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 4,500 employees, Sims’ principal activity is the buying, processing and selling of ferrous and non-ferrous recycled metals. It also provides environmentally responsible solutions for the disposition of post-consumer electronic products, including 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’ 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).

SIMS AND THE CIRCULAR ECONOMY

Sims has always been at the center of the “circular economy,” recovering and recycling products and materials to ensure maximum value and minimum waste. As the world has changed over the past century, Sims has consistently been a groundbreaking force and an innovator. Sims 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 into our strategy, and deeply ingrained in our culture.

THE FIGURE BELOW DEPICTS SIMS’ BUSINESSES AND THE CIRCULAR ECONOMY

For further information, please contact:

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Group VP SHECS
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Telephone 212 604 0710
www.simsmm.com
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. 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 recognize that a growing number of our stakeholders wanted more information about our sustainability initiatives. Thus, in 2015, we instituted a separate Sustainability Report. The key elements we describe in this year’s report include:

- **Introduction** – Overview of the Company and sustainability:
  - Sims’ Core Businesses
  - Sims and the Circular Economy

- **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 behavior 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 FY17 performance and tracking our performance over time in:
  - People and Diversity
  - Energy and Environment
  - Community

- **Audit and Assurance** – Ensuring our data is robust.

- **Recognition** – External recognition of Sims’ strong sustainability efforts.

- **Our Path Forward** – A summary of our 2020 sustainability goals and the road ahead.

- **Alignment with Global Reporting Initiative** – Key GRI indicators that align with our materiality assessment.
Business has always been a rapidly changing landscape. Companies that adapt rapidly will succeed and flourish. In today’s world, with global interconnectivity and population pressures on energy, resources, waste and water, the ability to do more with less has become an imperative for survival.

At Sims, our core business has always been - and remains – the “closed-loop” circular flow of metals and electronics, to continually extract value. Our core businesses are:

- Metals Recycling – Sims Metal Management is the world’s leading publicly listed metal recycler, encompassing the buying, processing and selling of ferrous and non-ferrous recycled metals. The metals recycling activities are geographically diverse, with operations in five continents, including the United States, Australia and the United Kingdom. Our network of processing facilities, many with deep-water port access, is supported by an extensive number of feeder yards from which to source recyclable ferrous and non-ferrous metals.

- Electronics Recycling – Sims partners with local, national, and global businesses in the responsible reuse and recycling of end-of-life electronics and computers. We provide environmentally responsible solutions that ensure 100 percent digital data destruction. Our worldwide network of certified processing facilities, with no export mandates, reinforces our closed-loop approach to responsible electronic recycling.

- Municipal Recycling – Sims Municipal Recycling receives household recyclables from municipalities such as New York City and Chicago. Moving forward, Sims Metal Management Municipal Recycling will make use of its resources and build on its experience to bring efficient and effective curbside recycling services to other municipalities across North America.

- Renewable Energy - LMS Energy, in which Sims has a 50% interest, is a leading landfill gas-to-energy company with 35 years of industry experience. LMS pioneered the collection and conversion of landfill gas-to-energy in Australia and, more recently, installed the first solar generation system on landfill. By destroying and reprocessing landfill gas, LMS reduces greenhouse gas emissions and provides a local renewable energy source for the community. LMS projects currently generate over 380,000 megawatt hours of base-load renewable electricity annually. In addition, LMS abates over 3 million tonnes of carbon (CO2-e) each year.

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.
SIMS AND THE CIRCULAR ECONOMY

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. Sims’ businesses are 100 percent aligned with – and are in fact helping to drive – tomorrow’s “circular economy.”

As an alternative to the traditional linear economy (make, use, dispose), the idea of the circular economy is to keep resources in use for as long as possible; extract the maximum value from those resources while in use; and then recover and regenerate products and materials at the end of their useful life.

Our culture and core values are what bind us together, across regions and responsibilities, and help drive us toward our ambitious goals. These core values of safety, integrity, respect, transparency, excellence, and social responsibility, determine who we are as a company and are the foundation of everything we do.

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. And while we are proud of our track record of sustainability leadership, we are continually raising the bar to do even better.

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.

Sims’ operational philosophy revolves around five principles which we refer to as SHECS:
1. Safety,
2. Health,
3. Environment,
4. Community, and
5. Sustainability

All of our employees understand that their safety and protection is first and foremost. 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 2017 is our twelfth year of participation.
As the Company embarks on the next chapter of its long and distinguished history, our Board, management team, and all our employees will continue to support the principles of sustainable innovation and growth.”
Alistair Field joined the Company in 2015 as Managing Director of Australia and New Zealand Metals. He was appointed Group Chief Executive Officer and Managing Director of Sims on 3 August 2017.

COMMITMENT TO WORKPLACE SAFETY AND SUSTAINABILITY
At Sims, we are committed to being a global leader in safety and sustainability. Materials recycling often involves the movement of heavy objects, and the use of large machinery and mobile equipment, which can create hazardous operating environments. For this reason, safety continues to be our first priority, with the ultimate goal of creating a zero harm environment both at work and at home.

Our commitment to safety is showing results. Over the past twelve months, our total recordable injury frequency rate (TRIFR) dropped by 10% and our lost time injury frequency rate (LTIFR) by 36%. We will not be satisfied until we get to zero.

Sustainability and environmental stewardship is at the center of our business. Through the combined efforts of our operations, we divert over 10 million tonnes of metal, electronics, plastics, glass, and paper from landfill every year. We are proud of our track record of sustainability over many decades, and we continue to improve our performance on a variety of key metrics.

“Alistair Field
Group CEO and Managing Director

“At Sims, we are committed to being a global leader in safety and sustainability.”
The key elements of our sustainability governance structure are depicted in the figure below. In addition to the more formal SHECS Committee and Executive Leadership Team (ELT) meetings, this reporting structure provides extensive informal communication.

"The Board signed a letter of commitment to provide unconditional support to management to develop a world-class platform for safety, health, environmental, 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."
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 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—they set the standard for the way the Company interacts with its employees, customers, communities and all stakeholders.

**Safety** is our number one priority and, therefore, without safety 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 are 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.

**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. These foundations are critical to the welfare of the Company’s people and essential to the long-term growth of the Company’s business.

**OUR COMMITMENTS**

To implement our core values, Sims SHECS policy direction starts with strong written commitments from both the Board of Directors and the CEO. These 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. These global policies are translated into daily operational activities through the global SHECS standard operating procedures (SOPs).
Board of Director's 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 Brunson  Robert Bass  John DiLacqua  Allsair Field  Georgie Nelson

Deborah O'Toole  James Thompson  Heather Ridout  Tom Sato

Sims Metal Management
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 all-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 strive to 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.

Alistair Field
Chief Executive Officer and Managing Director

Sims Metal Management
Our Global SHECS policies can be found on the Company’s website (www.simsmm.com). A summary of key extracts from those policies follows:

**GLOBAL SHECS COMMITMENTS**

**SAFETY AND HEALTH**
We at Sims, 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.

**ENERGY AND CARBON EMISSIONS**
Sims is committed to reducing its energy consumption, and the associated carbon profile of its day-to-day operations.

**BIODIVERSITY**
Sims recognizes the importance of preservation of habitats and ecosystems to ensure biological diversity for future generations.

**COMMUNITY**
Sims is committed to being a respected, responsible corporate citizen by working constructively with our communities and other stakeholders in engaging in the honest and ethical conduct of our business.

**OTHER ENVIRONMENT COMMITMENTS**
We are committed to conducting our business in a manner that protects the environment, supports the ecologically sound and sustainable use of resources and provides the minimization of waste and the prevention of pollution.
OPERATIONALIZING GOVERNANCE AND LEADERSHIP

EXECUTIVE LEADERSHIP TEAM
Sims’ ELT meets regularly to discuss strategic initiatives. Mr. Tierney, Group Vice President of SHECS, is a member of the ELT and present at all of these meetings. The meetings always begin with each president briefing the team on safety and sustainability performance. A site tour is generally conducted, with an emphasis on safety and environmental assessment.

OPERATIONS CALLS
Sims’ CEO conducts operations meetings and telephone dialogue with members of the ELT and other key personnel. Safety and SHECS issues are the first agenda item on every call.

SUSTAINABILITY COUNCIL
A Sustainability Council, comprised of operations and functional leaders across the organization, reviews policy and sets direction. SHECS professionals in each region and business implement the specific Board and ELT initiatives.

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 place. In 2014, a Project Management Office was established 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.

LEARNING FROM LEADERS
While we are proud of our sustainability heritage and accomplishments, we are not perfect. Sims can learn from many other leading companies. One way we did this during FY17 was to hire a summer intern from the highly respected Environmental Defence Fund Climate Corps program (see section on Green Energy).

INNOVATION AND TECHNOLOGY
Sims is constantly working to identify cutting edge technologies that can increase intrinsic metal values and remove percentages of non-conforming materials. This also helps mitigate market risks by diversifying the Company’s consumer base and eliminating reliance on other traditionally low-cost outlets.

MAXIMIZING CIRCULAR FLOWS
Sims’ Global Operational Excellence team has dedicated substantial resources, research and development, and time, to identify best practices and technologies to extract more metal from the Company’s waste streams. As a metals recycling company, the idea of shipping measurable amounts of metallic material to landfills for disposal is an obvious opportunity to both reduce waste generation and waste related costs. The team has deployed a number of operating system optimization techniques and best practices, and implemented plant upgrades and technologies that divert recoverable materials from our waste streams.
MATERIALITY

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 shortlist 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,
- The importance of key issues to our stakeholders.

The materiality assessment helps us focus our resources and strategies to address the most significant issues, depicted in the figure below.

To further broaden our understanding, in FY17, we reached out to a group of external stakeholders who interact with, and know, our Company as customers, suppliers, community groups, etc. This work continues in FY18.

THE FIGURE BELOW DEPICTS SIMS’ MATERIALITY ASSESSMENT - 25 MOST IMPORTANT ISSUES

Bubble size indicates Strength of Sims Programs in Controlling (bigger = better controlled)
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 business. In addition, market and industry information is analyzed 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 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. 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.
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:

**SUMMARY**

General summary of sectors results
pp.15-17

**OUR PEOPLE**

safety & health, diversity & education
pp.18-23

**ENERGY AND ENVIRONMENT**

water, waste, fuel, carbon and biodiversity
pp.24-29

**COMMUNITY AND STAKEHOLDER**

education, engagement and volunteering
pp.30-32
**83%**
Reduction in Recordable Injury Rate FY07-FY17

**79%**
Reduction in Lost Time Injury Rate FY07-FY17

**13**
Lost time injuries recorded from over 4500 employees in FY17

**36%**
Reduction in Lost Time Injury Frequency Rate from FY16-FY17

Front line supervisor conducting safety observations in the yard.

Safe and efficient loading of deep sea vessels.

Town Hall meetings are held regularly with all employees.
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. And while we are proud of our track record of sustainability leadership, we are continually raising the bar to do even better.
### TABLE OF DATA

<table>
<thead>
<tr>
<th>KEY PARAMETER</th>
<th>REGION</th>
<th>FY17</th>
<th>FY16</th>
<th>CHANGE</th>
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<tr>
<td>Energy Use</td>
<td>North America Total (GJ)</td>
<td>995,988</td>
<td>998,516</td>
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<td></td>
<td>Europe and UK Total (GJ)</td>
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<td></td>
<td>Asia Pacific Total (GJ)</td>
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<td>523,635</td>
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<td><strong>Group Total (GJ)</strong></td>
<td><strong>1,878,561</strong></td>
<td><strong>1,867,036</strong></td>
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<td>CO2 Emissions</td>
<td>North America Total (tCO2e)</td>
<td>77,395</td>
<td>92,503</td>
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<td>Europe and UK Total (tCO2e)</td>
<td>27,785</td>
<td>31,138</td>
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<td></td>
<td>Asia Pacific Total (tCO2e)</td>
<td>71,005</td>
<td>63,993</td>
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<td></td>
<td><strong>Group Total (tCO2e)</strong></td>
<td><strong>176,185</strong></td>
<td><strong>187,634</strong></td>
<td><strong>-6%</strong></td>
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<td></td>
<td>Scope 1 (tCO2e)</td>
<td>67,266</td>
<td>82,241</td>
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<tr>
<td></td>
<td>Scope 2 (tCO2e)</td>
<td>108,919</td>
<td>105,393</td>
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<tr>
<td>Water Consumption</td>
<td>North America Total (Mega Litres)</td>
<td>260</td>
<td>301</td>
<td>-14%</td>
</tr>
<tr>
<td></td>
<td>Europe and UK Total (Mega Litres)</td>
<td>159</td>
<td>164</td>
<td>-3%</td>
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<td></td>
<td>Asia Pacific Total (Mega Litres)</td>
<td>79</td>
<td>84</td>
<td>-6%</td>
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<td><strong>Group Total (Mega Litres)</strong></td>
<td><strong>498</strong></td>
<td><strong>549</strong></td>
<td><strong>-9%</strong></td>
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<tr>
<td>Waste Generation</td>
<td>North America Total (Tonnes)</td>
<td>684,627</td>
<td>596,023</td>
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<td></td>
<td>Europe and UK Total (Tonnes)</td>
<td>197,432</td>
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<td></td>
<td>Asia Pacific Total (Tonnes)</td>
<td>240,057</td>
<td>238,268</td>
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<td><strong>Group Total (Tonnes)</strong></td>
<td><strong>1,122,116</strong></td>
<td><strong>1,040,826</strong></td>
<td><strong>8%</strong></td>
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<td>Key OH&amp;S Indicators</td>
<td>Group LTIFR (LTIx1,000,000/exposed hours)</td>
<td>1.3</td>
<td>2.13</td>
<td>-39%</td>
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<td></td>
<td>Group MTIFR (MTIx1,000,000/exposed hours)</td>
<td>5.3</td>
<td>5.07</td>
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<td>Number of employees</td>
<td>Male</td>
<td>3,878</td>
<td>3,865</td>
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<tr>
<td></td>
<td>Female</td>
<td>909</td>
<td>891</td>
<td>2%</td>
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<td></td>
<td><strong>Group Total</strong></td>
<td><strong>4,787</strong></td>
<td><strong>4,756</strong></td>
<td><strong>1%</strong></td>
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<tr>
<td>Training</td>
<td>Group Total Hours (Corporate training only)</td>
<td>150,000</td>
<td>156,465</td>
<td>-4%</td>
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</table>
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. Work does not commence until risks of the tasks involved have been assessed and understood by all personnel involved. Should a near miss or unsafe situation occur despite these efforts, 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 metrics such as the Lost Time Injury Frequency Rate (LTIFR) and Medically Treated Injury Rate (MTIFR), together with Restricted Duty Cases (DART), to form the Total Recordable Injury Frequency Rate (TRIFR). We have set aggressive corporate goals to achieve a TRIFR 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. In FY17, our LTIFR (# of LTIs x 200,000/exposed man-hours) was 0.27 compared to 0.42 in FY16, representing a 36% reduction in Lost Time Injuries. Our MTIFR was also down and, overall, our Recordable Injury Frequency Rate was down from 1.45 in FY16 to 1.31 in FY17: representing a 10% reduction in total recordable injuries.

Our sustainability initiatives start with a focus on safety.
Safety continues to be our first priority, with the ultimate goal of creating a zero harm environment both at work and at home.
SAFETY AND HEALTH

During FY17, Sims implemented a number of new global safety initiatives aimed at achieving world-class safety performance. Some recent highlights included:

SERIOUS 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 FY17, Sims recorded a total of 1,563 Incidents, 1268 Near Misses and 6,593 Hazard Identifications. We analyze 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.

SERIOUS INJURY AND INCIDENT FREQUENCY (SIF)

In FY17 we introduced a new Leading Indicator: Serious Incident Frequency (SIF) Rate. This is comparable to a Serious Injury and Fatality Prevention Program. We actively trend all incidents and near misses with a high or extreme risk rating (events with serious injury or fatality potential). In FY17, we identified that 6% (down from the 9% identified in FY16) of all incidents and near misses had the potential to have resulted in a serious incident. We analyze precursors of these incidents and develop processes to predict and prevent the reoccurrence of serious incidents.

SAFETY AND GLOBAL SOPS

Globally, Sims has continued to implement new Standard Operating Procedures (SOPs) that were first launched in FY15. 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 assurance letters to ensure compliance with our global policies.

RISK ASSESSMENTS

Sims implemented a new global platform for recording and tracking Risk Assessments (Job Safety Analysis). The platform allows sharing of information and the ability to track risk registers throughout the organization.

RISK REDUCTION

Sims piloted a Machine Guarding Best Practice initiative across all its shredders in North America, introducing best practice risk control measures. This initiative will be spread throughout the organisation during FY18.

INTERNAL REWARDS AND RECOGNITION

In FY17 we implemented a Safety and Sustainability Awards Program. We were very pleased with the response to this, our first Awards Program, which comprised of Safety Hero and SHECS Best Practices (Achievements) Awards. Sixty-seven nominations were submitted, of which 22 were Hero Nominations and 45 SHECS Best Practices Nominations. The Executive Leadership Team chose six Hero Winners and six Best Practice Awards, which were awarded for the development of an innovative safety, health, community or sustainability initiative. The individual winners were:

- **HOUSTON, TX (NA METALS)**
  Rail Road ‘Sidekick’ Brake Stick
  Eliminates ‘fall hazards’, as workers no longer walk between the rails.

- **UK METALS**
  Opening Trailer Doors Using Lorry Straps
  Allows the driver to open from the side of the trailer, out of the danger zone.

- **GLOBAL SRS – TUCSON**
  Innovative designs around the reduction of lifting and ergonomic exposures.

- **ANZ METALS**
  Automated Hook Truck Mounted Tarping (Sheeting) System
  Eliminates hazards associated with manual tarping, such as work at height/ climbing trailers.

- **NA METALS – CLAREMONT**
  Stevedoring Gangway
  Provides a stable and ease of access for crews without being concerned about tides or manually adjusting the gangway.

- **NA METALS**
  Wet Meadow Stormwater System
  By creating a string of wetlands, and surrounding the entire landscape with a stormwater treatment wall to be populated with mosses and ferns, water quality has been vastly improved while greatly increasing biodiversity in and around the facility.

EDUCATION

Education and employee engagement remains an important cornerstone of our safety culture. During FY17, five videos were distributed, the aim being a new safety video for each quarter. Videos cover many areas of safety, both on the job and in the home. Topics have included confined space, machine guarding, fall prevention, hot work and mobile equipment.

In addition to these global safety initiatives, each operating region undertook a number of local safety initiatives.
DIVERSITY AND RETENTION

The skill and dedication of our employees worldwide remains the heart and soul of our Company.

Sims encourages a diverse and inclusive 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 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. Diversity of perspectives, experiences and skills is not just the right thing to do, but is also critical to global competitiveness and excellence.

In FY17, we continued our strong focus on addressing gender balance. We demonstrated our commitment to diversity by ensuring that the following statement appears in all internal and external job postings: “Sims Metal Management is an Equal Opportunity Employer and values the benefits of a diverse workforce.” This wording is also included in all human resources marketing materials. The issue of equal opportunity is reflected in our Code of Conduct, as well as country specific policies.

The Company continues to deliver a global Diversity and Inclusion education series with emphasis on regional execution. To better align with our core value of “Respect”, and better resonate with our employees, this training has been branded as “Respect & Inclusion @ Sims.”

The Company utilizes its Applicant Tracking System and Performance Management System to track, monitor and measure diversity statistics for all applicants and current employees, respectively, where legislatively applicable.

The number of women in executive positions remained relatively flat to FY16 at 15%, while women in Senior Management positions fell from 18.2% to 15%. Middle Management positions remained fairly unchanged, with women accounting for 21% in FY17. Women in Administrative positions fell from 56% in FY16 to 53% in FY17. Our operational workforce remained solidly a male domain, at 90%.

Sims’ commitment to fostering a diverse and inclusive workplace helps us attract and retain key talent, while also driving innovation throughout our regions and businesses. The chart above demonstrates that Sims is attracting and hiring female talent at a rate greater than the current female employee base, thus positioning the Company for continued growth in the number of women represented organizationally. We aim 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.

HIRING DIVERSITY

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Total Percentage of Female New Hires</th>
<th>Total Percentage of Female New Hires in Management</th>
<th>Total Percentage of Female New Hires in Administration &amp; Production</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24%</td>
<td>28%</td>
<td>23%</td>
</tr>
<tr>
<td>Female New Hires</td>
<td>19%</td>
<td>21%</td>
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<tr>
<td>Current Female</td>
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</tr>
<tr>
<td>Employee Base</td>
<td>23%</td>
<td>21%</td>
<td>19%</td>
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</tbody>
</table>

The skill and dedication of our employees worldwide remains the heart and soul of our Company.
In FY17, the number of employees was 4,561 compared to FY16’s headcount of 4,739. The number of staff leaving voluntarily was 8% - a significant reduction - compared to 14% in FY16.

SAFETY FIRST
Safety is always the #1 priority at Sims – for all employees, in every location, country and across our lines of business. To support this key business goal, we provide employees with a vast array of safety training/videos/programs on an ongoing basis.

This year we instituted, as part of the Sims University curriculum, a Safety Leadership Certification program. This is a 3-day safety program for Yard Managers and Supervisors, which focuses on the highest risk activities. The program includes both classroom and hands-on application in the operations. Topics included: machine guarding, lockout tagout, confined space, fire prevention, and tools and techniques for reporting and observing.

LEARNING MANAGEMENT SYSTEM
We have a Learning Management System (LMS) in place, which is dedicated solely to tracking, scheduling and reporting on safety specific training that is implemented throughout the year. This system provides managers with the ability to schedule and track individual progress against training goals for safety education on a local level.

We consolidate safety-training numbers annually across our regions and report these metrics. For the upcoming year, we anticipate higher numbers based on refinements made to the LMS, which will allow for more accurate and increased tracking of actual training hours.

LEARNING CULTURE
In addition to our safety training programs, Sims supports an ongoing culture of learning and individual development throughout the organisation. Sims University, launched this year, is dedicated to “Global Excellence through Individual Development” and includes both online and traditional class-based learning programs. Our corporate university strives to provide best in class learning solutions that are relevant, strategic and work to build a collective understanding of the business.

The Company’s ability to innovate, improve and sustain its operational edge is entirely predicated on attracting the best talent, as well as inspiring and developing dedicated staff.
Sims takes great pride to be recognized as a company that encourages a culture of continuous learning and development of our workforce.

The Company has recently launched a corporate university, known as Sims University, which will address the strategic needs of the organisation, as well as the ongoing professional development needs of our employees. Sims University is designed to execute a global development strategy that is proactive, meaningful and tied to business objectives, while enhancing the individual and team performance of our employees globally. The mission of our corporate university program is “global excellence through individual development” and its launch in October 2017 included the following:

THE SIMS UNIVERSITY MANAGEMENT SUMMIT
held in October 2017 is a comprehensive 5-day management training conference that included managers from our largest operations around the globe. The Management Summit provided an opportunity for our managers to network and interact with their peers, as well as members of the Executive Leadership Team, while attending business related learning sessions over the course of the week.

THE SIMS UNIVERSITY LEARNING CENTER
is an online learning site that will be available in early December 2017. The Learning Center will be a central repository for ongoing online and other performance based, skills based, as well as leadership training, programs. We look forward to continuing and enhancing our commitment to developing our employees in the coming year.

First class of graduates from Sims University.

Safety Leadership = Visible Commitment!
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.

Our 2020 sustainability goals (described later in this report), based on an updated materiality assessment, drive us forward.

**FUEL AND ELECTRICITY**

Total energy use for the Group in FY17 was 1,878,561 GJ, an increase of 1% from FY16. The major reason for this trend was an increase in operational activity, including additional processes to reduce waste streams.

Fuel (diesel used for transport and mobile equipment) was the major component at 1,042,568 GJ (55.5%), followed by electricity - used to power our shredder motors - at 666,440 GJ (35.5%), gas for heating and forklifts at 142,148 GJ (8%), with LPG and petrol combined at 27,405 GJ (1%).

From FY11-FY17, we reduced fuel consumption by 9%, saving over 720,000 GJ and avoiding nearly $17 million in annual costs.

From FY11-FY17, Sims reduced electricity consumption by 37%, saving 387,000 GJ and avoiding $59 million in costs. During the period FY14-FY16, we reduced electricity consumption by 24%, saving $8 million. Specific examples of key fuel reduction strategies across our key regions are described below:

**EUROPE: BERGKAMEN, GERMANY**

Maintained ISO 50001 energy management system, while working toward objects and targets as certified by this international accreditation. Dumfries, UK - site LED lighting replacement program, changing old florescent bulbs for LED bulbs. Brno, CZ Sims partners in a competition “Waste conversion to resources” organized by the Czech Ministry of Industry and Trade in the section Government under the auspices of The Senate of the Parliament of the Czech Republic. We handed over a voucher for our services and refurbished devices to the winning governmental institution. Eindhoven, NL - in FY17 we started with installation of LED lighting in building F, resulting in better lighting and lower energy consumption.

**NORTH AMERICA: GREEN ENERGY**

During the summer of 2017, Sims hired an EDF Climate Corps summer intern so that Sims can constantly learn from sustainability leaders (see section on Green Energy later in this report).

**AUSTRALASIA: LIGHTING AND SOLAR ASSESSMENTS**

In the last quarter of FY17, the ANZ region commenced state-wide lighting and solar assessments to improve energy efficiency and cost recovery across the business. The aim is to identify all lighting that can be converted to more efficient LEDs and what sites are suitable for solar generation. The ANZ region is working towards making the smaller regional sites ‘energy neutral’ over the next 2-3 years.

**SUSTAINABILITY ADVANTAGE PROGRAM**

During FY17, the ANZ business region signed up as a member to an Australian NSW government initiative - Sustainability Advantage Program. This program will help identify key target areas for Sims ANZ to improve the overall sustainability position of its business. The launch of this program is set to be early FY18 with a diagnostic workshop including key stakeholders within the ANZ business. The workshop uses a five star rating system to measure and benchmark the organisation and assesses ten areas essential to business success. The Sustainability Advantage Membership provides recognition for businesses that achieve real improvements in sustainability and is a recognised trademark within Australia. Sims ANZ aims to achieve ‘Sustainability Advantage Platinum level’ over the next 5 years to be a recognised organisation that can demonstrate world’s best practice in business sustainability. It is anticipated that two or three identified key projects under Sustainability Advantage will be launched in FY18.
9% reduced fuel consumption from FY11-FY17

37% reduced electricity usage from FY11-FY17

$8M saved by reducing electricity consumption between FY14-FY16

CIRCULAR ECONOMY TRADE-OFF
When companies pursue circular economy initiatives – driving toward zero waste and 100 percent recycling – they often need to make trade-offs. Here is one we have been in the midst of.

Sims’ electricity intensity increased during FY17 over FY16. On the surface, it looks like we reduced our focus on this important issue. But here is the trade-off: We constantly look for innovative processes and technologies to capture more value from customers’ waste streams. During FY17, we added several process steps to our operations – each of which captured greater volumes of metals but also consumed more electricity.

At Sims, we weigh these trade-offs carefully, and work to meet and exceed our 2020 goals while also driving our mission to advance the circular economy.
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 an operational level, supported by both internal and external energy professionals. As a participant in the Carbon Disclosure Project (CDP) since 2006, and the Dow Jones Sustainability Index since 2008, the Company is committed to the full public disclosure of its carbon emissions.

Total Group CO2 emissions for FY17 were 176,185 tonnes, a decrease of 6% compared to FY16. This decrease was a combination of an 18% drop in Scope 1 emissions (fuel) and a 3% increase in Scope 2 (electricity), which in part reflected the increase in operational activity. However, the Scope 1 emissions 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 also explains why the carbon profile of the Company differs to that of energy use. Accordingly, electricity accounted for 56% of emissions, followed by diesel at 39%, gas at 4%, 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 £17.20 per tonne of CO2 emitted. However, we purchased allowances against forecast sales the previous year at a lower price (£16.10), sufficient to cover our obligation for this year; no allowances were required at the higher price.
LMS Energy Pty Ltd, the renewable energy company of which Sims owns 50%, entered its twentieth first year of business in FY17. LMS continues to lead the bioenergy sector of the renewable energy industry, and has once again achieved outstanding operational performance.

LMS operates 22 renewable power generation projects across Australia, with a total installed capacity of approximately 54 megawatts. Close to 380,000 megawatt hours of renewable energy was generated by LMS in FY17, resulting in the creation of nearly 380,000 Large-scale Generation Certificates (LGCs). LMS remains the largest bioenergy generator of LGCs in Australia.

With 41 carbon abatement projects accredited under the Emission Reduction Fund, LMS has also been issued more than 50% of all ACCUs under the landfill gas methodologies. In FY17, LMS achieved an estimated 3 million tonnes (CO2e) of carbon abatement across all of its activities.

FY17 also saw LMS’ fully owned subsidiary company Joule Energy pioneer the development of two new solar generation projects on landfill sites, which were the first of their kind in Australia. As landfills have very little utility once capped they are ideal locations for solar development. With LMS already working with over 40 landfill owners/operators across Australia, Joule has a very exciting future.

EDF Climate Corps

During the summer of 2017, Sims hired an Environmental Defence Fund (EDF) Climate Corps summer intern. Climate Corps is a summer fellowship program that embeds trained, custom matched graduate students inside leading organizations to accelerate clean energy projects and strategy.

Since 2008, over four hundred organizations, including many leading Fortune 500 companies, have enlisted EDF Climate Corps fellows to design customized solutions to challenges involving energy efficiency, renewable energy and energy management strategy.

The goal of the Sims project was to evaluate the technical and financial feasibility of using energy storage to offset energy use during times of peak power pricing. This project had support from the Group CEO and was viewed as key to Sims’ 2020 Sustainability Goals.

A market analysis of the technologies and players in the battery storage industry was conducted and an analysis of Sims’ energy use data identified our Redwood City, California operations as best suited for the technology. Sims project identified an opportunity to leverage batteries to offset peak demand with potential savings of ~$2 million over a ten-year period and put Sims further on track to achieve its deep commitment to sustainability.
WASTE MANAGEMENT

AUTOMOTIVE SHREDDER RESIDUE (ASR) WASTE
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 FY17, the Company generated, at a global level, 1,122,116 tonnes of waste, which was a 23% reduction on FY16. A significant contributor to the decrease was the focus on purchasing materials with less inherent waste, and increasing our ability to separate materials for beneficial uses. 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.

WASTE REDUCTION ABSOLUTE
MT IN MILLIONS

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<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
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<tr>
<td>FY14-FY17</td>
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<td>192</td>
<td>157</td>
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<td>128</td>
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ASR WASTE REDUCTION NORMALISED
MT/MT

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<th></th>
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<th>FY12</th>
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<td>FY14-FY17</td>
<td>-28%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>FY14-FY17</td>
<td>$26.7M</td>
<td>369.4</td>
<td>320.4</td>
<td>270.6</td>
<td>262.1</td>
<td>248.7</td>
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</table>

2020 GOAL: -10%

A big #THANKYOU to all who recycled their #ewaste at our #EarthDay event in #Bergkamen.

Emergency Services training staff on using Jaws of Life at Sims yard.

Our UK yards working with the local Fire Service to enable them to carry out rescues from vehicles.
**WATER CONSERVATION**

Sims continues to be a very small user of water, with only 498 Mega Litres consumed globally. This represents a reduction of 9% when compared to FY16 and reflected a decrease in all regions. The overall decrease was in part due to 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 - FY17, Sims reduced water consumption by 38%, saving 622,000m3 and avoiding over $1 million in annual costs. From FY14 - FY17, Sims reduced water consumption by 30%, saving 213,000 m3 and avoiding nearly $480,000 in costs.

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

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 and industries with involvement in sustainable practices and their execution thereof.

Accordingly, Sims works closely with a wide range of stakeholders, from senior ministers and other key government officials, investment advisors, and trade associations local communities and interest groups. Notable relationships include the Australian, UK and US Governments, the UN, City of New York and a range of ministries and agencies on issues ranging from data security, illegal trans-boundary movement, energy and carbon efficiency, to metal theft, resource efficiency and deposit legislation.

Equally, the Company works closely with environmental advocacy groups such as the Baykeeper organizations and the Total Environment Centre, and 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), the Association of Post-consumer Plastic Recyclers (APR), and the Australian Council of Recyclers (ACOR), as well as many others. The Company also regularly collaborates with product designer and manufacturers, providing feedback and performing tests and trials to assist them in their integration into a circular economy.

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:
Students observe the process for separating recyclables by commodity type.

Displays teach how everyone can play a role in recycling.

Students learn about career opportunities in the recycling industry.
AUSTRALASIA

Australia continued to support a number of organisations and charities in FY17 including donations to NSW city council greenhouse program, Australian Breast Cancer foundation (pink ribbon day), Oxfam national charity annual trail-walk, Movember mens health awareness, WA great cycle challenge for kids with cancer, and others.

Scrap for Gold: Rio Tinto, RCR Tomlinson, Westrac and various other companies donate portions of their scrap arisings to St Vincent de Paul. Sims services these companies’ bins on their behalf. The funds collected from this service are then used to support St Vincent de Paul’s facility for homeless aged men and women in Midland. In FY17, Sims MM donated $7,300 to the initiative.

Sims NSW is the primary sponsor of the Waste to art program held each year. This initiative started 15 years ago as a small program to encourage people in regional areas to submit art work from refuse/recyclable waste. Today, this initiative brings in hundreds of entries from across the State and involves a vigorous judging process to select the best art work.

NEW ZEALAND

Donated $5,000 in FY17 to the Westpac Helicopter Rescue service that responds to emergency situations in remote locations and offshore. The NZ operation also sponsored the catwalk - spinal injury group initiative. This initiative sees all proceeds from scrap collected by members of the horse racing and training fraternity go back into a trust to support research for spinal injury.

Provision of bags/boxes containing winter supplies to local homeless charities. Sponsoring various local sport groups, including a Tag Rugby team to attend a European competition, providing a shed to a local bowling club and sponsoring local cricket, hockey and football team kits. Sponsorship of various long distance cycle rides and runs in aid of local support charities. Donation of Dumpy bags to local charity to clean local estates. “Variety Club” for disadvantaged children, and McMillan Cancer Support. Donating Easter eggs to Nottingham Children’s Hospital and nursing home. Providing cars and yard space for training of fire rescue officers in several locations.

UK AND EUROPE

Native plants grow in the wetlands which help filter and clean the stormwater.

This project closed the loop on the stormwater and created a natural wetland.

NAM East Region - The Living Wall Wet Meadow Stormwater System - Environmental Best Practice.
AUDIT AND ASSURANCE

We are committed to the principle of: “Trust but verify.” During FY17, 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. In addition, we 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.

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 2017 marks our twelfth 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.

“Trust, but verify.”
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: petroleum 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.

OUR 2020 GOALS

We are focused on achieving our 2020 sustainability goals.

FLEET TRANSPORTATION

Fleet petroleum:
10% reduction over a 2014 baseline, normalized by tonnes processed

No idling in yards:
100%

ENERGY EFFICIENCY

Electricity:
10% reduction over a 2014 baseline, normalized by tonnes processed
THE PATH FORWARD

Moving briskly toward embracing “circular economy” principles is the road to value creation for tomorrow’s leaner, fitter, more resilient, and transparent company.

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.

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.

WASTE AND RECYCLING

- Renewable energy: 5% of total energy use
- ASR Waste to Landfill: 10% reduction over a 2014 baseline, normalized by tonnes processed
- Less than 1.0 Total Recordable Injury Rate
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.

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<th>GRI INDICATOR</th>
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<td><strong>STRATEGY AND ANALYSIS</strong></td>
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<tr>
<td>G4-1</td>
<td>Statement from Chairman and CEO</td>
<td>pp.4-5</td>
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<tr>
<td>G4-2</td>
<td>Description of key impacts, risks and opportunities</td>
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<td>Name of organization</td>
<td>inside front cover</td>
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**REPORT PROFILE**
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**SOCIAL: LABOR PRACTICES AND DECENT WORK**
LA6 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and gender | pp. 15-28
LA9 | Average hours of training per year per employee by gender, and by employee category | pp. 17
LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | pp. 22-23
LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category | pp. 21-23
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