



1. OUR COMMITMENT

Sims Metal Management (SMM) is committed to reducing our energy consumption by and the associated carbon profile of our day-to-day operations through the implementation of the following progressive hierarchy:

- The efficient use of energy;
- The use of renewable and cleaner forms of energy where practicable and economically viable; and
- The use of verifiable and accredited carbon off-sets.

By conserving energy, we can operate more cost effectively and reduce the carbon emissions impact of our activities on the environment. As a major recycler of ferrous, non-ferrous, electronics and other recyclable materials, we facilitate significant energy savings and carbon (CO₂) reductions where these materials replace primary raw materials. However, energy is consumed during their collection, processing and transport to market, which in turn results in the emission of carbon (CO₂).

We recognize the management of energy usage and reduction of carbon emissions as fundamental to our viability, prosperity and public responsibility. As a minimum, we will comply with all applicable local energy and carbon emissions laws, regulations and standards, including the monitoring and reporting rules of the countries in which we operate, but will strive to achieve levels of performance which exceed basic compliance.

2. OUR POLICY

We will strive to ensure that energy initiatives and carbon reduction opportunities are identified, pursued and communicated throughout our businesses. In particular, we will pursue an energy use and carbon reduction strategy that:

- Strives to employ production processes and transport activities that facilitate a commercially viable level of energy efficiency and associated carbon emissions profile;
- Progressively strives to reduce the use of non-renewable energy sources when commercially viable; and
- Progressively strives to increase the use of energy sources with a lower carbon emissions profile when commercially viable.

Management is specifically required to:

- Establish energy teams tasked with evaluating energy efficiency and carbon reduction in each geographic region;
- Undertake ongoing monitoring of energy and carbon emissions and publically report on a regular basis;
- Explore new ways to increase energy efficiency and reduce energy consumption and associated carbon emissions;
- Consider development of energy efficiency and carbon emissions control action plans relevant to the energy profile within their geographic region;
- Strive to ensure that energy efficiency and the nature of the energy source are key considerations when procuring new facilities and equipment;
- Give priority consideration to:
 - energy saving measures identified with a payback of 3 years or less, subject to normal capital expenditure request guidelines,
 - fuel/energy derived from sustainable sources, when commercially viable,
 - energy efficiency evaluations in all operational procedures; and
- Strive to ensure that all employees and contractors are aware of and are committed to this policy.

Active implementation of these energy and carbon emissions measures is the responsibility of all employees.

3. OUR SUPPORT

We are committed to supporting all of the above through effective leadership, communication, procedures, management systems, training and accountability at all levels, including a SHEC approval of all applicable capital expenditure requests, and making employees and contractors aware of this policy, its impact on them and on the reputation of our business. We will maintain a system and culture of sharing best practices, and lessons learned with regard to SHEC matters with all facilities globally. This policy will be reviewed regularly in accordance with the Charter of the SHEC Committee of the SMM Board of Directors.