Module: Introduction

Page: Introduction

0.1

Introduction
Please give a general description and introduction to your organization.
Sims Metal Management (Sims MM) is the leading and largest recycling company in the world operating in North America, Australasia, Europe and India supplemented by trading offices in Asia. The Company specialises in the recovery and recycling of all metals, plastics and waste electronics and electrics. Apart from the preservation of important raw materials, lifecycle analysis undertaken by The Imperial College in London, demonstrate that the use of the company's recycled materials saved more than 45 gigajoules of energy (enough to provide power for 15 million people) and prevented the emission of 13.6 million tonnes of CO2, almost equivalent to the entire CO2 emissions of Sweden. In addition, the company is 50% shareholder in Landfill Management Services, an energy company recovering methane from landfills to produce renewable energy for 47,000 homes as well as more than 1 million tonnes of verified CO2 abatement in Australia. However to deliver these services requires the use of energy and other precious resources. As a participant in the Carbon Disclosure Project for the 5th year, as well as several sustainability indices (including the Dow Jones), Sims Metal Management (SimsMM) commenced public sustainability reporting in 2006 and now has well developed and mature systems in place to measure and manage its energy and carbon profile as well as other parameters that form part of the Global Reporting Initiative. The Company has an articulated energy/carbon strategy based on progressive hierarchy of: Energy efficiency, Energy replacement to renewable energy, and as a last resort, Carbon off-sets; and have in all operating regions energy/carbon teams that are tasked with monitoring energy use, developing reduction and energy replacement strategies to meet our overall corporate strategy. It is illuminating that while the company as a result of its global activities produced 319,256 tonnes of CO2 equivalent in 08/09, this represents a ratio of 1 to 43 when compared to the CO2 savings from the use of our secondary raw materials. We are particularly pleased to be recognized for our efforts by being nominated in the relevant 08/09 year and listed in the Davos Top 100 Sustainable Companies and again in 09/10. Specifically in respect of energy and carbon, SimsMM also won the Special Award for Environmental Sustainability at the 9th Australian Sustainability Awards. The award was given for establishing a 'best of sector' low carbon intensity, and for structuring the company's own strategy around a framework of energy efficiency, green energy and carbon off-sets. The award further recognised the Company's massive contribution for reducing greenhouse gas emissions, preserving natural resources and reducing waste and its efforts to establish a major waste electronics recycling infrastructure and facility in Australia and its work in calling for legislative support on e-waste recycling.

0.2

Reporting Year
Please state the start and end date of the year for which you are reporting data.

Enter Periods that will be disclosed
Tue 01 Jul 2008 - Tue 30 Jun 2009

0.3

Are you participating in the Walmart Sustainability Assessment?

No

0.4

Modules
As part of the Investor CDP information request, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors and companies in the oil and gas industry should complete supplementary questions in addition to the main questionnaire.
If you are in these sectors, the corresponding sector modules will be marked as default options to your information request.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see www.cdproject.net/cdp-questionnaire.

0.5

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country
Australia
New Zealand
India
United Kingdom
Germany
Netherlands
Belgium
United States of America
Canada

0.6

Please select if you wish to complete a shorter information request.

Further Information

Attachments

Module: Governance

Page: Governance

1.1

Where is the highest level of responsibility for climate change within your company?
Board committee or other executive body

1.1a

Please specify who is responsible.

Committee appointed by the Board

1.1b

Select the lower level department responsible.

1.2

What is the mechanism by which the board committee or other executive body reviews the company's progress and status regarding climate change?
The three operating regions of North America, Europe (including UK) and Asia Pacific has formal energy teams in place, which receive detailed energy usage profiles for all operations under their control and examine feasible energy efficiency/carbon reduction measures. Since the energy profile varies within regions and operational activity, each operating region has autonomy as to the measures they recommend. However, they are required to examine the operational activities that constitute 80% of that regions total energy profile and demonstrate how the region is progressing towards the objectives and stated outcomes of the Company's energy and carbon policies and targets. Overall senior management control and direction of the energy teams is through the Global Director, Sustainability (based in the UK) with regular reporting to the Board via the SHEC (Safety Health Environment & Community) Committee of the Board which meets quarterly.

1.3a

Please explain how overall responsibility for climate change is managed within your company.

1.3b

Please explain how overall responsibility for climate change is managed within your company.

1.4

Do you provide incentives for the management of climate change issues, including the attainment of greenhouse gas (GHG) targets?
Yes

1.5

Please complete the table.

Who is entitled to benefit from those incentives?	The type of incentives
Business unit managers	Monetary reward
Energy managers	Monetary

Who is entitled to benefit from those incentives?	The type of incentives
	reward
Environment/sustainability managers	Monetary reward
Facility managers	Monetary reward

Further Information

In regard to 1.5. Sims MM has a performance management system that use the achievement of KPI's as the baseline for assessment of bonuses and promotions. These are set annually and reviewed both mid-term as well as at the end of the performance cycle.

Attachments

Module: Risks and Opportunities

Page: Risks & Opportunities Identification Process

2.1

Describe your company's process for identifying significant risks and/or opportunities from climate change and assessing the degree to which they could affect your business, including the financial implications.

Unfortunately, many of the countries in which SimsMM operates do not have clear policy objectives when it comes to climate change, which makes some investment decisions difficult. Nevertheless, to pursue a reduction in our energy profile and carbon reduction efforts each region has a formal Energy Team responsible for monitoring legislative trends and understanding the particular impacts on the businesses and making recommendations as to how the regional business units may best adapt to prospective changes. Within each region, the operations accounting for 80% of the energy profile is captured and must be examined for energy measures that correspond to the Company's articulated hierarchy of efficiency, replacement and off-sets. So far, most of the efforts fall into examining energy efficiency, although energy replacement (wind, gas turbine and co-generation) progressively are under examination. The company has a policy of implementing energy efficiency measures with paybacks of less than 3 years. Once a recommendation has been adopted and approved the regional teams appoints an 'Energy Champion/project manager' on the site, tasked with the projects detailed implementation. Oversight and reporting of progress is via the Regional Energy Team to the Global Director, Sustainability and the Board SHEC Committee. In support of these efforts, the Company is a member of relevant industry associations in the regions in which we operate and are constantly assessing the news and updates from these associations on political and industry developments in regard to new schemes for reporting, subsidies, new taxes and also industry improvements in business practices.

Further Information

In July 09 S Miller Sims MM Chief Corporate Counsel (SHEC) applied to join and was selected for participation in the ODS (ozone depleting substances, eg Freon) Working Group of the Climate Action Registry. The Registry is the leading US organization setting standards for use in current voluntary GHG (green house gas, eg carbon dioxide, ODS) emissions trading and regional GHG initiatives. The Working Group completed its development of standards to enable the trading of credits for destruction of ODS. As a result of that effort SMM is considering ODS destruction from scrap appliances as a carbon reduction project.

Attachments

Page: Regulatory Risks

3.1

Do current and/or anticipated regulatory requirements related to climate change present significant risks to your company?
Yes

Do you want to answer using:

A text box

3.2A

What are the current and/or anticipated significant regulatory risks related to climate change and their associated countries/regions and timescales?

Risk	Region/Country	Timescale in Years	Comment

3.2B

What are the current and/or anticipated significant regulatory risks related to climate change and their associated countries/regions and timescales?

We continue to have a regionally based watching brief on proposals for emissions trading schemes and carbon taxes which are reported on monthly through the Global Director, Sustainability. There is significant legislative/regulatory uncertainty in most regions of operations on the types of schemes that will be introduced and the impact this will have on Sims MM businesses. In Australia: We have already been required under legislation to report emissions and energy use including energy reduction targets through the EEO and NGER legislation. The CPRS legislation (carbon tax) has not been passed by the Australian Parliament and there is significant doubt whether or not it would be passed in the next 18 month period. We had anticipated that if it is passed in its proposed form we would not be caught by it in the short term (2yrs) Should there be a change of government in the next electoral cycle there could be a very different approach to emissions by a new Liberal Government that would be more voluntary in its scope and application. However at this stage it is unlikely that significant impact would occur in the next 2 - 3 years. In USA: There is a great deal of uncertainty as to the type of scheme that will get approved through the Congress. As more than 50% of Sims MM carbon emissions are in the US, we are at present unable to ascertain the impact on our business. We continue to expect a 3 - 5 year time horizon for any impacts on our businesses in this region. Never the less we continue to develop and implement energy reduction programs in this region. In UK Sims MM is captured by the Carbon Reduction Commitment (CRC). Our operations in Europe continue to fall outside the scope of the EU schemes and this is unlikely to change unless the schemes are amended significantly in scope and nature.

3.3

Describe the ways in which the identified risks affect or could affect your business and your value chain.

At present Sims MM is in full compliance with the UK CRC legislation and the Australian EEO & NGER legislation and have robust systems to monitor all relevant data and report accordingly. There are financial penalties for non compliance with public reporting requirements or falsification of reports. Even though this circumstance would be highly unlikely for Sims MM given the level of focus, systems and diligence by the company, there would be reputation risks associated with non compliance and breaches. In regard to possible introduction of emissions trading schemes in Aus and the USA we anticipate there could be a rise in energy pricing due to financial imposts on energy suppliers with these costs ultimately being passed through to the consumers of energy. This would include power, petrol, diesel & gas. In the UK, the introduction of the CRC will mean an increase in electricity costs, albeit the scheme is expected to be revenue neutral by providing a funds return for companies achieving reduction targets. In support of this, SimsMM UK is a participant in the Carbon Trust Standard Certification program, providing the company with means to gain recognition for the significant energy initiatives implemented prior to the CRC's base year of 2008.

3.4

Are there financial implications associated with the identified risks?
Yes

3.5

Please describe them.
In the UK, the introduction of the CRC, which works as a carbon tax on electricity will mean an potential increase in electricity costs, the scheme is supposed to be 'revenue neutral' by returning funds to companies in proportion to their energy efficiency measures. SimsMM UK has robust systems in place to produce such efficiency measures and expects to recapture a significant part of the initial tax. To this end, the company is participant in the Carbon Trust Standard Certification program. In the UK commercial cost increases to electricity are expected although recent trends remain flat. Fuel costs are expected to continue to increase significantly. In Australia, there is at present no cost associated with carbon emissions as the relevant legislation has not passed the Australian Parliament. However, the company expects cost increases in electricity and fuel that have occurred over the last 2 years to continue. In North America, the absence of carbon legislation means no direct impact on costs and the commercial pressures on electricity and fuel remain relatively low.

3.6

Describe any actions the company has taken or plans to take to manage or adapt to the risks that have been identified, including the cost of those actions.
In every region Sims MM has formal energy teams tasked with identifying measuring and implementing energy efficiency programs to reduce our overall consumption of energy in all its forms as described above. These teams are directed and monitored by the Global Director, Sustainability in turn reporting to the Board and Group Chief Executive. For example Energy reduction programs and capital upgrade programs to more efficient shredders are being implemented in every region. Shredders continue to consume approximately 65 - 85% of regional electricity depending on the region albeit fuel accounts for 53% of global energy use. If we can reduce consumption we can more effectively manage the impact of legislation on our businesses.

3.7

Please explain why you do not consider your company to be exposed to significant regulatory risks - current and/or anticipated.

3.8

Please explain why not.

Further Information

Attachments

https://www.cdproject.net/Sites/2010/28/17028/Investor CDP 2010/Shared Documents/Attachments/InvestorCDP2010/RisksOpportunities-RegulatoryRisks/EEO Public Report Sims v0 2.docx

Page: Physical Risks

4.1

Do current and/or anticipated physical impacts of climate change present significant risks to your company?
No

Do you want to answer using:

The table below

4.2A

What are the current and/or anticipated significant physical risks, and their associated countries/regions and timescales?

Risk	Region/Country	Timescale in Years	Comment

4.2B

What are the current and/or anticipated significant physical risks, and their associated countries/regions and timescales?

4.3

Describe the ways in which the identified risks affect or could affect your business and your value chain.

4.4

Are there financial implications associated with the identified risks?

4.5

Please describe them.

4.6

Describe any actions the company has taken or plans to take to manage or adapt to the risks that have been identified, including the cost of those actions.

4.7

Please explain why you do not consider your company to be exposed to significant physical risks - current and/or anticipated.
Rising Sea-levels: - SimsMM does not consider itself to be exposed to physical risks of rising sea levels in the short to medium term because we are not located in highly sensitive coastal areas. The risk of significant site impact would not occur unless there is a greater than 2 m rise in water levels, which at present is considered an unlikely scenario as an immediate climate event. We continue to have a watching brief on this issue and follow the sea level rise models that are being developed globally. Other:- The nature of SimsMM operational activities are such that they are unlikely to be significantly affected by other changes in climate phenomena, such as increase in severe weather storms, unless these become far more catastrophic in nature than currently predicted.

4.8

Please explain why not.

Further Information

Attachments

Page: Other risks

5.1

Does climate change present other significant risks - current and/or anticipated - for your company?

Yes

Do you want to answer using:

The table below

5.2A

What are the current and/or anticipated other significant risks, and their associated countries/regions and timescales?

Risk	Region/Country	Timescale in Years	Comment
Changes in the availability and costs of goods and services	Australia	0 -- 5	Pass through of increased cost for electricity due to implementation of some carbon tax or emissions trading scheme. Australian electricity is generated almost exclusively from Coal. Commercial costs of both fuel and electricity is expected to continue to rise significantly in the short to medium term.
Changes in the availability and costs of goods and services	United Kingdom	Current	In UK Sims Group is subject to the CRC cost increase per MWh of $10.00. We expect this cost will increase by 2013. Commercial increases to fuel are expected to rise significantly while electricity prices will remain relatively stable in the short to medium term.
Changes in the availability and costs	United States of America	0 -- 5	In the USA - the landscape for carbon taxes or

Risk	Region/Country	Timescale in Years	Comment
of goods and services			emissions trading schemes is still developing - but we anticipate that there will be a general increase in fuel and electricity prices over the short to medium term.

5.2B

What are the current and/or anticipated other significant risks, and their associated countries/regions and timescales?

5.3

Describe the ways in which the identified risks affect or could affect your business and your value chain.
Australia: We expect to see pass through costs impacting on electricity as most energy is generated from coal fired power stations. We also expect to see an increase in price of diesel and other transportation fuels. North America: Price rises for transportation and electricity use are unable to be quantified at this stage due to the uncertainty surrounding carbon legislation, However, we continue to incur price rises on both electricity and transport fuels although these are expected to be less than in the other operating regions. Europe: The introduction of the CRC in the UK will see a shorter rise in electricity costs as the costs of this carbon tax is levied on the Company's electricity use. However, SimsMM has systems in place that should see a significant part of this cost returned to the Company. The company's operations are not captured under the EU trading scheme and are unlikely to be in the future. Commercial rises in electricity costs are expected to be relatively flat over the next 12 - 24 months, although significant increases in fuel costs are expected.

5.4

Are there financial implications associated with the identified risks?
Yes

5.5

Please describe them.

As stated above.

5.6

Describe any actions the company has taken or plans to take to manage or adapt to the other risks that have been identified, including the costs of those actions.

Energy reduction programs and capital upgrade programs to more efficient shredders are being implemented in every region. Shredders continue to consume approximately 65 - 85% of regional electricity depending on the region albeit fuel accounts for 53% of global energy use.

5.7

Explain why you do not consider your company to be exposed to other significant risks - current and/or anticipated.

5.8

Please explain why not.

Further Information

Attachments

Page: Regulatory Opportunities

6.1

Do current and/or anticipated regulatory requirements related to climate change present significant opportunities for your company?

Yes

Do you want to answer using:

A text box

6.2A

What are the current and/or anticipated significant regulatory opportunities and their associated countries/regions and timescales?

Opportunities	Region/Country	Timescale in Years	Comment

6.2B

What are the current and/or anticipated significant regulatory opportunities and their associated countries/regions and timescales?

North America: In the USA the Company has been able to identify several Federal and State incentive programs to increase energy efficiency, reduce consumption and switch to other forms of energy. These include the use of biodiesel B11 for it's truck fleet in our Central region - using 250,000 gallons per year. Not only is biodiesel lower in emissions but it also produces 3.8 times the energy per unit of ordinary diesel. Sims MM is currently seeking regulatory approval for a 50kW wind turbine in the Sims Municipal Recycling in Brooklyn NY. This will be the 1st such turbine to be installed in NYC. It will generate enough energy to power the administration/ visitors building, scale house and security booths on the site. In California, our Roseville facility operates on 100% renewable energy and increasing legislative emission control measures are driving progressive updating of our vehicle fleet to more fuel efficient models. In July 09 S Miller Sims MM Chief Corporate Counsel (SHEC) applied to join and was selected for participation in the ODS (ozone depleting substances, eg Freon) Working Group of the Climate Action Registry. The Registry is the leading US organization setting standards for use in current voluntary GHG (green house gas, eg carbon dioxide, ODS) emissions trading and regional GHG initiatives. The Working Group completed its development of standards to enable the trading of credits for destruction of ODS. As a result of that effort SMM is considering ODS destruction from scrap appliances as a carbon reduction project. Australasia: Higher fuel and electricity costs, combined with the expected legislative measures surrounding Climate Change have over several years driven energy efficiency measures. In respect of fuel usage, these measures include replacement of our truck fleet with more fuel efficient models, better driving behaviour, speed reduction and route optimisation. Unfortunately, biodiesel distribution and availability in the market remain a significant obstacle to the Company's desire to replace standard fuel sources. In respect of electricity, power equalisation equipment is now standard on all major electric equipment, lighting is progressively being replaced by more efficient illumination and policies for idling equipment etc are commonplace. Europe: The increasing cost of both fuel and electricity continues to drive measures such as more fuel efficient trucks, better driver skills, speed limitations and route optimisation. Again the broad availability of replacement fuels is a limiting factor. Wind turbines, including smaller ones are being investigated as are alternative generation such as gas turbines. Heating remains a significant cost in Europe and smart metering and controls are progressively being installed.

6.3

Describe the ways in which the identified opportunities affect or could affect your business and your value chain.

Energy efficiency measures remain the most cost effective strategy for reducing energy consumption and the associated carbon profile, and while the Company continues to examine and develop new technologies, the major initiatives have been implemented and the returns for further measures are diminishing. Unfortunately, renewable energy sources remain in the main uncompetitive, but the Company continually monitors price developments and trends as well as technological developments in the energy fields, including co-generation. In the US the Working Group that completed the development of standards to enable the trading of credits for destruction of ODS will have significant impact on our business. In the USA SimsMM manages the recycling contracts for New York and San Francisco where the potential business opportunity in recycling white goods is extensive. In the UK SimsMM are major recyclers white goods and is heavily involved in this process. At present the UK legislation requires for the incineration of these gases. Were the UK to accept similar recognition of this process as a contributor to minimizing climate change, SimsMM in the UK would be able to generate carbon credits and contribute in a positive way to an overall global approach.

6.4

Are there financial implications associated with the identified opportunities?
Yes

6.5

Please describe them.

Reduction in current and future operating costs, in respect of both fuel and electricity usage.

6.6

Describe any actions the company has taken or plans to take to exploit the opportunities that have been identified, including the investment needed to take those actions.

Biodiesel B11 has successfully been used in one site and the feasibility of this being used as the preferred fuel on other sites is being investigated. Unfortunately the availability of biodiesel remain an obstacle to wider usage, but the Company continues to pursue the use where feasible. Importantly, the company only supports bio fuels where their generation does not compromise food sources or other sustainability parameters.

6.7

Explain why you do not consider your company to be presented with significant opportunities - current and/or anticipated.

6.8

Please explain why not.

Further Information

Attachments

Page: Physical Opportunities

7.1

Do current and/or anticipated physical impacts of climate change present significant opportunities for your company?
Yes

Do you want to answer using:

A text box

7.2A

What are the current and/or anticipated significant physical opportunities and their associated countries/regions and timescales?

Opportunities	Region/Country	Timescale in Years	Comment

7.2B

What are the current and/or anticipated significant physical opportunities and their associated countries/regions and timescales?

As stated in prior submissions Sims MM expects that with an increase in extreme weather events as well as the increase in regulatory frameworks being developed to encourage consumers and businesses to change behaviour, there will be an increased awareness of the benefits of recycling and an increase in recycling and thus an increase in the demand for our services. An example of this is the impending introduction of legislative measures in Australia to mandate the recycling of electrical and electronic equipment, a cause that SimsMM has pursued with the Australian Government for almost a decade and which finally is set to be introduced over the next 6 - 12 months. This effort was recently recognised when SimsMM won the Special Award for Environmental Sustainability at the 9th Australian Sustainability Awards. A further example is the Company's contract for recycling the State of New York, which see all recyclables collected and transported by barge to a central facility in NYC, thus significantly reducing the use of fuel and energy and the associated carbon profile. Similarly, the Company owns and operates the world's largest Waste Electrics and Electronics Equipment (WEEE) recycling facility in Wales, UK. Sims MM is also in joint venture with Landfill Management Services which recover methane from landfills and produce renewable energy to the grid providing sufficient energy to power 47,000 homes, 24 hours a day, 7 days a week as well as more than 1 million tonnes of verified CO2 abatement or more than 3 times the Company's total global emissions profile. We believe this technology will continue to expand and be used by municipal and regional waste depots to generate energy for grid consumption.

7.3

Describe the ways in which the identified opportunities affect or could affect your business and your value chain.

7.4

Are there financial implications associated with the identified opportunities?

Yes

7.5

Please describe them.

SimsMM believes that overall the opportunities stated above point to a continuing expansion of our businesses globally and therefore an increase in profitability.

7.6

Describe any actions the company has taken or plans to take to exploit the opportunities that have been identified, including the investment needed to take those actions.

7.7

Explain why you do not consider your company to be presented with significant opportunities - current and/or anticipated.

7.8

Please explain why not.

Further Information

Attachments

Page: Other Opportunities

8.1

Does climate change present other significant opportunities - current and/or anticipated - for your company?
No

Do you want to answer using:

The table below

8.2A

What are the current and/or anticipated other significant opportunities and their associated countries/regions and timescales?

Opportunities	Region/Country	Timescale in Years	Comment

8.2B

What are the current and/or anticipated other significant opportunities and their associated countries/regions and timescales?

8.3

Describe the ways in which the identified opportunities affect or could affect your business and your value chain.

8.4

Are there financial implications associated with the identified opportunities?

8.5

Please describe them.

8.6

Describe any actions the company has taken or plans to take to exploit the opportunities that have been identified, including the investment needed to take those actions.

8.7

Explain why you do not consider your company to be presented with significant opportunities - current and/or anticipated.

All opportunities that are available to Sims MM have been discussed. Of course new opportunities my arise as a consequence of regional/ state or federal incentive schemes being developed that have not yet been discussed or foreshadowed by governments.

8.8

Please explain why not.

Further Information

Attachments

Module: Strategy

Page: Strategy

9.1

Please describe how your overall group business strategy links with actions taken on risks and opportunities (identified in questions 3 to 8), including any emissions reduction targets or achievements, public policy engagement and external communications.

In 2007, the Company established a formal Energy and Carbon Policy endorsed by the Board of Directors. While this policy is a “live document” and as such subject to regular review, the Company committed to a progressive hierarchy of: • 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. In support of this policy, it was decided to examine in detail the operational activities that combined accounted for 80% of the Company's energy profile and how best to give effect to the above energy/carbon policy. To do this, three regional Energy Teams were established (one for APAC, one for North America and one for UK/Europe). These teams are tasked with examining the energy profile of the operational activities within their region and recommend energy/carbon measures that give effect to the Energy and Carbon policy at the local levels. The teams meet regularly to discuss and explore ways in which to increase energy efficiency or changes to more environmentally sound energy supply sources. Once energy initiatives have been identified, they are implemented by the respective project teams involving a ' site energy champion/project manager' to maximise site involvement and ensure ongoing success. In each region the energy teams have a watching brief to understand the implications of developing legislative frameworks within each country and the possible impact on the organisation. Energy teams are also encouraged to look at incentive programs offered by federal or state governments that would make switching to other forms of energy viable for development within the overall portfolio. Overall direction of the energy programmes take place via the Global Director, Sustainability (based in the UK) and is communicated to Senior management and the Board of Directors through the Global SHEC (Safety, Health, Environment and Community) committee. At this stage, the Company is not considering carbon off-sets as this strategy is viewed as a last resort. However, it must be noted that the Company is a 50% shareholder in green energy provider LMS, which generates more than 1 million tonnes of government verified and accredited CO2 abatement, more than 3 times the Company's global carbon footprint. As such, this last resort strategy is readily available to the Company.

Further Information

The following is an example outline of the US Energy Team programs included in monthly reporting and analysis: a. Monthly fuel usage and cost reporting to drive down costs by identifying the following; i. Fuel usage and cost by location and region ii. Fuel usage & cost per sales gross ton iii. Fuel usage & cost per purchased gross ton iv. List top 10-15 highest fuel consuming assets by region to investigate alternatives or options to reduce consumption b. Monthly electricity usage and cost reporting to drive down costs by identifying the following; i. Electricity providers, usage and cost by operating unit, region and nationally ii. Electricity usage & cost per sales gross ton iii. Electricity usage & cost per purchased gross ton iv. Operating unit's utility meter numbers by provider, and if available by application. Identify all utility meters c. Monthly Report identifying the Federal and State Energy Incentive Programs. Renewables and Efficiency Rebates, Subsidies, etc. i. Identify and communicate all programs available by state and how it applies to our applications. ii. Identify and communicate all programs available by federal and how is applies to our applications

Attachments

Page: Strategy - Targets

9.2

Do you have a current emissions reduction target?

Yes

9.3

Please explain why not and forecast how your Scope 1 and Scope 2 emissions will change over the next 5 years. *(If you do not have a target)*

9.4

Please give details of the target(s) you are developing and when you expect to announce it/them. *(If you are in the process of developing a target)*

9.5

Please explain if you intend to set a new target. *(If you have had a target and the date for completing it fell within your reporting year, please answer questions 9.5 and 9.6)*

9.6

Please complete the table. *(If you have a current emissions reduction target or have a recently completed target)*

Target Type	Value of Target	Unit	Base year	Emissions in base year (metric tonnes CO2-e)	Target Year	GHGs and GHG sources to which the target applies	Target met?	Comment
Absolute emissions reduction	15.00	% reduction from base year	2006		2015	Scope 1 + 2	Target ongoing	

Further Information

Our existing targets have been absolute reduction targets and while these have been achieved, we face two main problems going forward: 1. Energy efficiency is a diminishing return business. It gets harder and harder to achieve reductions as the “low hanging fruit” gets picked. A great deal was achieved in the years 2002 to 2008, but we are now finding it increasingly challenging to continue the trend set in the past. 2. Sims Metal Management has had spectacular growth over the last 20 years, mainly as a result of growth by acquisition. Absolute energy/carbon reduction is difficult to maintain in those circumstances. Therefore, the Company is currently examining a suitable metric going forward. Traditional energy/emission targets for our sector tend to evolve around emissions per EBIT or some similar financial indicator. As a recycling company, Sims Metal Management is subject to extreme commodity price variations that affect our earnings profile from year-to-year and hence this metric is inappropriate. Instead we are currently leaning towards metrics related to CO2 emission per sales tonnes and it is this metric we reported on in our 2008/2009 Annual Sustainability report.

Attachments

Page: Strategy - Emission Reduction Activities

¿

Is question 9.7 relevant for your company?

Yes

9.7

Please use the table below to describe your company's actions to reduce its GHG emissions.

1. Actions - please describe	2. Annual energy saving	3. Annual energy savings - number	4. Annual energy saving - units	5. Annual emission reduction in metric tonnes CO2-e	6. Reduction - achieved or anticipated	7. Investment - number	8. Investment - currency	9. Monetary savings - number	10. Monetary savings - currency	11. Monetary savings	12. Timescale of actions & associated investments (if relevant)
Reduction in electricity use per tonne of throughput Long Marston	Achieved	21	kWh (kilo watt-hour)		Achieved		GBP(£)		GBP(£)	Not quantified	This is a reduction of 21% of energy consumed. Actions achieved over last 12 months with recurring annual savings
Reduction in electricity use per tonne of throughput at Stalybridge	Achieved	64	kWh (kilo watt-hour)		Achieved		GBP(£)		GBP(£)	Not quantified	This is a 64% reduction of energy consumption at this site. Actions achieved through shredder efficiency - initial energy savings but with further

1. Actions - please describe	2. Annual energy saving	3. Annual energy savings - number	4. Annual energy saving - units	5. Annual emission reduction in metric tonnes CO2-e	6. Reduction - achieved or anticipated	7. Investment - number	8. Investment - currency	9. Monetary savings - number	10. Monetary savings - currency	11. Monetary savings	12. Timescale of actions & associated investments (if relevant)
											considerable recurring annual savings.
Shredder modifications Aus.	Anticipated	650	Other: GJ		Anticipated		AUD ($)		AUD ($)	Not quantified	This action is the first of many shredder upgrades in Aus - this particular savings will be recurring.
Upgrade to Laverton and Moolap Aluminium processors - Aus	Anticipated	9200	Other: GJ		Anticipated		AUD ($)		AUD ($)	Not quantified	
Use of Biodiesel B11 pilot program USA purchased 250K gallons during trial.	Achieved		Other: GJ		Achieved		USD($)		USD($)	Not quantified	
Lighting and HVAC upgrades in	Anticipated	107000	kWh (kilo watt-hour)	57	Anticipated		USD($)		USD($)	Not quantified	

1. Actions - please describe	2. Annual energy saving	3. Annual energy savings - number	4. Annual energy saving - units	5. Annual emission reduction in metric tonnes CO2-e	6. Reduction - achieved or anticipated	7. Investment - number	8. Investment - currency	9. Monetary savings - number	10. Monetary savings - currency	11. Monetary savings	12. Timescale of actions & associated investments (if relevant)
USA											
Mobile equipment upgrades - USA	Anticipated		Other: GJ	3000	Anticipated		AUD ($)		AUD ($)	Not quantified	
Reduction of gas consumption used for heating at Dumfries site	Achieved	48	Other: GJ		Achieved						This is a 48% reduction in gas consumption for the Dumfries site.

9.8

Please explain why not.

9.9

Please provide any other information you consider necessary to describe your emission reduction activities.

In future years we anticipate we will report on the outcomes of yet to be implemented programs in the following areas: The installation of a wind turbine in the metro recycling site NYC Actual data of energy achieved from installation of photovoltaic solar electric generation from SA Recycling in Anaheim Canada. SA has constructed a 500 kW photovoltaic solar electric generating project at its Anaheim CA headquarters, which makes it the largest such commercial system in that City. SA began operating the system in Dec 09 and had a ribbon cutting ceremony in Feb 2010. SA also is evaluating alternatives for improving equipment efficiency and for reducing carbon emissions from its truck fleet, including reduction of fleet size and retrofit or replacement to greater efficiency motors. The implementation of programs in Australia that we anticipate will give Sims MM energy savings annually of a further 7000 GJ. There are several other projects in every region that are at the feasibility stage. • Energy Audits in completed at North Haven. Installation 75% complete. 1st year savings of $69k + $13k taxes • Bio-Diesel being tested in Chicago—no data yet. Seller claims 9% improvement. Feds eliminated subsidies but mandate use. Mid West will perform efficiency tests using bio-diesel addition versus normal diesel fuel. We will also determine effect on older engines. • The state of California is issuing new incentives for energy savings initiatives. • Sunwize which is a proposed 400 kw solar project at $2.1MM with 5 year payback. • Bloom Energy NG Fuel technology is being considered.

9.10

Do you engage with policy makers on possible responses to climate change including taxation, regulation and carbon trading?

Yes

9.11

Please describe.

As the largest recycling group in the world, Sims Metal Management engage are often invited to engage with policy makers, ranging from direct engagement with ministers and senior bureaucrats and through organisations such as the UNEP, SteP, The Carbon Trust etc. or via indirect engagement through relevant industry associations in each region. In July 09 S Miller applied to join and was selected for participation in the ODS (ozone depleting substances, eg Freon) Working Group of the Climate Action Registry. The Registry is the leading US organization setting standards for use in current voluntary GHG (green house gas, eg carbon dioxide, ODS) emissions trading and regional GHG initiatives. The Working Group completed its development of standards to enable the trading of credits for destruction of ODS. The Company also engages directly with other large corporate identities, which we are linked to either as suppliers of services or as recipient of services. In addition, the Company has a long standing practice of engagement with respected and proactive environmental groups, such as the Total Environment Centre, Net Balance as well as a wide network of Ethical Investment groups. SMM also provided data to its US trade association, ISRI, for a life cycle assessment for ferrous and nonferrous metal recycling.

Further Information

Attachments

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: Emissions Boundary - (1 Jul 2008 - 30 Jun 2009)

10.1

Please indicate the category that describes the company, entities, or group for which Scope 1 and Scope 2 GHG emissions are reported.

Companies over which financial control is exercised per consolidated audited financial statements

10.2

Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions within this boundary which are not included in your disclosure?

No

10.3

Please complete the following table.

Source	Scope	Explain why the source is excluded

Further Information

Attachments

Page: Methodology - (1 Jul 2008 - 30 Jun 2009)

11.1a

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions and/or describe the procedure you have used (in the text box in 11.1b below).

Please select the published methodologies that you use.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

11.1b

Please describe the procedure that you use.

1. Data collected on a regional basis and synthesized at Corporate HO. 2. Data is full 12 months ACTUAL data 2. Data entered into GHG Protocol worksheet and emission factors applied 3. All EF's are sourced from GHG Protocol - some EF's are default as allocated by the spreadsheet methodology.

11.2

Please also provide the names of and links to any calculation tools used.

Please select the calculation tools used.
GHG Protocol - GHG emissions from stationary combustion 4.0 February 2009
GHG Protocol - CO2 emissions from the transport of mobile sources 1.3 January 2005
GHG Protocol - Indirect CO2 emissions from purchased electricity, heat or steam 2.0 March 2008

11.3

Please give the global warming potentials you have applied and their origin.

Gas	Reference	GWP
Carbon dioxide	IPCC Fourth Assessment Report (AR4 - 100 year)	1

11.4

Please give the emission factors you have applied and their origin.

Fuel/Material	Emission Factor	Unit	Reference
Natural gas		metric tonnes CO2-e per GJ	GHG protocol
Motor gasoline	2.32	metric tonnes CO2-e per litre	GHG protocol
Gas/Diesel oil	2.68	metric tonnes CO2-e per litre	GHG protocol
Liquefied petroleum gas (LPG)	1.53	metric tonnes CO2-e per litre	GHG protocol

Further Information

Emission factors for gas vary according to the country of usage. The use of the GHG Protocol calculation tools for this year meant that the EF's were embedded in the tool and not transparent to the user. Emissions Factors for Electricity are country specific as follows Aus = 1.0606 kg per KWh New Zealand = 0.3091 kg per KWh India = 0.944 kg per KWh UK = 0.504 kg per KWh Europe = 0.394kg per KWh USA = 0.572 kg per KWh Canada = 0.1986 kg per KWh

Attachments

Page: Emissions Scope 1 - (1 Jul 2008 - 30 Jun 2009)

12.1

Please give your total gross global Scope 1 GHG emissions in metric tonnes of CO2-e.

143046

¿

Is question 12.2 relevant to your company?

Yes

12.2

Please break down your total gross global Scope 1 emissions in metric tonnes CO2-e by country/region.

Country	Scope 1 Metric tonnes CO2-e
Australia	29774
New Zealand	1327
India	15
United Kingdom	15176
Germany	719
Netherlands	950
Belgium	10
United States of America	95073
Canada	0

12.3

Please explain why not.

12.4

Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 1 emissions by business division. (Only data for the current reporting year requested.)

Business Division	Scope 1 Metric tonnes CO2-e
Sims Metals	136334
Sims SRS	6712

12.5

Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 1 emissions by facility. (Only data for the current reporting year requested.)

Facilities	Scope 1 Metric tonnes CO2-e

¿

Is question 12.6 relevant to your company?

Yes

12.6

Please break down your total gross global Scope 1 emissions by GHG type. (Only data for the current reporting year requested.)

GHG Type	Scope 1 Emissions (Metric tonnes)	Scope 1 Emissions (Metric tonnes CO2-e)
CO2		143046

12.7

Please explain why not.

¿

Is question 12.8 relevant to your company?

Yes

12.8

Please give the total amount of fuel in MWh that your organization has consumed during the reporting year.

593978

12.9

Please explain why not.

¿

Is question 12.10 relevant to your company?

Yes

12.10

Please complete the table by breaking down the total figure by fuel type.

Fuels	MWh
Natural gas	103794.00
Motor gasoline	9102.00
Gas/Diesel oil	470974.00
Liquefied petroleum gas (LPG)	10108.00

12.11

Please explain why not.

12.12

Please estimate the level of uncertainty of the total gross global Scope 1 figure that you have supplied in answer to question 12.1 and specify the sources of uncertainty in your data gathering, handling, and calculations.

Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Data Gaps	12 months Actual data used. Continue to improve data capture system in new merged entity.

Further Information

Attachments

Page: Emissions Scope 2 - (1 Jul 2008 - 30 Jun 2009)

13.1

Please give your total gross global Scope 2 GHG emissions in metric tonnes of CO2-e.

176245

¿

Is question 13.2 relevant to your company?

Yes

13.2

Please break down your total gross global Scope 2 emissions in metric tonnes of CO2-e by country/region.

Country	Metric tonnes CO2-e
Australia	46331
New Zealand	1930
India	25
United Kingdom	15885
Germany	2579
Netherlands	1858
Belgium	53
United States of America	106186
Canada	1398

13.3

Please explain why not.

13.4

Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 2 emissions by business division. (Only data for the current reporting year requested.)

Business division name	Metric tonnes CO2-e
Sims Metals	161990
Sims SRS	14255

13.5

Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 2 emissions by facility. (Only data for the current reporting year requested.)

Facility name	Metric tonnes CO2-e

¿

Is question 13.6 relevant to your company?

Yes

13.6

How much electricity, heat, steam, and cooling in MWh has your organization purchased for its own consumption during the reporting year?

Please supply data for these energy types.	MWh
Electricity	285104

13.7

Please explain why not.

13.8

Please estimate the level of uncertainty of the total gross global Scope 2 figure that you have supplied in answer to question 13.1 and specify the sources of uncertainty in your data gathering, handling, and calculations.

Uncertainty range	Main sources of uncertainty in your data	Please expand on the uncertainty in your data.
More than 2% but less than or equal to 5%	Data Gaps	Full years ACTUAL data submitted. Continue to improve data capture within the new merged entity.

Further Information

Attachments

Page: Emissions Scope 2 Contractual

14.1

Do you consider that the grid average factors used to report Scope 2 emissions in question 13 reflect the contractual arrangements you have with electricity suppliers?

Yes

14.2

You may report a total contractual Scope 2 figure in response to this question. Please provide your total global contractual Scope 2 GHG emissions figure in metric tonnes CO2-e.

14.3

Explain the origin of the alternative figure including information about the emission factors used and the tariffs.

14.4

Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

14.5

Please provide details including the number and type of certificates.

Type of certificate	Number of certificates	Comments

Further Information

In the 2008/09 FY Sims MM in California was purchasing for its Roseville site 100% green energy from a local Utility. At the moment the purchase of green energy is the second strategy for SimsMM after increasing energy efficiency where ever possible.

Attachments

Page: Emissions Scope 3

¿

Is question 15.1 relevant to your company?

No

15.1

Please provide data on sources of Scope 3 emissions that are relevant to your organization.

Sources of Scope 3 emissions	Metric tonnes of CO2-e	Methodology	If you cannot provide a figure for a relevant source of Scope 3 emissions, please describe the emissions.

15.2

Please explain why not.

Scope 3 emissions are not collected, the main reason being that boundary conditions for responsibility remain unclear. For calculations for Fuel and Electricity - full fuel cycle EF's are used.

Further Information

Attachments

Page: Emissions 7

16.1

Does the use of your goods and/or services enable GHG emissions to be avoided by a third party?

Yes

16.2

Please provide details including the anticipated timescale over which the emissions are avoided, in which sector of the economy they might help to avoid emissions and their potential to avoid emissions.

Using the Imperial College in London model, the recycling of ferrous, non ferrous, plastics, electronics and other materials recycled by the Group in Fiscal year 2009 provided the following: 45 GJ of energy - enough to power 6.3 million households - saving this energy further prevented the emissions of 13.6million tonnes of CO2 . LMS - our 50% owned Joint Venture green energy company

generated more than 1 million tonnes of government verified CO2 abatements , while generating enough energy to power 47,000 homes 24hours a day, 7 days a week.

¿

Is question 17.1 relevant to your company?

No

17.1

Please provide your total carbon dioxide emissions in metric tonnes CO2 from the combustion of biologically sequestered carbon i.e. carbon dioxide emissions from burning biomass/biofuels.

17.2

Please explain why not.

Sims MM in the USA continues to trial bio fuels. However in this financial year (08/09) there was not sufficient reliable data available to accurately record the emissions outcome. We anticipate that in the next CDP report this will be available.

Further Information

Attachments

Page: Emissions 8

18.1a

Please describe a financial intensity measurement for the reporting year for your gross combined Scope 1 and Scope 2 emissions.

If you do not consider a financial intensity measurement to be relevant to your company, select "Not relevant" in column 5 and explain why in column 6.

Figure for Scope 1 and Scope 2 emissions	GHG units	Multiple of currency unit	Currency unit	Financial intensity metrics	Please explain if not relevant. Alternatively provide any contextual details that you consider relevant to understand the units or figures you have provided.
	Metric tonnes CO2-e	Thousand	AUD ($)	EBITDA	A financial intensity measurement is considered a very inaccurate way to compare SimsMM carbon intensity performance from one FY to another. Sims Metal Management operates in a commodities market where the market price of its products are subject to large fluctuation within a year and also from year to year. Sims MM cannot influence this in any way. The resale price of copper for example, varies enormously as does the price of other recycled metals. It is for this reason that Sims MM does not use a financial intensity measurement

Figure for Scope 1 and Scope 2 emissions	GHG units	Multiple of currency unit	Currency unit	Financial intensity metrics	Please explain if not relevant. Alternatively provide any contextual details that you consider relevant to understand the units or figures you have provided.
					but instead relies on the activity related intensity measurement detailed below. (See also answer under 9.5).

18.1b

Please describe an activity-related intensity measurement for the reporting year for your gross combined Scope 1 and Scope 2 emissions.

Oil and gas sector companies are also asked to report activity-related intensity metrics in answer to table O&G1.3.

If you do not consider an activity-related intensity measurement to be relevant to your company, select "Not relevant" in column 3 and explain why in column 4.

Figure for Scope 1 and Scope 2 emissions	GHG units	Activity-related metrics	Please explain if not relevant. Alternatively provide any contextual details that you consider relevant to understand the units or figures you have provided.
24.00	Kilograms CO2-e	per tonne of output	Sims Metal Management uses the calculation of CO2-e per sales tonnes. Based on total sales

Figure for Scope 1 and Scope 2 emissions	GHG units	Activity-related metrics	Please explain if not relevant. Alternatively provide any contextual details that you consider relevant to understand the units or figures you have provided.
			tonnes of 13.2 million the CO2-e activity profile of SimsMM is 24 kg/tonne. In the previous year it was 21kg/tonne. The variation is consistent with the increase in number of sites post merger with Metals Management and the inclusion of SA Recycling for the first time.

19.1

Do the absolute emissions (Scope 1 and Scope 2 combined) for the reporting year vary significantly compared to the previous year?

Yes

19.2

Please explain why they have varied and why the variation is significant.

For fiscal year 2009 Sims MM total CO2-e footprint increased substantially due to the inclusion for the first time of all Metals Management Inc (post merger). The merger added a further 52 sites and approximately 2,000 employees from an operational perspective. Also included this year was the SA Recycling joint venture in the USA which comprises 30 operations and a further 1000 people. These sites were not included in previous years. The increase in emissions was approx 76,282 tonnes/ 319,256 tonnes which is approximately 23%.

20.1A

Please complete the following table indicating the percentage of reported emissions that have been verified/assured and attach the relevant statement.

Scope 1 (Q12.1)	Scope 2 (Q13.1)	Scope 3 (Q15.1)
More than 20% but less than or equal to 40%	More than 20% but less than or equal to 40%	Not verified

20.1B

I have attached a external verification statement that covers the following scopes:

Further Information

08/09 Data for Australia is verified by Energetics as this data is used for reporting to the Australian Federal Government to meet the requirements of the Energy Efficiency Opportunities Legislation (EEO) and the National Greenhouse and Energy Reporting system.(NGER) In future years Sims MM will begin the process of having its UK and USA data verified. The program will begin in the UK. Sims MM have entered into a contract with the Carbon Trust Standard Company to be certified under the Carbon Trust Standard. This standard requires SimsMM to demonstrate that :- 1. Calculation of an appropriate carbon footprint for the previous 3 years. 2. Demonstration of carbon reduction. 3. Evidence of good carbon management practices (such as management responsibility, staff awareness and capital investment) We anticipate that from this exercise we will be able to extend the learnings throughout the organization with dissemination by our Energy Teams in each region. In this way we expect that over the next 2 - 3 years all data will be verified in some way against a meaningful external standard.

Attachments

Page: Emissions 9 Trading

21.1

Do you participate in any emission trading schemes?

No, we don't participate nor do we currently anticipate participating in any emissions trading scheme within the next two years.

21.2

Please complete the following table for each of the emission trading schemes in which you participate.

Scheme name	Period for which data is supplied.	Allowances allocated	Allowances purchased	Verified emissions - number	Verified emissions - units	Details of ownership
	Mon 01 Jan 0001 - Mon 01 Jan 0001					

21.3

What is your strategy for complying with the schemes in which you participate or anticipate participating?

21.4

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

21.5

Please complete the following table.

Credit origination or credit purchase?	Project identification	URL link to project documentation	Verified to which standard?	Number of credits (metric tonnes of CO2-e)	Credits retired?	Purpose e.g. compliance

Further Information

Attachments

Module: Climate Change Communications

Page: Communications 1

22.1

Have you published information about your company's response to climate change/GHG emissions in other places than in your CDP response?

Yes

22.2

In your Annual Reports or other mainstream filing? *(If so, please attach your latest publication(s).)*

Yes

22.3

Through voluntary communications such as CSR reports? *(If so, please attach your latest publication(s).)*

Further Information

Attachments

Module: Mayday

Page: Mayday

Do you want to report back to the Mayday Network?

If you answer yes, we will make your CDP submission and contact details available to the Mayday Network team at Business in the Community.

No

Step 4

Do you encourage employees to reduce their carbon emissions at home and at work?

If yes, please tell us how?

Step 5

Do you work in partnership with suppliers to reduce carbon emissions in the supply chain?

If yes, please tell us how?

Step 6

Do you encourage your customers to take action on climate change?

If yes, please tell us how?

Further Information

Attachments