



**SIMS**  
LIMITED

# Modern Slavery Statement 2020

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# Our Commitment

We believe that upholding human rights is vital to ethical business conduct. It drives our development of a responsible supply chain and creation of a safe and fair workplace. We are committed to respecting, promoting and upholding fundamental human rights as set out in the Universal Declaration of Human Rights defined for business in the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, and in the International Labour Organisation Core Conventions on Labour Standards.

This statement, pursuant to the Australian Modern Slavery Act 2018 (Cth) and section 54 of the Modern Slavery Act 2015 (UK), sets out the actions taken by Sims Limited ("Sims")\* to address modern slavery risks in our business and supply chain for the financial year ending 30 June 2020.

Modern slavery practices include trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour, where children are subject to slavery or similar practices, or engaged in hazardous work.

*Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities, p. 8*

\*This statement is a joint statement on behalf of Sims Limited and Sims Group Australia Holdings Limited in accordance with the Australian Modern Slavery 2018 (Cth).

In accordance with the UK Modern Slavery Act 2015, the following Sims UK entities are included in this statement:

*Sims Limited  
Sims Group UK Holdings Limited  
Sims Group UK Limited  
Sims Recycling Solutions Ireland Limited  
Sims Lifecycle Services BV  
Sims Recycling Solutions SP z.o.o.  
Sims Metal Management Finance Limited  
Sims Group UK Intermediate Holdings Limited*

*Sims Recycling Solutions Holdings, Inc.  
Sims Recycling Solutions, Inc.  
Sims Global Commodities Pte Ltd.  
Sims Group Holdings 1 Pty Ltd.  
Sims Group Holdings 2 Pty Ltd.  
Sims Metal Management USA GP  
Sims Group USA Holdings Corporation  
Sims Group Global Trade Corporation*

**Reporting entity:**

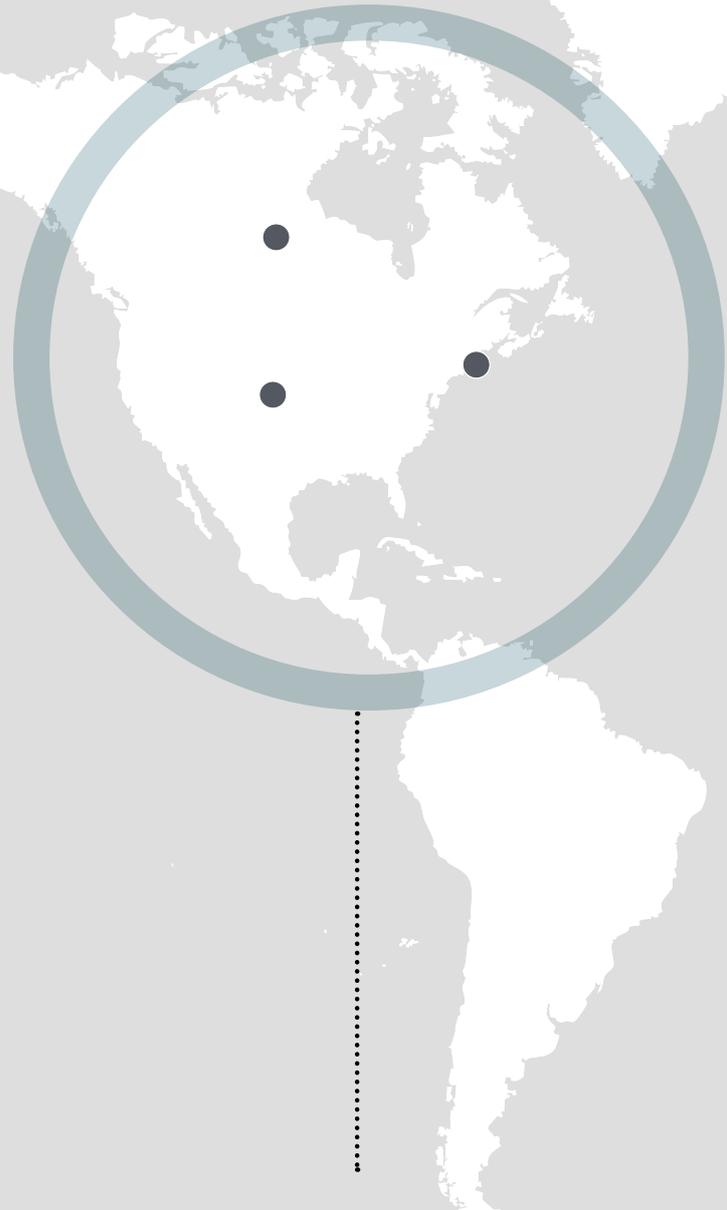
Sims Limited  
Level 9  
189 O'Riordan Street  
Mascot, NSW 2020  
Australia

# Our Company

Founded in 1917, Sims Limited is a global leader in metal and electronics recycling, and an emerging leader in the municipal recycling and the renewable energy industries. Our purpose, create a world without waste to preserve our planet, is what drives us to constantly innovate and offer new solutions in the circular economy for consumers, businesses, governments and communities around the world. We work toward realising this purpose through each of our business divisions and our joint ventures. Our business divisions include Sims Lifecycle Services (electronic reuse and recycling), Sims Metals (metal recycling), Sims Municipal Recycling (curbside recycling), Sims Energy (harnessing methane produced by landfills to produce renewable electricity) and the soon-to-be operational Sims Resource Renewal Pty. Ltd. (transforming material left over from metal recycling into useful products).

Sims is an Australian company headquartered in Sydney, New South Wales and, as of 30 June 2020, has operations in 15 countries located across Asia Pacific, Europe, the UK and North America. Our global workforce consists of more than 4,000 employees across more than 147 managed sites. Our personnel are primarily employees, but we also utilise temporary/short-term workers, as well as contractors. We have 21 agents in Asia Pacific, Europe, South America and the Caribbean.

Sims holds a 50 percent interest in four active entities. Sims manages two of these entities, Richmond Steel Recycling (Canada) and Rondout Iron and Metal Co. (United States). The other two, SA Recycling LLC (United States) and LMS Energy Pty. Ltd. (Australia), are not managed by Sims. These joint ventures have 124 sites located in Canada, the United States and Australia at 30 June 2020.



# 50

METAL RECYCLING FACILITIES  
ACROSS NORTH AMERICA



# 103

YEARS OF RECYCLING  
EXPERIENCE



# ~4,000

EMPLOYEES

# 124

JOINT VENTURE FACILITIES  
ACROSS NORTH AMERICA  
& AUSTRALIA

## OUR LOCATIONS



29

METAL RECYCLING  
FACILITIES ACROSS THE UK

18

ELECTRONIC LIFECYCLE  
SERVICES FACILITIES ACROSS  
15 COUNTRIES

50

METAL RECYCLING  
FACILITIES ACROSS  
AUSTRALIA, NEW ZEALAND &  
PAPUA NEW GUINEA



200+

FACILITIES OPERATING IN  
15 COUNTRIES



A\$4.9bn

SALES REVENUE IN 2020

# Our Supply Chain

Our trade supply chain is flat, and it solely consists of metal and electronics recycling suppliers and subcontractors. Metal suppliers generally fall into three categories: casual suppliers, dealers and industrial suppliers. On the electronics recycling side, corporations and original equipment manufacturers supply the majority

of the electronics processed directly by us or one of our subcontractors. Sims Municipal Recycling's suppliers are limited to collection service providers in each of the municipalities where we operate. For our operations producing renewable energy through methane capture the trade suppliers are the landfills owners where we operate.

Our non-trade supply chain consists of equipment providers, transportation providers, uniform and personal protective equipment suppliers, maintenance and construction providers, and general administrative support providers, including temporary employment placement firms and recruiters.



	%
● APAC	8
● EMEA	29
● AMER	63

## PURCHASES IN HIGHER RISK COUNTRIES:

### APAC Region

#### PAPUA NEW GUINEA

**57** suppliers for **0.1%** of Total Purchases

#### CHINA

**4** suppliers for **<0.1%** of Total Purchases

#### HONG KONG

**20** suppliers for **0.1%** of Total Purchases

#### PAKISTAN

**4** suppliers for **0.1%** of Total Purchases

## Modern Slavery Risk Assessment Process



**0.4%** of all suppliers and **0.3%** of all purchases are linked to higher risk regions

# Areas of Risk

We do business with suppliers and customers in various industries and locations and understand that the risk of modern slavery can vary across geographies and operations. We endeavour to avoid being complicit in, or encouraging, activities that may result in human rights abuses.

As such, we performed a risk assessment of our operations and supply chain globally. Ninety-nine percent of our 200,000 plus suppliers are located in lower risk

countries as ranked by several world indices, such as the International Labour Organization Composite Score, the Prevalence Index Risk and Global Rights Index. We identified three high-risk countries in which suppliers are located: Pakistan, China and Hong Kong; and one high-risk country, Papua New Guinea, in which we have both operations and suppliers. On the customer side, we made sales to companies in all four of these high-risk countries, plus Egypt, which

also registers as high risk based on these indices. We also identified the following high-risk supplier types in our operations that are often associated with modern slavery risks of deceptive recruiting, debt bondage and forced labour:

- Recruitment/placement agencies
- Contractors
- Cleaning services
- Personal protective equipment/uniform providers
- Construction
- Chartered vessels

## Supplier Risk

We have identified suppliers in regions and specific industries that are at higher risk of modern slavery.

We have identified suppliers in Pakistan, China, Hong Kong and Papua New Guinea that present higher risks of modern slavery practices occurring based on the locations of their operations in higher risk geographies.

Within our non-trade supplier base, we also have identified potential modern slavery risks associated with our procurement of cleaning services, personal protective equipment and uniform providers, construction services and chartering of vessels. The workers in these industries can be from vulnerable populations (not highly skilled, migrants, of low socioeconomic, culturally and linguistically diverse backgrounds).

## Customer Risk

Our customers may present a modern slavery risk. We could be inadvertently linked to slavery-like practices as we sell to them.



	%
● APAC	41
● EMEA	35
● AMER	24

## Operations Risk

While no region is immune to modern slavery practices, certain geographies present higher risk. We operate in such a region in Papua New Guinea.

We also use agents to facilitate sales in certain regions of the world. These agents are typically located and work in countries that are being assessed as higher risk to have modern slavery practices.

We supplement our workforce by hiring temporary workers and contractors. There is an increased risk for poor labour practices to exist if we do not manage our relationships with third-party labour hire agencies and contractors well.

### SALES IN HIGHER RISK COUNTRIES:

#### APAC Region

PAPUA NEW GUINEA - **<1% of Total Sales**

CHINA/HONG KONG - **10% of Total Sales**

PAKISTAN - **1% of Total Sales**

#### EMEA Region

EGYPT - **1% of Total Sales**

**12%** of our sales are linked to higher risk regions



We provide **Code of Conduct training** to all our employees each year.

## Consultation

Assessing Sims' operations and supply chain for modern slavery risks required a cross-functional dialogue that involved the Risk, Ethics and Compliance team, as well as the Human Resources, Finance and Operations teams. Sims also sought guidance from non-governmental human rights-focused organisations, such as Walk Free by the Minderoo Foundation, Antislavery International, Liberty Shared, Human Rights Watch and the Human Rights Commission of Pakistan.

We have briefed our Board of Directors and executive leadership team on modern slavery risks and engaged them in the drafting of our Modern Slavery Statement.

Externally, Sims sought to learn from our shareholders about their concerns and expectations regarding corporate responsibility on Sims' part, including activities designed to prevent Sims from contributing to the system of modern slavery. Sims employees also participate in local, national and international trade associations, which provide insight into such issues as gender equality, and environmental and sustainability topics, all of which impact modern slavery risks.

# Our Actions

We work hard to stay abreast of developments in the area of human rights, such as safety in the workplace, fair wages and equal treatment. At a minimum, we comply with all applicable local laws, regulations and standards of the countries in which we operate, and we strive to exceed basic compliance.

In FY20, Sims Limited implemented a global governance structure focused on increasing the effectiveness of current and future efforts to protect human rights in our operations and supply chain. Sims' Risk & Compliance Group has been tasked with providing centralised leadership and guidance related to these efforts. It spearheaded the issuance of our Supplier Code of Conduct in FY20, and will drive future improvements to and training on policies and procedures.

Our Code of Conduct details our commitment to human rights. This includes specific policies for the protection of rights for employees, including:

- the right to equal opportunity and non-discrimination, regardless of ethnicity, gender, religion, age, sexual orientation, health status or other such protected classifications;

- the right to personal security, including protection against improper and unlawful harassment, as well as against retaliation for employees who report non-conformance with government regulations, company policies and codes of conduct;
- the right to a safe and healthy workplace for each and every employee, regardless of status;
- the right to competitive remuneration, supporting the concept of competitive pay for work performed; and
- all other legal rights in respect of the workplace granted to our people in the regions in which we operate.

All of our employees are trained to act in accordance with our Code of Conduct and to raise any concerns or breaches to management or through our hotline. Our hotline allows employees and third parties to anonymously report breaches or concerns in all jurisdictions where we operate. We address all reports. We provide new refresher training on our Code of Conduct to all employees annually, including detailed guidance for key areas on a rotating basis. In addition, posters are displayed at all of our sites and visible to both employees and visitors.

## 2020 Progress



Established a **global governance structure** to support centralised and standardised administration and response.



Developed **targeted training** for employees with a higher likelihood of contact with modern slavery, such as those in procurement, human resources and site management.



Drafted and issued the **Sims Limited Supplier Code of Conduct** to codify our expectations for the business conduct of our suppliers and partners and the support we will provide for them.



Continued to provide an **independent hotline** available to employees and third parties for anonymously reporting breaches, concerns or asking questions.



Developed **training** to further build understanding of and address modern slavery risk



Conducted **Code of Conduct training**



Signed the **World Business Council for Sustainable Development call to action on human rights** to help promote the protection of human rights in business sustainability plans.

## Addressing Operational Risks

To help address risks within our operations, we developed both general awareness training and targeted training for employees with a higher likelihood of contact with modern slavery, such as those in procurement, human resources and site management. By increasing awareness among our employees, we empower them to help us fight these practices.

Freedom of association is one vehicle to protect the rights for employees. Our employees throughout Europe are free to be represented by a works council and/or union without any obligation to report or inform their decision to the company.

Given the levels of voluntary disclosure, we estimate approximately 5 percent representation of our UK employee population and less than 5 percent representation for the rest of our European employees following the sale of our electronic compliance scheme operations in the latter half of FY20. Based on disclosed participation, 45 percent of employees in Australia and New Zealand are covered under collective bargaining agreements, and 38 percent in North America.

All these percentages provide us with a rough estimate that collective bargaining agreements represent approximately 29 percent of our global workforce.

We have identified Papua New Guinea as presenting a high risk of modern slavery. Our efforts to detect and prevent modern slavery in our Papua New Guinea operations take many forms. We support our employees there by paying above minimum wage rates, and by providing lunch daily to all employees. Sims maintains strong environmental, health and safety systems and

routinely monitors and assesses them in order to protect people at each of our sites. Employees also have multiple grievance mechanisms they can use for reporting concerns, including our independent third-party hotline, direct access to line managers, and remote access to Human Resources, Legal, Ethics and Compliance, the CEO and the Board of Directors. At minimum, we promote these mechanisms during annual training by prominently displaying hotline posters in high traffic areas and on our intranet.

Annual reviews for site managers include an assessment of their core competencies, including showing respect to others and integrity, along with their progress toward stated goals and financial performance. Managers routinely visit the Papua New Guinea sites, informally monitoring and assessing working conditions and managerial behaviour while reviewing operations. Executive management from Australia also visited the sites in FY20 to assess operations and observe conditions.

As part of our efforts to prevent causing or contributing to practices of modern slavery, we screen and train the agents we use to broker sales in certain regions of the world on our Code of Conduct. Agents are thoroughly vetted via a third-party system for possible sanctions as well as risks of corruption prior to contracting their services. We provide them with our Code of Conduct, and conduct in-depth training on key risk areas such as bribery and fraud. They are required to acknowledge their understanding of our Code and their obligation to comply with it. We periodically recertify our agents to ensure they continue to meet our standards. They have to complete a questionnaire and sign off on our Code of Conduct.

## Our core values underpin everything we do – how we act and behave.



### Safety

Safety will always be our first priority. We believe that all incidents are preventable and **we are committed to a goal of zero injuries.**



### Transparency

We ensure a sense of **appropriate transparency in everything we do.**



### Integrity

We conduct all business with integrity and **adhere to the highest standard of ethical business conduct.**



## Excellence

We commit to excellence in everything we do and **champion continuous development** and sharing of best practices across the company.



## Respect

We will treat each other, our customers, visitors and community members with **respect and dignity**.



## Social Responsibility

We aim to be the world's **safest and most responsible recycling and recovery company**.



## Addressing Supply Chain Risks

Sims' activities for detecting and preventing modern slavery in our supply chain focus primarily on due diligence. For example, Sims Lifecycle Services performs downstream vendor audits annually on high risk vendors through a combination of desktop and on-site audits. In FY20, 208 vendors were audited remotely and 66 via site visits, providing 89 percent coverage. On-site audits are usually conducted every three years. This may be extended to every five years if the vendor can produce evidence of the ongoing effectiveness of its controls, such as passing e-waste certification audits (e.g. ISO, R2 and NAID).

When chartering vessels, our due diligence focuses on ethics and compliance red flags, including the countries of ownership as well as operation, the registered and beneficial owners, commercial operators, technical managers and if there are any EU, HM Treasury (UK), Office of Assets Control (OFAC) and OFAC non-SDN sanctions against these parties or the vessel in order to ensure the vessel meets our standards for quality and is operated in a manner that respects human rights. We include our customers in the selection process so they may ensure the vessel meets their standards as well.

We continuously look to improve our processes to identify, address and prevent human rights violations, including modern slavery risks in our operations and our supply chain. In pursuit of this, we issued the Sims Limited Supplier Code of Conduct to codify our expectations for the business conduct of our suppliers

Downstream vendor audits conducted by Sims Lifecycle Services have included a focus on social responsibility since 2010. This includes areas such as labour conditions, child labour and compensation systems.

and partners. Our Supplier Code of Conduct can be found at [www.simsltd.com/governance/](http://www.simsltd.com/governance/).

## Working with External Stakeholders

Our commitment to respecting, promoting and upholding fundamental human rights goes beyond meeting regulatory requirements. We understand that our business affects human rights through our daily interactions with employees, suppliers, customers, partners and communities. We also understand that our business can bring positive change to the lives of people who are affected by our operations. That is the reason why our CEO signed the World Business Council for Sustainable Development's Call to Action for Business Leadership on Human Rights to support and promote the realisation of human rights for all.

We strongly support efforts in our industry to ban practices that enable human rights violations. We support the Australian government's efforts to address the issues raised in the final report produced by the black economy taskforce. In today's modern digital economy, there is no need for large cash transactions to take place. In the Australian scrap metal recycling industry, the widespread use of cash, primarily by small to mid-tier market participants, is a fundamental enabler of illegal activity, such as tax evasion, money laundering and organised crime – many of which are linked to human rights violations.

We work with community partners to help solve challenges. In Australia, we are supporting reconciliation efforts to improve the economic, health and social opportunities for Aboriginal and Torres Strait Islander people and their communities. We have developed a REFLECT Reconciliation Action Plan (RAP) with the support of a newly established RAP Working Group that represents employees from the region. The Sims' Metals RAP was published and shared on the dedicated "Respect & Inclusion" page on our intranet. Information is also included in the region's new hire welcome pack.

We are committed to the prohibition and elimination of child, forced and compulsory labour throughout the communities in which we operate. Our human rights



policy reflects our commitment to act ethically and with integrity in all our business relationships and to implement and enforce effective systems and controls to avoid purchasing products that rely on inappropriate labour processes.

## Assessing Effectiveness

A review of the outcomes from Sims' due diligence and monitoring programs – including hotline reporting, site visits and performance reviews for FY20 – did not identify any specific instances of modern slavery harm. We have identified potential risk areas within our operations or supply chain as outlined in this statement.

## Impact of COVID-19

The COVID-19 pandemic impacted human rights around the world. While people's health and safety were obviously impacted, less obvious impacts include: lost incomes; necessary goods becoming scarce; travel and contact restrictions causing people to become isolated, affecting their mental health; formal education becoming challenging or non-existent; and non-emergency medical care becoming more difficult to obtain. The related financial pressures made many people more vulnerable to the risks of modern slavery as they sought new sources of income. Recognising this, we implemented precautionary measures for our employees and visitors to keep our sites open, swiftly shifted to working from home arrangements for a large portion of our workforce, and sought to maintain continuity in our commercial arrangements with suppliers to the greatest extent

possible.

As local jurisdictions imposed lockdowns, our business was particularly affected in the U.S., UK and New Zealand, where we had to close a number of our sites and furlough a number of employees. To alleviate some of the financial burden placed on our employees, we administered all government-provided relief mechanisms available to our employees, and where there were none, introduced company-funded emergency relief programs and continued healthcare coverage for employees negatively impacted. Further information on the measures taken can be found in our [2020 Sustainability Report at www.simsltd.com](#).

A number of planned actions were delayed due to employees being furloughed, temporary site closures, and redirecting our focus in taking actions to preserve and protect the company and our employees. Sims Lifecycle Solutions completed only 89 percent of the scheduled downstream vendor audits due to travel restrictions and revised priorities. Annual Code of Conduct training had been launched in January 2020 and 93% of all employees completed it. However, the resources needed to drive it to 100 percent completion were retasked to supporting our COVID-19 response. The revisions to our Human Rights policy were delayed, as was our modern slavery training to employees, and the additional due diligence procedures we had planned to roll out. These have been incorporated into our future actions and goals for FY21.

In FY20, Sims Lifecycle Services personnel conducted 66 on-site audits across the globe to confirm first-hand that our operational, safety and ethical standards were being met by downstream vendors. The vendors audited were located in Australia, Belgium, Canada, Colombia, Ecuador, England, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, the Philippines, Portugal, Russia, Saudi Arabia, Scotland, Serbia, Spain, Sweden, Thailand, Turkey, Ukraine and the United States.

# Future Actions

## 2021 Priorities



Issuing a revised **Human Rights Policy** to reflect our focus on human rights



Continuing to **embed the Supplier Code of Conduct** in our contractual agreements with suppliers



**Performing additional due diligence on vendors** identified as presenting higher risk of modern slavery practices



**Refining and implementing further due diligence procedures** in response to identified risk areas



Continuing to **increase awareness** of human slavery risks through employee education and communication

## Improving Governance

Although Sims has a Human Rights policy in place, it will be revised and published to re-emphasise our overall focus on human rights, including modern slavery. Revisions to the policy will be approved by the Board of Directors to underscore the importance of the topic and set expectations.

## Addressing Operational Risks

In FY20, we developed training to educate our personnel on modern slavery. In FY21, we will provide the training developed in FY20 to educate all of our personnel on modern slavery. This includes targeted training with detailed information on risks within the company and our supply chain for those employees in Purchasing, Human Resources, Security and site management as they are in positions to detect and prevent modern slavery issues.

We will review our existing practices in Papua New Guinea to identify where controls can be improved to reduce the risk of modern slavery in our operations. This could include changes to oversight, communication, grievance mechanisms and more.

## Papua New Guinea

Our assessment of potential modern slavery risks within our operations led us to revisit the mechanisms in place to report concerns. As we worked with management overseeing our Papua New Guinea locations, it became evident that the mechanisms in place to report a grievance were not adequate for our operations. Our current service provider does not support the local language spoken by many of our employees. We are in process of identifying a reporting tool that allows for anonymous reporting in this local language.

## Addressing Supply Chain Risks

We will begin embedding our Supplier Code of Conduct in our vendor relations by revising our standard terms and conditions to include reference to our Supplier Code of Conduct as well as a right to audit clause. We will also update our existing supplier contracts in high-risk regions.

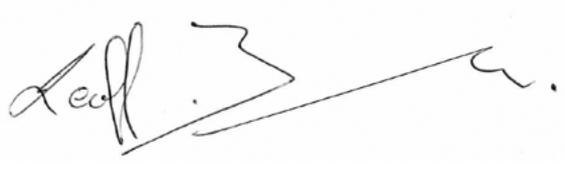
We intend to refine and implement due diligence and monitoring activities to improve prevention and detection of modern slavery and other human rights issues in our operations and supply chain, focusing on identified high-risk areas. As an example, the downstream vendor audits conducted by Sims Lifecycle Services will be expanded to explicitly include other modern slavery risks such as sourcing of employees and conditions of employment. The implementation of these new procedures will include educating affected employees on the importance of the new processes for reducing the risk of modern slavery within Sims and our supply chain. We will also define key performance indicators to assess the effectiveness of these new processes.

At Sims, we know that in pursuit of our purpose to create a world without waste to preserve our planet, we can directly and indirectly impact people's human rights. We believe that all human beings are born free and equal and should be treated with dignity and respect. While society has made progress to protect underrepresented populations, there is still much work to be done and, as an organisation, we have a role to play. By working with our employees, shareholders, supply chain and other stakeholders globally, we can drive further accountability to protect vulnerable people from harm.

This statement was approved by the Sims Limited Board of Directors.



**Alistair Field**  
CEO and Managing Director,  
Sims Limited



**Geoff Brunsdon**  
Chairman of the Board,  
Sims Limited



Learn more: [www.simsltd.com](http://www.simsltd.com)