



# 2023 Industry Association and Lobbying Climate Review

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Next Review: 2024

## Policy Summary

This document outlines Sims Limited's approach to conducting a review of industry associations to establish alignment with Sims Limited Energy & Climate Policy.

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## Lobbying Framework

As a global business, operating in the circular economy, engaging with governments is a fundamental part of our day-to-day business, as well as an important element of how we deliver our sustainability goal – Partner for Change.

Sims Limited conducts lobbying directly (including via use of contracted government relations firms / lobbyists) and indirectly through industry associations. This includes meetings with and provision of feedback to government representatives (elected officials as well as departments / authorities), submissions to public consultations, and participation in industry associations and other groups.

Because of the nature of the Sims Limited business and our role as a key enabler of the circular economy, much of the government engagement we undertake is related to climate and occurs in alignment with the [Sims Limited Energy and Climate policy](#). We also conduct direct and indirect lobbying on other issues linked to the operations of our divisions – including the classification of facilities and products, product stewardship schemes, waste levies on automotive shredder residue, and other topics.

## Function and Purpose of Industry Association Review

Industry associations can be an effective way to advocate for a common view on important policy matters. Sims Limited is a member of many industry associations, predominately in the circular economy and waste sector, although each with different mandates. Sims Limited engages in industry associations to:

- Understand the views of industry and community participants and share our own views on policy, industry and community matters.
- Advocate with a collective voice on matters that are important to the industry.
- Access knowledge, insights and best practice that advance Sims Limited's strategy and the achievement of our purpose, to create a world without waste to preserve our planet.
- Access learning and professional development opportunities for our people.

Sims Limited has set ambitious climate targets, a comprehensive sustainability strategy, and clear commitments on climate that are expressed in our Energy & Climate Policy. Sims Limited recognizes that climate change is a shared global challenge, and we expect that our positions are reflected by our associations.

Sims Limited first conducted this assessment in 2022. Since that time, Sims Limited became a signatory to the [Action Declaration on Climate Policy Engagement](#). Signatories commit to ensuring their climate policy engagement, and that of their industry associations, helps to advance Paris-aligned climate action.

Sims Limited seeks to operate with the highest standards of ethics and transparency. Reporting on our industry associations is consistent with this approach and commitments.

## Membership Governance

Oversight and governance of memberships is embedded in our management processes. This includes joining and renewing of associations in consideration with:

- Alignment with Sims Limited's Purpose, values, strategy and policies.
- The expectation of our shareholders and stakeholders.
- The overall costs and benefits of the membership.

In our 2022 Sustainability Materiality review, action on climate change was identified as a priority issue. When we monitor our memberships, we also consider how they influence other material issues including health and safety performance, environmental compliance, community impact, and innovation and technology in the circular economy.

When engaging with an industry association, Sims Limited personnel must conduct themselves in accordance with our [Code of Conduct](#), including declaring any potential conflicts of interest, and in observance of local laws and regulation.

This report has been endorsed by the Safety, Health, Environment, Community and Sustainability (SHECS) Committee of the Sims Limited Board.

## Review methodology

The scope of this review is Sims Limited and its operated businesses. SA Recycling is a non-operated joint venture business. SA Recycling's largest industry association membership is to Institute of Scrap Recycling Industries (ISRI), which is also within the scope of this report.

### Selecting in-scope associations

Sims Limited is a member of many industry associations, each with different mandates. Where one or more of the below criteria were true, they were deemed to be in scope of the review exercise. The industry association:

1. Engages in or contributes to the climate change discussion.
2. Undertakes lobbying or direct climate advocacy of government or organisations.
3. Has a public position on climate change OR could reasonably be expected to have one, given its scope of work.
4. Sims Limited has a position on the Board or climate or environment-related committee of the industry association.

Membership fees payable to industry associations are commonly based on a sliding scale according to revenue or may be a fixed fee. Non-operated joint venture businesses pay their own membership fees.

### Methodology for assessing alignment

The assessment was carried out by the Sustainability team with input and review from Ethics & Compliance, Risk Management, and Government, Stakeholder & Community. The review considered statements published up until 30 June 2023 including formal climate change and energy policy positions, government submissions, media and social media commentary.

Sims Limited does not require a formal position on climate change as a minimum criterion for its entry into an industry association.

Based on our climate commitments and targets, the following criteria for assessing alignment were used:

1. Support the Paris Agreement, including:
  - a. Commitment to hold climate change to well below 2° above pre-industrial levels
  - b. Policies that support the transition to a net zero society
2. Does not contravene Sims Limited's positions of:
  - a. Recognition of the circular economy as an enabler of net zero
  - b. Procuring 100% of electricity from renewable sources by 2025
  - c. Use of carbon offsets to address long-term residual emissions and assist with the achievement of Sims Limited's medium-term (2030) carbon neutrality goal
  - d. Use of technologies and pathways such as electrification of heavy vehicles and mobile plant, fuel substitution and energy efficiency.

### Potential assessment outcomes

In the instance of misalignment, Sims Limited preference is to remain in the association and use its influence to see change from within. However, if Sims Limited believes some positions are directly contrary to its purpose, Sims Limited will exit the association. Sims Limited will exit any association that promotes climate change denial, anti-climate action messages or lobbies against the goals of the Paris Agreement.

Assessment	Description	Potential Sims Limited Actions
Assessment	Association is fully or broadly consistent with Sims Limited's position.	Continued engagement
Misaligned	Association is materially different or in direct opposition to Sims Limited position	Engagement – change or improve position Exit association
Neutral	Association has no position on relevant issue.	Continued engagement Encourage to develop position, if relevant

## Review Outcomes

Sims Limited did not identify any instances of material misalignment. Because Sims Limited industry associations generally are in the circular economy sector, and the links between circular economy and climate action are clear, this was not considered an unanticipated result.

It is Sims Limited's intent to conduct this review every year.

### **Sims Limited largest industry associations by membership fee**

Sims Limited discloses detailed positions for membership associations where the total fee is more than AU\$20,000. The total value of these memberships is less than AU\$0.6M.

## Industry Association Policy Review

Assessment	Association	Jurisdiction	Purpose	Relevant Position and Statements During FY23
Aligned	World Business Council for Sustainable Development	International	WBCSD is a global, CEO-led community of about 200 leading companies working collectively to deliver sustainable outcomes in society. It works to achieve the SDGs through the transformation of economic systems.	<a href="#">WBCSD Membership Criteria</a> , as revised in 2020, requires members to set an ambition to reach net zero greenhouse gas (GHG) emissions, no later than 2050 and have a science-informed plan to achieve it.
Aligned	Institute of Scrap Recycling Industries (ISRI)	USA	ISRI is the trade association of the recycling industry in the USA, promoting safe, economically sustainable and environmentally responsible recycling through networking, advocacy, and education.  A Sims Limited employee is a member of the ISRI Executive Committee. A Sims Metal employee is President of an ISRI local chapter.  SA Recycling, which is 50% owned by Sims Limited, has representation on the ISRI Board. SA Recycling membership dues are separate from Sims Limited dues.	ISRI highlighted the contribution of the recycling industry in reducing emissions as part of their general recycling industry advocacy, noting that "compared to processing and transportation needed for mining, drilling, harvesting, or other methods of extracting natural resources for manufacturing, the use of recycled materials typically produces fewer greenhouse gas emissions."  In 2022 ISRI commissioned a report "Global Trends & Implications for Recyclers". The report noted the continuing relevance of metal recycling as an enabler of decarbonization. Sims Limited provided feedback to ISRI on statements made in the report regarding vehicle electrification.
Aligned	Australian Industry Group (AiGroup)	Australia	Ai Group (AIG) ensures the views of member business are represented to all levels of government.  Sims Limited participates in the Climate & Energy Leaders and Product Stewardship clusters.  A Sims Limited employee is on the AiGroup National Advisory Council.	As a member of the Australian Climate Roundtable, AIG supported passage of the Climate Change Bill 2022 and the Climate Change (Consequential Amendments) Bill 2022. These bills prescribe a national target of reducing emissions by at least 43% from 2005 levels by 2030 (s10(1a)); set a goal of net zero emissions by 2050 (s10(1b)); and outline processes for advice and decision on further targets that draw on the goals and requirements of the Paris Agreement.  AIG made a submission on the safeguard mechanism, which is the Australian government's policy for reducing emissions in Australia's largest industrial facilities (Sims Limited is not in scope of this legislation). AIG supported the reform of the mechanism to implement Paris-Aligned emissions caps for covered facilities with some concerns. We note AIG did not support flat bans on new coal or gas projects, but acknowledged they will play a shrinking role and that Australia should continue its transition to renewables.  AIG's submission on the proposed Fuel Efficiency Standard (FES) was supportive of the guiding principles in the discussion paper and further suggested including a clear statement on the relationship between the FES and the national net zero targets.
Aligned	Australian Council of Recyclers (ACOR)	Australia	ACOR is the leading national industry association for the recycling and resource recovery sector in Australia. They are a non-profit volunteer organisation.  A Sims Metal employee is a Director of ACOR.	During FY23 ACOR published a report on the economic value of recycling in Australia, which noted recycling and reuse as critical levers for achieving Paris-aligned climate action.
Aligned	Manufacturing Australia <i>New in FY23</i>	Australia	Manufacturing Australia (MA) is a CEO-led coalition of Australia's largest manufacturers. MA proposes and supports policy measures to ensure Australian manufacturing remains internationally competitive.	During the period MA made a submission on safeguard mechanism revision. MA supported the passage of the bill, and advocated for tailored treatment for emissions intensive, trade exposed (EITE) industries to protect against competitive disadvantage. MA also called for measures to prevent carbon leakage from EITE industries. MA noted the importance of increased recycling and reuse as an emissions reduction opportunity in their submission.
Neutral	Reverse Logistics Association (RLA)	International	RLA is a member-driven, global trade association for the returns and reverse industry.  A Sims Lifecycle Services employee is on the RLA Advisory Board.	No evidence was found of a formal climate position or lobbying activity.

## Related Documents

1. Sims Limited Code of Conduct
2. Energy & Climate Policy

## Version History

VERSION	ISSUING FUNCTION	APPROVING BODY	DATE	REVIEWED/ REVISED	SUMMARY OF CHANGES
1.0	Sustainability	Risk and Compliance	September 2022		First publication
2.0	Sustainability	CRSO	September 2023	Revised	Annual review



