



SIMS
METAL
MANAGEMENT



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SUSTAINABILITY REPORT 2016

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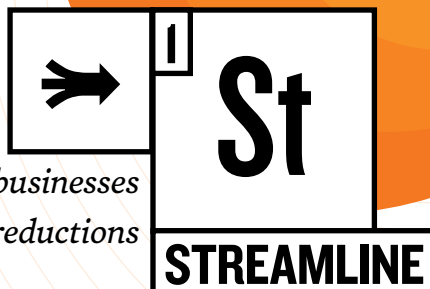


ABOUT SIMS METAL MANAGEMENT

Founded in Sydney, Australia in 1917, Sims Metal Management Limited (Sims) has grown to become one of the world's leading publicly traded metal and electronics recyclers. With more than 200 facilities, operations in 20 countries, and approximately 5,000 employees, Sims' principal activities are the buying, processing and selling of ferrous and non-ferrous recycled metals, and the provision of environmentally responsible solutions for the disposition of post-consumer electronic products. This includes information technology assets reused or recycled for commercial customers as well as curbside recycling for all of New York City and a portion of Chicago.

Sims has always been at the centre of the "circular economy," recovering and recycling products and materials to ensure maximum value and minimize waste. The world has changed a lot over the past century, but Sims has consistently been a groundbreaking force and an innovator, and is universally recognized as an international leader in the transformation of discarded consumer products into valuable secondary resources. At Sims, sustainability and corporate responsibility are not activities we pursue separately from our core businesses; these concepts are fully integrated and deeply ingrained in our culture.

Sims' headquarters are located at 16 West 22nd Street New York, NY 10010. The Company's ordinary shares are listed on the Australian Securities Exchange (ASX: SGM) and its American Depositary Shares trade on the Over the Counter market in the United States (USOTC: SMSMY).



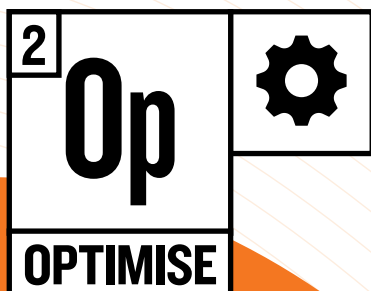
Exit non-strategic businesses
Fixed cost reductions

For further information, please contact:

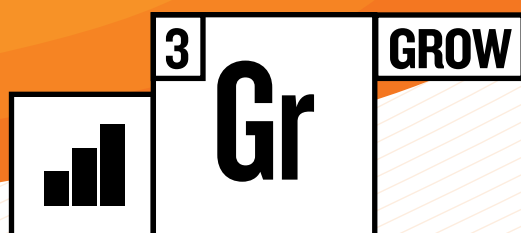
Ken Tierney

Group VP SHECS
Sims Metal Management

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*Optimise core drivers
of profitability*



*Retain market share
Adaptive market positioning
Engage in market adjacencies
New lines of business*

ABOUT THIS REPORT

Sims has always been a strong proponent of “integrated reporting” – ensuring that our annual report, while fulfilling a fiduciary responsibility to shareholders, also serves as a broader “report to society” about the role that Sims plays in the world and the relevance of its activities. This report is a companion document to the Sims 2016 Annual Report and it is an update of Sims’ 2015 Sustainability Report. In 2000, Sims commenced detailed reporting on environmental stewardship, social responsibility and other dimensions of sustainability – including robust corporate governance.

While we are continuing our integrated reporting, we recognized that a growing number of our stakeholders wanted more information about our sustainability initiatives. Thus, we instituted a separate Sustainability Report in 2015.

The key elements we describe in this report include:

- » **Introduction** – Overview and highlights.
- » **Governance and Leadership** – Statements from Sims’ Chairman and its CEO; our Company’s core values, our commitments; governance structure; and the key policies and mechanisms that guide behaviour from the boardroom to the shop floor.
- » **Materiality** – Analysis of the most significant environmental, social and governance issues facing Sims, and what we are doing about them.
- » **Our Performance** – Key metrics and performance indicators, depicting FY16 performance and tracking our performance over time in:
 - » People and Diversity
 - » Energy and Greenhouse Gas
 - » Community and Sustainability
- » **Audit and Assurance** – Ensuring our data is robust.
- » **Recognition** – recent external recognition of Sims’ strong sustainability efforts.
- » **Our Path Forward** – A summary of our new 2020 sustainability goals and the road ahead.
- » **Alignment with Global Reporting Initiative** – Key GRI indicators that align with our materiality assessment.

The scope of this report includes all wholly owned Sims operations worldwide - and the relationships we have with our employees and other stakeholders throughout our value chain.

INTRODUCTION

SAFETY AND SUSTAINABILITY POSITION SIMS FOR GROWTH

We aim to be the world's safest and most responsible recycling company by developing a zero harm workplace for employees and all visitors to our facilities; being an exemplary member of the communities in which we operate; and being responsible stewards of the environment.

All of our employees understand that safety comes first—and Sims understands that the health and wellbeing of its employees is a priority. As industrial operators with many global facilities, we respect the environment and support the communities in which we work. As recyclers, we are firmly committed to operating under the umbrella of sustainability.

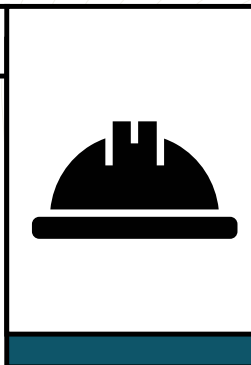
As a result of our efforts, Sims has been named in the Dow Jones Sustainability Index for nine consecutive years, and has been an Index Component since 2012. We are the only recycling company to have been nominated among the world's 100 most sustainable companies for five consecutive years by the World Economic Forum in Davos. We are also listed by NYS/Euronext as one of its "Global 120" most advanced companies on corporate responsibility. Sims was one of the first organizations to participate in the Carbon Disclosure Project (CDP), and 2016 is our 11th year of participation.

While we are proud of our track record of sustainability leadership, we are continually raising the bar to do even better. Our performance data demonstrates consistent improvements year-on-year, not only in safety, but also in our key environmental impact areas: energy, waste and water.

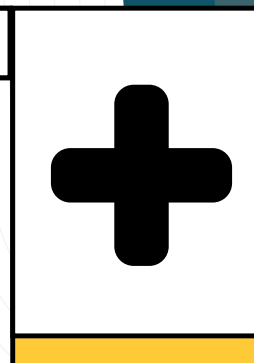
The true driver of our success lies in continually renewing our culture, built around our core values of safety, integrity, respect, transparency, excellence, and social responsibility.

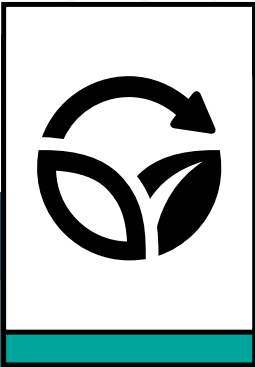
Sims' operational philosophy revolves around five principles:

1. SAFETY

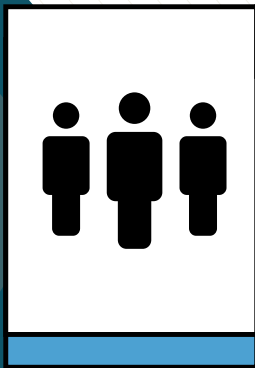


2. HEALTH

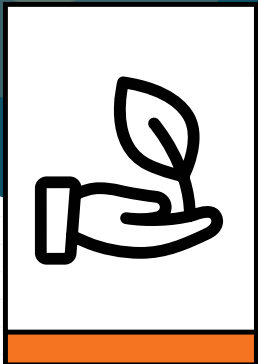




5. SUSTAINABILITY



4. COMMUNITY



3. ENVIRONMENT

GOVERNANCE AND LEADERSHIP



FROM THE CHAIRMAN

Sims has a very global and diverse Board of Directors. Our current board is comprised of ten members: eight independent directors, one non-independent director, and Sims CEO Galdino Claro. Of the ten directors, four are based in Australia, five (including Mr Claro) are based in the US, and one is based in Japan. Three of our directors are female.

The Board Safety, Health, Environment, Community and Sustainability (SHECS) Committee has been in place since 1991. The SHECS Committee charter was revised and updated in 2015 to reflect a stronger and more direct focus on overall sustainability considerations. Sims' Group Vice President, SHECS Ken Tierney meets approximately four times annually with the SHECS Committee and the full Sims Board. These meetings include informal conversations with Mr Tierney and Board members. In between Board meetings, the Chair of the SHECS committee, Mr Thompson, frequently has direct communication with Mr Tierney, as well as Mr Claro.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

"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

FROM THE CEO

When Mr Claro joined Sims in November 2013, he found a company full of opportunities for sustainable growth. Sims' operations were global, and the composition of its Board reflected this international scope. The core business was aligned closely with "circular economy" principles," notably recycling and eliminating waste. In addition, Sims had been closely involved with international sustainability ratings organizations for many years, having been one of the first companies to participate in the Carbon Disclosure Project, which we first joined in 2005. It was a firm foundation on which to build, but Sims lacked a cohesive strategy and robust, global systems to build these foundations further into an integrated business strategy.

COMMITMENT TO WORKPLACE SAFETY AND SUSTAINABILITY

"At SimsMM we are proud of our long positive record of sustainability and corporate responsibility. Having exceeded our 2009 long-term sustainability goals, we have recently embarked on a new set of 2020 sustainability goals. We continue to improve our performance on a variety of key sustainability metrics and remain committed to be a global leader in sustainability.

As the world comes to grips with climate change and the challenges of an increasing population, pressure on resources will not only continue, but escalate. This presents an even stronger business case for the emerging 'circular economy' in general – and, in particular, our Company's place in it. We are already well-established as one of the worlds' leading recyclers and will continue to add to this platform with innovation and growth."



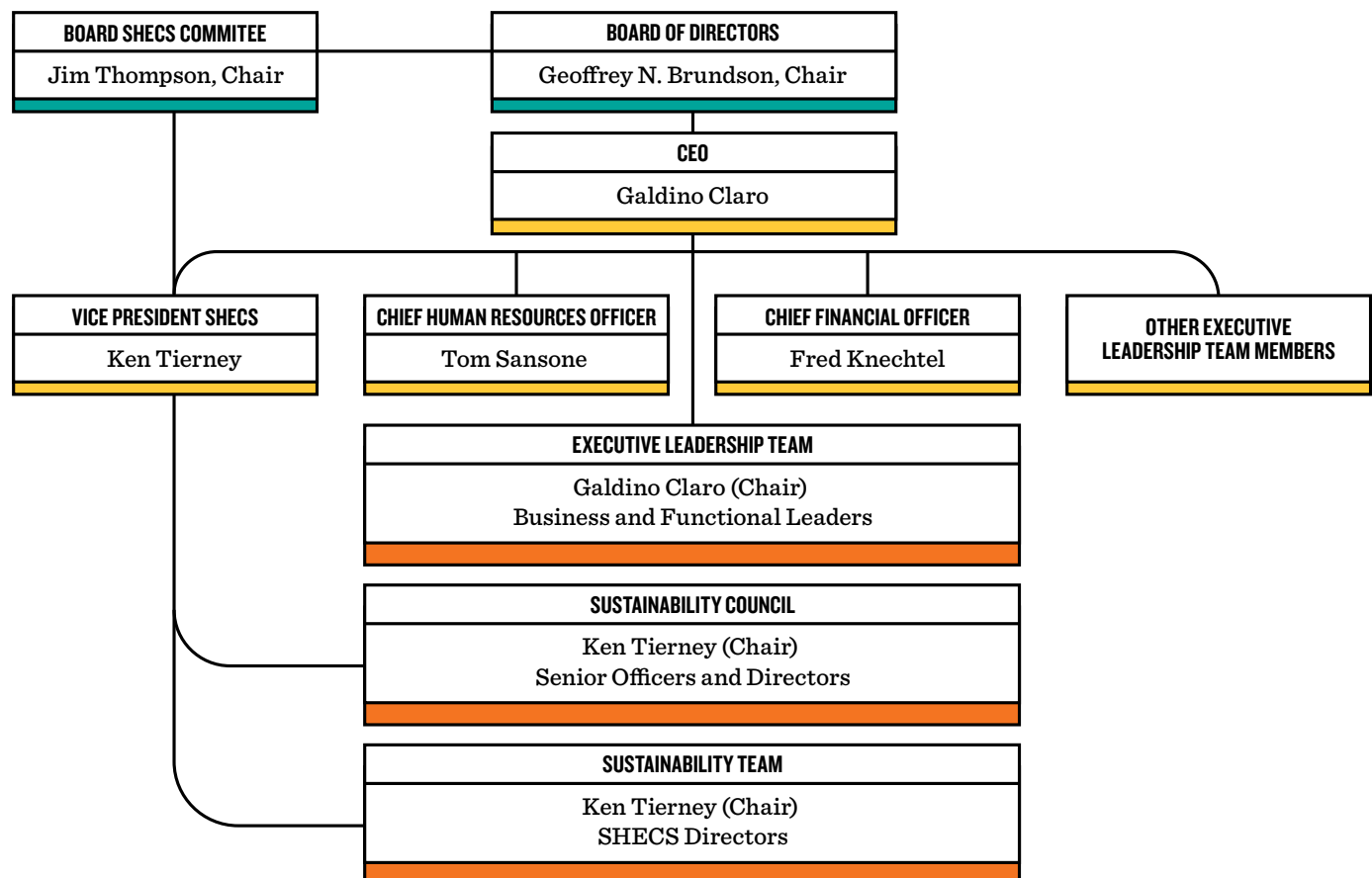
Galdino Claro
Group CEO
and Managing Director



SUSTAINABILITY GOVERNANCE ORGANISATION

The key elements of our sustainability governance structure are depicted in Figure 1.0. In addition to the more formal SHECS Committee and Executive Leadership Team (ELT) meetings, this reporting structure provides extensive informal communication.

FIG. 1.0 SUSTAINABILITY GOVERNANCE STRUCTURE



OUR CORE VALUES AND SHECS COMMITMENTS

At Sims, we like to keep things simple. Our approach to sustainability governance involves a clear and direct reporting structure that articulates Company policies guidance from the boardroom down to the shop floor so that every employee understands the importance of SHECS.

It starts with our core values. These core values are far more than a list on the wall; they are how we run the Company. At Sims, we have a clear “line of sight” between our core values and SHECS commitments right down to the day-to-day operations at our sites globally.

OUR CORE VALUES

The true driver of the success of the Company's five-year strategic plan which we instituted in 2013 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 themselves, their co-workers, visitors and families to be safe and, together, the Company and its employees are committed to providing a zero-harm workplace.

Integrity and Respect. At Sims 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 in a diverse workforce, where differing opinions is seen as a pathway to better outcomes.

Transparency and Excellence. Employees throughout the organization 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 FY16, 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.

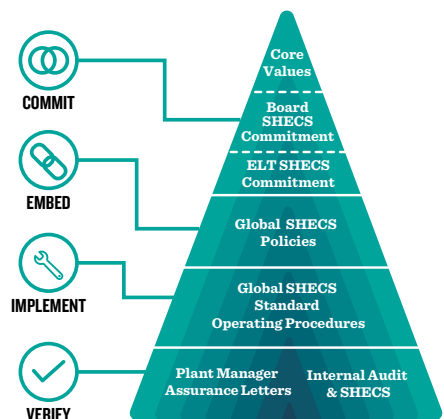
OUR COMMITMENTS

Our two main commitments are:

- » Board of Directors' Commitment to Safety, Health, Environment, Community and Sustainability
- » Sims Metal Management - Safety, Health, Environment, Community and Sustainability: Our Commitment

These commitments are depicted on the following pages. We embed these commitments via unambiguous global SHECS policies on safety and health, energy and carbon, environment, biodiversity, community, and human rights. Those global policies are translated into daily operational activities through the global SHECS standard operating procedures (SOPs).

DRIVING SAFETY AND SUSTAINABILITY PERFORMANCE



COMMITMENTS



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Board of Directors SHECS Commitment

BOARD OF DIRECTORS' COMMITMENT TO SAFETY, HEALTH, ENVIRONMENT, COMMUNITY AND SUSTAINABILITY

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.

Geoffrey Brunsdon	Robert Bass	Galdino Claro	John DiLacolla	Georgia Nelson
Deborah O'Toole	James Thompson	Chris Renwick	Heather Ridout	Tom Sato



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Commitment to SHECS policy

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 behaviour 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

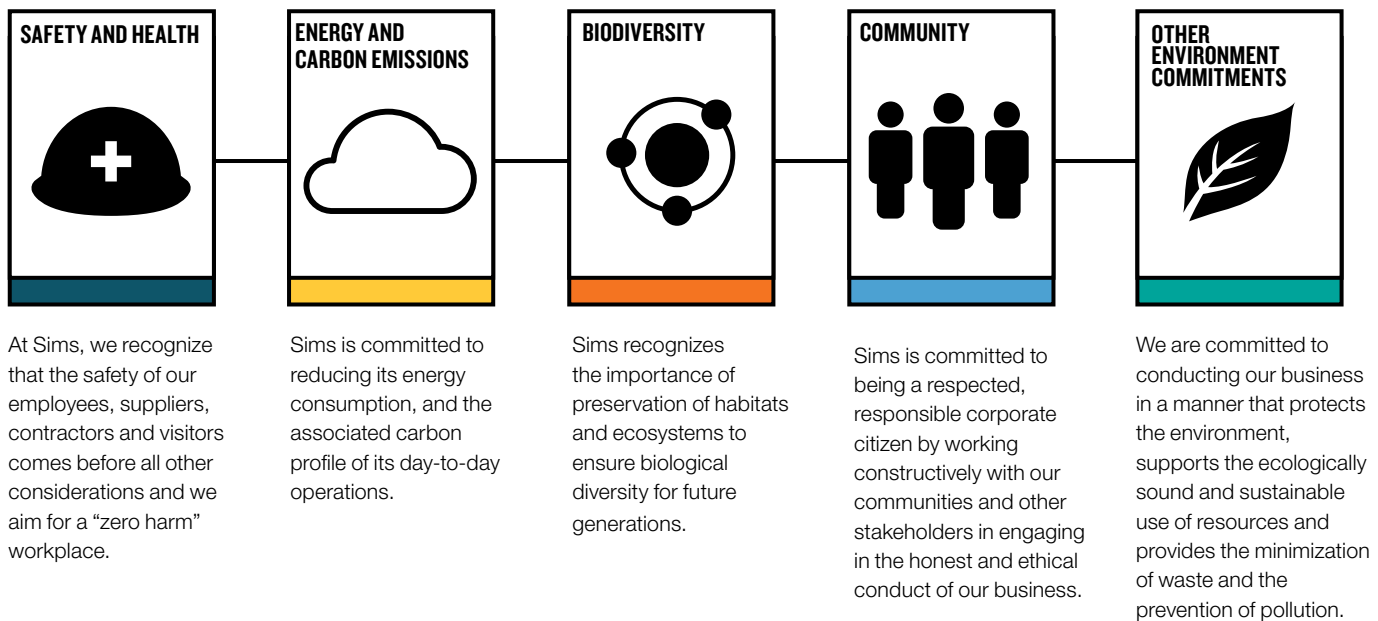
Our leaders share ownership of, and accountability for, our safety, health, environmental and community programs. We will drive continuous improvement daily in pursuit of these goals and commitments. We will report pertinent safety, health, environmental and community issues to our Board of Directors, 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

GLOBAL SHECS POLICIES

**Our Global SHECS policies can be found on the Company's website (www.simsmm.com).
A brief summary of those policies follows:**



OPERATIONALISING GOVERNANCE AND LEADERSHIP

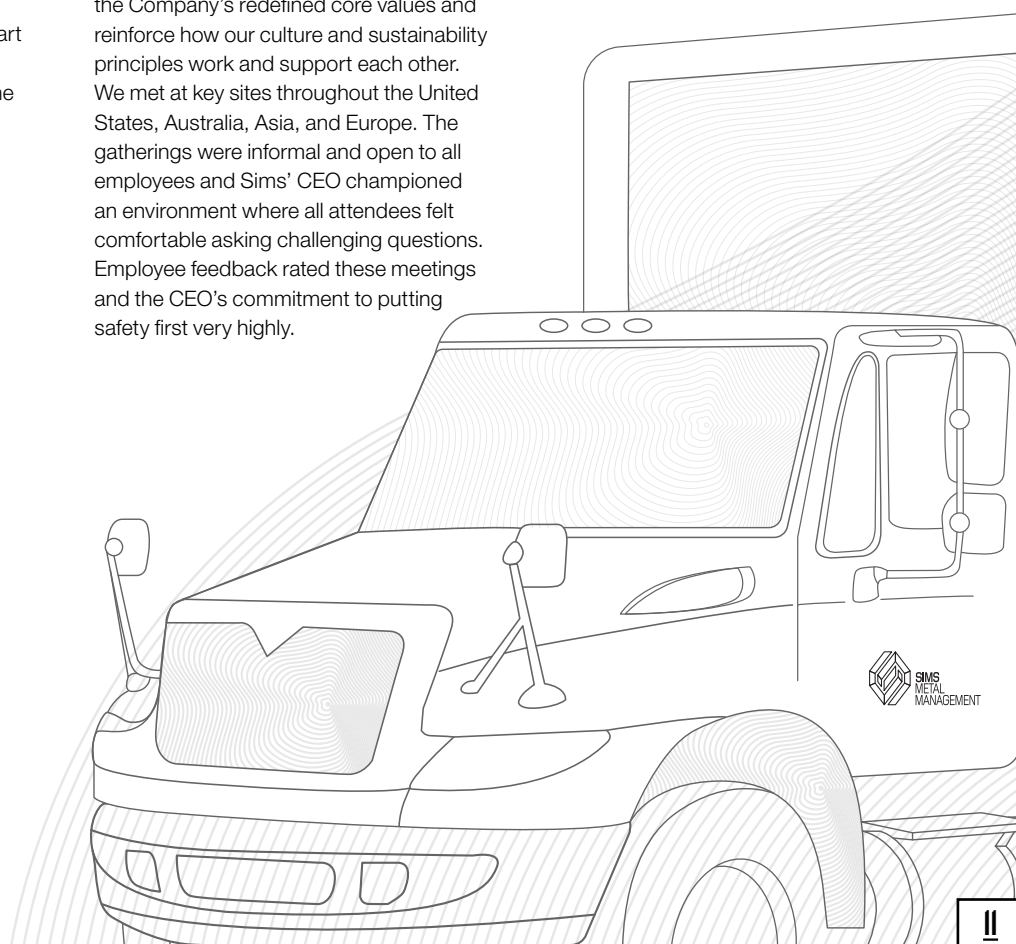
» **Executive Leadership Team.** Sims' ELT meets quarterly to discuss strategic initiatives. Mr Tierney, Group Vice President of SHECS, is a member of the ELT and attends all of these meetings. The meetings always begin with each president briefing the team on safety and sustainability performance. A site tour is also conducted, with an emphasis on safety and environmental assessment.

» **Operations calls.** Every Monday, Sims' CEO conducts operations meetings and telephone dialogue with members of the ELT and other key personnel. Because Sims' operations span the globe, calls start early in the morning and end late in the evening. Safety and SHECS issues are the first agenda item on every call.

» **Sustainability Council.** A sustainability council, comprised of senior operations and functional leaders across the organization, reviews policy and sets direction. A sustainability team, comprised of SHECS professionals in each region and business, implements the specific board and ELT initiatives.

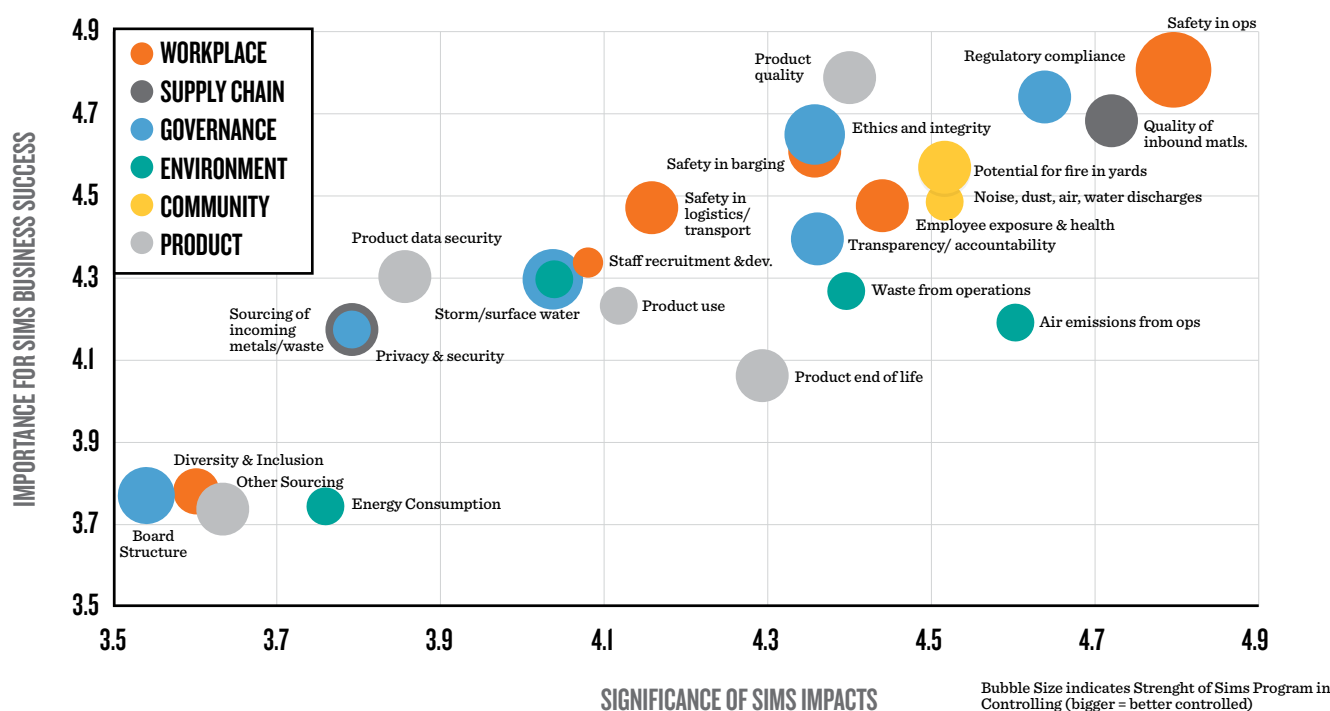
» **Town hall meetings.** Over the past 18 months, Sims' CEO, Chief Financial Officer, Chief Human Resources Officer, and the Group vice presidents of SHECS hosted town hall meetings to introduce the Company's redefined core values and reinforce how our culture and sustainability principles work and support each other. We met at key sites throughout the United States, Australia, Asia, and Europe. The gatherings were informal and open to all employees and Sims' CEO championed an environment where all attendees felt comfortable asking challenging questions. Employee feedback rated these meetings and the CEO's commitment to putting safety first very highly.

» **Process improvement.** Sims grew through acquisitions over many years. As a result, some 200 plants around the world had separate systems and business processes. In 2014, Mr Claro established a Project Management Office to drive process improvement around four critical aspects of our value chain: supplier relationships, logistics, operations excellence, and product quality and service. Safety and sustainability are an integral part of each of these process improvement teams.



MATERIALITY

FIG. 2.0 SIMS MATERIALITY ASSESMENT



MATERIALITY ASSESSMENT

Sims has undertaken a Materiality Assessment, the purpose of which is to identify, refine and assess potential environmental, social and governance issues that can affect Sims' business or stakeholders. The result of this assessment is a short-list of topics that inform Company strategy, targets, and reporting. Our current Materiality Assessment assesses four dimensions of our key environmental, social and governance issues:

- » A comprehensive analysis of our impacts;
- » The importance of key issues to the future success of Sims;
- » Our ability to control the outcomes; and, relevantly
- » The importance of key issues to our stakeholders.

The Materiality Assessment helps us focus our resources and strategies to address the twenty five most significant issues, depicted in Figure 2.0.

ENTERPRISE RISK MANAGEMENT REVIEW

Our Materiality Assessment is closely aligned with our Enterprise Risk Management process. As part of that process, an annual survey is administered to executives and managers across Sims' businesses globally. The survey is supplemented by interviews with key management representatives of each Sims businesses. In addition, market and industry information is analysed to review current risks and opportunities facing the Company, understand emerging risks, as well as monitor any changes that may warrant additional focus. In parallel, separate risk workshops are held with the executive team and Board members to identify the top key risks and opportunities faced by Sims. These are reassessed in light of changes to the strategy, market, industry and results of the annual risk review. Plans are developed and actions taken to address any risks beyond Sims' tolerance level.

GLOBAL REPORTING INITIATIVE

Sims is a longstanding supporter of standardized sustainability reporting guidelines in general – and of the Global Reporting Initiative (GRI) in particular. This year, we are reporting “in accordance with” the “core” GRI-G4 criteria and plan to expand this in the future to our website. We include a table inside the back cover of this report cross-referencing key GRI-G4 indicators aligned with our Materiality Assessment, showing where in this report those topics are discussed.

While this report has not been externally verified, we have a series of internal assurance mechanisms that have been incorporated in preparing this report and the data contained herein.

“

**Sims Metal Management
understands, and strongly
supports measures to address,
the social and environmental
issues it faces, both locally
and globally.”**

GEOFF BRUNSDON

Chairman



OUR PERFORMANCE

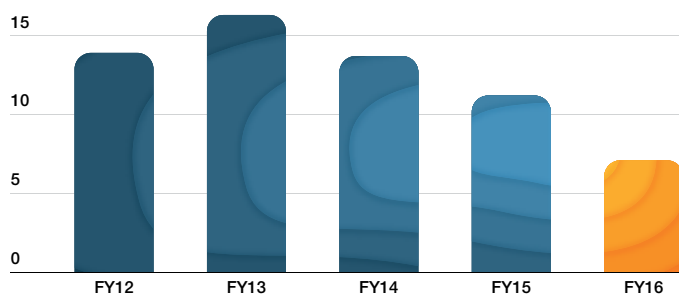
In this section of the report, we include highlights of our key metrics, along with a discussion of our recent performance across the spectrum of our operations:

- » Our People (safety and health, diversity and education)
- » Energy and Environment
- » Community

FY16 PERFORMANCE HIGHLIGHTS

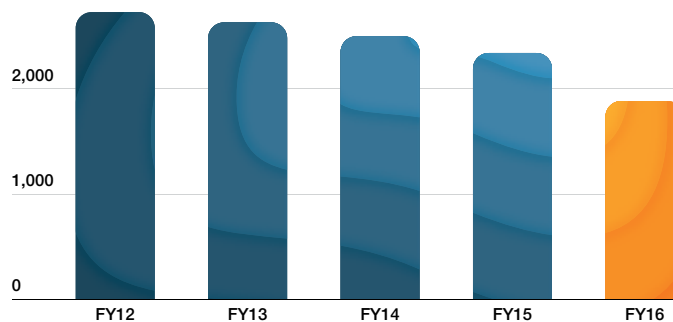
SAFETY

20 (TRIR): (TRI x 1,000,000/man-hours)



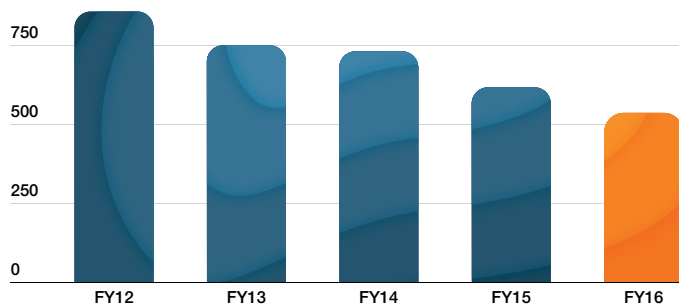
TOTAL ENERGY USE

3,000 ('000 GJ)



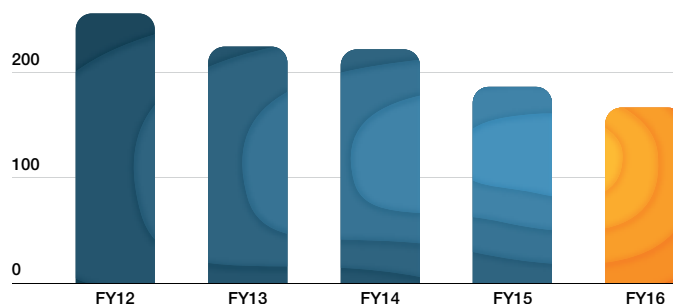
WATER CONSUMPTION

1,000 (m3)



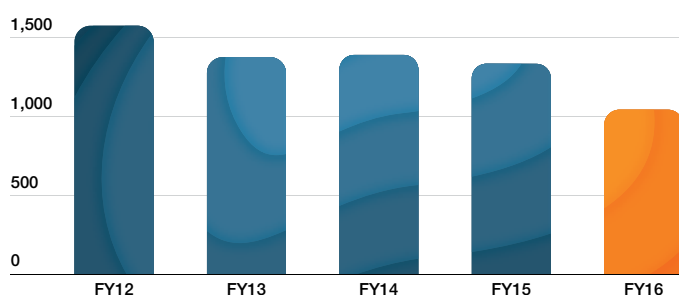
GREENHOUSE GAS

300 (CO2 Mt)



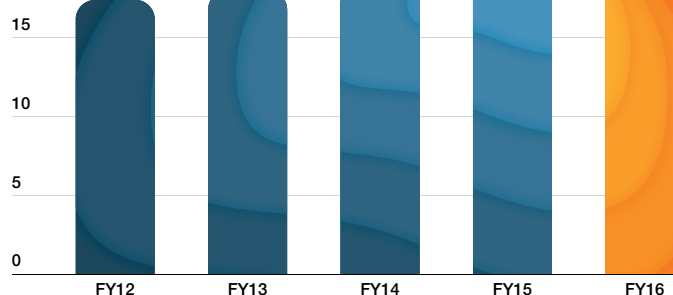
WASTE

2,000 ('000 MT)



DIVERSITY

20 (% Females)



A SUMMARY OF OUR PERFORMANCE



23%

reduction in
waste disposal



11%

lower global water
consumption



20%

drop in
energy usage

84%

of facilities worldwide with
zero recordable injuries

**IMPROVED
GENDER
BALANCE**



as Company continues to pursue its objective
of greater workplace diversity.

KEY PARAMETER	REGION	FY16	FY15	CHANGE (%)
Energy Use	North America Total (GJ)	998,516	1,326,067	(25)
	Europe and UK Total (GJ)	344,885	416,619	(17)
	Asia Pacific Total (GJ)	523,635	598,611	(13)
	Group Total (GJ)	1,867,036	2,341,297	(20)
CO2 Emissions	North America Total (tCO2e)	92,503	119,306	(22)
	Europe and UK Total (tCO2e)	31,138	37,270	(16)
	Asia Pacific Total (tCO2e)	63,993	69,472	(8)
	Group Total (tCO2e)	187,634	226,048	(17)
	Scope 1 (tCO2e)	82,241	105,213	(22)
	Scope 2 (tCO2e)	105,393	120,835	(13)
Water Consumption	North America Total (Mega Litres)	301	357	(16)
	Europe and UK Total (Mega Litres)	164	192	(15)
	Asia Pacific Total (Mega Litres)	84	70	20
	Group Total (Mega Litres)	549	619	(11)
Waste Generation	North America Total (Tonnes)	596,023	774,314	(23)
	Europe and UK Total (Tonnes)	206,535	286,541	(28)
	Asia Pacific Total (Tonnes)	238,268	282,236	(16)
	Group Total (Tonnes)	1,040,826	1,343,091	(23)
Key OH&S Indicators	Group LTIFR (LTix1,000,000/exposed hours)	2.1	1.9	11
	Group MTIFR (MTIx1,000,000/exposed hours)	5.0	9.3	(46)
Number of employees	Male	3,865	4,413	(12)
	Female	891	1,016	(12)
	Group Total	4,756	5,429	(12)
Training	Group Total Hours (Corporate training only)	156,465	150,512	4

This section provides a summary of our sustainability activities and performance during the past fiscal year. For a full set of information, look for our updated sustainability report on our website simsmm.com

OUR PERFORMANCE: PEOPLE AND DIVERSITY

SAFETY AND HEALTH

Our sustainability initiatives all start with a focus on safety.

The nature of metal recycling involves large machinery and heavy objects in close proximity of workers and contractors. Safety is, and has always been, our “Number 1” job. No work will commence until the task has been thoroughly risk assessed and fully understood by all personnel involved. Should a near miss or unsafe situation occur despite these efforts, all operational activity will immediately cease until the root cause is understood and the issue addressed. Our goal is simple – zero harm – no one gets hurt – go home as you arrived.

We utilize a number of lagging indicator metrics within the organization such as the Lost Time Injury Rate (LTIFR) and Medically Treated Injury Rate (MTIFR) which together forms the Reportable Injury Frequency Rate (RIFR). We have set aggressive corporate goals to achieve a RIFR of less than 1.0 and an LTIFR of under 0.20 by the year 2020. While we recognize these goals as being world class benchmarks, we are not solely reliant upon these goals to measure our safety performance and culture.

As depicted in the injury rate trend charts below, our efforts are showing results. Over the last ten years, there has been a significant reduction in both recordable and lost time injuries. While we saw a small, but unfortunate increase in the LTIFR in FY16, our LTIFR (LTI x 200,000/man-hours) for FY16 was 0.45 compared to 0.38 in FY15, our MTIFR was down and, overall, our Recordable Injury Frequency Rate was down from 2.2 in FY15 to 1.4 in FY16: representing a 36% reduction in total recordable injuries.

During FY16, Sims implemented a number of new global safety initiatives aimed at achieving world-class safety performance. Some recent highlights included:

» **Significant injury and incident prevention.** The focus of this safety initiative was to go beyond recordable and lost work day injuries and identify and reduce all high risk injuries and incidents associated with our operations. We track all injuries and incidents including first aid, near misses, property damage, motor vehicle etc., through a global safety incident reporting tool called VelocityEHS. During FY16, Sims recorded a total of

1,513 Incidents, 1,603 Near Misses and 7,377 Hazard Identifications. We analyse performance data to help us understand how well our systems are working, map early trends, and ultimately get a better understanding of our key safety risks. Our approach encompasses developing global best-in-class policies, education, employee engagement and leadership accountability and allows us to directly target and significantly reduce these incidents.

» **Safety and global SOPs.** First launched in FY15, Sims has globally continued to implement new standard operating procedures (SOPs). The order of implementation is predicated on importance to safety, as well as severity and likelihood of injury. The implementation is supported by a process of 360 degree verification to ensure compliance with our global policies.

FIG. 3.0 RECORDABLE INJURY FREQUENCY RATE

Calculated as medically treated and lost time injuries x 200,000/man-hours

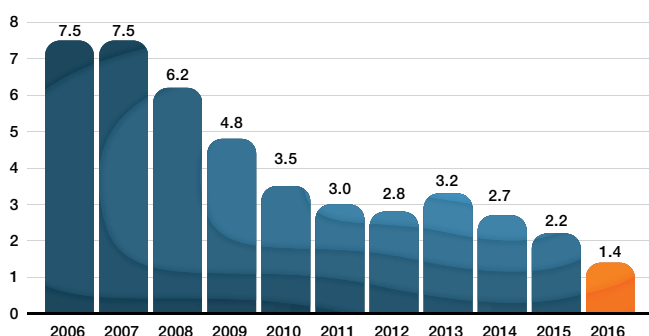


FIG. 3.1 LOST TIME INJURY FREQUENCY RATE

Calculated as medically treated and lost time injuries x 200,000/man-hours

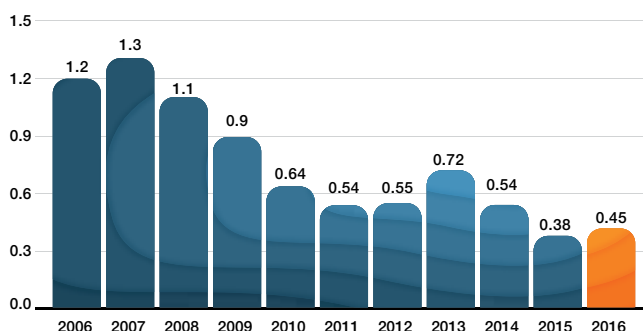


FIG. 3.2 EMPLOYEE RECORDABLE INJURIES

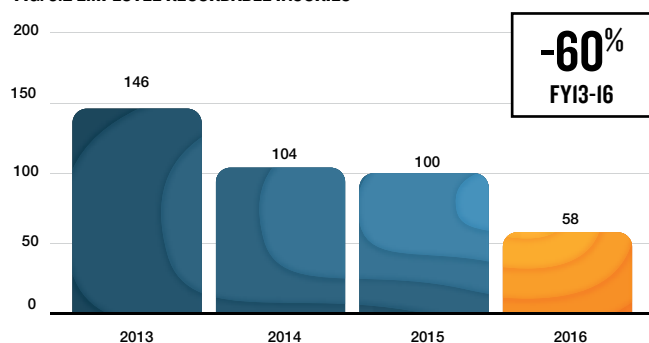


FIG. 3.3 EMPLOYEE RESTRICTED WORK INJURIES

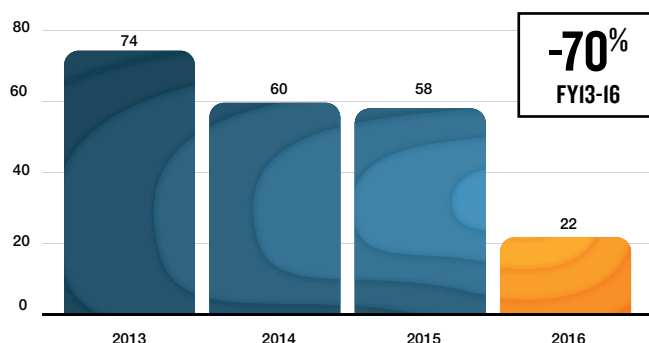


FIG. 3.4 EMPLOYEE RESTRICTED WORK INJURIES

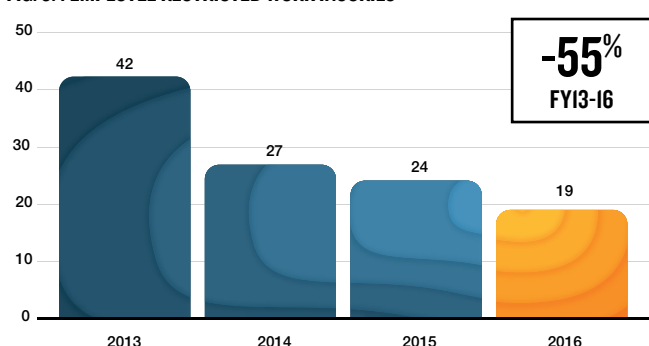
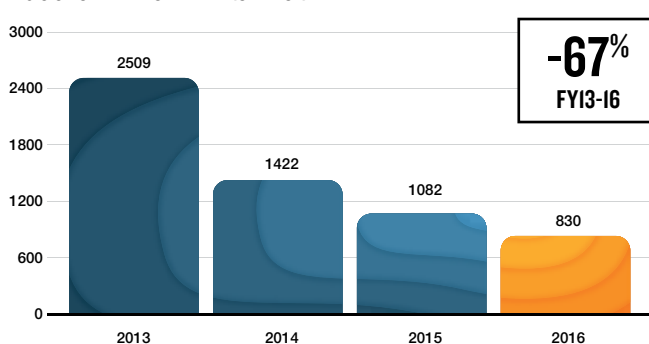


FIG. 3.5 TOTAL DAYS AWAY FROM WORK



» **Education.** Education and employee engagement remain an important cornerstone of our safety culture. A new global safety initiative was the distribution of personalized safety videos with an introduction by our CEO. During FY16, four videos were distributed, the aim being a new safety video for each quarter. Videos cover many areas of safety on the job and in the home. Topics have included: Fire Prevention, Fall Protection, Working Safely with Chemicals, and Hand Safety.

In addition to these global safety initiatives, each operating region undertook a number of local safety initiatives. These included:

- » A continued focus on leading indicators, including safety conversations, sharing of experiences among all levels of employees, contractors and visitors.
- » New campaigns, such as “Think Safe – Work Safe – Home Safe”, “My Reason for Safety”, “Stop a Moment” and broadening the safety message to include home and family.
- » On-going training. The larger component of our more than 150,000 hours of training in FY16 was specifically dedicated to safety.

SERIOUS INJURY AND INCIDENT FREQUENCY (SIF) IDENTIFICATION AND PREVENTION

In FY16, we identified that 9% of all Incidents and Near Misses had the potential to have resulted in a serious incident or fatality. In FY17 we have introduced a new Leading Indicator: Serious Incident Frequency (SIF). This is comparable to a Serious Injury and Fatality Prevention Program. We now actively trend all Incidents and Near Misses with a high or extreme risk rating (events with serious injury or fatality potential). We introduced this new metric because differing severity have differing underlying causes. A blanket approach to injury reduction is ineffective in reducing serious injuries.

Sims’ ELT reviews all SIF Incidents. The Company actively encourages all facilities to generate safety alerts to share the lessons learned from these SIF incidents, so the organization can share prevention techniques in line with our ‘No Repeat’ culture. The main benefit from the new initiative is that SIF allows us to identify precursor data from all events and not just recordable and lost work day injury data. During FY17 we plan to train all managers and supervisors in SIF and our SIF Control Measures. Our new

Global Standards have been driven by SIF trends, ensuring our efforts are prioritized and resources are allocated to meaningful areas of improvements. Furthermore, we have designed our new Internal and External Audit practices to measure compliance with SIF Controls, and the audit results are reviewed by the ELT and the CEO.

DIVERSITY

The skill and dedication of our employees worldwide remains the heart and soul of our Company. This is why Sims encourages a diverse workplace where employees, suppliers, contractors and other visitors are treated fairly, with courtesy and respect and can realize their full potential. We are committed to upholding ethical business practices in conformity with legal requirements and accepted local convention in the countries in which we operate. We will encourage open and proactive communication with our employees, joint ventures, suppliers, contractors, and seek to create an environment reflective of the communities in which we operate.

OUR PERFORMANCE: PEOPLE AND DIVERSITY (CONT.)

DIVERSITY AND RETENTION

Diversity of perspectives, experiences and skills is not just the right thing to do, but is also critical to global competitiveness and excellence. Moreover, despite being in an industry traditionally dominated by men, the Company is uniquely focused on addressing gender balance as one way of accessing the very best potential in our workforce. A number of programs have been established for some time to fast track talent at all levels.

Recent disruptions in the market for commodities worldwide have stressed the ability of all companies in our industry to maintain and enhance diversity initiatives, but our commitment to these efforts has not faltered. At Sims, continuing restructuring of the Company resulted in a further contraction in the number of employees, from 5,429 in FY15 to 4,756 in FY16 – a reduction of 12% -- which was spread evenly across the female and male population. The number of staff leaving voluntarily was 14%, compared to 17% in FY15, whereas redundancies increased from 6% to 11% as a result of this contraction. Short term variations in headcount led the number of females in executive positions to fall slightly, from 15.4% in FY15 to 13.9% in FY16, while females in Senior Management positions rose slightly from 15.5% to 18.2%. Middle Management positions remained fairly unchanged, with females accounting for

20.4% in FY15 and 19.4% in FY16, whereas females in Administrative positions rose from 53.7% in FY15 to 58.6% in FY16. Our operational workforce remained solidly a male domain, at 92.5%, almost unchanged from FY15. In FY17, we will continue to address this imbalance in our operational workforce.

Sims' commitment to diversity helps us attract and retain key talent, while also driving innovation throughout our regions and businesses. We work to learn from the diverse experiences and perspectives of our global workforce and leverage this diversity to optimize results at all of our facilities across the world.

During FY16 we finalized the composition of the Global Diversity & Inclusion (D & I) Committee, with the CEO and two additional ELT members included on the Committee. The D&I Committee will meet on a quarterly basis commencing in FY17 with regional committee meetings more often, if needed.

A D&I Commitment Letter (see below) was signed by the CEO and all members of the ELT in support of the Company's diversity initiatives at all levels. Signatories agreed to embrace and encourage a D&I culture which addresses areas including race, religion, age, and sexual preference and to support Global HR initiatives in these areas. In addition, the Commitment Letter was published in the Company's global employee newsletter to better influence awareness at all levels Company – wide.

PERFORMANCE EVALUATIONS

At Sims we have a robust system for performance evaluations. We conduct Fiscal Year (July to June) Goal Setting and Performance Evaluations of all Sims salaried employees, starting with Goal Setting early in the Fiscal Year, with the ability to keep track of goal progress throughout the process. The final evaluation process starts in May, with employees first completing a Self-Evaluation, then managers evaluating electronically and via face-to-face meetings with their employees.

TRAINING AND DEVELOPMENT

The Company's ability to innovate, improve and sustain its operational edge is entirely predicated on attracting the best talent and inspiring and developing dedicated staff. In this context, training and development is a crucial element, as is the Company's links to external sources of talent from universities, technical institutions and other places of learning. Despite a reduction in overall staff, training hours were increased 4% from 150,512 hours in FY15 to 156,465 in FY16. In line with the Company's priority of "Zero Harm", a large component of this training was health and safety related, but Leadership and Management, Customer Service, Skills Development and Professional Conduct were also significant areas of training. It is worth observing that, on a normalized basis, training rose from 27.7 hours/employee to 32.9 hours per employee year-on-year.

Commitment to Diversity and Inclusion



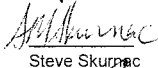
16 West 22nd Street
10th Floor
New York, NY 10010
Telephone 212 604 0710
www.simsmm.com

Sims Metal Management is committed to fostering and cultivating a culture of Diversity and Inclusion. We Recognise the value and advantages of employing a workforce that reflects the diversity of the communities in which it operates. Our commitment to our Company's core values of Safety, Respect, Integrity, Transparency, Excellence and Social Responsibility serves as the foundation for everything we do and governs the way we interact with our employees, our customers, and our suppliers every day. Diversity and Inclusion are a natural extension of, and directly tied to, our core values of Respect and Social Responsibility.

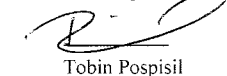
Embracing differences is a critical part of the way we do business around the world. We pledge to foster an environment where employees of every gender, ethnicity, age, race, religion, and sexual orientation are respected, empowered and can thrive. Moreover, we will continuously strive to maintain a culture that reflects the diversity of the communities in which we operate, live, and raise our families. We believe that a diverse workforce and an inclusive work environment generate a broader range of ideas, approaches and innovative solutions which support the achievement of our strategic business objectives.

We also strive to attract, retain, and develop the highest calibre of employees and will ensure that training and advancement opportunities are based on employee performance that epitomises our Company's Core Values. We take great pride in ensuring that these principles guide our business today and in the future.


Gelitino Claro


Steve Skurnac

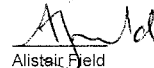

Ken Tierney

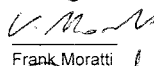

Paul Wright



Tobin Pospisil

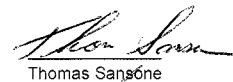
Sims Metal Management


Fred Knechtel



Alistair Field



Frank Moratti


Joe Payesko


Thomas Sansone


Bill Schmiedel


Elise Gautier


Steve Shinn

OUR PERFORMANCE: ENERGY AND GREENHOUSE GAS

In 2009, the Australian Government was among the first in the world to give effect to the Kyoto climate change targets. Sims decided to adopt these targets for all of its global operations, which included a 15% reduction on Scope 1 and 2 carbon emissions by 2020, on a 2009 baseline. In 2010, Sims formulated an energy and carbon policy (available on the Company's website) and a series of energy reduction initiatives. These initiatives included, among others, full replacement of inefficient shredder motors, transition to energy efficient lighting, more fuel efficient trucks and mobile equipment, route optimisation and driver education.

These initiatives, supported by energy, waste and water reduction teams in all regions, saw the Company achieve its 15% reduction target in 2012. Not satisfied with that achievement, the Company set about devising new and more ambitious targets. As we look to the future, a new set of 2020 sustainability goals (described later in this report), based on an updated materiality assessment, will drive us forward.

FUEL AND ELECTRICITY

Total energy use for the Group in FY16 was 1,867,036 GJ, a decrease of 20% from FY15. The major reason for this trend was a reduction in operational activity; however, the Group's continued focus on energy efficiency drove further reductions.

Fuel (diesel used for transport and mobile equipment) was the major component at 1,094,940GJ (58%), followed by electricity - used to power our shredder motors- at 665,708GJ (36%), gas for heating and forklifts at 73,123 GJ (4%), with LPG and petrol combined at 33,265 GJ (2%).

From FY11-FY16, we reduced fuel consumption by 10%, saving over 800,000

GJ and avoiding nearly \$19 million in annual costs. During the period FY14-FY16, our 22% fuel reduction saved approximately \$7 million in costs.

During FY16, we used 879 GJ of biodiesel – further contributing to our cost savings.

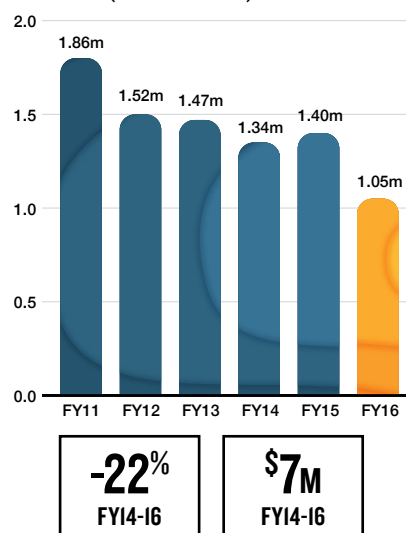
From FY11-FY16, Sims reduced electricity consumption by 10%, saving 415,434 GJ and avoiding \$16 million in costs. During the period FY14-FY16, we reduced electricity consumption by 27%, saving \$9 million. When normalized, we showed a 1% reduction over this period.

Specific examples of key energy reduction strategies across our key regions are described below:

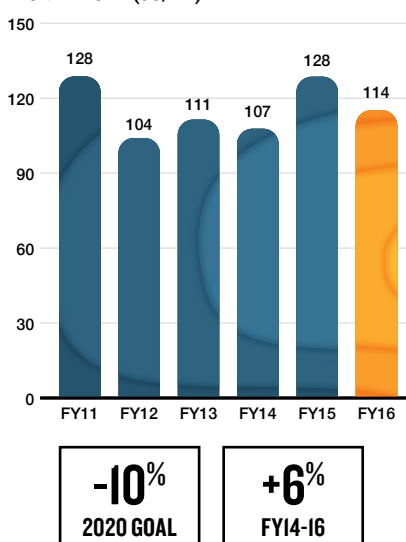
» **North America:** The large solar arrays at Brooklyn and Claremont, along with the Brooklyn wind turbine, continued to make significant contributions to energy efficiency, generating nearly 2 million kWh of renewable energy. Another significant contribution was the continued dedication to mobile equipment upgrade and replacement, reducing fuel usage by nearly 68,000 gallons. The Company's program of progressively replacing lighting with LED systems, as well as improvements in shredder performance and technologies, also made good contributions to energy savings.

» **Europe:** The program of equipment upgrades and technology improvements, such as fuel efficient forklifts, mobile equipment and transport fleet upgrades, continued. A strategic action plan for further improvements, including lighting upgrades, energy audits and behavioural change, such as idling policies, was implemented, as was forced sleep mode for monitors after five minutes.

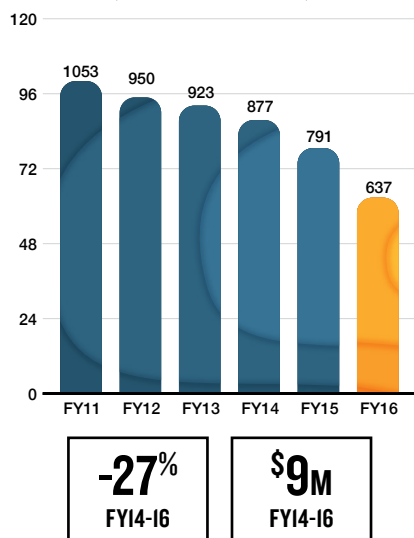
**FIG. 4.0 FUEL EFFICIENCY
ABSOLUTE (GJ IN MILLIONS)**



**FIG. 4.1 FUEL EFFICIENCY
NORMALISED (GJ/MT)**



**FIG. 4.2 ELECTRIC EFFICIENCY
ABSOLUTE (GJ IN 100 THOUSANDS)**



**FIG. 4.3 ELECTRIC EFFICIENCY
NORMALISED (GJ/MT)**

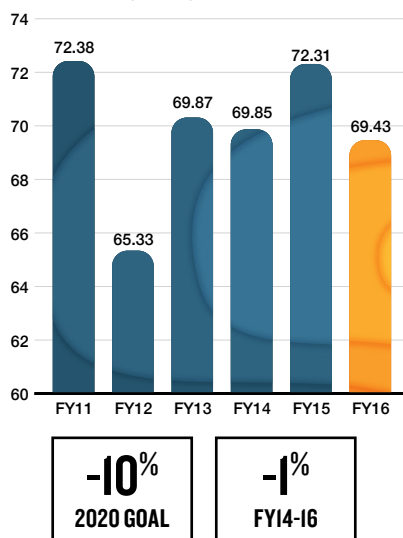
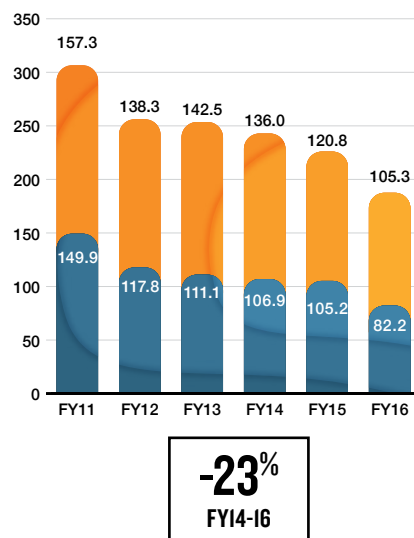


FIG. 4.4 CO2 EMISSIONS (MT)



- » **Australasia:** The region continued to invest in new and fuel efficient equipment, including trucks and on-site mobile equipment. Shredder efficiencies were improved, both through new technology, such as the new shredder installation in Western Australia, and also through better utilization. LED lighting made important contributions to energy efficiency as did continued focus on behavioural changes to stop idling in yards, switching off lights and so on.
- » **Sims Recycling Solutions (SRS):** A number of SRS facilities migrated to the use of renewable energy, resulting in 7.4 million kWh of renewable energy being purchased in FY16. At the SRS facility in Sweden, a new electricity supplier was chosen based on its large renewable component. SRS Billingham, UK had an LED lighting upgrade and split circuit installed, reducing energy consumption by 26,208 kWh each year. SRS Stalybridge, UK replaced four forklift trucks with newer trucks with 20% lower fuel consumption, and two loading shovels with newer loading shovels with 10% lower fuel consumption. SRS Bergkamen, Germany maintained its accreditation to ISO 50001.

CARBON EMISSIONS PROFILE

The energy the Company uses to collect, process and distribute its products gives rise to carbon emissions. These emissions are known as Scope 1 emissions when they are generated directly by our equipment, such as trucks and mobile equipment. When the emissions are a result of externally provided power usage, such as electricity, they are referred to as Scope 2 emissions.

The Company's approach to managing energy and related carbon emissions is detailed in its Corporate Environmental and Energy Policies, available on the Company's website. The execution of these policies is a direct responsibility of our regional SHECS teams, who develop and monitor the strategic plans for the specific initiatives to be implemented at operational level, supported by both internal and external energy professionals. As a participant in the Carbon Disclosure Project (CDP) since 2006, and the Down Jones Sustainability Index since 2008, as well as several others, the Company is committed to the full public disclosure of its carbon emissions.

Total Group CO2 emissions for FY16 were 187,634 tonnes, a decrease of 17% compared to FY15. This decrease was a combination of a 22% drop in Scope 1 emissions (fuel) and a 13% decrease in Scope 2 (electricity), which in part reflected the decreased operational activity. However, the improvement was also influenced by regional factors and the continued review of conversion factors from energy to carbon under the International Greenhouse Gas Protocol. This is also the reason why the carbon profile of the Company differs to that of energy use. Accordingly, electricity accounted for 56% of emissions, followed by diesel at 41%, Gas at 2%, with LPG and petrol combined at 1%.

The Company is not subject to any carbon policy arrangements in Australia, the USA or Europe apart from the Carbon Reduction Commitment (CRC) in the UK. While the CRC is due to close as a scheme in 2018/19, Sims UK is obliged to pay this tax until then. The current price of allowances from the UK Government is £16.90 per tonne of CO2 emitted, although the Company has been able to acquire some on the surplus market at a slightly lesser cost.

GREEN ENERGY

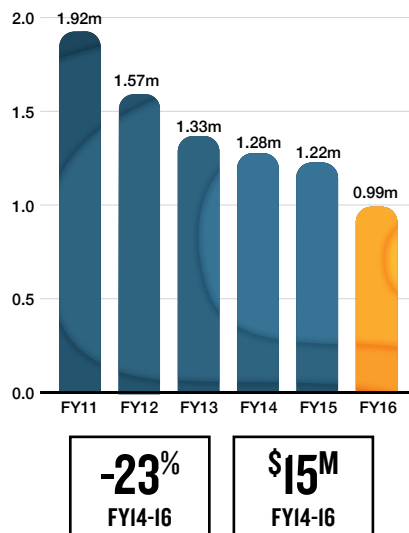
LMS Energy Pty Ltd – the renewable energy company, of which Sims owns 50%, this year entered into its twentieth year of business. During that period, LMS has become an industry leader in the bioenergy industry and continues to achieve outstanding operational performance.

Today, LMS has a total of 23 renewable power generation projects operating. More than 380,000 megawatt hours of renewable energy was generated in FY16, resulting in the creation of over 380,000 Large-scale Generation Certificates (LGCs), as well as an estimated 2.9 million tonnes (CO2e) of carbon being abated. LMS remains the largest bioenergy generator of LGCs in Australia and has also been issued with more than 50% of all Australian Carbon Credit Units (ACCUs) issued under the Carbon Farming Initiative landfill gas methodologies.

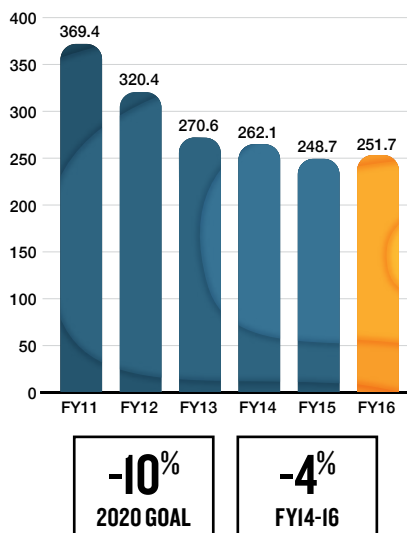
With the Australian Renewable Energy Target now firmly set at 33,000 Gigawatt hours by 2020, LMS entered FY16 with more certainty in the market, which has allowed it to expand its expertise in the renewables sector and restructure the business into two areas. LMS will continue operating and expanding bioenergy projects. A new subsidiary company, Joule Energy Pty Ltd will focus on solar and other renewable energy technologies. This year, Joule was awarded a government funding grant from the Australian Renewable Energy Agency (ARENA) for a pilot landfill solar project in Victoria. The project will see a 100kW solar PV system installed on a landfill later this year, which will be the first of its kind in Australia.

OUR PERFORMANCE: ENERGY AND GREENHOUSE GASSES (CONT.)

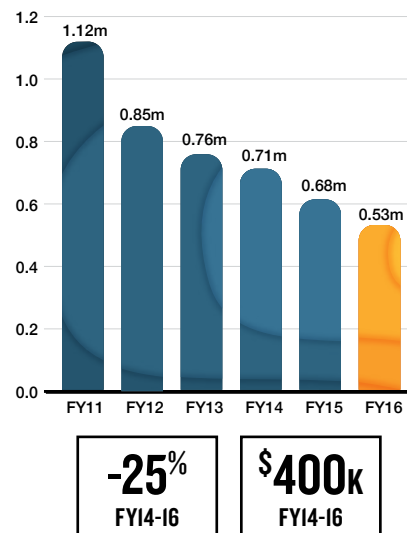
**FIG. 4.5 ASR WASTE REDUCTION
ABSOLUTE (MT IN MILLIONS)**



**FIG. 4.6 ASR WASTE REDUCTION
NORMALISED (MT/MT)**



**FIG. 4.7 WATER CONSERVATION
ABSOLUTE (M³ IN MILLIONS)**



WASTE MANAGEMENT

Waste is an inherent part of the products we purchase for recycling. Volumes of non-recoverable materials are expensive to process and dispose of and are accordingly very strictly controlled through quality control mechanisms as well as our purchasing structure on incoming materials.

During FY16, the Company generated, at a global level, 1,040,826 tonnes of waste, which was a 23% reduction on FY15. While this partly can be attributed to a reduction in operational activity, a significant contributor was the focus on purchasing materials with less inherent waste, increased ability to separate materials for beneficial uses, as well as a reduction in the amount of glass taken in as part of SRS' activities. During FY16, SRS recycled over 3.5 million MT of waste. Of the total waste stream, 98.6% was non-hazardous residue, which has beneficial use as day-cover in landfills, drainage or methane recovery media. The remaining 1.4% was classified as hazardous, and consists largely of trade waste or sludge residue from storm water catchment systems, which must be disposed of appropriately. As part of our new targets for 2020, we aim to reduce waste intensity by a further 10% on a 2014 baseline.

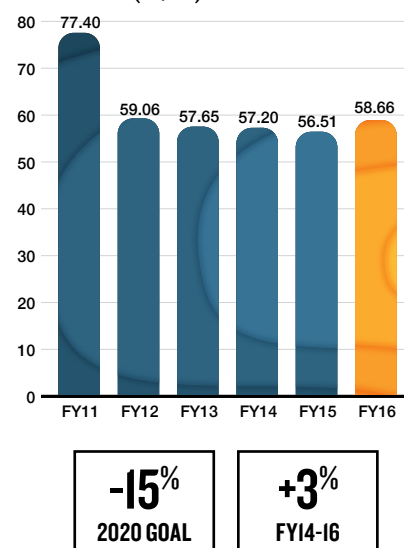
WATER CONSERVATION

Sims continues to be a very small user of water, with only 548 Mega Litres consumed globally. This represents a reduction of 11% when compared to FY15 and reflected a decrease in all regions, apart from Australia where a very dry season caused water for dust suppression to increase. The overall fall was in part due to lower operational activity, but importantly also as a result of a number of significant water reduction initiatives including high pressure water atomizers for dust control, smart water and foam systems for shredder dust and temperature control and better utilization of on-site captured run-off water.

From FY11 – FY16, Sims reduced water consumption by 52%, saving 587,457 m³ and avoiding over \$1million in annual costs. From FY14 – FY16, Sims reduced water consumption by 25%, saving 179,716 m³ and avoiding nearly \$400,000 in costs. The Company used over 40,000 m³ of recycled water during FY16.

As part of our new targets for 2020, we aim to reduce water intensity by a further 15% on a 2014 baseline.

**FIG. 4.8 WATER CONSERVATION
NORMALISED (M³/MT)**



OUR PERFORMANCE: STAKEHOLDER AND COMMUNITY ENGAGEMENT

STAKEHOLDER ENGAGEMENT

Sims works closely with a wide range of stakeholders, from senior ministers and other key government officials, investment advisors, industry bodies to local communities and interest groups.

As a global leader in recycling, the Company's knowledge and insight gained over nearly 100 years of operation is in heavy demand by Government at all levels, NGO's and a wide range of institutions with involvement in sustainable practices and their execution thereof. Notable relationships include the Australian, UK and US Governments, the UN, City of New York and a range of ministries such as the UK Ministry of Defense on issues ranging from data security, illegal trans-boundary movement, energy and carbon efficiency, to metal theft, resource efficiency and deposit legislation.

The Company works closely with environmental advocacy groups such as the Baykeeper organizations and the Total Environment Centre.

The Company has prominent involvement with a number of Industry bodies, including the International Recycling Organization (BIR), the Institute of Scrap Recycling Industries (ISRI), the British Metal Recycling Association (BMRA) and the Australian Council of Recyclers (ACOR), as well as many others.

COMMUNITY ENGAGEMENT

In parallel with such engagement, we are closely linked to the communities in which we operate and those associated with our employees, and there are many hundreds of projects in which the Company is involved. The following is but a small selection:

» **North America Metals:** The Spokes Program offering bike and bike safety training to children from low income households, including the donating of new bikes upon graduation. Partnering with Redwood City High School on environmental education and providing a scholarship to the best essay on recycling. "Scrap for Kids" program in Ohio, raising \$20,000 for Christmas presents for underprivileged children. Participating in "Rocking the Boat" in Manhattan, helping to raise \$272,000 to support the Bronx's after school program. Helping to clean up the New Jersey shoreline.



OUR PERFORMANCE: COMMUNITY ENGAGEMENT (CONT.)



» **Australasia Metals:** Raising \$2,000 in support of the Napier (NZ) Boys Junior Basketball team allowing 25 boys to attend a Rotorua tournament. Supporting the Bankstown/Liverpool Safety Group founded in 1982 to promote safety among more than 200 local businesses. Working with the Victorian EPA and local fire brigades to promote fire prevention at industrial sites. Providing and maintaining the safety management system for "Relay4Life", an annual NSW Cancer Council fundraising event. Participating in "Clean Up Australia" day and the "Scrap for Gold" program, where large West Australian companies donate portions of their scrap arisings to Sims, which in turn converts this into cash in support of St Vincent de Paul's facility for homeless aged people (more than \$23,000 was raised). Participated in the "Ruggies" program, raising and donating \$30,000 for the Princess Margaret Hospital for children (WA).

» **UK Metals:** Sponsoring the under 20s Cornwall Triathlon competitor, Ben Kent in the World Championships. Participating in the Hartlepool charity raft race. Assisted Avonmouth based Film Company, by providing sound effects of cars being shredded. Donations to various charities, including "Brum Punx Picnic", supporting families with heart defects at Birmingham Children's Hospital, "Variety Club" for disadvantaged children, and McMillan Cancer Support. Donating Easter eggs to Nottingham Children's Hospital and nursing home. Sponsoring a local Exeter employee on a breast cancer charity bicycle ride from London to Amsterdam. Provided people power and tools to improve a local children's nursery outdoor space. Providing cars and yard space for training of rescue officers in several locations.

» **Sims Recycling Solutions:**

SRS LaVergne, USA – Supported 'Habitat for Humanity' builds – the facility made monthly donations and employees volunteered on weekends, by covering 8 hour shifts. SRS Roseville, USA – hosted in-house fundraising events throughout the year and raised \$6,337 for the Me-One foundation, Down Syndrome Information Alliance, and American Heart Association. Employees also participated in the American Heart Association heart walk to raise awareness to the dangers of heart disease. During the holidays, the facility hosted a canned food drive to donate to Placer County Food bank and donate wrapped gifts to the Angel Tree for underprivileged children. SRS US hosted the 4th Basel Convention Environmentally Sound Management Expert Group meeting in San Francisco.

SRS Bergkamen, DE – Marc Affüpper, Director of Sims M+R GmbH, presented a €1500 cheque to three municipal kindergartens for collecting over 5,000 tons of electronic waste in celebration of Earth Day. SRS Vienna, AT made a donation of \$2195 to a local facility that offers a therapy camp during the summer for disabled youths - with around 160 youths attending this therapy camp in 2015.



AUDIT AND ASSURANCE

We are committed to the principle of:
“Trust but verify.”

» **Internal Audit Function:** During FY16, our Internal Audit Function performed assessments to confirm conformance with internal procedures and controls around safety. These were done with the inclusion of SHECS directors as part of the audit team, allowing for in depth expertise and the sharing of best practices across regions and businesses.

» **Assurance Letter Process:**
The company implemented a safety assurance letter process where plant managers formally commit and confirm that their operations comply with Company standards, identify areas that require improvement, and detail action plans that aim to bring the sites into conformance where needed. Every yard manager is continually engaged to ensure that all work being carried out at his or her yard is in accordance with global policies and best practice.

RECOGNITION

EXTERNAL RECOGNITION

We are pleased to have recently received external recognition of our sustainability efforts by a growing number of leading independent organizations:

- » **National Association of Corporate Directors:** National Association of Corporate Directorship (NACD) published an article about Sims in its September/October 2016 issue of NACD Directorship.
- » **The Conference Board:** In a recent comprehensive research report called 'The Seven Pillars of Sustainability Leadership', The Conference Board highlighted Sims' Board of Directors Commitment Letter as a best-in-class example of Sustainability Leadership.
- » **Carbon Disclosure Project:** The Company was one of the first to participate in the Carbon Disclosure Project (CDP) and 2016 marks our eleventh year of participation in this leading carbon index.

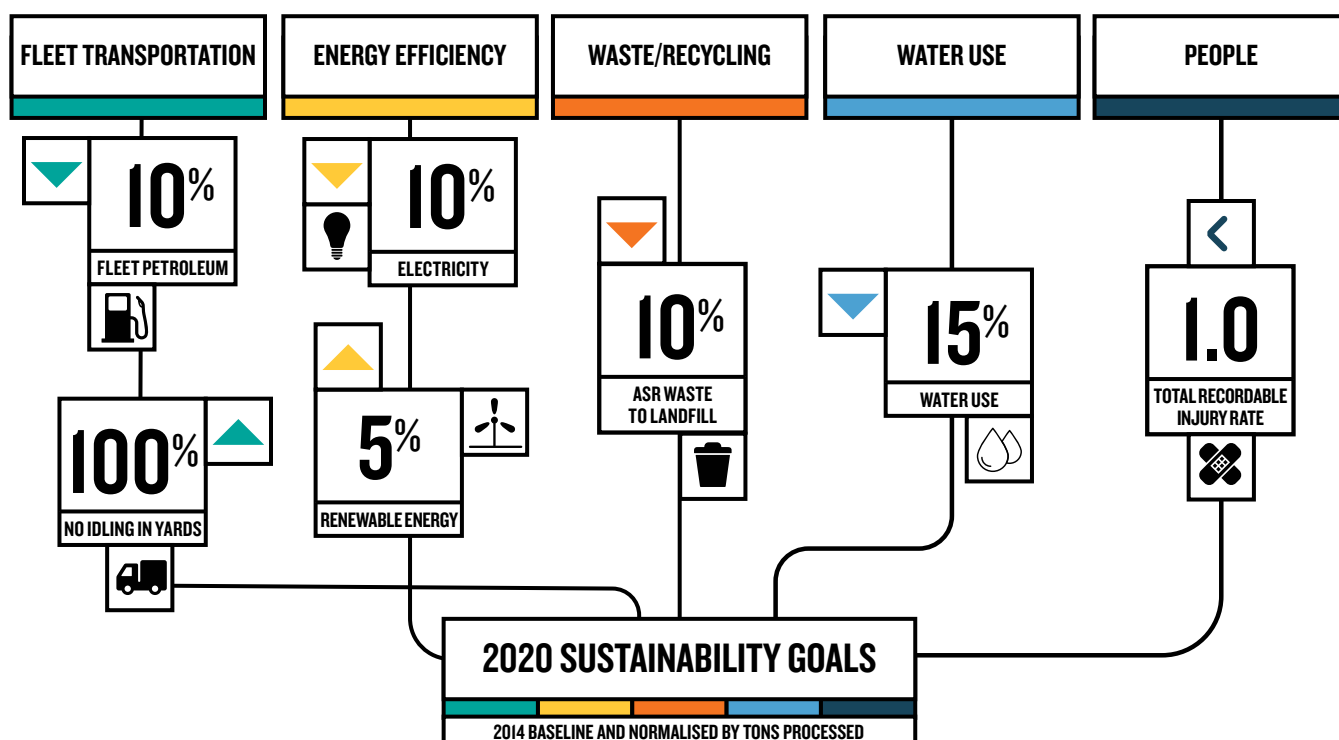
- » **Dow Jones Sustainability Indices:** The Company has participated in the prestigious Dow Jones Sustainability Index for nine consecutive years, where, since 2012, we have been an Index Component.
- » **Global 100 Most Sustainable Companies:** We remain the only recycling company that has been nominated among the world's 100 most sustainable companies five years in a row by the World Economic Forum in Davos, reaching a highest ranking of world number 11 in 2012.
- » **Investors:** The NYSE/Euronext Index listed the Company among its global 120 on corporate responsibility.

INTERNAL REWARD AND RECOGNITION

To further drive performance improvement within the Company, a new safety and sustainability awards program, featuring a CEO Award for Safety and Sustainability Performance, will be launched this year.



OUR PATH FORWARD



2020 GOALS

We set our first set of long-term sustainability goals back in 2009 – aggressive targets for energy, water and waste reduction. As 2015 approached, we had exceeded those goals and it was appropriate to set a new round of 2020 goals –based on a 2014 baseline. The focus of these goals is on the Company’s most material environmental and societal impacts: fuel use, electricity, water and waste. The 2020 goals were approved by our Board in late 2015.

The new 2020 targets (normalised against processed tonnes) include a 10% reduction in fuel consumption (Scope 1), a 10% reduction in consumption of electricity, and a move towards 5% renewable energy (Scope 2). Other targets include a 15% reduction in water consumption, a 10% reduction in waste generation, and a 100% ban on the idling of mobile equipment in our yards. We have established annual targets, and will report on our progress annually.

THE PATH FORWARD

Business has always been a rapidly changing landscape. Companies that adapt rapidly will succeed and flourish. In today’s world, with restricted resources, global interconnectivity and population pressures on energy, waste and water, the ability to do more with less has become an imperative for survival.

As each day’s news reminds us, there is an urgent need to address global sustainability issues. Business as usual is not an option. At Sims, our core business has always been - and remains - the “closed-loop” circular flow of metals and, more recently, of electronics, to continually extract value. As the world comes to grips with climate change and a rapidly surging middle class, pressure on resources will continue. This presents an even stronger business case for recycling.

We support the precautionary principle, believing that where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

The nature of our business, our global reach, our leadership and the commitment of our employees all point to a future of sustainable innovation and growth. Moving briskly toward embracing “circular economy” principles is the road to value creation for tomorrow’s leaner, fitter, more resilient, and transparent company. We are progressing on this journey with haste.

ALIGNMENT WITH THE GLOBAL REPORTING INITIATIVE

Sims Metal Management is a strong advocate of sustainability reporting. We support the efforts of the Global Reporting Initiative and are pleased to include the table below – which includes those GRI-G4 indicators most directly aligned with our Materiality Assessment discussed earlier in this report.

GRI INDICATOR	GRI DESCRIPTION	REFERENCE
STRATEGY AND ANALYSIS		
G4-1	Statement from Chairman and CEO	pp. 4-5
G4-2	Description of key impacts, risks and opportunities	pp. 4-10, 12-13, 28
ORGANIZATIONAL PROFILE		
G4-3	Name of the organization	Inside front cover
G4-4	Primary brands, products, and services	Inside front cover
G4-5	Location of the organization's headquarters	pp. 4-5
G4-6	Number of countries the company operates in	Inside front cover
G4-7	Nature of ownership and legal form	Inside front cover
G4-8	Markets served	Inside front cover
G4-9	Scale of the organization	Inside front cover
G4-10	Workforce and employees	Inside front cover
G4-11	Percentage of employees covered by collective bargaining agreements	Small
G4-12	The organization's supply chain	Inside front cover
G4-13	Key changes during the period regarding organization	None
G4-14	Position on precautionary approach or principle	pp. 27
G4-15	External charters, principles etc. that the organization endorses	pp. 2
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Entities included in the organizations financial statements	See Annual Report
G4-18	Process for defining report content and Aspect Boundaries	pp. 1
G4-19	List of material aspects	pp. 12-13
G4-20	Alignment of material aspects to entities within the organization	pp. 12-13
G4-21	Material aspects outside the organization	pp. 12-13
G4-22	Effect of any restatements from previous reports	None
G4-23	Significant changes from previous reporting periods in scope and aspect boundaries	None
STAKEHOLDER ENGAGEMENT		
G4-24	List of key stakeholder groups	pp. 9-12, 16-19, 23-24
G4-25	Basis for identification and selection of stakeholders with whom to engage	pp. 23-24
G4-26	Organization's approach to stakeholder engagement	pp. 9-12, 16-19, 23-24
G4-27	Key topics and concerns raised by stakeholder engagement	pp. 12-13

GRI INDICATOR	GRI DESCRIPTION	REFERENCE
REPORT PROFILE		
G4-28	Reporting period	pp. 1
G4-29	Date of most recent previous report	pp. 1
G4-30	Reporting cycle	pp. 1
G4-31	Contact point for questions regarding the report or its contents	Inside cover
G4-32	Report the “In Accordance With” option (Core)	pp. 12
G4-33	Assurance	pp. 25
GOVERNANCE		
G4-34	Governance structure of the organization	pp. 4-6; 8-9
G4-35	Delegating authority for economic, environmental and social topics	pp. 6
G4-36	Executive level positions	pp. 4-6
G4-37	Consultation with Stakeholders	pp. 7-10
G4-38	Composition of Board Sustainability Committee	See Annual Report
G4-39	Chair and CEO structure	pp. 4-6
G4-40	Selection Criteria for Board Sustainability Committee	See Annual Report; pp. 19
G4-41	Process for managing conflicts of Interest	See Annual Report
ETHICS AND INTEGRITY		
G4-56	The organization’s values and code of ethics	pp. 7-10
ENVIRONMENTAL		
EN2	Percentage of materials used that are recycled input materials	Inside front cover
EN3	Energy consumption within the organization	pp. 20-22
EN4	Energy consumption outside of the organization	pp. 20-22
EN5	Energy intensity	pp. 20-22
EN6	Reduction of energy consumption	pp. 20-22
EN7	Reductions in energy requirements of products and services	pp. 20-22
EN10	Percentage and total volume of water recycled and reused	pp. 20-22
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	pp. 20-22
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	pp. 20-22
EN18	Greenhouse gas (GHG) emissions intensity	pp. 20-22
EN19	Reduction of greenhouse gas (GHG) emissions	pp. 20-22
EN22	Total water discharge by quality and destination	pp. 20-22
SOCIAL: LABOR PRACTICES AND DECENT WORK		
LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of workrelated fatalities, by region and by gender	pp. 16-17
LA9	Average hours of training per year per employee by gender, and by employee category	pp. 18
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	pp. 18
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	pp. 18
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	pp. 18-19
SOCIAL: SOCIETY		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	pp. 24-25
SO2	Operations with significant actual or potential negative impacts on local communities	pp. 12-13, 24-25



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