# ESG Briefing

*Enabling Decarbonisation*

**28 October 2022**
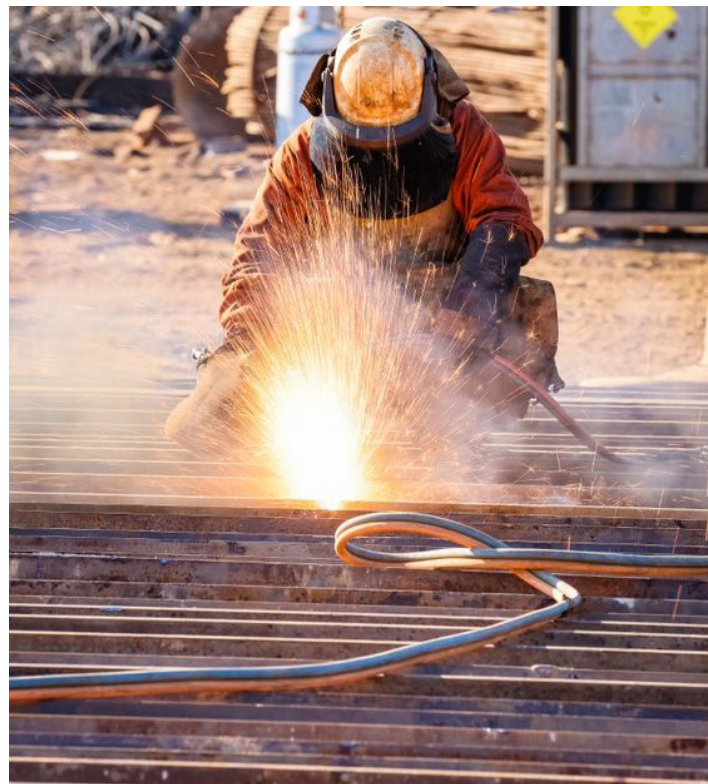
**SIMS LIMITED**

# Agenda

**Integrated Business Strategy**
Alistair Field,
Group CEO & Management Director

**Sustainability Governance**
Gretchen Johanns,
Group Chief General Council

**Sustainability Strategy & FY22 Performance**
Elise Gautier,
Chief Risk & Sustainability Office

# Alistair Field
## Group CEO & Managing Director

# Acknowledgment of Country

# Integrated approach to business performance
## *Growth strategy embedded in the sustainability strategy*

### Tailwinds

- Increased environmental concerns and more stringent environmental controls

- Global push for high quality metals

- Growing demand for recycled copper and aluminum

- Increased focus on waste management

- Electrification and energy transition to drive copper and aluminium prices

- Increased demand for recycled metal

- Increased demand for cloud services

### Materiality

- Actions on GHG Emisssions

- Community Relations

- Employee Health & Safety

- Environmental Compliance

- Innovation & Tech for Circular Economy

### Sustainability Strategy

- Operate Responsibly

- Close the Loop

- Partner for change



### Growth Strategy

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

| Growth Strategy | FY25 Targets |
| --- | --- |
| Expand metal volumes in favourable regions | **9.6m tonnes** Ferrous volumes |
| Grow non-ferrous business (US) | **300,000 tonnes** Non-ferrous volumes |
| Enter resource renewal | **120,000 tonnes** ASR/year |
| Repurpose cloud infrastructure | **8.5m** Repurposed units |
| Expand proven landfill energy business overseas | **50mw** Sims Energy Capacity |

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

### FY25 Targets

**Create a world without waste to preserve our planet**

# FY22 Sustainability Highlights

*Advanced towards our purpose and continued to be recognised*

**37%** of electricity from renewable sources

**21%** carbon footprint reduction[1]

**Record year** in safety performance

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

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

★★★

**United Nations Global Compact Signatory**

★★★

**2022 Carbon Clean 200 List**

★★★

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

★★★

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

[1]From FY20 baseline

# Gretchen Johanns
## Group Chief General Counsel

# Our robust sustainability governance

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

## Leadership Oversight

Group CEO & Managing Director



Group Chief General Council

Chief Risk, Compliance & Sustainability Officer

## Board Oversight

**Board Committees**

- Safety, Health, Environment, Community & Sustainability (SHECS)

- Risk

- People & Culture

- Nomination/Governance

- Audit

## Accountability

**Sustainability**

- Is integrated with the business targets , employee performance framework and remuneration structures

- Is embedded in the approval processes of M&A and growth projects

# Fast-evolving US regulatory environment

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

- Historically it was not possible to measure volatile organic compounds (VOC) from shredders

- As technology progressed and shredders were enclosed, VOCs could be directed to a stack and measured

- It is now possible to determine the level of shredder VOCs through testing

- Shredder VOCs are believed to be mostly due to the presence of incidental levels of petroleum products in end-of-life vehicles (ELVs) in infeed materials

- In order to minimize VOCs, Sims takes a number of steps prior to shredding materials, including the removal of fluids such as oil and fuel

- Sims complies with applicable federal and state VOC thresholds

- Results from a recent study conducted for a competitor identified no health risks at EPA thresholds [1]

- Allocated environmental Capex for FY23 and beyond

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

# Roll out of plan in NAM has started

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

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

USEPA – United States Environmental Protection Agency. EPA – Environmental Protection Agency. USEPA has federal authority throughout the United States and State EPAs act on a state by state basis.

# Case study – Chicago

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

## Local context

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

## Process for Sims' permit renewal

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



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

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# Elise Gautier
## Chief Risk & Sustainability Officer

# The Value Sims Creates is Innately Sustainable

# Sims' portfolio of businesses

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



**In FY22 Sims delivered 98.16% to 100% green revenue**

**FTSE Russell**

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

# Leading the way to a circular economy

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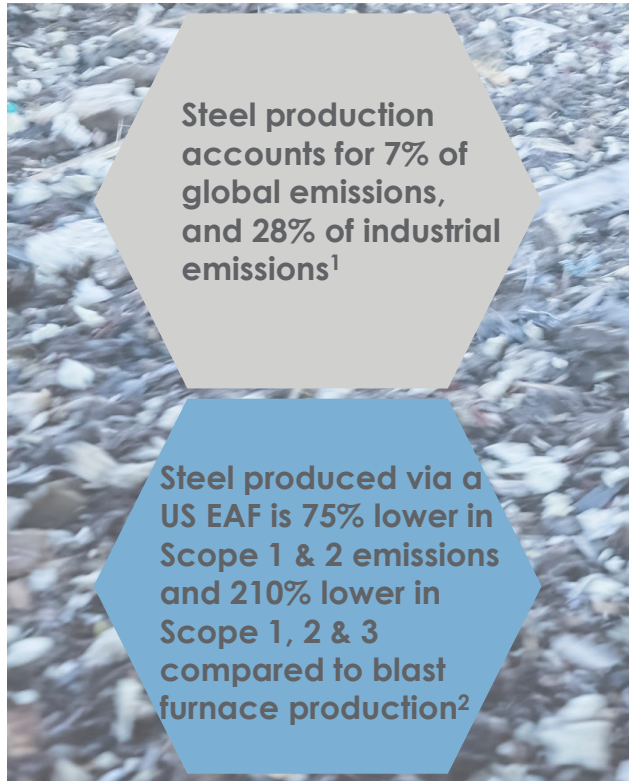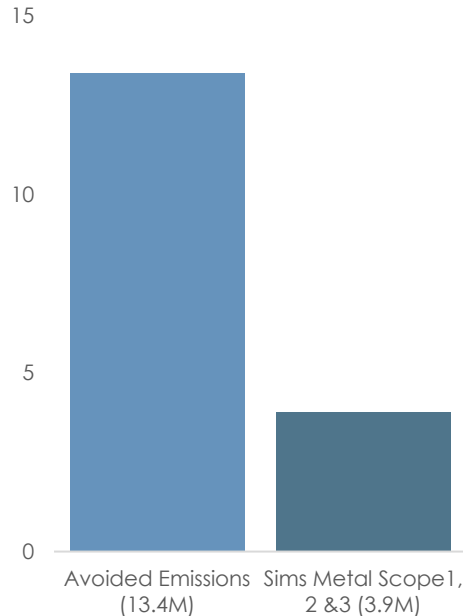
Ellen Macarthur Foundation



RESOURCES

PARTS MANUFACTURING

ASSEMBLY/PRODUCT MANUFACTURING

DISTRIBUTION

USER

RECOVER AND MANAGE

RECYCLE

PARTS HARVESTING

REFURBISH

SIMS RESOURCE RENEWAL

LANDFILL GAS TO ENERGY

# Our role in decarbonisation

*Sims Metal enables the decarbonisation of the steel industry*

**Steel production accounts for 7% of global emissions, and 28% of industrial emissions[1]**

**Steel produced via a US EAF is 75% lower in Scope 1 & 2 emissions and 210% lower in Scope 1, 2 & 3 compared to blast furnace production[2]**

## Direct, Value Chain and Avoided Emissions FY21

| | |
|---|---|
| 15 | |
| 10 | |
| 5 | |
| 0 | |
| Avoided Emissions (13.4M) | Sims Metal Scope1, 2 &3 (3.9M) |

## Our Positive Impact

**8.3 million tonnes of ferrous metal recycled with Sims Metal globally had the potential to avoid 13.4 million tonnes of C02 – equivalent to the annual emissions of some of Australia's largest coal fired power plants[3]**

# Our role in decarbonisation

*Sims Metal enables the Energy Transition*

**Recycling aluminium saves 95% of green house gas emissions produced in the primary production process[1]**

**Recycling copper requires 85% less energy than primary production[2]**
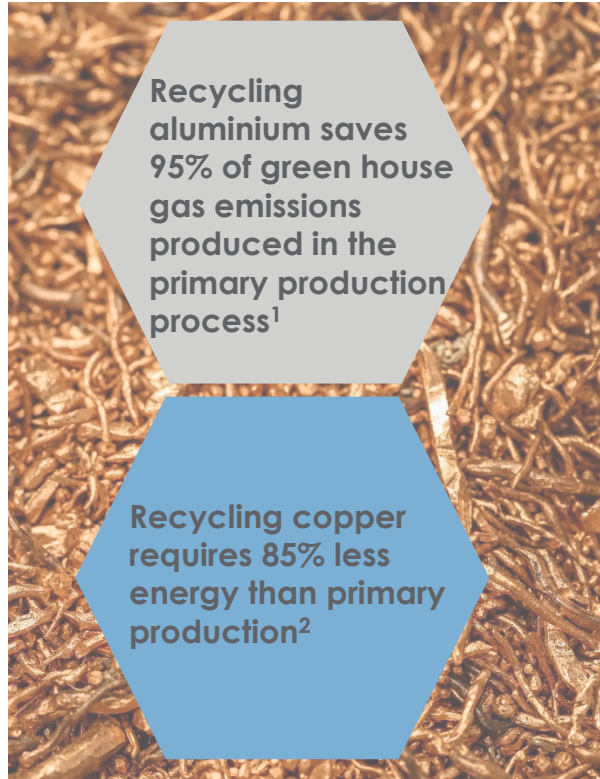
## Copper and Aluminium are Essential Metals for the Energy Transition

Power grids

EV charging

EV batteries

Wind

Solar

## Our Strategy

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

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

1 International Aluminium, *Aluminium Recycling Fact Sheet*, 2020
2 Copper Alliance, "*Recycling*"

# Our role in decarbonisation

*Through circularity, our adjacent businesses address environmental-related problems*

## Sims Lifecycle Services
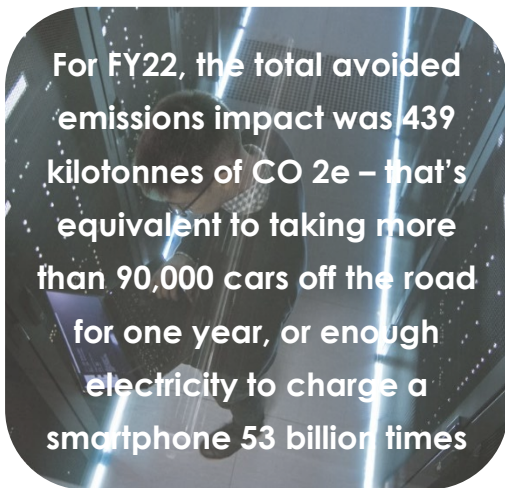
For FY22, the total avoided emissions impact was 439 kilotonnes of CO 2e – that's equivalent to taking more than 90,000 cars off the road for one year, or enough electricity to charge a smartphone 53 billion times

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

## Sims Resource Renewal

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

# Sustainability Strategy & FY22 Performance

# Our Sustainability Strategy

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

Our strategy comprises 9 ambitions or goals



PARTNER FOR CHANGE

CLOSE THE LOOP

OPERATE RESPONSIBLY

- Build trusted relationships with our communities

- Create new business models that further the circular economy

- Become carbon neutral by 2030 and achieve net zero by 2050

- Achieve no waste to landfill

- Close materials loops further by expanding capacity and services

- Foster a no-harm work environment
- Close gender gap
- Develop a skilled and engaged workforce
- Ensure transparency on how our business is conducted in an ethical manner

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CREATE A WORLD WITHOUT WASTE TO PRESERVE OUR PLANET

SIMS LIMITED

# 27 targets for Accountability and Transparency

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

## OPERATE RESPONSIBLY

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

## CLOSE THE LOOP

| # | Target | Status |
|---|--------|--------|
| 5 | **Achieve net zero by 2050** | |
| 5.1 | Reduce Scope 1 and 2 emissions by 23% by FY25 | In-progress |
| 5.2 | **UPDATED IN 2022 -** 100% renewable electricity by 2025 | In-progress |
| 5.3 | **UPDATED IN 2022 -** SLS carbon neutral by 2025 | In-progress |
| 5.4 | **UPDATED IN 2022 -** Sims carbon neutral by 2030 | In-progress |
| 6 | **Achieve no waste to landfill** | |
| 6.1 | Build resource renewal capacity to transform 120k tonnes of ASR per year into new products | In-progress |
| 7 | **Close materials loops further by expanding capacity and services** | |
| 7.1 | Close loops by expanding secondary metal volumes to 9,600k tonnes of Fe and 300,000 tonnes of Non-Ferrous | In-progress |
| 7.2 | Repurpose 8.5 million units | In-progress |
| 7.3 | Expand municipal recycling coverage by 50% | In-progress |
| 7.4 | Capture methane from landfills outside Australia and New Zealand (50 Megawatt) | In-progress |

## PARTNER FOR CHANGE

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

**Legend:** In-progress · Achieved

# Overview Sustainability Progress in FY22
## Early achievement of key targets

### Early achievement of key targets

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

### Important progress made

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



*Electric crane at Richmond, USA*

# Operate Responsibly

# Progress in FY22

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

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

# Develop a skilled and engaged workforce
## *Continued to develop future leaders through our internship programme*

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

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

Jack.H., Project Engineer

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

Lauren T. – ERP Cadet

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

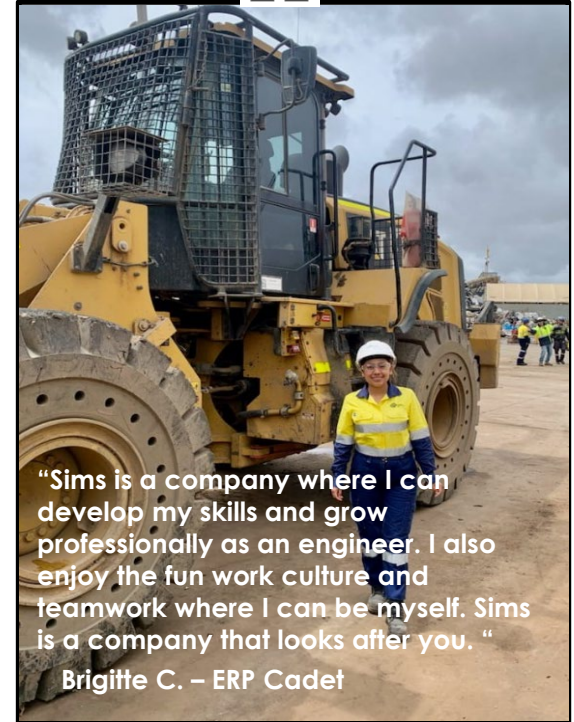Bella.P. – Graduate Engineer

"Recycling gives a purpose to my work"

Ben G.– Electrical Engineer



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

**Brigitte C. – ERP Cadet**

# Foster a safe working environment

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

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

**Functional alignment**
- Global EHS functional alignment achieved in order to deliver consistent solutions to the business and drive standardised EHS requirements implemented across all regions
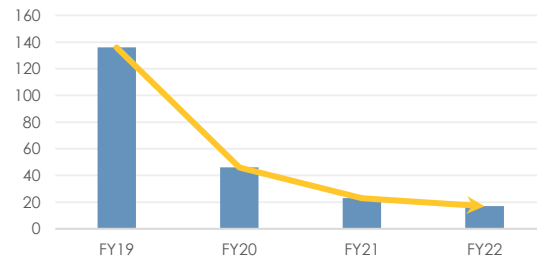
**Technologically enabled and data driven**
- Technology partnerships to access actionable data and modify work environment to ensure safe ergonomic processes
- Conducted trial of artificial intelligence solution for early detection/early warning of fires
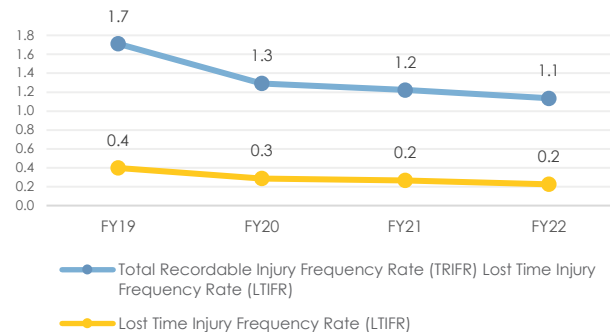
**Culture of Safety**
- Enhanced EHS global communications, transparency and common accountability through circulation of daily incident reports, incident learning, global Critical Risk Incident Review webinars and monthly EHS Focus critical control information

## CRITICAL RISK INCIDENTS



## INJURY RATES



- Total Recordable Injury Frequency Rate (TRIFR) Lost Time Injury Frequency Rate (LTIFR)
- Lost Time Injury Frequency Rate (LTIFR)

▼ **56%**
reduction in lost time injuries
FY19 vs FY22

▼ **49%**
reduction in recordable injuries
FY19 vs FY22

▼ **88%**
reduction in critical risk incidents
FY19 vs FY22

# Close the Loop

# Progress in FY22

*Accelerated our climate action with more challenging targets*

| | FY20 | FY21 | FY22 |
|---|---|---|---|
| **Become carbon neutral by 2030 and achieve net zero by 2050** | | | |
| **Short term**<br>Reduce Scope 1 and 2 emissions by 23% by FY25 (market based) | 147.9 kt $CO_2e$ | 135.2 kt $CO_2e$ | 116.6 kt $CO_2e$<br>**21% reduction** |
| **Short term**<br>100% Renewable Energy by 2025 | 0% | 19% | **37%** |
| **Short term**<br>SLS carbon neutral by 2025 | 7.1kt $CO_2e$ | 6.8kt $CO_2e$ | 6.9kt $Co_2e$<br>**2.5% reduction** |
| **Medium term**<br>Sims Limited carbon neutral by 2030 | 147.9 kt $CO_2e$ | 135.2 kt $CO_2e$ | 116.6 kt $CO_2e$<br>**21% reduction** |

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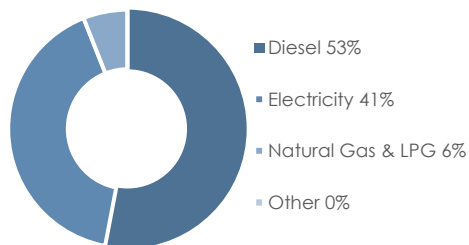- Our long-term target is to be net zero by 2050.

Note: FY22 market and location-based emissions data was independently assured. Refer to verification statement in our reports.
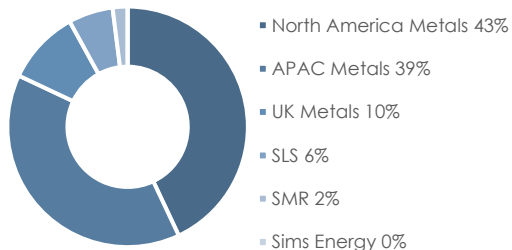
# Deep dive on our FY22 scope 1 & 2 emissions
## *Decreased overall footprint by 21% despite 12% increase in sales volumes*

- Main sources of our operational emissions in FY22 were electricity and diesel

- The primary lever was new 100% renewable electricity supply agreements
    - Sims Metal: New Jersey in the US and Kwinana in Australia;10 sites in New Zealand
    - SLS: 5 Circular Centres across Europe and Asia
    - This is in addition to 100% renewable electricity for all UK (from FY21)

- Progress on scope one emissions made primarily from diesel displacement (mobile plant)

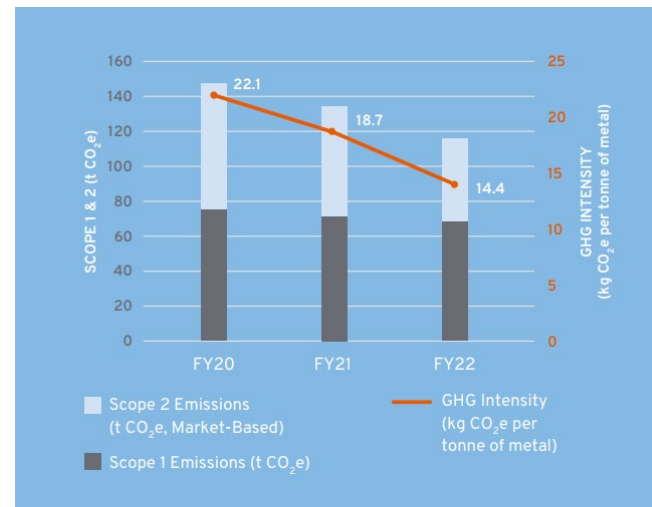## GHG INTENSITY



**FY22 EMISSIONS SOURCE**



- Diesel 53%
- Electricity 41%
- Natural Gas & LPG 6%
- Other 0%

**CO$_2$E CONTRIBUTION (MARKET-BASED)**



- North America Metals 43%
- APAC Metals 39%
- UK Metals 10%
- SLS 6%
- SMR 2%
- Sims Energy 0%
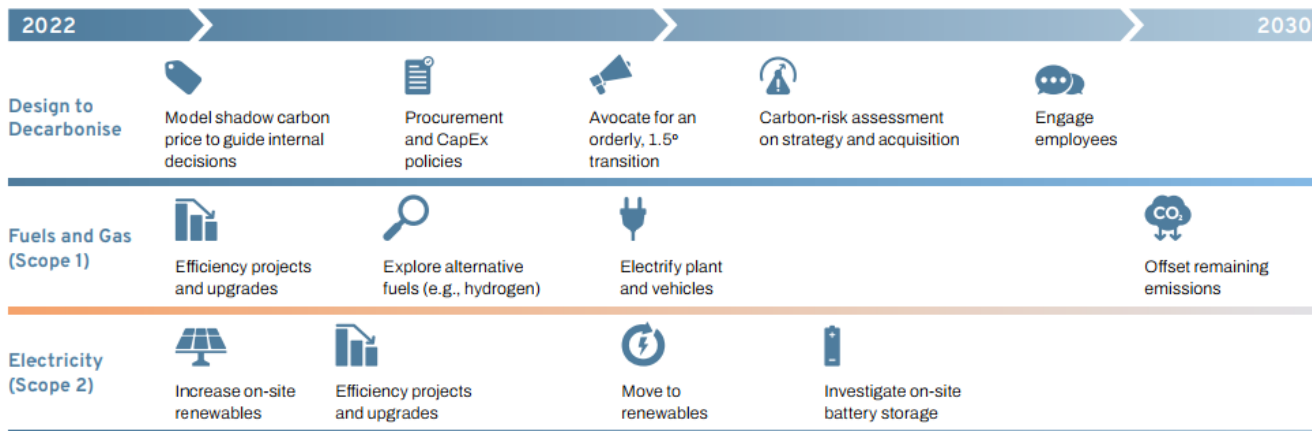
# Our Pathway to decarbonisation

*Renewables and displacing fossil fuels are our priorities*

PATHWAY TO NET ZERO

| | 2022 ➤ ➤ 2030 |
|---|---|
| **Design to Decarbonise** | Model shadow carbon price to guide internal decisions · Procurement and CapEx policies · Avocate for an orderly, 1.5° transition · Carbon-risk assessment on strategy and acquisition · Engage employees |
| **Fuels and Gas (Scope 1)** | Efficiency projects and upgrades · Explore alternative fuels (e.g., hydrogen) · Electrify plant and vehicles · Offset remaining emissions |
| **Electricity (Scope 2)** | Increase on-site renewables · Efficiency projects and upgrades · Move to renewables · Investigate on-site battery storage |

## Our position on offsets

Our priority is direct reductions of our operational emissions. However, there will be a role for offsets particularly for Scope 1 emissions where solutions may be limited. In our climate report, we have detailed our offset strategy, including:
• Apply robust standards for the quality of offsets, such as Verified Carbon Standard or Gold Standard
• Source offsets that deliver robust co-benefits for the environment and communities
• Disclose the amount of offsets we retire.
Sims did not retire any offsets in FY22.

**Short term - 2025**

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

**Medium term - 2030**

Achieve carbon neutrality in direct operations across the portfolio businesses

**Long term - 2040**

Achieve net-zero emissions in our direct operations
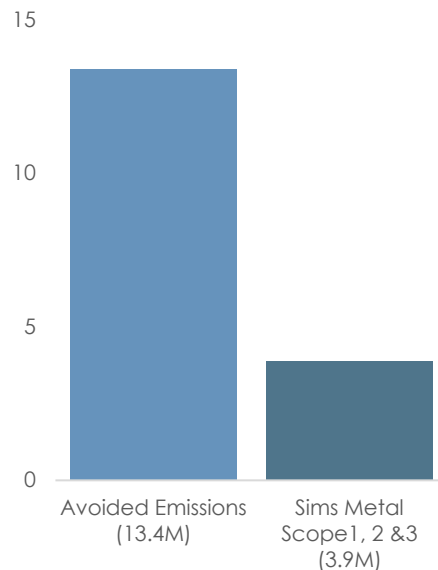
# Emissions in the value chain
## *New disclosure in FY22*

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

## Material Scope 3 Categories

| Scope 3 Category | | (t CO₂e) | % of Scope 3 |
|---|---|---|---|
| Category 1 | Purchased goods & services | 93,039 | 2% |
| Category 2 | Capital goods | 94,776 | 2% |
| Category 3 | Fuel-&-energy-related activities | 32,286 | 1% |
| Category 4 | Upstream transportation & distribution | 547,970 | 1% |
| Category 9 | Downstream transportation & distribution | 38,757 | 14% |
| Category 10 | Processing of sold products | 3,024,248 | 76% |
| Category 11 | Use of sold products | 47,304 | 1% |
| Category 15 | Joint ventures (equity share) | 52,828 | 1% |
| **Total\*** | | **3,931,208** | |

\* Due to rounding, may not equal 100%



1 proprietary and brokered volume.
Note: FY22 Scope 3 emissions data was independently assured. Refer to verification statement in our reports.

# Emissions in our value chain
## *Taking a further step on our journey to tackle carbon emissions*

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

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

- Steel Industry is unlikely to reach net zero by 2050[1]

- SBTi and the steel sector are working to develop science-based, target setting methodologies, tools and guidance for steel companies and stakeholders[2]

- The IMO has set goals to reduce average GHG emissions intensity across international shipping by at least 40% by 2030 and 70% by 2050[3]

**Our immediate plans**

- Engage with our Sims Metal customers to better understand their decarbonization strategy

- Investigate ways we can support transport decarbonization, particularly for owner-drivers in our supply chain

- Work with suppliers and customers in material categories to improve our data accuracy and collection

1 Institutional Investors Group on Climate Action (ILGCC), "Global Sector Strategies: Investor Interventions to Accelerate Net Zero Steel" (2021)
2 Science Based Targets, Sector Guidance, Steel
3 International Maritime Organization (IMO), "Our Work: Greenhouse Gas Emissions"

# Partner For Change

# Investing in our communities
## *In FY22 we continued to focus on positively impacting the communities where we operate*

SDGS IMPACTED THROUGH COMMUNITY ENGAGEMENT



Community impact[15] value in FY22:

# $605,000

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

## Examples of our positive impacts

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

# Sustainability

## *Strengthened sustainability credentials*

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

Ranked #6 in Sustainability Magazine Top 100 companies in sustainability [1]

Terra Carta Seal for creation of sustainable markets [1]

Received maximum AAA rating

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

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

## Who we work with

# Looking ahead
## *Responding to material topics and emerging themes*

**Operate responsibly**

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

**Close the Loop**

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

**Partner for change**

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

# Questions & Answers