

## **ANTI-BRIBERY & ANTI-CORRUPTION POLICY**

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## **Message from the Group Chief Executive Officer**

Sims Metal Management is one of the world's leading recyclers of secondary metals and electronics. We operate globally, with sites and partners spread across all major markets of the world and we pride ourselves on our reputation for acting fairly and ethically wherever we do business. Our reputation is built on our values as a company, the values of our employees, our collective commitment to conduct all business with integrity and our adherence to the highest standard of ethical business conduct.

Sims and its Board of Directors, Executive Leadership Team, and I personally, are fully committed to conducting the Company's business with the highest level of integrity, and we expect your strict compliance with this Anti-Bribery and Anti-Corruption Policy.

Our reputation for maintaining lawful and ethical business practices is of paramount importance and this Policy is designed to preserve these values. The Policy sets out in detail how you should behave and what you should do if you are confronted with corruption. I expect that all of you will embrace this Policy and apply its principles in all aspects of your day-to-day work.

If convicted of a bribery offence, the Sims Group may receive significant fines and suffer lasting reputational damage. However, this Policy is for your benefit as much as for the Company's. If you are convicted of a bribery offence, you could face imprisonment. The potential harm done by bribery, both to the Company and to you, significantly outweighs any potential short term gain.

Corruption comes in many forms and the proper course of action may not always be obvious. I encourage you to seek advice and consult if you are unsure as to what to do, and to raise any concerns of wrongdoing as per this Policy.

Thank you for your commitment to act with the highest standards of integrity and ethical behaviour in all your everyday dealings.



Alistair Field  
**Group Chief Executive Officer**

## 1. INTRODUCTION & PURPOSE

Sims Metal Management Limited (together with its consolidated (controlled) subsidiaries, the “Company” or “Sims”) is committed, as part of its Core Values, to conducting business with integrity, adhering to high standard of ethical business conduct, and ensuring a sense of appropriate transparency in everything that it does.

To that end, the Company has developed this Anti-Bribery & Anti-Corruption Policy (“Policy”) to aid its officers, employees, contractors, agents, consultants, contractors, partners and its Board of Directors (collectively “Personnel”) in complying with applicable anti-bribery and anti-corruption requirements by setting a standard that is anticipated to meet or exceed the anti-bribery and anti-corruption requirements in each of the countries in which the Company does business.

This Policy sets forth the basic requirements regarding anti-bribery and anti-corruption that all Personnel must follow in their dealings on behalf of the Company.

## 2. THE COMPANY'S APPROACH TO ANTI-BRIBERY & ANTI-CORRUPTION

### 2.1 What is bribery and corruption?

**Bribery** is offering, promising, giving, requesting or accepting any **financial** (i.e. money) or other **advantage** (i.e. a favor), to induce or reward improper conduct or to influence any decision by a government official or a person in the private sector to gain an advantage. Bribery is a form of corruption.

**Corruption** is the abuse of entrusted power or position for private gain.

For example, a bribe can take the form of an offer or promise of payment or other advantage (regardless of whether or not the intended recipient accepts the offer) with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.

“Improper conduct” includes performing an act in breach of (or refraining from performing an act in line with) expected business or public duties, i.e., not performed in good faith.

A “Government Official” in this Policy means any officer or employee of, or any person acting in an official capacity for, or on behalf of, any national, regional or local government of any country, or any department, agency, or instrumentality thereof. An “instrumentality of a government” includes any entity owned in whole or, in part, by a governmental entity (e.g. a State Owned Enterprise).

Each jurisdiction may have its own legal definitions of bribery, corruption, improper conduct, and of government official, which definitions may differ from those above and evolve over time.

### 2.2 Prohibition on Bribery

**This Policy prohibits any bribes or offers of bribes to or from anyone, whether the person is in the public or private sector or else, and whether made directly or indirectly (e.g. from, to or through family, friends or agents).**

### Examples of Bribery

The following examples would constitute a breach of this Policy and, in many instances, a violation of law:

- Offering a potential client tickets to a major sporting event, but only if the client agrees to give his/her business to us.
- Accepting that a supplier gives your relative a job with the expectation that you will, in return, use your influence to ensure the Company continues to do business with them.
- Making a donation to a government official or that official's special charity in exchange for the award of a government contract or the enactment of Company-favorable legislation.
- A scale operator receiving a "kickback" from a supplier for deliberate overpayment to that supplier at the scale.

There are laws in many countries and localities, for example the Australian "Criminal Code Act", the United States "Foreign Corrupt Practices Act" ("FCPA") and the United Kingdom "Bribery Act", which prohibit bribery and corruption, and which are enforced with vigor by their respective enforcement authorities. Acts of bribery and corruption committed overseas may well result in a prosecution at home and in other jurisdictions.

Breaches of anti-bribery or anti-corruption policy and /or laws may result in:

- significant damage to the reputation of the Company with its investors, customers and suppliers, its employees, governments, and other stakeholders, and the public;
- significant consequences for the individual, including termination of employment; and
- civil lawsuits and even criminal charges and conviction, for both the Company and the individual and, for the individual, possible imprisonment.

Even just allegations of violations of these laws may result in significant legal fees to investigate and defend against those allegations.

Personnel should keep in mind that the requirements in this Policy are not exhaustive. The Company's activities are subject to detailed and wide-ranging anti-bribery and anti-corruption requirements in many countries. This Policy cannot possibly summarise all those specific requirements. Furthermore, compliance issues relevant to the Company may change as the Company's activities and/or the applicable regulatory environments evolve.

Accordingly, Personnel are expected to be pro-active in upholding not just the letter of this Policy, but also the spirit of honesty and integrity underpinning it.

**If any Personnel are unclear about any aspect of this Policy, or encounter any situation or practice which appears inconsistent with, or questionable in light of, this Policy, those Personnel should raise the issue promptly. Details of where to go for assistance are contained in section 10.**

### 3. GIFTS, ENTERTAINMENT & HOSPITALITY

#### 3.1 Company's position on gifts, entertainment & hospitality

Personnel must exercise caution regarding the **giving** or **receiving** of **business-related gifts, entertainment and hospitality**.

These can include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, travel benefits, or invitations to sporting, entertainment and cultural events, functions, or other social gatherings, in connection with matters related to the Company's business.

The giving and accepting of gifts, entertainment and hospitality is generally acceptable provided the following requirements are met:

- they are consistent with reasonable business practice;
- they are modest and appropriate;
- they are made in good faith;
- they do not influence, or are not perceived to influence, objective business judgement; and
- they are lawful.

Occasional drinks and meals, attendance at sporting, entertainment or cultural events, and modest gifts are usually acceptable.

Personnel should refer to their local Travel & Expenses Policy for guidance on what is considered reasonable and modest in their market, taking into consideration local purchasing power. Copies of these policies are available from the local Finance and/or Human Resources Department, and should be read in conjunction with this Policy.

#### 3.2 Prohibition on certain gifts, entertainment & hospitality

**Personnel should not offer, give, request or accept gifts, entertainment and hospitality in circumstances that could be considered as creating a business obligation construed to unduly influence the party involved or violate the law.**

##### Examples when Gifts, Entertainment and Hospitality are never acceptable

- Gift, entertainment or hospitality which create a "quid pro quo" situation (a benefit or advantage offered for something in return).
- Gifts to, or from, third parties in the form of cash, loans or cash equivalents, such as gift certificates or vouchers.
- Gifts, entertainment or hospitality that could influence the outcome of negotiations with a supplier, customer or other party with which the Company conducts business.
- Gifts, entertainment or hospitality in exchange for making incomplete, false or inaccurate entries in the Company's books and records.
- Sponsorship of a Personnel's own personal event by a Sims' supplier, customer or other party doing or pursuing business with the Company.

Personnel should take extra care when dealing with government officials and should generally avoid providing any entertainment and gifts. Many countries do not allow their government officials to accept gifts, entertainment or hospitality. Anti-bribery laws are often stricter when dealing with government officials. When unsure, Personnel should reach out to the Group or Regional in-house Legal Counsel or Corporate Secretary for guidance.

#### 4. FACILITATION PAYMENTS

**The Company prohibits the making of any facilitation payments by any Personnel for any reason, regardless of whether or not they are allowed under any law.**

“Facilitation” or “expediting” payments are those made to a low-level Government official who may expect them for the purpose of expediting or securing the performance of “routine governmental action.”

“Routine governmental action” generally includes an action ordinarily and commonly performed by a government official: for example issuing permits, licenses or other official documents to qualify a person to do business in a foreign country (when the document has already been approved and all that is left is the act of giving the document to the recipient – a “ministerial” act); scheduling inspections relating to contract performance or the transit of goods; processing papers, such as visas and work orders; providing police protection, mail pick-up and delivery; loading or unloading of cargo, providing phone service, power and water supply, or protecting perishable products or commodities from deterioration; or actions of a “similar nature.”

##### Example of a Facilitation Payment

- An Australian exporter arrives in a new country, samples in hand, ready to meet prospective clients, open a new market and launch a successful business. At the customs booth, an official asks the exporter to pay \$200 for these samples to be allowed into the country and is not willing to provide a receipt for the payment made. Such a payment by the exporter would amount to a facilitation payment and would be a breach of law and this Policy.

#### 5. POLITICAL & OTHER DONATIONS

The Company may in some limited circumstances make contributions to political parties when acceptable under applicable law. Similarly, charitable donations may only be made if they are legal and ethical under local laws and are intended to help the communities in which Personnel live and work.

In no circumstances are political contributions and charitable or other donations to be made to achieve any improper business or other advantage.

No contributions or donations must be offered or made without the prior approval of an Executive Leadership Team member. All approved contributions or donations will be provided to the Group Corporate Secretary located in Sydney Australia, who will record and maintain a Political and Charitable Contribution Register.

#### Example of an Acceptable Donation

- A cancer charity is hosting a dinner to raise money for research and development of new drugs and therapies. Purchasing a table at such an event would be a legitimate charitable donation.

#### Examples of Unacceptable Donations

- A political contribution is made to influence a politician to act or vote in a particular way to secure a decision that would favor the Company. The donation would be in violation of this Policy.
- A charitable donation is made to an organization without the proper registration status, when the country in which the charity is located requires a registration.

## 6. USE OF THIRD PARTY REPRESENTATIVES

### 6.1 Risk of bribery and corruption through third parties

Bribery and corruption can occur indirectly through an agent of some kind. Generally, the law prohibits someone from doing indirectly what he or she is prohibited from doing directly. Personnel may not hire an agent to engage in bribery on his or her behalf.

The law defines an “Agent” broadly in the bribery context, and may include a broker, freight forwarder, contractor, consultant, lawyer or lobbyist, or anyone else working on the Company’s behalf. These may even include joint venture partners. Third-parties who act on the Company’s behalf or broker the Company’s products must operate at all times in accordance with this Policy.

### 6.2 Reviews and record keeping

Depending on their role, various precautions are to be taken prior to the hiring of an Agent and throughout their tenure. Contractual anti-corruption provisions should be appropriate for the services provided by the Agent and the risks involved, and should include termination rights for breach. If in doubt, Personnel should seek legal input to ensure Agents are retained and contracted with in line with legal requirements.

In the case of purchase/sales agents (companies or individuals which are acting on behalf of the Company in buying and/or selling products) a third party due diligence questionnaire must be completed and approved by the Legal Department prior to being retained or engaged in acting on behalf of the Company and on-going updates and certifications thereafter. The Legal Department will retain a copy of the completed third party due diligence questionnaire along with a copy of the Agent’s contract.

## 7. MONEY LAUNDERING & FALSE ACCOUNTING

Many countries have laws designed to prevent money laundering, false accounting and/or the financing of criminal activities.

Money laundering involves possessing, or dealing with, the proceeds of criminal activities. It includes concealing the origin of illegally obtained money so it appears to have come from a lawful source. In most jurisdictions, it is a crime for individuals and companies to engage in

transactions involving assets which they know or should have known were derived from criminal activities. Possession of money that is a bribe, or that will be used to fund a bribe, may be a breach of the money laundering prohibitions.

**Money laundering, and any form of accounting or record-keeping which is intended or likely to conceal or disguise the true nature of an improper, suspicious or unauthorised transaction, is prohibited under this Policy.**

## **8. ACCOUNTABILITY**

### **8.1 Responsibilities of the Board**

The Board is responsible for monitoring and reviewing the management of the Company to ensure that its operations are conducted in accordance with this Policy.

### **8.2 Responsibilities of Executives**

Management is responsible to the Board, through the Group Chief Executive Officer, for the Company's performance under this Policy.

Under the Group Chief Executive Officer, the heads of each business and the senior managers who report directly to them have operational responsibility for ensuring compliance with this Policy. In meeting this responsibility, they must ensure that each business:

- promotes a workplace environment that encourages honest and open communication about business conduct issues, emphasises the importance of operating in accordance with this Policy, and avoids placing pressure on employees to deviate from these standards;
- establishes internal reporting and approval processes that address high risk areas in relation to business conduct and ensure that breaches are appropriately investigated and handled;
- on as needed-basis, prepare supplementary policies and guidance for Personnel about how to conduct business in particular markets or countries consistent with this Policy;
- undertakes business conduct awareness training consistent with this Policy and tailored to the operational needs of the business;
- establishes procedures for engaging in compliance due diligence on and obtaining written agreements with its consultants, contractors, partners, etc. before entering agreements with them; and
- incorporates the values and requirements outlined in this Policy, and set out in the Company's Core Values, in its performance management processes, employment and contractor agreements, induction procedures, commercial agreements, and similar systems.

### **8.3 Responsibilities of Managers & Supervisors**

Managers and supervisors must take reasonable steps to ensure that Company Personnel and, where appropriate, third-party Personnel (e.g. agents, consultants, contractors, and

partners), are aware of, and comply with, this Policy. They must consult their Regional or Functional Business Head if problems occur. Managers and supervisors must also:

- respond promptly and seriously to Personnel's concerns and questions about business conduct issues and seek further assistance if required; and
- demonstrate exemplary behaviour that other employees can follow.

#### **8.4 Responsibilities of all Personnel**

All Personnel are expected to be familiar with the contents of, and comply with, this Policy. Personnel must also have a detailed understanding of Company business practices and policies that directly relate to their job or function. Personnel should seek assistance in accordance with the reporting tree described in Section 10, including asking questions regarding how any part of this Policy should be applied.

### **9. IMPLEMENTATION & MONITORING**

The following outlines the framework Sims has in place to implement anti-bribery and anti-corruption measures and monitor compliance.

#### **9.1 Policies & Procedures**

While the tone is set from the top (as codified in the Company's Core Values) responses to bribery and corruption risks are addressed through this Policy as well as through various policies and procedures aimed at reducing the risk of acts of bribery and corruption, including the Company's Code of Conduct and Whistleblower Policy.

#### **9.2 Risk assessments & Reviews**

As part of the controls element of the Company's anti-bribery & anti-corruption approach, periodic risk assessments and reviews are implemented by Internal Audit to identify bribery and corruption risks.

#### **9.3 Monitoring & Certifications**

Another element of the Company's anti-bribery & anti-corruption control approach includes the requirement on Regional Business Heads to monitor for fraud risks and provide annual certifications to that effect. The certification includes confirmation that business transactions have been properly recorded in the accounting records in line with the Group's accounting policies and procedures, and any fraud or suspected frauds and known acts of unethical behaviour have been reported to the Group Vice President of Internal Audit.

#### **9.4 Awareness & Training**

The Company promotes awareness of, and compliance with, its anti-bribery and anti-corruption rules through:

- appropriate dissemination of this Policy and the Code of Conduct;
- publishing this Policy and the Code of Conduct on the Company's website; and
- requiring Personnel, where appropriate, to complete training on anti-bribery and anti-corruption risks.

## 10. REPORTING CONCERNS

High standards of conduct are critical to Sims' reputation and success and, therefore, Personnel are encouraged to report any actual or suspected breach of this Policy.

If Personnel become aware of conduct which causes them concern, they should immediately report it. Whenever possible, Personnel should first discuss issues with their immediate supervisor or manager (or in the case of external agents, consultants, contractors and partners, their nominated point of contact within the Company). If Personnel feel unable to do this, there are other avenues for raising a question or concern. Personnel can contact the following:

- the next level of management; or
- the HR Department at the regional or Group level; or
- the senior manager or executive responsible for the department in which the issue arose (e.g. export trading; commercial); or
- the Group Compliance Officer (the Group Vice President of Internal Audit, in the U.S.A); or
- The Group or Regional in-house Legal Counsel or Corporate Secretary, namely:
  - in North America or Europe, the local Company Secretary in Long Marston, U.K. or Chief Corporate Counsel (Compliance) in New York City, or
  - for Sims Recycling Solutions Globally, the Director, Business & Legal Affairs located in Chicago, IL, U.S.A; or
  - for the Rest of the World, the Group Company Secretary located in Sydney, Australia.

Alternatively, Personnel can report their concerns to the Sims Metal Management Ethics, Safety & Compliance Hotline ("Hotline").

The Hotline is operated by an independent third party, and is available 24 hours a day, 7 days a week, 365 days a year. All Personnel globally can do so on-line at: [www.simsmmhotline.com](http://www.simsmmhotline.com).

Alternatively, Personnel may call the telephone number listed on the [www.simsmmhotline.com](http://www.simsmmhotline.com) website under the 'Call Us' section for their specific country.

Full details of the Hotline are available from the Personnel's manager or local Human Resources Department.

People who have been identified as sources of guidance are responsible for promptly responding to Personnel's questions and concerns regarding business conduct. They should provide accurate information consistent with this Policy. All concerns and questions will be treated seriously.

Any individual who reports in good faith a breach or suspected breach of this Policy will not be subject to retaliation or retribution or other recriminations for making that report.

If Personnel believe that they will be punished or have been punished for reporting or supplying information about a genuine concern, they should advise management or follow the above reporting list.

## **11. BREACH OF THIS POLICY**

As part of the consequences element of the Company's approach to anti-bribery & anti-corruption, any Personnel who breaches this Policy, or any guidelines or policies made under it, or who authorises or permits any breaches by a subordinate may, in sufficiently serious circumstances, be subject to disciplinary action including possible dismissal (or in the case of agents, i.e., consultants, contractors, and partners, termination of their relationship with the Company).

**This Anti-Bribery and Anti-Corruption Policy was updated and adopted by the Sims Board on 28 June 2017.**