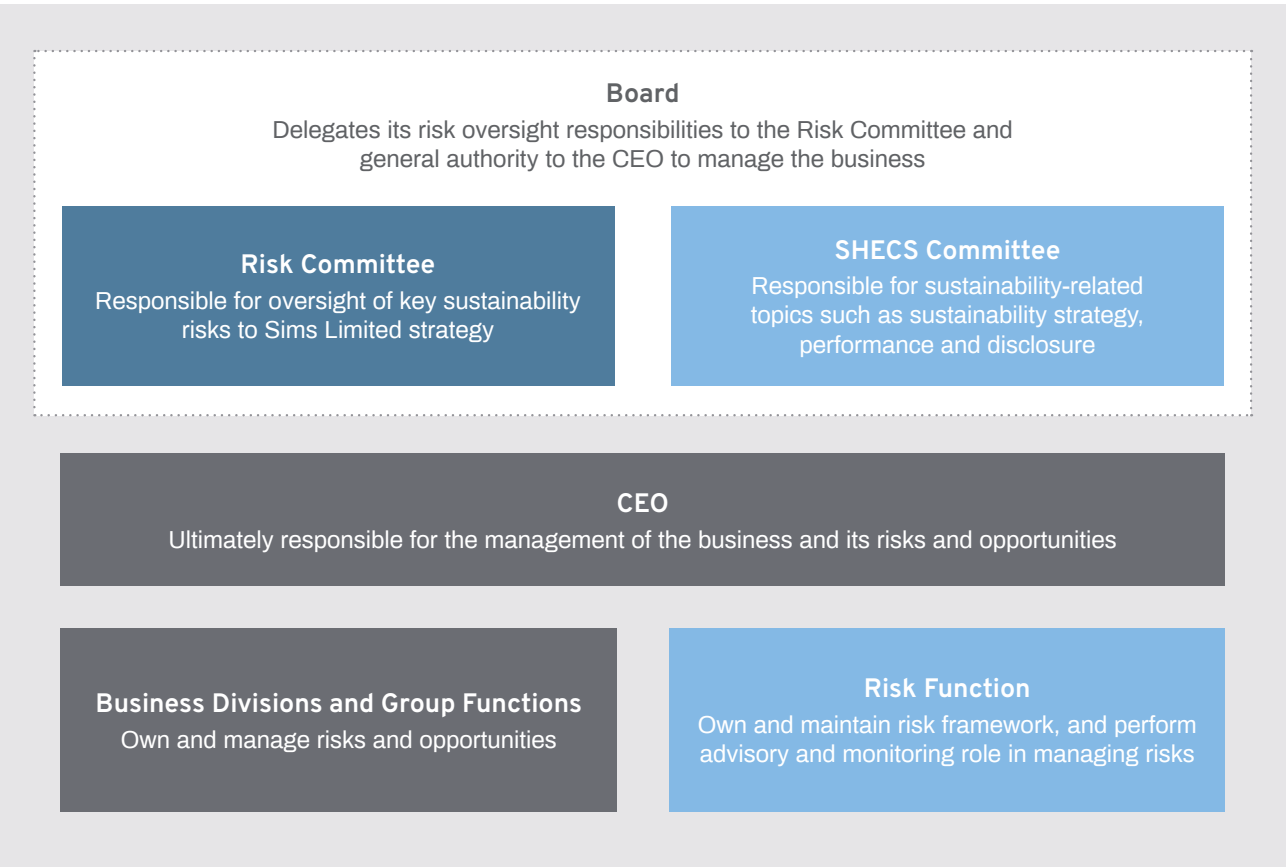
The Board oversees and approves the company strategy and the effectiveness of our sustainability and governance policies. They have ultimate oversight of material environmental and sustainability risks and opportunities. The Risk Committee and the SHECS Committee assist the Board in overseeing its sustainability-related performance and governance responsibilities.

Quarterly reporting is provided to the Board, and we continue to invest in our data and measurement capabilities. The Board met nine times during FY22. In addition to the usual oversight they exercise during these

meetings, the Board regularly reviewed Sims Limited's strategy and maintained extensive interaction with members of the executive leadership team (ELT).

Information on our overall approach to corporate governance can be found in the Corporate Governance Statement on our website, www.simsltd.com, along with the charters of each committee of the Board and its policies. You can also read more about our approach to responsible business in this report. For an in-depth look at how we are managing climate-related risks, refer to the [FY22 Climate Report](#).

OVERVIEW OF GOVERNANCE STRUCTURE



OUR CORE VALUES



SAFETY

Safety will always be our first priority. We believe that all injury incidents are preventable and we are committed to a goal of zero injuries.



TRANSPARENCY

We ensure a sense of appropriate transparency in everything we do.



INTEGRITY

We conduct all business with integrity and adhere to the highest standard of ethical business conduct.



EXCELLENCE

We commit to excellence in everything we do and champion continuous development and sharing of best practices across the company.



RESPECT

We will treat each other, our customers, visitors and community members with respect and dignity.



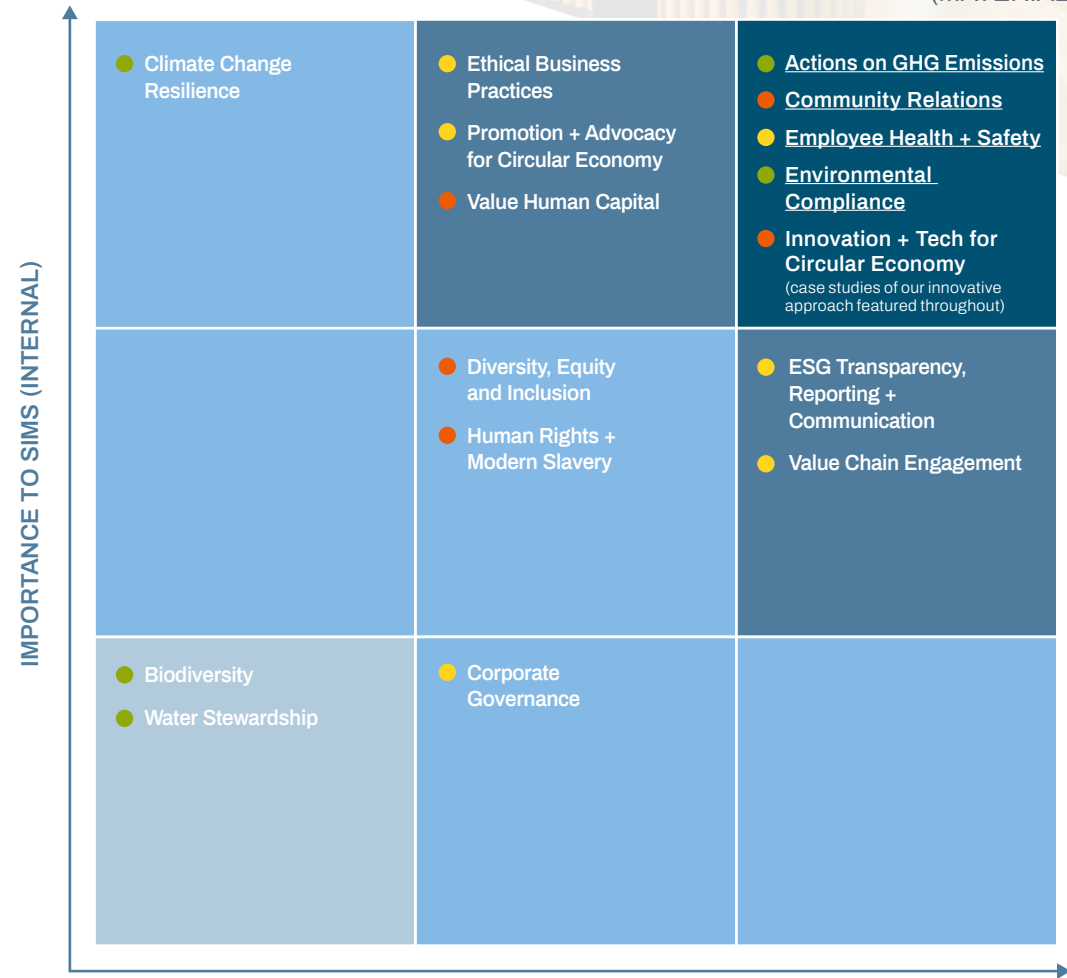
SOCIAL RESPONSIBILITY

We aim to be the world's safest and most responsible recycling and recovery company.



MATERIALITY ASSESSMENT

SHARED PRIORITY (MATERIAL)



EMERGING TOPICS

IMPORTANCE TO OUR EXTERNAL STAKEHOLDERS

- Environmental
- Social
- Governance

Business Critical
Most Important
Important
Less Important

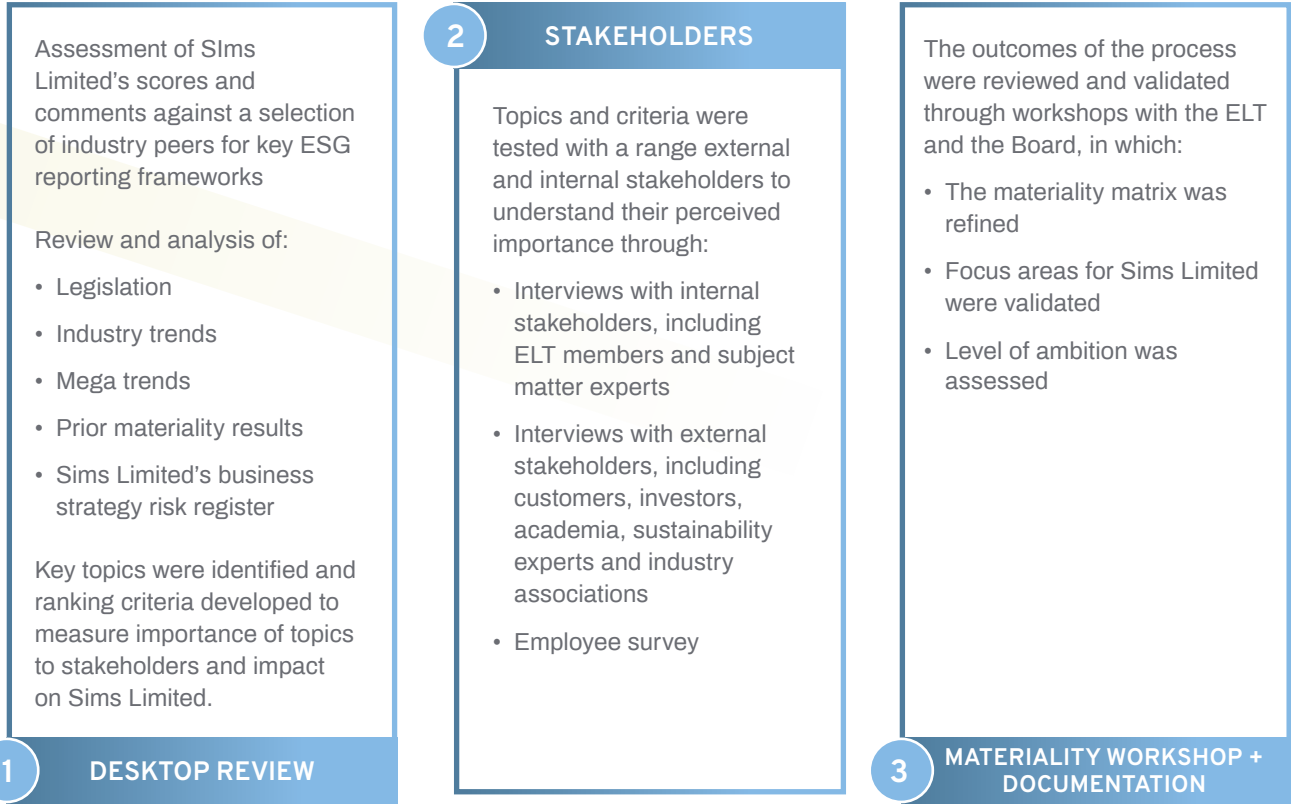
Materiality refresh

We recently refreshed our environmental, social and corporate governance (ESG) materiality analysis, which was last conducted in 2019, to help us identify the topics that matter most to our stakeholders – both now and in the future. Our materiality assessment uses data and insight from customers, investors, industry groups, circular economy leaders, employees, senior management, peer reviews and media reviews.

This year, we changed the presentation of the materiality matrix, at left, to a grid format and grouped related topics together to help make our matrix easier to interpret. In the top right, we listed the priorities we share with our stakeholders; they are listed in alphabetical order. Each topic is linked to one of our strategic pillars: operate responsibly, close the loop or partner for change. Each pillar is aligned to one of three United Nations Sustainable Development Goals (UN SDGs). More information on this process is available in the Sustainability Databook. The content of this year's report is aligned to these material topics.

OUR MATERIALITY REFRESH PROCESS

- The process followed was aligned with the GRI framework and AccountAbility's AA1000 Series of Standards, which are frameworks that demonstrate international best practices for corporate reporting and stakeholder engagement.
- Data was collected from a variety of sources to engage with views of different stakeholders.
- Key internal and external stakeholders were directly interviewed; all internal stakeholders were invited to engage through a survey.



Stakeholder management

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

	Employees	Shareholders and Investors	Suppliers	Customers	Communities	Government and Regulators
HOW WE ENGAGE	<ul style="list-style-type: none"> • Biennial employee engagement survey • Town Hall/all-hands meetings (in-person and virtual) and site visits by ELT • Internal events for monthly cultural and topical celebrations (e.g., International Women's Day, Hispanic Heritage Month, etc.) • Global intranet and app, newsletters, emails, posters, regular team meetings, etc. • Annual performance and development review • Labour relations dialogues • Safety alerts • Toolbox talks 	<ul style="list-style-type: none"> • Investor Day • Annual General Meeting • Reporting suite • Media and website • Email, calls, briefings • Conferences • Responding to ratings indexes and analyst questionnaires (e.g., MSCI, Sustainalytics) 	<ul style="list-style-type: none"> • Meetings, emails, calls • Supplier Code of Conduct 	<ul style="list-style-type: none"> • Meetings, emails, calls • Media and website • Reporting suite • Responding to ratings indexes (e.g., CDP) • Responding to customer due diligence surveys 	<ul style="list-style-type: none"> • Meetings, emails, calls • Media and website • Local events and sponsorships • Community clean-up events • Virtual engagement rooms 	<ul style="list-style-type: none"> • Participation in local and global associations (e.g., WBCSD, ISRI) • Constructive dialogue with regulators and governments on the circular economy, manufacturing and decarbonisation • Permits and development process • Meetings, calls, letters
MATERIAL TOPICS	<ul style="list-style-type: none"> • Employee health and safety • Diversity, equity and inclusion • Environmental compliance • Action on GHG emissions • Value human capital 	<ul style="list-style-type: none"> • Action on GHG emissions • Health and safety • Innovation and technology for a circular economy • Diversity, equity and inclusion • Community relations • Environmental compliance • Corporate governance • ESG reporting, transparency and communication 	<ul style="list-style-type: none"> • Value chain engagement • Action on GHG emissions • Innovation and technology for a circular economy • Human rights and modern slavery 	<ul style="list-style-type: none"> • Value chain engagement • Action on GHG emissions • Health and safety • Innovation and technology for a circular economy 	<ul style="list-style-type: none"> • Community engagement • Environmental compliance • Valuing human capital 	<ul style="list-style-type: none"> • Environmental compliance • Health and safety • Action on GHG emissions • ESG reporting, transparency and communication • Promotion and advocacy for a circular economy
HOW WE RESPONDED	<ul style="list-style-type: none"> • Employee focus groups on key topics (p 38) • Employee Assistance Program for well-being and mental health support • Health and safety record performance (p 40) • Sims University Learning Center – 67,000+ completed trainings in FY22 (p 41) • Women Leading @ Sims development program for high-performing women (p 34) • Employee Experience and Culture Committee 	<ul style="list-style-type: none"> • Continued progress against growth strategy (p 12) including acquisition of Recyclers Australia and Atlantic Recycling Group • Climate advisory vote at 2022 AGM • Increased external assurance over sustainability reports • Increased climate ambition (p 20) 	<ul style="list-style-type: none"> • Global procurement program • Baselined Scope 3 emissions (p 23) • Training on Code of Conduct and Modern Slavery for agents (p 46) • Rolled out additional due diligence for high-risk Sims Metal suppliers in FY22 (p 46) • Joined Supply Nation, peak body for Indigenous-owned business in Australia (p 36) 	<ul style="list-style-type: none"> • Continued to innovate to produce high-quality metal products • SLS launched Sustainability Calculator to quantify emissions (p 24) • SLS committed to be carbon neutral and use 100% renewable electricity by 2025 to meet customer ambition (p 20) 	<ul style="list-style-type: none"> • Community engagement, volunteering and partnerships (p 42) • Virtual engagement rooms for key developments • EHS program to manage local environmental impacts such as dust and noise • Hiring from local communities 	<ul style="list-style-type: none"> • Became a signatory to UN Global Compact • Increased external assurance over sustainability reports • Conducted industry association review to identify misalignments with our climate policy • Introduced shadow carbon price • Early engagement • Participated in government and industry dialogues and early engagement with regulators
OUR CHALLENGES	<ul style="list-style-type: none"> • Engagement on sustainability goals and strategies • Improving percentage and measurement of employees who receive a performance appraisal • Improving measurement of training outside of online platform • Impact of pandemic during FY22 	<ul style="list-style-type: none"> • Continued price volatility and inflationary pressures • Cloud material shortage due to ongoing supply chain issues • Global uncertainty because of geopolitical risks and macro-economic factors 	<ul style="list-style-type: none"> • Effectively measure and manage Scope 3 emissions in the supply chain • Manage human rights and sustainability risks through due diligence 	<ul style="list-style-type: none"> • Understanding customer pathways to reduce emissions from secondary metal making • Increase in varying customer due diligence surveys and requests 	<ul style="list-style-type: none"> • Measuring and acting on community and stakeholder engagement in line with FY25 target • Act on biodiversity • Water stewardship 	<ul style="list-style-type: none"> • Evolving regulatory frameworks (e.g., carbon pricing, secondary materials classifications) • Advocacy for the circular economy as essential for decarbonisation • Management of environmental claims

ENERGY AND CLIMATE

Sims Limited recognises the shared global challenge of climate change and supports increased levels of business and government ambition to meet the goals of the Paris Agreement. We also believe in the critical role of the circular economy in enabling decarbonisation.

In FY22, we produced a dedicated [Climate Report](#), which is available on our website. The Taskforce on Climate-related Financial Disclosures (TCFD)-aligned [Climate Report](#) shows how Sims Limited integrates climate-related considerations into our governance, strategy and risk management, as well as the progress we have made toward our targets.

Our climate targets and performance

In line with our purpose and in support of the net-zero transition that the world must make, we will continue our pursuit of sustainable operations that enable decarbonisation for our customers across our business portfolio.

Spurred by the latest climate science and our ESG material topics review, this year we became more resolute in our ambition for decarbonisation. Based on our FY20 baseline for greenhouse gas (GHG) emissions (Scope 1 and Scope 2 from our business operations), we have:

- A short-term goal to reduce emissions by 23 percent by 2025.
- A short-term goal to use 100 percent renewable electricity by 2025.
- A short-term goal for SLS to be carbon neutral by 2025.
- A medium-term goal for all portfolio businesses to be carbon neutral by 2030.

- A long-term goal for all portfolio businesses to be net zero by 2050.
- These targets relate to our direct operations (Scope 1 and 2). Sims Limited's approach in using carbon offsets to mitigate those emissions that the business cannot eliminate or reduce before 2030 is described in the FY22 [Climate Report](#). This year, Sims Limited did not surrender any climate offsets.

Managing our operational footprint

The main sources of our operational emissions in FY22 were electricity (41 percent) and diesel (53 percent). Other sources of operational emissions include natural gas and cutting gas, such as oxygen torches. Sims Metal generates the bulk of the portfolio footprint due to the size and nature of its operations.

In FY22, our carbon footprint decreased by 21 percent from our FY20 baseline, which was largely due to executing new electricity supply agreements in line with our commitment to use renewable electricity. This added several Sims Metal sites – Jersey City, New Jersey (our largest electricity consumer) in the United States; Kwinana, Western Australia; 10 sites in New Zealand; and five SLS circular centres across Europe and Asia – to the list of sites currently using 100 percent renewable electricity.

Targets	FY20 baseline (adjusted ¹⁰)	FY22 result	FY22 progress
Short term – Reduce emissions 23% by 2025	147,909t CO ₂ e	116,594t CO ₂ e 21% reduction	Our progress has been driven by a strong uptake in renewable electricity via contractual instruments, notably in the United Kingdom, New Zealand, the United States, Australia and Europe.
Short term – Use 100% renewable electricity by 2025	0%	37%	
Short term – SLS become carbon neutral by 2025	7,126t CO ₂ e	6,942t CO ₂ e 2.5% reduction	
Medium term – All portfolio businesses to become carbon neutral by 2030	147,909t CO ₂ e	116,594t CO ₂ e 21% reduction	



Main sources of our operational emissions in FY22 were

41%

electricity and

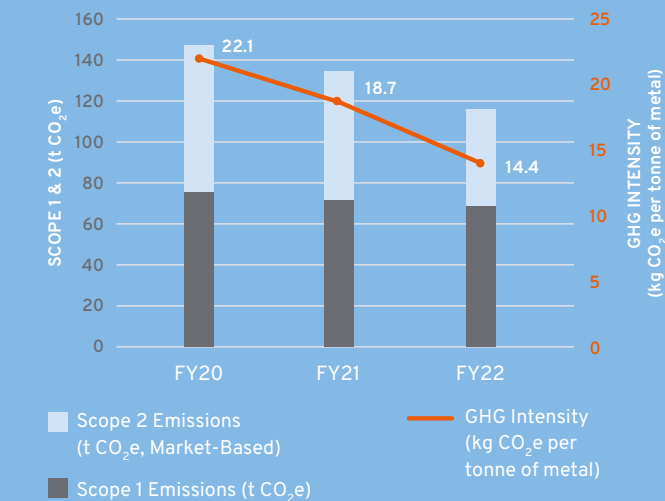
53%

diesel

GHG INTENSITY

Greenhouse gases can 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 kg CO₂e per tonne of proprietary metal volume.

Brokered volume purchased from independent suppliers and sold without further processing by Sims Limited does not have a larger impact on Scope 1 and 2 performance and thus has been excluded from the intensity calculation.



Our priority is to invest in reducing our operational emissions, with carbon offsets used as a last preference. During FY22, we put new governance in place to help prioritise and assess initiatives, including implementing a shadow carbon price.

We plan to deliver our short-term emissions target by initially focusing on decarbonising our electricity supply. In line with our commitment to use 100 percent renewable electricity by 2025, we will support renewable generation through on-site installation and by matching our consumption with energy attribute certificates (EACs). We will also advance energy efficiency and conservation methods to deliver cost and emissions savings.

In FY22, we executed new renewable electricity agreements for 17 sites across our portfolio businesses, as described on [page 20](#). These agreements were executed at different points in the reporting year, so further emissions reductions will be observed in the FY23 reporting year. In addition, all Sims Metal and SLS sites in the United Kingdom¹¹ and Ireland and an additional five sites in the United States used renewable electricity for the whole reporting period.

Electrification will be an important solution in our ambition to displace diesel throughout our operations. Combustion of diesel contributed approximately 53 percent of the operational emissions in FY22, of which the majority is used by mobile plants in Sims Metal yards. Transitioning from a diesel fleet to an electrified one has significant value for the company. In addition to emissions reduction, lower operating and fuel costs can be achieved, as well as reducing potential exposure of employees to diesel particulate emissions in our yards.

Where electric-asset 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. We are collaborating with original equipment manufacturers (OEMs) and our non-operated joint ventures to identify, trial and cost-effectively procure low-emissions options that meet our specifications.

For more detail on our emissions reduction pathway and the way we have implemented an internal carbon price, please refer to our [FY22 Climate Report](#).

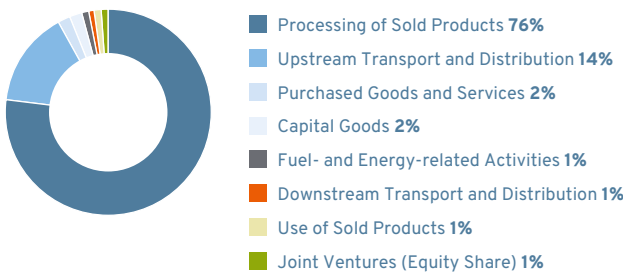
Emissions in the value chain

For the first time this year, Sims Limited measured value chain emissions (Scope 3). We do not have operational control of Scope 3 emissions because they occur outside of our direct operations. As such, we must collaborate across our value chain and use our influence to drive reductions.

One way for Sims Limited to contribute to the net-zero transition is to work in partnerships to help shape demand for circular, low-carbon metals and electronics. We are engaging with customers on climate change, and we are working with them to understand their pathways to low-carbon secondary metal production. Over the coming year, we will consider what Scope 3 emissions reduction goals are appropriate.

The largest sources of Scope 3 emissions are from the steel and maritime sectors, relating to the processing and freight of our sold product. 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. These two sectors are considered hard-to-abate, and the pathway for sectors to reach net zero by 2050 is multi-faceted and challenging. Further detail on the trajectory of these sectors toward net zero is discussed in our [FY22 Climate Report](#).

SCOPE 3 % CONTRIBUTION (MAJOR CATEGORIES)



AVOIDED EMISSIONS ACROSS OUR VALUE CHAIN

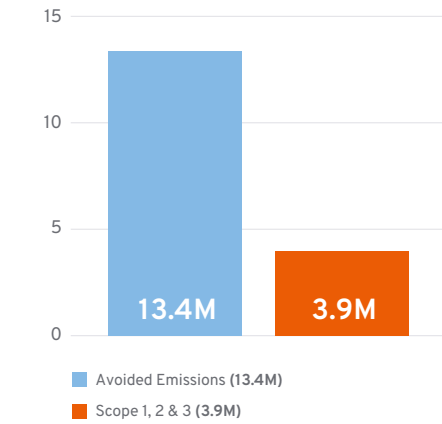
The energy from secondary metal production is the largest source of emissions in our Scope 3 inventory. However, the energy used for this process is typically less than the energy that is required to make metal products from raw materials, thus avoiding even higher emissions volumes. Avoided emissions are not captured under conventional Scope 1, 2 and 3 frameworks. However, the additional lens of avoided emissions analysis from use of our products, complementing conventional carbon metrics, is useful to our stakeholders in examining the opportunities and risks for Sims Limited in the climate transition.

The analysis at right which was prepared with FY21 data, shows that the 8.3 million tonnes of ferrous metal recycled by Sims Metal globally had the potential to avoid 13.4 million tonnes¹² of CO₂e emissions, compared to producing the same amount of steel from raw materials. Recycling of discarded metal also avoids the consumption of water and habitat loss associated with the extraction of raw materials. The scale of avoided emissions from the use of our products is nearly 100 times larger than our direct emissions footprint and 4 times as large as our value

chain emissions. For comparison, 13.4 million tonnes of CO₂e is comparable to the annual emissions of some of Australia's largest coal-fired power plants.¹³

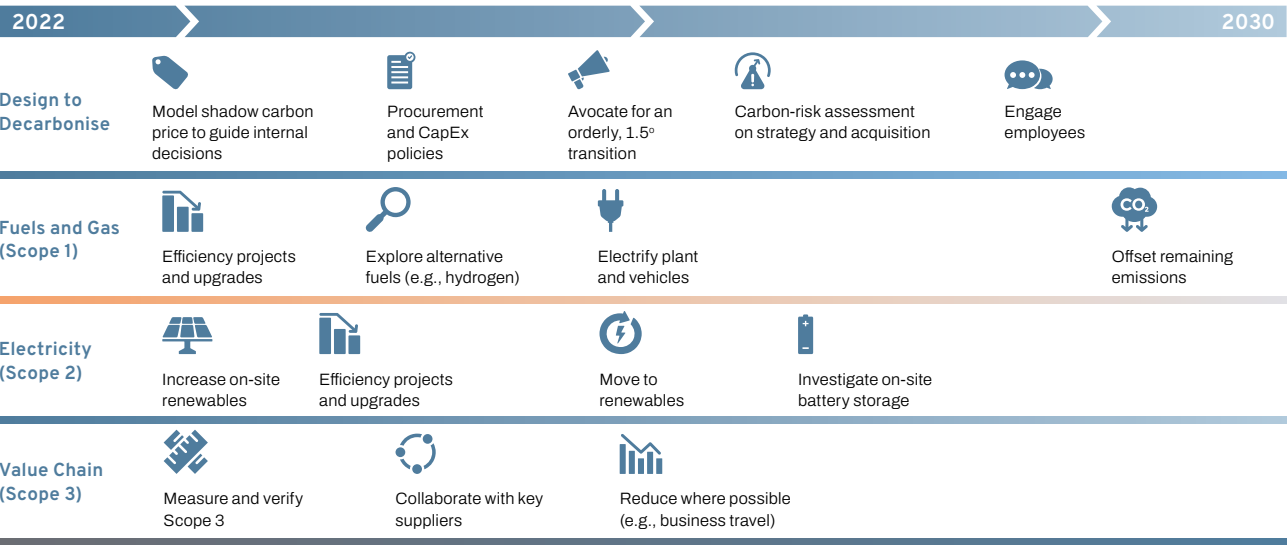
Nevertheless, we do not rest on this fact, and in line with our purpose, we are committed to ambitious action in emissions reduction.

DIRECT, VALUE CHAIN AND AVOIDED EMISSIONS, FY21



This analysis was prepared by a consulting firm using the same data reference points and assumptions that informed the Scope 3 calculation for the processing of sold product category. The recycling impact credit has been based on the publicly available 7th global World Steel Association lifecycle inventory study (2021), GaBi lifecycle analysis datasets, customised with data from the Sims Limited GHG inventory.

PATHWAY TO NET ZERO





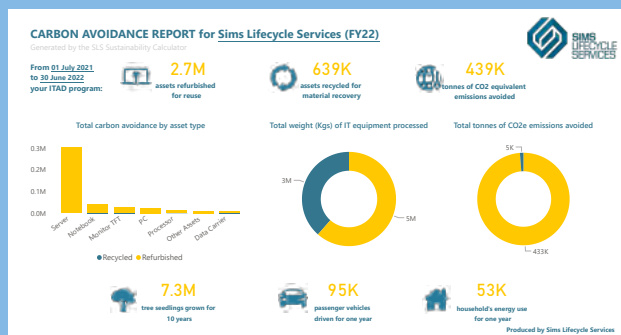
AN INDUSTRY FIRST – SLS CALCULATES THE IMPACT OF REUSE

Many of our clients have publicly announced their own sustainability goals and carbon reduction programs. Organisations are looking for detailed insights into the carbon impact of their overall operations and technology asset handling. In response, Sims Lifecycle Services launched a [sustainability calculator](#) this past fiscal year to provide industry-leading environmental impact reporting to their clients.

The calculator quantifies carbon avoidance from recycling, as well as from the reuse of whole IT assets and components – an important differentiation from most calculators currently available. Incorporating reuse data provides a more accurate and complete overview of carbon savings. Detailed dashboards show volumes of equipment processed, disposition routes and the carbon-equivalent emissions avoided, powered by equipment manufacturing data and our own lab-based asset data.

Using the calculator, we are also able to calculate the total emissions avoided by our customers repurposing and recycling IT assets. For FY22, the total avoided emissions impact was 439 kilotonnes of CO₂e – that's equivalent to taking more than 90,000 cars off the road for one year, or enough electricity to charge a smartphone 53 billion times!¹⁴

The sustainability calculator has been well received by clients who value the increased transparency SLS can offer. We were delighted when the calculator was recognised by the Reverse Logistics Association with the [2022 Green Reverse Logistics Award](#).



Climate governance and management

Climate change is a material governance and strategic issue for Sims Limited, and the Board of Directors is responsible for ensuring there are adequate policies and strategies in place to understand and manage climate risk while seizing the opportunities presented by the transition to a low-carbon economy. The Risk Committee and the SHECS Committee assist the Board in overseeing its climate-related performance and governance responsibilities.

Below Board level, key decisions in relation to climate change are made by the CEO and management, in accordance with their level of authority and oversight. Our chief risk and compliance officer is the executive responsible for establishing the sustainability framework and working with peers to ensure commitment to, and accountability on, implementation and due diligence, which includes climate. Our ELT has performance metrics and remuneration incentives to hold them accountable for performance, which are then cascaded throughout the organisation. For a full discussion on climate governance, including detail on how the Board has been engaged in climate-related topics during FY22, refer to the [FY22 Climate Report](#), which is available on

our website. During this past fiscal year, we conducted a review of our industry associations in reference to our Energy & Climate Policy. No misalignments were identified. The results of the review are available on our website.

Scenario-informed strategy and risk management

In informing our strategy, we 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 a warming world and the transition to a low-carbon economy. Consistent with the TCFD recommendations, we used scenarios to assist with understanding these risks and opportunities. The scenarios describe a range of possibilities for the future and provide a structured way of thinking through uncertainty and making strategic choices. A detailed discussion of our approach and results from the scenario analysis can be found in our [FY22 Climate Report](#).

Our first TCFD analysis was published in 2021, and it considered physical risks at our 22 largest sites and 36 strategic destination ports worldwide. In 2022, 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 dashboard will be launched in FY23 to operational and strategic staff to inform decision-making.

During FY22, Sims Metal was impacted by extreme flooding in Queensland, which caused an extended production outage at the Rocklea site. This was the second time a severe flood event occurred in the past 10 years, and the scenario analysis indicated the likelihood of future severe floods at that premises was high. As part of our strategy, we later announced the acquisition of a strategic parcel of land in Pinkenba, Queensland, which offers deep-water access and long-term potential to create a best-in-class and lowest-cost metals processing and resource renewal facility. As part of the due diligence process, we assessed the medium- and long-term climate risk using different climate scenarios and identified that this site offered higher resilience.

Heatwaves also affected sites across Europe and North America. Sims Limited's existing policy on working in high temperatures was observed, and some sites were supplemented with mobile air conditioning units to minimise safety and productivity issues that could arise from the heat. We continue to examine medium- and long-term options to build resilience to the physical impacts of climate change.



Sims Limited was one of 45 companies awarded the HRH The Prince of Wales' Terra Carta Seal



Sims Limited was included in the inaugural Financial Times/Nikkei Asia 2022 APAC Climate Leader list

ENVIRONMENTAL MANAGEMENT

Our approach in reducing environmental risk follows the same methodology as reducing health and safety risks.

At Sims Limited, we get ahead of incidents by proactively assessing our risks while creating control-measure databases. Additionally, we continually evaluate and assess the effectiveness of current controls. This method of action puts us on the forefront in identifying risks and control gaps by giving us the ability to determine what controls are the most effective. We then work to systematically standardise best-in-class control-measure requirements globally.

New structure, new coordination

Sims Limited sites all share similar challenges around the world, and often, the solutions already exist at one of our locations. That is why we support collaborative and transparent reporting and data sharing across our global organisation.

As part of the global business transformation, the Environment, Health & Safety (EHS) team is now functionally aligned across the entire portfolio as a shared service. This allows each business division to fully leverage and benefit from our EHS expertise across the company. A global Environmental Committee was formed in FY22 to specifically leverage the expertise of our environmental experts. This team has led efforts to continuously improve our environmental strategy, standards, tools and controls.

Strategic focus

Sims Limited's environmental focus is strategic in nature. Our environmental experts collectively developed the Sims Limited Environmental Management Standard, associated requirements and employee training. After a thorough risk assessment, the environmental team also developed the company's first environmental critical control verification (CCV) to validate the effectiveness of our control measures. With information gathered from the CCVs, the Environmental Committee team is working to drive continuous improvement through data analysis, which helps to identify risks and provide confidence in future investment.

Each site's operational leadership works closely with EHS personnel and participates monthly in EHS assessments to identify site gaps within our standard requirements, apply corrective actions and supply data to identify whether current controls provide improvement opportunities.

Actions are transparently measured through our global EHS dashboards, ensuring that no site across the portfolio is neglected. This drives accountability and enables global expertise to be leveraged by presenting new solutions to sites across the world.

The efforts of the Environmental Committee, in collaboration with operations leadership, are driving significant improvements.

- **Environmental Management Training:** Completed training for more than 3,400 site personnel. Training outlined key requirements in the new (FY22) Environmental Management Standard.
- **Environmental General Inspections:** Completed 143 site audits in the second half of 2022, generating 900+ improvement actions globally.
- **Critical Control Verification:** Completed 250 audits through May 2022, generating 200+ improvement actions.

These efforts do not stop with the closure of corrective actions. The data and information gathered provides insights into trends and areas where additional attention may be required. This information is a key input into identifying the Environmental Committee's focus in FY23.

External insight

To further advance our environmental management program, Sims Metal hired a third-party global consultant to conduct environmental assessments of its North American shredder sites not only to validate compliance with applicable legislative requirements, but also to identify any non-conforming requirements to our EHS standards. We are proud to report that no major findings were discovered, and we acted quickly to address identified items. All improvement actions were managed and monitored through our EHS data management system.



Completed 250 environmental CCVs, generating

200+ improvement actions

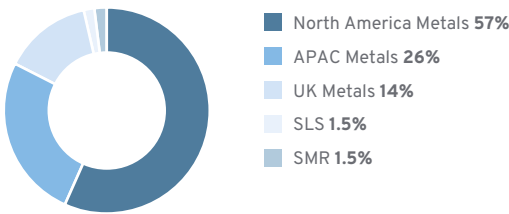
Resource stewardship

WATER

Water is a key natural resource, and with the changing climate, water stress is likely to increase in many of Sims Limited's operational areas. Water is not an input into the creation of our various products; rather, it is an important component in dust suppression and firefighting activities. Water-efficiency initiatives include high-pressure water atomisers for dust control, smart water and foam systems for shredder dust and temperature control, and water recycling.

During FY22, Sims Limited recorded water usage of 0.58 gigalitres (GL) of water across all sites, an increase of 11.5 percent compared to the previous year. This can be attributed to both the 12 percent increase in proprietary metal volumes and better data collection during the year. The majority of Sims Limited's water usage is municipal water (water delivered via the local water utility). More details on water usage are available in the FY22 Sustainability Databook.

WATER WITHDRAWALS BY BUSINESS UNIT (GL)





WATER MANAGEMENT AT ST. MARYS

Sims Metal's recycling facility in St. Marys, Australia, processes more than 200,000 tonnes of scrap metal each year. About 5.5 million litres of water are used for dust suppression each year, predominately in the scrap piles and yard environs. Water is also used for dust suppression within the shredder itself, which makes the water brackish and laden with sediment, presenting a re-use challenge.

To reduce consumption of municipal water, the site has introduced rainwater harvesting and recycling. Sims Metal Environmental Engineer Faith Iljeyan explained how the team had to overcome several challenges to design a system that is effective in both reducing municipal water use and wastewater disposal. To improve the quality of the rainwater harvested and re-used on site for dust suppression, micron and membrane filters were added to the rainwater harvesting system. However, the low-flow speed from the rainwater tanks presented some challenges for operators.

"We needed to upgrade with high-pressure flow pumps and pipes, to reduce the time spent filling up. The dispensing station location also wasn't ideal, and we relocated it to make it safer for our operators," Faith said. "Now, we have a dispensing station that's safe and effective. It's backed up by municipal water, but draws from rainwater first, reducing the amount of drinking water we need to use."

The shredder wastewater was more complex. "The initial design of the system encountered problems due to the high-sediment load of the wastewater, and we needed to add additional treatments to get the right quality, so the water could go back into the shredder," Faith explained.

The treatment system now consists of an oil-water separator, membrane and micron filters, and UV lights, to remove sediments, hydrocarbons and bacteria, respectively. "At the end of the process, purified water from the shredder meets the requirements of the Australian Guidelines for Water Recycling, and we've reduced wastewater disposal by about 40 percent at the site," Faith said proudly.



WASTE

Automotive shredder residue (ASR) is the largest single waste stream Sims Metal produces, and it is currently sent to landfill. ASR is the non-metallic residue that is left behind after shredding metal-based goods such as cars, washing machines and shopping trolleys in order to recover the metal for recycling. Because ASR is a by-product of the metal shredding process, the volume of waste produced is closely linked to Sims Metal's production activity. In FY22, Sims Metal generated more than 1.2 million tonnes of ASR, which cost more than \$100 million AUD to send to landfill.

Sims Metal seeks to minimise the generation of ASR via quality control of input materials and improving the shredding process itself, and through investment in technologies to improve separation of the shredded inputs.

We are also investing in technology to convert ASR into valuable products through Sims Resource Renewal's (SRR's) business operations. Because ASR is non-homogeneous and it is difficult to physically separate the different materials included in its waste stream, it cannot be further recycled using common mechanical methods, such as those used to shred and separate metals.

To solve this, SRR developed a new method for treating ASR that uses advanced plasma gasification technology combined with a specially designed treatment process. This flexible and innovative process can also be applied to other waste streams that, in line with the waste hierarchy, do not have any other appropriate treatment method.

By taking ASR and using it as a resource to create valuable products, such as olefins (building blocks of plastics) and hydrogen, as well as by-products from our hydrogen production process, such as construction aggregates and carbon dioxide for industrial use, we will stop ASR from being landfilled and enable material re-use within the circular economy.

In FY22, important progress was made with our demonstration plant in Rocklea, Queensland, which is expected to be operation in 2023. A preferred site also was selected for our potential commercial facility in Queensland. Although further work on our proposed commercial facility in Campbellfield, Victoria, was paused to assess considerations arising from the release of the Victoria government's waste-to-energy framework, ongoing engagement with government continued and we look forward to applying for a cap license once the process for expressions of interest under the framework has been finalised.

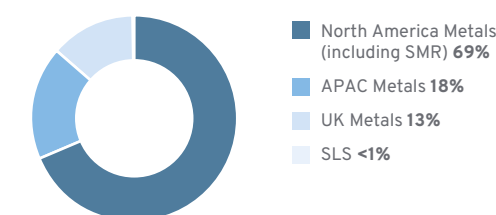
Initially, we will produce hydrogen, a clean fuel that produces only water, electricity and heat when consumed in a fuel cell. Hydrogen can play an important role in the transition to a low-carbon economy and can potentially be used in passenger and freight transport vehicles as a lower-emissions alternative to fossil fuels.

We will also produce useful by-products from the hydrogen creation process. These by-products will include a vitrified product that can be used in construction materials and a liquified carbon dioxide with commercial applications, including in the food and beverage sector.

In the future, we plan to produce other products such as olefins, which are building blocks for plastics.

By 2030, every year we will be using more than 1 million tonnes of ASR to create new products, in line with our purpose.

LANDFILL WASTE GENERATED BY REGION (kt)



TONNE OF WASTE GENERATED PER TONNE OF PROPRIETARY FERROUS VOLUME



HEALTH AND SAFETY

This year, we celebrated our safest year on record, outperforming the safety record we set in FY21.

The company achieved its lowest recordable injury frequency rate (TRIFR) in its history of 1.14 per 200,000 hours, improving on last year's previous record low. In addition, we experienced the lowest number of lost time incidents at a rate of 0.23 and a critical risk incident rate of 0.35.

Sims Limited leads the industry in safety performance due to proactive, continuous improvement processes that are transparently monitored across the company and challenge the effectiveness of existing health and safety control measures.

Our strategic multi-year focus revolves around fatal risks. Based on a global 10-year incident taxonomy study and feedback from operators across our sites, 18 CCVs were identified to address critical risks. Key focus areas, such as traffic management, have been identified based on risk levels and the highest likelihood of occurrence.

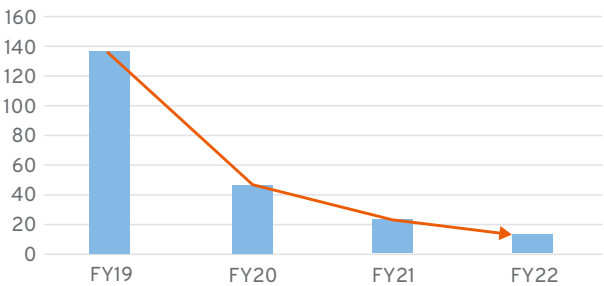


Completed 369 pedestrian-to-vehicle CCVs in FY22, generating

580

improvement actions globally

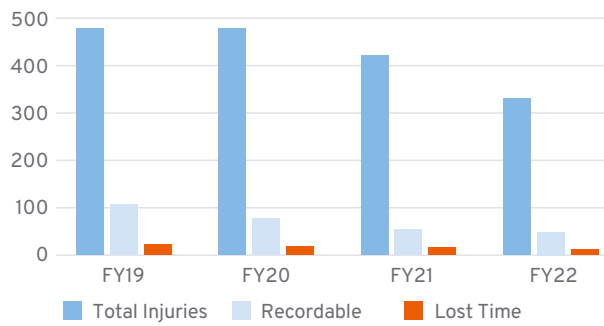
CRITICAL RISK INCIDENTS



88%

Reduction in critical risk incidents
FY19 vs. FY22

INJURY REDUCTION LAGGING INDICATORS



56%

Reduction in lost time injuries
FY19 vs. FY22

49%

Reduction in recordable injuries
FY19 vs. FY22

KEY FOCUS ON CRITICAL RISKS: TRAFFIC MANAGEMENT IMPROVEMENT JOURNEY

In FY22, 369 pedestrian-to-vehicle CCVs were completed, which generated 580 improvement actions globally. These improvements are designed to protect all personnel and site visitors from the potential fatal risk presented by motor vehicles and mobile equipment.

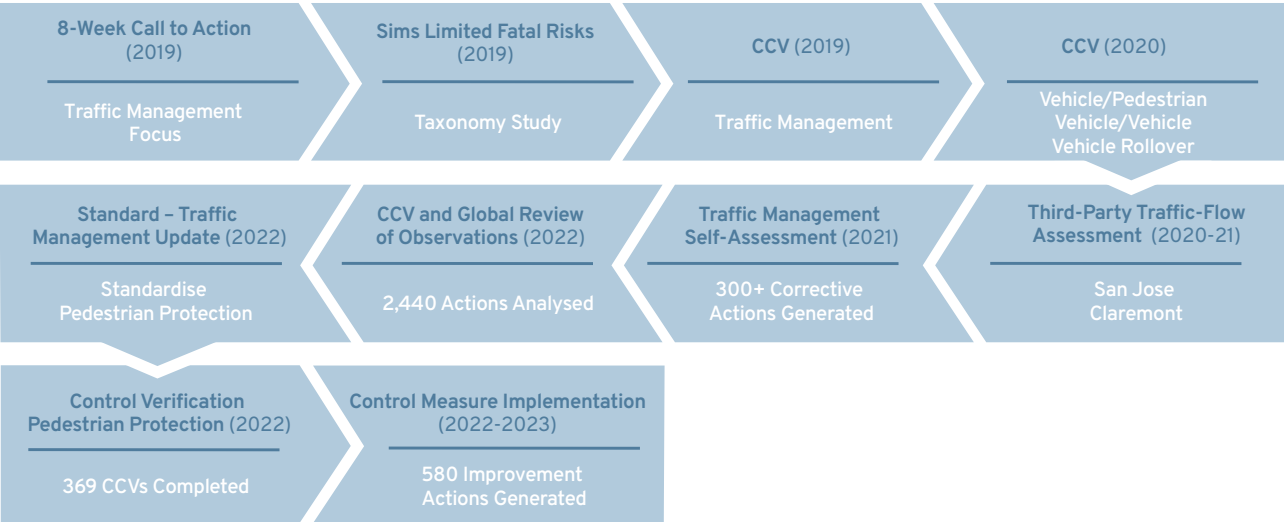
SIMS LIMITED CRITICAL RISKS (2009-2019)

Vehicular Energy	39%
Gravitational Energy	24%
Electrical Energy	16%
Machine Energy	8%
Object Energy	6%
Other Energy	7%

KEY GLOBAL ACTIONS

Protected walkway extensions and inward-closing gate application	Additional protection for inspectors/traffic controllers
Pedestrian exclusion zone where mobile equipment operate	Driver waiting areas and protected access
Traffic-flow controls, such as boom-gate application	Parking lot improvements

TRAFFIC MANAGEMENT IMPROVEMENT JOURNEY



Data showed that employees who worked with slightly different methods and tools significantly reduced risks of injury to the neck, shoulders and back.



Recorded

LOWEST

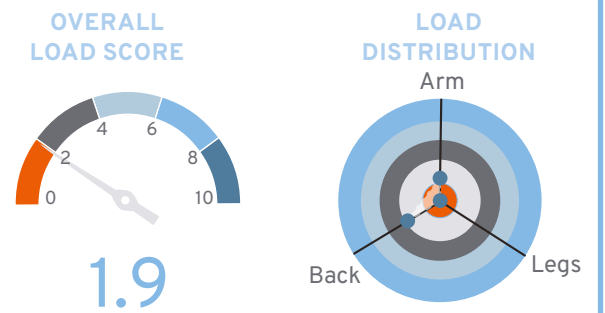
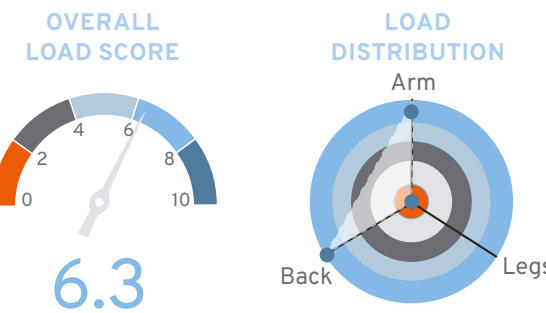
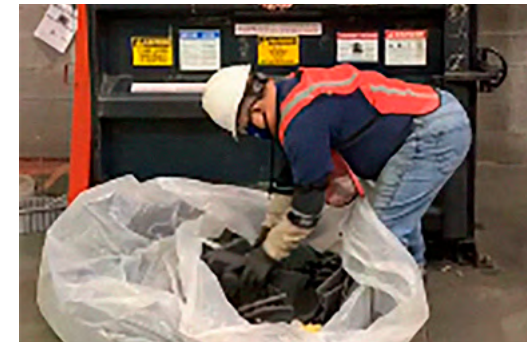
recordable injury frequency rate
in company history in FY22

INNOVATION IN SAFETY MANAGEMENT

In FY22, we partnered with Preventure, an Australian company that provides physical-demands-analysis body sensor tools. These sensors provided our EHS personnel with new insight and information into the stressors that employees experience throughout their bodies as they complete work tasks. The data showed that tasks that may not be considered “difficult” to complete can potentially cause significant body stress over time. The data helped us identify process designs, tools and rotation schedules that will reduce ergonomic injury, the number one cause of recordable injuries at our SLS sites.

Data showed that employees who worked with slightly different methods and tools at one site significantly reduced risks of injury to the neck, shoulders and back compared to employees who worked at other sites without the same work processes. Based on these results, it was determined that we should replicate those methods and invest in tools and a standardised work design that will significantly reduce ergonomic risk. These improvement efforts will continue throughout FY23.

Sims Metal is also implementing innovative solutions to manage safety risks. In FY22, we commenced a trial of an artificial intelligence solution for early warning of fires. Conventional fire prevention solutions often have difficulty setting appropriate thresholds necessary to detect abnormal heat in the metals environment. The trial is designed to help Sims Metal employees identify normal temperatures by referring to temperature history data of the target object (like a scrap metal pile) and then setting a threshold based on actual data. Over time, the system will learn from the user input and, if successful, will provide an important aid in managing fire risk. We are also investigating technologies to help detect potentially dangerous materials (such as batteries or gas cylinders) in inbound loads before they can cause a hazard.



At left, an employee performs a task that produces muscle strain, highlighted on the data display from the Preventure body sensors. At right, the data shows that the ergonomic setup enables the employee to perform the task with much less muscle strain. The data collected from this exercise has been used to measure the effectiveness of controls and helps ensure the most effective controls are used.

REWARDING EHS EXCELLENCE

In FY20, Sims conducted a baseline safety perception survey to capture attitudes of employees throughout Sims Limited about safety. One learning from the survey was that employees wanted to see an increased focus on recognising the right safety behaviours. As a result, our EHS Excellence Recognition program was rolled out globally in FY22. Managers, supervisors and EHS specialists can give out “on the spot” awards to recognise EHS focus, innovation and demonstrations of company values.

SLS recently opened a new site in Atlanta, Georgia. During the process of opening the site, Steve Gregory, an SLS associate, went above and beyond identifying safety needs around the site to ensure everyone’s safety. This included making sure the right personal protective equipment was available and encouraging colleagues to wear it correctly, and obtaining anti-fatigue matting around the production lines. Steve was one of more than 200 employees who received an EHS excellence award during FY22.



Steve Gregory
(second from
right) being
presented
with an EHS
Excellence
Recognition
Award.

(From left to right: Kim Armstrong, senior HR manager; Cherhonda Pope, operations manager; David Porterfield, site manager; Steve Gregory, associate; Lee Ann Scott, EHS director, global risk and compliance)

PEOPLE

Sims Limited is committed to being a company where people matter; teamwork is rewarded; and diversity, equity and inclusion are embraced.

Diversity, equity and inclusion

GENDER PAY GAP

In FY22, we adopted a global methodology for calculating the gender pay gap to unify what had previously been a disparate set of country-level metrics driven by local regulatory requirements. This aids us in providing stakeholders with a more consistent view of our efforts to address the gender pay gap as a global organisation.

In North America, we undertook a detailed gender pay analysis across all business divisions – initially focusing on professional-level positions – and made increases in pay, where necessary, to address identified gaps. In addition, improved salary structures, which will be used as guidelines to determine salaries by grade level, were established in the North American businesses. These structures will provide for, and inform, how we mitigate any gender pay gaps going forward. These guidelines and structures will also be adopted in Australia, New Zealand and the UK in the coming months. Additionally, in Australia and the UK, detailed regulatory disciplines are in place to analyse and report on gender pay gaps.

Part of our strategy to reduce the gender pay gap includes increasing opportunities to appoint women to senior leadership positions across the organisation. Within the past 12 months, the percentage of women who were hired for, and promoted to, senior leadership positions was significantly higher than the current representation. This has resulted in an acceleration of the overall representation of women at these levels.

PERCENTAGE OF FY22 NEW HIRES IN SENIOR LEADERSHIP* POSITIONS BY GENDER

	Female	Male
Sims Lifecycle Services	100%	0%
Sims Metal	29%	71%
Support Functions	55%	45%
Sims Limited Total	42%	58%

* Senior leaders generally means CEO-1 and CEO-2 roles

More than 20 percent of women at Sims Limited are now at the director level or above. While support functions have a healthy number of women in leadership roles, operations functions did not have the same level of representation. As a result, we took steps to improve this balance. After placing a high importance on sourcing and recruiting a diverse slate of candidates for senior leadership operational roles, we welcomed women in a site supervisor role and a director of transportation role in North America.

While this is a step in the right direction, we recognise that we have more work to do. In an effort to attract more diverse candidates and improve employee retention, we are evaluating shift structures to enable a greater degree of work/life balance for our operations employees, where possible. We held focus groups to gain insights on lessons learned during the COVID pandemic and gather input on preferred ways of working moving forward to help us determine how best to support hybrid work – where practical – across the organisation.

WOMEN LEADING @ SIMS

As part of our strategy to expand career development and leadership opportunities for women within the organisation, the inaugural cohort of the Women Leading @ Sims program launched in August 2021. Twelve women from across Sims Limited business divisions and regions were selected to participate in a 10-month program, which was facilitated by an external executive leadership coach and consisted of coaching and informative sessions with Board members and senior executives. Thirty-three percent of the participants were promoted during or after the program, and the majority of the other participants were placed in expanded roles before, during or immediately after the program – enabling them to build connections and gain visibility across the organisation, as well as draw upon their leadership skills.

Based on the outstanding feedback and success of the first cohort, the program attracted strong interest from employees across the organisation; more than 50 applications and nominations were received for the second cohort. After selecting the participants, the second Women Leading @ Sims cohort launched on 25 August 2022.



DEVELOPING TOMORROW'S LEADERS IN SINGAPORE

In Singapore, we implemented a program to develop the leadership capabilities of high-potential employees who are new to managerial roles, or have been identified as potential successors for a leadership position at Sims Limited. In November 2021, seven employees from our Singapore operations and corporate support teams were nominated to participate, six of whom were women. These employees participated in a three-day workshop focused on increasing personal mastery, team leadership and change-management capabilities. Each participant completed the program with a tailored development plan to support their ongoing career development. Among all participants, two of them have since been promoted to leadership positions, and all seven attendees have remained with the company. We are currently in the planning stages for the next cycle of this program, which supports succession planning within Singapore.



TARGET MET

>25%

women in senior leadership roles



33%

of participants in Women Leading @ Sims were promoted during or after the program



SIMS METAL REFLECT RECONCILIATION ACTION PLAN

In January 2021, the Sims Metal Reflect Reconciliation Action Plan (RAP) was formally endorsed by Reconciliation Australia and launched across the business. The RAP is based on the three pillars of reconciliation: **respect**, **relationships** and **opportunities**.

Respect is shown by taking the time to listen and learn to overcome racism. In 2021, we rolled out cultural competency training, which has reached 80 percent of our site-based frontline leaders and commercial teams. We will build on this work in our next RAP to reach more Australia-based employees.

As part of our work to actively support and build reconciliation, in June 2022 we celebrated the history, culture and perspectives of Aboriginal and Torres Strait Island peoples across all our yards and offices. At our Kwinana site, we were fortunate to be joined by Uncle Mick Indich, who conducted a Welcome to Country ceremony, and Uncle Lindsay Calyun, who facilitated a traditional smoking ceremony. We also conducted a flag raising ceremony (shown above), raising the Aboriginal and Torres Strait Islander flags alongside the Australian flag to demonstrate respect for First Nations people and show our commitment toward reconciliation.

We also are building **relationships** with Aboriginal and Torres Strait Islander businesses, communities and organisations for mutual benefit. For instance, prior to the COVID pandemic, we hosted a delegation from the local Aboriginal Health Service at our facility in Kwinana, Western Australia, where they could see first-hand what happened to car bodies that Sims Metal helped remove from communities in the Kimberley and Pilbara.

In July 2022, we launched a pilot program for our Indigenous apparel, showcasing artwork from our RAP, created by NAIDOC (National Aboriginal and Islanders Day Observance Committee) award-winning artist Daren Dunn. It is hoped the apparel will raise awareness of our RAP – both inside and outside of our company.

Business partnership is critical as this help builds **opportunities**, both within Sims Limited and our supply chain. We worked with Yurra, one of our suppliers, to embed its team members into our rail recovery teams in Western Australia to grow the skills capability of both organisations. In FY22, we spent more than \$1.4 million with Indigenous-owned businesses. We also joined Supply Nation, the leading organisation for Indigenous-owned businesses, to help us grow our impact in this vibrant and dynamic business sector.



OUR PARTNERSHIP WITH iWOMEN

Sims Limited committed to increasing the number of women leaders at the company, which means attracting women at different stages of their careers to build a cohort of future leaders. To support this objective, we continued our sponsorship of the Kwinana Industries Council iWomen project, an initiative that builds awareness of career opportunities for women in the industrial sector amongst senior high school students.

In May 2022, Sims Metal and iWomen hosted a series of mock interview workshops for 25 young women at the Kwinana site in Australia. A member of our EHS team participated in the interview workshops to help participants build their career development capabilities.

In January 2022, we welcomed an iWomen alumna to the Sims Limited Cadet and Graduate Program. We look forward to continuing our relationship with iWomen, and we are seeking to establish similar partnerships across our company as part of our wider commitment to increase opportunities for women to build careers in non-traditional roles.



BUILDING A DIVERSE WORKFORCE

In support of our commitment to diversity, equity and inclusion, we have started a global celebrations workgroup. This group helps employees feel connected, fosters inclusivity and community, and supports learning opportunities about the diversity of our workforce and wider communities. Some notable events included:

- International Women's Day
- Matariki (New Zealand)
- National Reconciliation Week + NAIDOC Weeks (Australia)
- Pride Month
- Black History Month (United States)
- Juneteenth (United States)

We leveraged our human capital management system analytics to report on diversity data across North America, the UK and Singapore. This information enables us to better identify underrepresented populations and to more effectively target our diversity efforts. Next, we will be focused on increasing our capability to report similar data for Australia and New Zealand.

We are also enhancing our recruitment programs, including partnering with external organisations, to attract more women and people of colour to join our company. These partnerships include the U.S.-based Women in Trucking and Pacific Islander Community Council organisations, as well as veteran placement agencies. This has resulted in placing more women in roles that have traditionally been held by men, such as equipment operator, operations supervisor and transportation dispatcher.

DEVELOPING HIGH-PERFORMING AND ENGAGED TEAMS

Understanding the employee experience

We recognise the importance of empowering employees to have a voice and provide input into initiatives. This ensures that our company remains an inclusive, engaging place to work. During March, April and May 2022, we invited our employees to participate in focus groups and provide context on the key areas for improvement highlighted in our most recent employee engagement survey.

Two ELT members participated in a total of nine focus group sessions, which were held virtually across different time zones, to encourage participation from a range of employees across all business entities, geographies and functions. This provided rich, qualitative data to better understand the opportunities to improve engagement across the organisation.

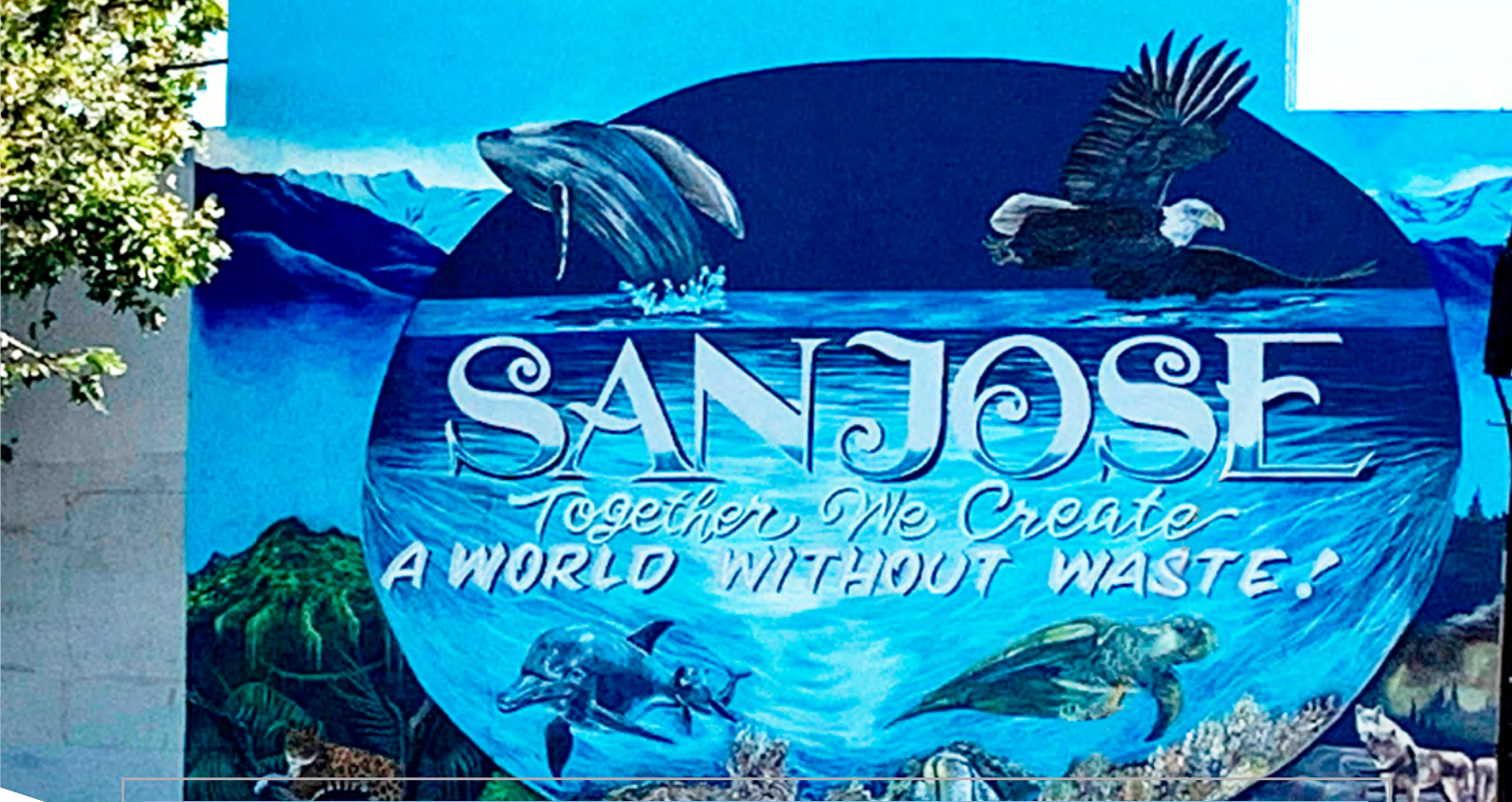
As a natural next step, we established a volunteer-based employee committee, the Employee Experience and Culture (EXC) Committee, to review the data, liaise with the employee base and propose initiatives to address the identified areas for improvement – work environment, purpose and direction, feedback and recognition, career growth and training, and communication. These areas of improvement form the basis of the EXC sub-committees to which each of the employee volunteers is assigned for

a period of two years. The EXC Committee is supported by a leadership advisory board made up of ELT members and senior functional leaders, and they will have access to resources to develop and implement solutions that will improve employee engagement and enhance the overall employee experience. We will conduct the employee engagement survey again in FY23 to assess our progress.

Enabling high-performing teams

As part of our focus to build a high-performing culture that is reflective of our core values and the behaviours outlined in our pillars of purpose, all employees who participate in the performance review process are invited to complete a review of these shared principles and the relationship to their roles via the Sims University Learning Center. Leaders all attended training to understand how to effectively provide feedback to their teams on how their performance and behaviours align with our vision, values and purpose.

Evaluation and provision of feedback were formally provided to employees during both mid-year and end-of-year performance and feedback discussions. This was the first time that this process was completed in SuccessFactors, our new people management system, enabling stronger alignment against consistent behaviours across the entire organisation.



PARTNERING FOR IMPACT: MONTEREY BUSINESS CORRIDOR ASSOCIATION, SAN JOSE, CALIFORNIA

Monterey Road is a major thoroughfare in California's Silicon Valley that runs from the town of Gilroy northward to San Jose. The Sims Metal San Jose site occupies a large area of frontage along the corridor, which acts as a gateway to the downtown area. In 2016, Sims Metal engaged with a San Jose city council member and the city's chief of staff to understand issues affecting the community, which ranged from illegal dumping to services for unhoused people.

"We started with site tours and morphed into introductions to some of the community leaders and businesses in the area," said Jill Rodby, public/government relations manager for the Western United States. "With their support, I started the Monterey Corridor Business Association, an informal group that provides a platform for our businesses to stay aware of, and advocate for, best solutions to the problems that challenge our business community."

The group immediately became a useful connection for city officials to meet and work with businesses in the corridor. Regular lunch meetings were hosted by Sims Metal before pandemic restrictions forced the meetings to be held online. "The mix of city officials, businesses, developers and community organisations has led to some unique opportunities to make an impact," she explained.

For instance, there has been a focus on enhancing the appearance of the corridor itself. "The association was keen to reduce litter and dumping, as well as inject some life into the roadway, so Sims Metal engaged a Downtown Streets Team to provide biweekly clean-ups along the fence line of our property," Jill stated.

The team members are unhoused neighbours or people at risk of experiencing homelessness, and the fees from organisations like Sims Metal help fund access to trained case managers, who assist team members with navigating support options, such as employment services.

"We were also really excited to welcome local artist and muralist Tomas 'Wisper' Talamantes to create artwork on the exterior of our site, creating two beautiful murals that pay homage to the diverse local community and to the work we do at Sims Metal," said Jill.

Tomas, an ex-gang member, developed an art program called Teach Peace, where he teaches life lessons to young people in the San Jose area through art and mural projects.

As for the future of the group? Jill is excited. "Now we are working with the city to establish as a 501(c)(3) non-profit organisation to help secure the future of the association and expand the impact we can have. By early 2023, we hope to have everything in place and be able to meet in person once again."



THE PILLARS OF PURPOSE

We are shaping a sustainable future. If we are to realise our purpose, all of our actions, words and deeds must embody – and be guided by these pillars that our purpose, create a world without waste to preserve our planet, is built on. When we embrace our purpose narrative, we will ...



BAND TOGETHER

- Create an environment where employees feel that their efforts can make a difference
- Leverage each other's strengths
- Embrace different perspectives
- Prepare employees for the opportunities ahead
- Build trusted relationships inside and outside of the company



ACCEPT AND EXPECT ACCOUNTABILITY

- Do the right thing, don't just do things right
- Make values-based decisions and be empowered to make tough choices
- Think strategically and long-term
- Practice what you preach
- Share information to create excitement
- Provide clear expectations so employees know what is expected of them



CONSISTENTLY INNOVATE

- Stay ahead of the curve
- Exceed customer expectations
- Challenge traditions with an entrepreneurial spirit
- Encourage creative thinking and solutions – take the risks that are worth taking and view mistakes as opportunities for learning
- Think and work at the speed of digital



INSPIRE WITH PASSION

- Be brave, authentic and fair
- Lead by example and with consistency
- Care like a family, but act like a community
- Be visible; walk the "yard" to show support
- Demonstrate empathy and mutual respect



CELEBRATE AND HAVE FUN

- Smile and have a positive demeanor
- Recognise and celebrate each other's accomplishments
- Reward the little things
- Make each other laugh
- Value your colleagues
- Be true to yourself, and be your true self



UN SDG 2: Zero Hunger

PILSEN FOOD PANTRY – CHICAGO, ILLINOIS



The economic downturn caused by COVID-19 has led to increased food insecurity, but family physician Dr. Evelyn Figueroa continues to tackle hunger head-on. In 2018, she and her husband created the Pilsen Food Pantry. During the first wave of the pandemic, this pantry was one of only two operating in the entire Pilsen neighbourhood, a community where Sims Metal has operated for almost three decades. Each week, the Pilsen Food Pantry distributes 25,000 pounds of food to its clients via drop-in and home delivery to those who are elderly, less mobile or in isolation due to COVID-19. Sims Metal is a dedicated supporter of the Pilsen Food Pantry, providing food donations, school supplies, toys, grounds maintenance, special project support and volunteers. A dedicated metal recycling partner, Sims Metal also helps the pantry fundraise by collecting metal.



Currently, our leadership competency framework is being redesigned to deliver leadership capabilities that will drive future success at Sims Limited. These capabilities include:

- **Driven by Our Purpose:** We embody the Sims Limited vision, values and purpose.
- **Emotional Intelligence:** We are self-aware, empathetic, credible and open.
- **Agility:** We are curious, adaptable and tolerant of ambiguity.
- **Resilience:** We are optimistic, persistent, confident and driven to succeed.

To elicit these capabilities in our leaders and teams, our leadership development objectives are to:

- Create leaders who drive the culture and embody Sims Limited's vision, values and purpose.
- Fortify our career development capabilities to upskill leaders and further develop their strengths.
- Provide consistent development for our leaders as they progress through the business and future roles with Sims Limited.
- Ensure that our managers and leaders are high-performing individuals and team members.

Aligning business structures for success

Our Business Transformation Program is focused on transitioning the organisation from operating regionally to operating functionally. Operating functionally will help Sims Limited efficiently manage business operations, enable faster decision-making and improve communication flow

between colleagues and customers. We anticipate that this will also provide employees with new opportunities to develop their skills and expand careers.

A number of new functions were introduced as part of this program, including the global Talent & Culture team. This function is focused on strengthening our corporate culture through the acquisition and development of key talent, succession planning, culture enhancement and employee engagement strategies. Increasing our capacity and capability in this area will help us build a diverse, skilled and engaged workforce in line with our FY25 sustainability plan and establish a solid foundation for the future.

Sims University Learning Center

Sims Limited employs approximately 4,000 people who operate from 250 facilities across 15 countries. With such a distributed workforce, connecting with employees can be difficult – especially when most employees do not sit behind a desk.

In 2019, we launched our internal learning platform, the Sims University Learning Center. Sims University connects with employees from all over the world to provide vital work-related information, assessments and training material. Since the launch, our employees have logged more than 19,000 training hours through the platform. The platform is accessible via mobile devices and tablets, facilitating access for those that do not have regular access to a computer. In FY23, training kiosks will be installed in Sims Limited facilities to further increase access.



Community engagement and impact

A key pillar of Sims Limited's sustainability strategy is to partner for change. We know that our purpose and goals cannot be achieved alone, and they require respectful, transparent and reciprocal partnerships. The Sims Limited Code of Conduct covers our engagement with the community and other stakeholders.

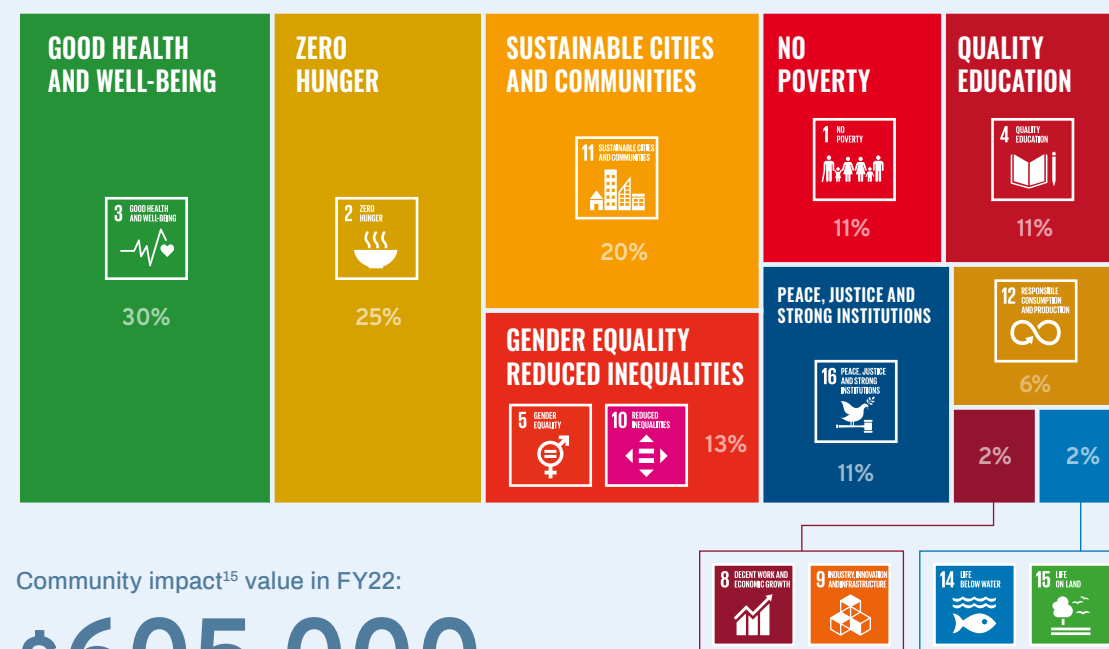
From contracts with companies for IT asset disposition to accepting cans, buckets and carloads from individual peddlers, we purchase valuable resources to reinject into the circular economy. While the benefits of our circular activities are widespread, we recognise that potential negative impacts can be felt locally, particularly from metal recycling activities. Our teams work with the community to understand concerns around environmental impacts, such as dust, noise and traffic, and respond effectively. At the same time, the circular economy also delivers significant benefits to local communities, including employment, skill development, business development, waste reduction, and income from taxes and the waste purchased. Our business model also requires our facilities to be located in, or near, large metropolitan areas and most of our employees, including the local senior management, are hired from the local community.

COMMUNITY IMPACT

Throughout our global operations, our teams contribute their time, skills and resources to enrich the vibrant local communities of which we are a part. We recognise that we have more work to do to increase the accessibility and measurement of our community impacts. In FY22 and FY23, we are focused on improving the processes and systems we use so that we can make considerable progress toward our FY25 goals. FY22 represents a baseline measurement. We note that this baseline reflects lower participation than might have occurred in previous years as in-person volunteering activity in FY22 continued to be restricted by global pandemic lockdowns and precautions.

The chart below shows the alignment of our community engagement initiatives (events, sponsorships or donations) to the UN SDGs. While some community engagement activities may align with more than one UN SDG, we chose the clearest alignment. For instance, an event benefitting women's health may align with UN SDG 5: Gender Equality and UN SDG 3: Good Health and Well-being, but it is recorded only against UN SDG 3. The impacts are clearly clustered on issues that are prevalent in our local communities, including sustainable cities and communities, good health and well-being and zero hunger. In fact, the need for community aid in the latter two categories has increased with the ongoing health, social and economic effects of the pandemic.

SDGS IMPACTED THROUGH COMMUNITY ENGAGEMENT



UN SDG 16: Peace, Justice and Strong Institutions UKRAINE RELIEF



The Russian military invasion of Ukraine is in direct opposition to Sims Limited's core values. We denounce the actions of the Putin Administration and condemn their violation of international law. Early in the conflict, Sims Limited made the decision to refrain from business dealings with Russia and Russian entities.

The company donated \$200,000 AUD to UNICEF Australia for immediate humanitarian aid and launched an employee appeal to raise additional funds for those affected by the Ukraine conflict. UNICEF is on the ground in Ukraine and neighbouring countries providing essential food, water, medicine and safe shelter for the estimated 7.2 million Ukrainians who fled the conflict.

While Sims Limited does not have a presence in the areas of conflict in Ukraine, there are employees who have family and friends in the affected regions. Sims Lifecycle Services has a team based in Bydgoszcz, Poland, and employees there also rallied to assist Ukrainians who sought refuge there. The team collected goods, including food, clothes and toys, onsite and donated those items and money to Polish Humanitarian Action (PAH), a local organisation coordinating relief on the ground. The Employee Assistance Program remains available to help support employees and their families who may be impacted or distressed by the conflict.

We deeply appreciate the efforts of UNICEF, PAH and other nonprofit organisations that provide assistance and will continue to monitor developments in the region, in the wider economy and across our value chain.

[View a special message from UNICEF.](#)



UN SDG 4 – Quality Education

ROCKLEA STATE SCHOOL FLOOD RELIEF



In February 2022, intense flooding affected communities up and down Australia's east coast, causing extensive disruption and damage, including to the Sims Metal site at Rocklea, Queensland, and nearby Rocklea State School. The flood damage at the school was so extensive that the administration and classroom blocks, which included a staff room and computer lab, had to be demolished – a blow to one of Brisbane's smallest schools, which opened in 1885 and has just 42 students enrolled.

We reached out to see how we could support the recovery of this tight-knit educational community. With a donation of \$20,000 from Sims Limited, the school has installed six sensory pods in the playground, commissioned a nature-inspired mural on the grounds, and, for the first time in 10 years, introduced a chaplain to provide emotional support to the school community.

"All of the children at Rocklea State School have, in one way or another, accessed the pods for very different reasons," explained Julia Bailey, the school's principal. "Some interact with them daily during play, while others will head to one of the pods for a calm reset. Some children like to have chats with our support staff while in the pods; others sit in a cluster with friends and invent games where the pods are a portal that takes them away on an adventure."

Students from the school created drawings to illustrate their thanks to Sims Metal. "These drawings show an insight from the eyes of the children – I hope that they convey just how much our children love having something so unique yet so purposeful here at our school," Julia told us. "The installation could not have been possible without the very generous support of Sims Metal."

STUDENT ARTWORK



RESPONSIBLE BUSINESS

Sims Limited has a culture based on ethics and integrity, and our strong governance structure serves to guide the actions of our employees consistent with our company values.

HUMAN RIGHTS

We respect and support all internationally recognised human rights as outlined in the [UN Universal Declaration of Human Rights](#) and the [UN Guiding Principles for Business and Human Rights](#). This year, we became a signatory to the [UN Global Compact](#), endorsing the 10 principles on human rights, labour, environment and anti-corruption.

We endeavour to avoid being complicit in, or encouraging, activities that may cause or contribute to human rights abuses through proactive training, education and due diligence. In FY22, we provided role-specific training around recognising, deterring and responding to modern slavery in our operations and supply chain. In support of our efforts to strengthen our controls around modern slavery, we rolled out additional due diligence steps for high-risk suppliers.

We have taken steps to improve the accessibility of our anonymous grievance hotline in Papua, New Guinea, which is the only country that is considered high risk for modern slavery within our direct operations, by providing access to an independent, anonymous reporting service in Tok Pisin, the native language of Papua. Previously materials had been available in English, which is spoken by employees but may not be spoken by visitors to our site. The launch of the hotline service was supported by providing employee training and posters in Tok Pisin.

Our latest [Modern Slavery Statement](#) was issued in December 2021. In December 2022, an update of the statement will be published on our website.



of active employees trained on our Code of Conduct in FY22



of required employees completed modern slavery awareness training in FY22

PROMOTING ETHICAL CONDUCT

One of our sustainability pillars is to partner for change. To be a trusted partner, we must uphold the highest standards of ethics and responsible conduct. Our Board is committed to establishing sound corporate governance practices that ensure we uphold our core values of safety, integrity, respect, transparency, excellence and social responsibility. In 2022, we made Newsweek's list of America's Most Responsible Companies for the second year in the row. The list highlights companies that are leaders in environmental, social and corporate governance practices.

[Our policy](#) sets out our expectations when conducting business on behalf of Sims Limited to our officers, employees, contractors, agents, consultants, suppliers and Board of Directors. The policy sets standards that either meet or exceed anti-bribery and anti-corruption requirements in each of the countries where we do business.

Throughout the year, we take steps to prevent anticompetitive practices, bribery and corruption and promote the high standards of conduct outlined in our policy. Our actions include:

- Providing training on our requirements, [Code of Conduct](#) and key ethics and compliance policies as a routine part of onboarding new employees.
- Training agents on Sims Limited's [Code of Conduct](#) during onboarding and with periodic refreshers.
- Conducting annual training on our [Code of Conduct](#) and how to report concerns free from retaliation. Training also includes some rotating focus topics, which this year were the importance of accurate books and records, trade controls and fair competition.



Sims Limited was included in Newsweek's list of America's Most Responsible Companies

SLS ASSISTS SUPPLIERS TO OBTAIN SUSTAINABILITY CERTIFICATIONS

Sims Lifecycle Services utilises subcontractors for services outside our operating countries. We audit our subcontractors to ensure they meet environmental regulations, follow company standards and, if possible, qualify for Responsible Recycling (R2) certification.

The R2 Standard provides a common set of criteria to recognise responsible re-use and recycling practices for electronics. R2 certification is the formal program for evaluating and monitoring businesses in meeting the R2 Standard, including environmental protection, health and safety of employees and the community, and developing a sustainable circular economy. SLS operations across the globe have achieved R2 certification, giving customers confidence that we, and our subcontractor network, can meet their stringent due-diligence requirements.

SLS supports subcontractors through education, training and guidance, including sharing insights and best practices from our own R2-certified circular centres. Additionally, because of our diversity of subcontractors, we provide translation services for documents to those who need it.

SLS has assisted subcontractors in China, Ecuador and Panama to gain R2 certification. This enhances customer visibility and assurance in our supply chain, expands adoption of leading environmental and safety standards, and helps our subcontractors grow their businesses by attracting other customers who value R2 certification.



FY22 was our

SAFEST

year on record and our **best-ever**
year for financial performance

Promoting ethical conduct, continued

- Conducting annual training refreshers for commercial and global trade team members on how to avoid anti-trust, anti-bribery and anti-corruption violations.
- Promoting our reporting and grievance mechanisms, including open-door reporting, our independent third-party hotline and the ability to make anonymous reports.
- Promoting "Compliance Month" for the second year. During the month of November, we promoted multiple compliance areas through videos, comics, articles and puzzles across all our internal communication channels.
- Promoting our hotline to temporary workers and visitors through posters and materials at our sites.

Our internal audit services provide independent, objective assurance and consulting services to improve the company's operations across financial, operational, information technology, external reporting and compliance functions and to provide assurance that the company's policies and processes are effective. In FY22, our internal audit group conducted 18 internal audits and implemented a new management dashboard to improve the visibility of outstanding improvement actions.

PRIVACY AND SECURITY

We take great pride in having robust privacy and security policies and strive to be best-in-class, protecting any information and data in our custody and stewardship. This is critical to our company, because we serve blue-chip clients across a range of industries to securely and responsibly manage the disposition of IT equipment and electronic products.

During the reporting period, we have:

- Deployed additional technologies to improve our overall cybersecurity landscape, including, but not limited to, global virtual private networks (VPNs), multi-factor authentication (MFA), robust anti-virus, anti-spyware and anti-malware software technologies, data protection via encryption, and machine authentication.
- Enhanced our information security and cybersecurity awareness training program by leveraging various internal communication channels, including email (e.g., frequent cybersecurity articles) and our global intranet (e.g., security videos and cybersecurity awareness newsletter).

- Enhanced our employees' onboarding process with additional training on relevant security awareness policies (e.g., acceptable use and protection of information assets).
- Deployed our mandatory annual cybersecurity training video, which is managed through our learning management system, Sims University Learning Center.
- Conducted bi-monthly internal simulated phishing testing attacks and enhanced our KPI reporting.
- Implemented a robust incident response strategy in partnership with third-party services providers of managed detection and incident response and conducted our annual global incident response tabletop exercise.
- Subjected our cybersecurity practices to annual internal and external audit, and vulnerability assessment and penetration testing multiple times during the year.
- Hired a vice president of IT Risk and Information Security specifically designated to ensure that our information security practices are aligned with acceptable risk and industry best practices.

FAIR REMUNERATION

Sims Limited's annual report discloses the philosophy, guiding principles and performance alignment related to executive remuneration. Executive remuneration is overseen by the People and Culture Committee of the Board, and shareholders are also provided with an annual vote. More details on executive remuneration can be found in the annual report.

Sims Limited's roles have been graded using the well-established and validated Hay Grading methodology. This provides a consistent foundation for identifying roles of similar value throughout the company. With this foundation, we can apply a consistent approach to participation in incentives and other variable benefits, as well as effective pay analysis, including gender pay gap analysis. In addition to the globally consistent grading structure, we participate in and purchase independent salary surveys to validate that we are paying market-competitive base and variable pay based on the duties, skill requirements and location of employment.

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



ECONOMIC CONTRIBUTION

FY22 was not just our safest year on record, it was also our best-ever year for financial performance. Sales revenue of \$9,264.4 million in FY22 increased by 56.6 percent compared to sales revenue of \$5,916.3 million in FY21. At constant currency, the sales revenue increased by 53.2 percent for the same period. The increase was attributed to material improvements in market prices and higher sales volumes, both driven by increased demand in many industrial sectors.

Total sales volumes (proprietary and brokered volume) were 9.707 million tonnes in FY22 versus 8.593 million tonnes in FY21. We saw a strong improvement in intake volumes, driven by economic recovery across our markets.

Commodity market prices showed a strong recovery in the half year ending 30 June 2022 (H2 FY22), and we closed the year with strong earnings growth and an underlying EBIT of \$756.1 million.

FINANCIAL HIGHLIGHTS

	FY19	FY20	FY21	FY22
Revenues*	6,754.3	4,991.7	6,136.7	9,717.9
Operating costs	5,864.0	4,615.0	5,252.6	8,273.4
Wages/benefits	664.1	614.2	567.5	667.1
Payments to providers of capital, gross	7.9	15.4	14.1	19.8
Payments to governments (taxes)	65.7	12.4	73.1	185.8
Payments to shareholders	107.9	50.6	24.2	140.2
Economic value retained	44.7	(315.9)	205.2	431.6

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

TAX MATTERS

Tax matters are managed according to corporate policies, applicable country laws and regulations, and our corporate governance principles, which define our relationships with stakeholders and govern how we conduct our business. Consideration is given to Sims Limited’s reputation, brand, value creation, and corporate and social responsibility when considering any tax initiatives.

Sims Limited’s Tax Corporate Governance Policy and tax strategy support existing and current practices and processes that are performed consistently throughout the global operations. Through our legal entities, we follow best practices and adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework as the basis for our tax risk management. This tax risk management framework identifies, maintains, manages and monitors tax risks and mitigating controls of the company.

External and internal auditors periodically test and review internal controls to validate that they are working properly and that documentation is maintained, evaluated, monitored and communicated to the ELT, internal and external audit and the Audit Committee of the Board.

Contact

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

Elise Gautier, Chief Risk and Compliance Officer
elise.gautier@simsmm.com

Ana Metelo, Director, Investor Relations
ana.metelo@simsmm.com

External recognition

- MSCI ESG Fund Ratings | AAA ESG rating categories
- World’s Most Sustainable Corporations by Corporate Knights (Global 100 – #11)
- Clean200 by Corporate Knights and As You Sow
- Financial Times/Nikkei Asia Pacific Climate Leaders 2022
- Newsweek’s 2022 America’s Most Responsible Businesses
- “Leading” level of ESG reporting by ACSI (Australian Council of Superannuation Investors)
- TAHITO Te Tai o Rehua Fund – Trans-Tasman Equity Fund, supporting Indigenous ethical investing
- Sustainability Magazine Top 100 Sustainable Companies (#6)





VERIFICATION OPINION DECLARATION GREENHOUSE GAS EMISSIONS AND SELECTED ENVIRONMENTAL DATA

To: The Stakeholders of Sims Limited

Apex Companies LLC, (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions and selected environmental and safety data 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 and selected environmental and safety data is the sole responsibility of Sims. Sims is responsible for the preparation and fair presentation of the GHG emissions statement and selected environmental and safety data in accordance with the criteria. Apex's sole responsibility was to provide an independent verification opinion on the accuracy of the GHG emissions and selected environmental and safety 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 selected environmental and safety data based upon the verification. Verification activities applied in a limited level of assurance 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
- Exclusions from the scope of Sims' GHG emissions assertion are:
 - Refrigerants, which were deemed immaterial

Types of GHGs: CO₂, N₂O, and CH₄

GHG Emissions and Environmental/Safety Statement:

- **Scope 1:** 68,819 metric tons of CO₂ equivalent
- **Scope 2: Location-Based:** 68,239 metric tons of CO₂ equivalent
- **Scope 2: Market-Based:** 47,775 metric tons of CO₂ equivalent
- **Scope 3:**
 - Purchased Goods & Services: 93,039 metric tons of CO₂ equivalent
 - Capital Goods: 94,776 metric tons of CO₂ equivalent
 - Fuel- and Energy-Related Activities: 32,286 metric tons of CO₂ equivalent
 - Upstream Transportation and Distribution: 547,970 metric tons of CO₂ equivalent
 - Downstream Transportation and Distribution: 38,757 metric tons of CO₂ equivalent
 - Processing of Sold Products: 3,024,248 metric tons of CO₂ equivalent
 - Use of Sold Products: 47,304 metric tons of CO₂ equivalent
 - Investments: 52,828 metric tons of CO₂ equivalent
- **Total Water Consumption:** 574,150,595 liters
- **Total Waste Volume:** 1,277,764 metric tons
- **Health and Safety Data**



- **Critical Risk Incident Rate:** 0.35
- **Total hours worked:** 9,688 thousand hours
- **Total recordable injuries:** 55
- **Fatality count:** 0
- **High-consequence injury rates (per 200,000 hours and per 1,000,000 hours)**
 - **Per 200,000 hours:** 0
 - **Per 1,000,000 hours:** 0
- **Recordable work-related injury rates (per 200,000 hours and per 1,000,000 hours)**
 - **Per 200,000 hours:** 1.14
 - **Per 1,000,000 hours:** 5.68
- **Number of lost time injuries:** 11
- **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:** 1.14

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 environmental and safety assertions were generally historical in nature.

Period covered by verification:

- Fiscal Year 2022 – July 1, 2021 to June 30, 2022

Reporting Protocols against which verification 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 (Scope 3)
- OSHA and US Bureau of Labor Standards (Safety Data)
- Company criteria (Environmental data)

Verification/Assurance Protocols used to conduct the verification:

- 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 verification used a materiality threshold of $\pm 5\%$ 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;
- 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.

Environmental and Safety 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 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;
- 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.

Verification Opinion:

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

- is not materially correct and is not a fair representation of the GHG emissions and environmental and safety 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 environmental and safety data 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 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:

Mary E. Armstrong-Friberg, Lead Verifier
Senior Project Manager
Apex Companies, LLC
Akron, Ohio

David Reilly, Technical Reviewer
Senior Project Manager
Apex Companies, LLC
Santa Ana, California

October 11, 2022

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 declaration by you to CDP and/or others in order to satisfy the terms of CDP disclosure requirements or other reporting requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this declaration.

