Sustainability Report 2015

SIMS METAL MANAGEMENT LIMITED
The Leader in Metals and Electronics Recycling

Streamline  Optimise  Grow
The following report summarises the corporate responsibility activities of Sims Metal Management Limited (the Company) during fiscal year 2015 (FY15). This report is a companion document to the Company’s 2015 Annual Report. In this document the Company elaborates on the sustainability and corporate responsibility activities that drive its daily operations.

ABOUT SIMS METAL MANAGEMENT

Sims Metal Management is one of the world’s largest metal recyclers with over 200 facilities, operations in 20 countries, and 5,400 employees globally. It is also one of the longest-established metal recyclers, having first commenced operations in 1917. The principal activities of the Company are the buying, processing and selling of ferrous and non-ferrous recycled metals; and the provision of environmentally responsible solutions for the disposal of post-consumer electronic products, including IT assets recycled for commercial customers. The Company offers fee-for-service business opportunities in the environmentally responsible recycling of negative value materials including refrigerators, electrical and electronic equipment.

Sims Metal Management’s core business is recycling; thus, sustainability is at the core of its business strategy.
Safety, Health, Environment, Community and Sustainability (SHECS) is at the core of who we are and what we do... By doing these things well, we will earn the respect and trust of our stakeholders and create sustained growth and profitability. We have an important role to play in an increasingly resource-constrained world, since our core business is to convert waste from our suppliers into materials used in tomorrow's products.

SUSTAINABILITY METRICS

<table>
<thead>
<tr>
<th>Key Parameter</th>
<th>Metric</th>
<th>Region</th>
<th>FY15</th>
<th>FY14</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Use</td>
<td>GJ</td>
<td>North America</td>
<td>1,326,067</td>
<td>1,453,531</td>
<td>(9)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Europe</td>
<td>416,619</td>
<td>439,702</td>
<td>(5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Asia Pacific</td>
<td>598,611</td>
<td>594,666</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group Total</td>
<td>2,341,297</td>
<td>2,487,899</td>
<td>(6)</td>
</tr>
<tr>
<td>C02 Emissions</td>
<td>tCO2e</td>
<td>North America</td>
<td>119,306</td>
<td>129,310</td>
<td>(8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Europe</td>
<td>37,270</td>
<td>40,595</td>
<td>(8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Asia Pacific</td>
<td>69,472</td>
<td>73,116</td>
<td>(5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group Total</td>
<td>226,048</td>
<td>243,021</td>
<td>(7)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scope 1</td>
<td>105,213</td>
<td>106,935</td>
<td>(2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scope 2</td>
<td>120,835</td>
<td>136,086</td>
<td>(11)</td>
</tr>
<tr>
<td>Water Consumption</td>
<td>Mega Litres</td>
<td>North America</td>
<td>357</td>
<td>401</td>
<td>(11)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Europe</td>
<td>192</td>
<td>238</td>
<td>(20)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Asia Pacific</td>
<td>70</td>
<td>94</td>
<td>(26)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group Total</td>
<td>619</td>
<td>733</td>
<td>(16)</td>
</tr>
<tr>
<td>Waste Generation</td>
<td>Tonnes</td>
<td>North America</td>
<td>774,314</td>
<td>746,587</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Europe</td>
<td>286,541</td>
<td>373,905</td>
<td>(23)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Asia Pacific</td>
<td>282,236</td>
<td>285,196</td>
<td>(1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group Total</td>
<td>1,343,091</td>
<td>1,405,688</td>
<td>(4)</td>
</tr>
<tr>
<td>Key OH&amp;S Indicators</td>
<td>(incidents x 1,000,000 / exposed hours)</td>
<td>Group LTIFR</td>
<td>1.9</td>
<td>2.7</td>
<td>(30)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group MTIFR</td>
<td>9.3</td>
<td>11.0</td>
<td>(15)</td>
</tr>
<tr>
<td>Number of Employees</td>
<td></td>
<td>Male</td>
<td>4,413</td>
<td>4,903</td>
<td>(10)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>1,016</td>
<td>1,108</td>
<td>(8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group Total</td>
<td>5,429</td>
<td>6,011</td>
<td>(10)</td>
</tr>
<tr>
<td>Training</td>
<td>Total Hours</td>
<td>Group (Corporate)</td>
<td>150,512</td>
<td>150,850</td>
<td>–</td>
</tr>
</tbody>
</table>
150,000+ More than 150,000 man hours of training delivered during FY15 was safety related.

TOP 120 Listed in NYSE/Euronext Index & Vigeo as a top 120 global firm for corporate responsibility for the 3rd year in a row.

INDUSTRY LEADERS The Company’s expertise on recycling and resource efficiency is keenly sought by governments, industry, educational facilities and environmental advocacy groups.
The Company’s commitment to sustainability starts at the top. During FY15 the Group CEO and Board of Directors took the unique and powerful step to personally sign a Board of Directors’ Commitment to Safety, Health, Environment, Community and Sustainability (SHECS). This commitment states, in part, that:

“Safety, Health, Environment, Community and Sustainability (SHECS) is at the core of who we are and what we do. . . By doing these things well, we will earn the respect and trust of our stakeholders and create sustained growth and profitability. We have an important role to play in an increasingly resource-constrained world, since our core business is to convert waste from our suppliers into materials used in tomorrow’s products.”

Below are excerpts from letters in the Company’s 2015 Annual Report from the Company’s Chairman and Group CEO.

Sims Metal Management understands, and strongly supports measures to address, the social and environmental issues it faces, both locally and globally. In FY15, the Board signed a letter of commitment to provide unconditional support to management to develop a world class platform for Safety, Health, Environment, Community and Sustainability (SHECS). We believe that excellence in these areas is vital to the wellbeing of our people and essential to the sustainable growth of our global business.”

“As directors, we are committed to being respected and responsible corporate citizens, working constructively with our communities and other stakeholders in the honest and ethical conduct of our business. Through our personal actions and leadership, Sims Metal Management is dedicated to being a company in which our employees are proud to work and shareholders can be proud to invest, as we create sustained growth and profitability.

Geoff Brunsdon
Chairman
CULTURE AND CORE VALUES

The true driver of the success of the Company’s five-year strategic plan lies in the renewed culture that the Company is creating, built around its core values of Safety, Integrity, Respect, Transparency, Excellence, and Social Responsibility. The Company’s culture and core values are what bind its employees together, across regions and responsibilities, and helps drive the Company toward the ambitious goals of its five-year plan. These core values determine who the Company is and are the foundation of everything the Company does; they set the standard for the way the Company interacts with its employees, customers, communities and all stakeholders.

Safety

is the Company’s foundation and without it there can be no success. The Company’s goal is to be the safest company in the world. Safety is thought about in every action that is taken. All the Company’s employees know it is their duty to their co-workers, visitors and families to be safe and, together, the Company and its employees are committed to providing a zero-harm workplace. During FY15, the Group CEO and members of his Executive Leadership Team conducted Town Hall meetings to communicate directly to the Company’s employees the importance of the Company’s culture and core values, and to drive home the message of “Safety First.” The Company is proud of its safety results in FY15 with the Group LTIFR down 30% from FY14, however there is more to do and the Company will continue to strive for further improvement in the year ahead.

Integrity and Respect

At Sims Metal Management there is a commitment to act with integrity in everything that the Company does. The Company believes that it is important that every employee is able to go home every day and be proud of his or her actions. The Company is also committed to having its employees respect each other and a diverse workforce, including the respect for differing opinions.

Transparency and Excellence

Employees throughout the organisation have championed a culture of transparency and excellence that openly shares information and drives best practices across the Company’s businesses. This has enabled the Company to accelerate the sharing of best practices and leverage some of the Company’s best talent and ideas across the Group. In FY15, the Company’s Project Management Office coordinated more than four hundred individual new improvement initiatives in every area of the Company’s operations.

Social Responsibility

The Company’s commitment to social responsibility and sustainability starts at the top, as evidenced by the Board’s signing of the Board of Directors’ Commitment to SHECS. It is excellence on these foundations that is critical to the welfare of the Company’s people and essential to the long-term growth of the Company’s business.

Galdino Claro
Group CEO and Managing Director
The Board of Directors of Sims Metal Management has a special obligation to provide unconditional support to management to develop a world class Safety, Health, Environment, Community and Sustainability organization (SHECS). We believe excellence in SHECS practices is vital to the wellbeing of our people and essential to the sustainable growth of our global business.

At Sims Metal Management, SHECS is at the core of who we are and what we do. We aim to be the world’s safest and most responsible recycling company by striving to create a zero harm workplace for our employees; being an exemplary member of the communities in which we operate; and being responsible stewards of the environment. By doing these things well, we will earn the respect and trust of our stakeholders and create sustained growth and profitability. We have an important role to play in an increasingly resource-constrained world, since our core business is to convert waste from our suppliers into materials used in tomorrow’s products. As Directors, we can actively learn what success means in the emerging “circular economy” and engage with sustainability leaders in peer companies and non-governmental organizations.

As members of the Sims Metal Management Board of Directors we are committed to demonstrating safe and healthy behaviours and being good stewards of the environment. We aim to lead by example – together with management and employees of Sims Metal Management, in helping create the world’s safest and most admired recycling company. We believe all injuries and incidents are preventable; we are committed to a goal of zero. We aim to demonstrate this personally at home and at work by eliminating at-risk behaviour. In our daily activities, we will embrace “think safe; work safe; home safe.”

As Directors, we are committed to being a respected, responsible corporate citizen, working constructively with our communities and other stakeholders and engaging in the honest and ethical conduct of our business. We support volunteerism and provide opportunities for employee involvement both at work and in the community. We openly communicate our stewardship performance, and we encourage partnerships with local organizations, academia, government and other interested stakeholders.

Through our personal actions and leadership, we will guide Sims Metal Management to be a company in which employees are proud to work and shareholders can be proud to invest, as we create sustained growth and profitability.
Commitment to SHECS

During FY15, the Company developed a new corporate policy, integrating and strengthening a group of separate energy, environmental, health and safety, and community policies that have been in place for many years.

This policy represents the commitment to SHECS by the Group CEO and the Company’s Executive Leadership Team.

SAFETY, HEALTH, ENVIRONMENT, COMMUNITY & SUSTAINABILITY: OUR COMMITMENT

At Sims Metal Management, sustainability is at the core of who we are and what we do. We aim to be the world’s safest and most responsible recycling company by striving to create a zero harm workplace for our employees, being an exemplary member of the communities in which we operate, and being responsible stewards of the environment. We believe excellence in Safety, Health, Environment, Community and Sustainability (SHECS) practices is vital to the wellbeing of our people and essential to all aspects of our global business. By doing these things well, we will earn the respect and trust of our stakeholders and create sustained growth and profitability in an increasingly resource-constrained world.

Our Principles:

Strive for Zero Injuries and Incidents
Sims Metal Management believes that all injuries and incidents are preventable. We are committed to a goal of zero injuries. We continuously strive to eliminate injuries and illnesses in the workplace and promote the wellness of our employees, customers, contractors, families and suppliers. We aim to eliminate at-risk behavior through demonstrated leadership and training. In our daily activities, we will embrace “think safe; work safe; home safe.”

Demonstrate Environmental Stewardship
Our core business of recycling expresses our inherent commitment to the environment. We are committed to conducting our business in a manner that continually reduces the impact of our operations, protects the environment, and supports the ecologically sound and sustainable use of resources. We will strive to minimize our carbon emissions through the efficient use of energy, the use of renewable and cleaner forms of energy, where practicable and economically viable. We strive to minimize our waste generation at the source and apply waste minimization strategies to eliminate, reuse and recycle our wastes whenever possible.

Partner with Communities and Stakeholders
We are committed to being a respected, responsible corporate citizen, working constructively with our communities and other stakeholders and engaging in the honest and ethical conduct of our business. We support volunteerism and provide opportunities for employee involvement both at work and in the community. We openly communicate our stewardship performance, and we encourage partnerships with local organizations, academia, government and other interested stakeholders.

Integrate into our Business Systems
We aim to fully integrate our sustainability principles into our core business systems. We operate our facilities and engineer our processes, products and services to maximize efficiency and reduce safety and environmental risks. Key foundations include a robust, risk-based management system; management of change; and continual learning. We strive to work with our contractors and suppliers to enhance their environmental and safety performance. We will be prepared for and maintain the capability of responding to emergencies.

Demonstrate Leadership and Accountability
Our leaders share ownership of, and accountability for, our safety, health, environmental and community programs. We will drive continuous improvement daily in pursuit of these goals and commitments. We will report pertinent safety, health, environmental and community issues to our Board of Directors, and will ensure that action plans are in place to achieve this commitment. We will measure and regularly report to the public our global progress in meeting the objectives of this policy. Conforming to this policy is the responsibility of every employee and contractor acting on our behalf.

We embrace this policy because it is the right thing to do, it makes Sims Metal Management a company in which shareholders can be proud to invest, it allows us to meet our customers’ needs and expectations, and it helps drive our competitiveness. This policy is what we stand for at Sims Metal Management.

Galdino Claro
Group CEO and Managing Director
At Sims Metal Management, we recognize that the safety of our employees, suppliers, contractors and visitors comes before all other considerations and we aim for a “zero harm” workplace.

- **Safe Place and System of Work:** All injuries, illnesses and operational exposures associated with the workplace are preventable and can be safeguarded against. We will maintain sound general working conditions at all times through the provision of adequate healthy and safe facilities and will provide appropriate support, including the use of external consultants as required, to ensure that the best safety and health practices exist in all our operations.

- **Continuous Improvement:** We will seek continuous improvement in all safety and health aspects of our operations and will seek to eliminate the risk of injury through the integration of safety and health evaluations for all operational activities, supported by appropriate risk management principles and tools.

- **Consultation:** Our managers will regularly consult with employees and nominated or elected safety representatives or SHECS committee members on safety and health matters.

The Company is committed to reducing its energy consumption by, and the associated carbon profile of, its day-to-day operations through:

- **Energy Efficiency:** Employing production processes and transport activities that facilitate a commercially viable level of energy efficiency and associated carbon emissions profile;

- **Energy Sources:** Reducing the use of non-renewable energy sources when commercially viable; and

- **Carbon Profile:** Increasing the use of energy sources with a lower carbon emissions profile when commercially viable.
**BIODIVERSITY**

The Company recognizes the importance of preservation of habitats and ecosystems to ensure biological diversity for future generations. We will strive to manage all our sites, operations and activities so as to:

- Ensure compliance with all biodiversity protection licensing conditions and regulations;
- Ensure the effective management and discharge of surface water to reduce impact on local ecosystems;
- Ensure that new facilities are planned, assessed and operated so that they meet the applicable governmental biodiversity requirements;
- Evaluate and report on biodiversity where applicable and relevant;
- Incorporate biodiversity into all relevant business decision making, including acquisition activities;
- Ensure that no operational activities are commenced without due consideration of their potential impact on biodiversity and appropriate mitigation measures employed; and
- Respect regional conservation strategies and work with local authorities regarding the protection of local areas wherever applicable.

**COMMUNITY**

The Company is committed to being a respected, responsible corporate citizen by working constructively with its communities and other stakeholders in engaging in the honest and ethical conduct of its business.

- **Human Rights:** We commit within our sphere of influence to respect, promote and uphold fundamental human rights in our global business, especially with regard to our employees, joint ventures, suppliers, contractors, and the communities in which we operate. These rights are set out in the UN Declaration of Human Rights and further define for businesses in the OECD Guidelines for Multi-National Enterprises.
- **Stakeholder Engagement and Product Awareness:** We will engage regularly, openly and honestly with people affected by our operations, taking their views and concerns into account in decision making, including those stakeholders involved through the lifecycle of our products, to promote the responsible use and management of our products.

**DIVERSITY**

Sims Metal Management is committed to upholding ethical business practices and in conformity with the legal requirements and accepted local convention in the countries in which it operates. We will encourage a diverse workplace where employees, suppliers, contractors and all other visitors are treated fairly, with courtesy and respect and can realize their full potential. We will encourage open and proactive communication with our employees, joint ventures, suppliers, contractors, and the communities in which we operate.

Clean-up campaigns reaching all corners of the globe.

Responsible recycling of electronic equipment.
**Energy, Fuel and Electricity**

Energy use fell across the Group to 2,341,297 GJ, down 6% from FY14, primarily a result of lower production, as well as continued focus on operational efficiency and a range of initiatives. The overall reduction was mirrored in most regions, apart from Asia Pacific which saw a 1% increase – the result of the unique customer requirements and operating circumstances, including maintaining a significant collection network over large distances. Diesel usage constituted the major energy component at 58%, followed by electricity at 34%, gas at 6%, with smaller contributions from LPG and petrol.

All regions continued their historical focus on energy reduction measures and initiatives, including:

**North America:** The newly installed solar arrays at the Brooklyn and Claremont facilities complemented by the new wind turbine at Brooklyn generated close to 6,300 GJ of green energy and saved more than 650 tonnes of CO₂ being emitted. At the Sims Recycling Solutions (SRS) West Chicago facility, energy efficient lighting was introduced, with an estimated annual saving of more than 147,000 Kwh, while at Roseville, motion light sensors were installed in all rooms.

**Europe:** With the Group’s UK operations captured under the Carbon Reduction Commitment (CRC) and, now also, the Energy Savings Opportunity Scheme (ESOS), which requires energy audits by accredited lead assessors, work continued on identifying opportunities for efficient and sustainable reductions in energy consumption. While implementation of the audit findings is not mandatory, audit recommendations will be reviewed with the objective to implement further effective energy savings. SRS Bergkamen, Germany achieved ISO 50001 Energy Management accreditation as a result of integrating energy management into its overall business systems, with a detailed energy policy and reduction plan for each individual stage of the production cycle, combined with monthly monitoring of progress.

**Australia:** The Group’s Australian operations remained focused on reducing energy consumption, particularly in relation to electricity consumption in their five shredders, and reducing the amount of fuel required to maintain their extensive customer service and collection network covering all regions in Australia. With a progressive program of replacing most electrical motors with intelligent drive systems, and with the new West Australian shredder facility coming on stream, good progress has been made. Fuel efficient driver training, GPS route optimization and idling reduction systems in all fleet vehicles also continued to improve fuel consumption.

**Carbon Emissions Profile**

The operational activities of the Company inevitably result in carbon emissions either directly from fuel consumed by our trucks, mobile plant etc. (Scope 1) or indirectly from externally provided electricity (Scope 2). The Company’s approach to managing energy and the associated carbon emissions is detailed in its Corporate Environmental and Energy Policies (available on the Company’s website), executed and monitored by the Company’s dedicated energy managers who work directly with local management on strategic issues and with operators at all levels for hands-on implementation.

The Company continued its long history of detailed and public reporting of its carbon emissions, both directly with its shareholders, customers, Governments, NGO’s and others, and indirectly, via its active engagement with the Carbon Disclosure Project (CDP Investor), the Dow Jones Sustainability Index, TruCost, Euronext-Vigeo and the many others indices and analysts who take an interest in the strong sustainability credentials of the Company.

The Group CO₂ emissions for FY15 were 226,048 tonnes, an overall reduction of 7% compared to FY14, and largely a result of the decreased tonnage handled by the Group. Scope 1 and Scope 2 reductions were 2% and 11% respectively, illustrating that, in a reduced market, there is a relatively high energy spend associated with servicing that market (fuel) as opposed to processing the collected tonnes (electricity).

Due to the regional factors affecting energy to carbon conversion under the international Greenhouse Gas Protocol (GGP), the carbon profile is different to that of energy, with electricity accounting for 53.5% of emissions, followed by diesel at 41.6%, gas at 3.6%, LPG at 0.9% and petrol at 0.4%.

The Group’s global sales tonnes in FY15 saved 42.6 million GJ and prevented 11.3 million tonnes of CO₂e being emitted in comparison with the use of primary materials. That is 50 tonnes of CO₂ saved for every tonne emitted by the Group’s operational activities.

While carbon emissions remain an issue of some debate in Australia, current policy direction is unlikely to affect the Company; nor should it in either the USA or Continental Europe, at least in the near term. The Company is subject to the CRC Energy Efficiency Scheme in the UK, where the Government currently requires allowances to be purchased at a cost £16.40/tonne to offset CO₂ emitted. The price for 2015/16 will increase to £16.90, but offsets may be acquired at lesser prices in advance forecast sales. The intended policy goal is to move to a free market trading scheme after that, at which point the Company may need to engage in carbon off-set trading.
GROUP ENERGY USE
BY TYPE (GJ)

- Diesel (1,351,804) 57.7%
- Electricity (791,409) 33.8%
- Gas (146,249) 6.3%
- LPG (37,006) 1.6%
- Petrol (14,828) 0.6%
- Diesel (1,351,804) 57.7%
- Electricity (791,409) 33.8%
- Gas (146,249) 6.3%
- LPG (37,006) 1.6%
- Petrol (14,828) 0.6%

GROUP CO2 EMISSIONS PROFILE
BY ENERGY TYPE
(TONNES CO2e)

- Diesel (93,950) 41.6%
- Electricity (120,835) 53.5%
- Gas (8,069) 3.6%
- LPG (2,172) 0.9%
- Petrol (1,022) 0.4%

Brooklyn, NY wind turbine and solar arrays aerial view.

Brooklyn, NY wind turbine.
GREEN ENERGY
LMS Energy Pty Ltd (LMS), the renewable energy company of which Sims Metal Management owns 50%, has a total of 24 renewable power generation projects operating nationally, comprising of a total installed capacity of approximately 54 megawatts. More than 374,000 megawatt hours of renewable energy was generated in FY15, resulting in the creation of over 374,000 Large-scale Generation Certificates (LGCs).

Legislation to revise the Renewable Energy Target (RET) was passed in Federal Parliament in June 2015, leading to a revised target of 33,000 Gigawatt hours by 2020. This target will double the amount of renewable energy currently being produced in Australia, and will require over 5,000 megawatts of new renewable energy projects by 2020, necessitating a very significant growth in the renewables sector.

With the Australian Government’s introduction during FY15 of the Emission Reduction Fund (ERF), a voluntary scheme that aims to provide incentives for a range of organisations and individuals to adopt new practices and technologies to reduce their emissions, LMS now has a total of 39 carbon abatement projects accredited under the ERF. Eligible activities under the ERF allow participants to earn Australian carbon credit units (ACCUs), with one ACCU earned for each tonne of carbon dioxide equivalent (tCO2-e) stored or avoided by a project. LMS participated in the first ERF auction held in April 2015 and was successful in securing contracts for multiple projects. LMS now has the majority of ACCUs sold pursuant to seven year contracts to the Australian Government. In FY15 alone, LMS’ activities abated an estimated 2.4 million tonnes (CO2-e) of carbon.

The Company installed a 100kW wind turbine at Brooklyn, NY which began generating green energy in December, 2014. It is expected to generate up to 4% of the municipal recycling facility’s energy. The newly installed solar arrays at the Company’s Brooklyn and Claremont facilities, complemented by the new wind turbine, generated close to 6,300GJ of green energy in FY15, and saved more than 650 tonnes of CO2 being emitted.

WATER USE
The Company is a relatively small consumer of water as many of its facilities are basic collection facilities where water is only used for human consumption and ablution. In the facilities where water is used for operational purposes, it is recycled extensively and used alongside harvested rainfall and grey water where possible within the yard boundaries. Global consumption was 618.5ML, a significant reduction from FY14 in all regions, and at Group level by 16%. This reduction was in part a result of lower production, but also a result of significant water initiatives, most notably in Australia and New Zealand. Water consumption in Europe also fell significantly, following the termination of some water intensive processes.

WASTE MANAGEMENT
While Sims Metal Management collects materials from the post-consumer and industrial waste streams to extract valuable secondary raw materials, it is not a waste company. Since non-useable waste represents a significant and increasing cost, it is very strictly controlled at all levels and forms a fundamental part of the Company’s purchasing and pricing structure for incoming materials. However, some non-useable waste is unavoidable and resulted in the generation of 1,343,091 tonnes of waste in FY15, down by 4% compared to FY14. The vast majority (98.43%) of the waste generated is non-hazardous residue generated by the Company’s shredders which finds beneficial use in landfills as day cover, drainage or methane recovery media. The remainder (1.57%) is classified a hazardous and is, in the main, sludge’s from first flush systems, or – in the case of SRS – residual glass from CRT processing.

The Company is subject to environmental regulations and reporting requirements in Australia as well as other countries in which it operates.

The Company has operating licenses and consents in place at each of its operating sites as prescribed by relevant environmental laws and regulations in each respective location and comprehensive environmental management systems and audit procedures to support compliance.

During FY15 there were no significant known breaches of the Company’s license conditions or any environmental regulations to which it is subject.
The Group’s global sales tonnes in FY15 saved 42.6 million GJ and prevented 11.3 million tonnes of CO$_2$e being emitted in comparison with the use of primary materials.
A significant amount of resources is dedicated to this overriding priority to all operational activities. Every employee, visitor and contractor understands that working safely is non-negotiable and integral to every task performed. Town Hall safety meetings with the Group CEO and senior management present are held regularly in all global regions, where ideas for improvements and inspirational approaches are freely discussed. Significant training backs up these efforts, and a very significant part of the more than 150,000 man hours of training delivered during FY15 was safety related.

The Company measures and reports on traditional lagging indicators, such as LTI’s and MTI’s, as well as minor incidents, however its approach is increasingly shifting to leading indicators recorded from safety conversations (also known as Observational Behaviour Audits – OBAs). These allow the Company to look forward through the identification of any unsafe act and near miss and take preventative, rather than reactive, action. OBAs apply to all employees, contractors and visitors to the Company’s sites, and all data is recorded into a global data base-KMI, for sharing among all employees. This practice imposes a trail of accountability and traceability of the associated investigations and corrective actions.

As a result of this ongoing focus on safety, the Company’s long record of improvement continued. The Group LTIFR for FY15 was 1.9, down 30% from FY14, while the Group MTIFR was 9.3, down 15%.

Under this Company-wide framework, each region continued to pursue and implement specific safety initiatives, including:

**NORTH AMERICA METALS**

A major focus in FY15 was to improve the understanding of the most common risks and causes of incidents, and specifically target improvement to these. This was done through a rigorous program of yard self-audits and the development of “risk-heat” maps, and then subsequently addressing through individual training, “train-the-trainer” programs, as well as Standard Operating Procedures (SOPs). Specific training objectives in FY15 centred on Lockout-Tagout procedures, fall protection and equipment safety.

---

**LOST TIME INJURY FREQUENCY RATE**

Calculated as the number of lost time injuries multiplied by 1 million and divided by the hours worked.

**MEDICALLY TREATED INJURY FREQUENCY RATE**

Calculated as the number of medically treated injuries multiplied by 1 million and divided by the hours worked.
UK METALS AND SRS GLOBAL
During FY15, the UK Metals division continued its successful campaign for a “Zero Harm Workplace”, resulting in both the LTIFR and MTIFR being 0.72 for the year. Supporting this campaign, a revised program of “Stop the Yard” was introduced, where all yards ceased operations for a period of time each Monday, Wednesday and Friday to allow the discussion of safety issues between yard employees and front line managers and their peers. Among the topics discussed at these “Stop the Yard” sessions were Hazard Report (HazRep) promotion and housekeeping reviews.

SRS Global continued its long standing program of “Felt Leadership”, focusing in FY15 on the training of line and front-line management under the theme of Human Behaviour, reviewing results, and consulting on continued change to the safety culture. Also introduced was the Australian devised campaign of “Think Safe - Work Safe - Home Safe” to encourage the ongoing safety values of the Company, as well as a seven months’ ergonomics awareness campaign, including training and toolbox talks. Employee hire and induction processes were further improved, with the introduction of a mentoring scheme and a review of the most severe historical injuries as part of the induction process to raise awareness among new starters.

AUSTRALIA AND NEW ZEALAND METALS
The frontline risk management and control process “Simsafe” was implemented across the Australasian operations, along with best practice and H&S management standards. The key to adopting these standards is a set of safety principles and an operating framework for business units to drive common behaviour, while providing flexibility to adapt to local circumstances. This process is supported through the development and adoption of SimsMM hazard identification, risk management and standardised risk assessment processes. With maintenance and transport identified as two high risk exposure activities, these was specific focus on them during the year, as there was on the implementation of the Group Standard operating procedures for Lockout - Tagout. Regional SHECS plans and responsibilities, and authority and accountability matrices, were developed, and the SHECS induction process was completely updated along with Injury Management procedures.
As a result of the strategic restructuring during FY15, total number of employees within the Group fell 10%, from 6,011 in FY14 to 5,429 in FY15. Despite these difficult challenges, the Company remains focused on its ongoing commitment to gender balance within its workforce. While staff employed in production (62%) is heavily male dominated due to the inherent physical nature of the work, the percentage of females employed in Middle, Senior and Executive management sectors remained largely unchanged at 20%, although falling slightly at the Executive level. During FY15, the Company completed its creation of a Global Diversity Center of Excellence to review and address diversity issues. Through the acquisition of the Diversity Module of its global PeopleFluent Management tool, the Company now has a common global platform for diversity data management. This will provide better reporting and management for the development and measurement of metrics to support the Company’s established goals.

The number of staff leaving voluntarily at Group level remained broadly unchanged at 17%, as did redundancies at 6%.

As a result of this ongoing focus on safety, the Company’s long record of improvement continued. The Group LTIFR for FY15 was 1.9, down 30% from FY14, while the Group MTIFR was 9.3, down 15%.
As a leader in sustainable practices, the opportunities to attract, train, develop and retain the best talent in the business is crucial for the Company to stay ahead of its competitors, remain relevant to its staff and maintain the excellence in knowledge hard won over nearly 100 years of business. It is a matter of considerable pride that more than 15% of the Company’s workforce has been with the Company for more than ten years, and almost 10% for more than twenty years. The Group recruits talent from a variety of sectors, including close cooperation with leading institutions, technical centres and universities, where persons with outstanding qualities are identified, progressively mentored and assisted towards excellence by the Company’s internal learning and support programmes. These programmes include specific projects aimed at constantly developing management and entrepreneurial skills.

The Company’s strong commitment to safety and the wellbeing of its employees continued to account for a significant component of the more than 150,000 hours of training delivered during FY15. Code of Conduct and Anti-Corruption compliance training, performance management, harassment prevention, customer service, finance and loss prevention, scale and metal theft protection, and trainee development were other important deliverables. It is important to note that these hours do not include the thousands of training hours relating to on-the-job and general skills improvement.
As a global leader in the recycling of metals and electronics, the Company’s knowledge on how to reduce waste, increase recovery and reduce energy, carbon and water emissions through efficient material collection, processing and primary material substitution, is sought by Governments, NGOs, and the public, as well as a large number of institutions interested in sustainable practices. For decades, Sims Metal Management has provided experience to, and participated as experts with, all levels of government and local communities, from Government think-tanks and large international bodies, to private organisations and small local communities that have an interest in what the Company does. These parties include The UN, City of New York, the UK Ministry of Defence, the Australian Government, and the world’s largest metals and electronics manufacturers, on issues ranging from resource efficiency, data security and illegal trans-boundary movements, to metal theft, stream lined material sourcing, production, distribution and waste avoidance. Equally, the Company engages closely with environmental advocacy groups, such as the Carbon Disclosure Project, the Global Compact, and local law enforcement and fire departments. It also has prominent involvement with university research centres and industry groups such as the International Recycling Organisation (BIR), the Institute of Scrap Recycling Industries (ISRI), the British Metal Recycling Organisation (BMRA) and the Australian Council of Recyclers (ACOR).

The Company is strongly committed to working with the local communities in which its facilities are located, an involvement spanning thousands of projects and activities. Below are a few examples from around the globe:

**North America:** The SimsMM Recycling Education Centre, which forms part of the Company’s Sunset Park Material Recovery Facility in New York, has been a great success since its opening, with more than 6,500 visitors. Further, it has played host to a large number of groups, including the Brooklyn Historical Society, Packaging Design conventions, the US EPA and NY DEC, as well as college and university functions. The newly installed wind turbine at the facility also resulted in the Company being awarded the Environmental Business Leadership award for NYC.

The Company’s facility at Defiance provided collection facilities so that the community could donate scrap metal in aid of the County’s “Christmas for Kids” program, raising more than $25,000. The Company was also formally honoured by the Bronx River Alliance for its work towards the Bronx Community and the environmental well-being of the Bronx River.

In the West Region, the Company partnered with official radio stations during the baseball season, raising money for non-profit organisations. More than $15,000 was raised and distributed to 11 charitable organisations.

At LaVergne, TN, 16 people from SRS participated in “Habitat for Humanity”. Founded in 1976, the organisation is devoted to provide simple, decent and affordable housing for needy families. At SRS Roseville, CA a fundraising event raised $1,285 for the Keaton Raphael Memorial, an organisation supporting local families with cancer affected children.

**Europe:** At SRS Bergkamen, Germany, almost nine tonnes of e-waste was collected, with proceeds going to seven schools as part of Earth Day. At Dumfries, Scotland, seven staff members took part in the Edinburgh "Ironman" triathlon raising £1,119 for the National Deaf Children’s Society.

Work experience was provided to a number of students, as was support for mock interviews of year 11 students over a four day period, to help prepare them for job interviews once leaving school. Members of the UK HR team became change Ambassadors for “2young2die”, a safety initiative to teach young people to drive safely.

The Company continued its very important collaboration with police and other authorities over metal theft (including its collaboration with the Government to ban cash transactions), which remains a significant community issue. Support for a number of charities also continued, including breast cancer charities and “Red Nose Day”, and more than £2,000 was raised for Birmingham Children’s Hospital when one determined female employee completed the London Marathon. On a different level, fridges were provided for use in the production of the new James Bond film, “Spectre.”
Australasia: In New Zealand, the Company sponsored the Auckland Rescue Helicopter Trust, which provides helicopter rescues to the Auckland community and provided free scrap metal collections, the revenue of which was donated in support of local schools to improve educational facilities. Also supported was the “November” charity golf day, where moustached participants raised funds for men’s health initiatives. In Queensland and Papua New Guinea, the Company worked with “R U OK”, a foundation that works with experts in suicide prevention and mental illness as well as with the government, corporate leaders, teachers, universities and community groups, to save lives. In Victoria, the Company provided silver sponsorship of the Altona Life Saving Club, which provides water safety and training to the community. In Brisbane, Queensland the Company is an active member of the Oxley Creek Catchment association, participating in a range of environmental initiatives supporting the local community. The Company also provided end-of-life vehicles to be used for a “Monster Truck” event attended by more than 10,000 people.

Brooklyn, New York: NYC SAFE Disposal community event collecting end-of-life waste electronics and electrical equipment for ethical reuse and recycling.

Recycling of end-of-life computers.
The Path Forward

During FY15, the Company established a robust, recently updated, sustainability and corporate responsibility governance structure in the form of its Core Values, Board of Directors SHECS Commitment, and its Group CEO and Executive Leadership Team’s updated “Safety, Health, Environment, Community and Sustainability: Our Commitment” policy. With this new foundation in place to support the Company’s five-year strategic plan, the Company turns its attention to further embedding sustainability into its day-to-day operations.

The Company has a global sustainability team and is in the process of launching a series of “2020” Sustainability Goals. The focus of these goals is on the Company’s most material environmental and societal impacts: petroleum use, electricity, water and waste. Details of these goals and our continued performance will be reported on the Company’s website.

Sims Metal Management aims to be the world’s safest and most responsible recycling company by striving to create a zero harm workplace for its employees, being an exemplary member of the communities in which it operates, and being a responsible steward of the environment. We are progressing on this journey with haste.