Strategic Focus

Leveraging Decarbonisation and Circularity

2024 Annual Report

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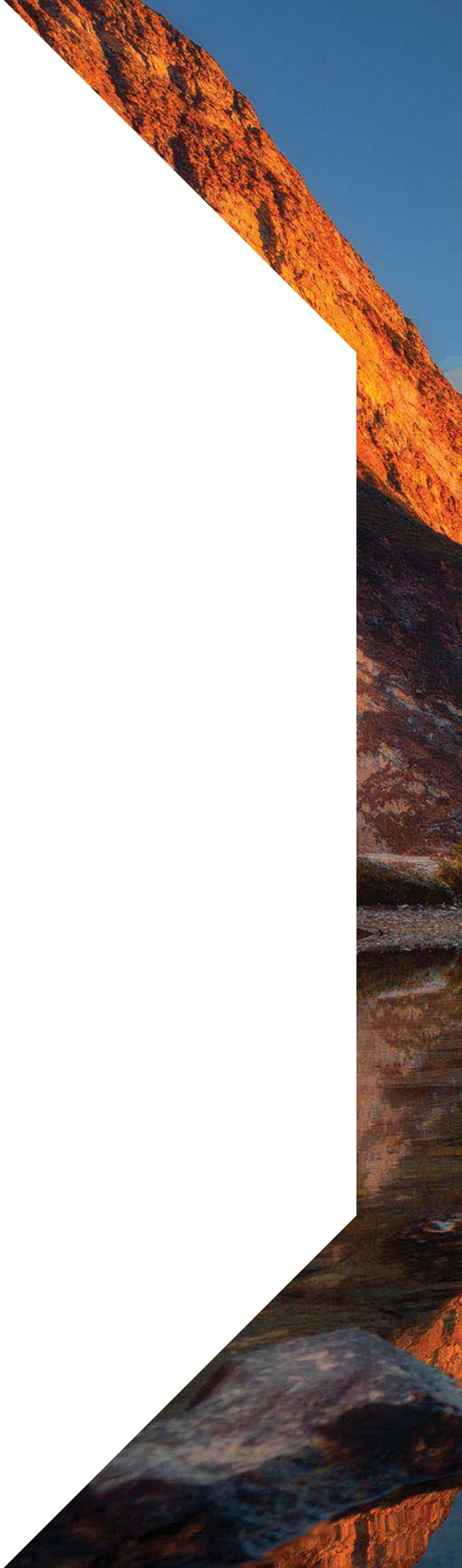
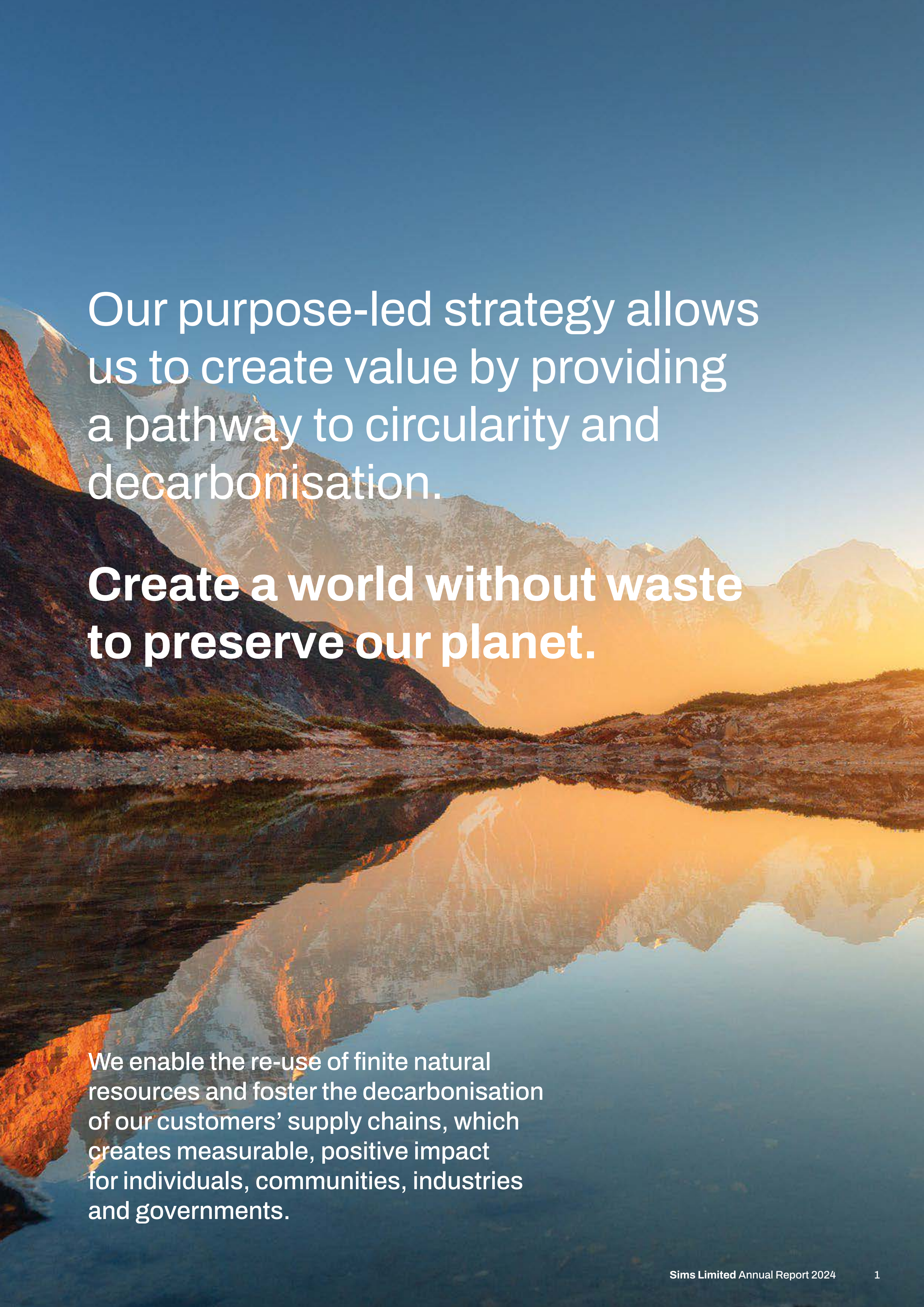


Sims Limited ABN 69 114 838 630



Our purpose-led strategy allows us to create value by providing a pathway to circularity and decarbonisation.

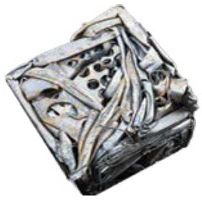
Create a world without waste to preserve our planet.

We enable the re-use of finite natural resources and foster the decarbonisation of our customers' supply chains, which creates measurable, positive impact for individuals, communities, industries and governments.

SIMS BUSINESSES

Adapting to an Evolving Market

Sims Limited includes Sims Metal, Sims Resource Renewal and Sims Lifecycle Services segments, essential in driving decarbonisation and supporting circular economies.



CORE BUSINESS

SIMS METAL

The Sims Metal division, the company's oldest and largest, operates in Australia, New Zealand, North America, and the UK.

Sims Limited plays a key role in the metal industry through its Sims Metal segment, with fully owned operations in North America, the UK, and Australia and New Zealand. Additionally, it holds joint ventures, including a 50% stake in SA Recycling, one of the largest metal recyclers in the US. Sims Metal, with over 100 years of expertise, creates significant value for both the environment and the metal industry by serving as a catalyst for decarbonisation.

By recycling ferrous and non-ferrous discarded metals, Sims Metal facilitates the production of essential materials such as steel, aluminium, and copper with a substantially reduced carbon footprint.

Using recycled metals instead of virgin materials not only conserves natural resources but also significantly lowers greenhouse gas emissions.

Traditional steelmaking from primary sources like ore involves processes that release substantial carbon dioxide and other greenhouse gases. In contrast, producing steel from secondary sources, such as recycled metals, bypasses many of these emission-intensive steps. This makes the production process more sustainable.

As a leading metal recycler, Sims Limited plays a key role in providing these secondary sources of steel, helping to reduce the overall carbon footprint of the industry and meet the demand for more environmentally responsible practices.

ADJACENT BUSINESSES

SIMS RESOURCE RENEWAL

Sims Resource Renewal (SRR) is developing a novel and innovative technology to transform waste into higher value products.

SRR plays an important role in the emerging circular economy by pioneering solutions to create new life for automotive shredder residue (ASR), which is the material that remains after Sims Metal, have successfully recovered the metal from automotive vehicles and other end-of-life consumer goods. The Rocklea demonstration plant recently completed initial trials, an important milestone in converting hard to treat plastic waste into products, which can be used as the building blocks for circular plastics or recycled fuels.

SIMS LIFECYCLE SERVICES

Sims Lifecycle Services (SLS), was created in 2002 to address the growing issue of compliant disposition of retired electronics.

The business model has evolved to capitalise on growing market segments. Today, Sims Lifecycle Services (SLS) is a worldwide leader in IT asset and cloud infrastructure reuse, redeployment and recycling. Being linked to Sims Limited places SLS in a strong position to successfully scale up and gain share in the rapidly-growing global data centre hardware market. SLS has built its business model on Sims Limited's well-established brand and its purpose: create a world without waste to preserve our planet. Sims Lifestyle Services maximise reuse and material recovery while minimising waste driving circularity and avoided carbon emissions. The business currently is in its expansion phase due to exponential growth in data centres and evolving AI.

GLOBAL OPERATIONS

Geographically Diverse Footprint

North America

75[1]

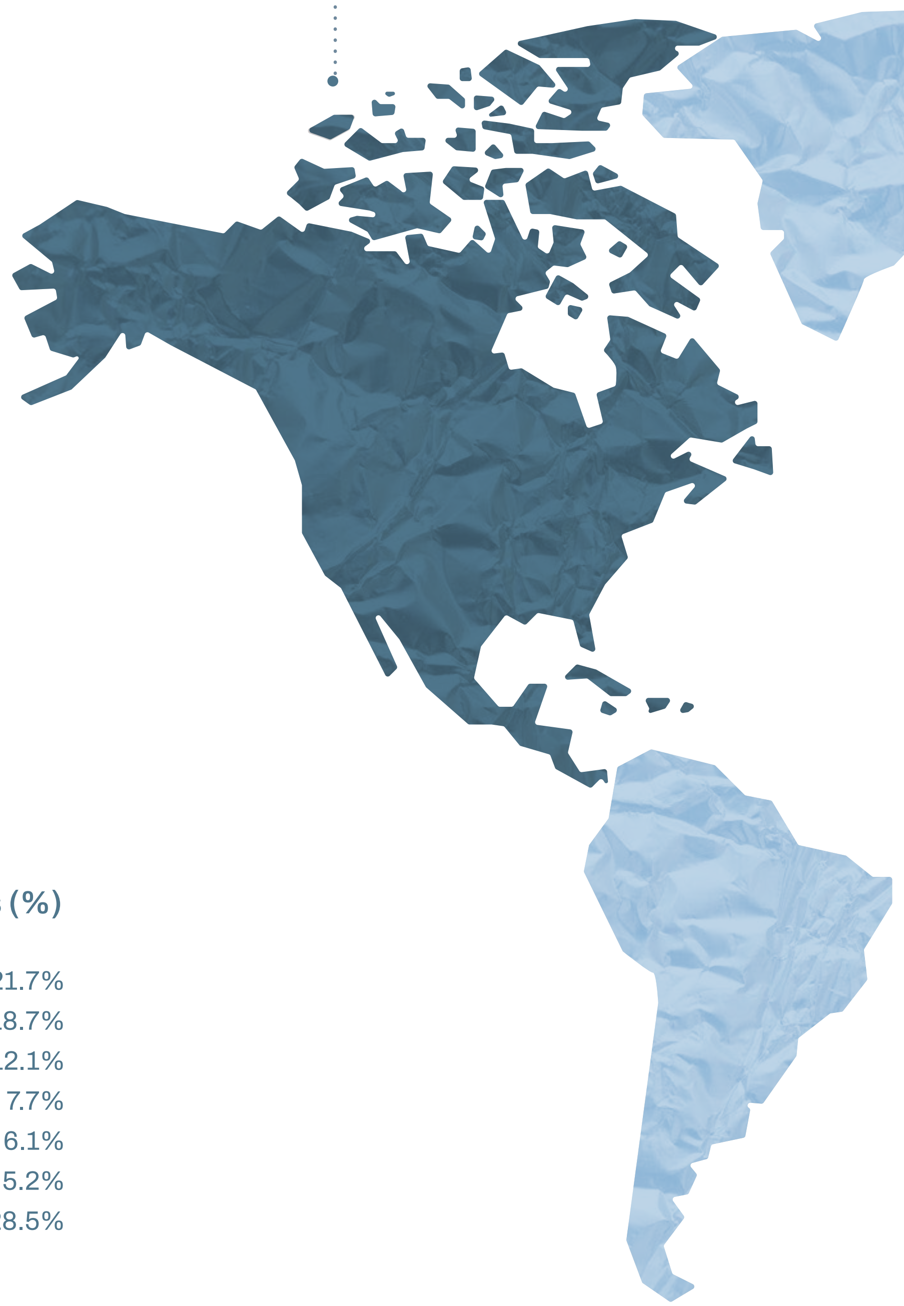
9[3]

16

SA Recycling

140

23



Metal Facilities
292

Lifecycle Services
20

Shredders
50

Global footprint (countries)
13

Sales revenue to external customers (%)

United States	21.7%
Turkey	18.7%
China	12.1%
India	7.7%
Bangladesh	6.1%
Australia	5.2%
Other	28.5%

1 Includes Canada.
2 Including PNG.
3 Including Brazil and Mexico.
4 Including Ireland.

United Kingdom

25

5[4]

4

Europe

2

India

2

Singapore

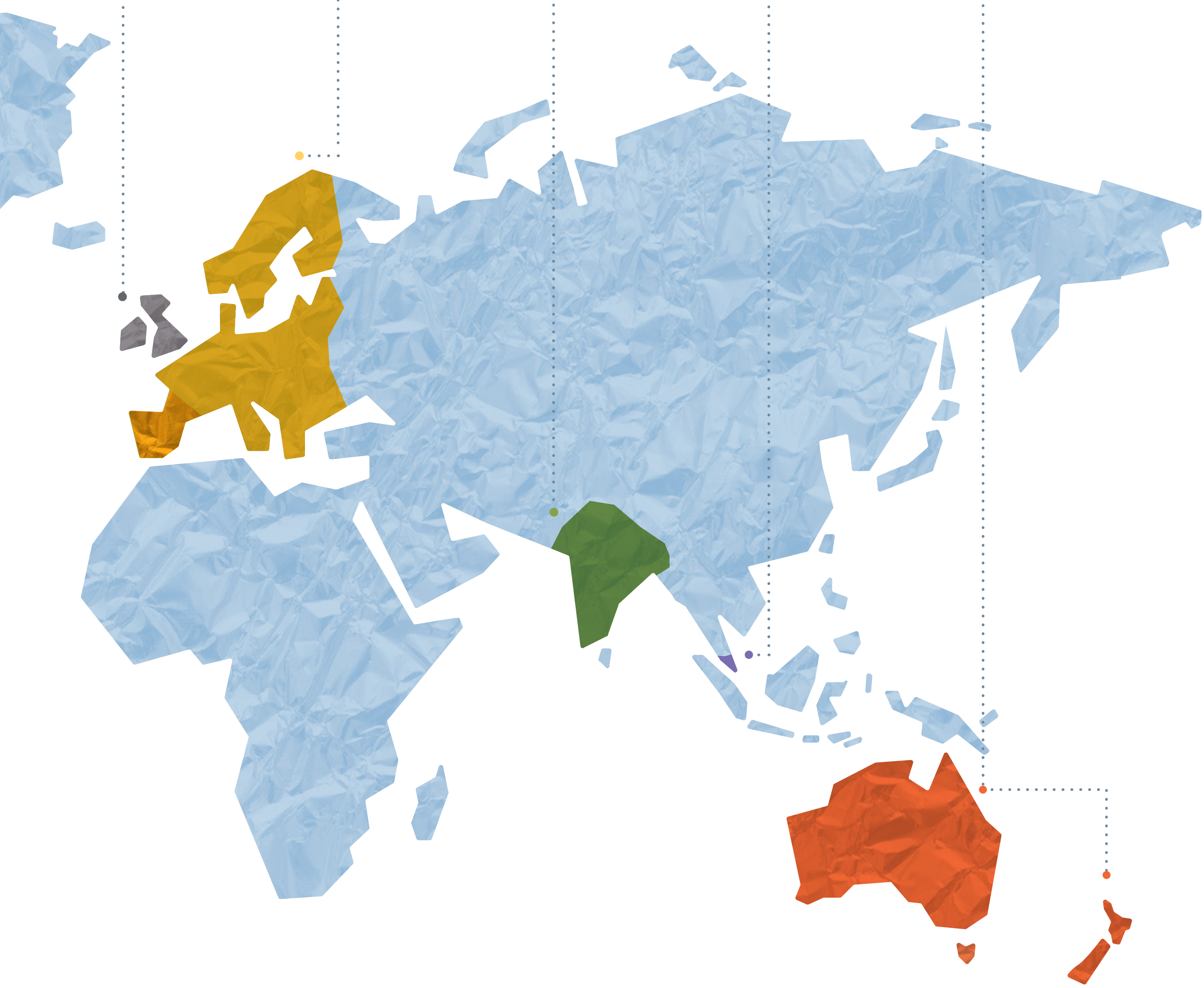
1

Australia and New Zealand

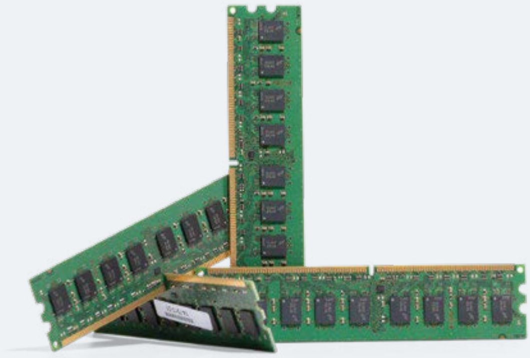
52[2]

1

7



2024 Snapshot



Shareholder Highlights

Dividend

$40.6m

Dividends paid in FY24

Total Dividend

10¢

Operating cash flow

$202.5m

Financial Highlights [1]

Sales revenue

$8,562.7m

Underlying[2] EBITDA

$304.8m

Underlying[2] EBIT

$42.9m

Underlying[2] NPAT

($45.4m)

Net assets

$2,562.7m

1 From continuing and discontinuing operations

2 Underlying earnings excludes significant non-recurring items, the impact of non-qualifying hedges, and internal recharges.

Operational Highlights [1]

Sims Metal proprietary intake volumes

7,782,000

tonnes

Sims Metal proprietary sales volumes

7,881,000

tonnes

Return on productive assets

1.8%

Sustainability

Reduction in Total Recordable Injury Frequency Rate since FY19

42%

Total recordable injury frequency rate (TRIFR)

0.99

MSCI ESG Rating

AAA

Global 100 Most Sustainable Companies

1st

Corporate Knights 2024

Using renewable electricity and renewable certificates across operated sites in USA, Canada, UK, Germany, India, Netherlands, Ireland, Poland, New Zealand, Singapore and Australia.

Not all sites in these countries

Chairman's Review

Fiscal year 2024 presented challenging industry conditions primarily due to a tight supply of ferrous material and declining demand for sales of ferrous material in some geographies. As Chairman, I am proud of the agility our Company demonstrated in a difficult environment, but I am not satisfied with our performance. During the year, we redefined our strategic priorities, repositioned our footprint, and implemented commercial and operating changes. I am confident that these actions will drive long-term growth and value for our shareholders.

Safety

Our first priority has been and will continue to be the safety of our employees. I am pleased to report that our Company had another exceptional safety performance in FY24 achieving a new low Total Recordable Injury Frequency Rate (TRIFR) of one. With a focus on leading indicators, critical risks, and our Commit to Care program we have created a best-in-class safety culture.

Purpose and Strategy

We continue to believe that our purpose – create a world without waste to preserve our planet – stands the test of time. In a rapidly decarbonising world, the material we recycle is increasingly critical feedstock for our customers who need high quality, low-carbon metal to drive the transition to a sustainable future.

While our purpose has not changed, we redefined our strategic priorities during the year. We tightened our metal recycling footprint to focus on our high-potential geographies, Australia and New Zealand and North America, and after a comprehensive strategic review, we entered into an agreement to sell our UK Metal business for an attractive return. We continued to recycle capital with the sale of our remaining interest in Circular Services in order to put capital to its best use. Additionally, we implemented a cost-out program that realised significant savings during the year and will continue to be a priority.

In North America, we made cultural, operational, and commercial adjustments to simplify our business and improve operational efficiency and competitiveness. We increased the proportion of unprocessed material we purchase and improved the utilisation of our shredders, deriving greater value from the recycled material and improving margins. Notably, we achieved significant improvement in the second half of the year as our performance improvement initiatives began to take effect.

Our Sims Lifecycle Services (SLS) business had an impressive performance in FY24 with EBIT increasing by over 100% year-on-year. The SLS business has a strong growth trajectory, driven by the surge in demand for artificial intelligence and the related expansion of the hyperscaler data centre industry. We will continue to capitalise on this opportunity with our innovative services and customer-centric approach.

"In a rapidly decarbonising world, the material we recycle is increasingly critical feedstock for our customers who need high quality, low-carbon metal to drive the transition to a sustainable future."

"We tightened our metal recycling footprint to focus on our high-potential geographies, Australia and New Zealand and North America."

Capital Management and Shareholder Returns

We continue to evaluate our capital management strategy to ensure we balance financial flexibility with the need to invest in growth and deliver shareholder returns. With the improved performance in the second half of FY24, the Company declared a final dividend of 10.0 cents per share, fully franked. The final dividend will be paid on 16 October 2024 to shareholders on the Company's register at the record date of 2 October 2024.

Board Renewal

Since our last Annual General Meeting, we said goodbye to a colleague, Geoff Brunsdon, and thank him for his long service. We will continue to ensure that the Board has the right mix of skills and experience to lead the Company. To that end, in April, Grant Dempsey joined our Board. I am sure you will join me in offering Grant a warm welcome. Grant brings a diversity of financial expertise and audit experience across a range of industries and geographies.

Looking Ahead

Sustainability is at the core of our business. The use of recycled materials is a critical component of the circular economy and key to supporting our customers' efforts for carbon reduction. Fittingly, we were recognised by Corporate Knights in FY24 as the world's most sustainable company. While short-term industry challenges remain, our Company is well-positioned to capitalise on the increasing demand for recycled materials to support the decarbonisation goals of our customers and the communities in which we operate.

Thank You

Our Company was founded over 100 hundred years ago, and its longevity is a testament to the strength of our business and the loyalty and perseverance of our employees. On behalf of our Board, I would like to thank all Sims employees for their efforts during FY24, and I extend my gratitude to our suppliers and customers for their support and trust. I would also like to thank shareholders for your continued support in the Company and invite you to attend our AGM, which will be held at Sims' office in Mascot on Wednesday, 13 November 2024.

Philip Bainbridge
Chairperson

CEO's Review

The fiscal year 2024 was a period of both challenge and opportunity for Sims Limited. We faced shorter-term headwinds in the metal markets, but navigated some of these difficulties by repositioning our foot print and implementing commercial and operating changes, emerging stronger and more focused. Our focus on operational excellence and market adaptability has positioned us well for the years to come.

Improvements in Challenging Markets

FY24 can best be described as a year of two halves. The first half posed significant challenges, particularly in our North American and UK operations. However, the strategic decisions and operational adjustments we made in the second half yielded a much-improved performance. Our commitment to margin discipline, cost control, and operational efficiency resulted in a stronger than anticipated second half, with underlying EBIT improving by $29.5 million.

We have made strides in improving our commercial operations, particularly in North America, where we increased the proportion of unprocessed material intake and enhanced shredder utilisation in the second half compared to the first half. These efforts contributed to a significant improvement in our margins in the fourth quarter.

In Australia, we have continued to strengthen our market position, benefiting from a well-balanced portfolio and strong purchasing programs in regional and mining volumes. These efforts have contributed to our resilience.

The results from our 50% investment in our Joint Venture SA Recycling also proved resilient. While the result was down on the prior year, it still produced a solid performance due to the strong market position it has developed over the last few years.

Our SLS (Sims Lifecycle Services) business had an exceptional year, with EBIT increasing by over 100% year-on-year. The growth in this segment, driven by the expansion of our hyperscaler data centre business and the rise of artificial intelligence, highlights the potential of this asset-light, high-growth business.

Safety Focus

Despite the metal market difficulties, we maintained our focus on safety, which remains at the core of our operations. I am proud to report that we successfully integrated 17 new sites from the Baltimore acquisition into our network without compromising our safety standards. Our Total Recordable Injury Frequency Rate (TRIFR) is now below 1, a testament to our commitment to lead indicators and a strong safety culture.

Financial Performance

Sims Limited reported $8,562.7 million sales revenue, which was up 6.2 percent compared to FY23's sales revenue of $8,061.1 million. We generated underlying EBITDA of $304.8 million, a decrease of 35.8 percent compared to FY23 EBITDA of $474.9 million. Included in the EBITDA reduction was a 37.5 percent decrease in earnings contribution from the 50 percent interest in SA Recycling. Sims Limited's equity accounted underlying EBITDA was $102.2 million in FY24 compared to $163.5 million in FY23. FY24 underlying EBIT was $42.9 million compared to $252.2 million in FY23, a decrease of 83.0 percent. At constant currency, underlying EBIT decreased by 81.3 percent. Statutory EBIT for FY24 was $72.6 million, a decrease of 75.2 percent compared to FY23 statutory EBIT of $293.0 million. At constant currency, statutory EBIT decreased by 73.8 percent.

Our ongoing focus on margin optimisation and operational efficiencies, helped us navigate these challenges and deliver a final dividend of 10.0 cents per share.

"As industries and governments worldwide intensify their efforts to reduce carbon emissions, the demand for recycled metals, which have a significantly lower carbon footprint compared to virgin materials, is expected to surge."

Strategic Agenda

This year was pivotal in refocusing and simplifying our business operations.

We took decisive action to streamline our portfolio, divesting non-core assets such as our remaining interest in Circular Services, and the UK Metal business. These moves have positioned us well to capitalise on high-potential markets in the United States, Australia, and New Zealand. This strategic refocus is aligned with our purpose—to create a world without waste and to preserve our planet.

Our efforts to simplify business structures have also been significant. We reduced our executive team to six members and removed 206 roles across the organisation, achieving annualised cost savings of $46 million. These changes have not only streamlined our operations but have also improved our market responsiveness, allowing us to deliver on our strategic priorities more effectively.

Financial Strength and Capital Management

Maintaining a strong balance sheet remains a top priority. The proceeds from our divestitures will allow us to reduce debt and position the company for future opportunities. We continue to evaluate our capital management strategy to ensure we balance financial flexibility with the need to invest in growth and deliver shareholder returns.

Looking ahead

Looking ahead, we remain committed to our strategic priorities. We will continue to leverage our global footprint, operational excellence, and strong market positions to drive long-term growth and value for our shareholders. Our focus on sustainability, operational efficiency, and strategic agility will be key to our continued success.

While the market environment is likely to remain challenging, we are uniquely positioned to capitalise on emerging opportunities, particularly in driving decarbonisation and advancing the circular economy through our core expertise in metal recycling.

As industries and governments worldwide intensify their efforts to reduce carbon emissions, the demand for recycled metals, which have a significantly lower carbon footprint compared to virgin materials, is expected to surge. Our long track record in metal recycling positions us at the forefront of this transition, enabling us to play a pivotal role in supporting the decarbonisation goals of our customers and broader society.

Our focus on sustainability is not just a corporate responsibility but a strategic advantage that aligns with global megatrends. As electric vehicles, renewable energy infrastructure, and other green technologies continue to expand, the need for sustainably sourced materials is expected to grow exponentially.

Thank You

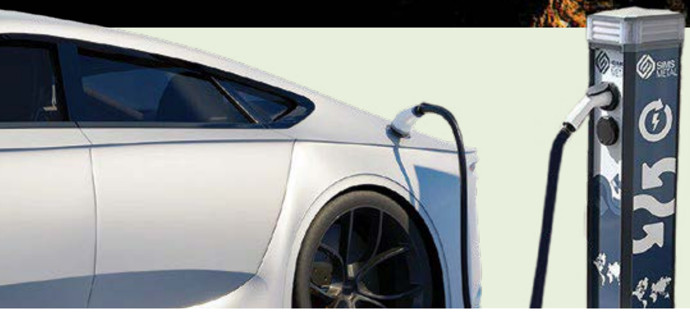
In closing, I want to extend my thanks to our dedicated employees. Your resilience and commitment during this transformative year have been invaluable. To our shareholders, thank you for your continued support. I would also like to extend my sincere thanks to our Board of Directors. In my first year as CEO, their guidance and support have been invaluable as we navigated the complexities of this past year.

Stephen Mikkelsen
Group CEO and Managing Director

SUSTAINABILITY SUMMARY

Sustainability Strategy

In FY23, we reported 26 sustainability targets supporting our pillars: Operating Responsibly, Closing the Loop, and Partnering for Change, which were initially set in FY20. We are proud of how far we've come and to have established ourselves as a leader in sustainability.



EV Charger at
Sims Metal Kwinana, Australia

In FY24, we refined our sustainability framework to align more closely with our current stage of sustainability maturity and evolving business strategy, particularly with an increased focus on metals.

As part of our broader simplification strategy, we integrated some targets into our standard operations and retired others due to strategic realignment. Despite streamlining the framework, our commitment to transparency and accountability remains unchanged, supported by continued robust KPI reporting.

Framework

We are committed to sustainability through three fundamental pillars: Operate Responsibly, Action on Climate, and Communities.

Operate Responsibly: We prioritise a safety-first culture, workforce development, and stringent ethical and transparency standards. We are dedicated to creating a diverse, equitable, and inclusive environment for all employees. Through advocacy, we aim to raise operating standards across the metal industry.

Action on Climate: We focus on reducing our carbon footprint and minimising environmental impacts, including waste. Leveraging technology and our team of experts, we develop innovative solutions that drive decarbonisation and foster circular economies for our customers.

Communities: We build strong, trusted relationships within our communities through active engagement and social license programs. By investing in local initiatives and giving back, we strive to enhance the well-being and quality of life for all community members

Operate Responsibly

Safety culture

Diversity, Equity & Inclusion

Skilled and engaged workforce

Stringent ethical and transparency standards

Advocacy to raise operating standards in metal industry

Action on Climate

Reduce our impact on the environment

Innovation to accelerate customers' decarbonisation and promote circular economies

Reduce waste to landfill

Communities

Build trusted relationships within our communities through engagement and contributions

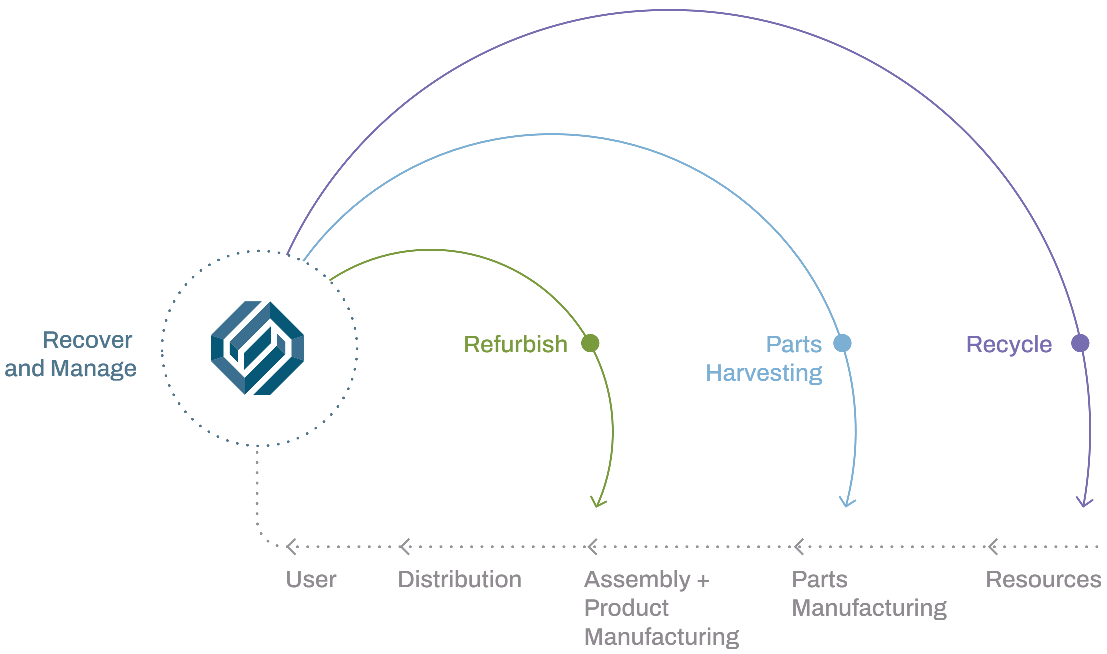
110+

sites use 100% renewable electricity

B

2023 CPD Climate Disclosure

Sims Limited enables the Circular Economy



Environment, Health and Safety (EHS) Performance

A focus on the right things

Critical Risk

For the past five years, Sims Limited has met our goal of preventing fatalities, making significant progress in eliminating fatal risks. Sims Metal and Sims Lifecycle Services have dedicated significant effort to enhancing control measures.

After years of proactive data collection, Sims Limited has established clear standards for what good looks like. These global improvements have led to steady, continuous progress and the successful redesign of sites.

Thousands of standardised site enhancements have been implemented throughout the business, focusing on vehicle-to-pedestrian control measures and twelve other critical risk categories.

This data-driven approach is based on two fundamental questions:

1. What is the critical risk?
2. Are the control measures effective in preventing critical incidents?

The answers to these questions form the basis of our EHS Management System components. EHS Standards set the requirements for control measures to prevent critical risk incidents. Our critical control verification program challenges existing requirements, EHS training educates employees on how to work within the control measures, and EHS Communications celebrates the adoption of new and enhanced controls.

The leading indicators designed, to drive continuous action and improvement, have again demonstrated success in FY24.

In FY24, 17 sites were acquired and successfully incorporated into the business. Despite the challenges posed by new acquisition onboarding, these new-to-Sims Limited sites immediately started adopting our proven critical risk control measures that reduced their risk profile and prevented critical risk incidents from occurring.

Recently acquired site leaders had the following statements with respect to the continuous improvement efforts at Sims Limited:

"I feel that we've done an excellent job creating a much more controlled environment, which has allowed us to not only feel safer but to actually be safer. I also appreciate our adaptability, which enables us to make changes that foster progress and growth."

Troy Simms, Operations Director

"Transitions like this can be nerve-wracking, but from day one until now, we've seen significant safety improvements across the entire yard. Having someone available to guide us through this transition has been wonderful."

John Keller, Operations Manager

Five-year strategic lead indicator focus

11,000+
Critical Control Verification (CCV) actions completed

1,800+
Vehicle-to-pedestrian CCV actions completed

110,000+
EHS Training Modules completed

FY24 leading indicator performance

98%	98%	96%	98%	97%	96%
CCV % to target	Inspection % to target	Actions % to target	Critical risk action closure	Critical risk incident learning	EHS training

Culture

Through an ongoing partnership with globally renowned occupational psychologists, Sims has further emphasised psychological safety principles and trust-based relationships between employees and management.

In FY24, Group EHS launched Sims' first globally consistent internal leadership training program, titled Commit To Care. The program covered key concepts and principles, including:

1. Psychological Safety
2. Control and Influence
3. Courageous Communication
4. Incident Learning
5. Continuous Improvement

The program was a resounding success, receiving a 4.8 out of 5-star rating from Sims employees who participated in the training.

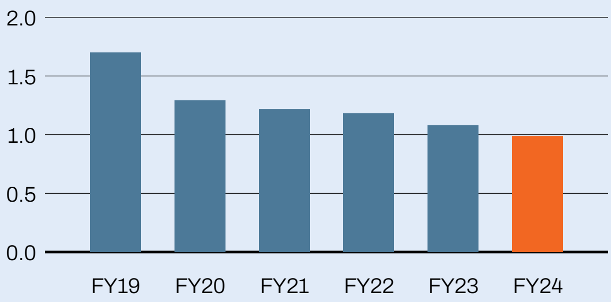
The program challenged leaders to rethink employee engagement and transformed perspectives on accountability and incident blame cultures.

COMMIT TO CARE

Results

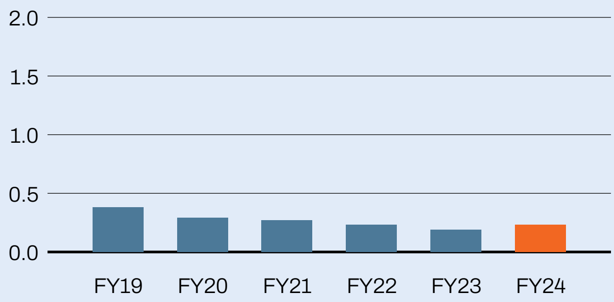
The Sims Limited 2019 EHS continuous improvement strategy continues to drive best-in-class safety performance year-over-year, achieving a record Total Recordable Injury Frequency Rate of 0.99 in FY24. For the first time in company history, no lagging (reactive) indicators were used as targets to incentivise safety improvement. Only leading (proactive) indicators were used to measure performance and motivate continuous improvement actions. Despite de-emphasizing injury rates, the increased attention to proactive safety activities and control measures ultimately resulted in reduced injury rates.

Total Recordable Injury Frequency Rate (TRIFR)[1]



42% Reduction in Recordable Injury Rate FY19 – FY24

Total Lost Time Injury Frequency Rate (LTIFR)[1]



39% Reduction in Lost Time Injury Rate FY19 – FY24

Environmental Initiative

In FY24, EHS and Operations led global efforts to improve the world around us during Earth Day and World Environmental Day. Whether cleaning rubbish or planting new plants around Sims' yards, facilities, or within the community, in FY24, we focused on the right things.

"It's a great opportunity to give back to our local community, something to be proud of. The locations where the trees are planted mean many of our employees see the trees when out and about in their local areas."

Mike Taylor,
Site Manager
Bristol UK

1 Number of Injuries per 200,000 hours worked

Board of Directors

Philip Bainbridge

Chairman
Appointed March 2024

Independent non-executive director
Appointed September 2022

Mr Bainbridge was appointed as a director on 1 September 2022 and appointed Chairperson of the Company on 25 March 2024. Mr Bainbridge has extensive senior executive experience, primarily in the oil and gas sector across exploration, development and production. He has worked in a variety of jurisdictions, including North America, Europe, Asia and Australia. His most recent executive role was as Executive General Manager LNG for Oil Search Limited. Prior to that, he served in senior executive roles at Pacific National and BP Group. Mr Bainbridge is also Chairman of the Global Carbon Capture and Storage Institute, and Sino Gas and Energy. He was previously Chair of the Papua New Guinea Sustainable Development Program.

Degrees & Qualifications

Bachelor of Science in Mechanical Engineering.

Other Listed Company Boards

Chairman of the Global Carbon Capture and Storage Institute, and Sino Gas and Energy.

Stephen Mikkelsen

Group Chief Executive Officer and Managing Director
Appointed July 2023

Mr Mikkelsen was appointed Chief Executive Officer and Managing Director in October 2023, after originally joining Sims Limited in 2018 as the Global Chief Financial Officer. He brings more than 30 years of finance and executive management experience to the company. Prior to joining Sims Limited, Stephen held senior leadership positions at AGL Energy, including serving as Chief Financial Officer from 2006 to 2012, followed by Group General Manager Retail Energy and Executive General Manager Energy Markets. Before his tenure at AGL, Stephen was the Chief Financial Officer of Snowy Hydro from 2001 to 2006. Stephen is a member of Chartered Accountants Australia & New Zealand.

Degrees & Qualifications

Mr Mikkelsen holds a Bachelor in Business Studies as well as being a Chartered Accountant and a member of Chartered Accountants Australia & New Zealand.

Victoria Binns

Independent non-executive director
Appointed October 2021

Ms Binns was appointed as a director in October 2021. Ms Binns has more than 35 years of experience in the global resources and financial services sectors, including 10 years in executive leadership roles at BHP in Asia and 15 years in financial services with Merrill Lynch Australia and Macquarie Equities. Ms Binns held a number of Board and senior management roles at BP and Merrill Lynch Australia, including Managing Director and Head of Australian Research, Head of Global Mining, Metals and Steel, and Head of Australian Mining Research.

Degrees & Qualifications

B.E. (Hons I) (Mining) (UNSW), Grad Dip SIA, FAusIMM, GAICD

Other Listed Company Boards

Ms Binns is a Non-Executive Director of ASX-listed Evolution Mining, and she is a Non-Executive Director for the NFP Carbon Market Institute (CMI), and a member of the Advisory Council for JP Morgan, Australia & New Zealand.

Grant Dempsey

Independent non-executive director
Appointed April 2024

Mr Dempsey has more than 35 years' experience, having served in numerous roles as a senior executive, strategic advisor and investment banker. Most recently, Mr. Dempsey served as the Chief Financial Officer of TPG Telecom. He previously served as Chief Financial Officer at Alumina Limited, Senior Adviser, Finance at ANZ Banking Group, and Head of Investment Banking (Australia and New Zealand) at JP Morgan.

Degrees & Qualifications

Mr Dempsey holds a Bachelor of Commerce from the University of Melbourne.

Other Listed Company Boards

Mr Dempsey currently serves as a Non Executive Director of IFM Investors.

Committees within Sims

- Committee Chair
- Audit
- Nomination & Governance
- People & Culture
- Risk
- Safety, Health, Environment, Community & Sustainability

Tom Gorman

Independent non-executive director

Appointed June 2020

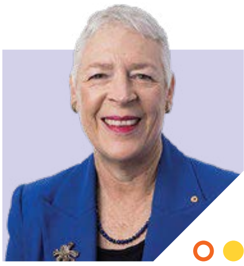
Mr Gorman was appointed as a director in June 2020. Mr Gorman served as the Global Chief Executive Officer of Brambles Ltd for seven years, retiring in February 2017. Prior to Brambles, Mr Gorman held a number of senior executive positions over a 21 year career at Ford Motor Company, culminating in President and Chief Executive Officer of Ford Australia from 2004 to 2008.

Degrees & Qualifications

Mr Gorman holds a Bachelor of Arts in Economics from Tufts University, a Master of Business Administration from Harvard Business School and a Global Master of Arts in International Relations and Affairs from Tufts University.

Other Listed Company Boards

Mr Gorman is a director of Worley Ltd, Orora Ltd, and Alcoa Corporation. Mr Gorman also serves as Chair of the Maine Chapter of The Nature Conservancy.



Kathy Hirschfeld, AM

Independent non-executive director

Appointed September 2023

Ms Hirschfeld was appointed as a director on 1 September 2023. She is a chemical engineer with 20 years' experience with BP in oil refining, logistics and exploration in Australia, the United Kingdom and Turkey. She also served as a logistics officer in the Australian Army Reserve. Ms Hirschfeld has extensive experience on ASX, NYSE, private company and government boards. Ms Hirschfeld previously served as a Board Member and president of UN Women National Committee Australia and non-executive director of Energy Queensland, ToxFree Solutions, InterOil Corporation, Broadspectrum, Snowy Hydro and Queensland Urban Utilities. Additionally, she was a member of the Senate of the University of Queensland for 10 years.

Degrees & Qualifications

The Member of the Order (AM), Bachelor of Engineering, Honorary Doctor of Engineering, Honorary Engineering Associate Fellow, Fellow of the Institution of Chemical Engineers, Fellow of the Australian Academy of Technological Sciences and Engineering, and a Member of the Australian Institute of Company Directors.

Other Listed Company Boards

Ms Hirschfeld Chair of Powerlink Queensland, an independent non-executive director of Central Petroleum, and a board member of Spark Infrastructure RE Limited.

Hiroyuki Kato

Non-independent non-executive director

Appointed November 2018

Mr Kato was appointed as a director in November 2018 and is Mitsui & Co, Ltd's nominated non-independent director. Mr Kato started his business career in the iron ore division of Mitsui, where he gained considerable experience relating to the mining industry, which became the backbone of his long career at Mitsui. After completing two assignments in New York and attending MIT Sloan School of Management, Mr. Kato held various positions in Mitsui's oil and gas divisions. In June 2020, Mr Kato retired from his position as a Counsellor to Mitsui.

Degrees & Qualifications

Bachelor of Arts

Other Listed Company Boards:

Mr Kato is a director of Obayashi Corporation, which is listed on the Tokyo Stock Exchange.

Deborah O'Toole

Independent non-executive director

Appointed November 2014

Ms O'Toole was appointed as a director in November 2014. Ms O'Toole has extensive executive experience across a number of sectors including over 20 years in the mining industry and, more recently, in transport and logistics which included managerial, operational and financial roles. She has been Chief Financial Officer in three ASX listed companies, MIM Holdings Limited, Queensland Cotton Holdings Limited, and Aurizon Holdings Limited.

Degrees & Qualifications

Ms O'Toole holds a law degree and is a Member of the Australian Institute of Company Directors.

Other Listed Company Boards

Ms O'Toole currently serves as Chair of Transurban Queensland, and as an independent director of Pacific National Rail Group, Great Southern Bank (formerly Credit Union Australia), and Sydney Airport Corporation Limited

Executive Leadership Team

Stephen Mikkelsen

Global Chief Executive Officer and Managing Director

Stephen Mikkelsen was appointed Chief Executive Officer and Managing Director in October 2023, after originally joining Sims Limited in 2018 as the Global Chief Financial Officer. He brings more than 30 years of finance and executive management experience to the company.

Prior to joining Sims Limited, Stephen held senior leadership positions at AGL Energy, including serving as Chief Financial Officer from 2006 to 2012, followed by Group General Manager Retail Energy and Executive General Manager Energy Markets. Before his tenure at AGL, Stephen was the Chief Financial Officer of Snowy Hydro from 2001 to 2006. Stephen is a member of Chartered Accountants Australia & New Zealand.

Brad Baker

Global Chief Human Resources Officer

In 2018, Sims Limited welcomed Brad Baker as the Global Chief Human Resources Officer. Brad has extensive international operations and board-level experience with publicly listed companies in the United States and Australia.

Brad brings almost 30 years of human capital strategy experience spanning several industries, including plastics, metal processing and mining services, to Sims Limited. Throughout his career, Brad has had overall responsibility for leading talent acquisition, selection assessments, employee and labor relations, organisational behavior, succession planning, employee engagement, compensation and benefits, and workforce development. Prior to joining the company, he was the Senior Vice President of Human Resources and a corporate officer for Boart Longyear.

Gretchen Johanns

Global General Counsel and Company Secretary

Gretchen Johanns joined Sims Limited in 2018 as the Global General Counsel and Company Secretary, bringing more than 20 years of experience as a senior legal advisor for publicly listed American companies in the information technology, service and media industries to this role.

Prior to joining the company, Gretchen served as the Deputy General Counsel and Corporate Secretary at Xerox Corporation. Previously, she previously held several legal roles of increasing responsibility at Time Warner Cable Inc. Gretchen received her Juris Doctor degree from Cornell University and her Bachelor of Arts degree from Grinnell College.

Warrick Ranson

Global Chief Financial Officer

Warrick Ranson was appointed to the position of group chief financial officer in December 2023. He brings more than two decades of extensive executive-level experience from senior positions within blue-chip corporations, operating across global markets in the mining and resources industries.

Prior to joining Sims Limited, Warrick served as chief financial officer at OZ Minerals Limited for nearly six years where he was instrumental in guiding that company through a period of substantial growth and value creation. Previously, Warrick spent approximately 18 years with Rio Tinto in various roles. Warrick is a Fellow of the Institute of Chartered Accountants in Australia, a graduate of the Australian Institute of Company Directors, and holds an MBA from the University of Oxford.

Ingrid Sinclair

Global President,
Sims Lifecycle Services

Ingrid Sinclair was appointed Global President for Sims Lifecycle Services, a division of Sims Limited, in 2019. She has overall responsibility for growing and developing the business division's global information technology asset and electronic equipment retirement services for businesses and data centers.

Ingrid joined the business in 2007 as the Vice President of Recycling for the United States, bringing more than 20 years of electronics recycling experience and 10 years spearheading innovation in electronics recycling operations to the role. Ingrid began her career as a Chemical Process Engineer at Glencore Canada (formerly Noranda) where she spent 10 years in various international commercial and operational roles. In addition to being trained as a Six Sigma Black Belt, Ingrid has a bachelor's degree in Chemical Engineering from the University of Ottawa and a Master of Business Administration from Concordia University.

John Glyde

Global Chief Operating
Officer, Sims Metal

John Glyde was appointed Global Chief Operating Officer for Sims Metal, a division of Sims Limited, in 2020. He has worldwide responsibility for metal processing, transportation and logistics (excluding chartering) and engineering services.

John began his career with Sims Limited more than 30 years ago, holding progressively senior leadership roles within the metal business in Australia and the United States during that time. Prior to his current role, John served as the Managing Director of Australia & New Zealand for three years. From 2015 to 2017, he was the Chief Operating Officer for Australia & New Zealand. Previously, John held the position of General Manager for Queensland.

Rob Thompson

Global Chief Commercial
Officer, Sims Metal

Rob Thompson joined Sims Limited as the Global Chief Commercial Officer for Sims Metal in 2022, with worldwide responsibility for both ferrous and non-ferrous buying and sales.

Prior to joining the company, Rob was the Vice President of Sales and Marketing for Gerdau North America. He has more than 30 years of global metal recycling and steel industry experience. Previously, Rob served as the Vice President of Raw Materials, as well as leading other areas, such as Logistics, Sales and Operations Planning (SOP), and Rebar Fabrication. Earlier in his career, Rob was the Global Process Owner of Metallics for Gerdau Corporation in Sao Paulo, Brazil, and the Director of Ferrous Trading for Triple M Metals, Canada. He graduated from the University of Toronto with a degree in Economics.

CONTENTS

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of Sims Limited (the "Company") and the entities it controlled at the end of, or during, the year ended 30 June 2024 ("FY24").

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year comprised (a) the buying, processing, and selling of ferrous and non-ferrous recycled metals and (b) the provision of environmentally responsible solutions for the recycling and repurposing of post-consumer electronic products and IT assets. The Group's principal activities remained unchanged from the previous financial year.

OPERATING AND FINANCIAL REVIEW

Disclosing Non-IFRS Financial Information (unaudited)

(A$M UNLESS OTHERWISE DEFINED)	FY24	FY24	FY23	CHANGE
Financial Performance metrics	Continuing Operations	Total Group	Total Group	Total Group
Sales revenue	**7,195.4**	**8,562.7**	8,061.1	6.2%
Statutory earnings before interest, tax, depreciation and amortisation ("EBITDA")	**361.7**	**334.5**	515.7	(35.1%)
Underlying EBITDA[1]	**290.2**	**304.8**	474.9	(35.8%)
Depreciation expense	**(218.8)**	**(249.1)**	(217.2)	14.7%
Amortisation expense	**(12.8)**	**(12.8)**	(5.5)	132.7%
Statutory earnings/(loss) before interest and tax ("EBIT")	**130.1**	**72.6**	293.0	(75.2%)
Underlying EBIT[1]	**58.6**	**42.9**	252.2	(83.0%)
Net interest expense	**(52.3)**	**(54.4)**	(28.1)	93.6%
Statutory income tax expense	**(76.0)**	**(76.0)**	(83.8)	(9.3%)
Underlying income tax expense	**(22.8)**	**(33.9)**	(67.2)	(49.6%)
Statutory net profit after tax ("NPAT")	**1.8**	**(57.8)**	181.1	(131.9%)
Underlying NPAT[1]	**(16.5)**	**(45.4)**	156.9	(128.9%)
Statutory diluted earnings per share ("EPS") (cents)	**0.9**	**(29.9)**	91.7	(132.6%)
Underlying diluted EPS (cents)[1]	**(8.4)**	**(23.5)**	79.4	(129.6%)
Full year dividends per share (cents)	**10.0**	**10.0**	35.0	(71.4%)
Financial Position metrics				
Net assets	**2,562.7**	**2,562.7**	2,656.7	(3.5%)
Net cash	**(411.9)**	**(411.9)**	(135.5)	(204.0%)
Total capital[2]	**2,974.6**	**2,974.6**	2,792.2	6.5%
Underlying return on capital (%)[3]	**(0.6%)**	**(1.8%)**	5.9%	(7.7)ppts
Average non-current assets excluding lease-related assets and deferred tax assets	**2,297.6**	**2,370.7**	2,213.8	7.1%
Return on productive assets (%)[4]	**2.6%**	**1.8%**	11.4%	(9.6)ppts
Net tangible assets	**2,261.4**	**2,261.4**	2,508.7	(9.9%)
Net tangible assets per share (cents)	**11.7**	**11.7**	13.0	(10.0%)
Other Key metrics				
Net cash inflow/(outflow) from operating activities	**202.5**	**202.5**	449.2	(54.9%)
Capital expenditures	**214.6**	**214.6**	232.5	(7.7%)
Free cash flow after capital expenditures[5]	**(12.1)**	**(12.1)**	216.7	(105.6%)
Employees	**3,917**	**4,577**	4,306	6.3%
Proprietary sales tonnes ('000)	**6,593**	**7,881**	7,972	(1.1%)

1 Underlying EBITDA, underlying EBIT and underlying NPAT excludes significant non-recurring items, and the impact of non-qualifying hedges.
2 Total capital = net assets – net cash.
3 Underlying return on capital = underlying EBIT net of tax at effective tax rate divided by total capital.
4 Return on productive assets = underlying EBIT divided by average of opening non-current assets and ending non-current assets excluding right of use assets arising from AASB16 Leases and deferred tax assets.
5 Free cash flow after capital expenditures = operating cash flow – capital expenditures.

OPERATING AND FINANCIAL REVIEW (continued)

Sensitivity to movements in foreign exchange rates

The principal currencies in which the Group's subsidiaries conduct business are United States ("US$") dollars, Australian dollars ("A$"), Euros, and British pounds sterling ("GBP"). Although the Group's reporting currency is the Australian dollar, a significant portion of the Group's sales and purchases are in currencies other than the Australian dollar. In addition, significant portions of the Group's net assets are denominated in currencies other than the Australian dollar.

The Group's consolidated financial position, results of operations, and cash flows may be materially affected by movements in the exchange rate between the Australian dollar and the respective local currencies to which its subsidiaries are exposed.

Some of the results discussed below are presented on a "constant currency" basis, which means that the current period results are translated into Australian dollars using applicable exchange rates in the prior corresponding period. This allows for a relative performance comparison between the two periods before the translation impact of currency fluctuations.

Foreign exchange rates compared with the prior corresponding periods for the major currencies that affect the Group's results are as follows:

	AVERAGE RATE–YEAR ENDED 30 JUNE			CLOSING RATE–AS AT 30 JUNE		
	2024	2023	CHANGE	2024	2023	CHANGE
US dollar	**0.6556**	0.6732	(2.6%)	**0.6667**	0.6667	–%
Euro	**0.6061**	0.6433	(5.8%)	**0.6223**	0.6110	1.8%
Pound sterling	**0.5205**	0.5592	(6.9%)	**0.5274**	0.5248	0.5%

As at 30 June 2024, the cumulative effect of the retranslation of net assets of foreign controlled entities, recognised through the foreign currency translation reserve, was A$128.5 million compared to A$129.1 million as at 30 June 2023.

At reporting date, if the foreign currency exchange rates weakened or strengthened against the functional currency by 10 percent and all other variables were held constant, the Group's after tax profit would have increased by A$3.6 million (2023: A$11.6 million) or decreased by A$3.6 million (2023: A$11.6 million) respectively. There would have been no impact to other comprehensive income. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the reporting date and adjusts their translation for a 10 per cent change in the foreign currency rate.

All balances are stated in Australian dollars unless otherwise stated.

OPERATING AND FINANCIAL REVIEW (continued)

External operating environment

Metal

In FY24 the global scrap market faced challenging conditions due to variable demand from customers, a shortage of supply and increased buy-side competition. Inflation remained above central bank target ranges, keeping interest rates elevated and exerting significant upward cost pressure on the industry.

Average Turkish ferrous scrap prices in FY24 were 2% lower than FY23, at US$387/t[1]. Chinese steel exports reached a multi-year high of 90Mt in CY2023. In CY2024, on an annualised basis, this indicator is expected to grow further to 106.8Mt, placing downward pressure on seaborne steel markets.

Lower global Purchasing Managers' Indices[2] ("PMI") observed in many countries demonstrated the global market contraction in manufacturing activity. US manufacturing activity also trended to softer production as the year progressed, albeit to a lesser extent. These unfavourable economic conditions continued to weigh on the metals industry.

The Chinese real estate sector (as evidenced by new building activity) contracted by 24% over the period from January to May 2024, in comparison to the prior corresponding period[4]. The consequent export of Chinese steel into global markets remains one of the largest and uncertain headwinds for global steel manufacturing. This slowdown in manufacturing activity, combined with an increased average vehicle age in the US, contributed to lower scrap supply, as materials are recycled when new replacements are purchased. This reduction in metal scrap supply has intensified the shortage of metal scrap, increasing buy-side pressures.

In non-ferrous markets, however, prices experienced strong gains, particularly in the second half of the year. LME copper prices increased by 6% to US$8,764/t YoY and the average zorba price increased 7% to US$1,904/t compared to FY23[5]amid positive sentiment surrounding the sector's important role in global decarbonisation. LME Aluminium prices decreased by 2% to US$2,308/t in FY24 compared to FY23[6].

Sims Lifecycle Services

The demand and supply of IT components is rebalancing, driving price increases across Dynamic Random Access Memory (DRAM) and Dual-Inline Memory Modules (DIMM). The growing use of Artificial Intelligence is continuing to drive demand for processing power resulting in further investment in large data centres and a refresh of existing data centres. This supported the continued growth of repurposed units, which is expected to accelerate over the medium term.

[1] Source: Argus; Ferrous Scrap HMS 1/2 80:20 CFR Turkey
[2] Source: Bloomberg
[3] Source: World Steel Association; accessed 15 July 2024
[4] Source: Bloomberg; China total new floor space started
[5] Source: Argus; Zorba 99/3 min CFR China
[6] Source: Bloomberg; LME exchange prices

OPERATING AND FINANCIAL REVIEW (continued)

Business activity levels

INTAKE VOLUMES TONNES ,000	YEAR ENDED 30 JUNE 2024	2023	CHANGE
Continuing Operations			
North America Metal	**4,999**	4,903	2.0%
Australia/New Zealand Metal	**1,497**	1,492	0.3%
Total Proprietary Volumes	**6,496**	6,395	1.6%
Global Trading & Other Brokerage	**1,308**	1,517	(13.8%)
Total Intake Volume from continuing operations	**7,804**	7,912	(1.4%)
Discontinued operations			
UK Metal	**1,286**	1,322	(2.7%)
Total Intake Volume	**9,090**	9,234	(1.6%)

Shrunk intake volumes excluding brokerage tonnes ("proprietary intake volumes") increased by 1.6% to 6.5 million tonnes in FY24 in comparison to FY23 levels. Australia/New Zealand ("ANZ") maintained volumes despite market headwinds, with solid industrial scrap sourcing. Intake volumes in North America (NAM"), excluding the impact of the Baltimore Scrap and Northeast Metal Traders acquisitions which added 385 thousand tonnes in the year, were down due to challenging market dynamics and a strategic focus on prioritising margin over volume. The UK Metal's ("UKM") business was also impacted by challenging markets and increased competition for scrap from short supply.

SALES VOLUMES TONNES ,000	YEAR ENDED 30 JUNE 2024	2023	CHANGE
Continuing Operations			
North America Metal	**5,000**	5,063	(1.2%)
Australia/New Zealand Metal	**1,593**	1,510	5.5%
Total Proprietary Volumes	**6,593**	6,573	0.3%
Global Trading and other	**1,322**	1,460	(9.5%)
Total Sales Volume from continuing operations	**7,915**	8,033	(1.5%)
Discontinued operations			
UK Metal	**1,288**	1,399	(7.9%)
Total Sales Volume	**9,203**	9,432	(2.4%)

Proprietary sales volumes were 6.6 million tonnes in FY24 compared to 6.6 million tonnes in FY23, a increase of 0.3%. Sales in the ANZ market were strong during the period despite a slowdown in domestic demand in the second half. Export facing demand was weak, impacting sales in UKM and to a lesser extent NAM, as greater domestic sales optionality increased local volumes in that region. Recent acquisitions added 326 thousand tonnes to the North American market.

1 Bloomberg Finance

OPERATING AND FINANCIAL REVIEW (continued)

Financial Performance

The group experienced a year of two halves, as it refocused its efforts on margin performance in the second half after embedding a major acquisition and volume growth in the first. Buyside pressure in the beginning of the year against slowing economic conditions and a number of shredder outages contributed to a disappointing first half performance before a much improved second half. Improvements in buying discipline, reduced costs, and increased proportional levels of unprocessed infeed enabled the group to capitalise on an improved non-ferrous market and counter softer US domestic demand as well as the impact of surging Chinese steel exports. On an annualised basis, the Group realised 80% of its targeted cost savings in the period, albeit more work is required in this area.

FY24 sales revenue of $8,562.7 million was up 6.2% compared to FY23 sales revenue of $8,061.1 million. At constant currency, sales revenue was up 3.2%. Revenue growth was assisted by an 8.7% (5.7% at constant currency) increase in Metal average sales prices, partially offset by a 2.4% reduction in overall Metal sales volumes. Sims Lifecycle Services revenue was 7.5% higher in FY24 compared to FY23.

Metal trading margin for FY24 was up by 2.4% or down by 0.2% in constant currency, compared to the FY23. The increase was driven by an improvement in NAM's performance, including margin contributions from Baltimore Scrap and NEMT , partially offset by competitive pressures in ANZ.

The group generated an underlying EBITDA of $304.8 million, reflecting a decrease of 35.8% compared to the FY23 EBITDA of $474.9 million. Higher absolute fixed costs, including the addition of Baltimore Scrap and NEMT, offset freight reductions, and combined with a 37.5% decrease in the earnings contribution from the group's 50% interest in SA Recycling ("SAR") impacted the result. Sims' equity accounted underlying EBITDA was $102.2 million in FY24 compared to $163.5 million in FY23.

FY24 Underlying EBIT was $42.9 million compared to $252.2 million in FY23, a decrease of 83.0%. At constant currency, Underlying EBIT fell by 81.3%.

Statutory EBIT was $— million higher than Underlying EBIT, after including a gain on the disposal of Sims' interest in the LMS business, offset by impairment charges following a review of certain asset carrying values. Statutory EBIT for FY24 was $72.6 million, a decrease of 75.2% compared to FY23 statutory EBIT of $293.0 million. At constant currency, statutory EBIT decreased by 73.8%.

FY24 net interest expense was up by 93.6% compared to FY23. This was due to higher borrowing levels and interest rates.

OPERATING AND FINANCIAL REVIEW (continued)

Operating Segment Results[1] - Continuing Operations

North America Metal

	YEAR ENDED 30 JUNE		
A$M	2024	2023	CHANGE
Sales revenue	**4,479.8**	3,924.6	14.1%
Trading margin	**784.3**	748.9	4.7%
Operating costs (excluding D&A)	**(632.5)**	(569.3)	11.1%
Underlying EBITDA	**151.8**	179.6	(15.5%)
Underlying EBIT	**(12.6)**	55.5	(122.7%)
Proprietary Sales tonnes (thousands)	**5,000**	5,063	(1.2%)
Trading margin (%)	**17.5%**	19.1%	(1.6%)
Underlying EBIT margin (%)	**(0.3%)**	1.4%	(1.7%)

North America Metal ("NAM") FY24 sales revenue was $4,479.8 million, reflecting a 14.1% increase compared to FY23 . At constant currency, sales revenue was up 11.2% to $4,362.5 million with an improvement in average sales price, partially offset by a (1.2%) decrease in proprietary sales volumes despite the addition of Baltimore Scrap, as infeed supply contracted in line with market conditions. Trading margin was 4.7% higher (2.0% at constant currency) in FY24 compared to FY23 despite constrained supply continuing to impact buy prices. The trading margin was 18.0% higher in 2H FY24 compared to 1H FY24, with a higher proportion of unprocessed intake tonnes and the optimisation of selling destinations (in line with market conditions) as the business refocused its efforts on value over tonnage after a disappointing first half result. This improvement was achieved despite continued challenging trading conditions throughout the year.

Operating costs increased by 11.1% to $632.5 million or 7.6% at constant currency in FY24 compared to FY23.This was mainly driven by the acquisitions of Northeast Metal Traders in May 2023 and Baltimore Scrap in November 2023 which added approximately $80 million to the cost base. Underlying costs excluding acquisitions improved with cost saving measures offsetting inflationary pressures.

In FY24, underlying EBIT fell by 122.7% to ($12.6) million or ($9.0) million on constant currency. Approximately 70% of this loss ($8.8 million) was recorded in the first half of the year.

[1] Certain FY23 comparatives in the Operating Segments Results have been restated to ensure consistency with current year presentation

OPERATING AND FINANCIAL REVIEW (continued)

Operating Segment Results - Continuing Operations (continued)

Investment in SAR

	YEAR ENDED 30 JUNE		
A$M	2024	2023	CHANGE
Sales revenue	**4,768.6**	4,519.0	5.5%
Trading margin	**1,436.8**	1,417.6	1.4%
Operating costs (excluding D&A)	**(1,039.7)**	(930.5)	11.7%
Underlying EBITDA	**397.1**	487.1	(18.5%)
Underlying EBIT	**218.1**	332.7	(34.4%)
Underlying PBT	**204.4**	327.0	(37.5%)
Underlying EBIT (50% share)	**102.2**	163.5	(37.5%)
Proprietary Sales tonnes (thousands)	**5,026**	4,969	1.1%
Trading margin (%)	**30.1%**	31.4%	(1.3%)
Underlying EBIT margin (%)	**4.6%**	7.4%	(2.8%)

SAR FY24 sales revenue was up by 5.5% to $4,768.6 million driven by higher sales prices. The JV contributed $102.2 million to the Group's underlying EBIT compared to $163.5 million in FY23 which is a 37.5% decline. At constant currency, the contribution from SAR was $99.5 million which is a 39.1% decline.

Trading margin was up by 1.4% in FY24 compared to FY23. A stronger first-half result offset a weaker second-half performance as the business realigned its prices following a falloff in steel prices in the third quarter.

Proprietary sales volumes increased by 1.1% during FY24. The business continued to acquire small tuck-in acquisitions adding 11 new sites during the year. As a result of the additional sites, coupled with inflationary pressures, operating costs were up by 11.7% or 8.8% at constant currency compared to FY23.

OPERATING AND FINANCIAL REVIEW (continued)

Operating Segment Results - Continuing Operations (continued)

Australia & New Zealand Metal

	YEAR ENDED 30 JUNE		
A$M	2024	2023	CHANGE
Sales revenue	**1,595.1**	1,563.7	2.0%
Trading margin	**410.3**	420.2	(2.4%)
Operating costs (excluding D&A)	**(264.6)**	(223.8)	18.2%
Underlying EBITDA	**145.7**	196.4	(25.8%)
Underlying EBIT	**95.5**	142.0	(32.7%)
Proprietary Sales tonnes (thousands)	**1,593**	1,510	5.5%
Trading margin (%)	**25.7%**	26.9%	(1.2%)
Underlying EBIT margin (%)	**6.0%**	9.1%	(3.1%)

Australia and New Zealand ("ANZ") sales revenue of $1,595.1 million in FY24 was 2.0% higher compared to FY23, with solid cable and new industrial extrusion volumes. FY24 trading margin reduced by 2.4% compared to FY23, due to deteriorating market conditions from increased Chinese exports into Asia and a slowdown in the domestic market. Improved non-ferrous pricing provided some relief, particularly towards the latter part of the year, contributing to a better than expected second half EBIT.

Operating costs increased by 18.2% compared to FY23 driven by wage cost pressures, the filling of a number of operational vacancies, waste levy increases following a reduction in levy exemptions, and inflationary pressures particularly around fuel and gas charges. The business also experienced a major shredder outage at its Brooklyn (Victoria) operations during the year.

The business achieved an underlying EBIT of $95.5 million in FY24, reflecting a 32.7% decrease on the prior year.

Sims Lifecycle Services ("SLS")

	YEAR ENDED 30 JUNE		
A$M	2024	2023	CHANGE
Sales revenue	**349.7**	325.4	7.5%
Underlying EBITDA	**30.5**	18.8	62.2%
Underlying EBIT	**17.7**	8.2	115.9%
Underlying EBIT margin (%)	**5.1%**	2.5%	2.6%
Repurposed Units (million)	**6.1**	3.8	60.5%

Sims Lifecycle Services ("SLS") FY24 sales revenue was $349.7 million, representing an increase of 7.5% compared to FY23. From the beginning of FY24, the Sims Precious Metals business was moved from the SLS segment to the NAM Metal segment (FY 23 revenue contribution of $34.5m)[2]. Excluding this factor, revenue was up by 20.2%.

SLS's volume of processed repurposed units grew by 60.5% compared to the prior year. Market conditions reflected major hyperscaler activity related to data centre developments, expanding SLS's customer base.

Underlying EBIT was $17.7 million in FY24 compared to $8.2 million in FY23 driven by improved resale prices, stronger repurposed unit growth, and effective cost control measures.

[2] Given the strategic focus on repurposing data centres, Sims Lifecycle Services relocated its Precious Metals division, specialising in refining precious metal scrap, to Sims Metal from 1 July 2023.

OPERATING AND FINANCIAL REVIEW (continued)

Operating Segment Results - Continuing Operations (continued)

Corporate and Other (Underlying EBIT)

	YEAR ENDED 30 JUNE		
A$M	2024	2023	CHANGE
Global Trading Operations	**(20.2)**	(24.3)	(16.9%)
Corporate	**(113.4)**	(98.4)	15.2%
Sims Municipal Recycling	**–**	(3.0)	NMF
Energy	**0.4**	11.5	(96.5%)
Sims Resource Renewal	**(10.9)**	(10.0)	(9.0%)

Global Trading Operations' underlying EBIT of $(20.2) million from FY24 was a 16.9% improvement on its FY23 underlying EBIT of $(24.3) million, reflecting tighter cost control.

Centralised function and corporate costs were ($113.4) million for FY24, an increment of $15.0 million on FY23 costs due to higher technology and systems development expenditure in the first half of FY24. Following a corporate restructuring at the end of the first half, corporate costs were significantly lower in the second half of the year.

Earnings from Sims' Energy investments were lower due to the divestment of the LMS business in November 2023.

Costs relating to Sims Resource Renewal increased slightly during the year with the successful demonstration of the Rocklea pilot plant and market research costs.

Operating Segment Results - Discontinued Operations

UK Metal

	YEAR ENDED 30 JUNE		
A$M	2024	2023	CHANGE
Sales revenue	**1,367.3**	1,423.4	(3.9%)
Trading margin	**217.6**	209.8	3.7%
Operating costs (excluding D&A)	**(203.0)**	(173.3)	17.1%
Underlying EBITDA	**14.6**	36.5	(60.0%)
Underlying EBIT	**(15.7)**	7.3	(315.1%)
Proprietary Sales tonnes (thousands)	**1,288**	1,399	(7.9%)
Trading margin (%)	**15.9%**	14.7%	1.2%
Underlying EBIT margin (%)	**(1.1%)**	0.5%	(1.6%)

FY24 sales revenue of $1,367.3 million was 3.9% lower compared to FY23 reflecting a significant shortage in supply in the UK market. At constant currency, sales revenue was down 10.6% to $1,272.8 million compared to FY23. The decline was attributed to a 7.9% reduction in sales volumes, partially offset by an increase of 4.6% in average sales prices compared to the prior year. Volumes improved in the second half of the year with a return to deep sea volumes over containers favouring the business and allowing improved returns. At constant currency, average sales prices in FY24 decreased by 2.7% compared to FY23.

Trading margin grew by 3.7% but declined by 3.4% when adjusted for constant currency. Market conditions continued to be challenging.

Operating costs were $203.0 million in FY24, up from $173.3 million in FY23. This represents an increase of 17.1% or 9.1% at constant currency, compared to FY23 due to inflationary pressures and additional processing costs associated with the commercialisation of low copper shred. Cost saving measures, including site rationalisations, kept second-half costs stable despite an 11% increase in intake volumes.

Underlying EBIT was $(15.7) million in FY24 compared to $7.3 million in FY23.

OPERATING AND FINANCIAL REVIEW (continued)

Reconciliation of Statutory Results to Underlying Results - Continuing and discontinued operations[1]

	EBITDA[2]		EBIT		NPAT	
	FY24	FY23	FY24	FY23	FY24	FY23
A$M						
Reported earnings	**334.5**	515.7	**72.6**	293.0	**(57.8)**	181.1
Significant items:						
Loss/(gain) on fair valuation of investment	**48.1**	(49.2)	**48.1**	(49.2)	**36.9**	(37.8)
Loss/(gain) on sale of assets classified as held for sale	**(181.7)**	–	**(181.7)**	–	**(102.3)**	–
Non-recurring gains on asset disposals	**–**	(36.5)	**–**	(36.5)	**–**	(28.0)
Non-qualifying hedges	**(2.1)**	18.7	**(2.1)**	18.7	**(2.1)**	18.7
Transaction costs	**14.7**	–	**14.7**	–	**10.6**	–
Restructuring & redundancies	**6.1**	13.4	**6.1**	13.4	**4.4**	10.6
Closure costs and other provisions	**21.0**	2.2	**21.0**	2.2	**15.6**	1.7
Asset impairments	**64.2**	9.9	**64.2**	9.9	**49.3**	9.9
SA Recycling amortisation reversal	**–**	(16.8)	**–**	(16.8)	**–**	(12.9)
Alumisource contingent consideration	**–**	14.5	**–**	14.5	**–**	11.1
Other non-recurring items	**–**	3.0	**–**	3.0	**–**	2.5
Underlying results	**304.8**	474.9	**42.9**	256.9	**(45.4)**	156.9

1 Significant items related to continuing operations of the Group and the discontinued operations are disclosed in the above table.

2 EBITDA is a measurement of non-IFRS financial information. See table below that reconciles EBITDA to statutory net profit.

Significant item amounts in FY24 include the following:

- Loss on fair valuation of investment in the current year included a revaluation of the residual 12.4% interest held in Closed Loop to market value following a sales process (which substantially offsets the gain that was recognised in FY23).
- Gain on sale of assets classified as held for sale primarily relates to the gain on disposal of Sims' interest in LMS.
- Non-qualifying hedges reflect the mark-to-market adjustment on commodity hedges held at balance date.
- Transaction costs were incurred in relation to the Baltimore Scrap Corporation acquisition and the disposal of LMS.
- The group continued its restructuring and redundancy program to simplify the organisational structure and reduce headcount.
- Closure costs include restructuring of certain site and lease arrangements. Other provisions include environmental related costs.
- Following a review of its portfolio, the group wrote down its carrying value of certain operating assets, together with obsolete equipment in the NAM business.

OPERATING AND FINANCIAL REVIEW (continued)

Reconciliation of Statutory NPAT to Statutory EBITDA

	YEAR ENDED 30 JUNE		
A$M	2024 Continuing Operations	2024 Total Group	2023 Total Group
Statutory net profit after tax	**1.8**	**(57.8)**	181.1
Depreciation and amortisation, net of right of use asset depreciation	**155.0**	**176.7**	137.0
Right of use asset depreciation	**76.6**	**85.2**	85.7
Interest expense from external borrowings, net of interest income	**38.7**	**40.8**	17.8
Lease liability interest expense	**13.6**	**13.6**	10.3
Income tax expense	**76.0**	**76.0**	83.8
Statutory EBITDA	**361.7**	**334.5**	515.7

Cash flow and borrowings

FY24 cashflow from operating activities was $202.5 million compared to $449.2 million in FY23 as a result of the lower earnings, a lower distribution from SA Recycling, and higher net interest payments offset by lower tax payments.

Capital expenditure for property, plant and equipment and intangible assets, excluding acquisitions, was $214.6 million during FY24 compared to $232.5 million in FY23 and primarily attributed to sustaining capex as the group tightened its spend against a lower operating performance. Growth expenditure included the expansion of production capability for Alumisource and new site developments, as well as plant upgrades to improve product quality. Proceeds from the sale of the LMS joint venture were recycled to partially fund the acquisition of Baltimore Scrap Corporation in NAM and a final contingent consideration for the recent Sims Alumisource acquisition.

Given the lower operating performance, the Group paid cash dividends of $40.6 million in FY24 compared to $123.6 million in the prior year and the Board did not declare an interim dividend. $11.9 million in costs were incurred for shares purchased under the employee share plan.

On 30 June 2024, the Group had a net debt position of $411.9 million compared to a net debt position of $135.5 million on 30 June 2023. The Group calculates Net Cash as cash balances less total financial borrowings as follows:

	AS AT 30 JUNE	
A$M	2024	2023
Total cash	**93.1**	308.7
Less: total borrowings	**(505.0)**	(444.2)
Net cash	**(411.9)**	(135.5)

OPERATING AND FINANCIAL REVIEW (continued)

Strategic Developments

Solid progress was made on the Group's strategic growth initiatives during FY24. To ensure long-term growth the company actively managed its portfolio to adapt to market changes. As part of this effort, underperforming, undervalued and underutilised assets were identified and steps to revalue, divest or adjust operational processes were implemented.

Initiative	Progress
Metals	Completed a strategic review of the UK Metal business resulting in a binding agreement to sell 100% of the business which is expected to complete in the first half of FY25 Commenced commercial sales of premium products in ferrous Implemented upgrade projects including: • Upgrading the Redwood City (NAM) and Victoria (ANZ) shredders • Installation of a polishing plant in Adelaide, ANZ, to improve product quality • Installation of an alloy separation plant in the Alumisource business • Installation of an XRT system in Long Marston (UKM) to increase metal extraction rates In NAM, the business: • Expanded its domestic customer base and local logistical capabilities • Reorganised Commercial and Operational teams • Implemented an S&OP process and related disciplines • Reviewed its buyer incentive program
SA Recycling	Completed four acquisitions: one in Tennessee, one in Alabama and two in Texas
Lifecycle Services	Deployed various automation projects
Resource Renewal	Moved to the trial phase at the pilot Resource Renewal facility at Rocklea in Queensland. Commenced the process to secure joint venture partners.
Sims Municipal Recycling	Agreed the sale of the Company's residual interest.
LMS Energy and Sims Energy	Completed the sale of LMS

Capital Structure

The Company maintained a solid balance sheet with a net debt position of $411.9 million as at 30 June 2024.

The approach to capital management is staged and disciplined and reflects the volatility of the market. The company remains conservative in its approach to debt to ensure appropriate liquidity to operate through the cycles.

Sustaining and environmental capital expenditure for FY25 is expected to be approximately $185 million. While further planning around the development of the Pinkenba site will occur in FY25, material cashflows to fund this development are not expected until FY27 and beyond, should the company proceed with the project.

OPERATING AND FINANCIAL REVIEW (continued)

Outlook

A more agile sales and data-driven performance is expected to support NAM's continued recovery, despite intense competition for scrap supply.

We are optimistic about the sustained strength in zorba prices driven by the energy transition and decarbonisation.

The Hyperscaler data centre market is expected to sustain its momentum, providing positive opportunities for SLS.

A stronger balance sheet, supported by transaction proceeds and our recycling capital strategy, position us well for future opportunities.

Global steel demand is expected to remain muted, with broader economic indicators showing little improvement and Chinese steel exports continuing to affect the market.

Inflationary pressures are likely to continue, requiring further cost reduction strategies to partially mitigate these.

Macro Trends

Increased demand for metal intensive infrastructure spending and the production of post consumption scrap continues to be positive for metal recycling (both ferrous and non-ferrous).

The global decarbonisation of steelmaking, growth of EAFs and the energy transition will drive demand for recycled metal in a more regionalised market environment.

The fundamental drivers of cloud infrastructure recycling remain positive over the medium term.

However, there are risks to the materialisation of these positive drivers, particularly as it relates to global uncertainty from geopolitical risks and macro-economic factors.

NAMES AND PARTICULARS OF DIRECTORS

The following persons, together with their qualifications and experience, were Directors of the Company during the financial year and up to the date of this report:

Philip Bainbridge BS (Mech Eng)
Chairman and Independent non-executive director

Mr Bainbridge was appointed as a director on 1 September 2022 and appointed chairperson of the Company on 25 March 2024. He is Chair of the Nomination/Governance Committee and a member of the Safety, Health, Environment, Community & Sustainability Committee. Mr Bainbridge has extensive senior executive experience, primarily in the oil and gas sector across exploration, development and production. He has worked in a variety of jurisdictions, including North America, Europe, Asia and Australia. His most recent executive role was as Executive General Manager LNG for Oil Search Limited. Prior to that, he served in senior executive roles at Pacific National and BP Group. Mr Bainbridge is also Chairman of the Global Carbon Capture and Storage Institute, and Sino Gas and Energy. He was previously Chair of the Papua New Guinea Sustainable Development Program. Mr Bainbridge holds a Bachelor of Science in Mechanical Engineering.

Stephen Mikkelsen B.BS, CA
Group Chief Executive Officer and Managing Director

Mr Mikkelsen was appointed Chief Executive Officer and Managing Director in 2023, after originally joining Sims Limited in 2018 as the Global Chief Financial Officer. He brings more than 30 years of finance and executive management experience to the company.

Prior to joining Sims Limited, Mr Mikkelsen held senior leadership positions at AGL Energy, including serving as Chief Financial Officer from 2006 to 2012, followed by Group General Manager Retail Energy and Executive General Manager Energy Markets. Before his tenure at AGL, Mr Mikkelsen was the Chief Financial Officer of Snowy Hydro from 2001 to 2006. Mr Mikkelsen is a member of Chartered Accountants Australia & New Zealand.

Victoria Binns B.Eng (Mining), FAusIMM, GAICD, Grad Dip SIA
Independent non-executive director

Ms Binns was appointed as a director in October 2021. She is Chair of the People & Culture Committee, and a member of the Audit Committee. Ms Binns has more than 35 years of experience in the global resources and financial services sectors, including 10 years in executive leadership roles at BHP in Asia and 15 years in financial services with Merrill Lynch Australia and Macquarie Equities. During her career at BHP, Ms Binns' roles included Vice President Minerals Marketing, leadership positions in the metals and coal marketing business, and Vice President of Market Analysis and Economics. She was also co-Founder and Chair of Women in Mining and Resources Sg (WIMAR Sg). Prior to joining BHP, Ms Binns held a number of Board and senior management roles at Merrill Lynch Australia, including Managing Director and Head of Australian Research, Head of Global Mining, Metals and Steel, and Head of Australian Mining Research. Ms Binns is a Non-Executive Director of ASX-listed Evolution Mining, a Non-Executive Director for the NFP Carbon Market Institute (CMI), and a member of the Advisory Council for JP Morgan, Australia & New Zealand.

Grant Dempsey B.Com - appointed 22 April 2024
Independent non-executive director

Mr Dempsey was appointed as director on 22 April 2024. Mr Dempsey serves as a member of the Audit Committee and the Risk Committee.

Mr. Dempsey has more than 35 years' experience, having served in numerous roles as a senior executive, strategic advisor and investment banker. Most recently, Mr. Dempsey served as the Chief Financial Officer of TPG Telecom. He previously served as Chief Financial Officer at Alumina Limited, Senior Adviser, Finance at ANZ Banking Group, and Head of Investment Banking (Australia and New Zealand) at JP Morgan. He is a non-executive director of IFM Investors.

Tom Gorman BA, MS, MBA
Independent non-executive director

Mr Gorman was appointed as a director in June 2020. He is the Chair of the Safety, Health, Environment, Community & Sustainability Committee and a member of the Nominating/Governance Committee. Mr Gorman served as the Global Chief Executive Officer of Brambles Ltd for seven years, retiring in February 2017. Prior to Brambles, Mr Gorman held a number of senior executive positions over a 21 year career at Ford Motor Company, culminating in President and Chief Executive Officer of Ford Australia from 2004 to 2008. He is a director of Worley Ltd, a global provider of professional project and asset services, Orora Ltd, a packaging solutions specialist, and Alcoa Corporation, a global leader in the production of bauxite, alumina and aluminium products. Mr Gorman holds a Bachelor of Arts in Economics from Tufts University, a Master of Business Administration from Harvard Business School and a Global Master of Arts in International Relations and Affairs from Tufts University. He serves as Chair of the Maine Chapter of The Nature Conservancy.

NAMES AND PARTICULARS OF DIRECTORS (continued)

Kathy Hirschfeld AM, BE, HonDEng *Qld*, HonFIEAust, FIChemE, FTSE, FAICD - appointed 1 September 2023
Independent non-executive director

Ms Hirschfeld was appointed as a director on 1 September 2023. She is a chemical engineer with 20 years' experience with BP in oil refining, logistics and exploration in Australia, the United Kingdom and Turkey. She also served as a logistics officer in the Australian Army Reserve.

Ms Hirschfeld has extensive experience on ASX, NYSE, private company and government boards. She is currently the Chair of Powerlink Queensland, and an independent non-executive director of Central Petroleum. Ms Hirschfeld previously served as a Board Member and president of UN Women National Committee Australia and non-executive director of Energy Queensland, ToxFree Solutions, InterOil Corporation, Broadspectrum, Snowy Hydro and Queensland Urban Utilities. Additionally, she was a member of the Senate of the University of Queensland for 10 years.

Hiroyuki Kato BA
Non-independent non-executive director

Mr Kato was appointed as a director in November 2018 and is Mitsui & Co, Ltd's nominated non-independent director. He is a member of the Risk Committee and the Safety, Health, Environment, Community & Sustainability Committee ("SHECS Committee"). Mr Kato started his business career in the iron ore division of Mitsui, where he gained considerable experience relating to the mining industry, which became the backbone of his long career at Mitsui. After completing two assignments in New York and attending MIT Sloan School of Management, Mr. Kato held various positions in Mitsui's oil and gas divisions. In June 2020, Mr Kato retired from his position as a Counsellor to Mitsui. He is a director of Obayashi Corporation, a leading global construction company.

Deborah O'Toole LLB, MAICD
Independent non-executive director

Ms O'Toole was appointed as a director in November 2014. She is Chair of the Audit Committee, and is a member of the People & Culture Committee. Ms O'Toole has extensive executive experience across a number of sectors including over 20 years in the mining industry and, more recently, in transport and logistics which included managerial, operational and financial roles. She has been Chief Financial Officer in three ASX listed companies, MIM Holdings Limited, Queensland Cotton Holdings Limited, and Aurizon Holdings Limited. Ms O'Toole currently serves as Chair of Transurban Queensland, and as an independent director of Pacific National Rail Group, Great Southern Bank (formerly Credit Union Australia), and Sydney Airport Corporation Limited. Ms O'Toole holds a law degree and is a Member of the Australian Institute of Company Directors.

Geoffrey N Brunsdon AM, B Comm
Chairman and Independent non-executive director - retired 25 March 2024

Mr Brunsdon was appointed as a director in November 2009, appointed Deputy Chairperson in September 2011 and appointed Chairperson of the Company on 1 March 2012. He is Chairperson of the Nomination/Governance Committee, and is a member of the Risk Committee, the Audit Committee and the People & Culture Committee. Until June 2009, Mr Brunsdon was Managing Director and Head of Investment Banking of Merrill Lynch International (Australia) Limited. He is Chairman of MetLife Insurance Limited (since April 2011) and PayPal Australia Pty Limited (June 2021). He was a member of the listing committee of the Australian Securities Exchange between 1993 and 1997, a member of the Takeovers Panel between 2007 and 2016 and was a director of Sims Group Limited between 1999 and 2007. He is a Fellow of the Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australia and a Fellow of the Institute of Company Directors. Mr Brunsdon is also a director of the Wentworth Group of Concerned Scientists and Purves Environmental Custodians and, in 2019, was awarded the rank of Member of the Order of Australia ("AM").

Alistair Field (NHD) Mech Eng, MBA
Group Chief Executive Officer and Managing Director - retired 30 September 2023

Mr Field was appointed Group Chief Executive Officer and Managing Director of the Company in August 2017. He is a member of the Safety, Health, Environment, Community & Sustainability ("SHECS") Committee, the Nomination/Governance Committee and the Risk Committee. Mr Field joined the Company on 1 October 2015 as the Managing Director of ANZ Metal. He has more than 25 years of experience in the mining and manufacturing industries. He has held a number of senior leadership positions, including most recently as Director of Patrick Terminals & Logistics Division for Asciano Limited, and previously as Chief Operating Officer for Rio Tinto Alcan's Bauxite and Alumina Division. Mr Field is a Mechanical Engineer with an MBA from the Henley Business School.

COMPANY SECRETARIES

Gretchen Johanns (Executive)

Ms Johanns joined the Company in November 2018 as Group General Counsel and Company Secretary. Ms Johanns has more than 25 years of experience as a senior legal advisor with U.S. publicly-listed companies in the information technology, service and media industries. Prior to joining the Company, Ms Johanns served as Deputy General Counsel and Corporate Secretary at Xerox Corporation. Previously, she served in various legal roles at Time Warner Cable Inc.

Ana Metelo

Ms Metelo was appointed to the position of joint Company Secretary in July 2021. She has had a varied international career in finance, capital markets, law, and strategy across the consumer goods, REIT and industrial sectors. Prior to joining the company, Ms Metelo led investor relations at Coca-Cola Amatil.

DIRECTORS' MEETINGS

The following table shows the number of board and committee meetings held during the financial year ended 30 June 2024 and the number of meetings attended by each Director:

	BOARD OF DIRECTORS	AUDIT COMMITTEE	RISK COMMITTEE	SHECS COMMITTEE	PEOPLE & CULTURE COMMITTEE	NOMINATION/ GOVERNANCE COMMITTEE
Meetings held	8	7	5	5	6	5
P Bainbridge	8		5			
S Mikkelsen[1]	5		3	3		
V Binns	8	7		5	6	
G Brunsdon[2]	7	6	4			4
G Dempsey[3]	1	1	1			
A Field[4]	3		2	2	6	5
T Gorman	8			5		
K Hirschfeld[5]	5	5		4	4	
H Kato	8		5	5		
G Nelson[6]	4	4	2		3	3
D O'Toole	8	7	5		6	

1 Mr Mikkelsen joined the Board from 1 October 2023 and [has attended all meetings since his appointment].
2 Mr Brunsdon retired from the Board on 25 March 2024.
3 Mr Dempsey joined the Board from 22 April 2024 and [has attended all meetings since his appointment].
4 Mr Field retired from the Board on 30 September 2023.
5 Ms Hirschfeld joined the Board from 1 September 2023 and [has attended all meetings since her appointment].
6 Ms Nelson retired from the Board on 1 November 2023.

Directors also attend meetings of committees of which they are not a member. This is not reflected in the table above.

DIRECTORS' INTERESTS

As at the date of this report, the interests of the Directors in the shares, options, or performance rights of the Company are set forth below:

	SHARES
P Bainbridge	31,330
S Mikkelsen[1]	128,123
V Binns	4,000
G Dempsey	–
T Gorman	6,500
K Hirschfeld	7,350
H Kato	–
D O'Toole	17,500

1 The table above shows only the shares held by Mr Mikkelsen. Refer to the Remuneration Report for information on options and performance rights held by Mr Mikkelsen.

DIVIDENDS

In August 2024, the Directors declared a final dividend of 10.0 cents per share (100% franked) for the year ended 30 June 2024. The dividend will be payable on 16 October 2024 to shareholders on the Company's register at the record date of 2 October 2024.

The Directors have determined that the dividend reinvestment plan will not operate in relation to this dividend.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Geoff Brunsdon retired as Chairman and Independent Non-Executive Director on 25 March 2024. Philip Bainbridge was appointed as the new Chairman, effective the same date.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 22 November 2023, the Group announced it had commenced a full strategic review of the UK Metal business to explore various options to maximise shareholder returns. Subsequent to year end, the Group has entered into a binding agreement for the sale of its full interest in the UK Metal business for total after tax cash proceeds of approximately GBP195 million (including the value of retained working capital and subject to an agreed net asset value adjustment and customary completion mechanisms), along with the business's lease liabilities.The UK Metal business has been classified as an asset held for sale within the financial statements as a result.

On 12 August 2024, the Group announced that it had signed a letter of intent to sell its remaining interest in CLP Circular Services Holdings LLC for approximately $50 million (US$32 million). This sale is expected to be completed in the first half of FY25.

Other than the matter above, the Directors are not aware of any items, transactions or events of a material or unusual nature that have arisen since the end of the financial year which will significantly affect, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS

Information as to the likely developments in the operations of the Group is set out in the Operating and Financial Review above.

ENVIRONMENTAL REGULATION

Sims Limited and it's controlled entities (Sims or the Group) are subject to environmental regulations and reporting requirements in Australia as well as other countries in which it operates. The Group has environmental licenses and consents in place at various operating sites as prescribed by relevant environmental laws and regulations in respective jurisdictions. Conditions associated with these licenses and consents include those which stipulate environmental monitoring requirements and reporting limits to monitor conformance with the requirements of such licenses and consents.

Under Australian environmental regulation, an entity is required to provide a summary of its environmental performance as per s299(1)(f) of the Corporations Act 2001. Further information on the Company's environmental performance is set out in the Group's Annual Sustainability Report. On 10 October 2023, the Group lodged its 2023 Sustainability report on the ASX. A copy of the report can be viewed at https://www.simsltd.com/investors/reports.

Additionally, the Group's Australian operations are subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007 ("NGER"). The NGER Act requires the Group to report its annual greenhouse emissions and energy use of its Australian operations. Similarly, the Group's UK operations are subject to the reporting requirements of the companies and limited liability partnerships in complying with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which require non-quoted large companies, such as Sims Limited, to report on its UK energy use and associated greenhouse gas emissions. The Group has implemented systems and processes for the collection and calculation of the data required so as to prepare and submit the relevant report to the Clean Energy Regulator in Australia and include in its Directors' report as part of its UK filing obligations annually.

In the last 12 months, there has been no material exposure to the risk of breaches of environmental permits conditions or legislation.

MANAGING RISKS

An integral part of the way Sims operates is recognising and managing the broad range of risks that it faces. Each must be given careful and appropriate consideration in order to support our commitments to our customers and stakeholders in line with our vision to: *create a world without waste, while preserving our planet*. In accordance with our Risk Management Policy and Framework, Sims manages risk with the aim of:

- Supporting the achievement of strategic objectives through the identification and management of key areas of risk and opportunity on a proactive basis;
- Providing the basis for informed decision making;
- Enabling consistent and frequent communication between management and key governance committees;
- Continuously enhancing the perception of Sims to our key stakeholders, including customers, shareholders and the community.

Through our Risk Management process (which is detailed in our Risk Management Policy), Sims Limited continuously monitors, assesses and manages the response to these risks, which range from operational events to external factors. Some of these key areas of risk and opportunities are discussed in detail in the following sections:

CLIMATE CHANGE RISKS

Climate change poses physical risks to our business, our people, and to the infrastructure, communities and environment that we engage with. We believe that the transition to a low-carbon economy encompasses a parallel transition to a circular economy and presents opportunities for our business as well as risks.

Learn more about our approach to climate change, including our detailed assessment of the risks and opportunities, in our Climate Report. Performance data is included in our Sustainability Databook, both available at https://www.simsltd.com/sustainability/download-centre/

Opportunities

At Sims, the low-carbon transition is at the heart of our business strategy: Increase our positive impact in the circular economy and take actions to decarbonise our operations and value chain in line with our energy and climate targets. Sims provides high-quality recycled metals in place of virgin materials, which enables the avoidance of emissions, including those associated with extraction, refining and production. Metals such as steel, copper and aluminium are essential to the transition to a low-carbon urban economy; used in applications such as Solar PV and wind farms, electric vehicles and urban construction.

The strategic and scenario analyses we have outlined in our Climate Report demonstrates that as an enabler of the global circular economy, Sims is well placed to assist customers in lowering their respective carbon footprints as the world transitions to a circular, low-carbon economy and to deliver on our purpose.

CLIMATE CHANGE RISKS (continued)

Threats

Climate change impacts physical, economic and social systems, so climate risks are reflected across the Sims risk profile. Climate change can alter the likelihood and impact of risks, as well as the effectiveness of controls. The potential impacts of climate change on our strategy (both physical risk and climate risk) are outlined in the Climate Report. Key physical risks arise as a result of extreme temperatures (including health & safety issues for employees and productivity loss) and extreme wet (including flooding, sea level rise, and other acute weather events).

Failure to manage climate change risk could lead to loss of stakeholder support, increased taxes and regulation, enforcement action, litigation or class actions, and negatively affect our reputation, ability to attract and retain talent, ability to access capital, operational continuity and financial performance.

Risk appetite

Sims is committed to living its purpose and views environmental risks as opportunities that allow us to differentiate our offering, even when it is difficult. We encourage constant innovation and improvement that protect the environment we operate in, exceed the public's expectations, and set the standard for our industry.

Our management response includes:

- Publishing a comprehensive Climate Report, aligned to the TCFD recommendations, and giving our shareholders the opportunity to endorse it in an advisory vote every three years. The last vote was at the 2022 AGM where 89.6 percent of issued capital voted in favour
- Outlining our approach to managing the transition and physical risks of climate change in our Climate Report
- Establishing clear targets to lower GHG emissions in our direct operations over the short, medium, and longer term to reduce risk exposure relating to policy, regulation, and carbon pricing; and including incentives related to these targets in remuneration incentives
- Using climate scenarios, including a Paris-aligned 1.5C scenario, to inform our strategy and business plans
- Using carbon pricing when making capital expenditure decisions, including merger & acquisition activity
- Advocating for an orderly transition to a circular, low-carbon economy; including reviewing industry association memberships to ensure alignment with our climate and energy policy positions
- Engaging regularly with investors, governments, industry associations, membership-based sustainability organisations, ESG proxy advisers and customers to identify and monitor emerging climate change risks, opportunities and trends
- Being transparent in our annual disclosure of climate related performance, opportunities and threats, in accordance with sustainability reporting standards including GRI, SASB and TCFD.

HEALTH & SAFETY RISKS

Health & Safety are company values taken seriously. Sims leads in safety performance for the simple reason that we do not wait to respond to incidents, but effectively address risks proactively through our global lead indicator programs. Our Health and Safety strategy uses data to target specific risks and verifying the effectiveness of controls, and we build a culture of safety excellence.

Learn more about our approach to safety, including performance data in the Sustainability Report and Databook, available at https://www.simsltd.com/sustainability/download-centre/

Opportunities

Demonstrating that we can meet or exceed our commitments in safety supports operational resilience, our ability to attract and retain talent, and helps us achieve our purpose.

Threats

We engage in activities that have the potential to cause harm to our people, including serious injuries and fatalities. A serious safety event could also cause damage or disruptions to our assets and operations, impact our financial performance, result in litigation or regulatory action, and cause long-term damage to our social licence to operate and reputation. Safety incidents can alter the lives of the individual, their family and community.

Risk appetite

First and foremost is safety. We are committed to providing a safe working environment for our people, and will take all reasonable steps to protect the public, our customers, contractors and suppliers. Therefore, we have no tolerance for behaviour that compromises the safety of our people and the wider community. Sims takes the mental wellbeing of our workforce just as seriously as their physical wellbeing and encourage our workforce to feel comfortable openly discussing their struggles.

HEALTH & SAFETY RISKS (continued)

Our management response includes:

- Defining 18 critical control verifications to address critical risks (those risks with the potential of causing the most serious harms). Key focus areas, such as traffic management, have been identified based on risk levels and the highest likelihood of occurrence.
- Specifying minimum and recommended requirements for hazard controls
- Reporting, investigating, and sharing learnings from incidents across Sims
- Developing a proactive safety culture through training, surveying and management example
- Investigating and deploying technology for incident prevention and detection
- Providing Employee Assistance Programs for employees to receive support related to mental health, general wellbeing, and other concerns
- Including targets related to safety performance in remuneration incentives
- Maintaining evacuation routes, supporting equipment, crisis and emergency response plans and business continuity plans.
- Being transparent in our annual disclosure of climate related performance, opportunities and threats, in accordance with sustainability reporting standards including GRI and SASB.

SOCIAL LICENCE

We recognise the significant shifts in our external operating environment and increased stakeholder expectations regarding the role of companies in society and the communities in which they operate. In particular, we recognise that without a social licence from our communities and broader stakeholders, we would simply not able to operate. In this context we have developed a Social Licence Framework, not just to manage risks associated with maintaining our Social Licence, but importantly to ensure Sims continues to be a partner for change in the communities in which we operate.

Learn more about our role as partner for change, please refer to our ESG Briefing (October 2022) https://sltd.s3.amazonaws.com/2022-ESG-Briefing.pdf

Opportunities

Building, maintaining and deepening our relationships with the communities we operate, and our wider stakeholders supports operational resilience and our ability to attract and retain talent (which is mostly sourced from the local community). Our customer base is often also local, and we want to be the place where the local community and supplier base recycle their metals. This not only helps our bottom-line by giving us access to intake at source, but also develops our brand and credibility as a business and supports our purpose.

Threats

The rapid gentrification or urbanisation of previously industrial or semi-rural suburbs in the vicinity of larger cities means that most of our sites, even if relatively removed from urban centres at inception, are now in close proximity to (or in the midst of) urban areas or sensitive receptors. Through our operations, we have the potential to cause disruption and nuisance to the communities and the environment around us, whether through fires at our sites, dust, noise, increased heavy-vehicle traffic, and other factors. A serious fire event, for example, could potentially cause damage or disturbances to the environment, our neighbours and the community at large, impact our financial and operational performance, result in litigation or regulatory action, and ultimately cause long-term damage to our social licence to operate and reputation.

Risk appetite

We encourage fostering trust with the communities in which we operate, by acting authentically in line with our purpose, and by being transparent about our business and our vision to protect our planet. We encourage prioritisation of projects that mitigate negative impacts to the community. We encourage our purpose “create a world without waste” to be lived through our actions across all our sites.

SOCIAL LICENCE (continued)

Our management response includes:

- A vast array of operational measures are in place and substantial investments identified to address and mitigate any undesirable impact of our operations on our communities and the environment. Such measures include (but are not limited to) buffer walls, enclosing some of our equipment (where reasonably practicable), and planting trees to screen off noise and improve visuals.
- Targeted, locally focused, action plans in place for key sites
- Social Licence Framework and associated governance mechanisms in place
- Dedicated resources in key locations to understand our communities' needs and drive our action plans
- Reporting, investigating, and sharing learnings from incidents impacting our communities and the environment across the Group
- Developed crisis and emergency response plans and business continuity plans
- Sims works collaboratively with local fire departments and fire detection firms to ensure our control measures in fire prevention and methods for response continually improve with new technologies. Over the past few years, we have partnered with fire detection firms to trial state-of-the-art, machine-learning, early detection warning systems to control fire risk.

REGULATIONS AND PUBLIC POLICY

As previously articulated, we recognise the significant shift in our external operating environment and increased stakeholder expectations, including those from government and regulatory authorities. In this regard, we view the efforts of government (and the private sector) to decarbonise and lower emissions as a significant opportunity for Sims.

Particularly relevant to Sims are cap and trade schemes, emission limits, as well as carbon-pricing mechanisms and taxes on GHG emissions. Sims supports the efforts endorsed by the European Council in December 2019 to make the EU climate neutral by 2050 and by the U.S. and Australia to achieve net zero greenhouse gas emissions by no later than 2050, in line with the Paris Agreement. Sims remains committed to curbing its own emissions.

Opportunities

As described under 'Climate Change' for Sims, a low-carbon transition is at the heart of our business strategy. As such, we see a significant upside in the current and proposed government policies which aim at transitioning to a low-carbon economy. As a leader in the metals recycling industry, we see ourselves as an indispensable part of the transition, and in furthering the circular-economy agenda, either through strategic industry associations or directly engaging with government where appropriate.

Threats

The potential threats arising from these changes or measures range between tactical challenges such as an increased cost of purchased energy, or capital costs needed for the electrification of equipment, or lower emissions equipment to, on a strategic front, potential restrictions to the export of our products which may came through waste management initiatives. Sims has not to date experienced any material negative impact related to these current or potential regulations but we continue to monitor, evaluate and engage with government and through industry associations to ensure we remain current and are able to respond to these changes with sufficient agility.

Risk appetite

Sims requires strict compliance with laws and regulations across our organisation including safety, trading, environment, and reporting to the public. While we target compliance, we simultaneously pursue clarity in environmental regulations and strive to ensure all players in the industry are held to the same environmental standards that we pursue.

We encourage regular community and bi-partisan political engagement efforts at a federal, state and local level to support the achievement of our purpose and vision. We discourage complacency in our processes and procedures that put us at risk of regulatory violations and potential litigation.

REGULATIONS AND PUBLIC POLICY (continued)

Our management response includes:

- Engaging through industry associations, business chambers, and directly with government where appropriate
- Annual review of industry association lobbying to monitor activity alignment with Sims' policy and position (particularly regarding climate change).
- Monitoring and scanning for changes in the policy and regulatory environment
- Engagement of specialised third-party advisory firms or individuals as required
- Government Engagement & Advocacy Policy to guide activities
- Rotating, regular internal Audit reviews of site compliance with key regulatory obligations
- Internal Controls Questionnaires to regularly assess and report on the status of key controls pertaining to areas of regulatory compliance across all our sites
- Annual Compliance training for all staff
- Whistleblower mechanisms in place to ensure any breaches of laws or regulation can be promptly and anonymously reported and recorded.

TECHNOLOGY AND CYBER SECURITY

As Sims continues to evolve, our processes are becoming increasingly reliant on technology and the systems with which we operate, more sophisticated. We view technology as a tool to assist and enhance the running of our day-to-day operations and also a key component of our future strategy. Consequently, Sims has consistently invested in enhancing its technology suite and bolstering its cyber security and incident response management.

Opportunities

We see a significant upside in enhancing our core operating systems, as well as in the use of business intelligence, data analytics and, where appropriate, artificial intelligence.

Our Sims Lifecycle Services business is exceptionally positioned to take full advantage of the increasing use of data centres across the globe and partners with a range of well-established technology companies, playing a critical role in helping businesses and data centers manage the profound shift in how and where technology is managed. As a worldwide leader in IT asset and cloud infrastructure reuse, redeployment, recycling and refining, SLS provides IT asset disposition and e-waste recycling solutions for businesses. Our data centre division plays a hands-on role in decommissioning IT equipment, bulk hard drive destruction and repurposing data centre parts and equipment.

Threats

We view technology and its use as a sizeable opportunity, while also recognising that it presents clear threats which need to be managed, such as risks associated with the adoption and implementation of new technologies and the failure to take necessary steps to prepare for cybersecurity incidents or technical outages which could result in operational incidents, business disruptions or data breaches, and ultimately have adverse effects on our social license to operate, reputation, financial performance, and overall competitiveness.

Risk appetite

We encourage all Sims employees to believe they have a responsibility to protect Sims' assets and data and encourage investment in training that promotes proactive behaviours to prevent, detect, respond and recover from cyber security incidents.

We discourage the use of workarounds and an inclination towards old ways of working. We discourage any delays in upgrades to systems which protect Sims' and Sims' customer's data. We also discourage any failure to address, report and escalate instances of non-compliance consistent with Sims policies and procedures.

TECHNOLOGY AND CYBER SECURITY (continued)

Our management response includes:

- Maintaining technologies to improve our overall cybersecurity resilience, including but not limited to global virtual private networks (VPNs), multi-factor authentication (MFA), robust anti-virus/anti-spyware/ anti-malware software technologies, data protection via encryption and machine authentication.
- Implementing a robust incident response strategy in partnership with third-party service providers of managed detection and incident response and conducted our annual global IT incident response tabletop exercise.
- Conducting an executive level Crisis Management exercises simulating a wide-spread cyber security event with the participation of the Board (represented through the Board's Chair and the Chair of the Risk Committee) as well as key executives across all potentially impacted business units and functions.
- Enhancing our information security/cybersecurity awareness training program by leveraging various internal communication channels, including email (frequent publication of cybersecurity articles) and MySims Intranet site (security videos and Cybersecurity Awareness newsletter).
- Continuing to include training on relevant security awareness policies (e.g., acceptable use, protection of information assets) as part of our new employee onboarding process. • Deployed our mandatory Annual Cybersecurity Training video, which is managed through the Sims University Learning Center.
- Conducting bi-monthly internal simulated phishing testing attacks and enhancing our KPI reporting.
- Maintaining appropriate cyber insurance.
- Testing our Disaster Recovery Plans across all regions.
- Subjecting our cybersecurity practices to annual internal and external audit, and vulnerability assessment and penetration testing multiple times during the year.

GEOPOLITICAL AND MACROECONOMIC RISKS

Sims financial and operational performance is exposed to fluctuations in the market price for ferrous and non-ferrous metals and precious metals, which at times are volatile. The underlying causes for these fluctuations are typically geopolitical and macroeconomic factors which, albeit being beyond Sims' direct control, need to be closely monitored and, to the extent possible, their impact anticipated and mitigated.

Opportunities

We are confident in the medium and long-term fundamentals of the business. The demand for ferrous scrap in the USA spurred on by infrastructure spending and EAF steelmaking production is expected to remain robust. India remains a key area of growth and we expect to be able to leverage its foreshadowed infrastructure expansion in the coming years.

On more general terms, we continue to build our understanding of geopolitical and macroeconomic threats and opportunities as we believe this can not just assist us in implementing appropriate risk mitigation measures but also enhance the development of our strategy, our operations planning and response, and ultimately provide a potential future competitive advantage.

Threats

In the short term, adverse movements in commodity prices may negatively impact our financial performance. Current ferrous scrap prices, driven, at least partially, from an oversupply of Chinese Steel, may result in a continuation of soft scrap inflows. We expect the Zorba price to remain stable largely due to the subdued supply of shredder infeed.

The cost of capital driven by persistently high inflation, and a strong US dollar, may also adversely affect the results of our operations, financial performance and returns to investors in the short term.

Our management response includes:

- Monitoring geopolitical and macroeconomic developments and trends, including through signal monitoring and our enterprise-level watch list of emerging themes, to provide an early indication of events that could impact our strategy.
- Regular briefings and updates from external Subject Matter Experts to management and the Board
- Maintaining response plans for various scenarios (including major international conflict/s) to mitigate disruptions to sales and logistics.
- Inventory management and turning inventories quickly.
- Use of forward commodity contracts matched to purchases or sales of non-ferrous metals (primarily copper, nickel and aluminium) and certain precious metals (primarily gold, silver and palladium).
- Strategic planning and stress testing of assumptions using a range of diverse pricing forecasts for key commodities.
- Cost containment measures and other initiatives deployed to offset the impact of a commodity pricing downturn and improve margins.

INSURANCE AND INDEMNIFICATION OF OFFICERS

During the financial year, the Company had contracts in place insuring all Directors and Executives of the Company (and/or any subsidiary companies in which it holds greater than 50% of the voting shares), including Directors in office at the date of this report and those who served on the Board during the year, against liabilities that may arise from their positions within the Company and its controlled entities, except where the liabilities arise out of conduct involving a lack of good faith. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of their contracts.

SHARE OPTIONS AND RIGHTS

Unissued shares

As of the date of this report, there are 1,613,641 share options outstanding and 4,813,507 rights outstanding in relation to the Company's ordinary shares. Refer to note 28 of the consolidated financial statements for further details of the options and rights outstanding as at 30 June 2024. Option and right holders do not have any right, by virtue of the option or right, to participate in any share issue of the Company.

Shares issued as a result of the exercise of options and vesting of rights

During the financial year, there were 421,199 ordinary shares issued upon the exercise of share options and 2,325,723 ordinary shares issued through the employee share ownership programme trusts in connection with the vesting of rights. Refer to note 28 of the consolidated financial statements for further details of shares issued pursuant to share-based awards. Subsequent to the end of the financial year and up to the date of this report, there have been nil ordinary shares issued upon the exercise of share options and nil ordinary shares issued in connection with the vesting of rights.

DIRECTORS' REPORT (CONTINUED)

NON-AUDIT SERVICES

The Company may decide to employ its external auditor (Deloitte Touche Tohmatsu) on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the financial year are set out in note 31 of the consolidated financial statements.

The Board has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set forth in note 31 of the consolidated financial statements, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Act is set out on page 78 and forms part of the Directors' Report for the year ended 30 June 2024.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest tenth of a million dollars, unless otherwise indicated.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors.

P Bainbridge
Chairperson
New South Wales
20 August 2024

S Mikkelsen
Managing Director and Group CEO
New South Wales
20 August 2024

REMUNERATION REPORT

INTRODUCTION FROM THE CHAIR OF THE PEOPLE & CULTURE COMMITTEE

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Sims Limited's Remuneration Report for the fiscal year ended 30 June 2024 (FY24).

Sims' executive remuneration framework is designed to attract, motivate, develop and retain an excellent calibre of leadership talent from the global marketplace in which we operate, align executive remuneration with shareholder's interest, drive both short-term and long-term performance within our cyclical industry given changing market dynamics, and foster and support our purpose, values and culture.

Each year, we review our executive remuneration framework to ensure that it remains competitive considering our short and longer term strategic objectives, ensuring we have appropriately considered external factors, as well as views expressed by our shareholders. Due to the favourable feedback received from Sims' shareholders and various stakeholder groups on the changes to the FY23 remuneration structure we disclosed in last year's Report, no further changes were made to either the STI or LTI plan designs in FY24.

Overview of FY24

In FY24, the global scrap market encountered significant challenges due to a tight supply of ferrous scrap, primarily stemming from a downturn in post-consumer availability. This was compounded by declining demand for metal scrap in the seaborne and ferrous scrap domestic markets. These adverse conditions negatively impacted our margins and EBIT, resulting in an overall disappointing financial performance in FY24 relative to expectations.

However, despite these challenges, we achieved significant strategic milestones in the execution of our strategy, with material progress made in the second half of the year. We undertook a comprehensive strategic review of our UK Metal business, evaluating various options, including a sale, joint venture, or restructuring. Ultimately, the decision to sell proved to be the most beneficial outcome for our shareholders. Additionally, we have signed a letter of intent to sell our remaining interest in Circular Services as part of our recycling capital strategy.

In North America, our largest metal market, we made cultural, operational, and commercial adjustments to improve competitiveness and cyclical resilience in response to changing market conditions. Notably, we achieved significant improvement in the last quarter of the year as our performance improvement initiatives began to take effect.

Pleasingly, Sims Lifecycle Services is on a strong revenue and profit growth trajectory.

Through our cost-out program, in the last six months we realised significant savings and reduced a number of staff roles. We continue to evaluate our structure and identify additional opportunities to fully deliver against our cost savings target.

On the sustainability front, we continued to excel in safety performance, achieving a new low in our Total Recordable Injury Frequency Rate of 1.0. We were also proud to be recognised by Corporate Knights as the world's most sustainable company illustrating that our purpose, to "create a world without waste to preserve our planet", is integrated throughout our business.

REMUNERATION REPORT (continued)

FY24 remuneration framework and outcomes

Given the restructuring and cost reduction initiatives undertaken throughout the year, no increases to fixed remuneration were made to Executives during FY24 (this was the third consecutive year for the CEO and CFO). However, the Board did approve a promotional increase to Mr. Mikkelsen when he was appointed to the role of Chief Executive Officer and Managing Director effective 1 October 2023. The fixed remuneration and maximum LTI opportunity for Mr. Mikkelsen are 17% and 38% less, respectively, than that of the former Group CEO.

In line with our remuneration principles of aligning executive incentive outcomes with business performance and shareholder returns, the actual results of both the short term and long term incentives realised by the KMP in FY24 were significantly below the target and maximum opportunities.

The FY24 financial component of the Short-term Incentive (STI) was assessed on an EBIT target set for the entire year. Based on the FY24 EBIT result, the Company did not achieve the minimum threshold for payment of the financial component (representing 80% of the total opportunity) of the annual bonus plan and therefore no monies will be paid to the KMP for that portion of the STI.

The second component of the STI (representing 20% of the total opportunity) is based on an assessment of executives' individual performance goals. In FY24, KMP achieved 100% - 105% for that portion of the STI bonus. In total, the CEO and KMP executives achieved STI outcomes of 11% of the maximum STI bonus.

Our Long-term Incentive (LTI) award is focused on alignment to shareholder experiences and delivering sustainable growth and value over the long term. The performance over the three-year measurement period resulted in an achievement of total shareholder returns below the 50th percentile against the comparator group, resulting in no vesting of the Total Shareholder Return (TSR) performance rights. After careful consideration of a range of factors, including a shift in certain strategic initiatives (as referenced in section 2.6), the Board determined that Strategic Performance Rights (SPR) vesting would be 60%. This resulted in an overall achievement of 32% of the LTI performance rights eligible to vest in the performance period ending in FY24.

KMP and Non Executive Director changes

A number of changes to the KMP and directors occurred throughout the course of FY24, including retirements of long-standing executives and directors and the welcoming of several new directors and our CFO.

Alistair Field retired from Sims as Managing Director and Chief Executive Officer on 30 September 2023. After joining Sims in 2015 and serving as the CEO since 2017, Mr Field formed and led the executive team in defining the company's long-term purpose and values, and developing the growth strategy that remains the focus going forward.

After a rigorous recruitment and selection process, the Board was delighted to appoint Stephen Mikkelsen, who served as Sims' Group CFO since 2018, as Managing Director and Chief Executive Officer. Mr Mikkelsen's depth of understanding of Sims' business, industry, and markets, accompanied by his successful operations experience in managing and creating shareholder value in large complex businesses made him an excellent choice to lead Sims on its drive for continued profitable growth.

Warrick Ranson was appointed as Group Chief Financial Officer effective 4 December 2023. Mr Ranson brings over two decades of extensive executive-level experience, having held senior positions within blue-chip corporations operating across global markets in the mining and resources industries. He was most recently CFO of OZ Minerals Limited.

Steve Skurnac, most recently serving Sims as Chief Development Officer and also as Interim Chief Financial Officer, retired as planned and announced on 31 December 2023.

Geoff Brunsdon announced his retirement from the Sims Board effective 25 March 2024 after 12 years serving as the the Sims Board Chair. Philip Bainbridge was appointed as the new Board Chair, effective on the same date.

Kathy Hirschfeld was appointed to the Board as an independent non-executive director effective 1 September 2023. Ms Hirschfeld has extensive experience on ASX, NYSE, private company and government boards. She is currently the Chair of Powerlink Queensland, and is an independent non-executive director of Central Petroleum.

Georgia Nelson announced her retirement from the Sims Board effective 1 November 2023 after nine years of dedicated service to the Board, including her roles as the Chair of the Risk Committee and a member of the Audit and People and Culture Committees.

Grant Dempsey was appointed to the Board as an independent non-executive director effective 22 April 2024. Mr Dempsey has more than 35 years of executive experience, having served in numerous roles as a senior executive, strategic advisor and investment banker. Most recently, Mr Dempsey served as the Chief Financial Officer of TPG Telecom.

The Board wishes to thank Messrs Field, Brunsdon, Skurnac and Ms Nelson for their many years of leadership and dedicated service to Sims.

DIRECTORS' REPORT (CONTINUED)

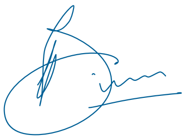
REMUNERATION REPORT (continued)

Looking ahead to FY25

Sims relies on a high-performing geographically diverse management team to execute our growth strategy and deliver sustainable long-term value for shareholders, in a manner that is consistent with our purpose, values and culture. We believe Sims' remuneration structure provides the right balance and meets the multiple objectives of our remuneration framework. As a result, there are no plans for material changes in FY25.

Thank you for your ongoing support and we welcome your feedback at the AGM.

Yours sincerely,



Victoria Binns

People & Culture Committee Chairperson

RemCoChair@simsmm.com

REMUNERATION REPORT (continued)

The Committee presents the Remuneration Report (Report) for the Company and the Group for the performance period from 1 July 2023 to 30 June 2024 (FY24). This Report forms part of the Directors' Report and has been audited by our independent auditor, Deloitte Touche Tohmatsu, in accordance with section 308 (3C) of the Corporations Act 2001. The Report sets out remuneration information for the Company's Key Management Personnel (KMP).

Listed below are KMPs for FY24 including Executives and Non-Executive Directors (NEDs). "Executives" in this report refers to executive KMP.

Directors and Executives who were KMP during FY24

NAME	POSITION	COUNTRY	APPOINTED/DEPARTED (WHERE APPLICABLE)
Executives			
Stephen Mikkelsen	Group Chief Executive Officer and Managing Director (Group CEO)	Australia	Appointed 1 October 2023
Warrick Ranson	Group Chief Financial Officer (Group CFO)	Australia	Appointed 4 December 2023
John Glyde	Chief Operating Officer, Global Metal (COO, Metal)	Australia	–
Robert Thompson	Chief Commercial Officer, Global Metal (CCO, Metal)	USA	–
Former KMPs			
Alistair Field	Group Chief Executive Officer and Managing Director	Australia	Retired 30 September 2023
Stephen Skurnac	Group Chief Development Officer	USA	Retired 31 December 2023
NEDs			
Philip Bainbridge	Chairperson and Independent NED	Australia	Appointed Chair 25 March 2024
Thomas Gorman	Independent NED	USA	–
Hiroyuki Kato	Non-Independent NED	Japan	–
Deborah O'Toole	Independent NED	Australia	–
Grant Dempsey	Independent NED	Australia	Appointed 22 April 2024
Kathy Hirschfeld	Independent NED	Australia	Appointed 1 September 2023
Victoria Binns	Independent NED	Australia	–
Former NEDs			
Geoffrey N Brunsdon	Chairperson and Independent NED	Australia	Retired 25 March 2024
Georgia Nelson	Independent NED	USA	Retired 1 November 2023

There were no changes to the KMPs since end of the reporting period.

REMUNERATION REPORT (continued)

SECTION 1: FY24 EXECUTIVE REMUNERATION STRATEGY AND FRAMEWORK

1.1 EXECUTIVE REMUNERATION FRAMEWORK SNAPSHOT AND GUIDING PRINCIPLES

At Sims, our remuneration philosophy is designed to underpin the Company's Purpose, Vision and Strategy and ensure the performance culture of the business is strongly aligned to our overarching objective of delivering sustainable value to our shareholders. Aligning to this philosophy are guiding principles used to evaluate our remuneration design, structure and framework decisions.

Sims' Executive remuneration framework provides the foundation for how remuneration is determined and paid. The framework is aligned with the business' performance objectives, the remuneration guiding principles, and is informed by market practice. The mix of total target remuneration for Executives consists of fixed remuneration for the performance of job duties, short-term incentives for delivery of one-year financial goals and execution of important strategic and operational objectives, and long-term incentives for achievement of multi-year financial goals and execution of strategic initiatives that position the company for future success.

Our Remuneration Principles

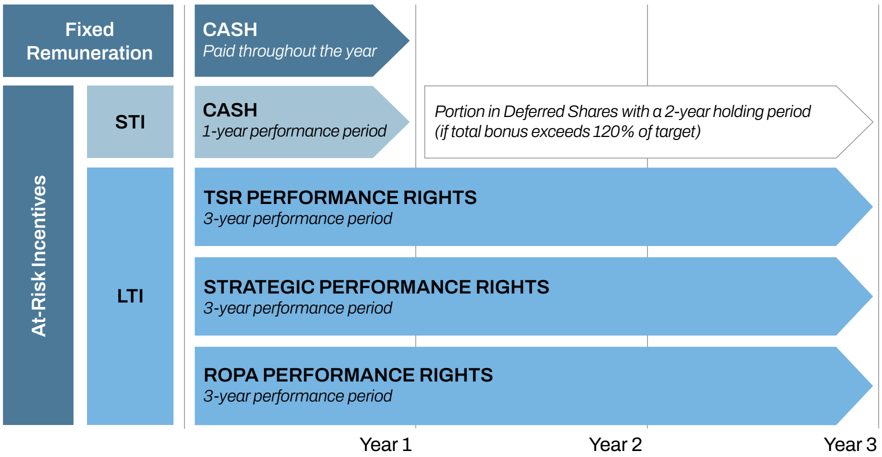
Align Executive & Shareholder Interest	Drive Short-Term & Long-Term Achievements	Attract, Motivate & Retain Talent	Alignment with Sims' Purpose & Market Dynamics	Align Risk & Strategy Execution
Through an emphasis on achieving long-term results through at-risk incentives and share ownership through deferred equity and holding requirements.	Balanced objectives linked to Group, business unit and individual performance.	Competitive remuneration reflective of the market, scope of role, geographic location and performance.	By designing fit-for-purpose programs accounting for our global operations, cyclical industry and market dynamics, in a manner that aligns to the Company's purpose.	Through an appropriate balanced mix of incentives and metrics aligned to both short-term execution and long-term strategy.

REMUNERATION REPORT (continued)

Executive Remuneration Framework			
		AT-RISK INCENTIVE	
	FIXED REMUNERATION	SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE
Purpose	Attract and retain top global talent	Rewards for meeting or exceeding challenging annual financial, strategic and individual performance goals	Drives a focus on creating sustainable long-term shareholder value and reinforcing an ownership mindset
Instrument	Base salary, superannuation, pension, and/or retirement contributions where applicable, and other non-monetary benefits	Cash and Deferred Ordinary Shares	• TSR Performance Rights (22%) • Strategic Performance Rights (45%) • Return on Productive Assets Rights (ROPA) (33%)
Measurement / Considerations	Reviewed periodically considering various factors including (but not limited to) role size and complexity, skills and experience, talent scarcity and relevant external remuneration benchmarks	**Financial performance (80%)** Underlying EBIT **Non-financial performance (20%)** Individual performance goals under several key focus areas: • Environment, Health & Safety • Organisational Simplification • Margin Optimisation • Culture, Leadership, Diversity and People	**TSR Performance Rights** Relative TSR against companies in the ASX 200 materials and energy sectors, over a three-year performance period. **Strategic Performance Rights** Achievement of strategic goals over a three-year performance period. **ROPA Rights** Achievement of the Company's performance relative to a Return on Productive Assets metric over a three-year performance period.
Quantum		**Group CEO, Group CFO** 100% of base salary at-target (184% of base maximum) **CCO, Metal and COO, Metal** 75% of base salary at-target (138% of base maximum)	**Group CEO** LTI grant value of 150% of base salary **Group CFO, CCO, Metal and COO, Metal** LTI grant value of 100% of base salary

REMUNERATION REPORT (continued)

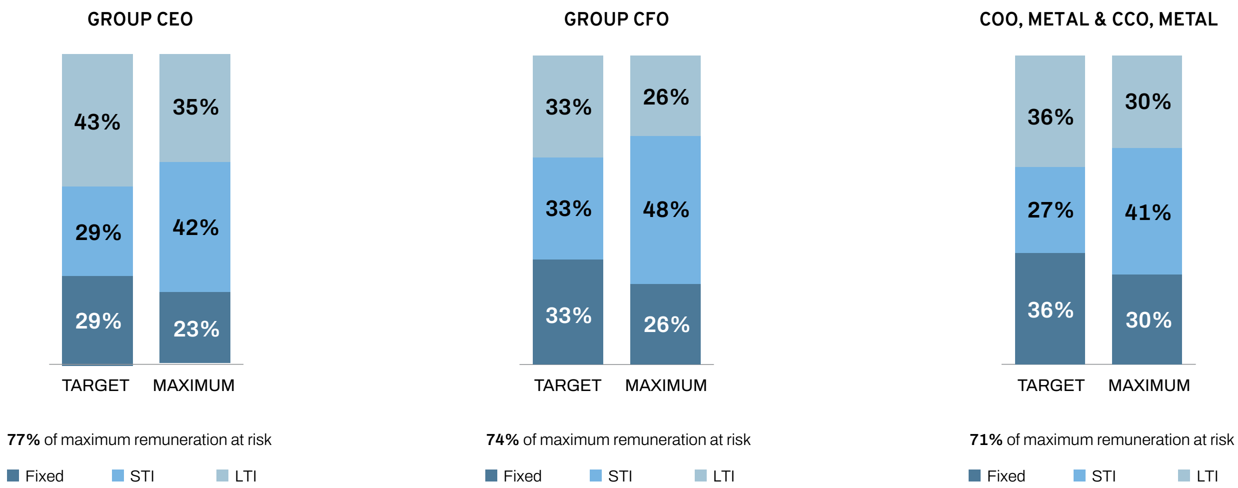
Delivery of FY24 remuneration components



1.2 EXECUTIVE REMUNERATION MIX

The charts below show the mix of the aggregate remuneration components at target and maximum for each of our Executives for FY24. References to actual remuneration outcomes received by the Sims' Executives for FY24 are provided in section 3.

FY24 Remuneration structure and mix at target and at maximum achievement for Sims' Executives[1,2]



1 Fixed Remuneration excludes accrued benefits.
2 Totals may not add to 100% due to rounding of individual components

REMUNERATION REPORT (continued)

1.3 EXECUTIVE REMUNERATION BENCHMARKING

The Committee believes it is important to understand the relevant market for executive talent in order to ensure Sims' remuneration strategy and programs support the guiding principle to attract, retain and develop a pipeline of highly qualified leaders. Sims has adopted a market positioning strategy where the remuneration program design and total remuneration for Executives are benchmarked against a group of peer companies that are listed on the Australian Securities Exchange (ASX), New York Stock Exchange and the NASDAQ Stock Market. The Company competes against the peer companies for executive talent across its different business operations and jurisdictions, globally.

Fixed remuneration acts as a base level of pay for ongoing performance of job responsibilities. A competitive level of fixed remuneration is critical to attract and retain executives.

Total fixed remuneration includes base salary and benefits, such as superannuation or other retirement programs, health insurance, life and disability insurance, and automobile allowances where applicable. At-risk remuneration elements are based on annual bonus and performance-based equity incentives.

Fixed and at-risk remuneration at Sims references an appropriate range around the market median (50th percentile) as one input to the Company's remuneration decisions. In addition, other inputs include:

- The geographic reach of the role;
- The complexity of the role;
- Skills and experience required for the role;
- Market pay levels and competitiveness against the benchmark peer group;
- The criticality of the role to successful execution of the business strategy; and
- Market dynamics and cyclicality affecting the industry in which the Company operates.

REMUNERATION REPORT (continued)

Executive Benchmarking Peer Group

The People & Culture Committee, with assistance from its independent remuneration consultants, monitors composition of the peer group to ensure it continues to serve as an appropriate reference for establishing total remuneration for Sims' Executives. The Committee considers companies with similarities to Sims on one or more of the following characteristics:

- within our industry or comparable lines of business
- complexity of global operations
- similar revenue size
- country listing
- similar industry dynamics
- similar number of employees
- similar market capitalisation.

This peer group is used exclusively for benchmarking of executive remuneration and is not linked to any incentive program.

By considering benchmarking peers across a number of parameters, this ensures that Sims is able to attract and retain key talent that reflects the geographical and operational complexity of our business. The Committee believes that overemphasising peer companies by market capitalisation can lead to significant volatility in remuneration quantum due to temporary peaks or troughs in Sims' and peers' market value. It should be noted that the U.S. listed peers companies not only represent our key source of competition for executive talent, but also companies that Sims competes with for business acquisitions.

The executive remuneration peer group was determined by selecting public companies traded in the USA and Australia with executives primarily located in either of those two countries. Revenue, assets, market capitalisation, capital expenditures, profit, number of employees, industry, cyclicality, complexity of operations, and geographic footprint were among the factors considered in selecting the peer companies.

The Committee, along with its independent compensation consultant recently reviewed Sims' peer group which currently reflect the 38 companies listed below:

AUSTRALIAN LISTED COMPANIES			
Ansell	Cleanaway Waste Management	Incitec Pivot	Orora
Aurizon	Coronado Global Resources	James Hardie Industries	Qube
BlueScope Steel	CSR	Metcash	Viva Energy Group
Boral	Downer EDI	Nufarm	Worley
Brickworks	Graincorp	Orica	

U.S. LISTED COMPANIES			
Algoma Steel Group	Clean Harbors	Greif	Ryerson Holding Corp
Alpha Metallurgical Resources	Commercial Metals Co	Hyster-Yale Materials	Schneider National
ATI	Constellium SE	O-I Glass	Silgan
Boise Cascade Co	Eagle Materials	Pactiv Evergreen	Worthington Steel
Carpenter Technology Corp	Enviri Corp	Radius Recycling	

REMUNERATION REPORT (continued)

1.4 SHORT-TERM INCENTIVE PLAN OVERVIEW FOR FY24

<table>
<tr><td>Who participates in the STI Plan?</td><td colspan="3">The Group CEO and other KMP Executives</td></tr>
<tr><td>What is the objective of the STI Plan?</td><td colspan="3">To recognise KMP Executives for the achievement of financial, strategic and individual performance goals over one year.</td></tr>
<tr><td>How is it paid?</td><td colspan="3">Cash and Deferred Shares - if the total bonus award exceeds 120% of target, one-half of the excess over 100% will be deferred post-tax into Sims ordinary shares with a 2-year holding period.</td></tr>
<tr><td>When is it paid?</td><td colspan="3">STI is delivered in September following finalisation of the Company's audited financial results.</td></tr>
<tr><td>What is the performance period?</td><td colspan="3">STI awards are assessed over a 12-month performance period aligned with the Company's financial year (1 July 2023 to 30 June 2024).</td></tr>
<tr><td rowspan="4">How much can the Executive earn?</td><td>Positions</td><td>Target Opportunity</td><td>Maximum Opportunity</td></tr>
<tr><td>Group CEO, Group CFO</td><td>100% of Base Salary</td><td>184% of Base Salary</td></tr>
<tr><td>CCO, Metal and COO, Metal</td><td>75% of Base Salary</td><td>138% of Base Salary</td></tr>
<tr><td colspan="3">The maximum opportunity represents 200% achievement on the financial component and 120% achievement on the non-financial component (see below).</td></tr>
<tr><td>How is performance assessed and what are the performance measures?</td><td colspan="3">Financial Performance Measure

The financial measure under the STI is underlying EBIT, representing 80% of the total target STI opportunity. Underlying EBIT is established as part of the Company's budget process which includes consideration of the current economic environment. The Board assesses the underlying EBIT achievement and Executives can earn a maximum of 200% achievement of the financial component of the STI, being approximately 87% of the total maximum STI opportunity. Sims' Board may reassess the effectiveness of the performance measures under the STI annually and may determine to make adjustments to ensure continued alignment to strategy and delivery of appropriate returns to shareholders.

The Board believes the utilisation of underlying EBIT as a reporting metric provides a consistent and comparable year-over-year measure. This improves transparency, line of sight, communication and simplicity. EBIT associated with the disposal of businesses, impact of impairments, restructuring charges, timing of non-qualified hedges and other non-recurring items that are subject to significant variability from one period to the next are excluded from the calculation. Refer to the Reconciliation of Statutory Results to Underlying Results within the Operating and Financial Review section of the Directors' Report for a reconciliation of underlying EBIT to statutory EBIT.

Details of the KMPs' FY24 remuneration outcomes and accomplishments are provided under section 3.

Non-Financial Performance Measure

An Executive's individual performance is also a component of the STI awards, representing 20% of the total target STI opportunity. Individual Performance Goals (IPGs) are set in a number of key areas which focus on safety and business initiatives critical to the overall success of the Company and execution of its strategic initiatives and operating objectives. The Board assesses the IPG achievement of the CEO and reviews and approves the CEO's assessment of achievement by other Executives. Executives can earn a maximum of 120% achievement for the IPG component of the STI, being approximately 13% of the total maximum STI opportunity.

The People & Culture Committee established specific criteria for FY24 individual performance goals pertaining to the Group CEO and other Executives of Sims. IPGs for Executives included objectives in the areas of safety; culture and leadership; organisational simplification; margin optimisation; sustainability; and community engagement. Additional details regarding achievement against goals are provided for each Executive in section 2.6.

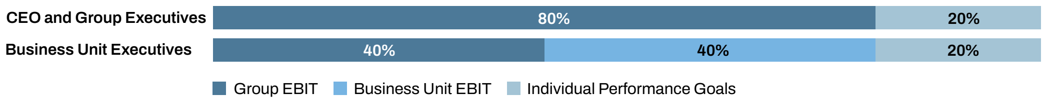
No minimum financial achievement is required for Executives to earn a payout for the achievement of the non-financial component of the STI. The Board retains discretion regarding the funding of the non-financial component payouts.

The Group CEO's performance is assessed by the Committee and any earned incentive payment recommendation must be approved by the Board of Directors. The performance of other Executives is reviewed annually by the Group CEO, and recommended payments are considered and, if appropriate, approved by the Committee.</td></tr>
</table>

REMUNERATION REPORT (continued)

What are the performance weightings for each Executive?

The table below outlines financial and non-financial weightings for each Executive, of which 80% is represented by EBIT.



The Board believes these weightings align to the principle of balancing objectives for which Executives are directly accountable and responsible, while retaining a link to Group performance.

What is the range of achievement and payout levels for the financial component?

The STI is determined by reference to a range of threshold, target and maximum levels of performance hurdles. For FY24, the People and Culture Committee established goals for the fiscal year with the range of financial achievement and potential STI payout opportunities as outlined below. Results between the values are determined on a linear basis.

Group and Business Unit EBIT Achievement	STI Funding Percentage
Below Threshold	0%
At Threshold	50%
At Target (100% of Budget)	100%
At or Above Maximum	200%

What happens to STI awards when an Executive ceases employment?

STI performance for the relevant period will be assessed and paid on a pro rata basis for a qualifying employment cessation event (i.e. generally termination due to death, permanent disability, redundancy, retirement or in other circumstances determined at the discretion of the Board). See section 4.2 for further information on the treatment of an Executive's STI upon termination. A voluntary termination prior to the date of any earned payout will result in no STI award being paid for the year, unless the Committee determines otherwise. STI awards are not payable in the case of termination for cause.

Is there a malus/ clawback provision?

Yes. Sims' Board may exercise clawback provisions related to STI payments in the event of fraud or serious misconduct by Executives, or any other eligible plan participant.

Why does the Board consider Board discretion to be appropriate?

At all times, the Board may exercise discretion on STI awards. The Board acknowledges that selected performance measures and formulaic calculations may not provide the right remuneration outcome in every situation, leading to occasions where the incentive does not reflect the true performance and overall contributions of the executive. It is at this point that discretion becomes necessary, such that the Board can adjust outcomes up or down as warranted.

Discretion will only be applied in a manner that aligns the experience of both the Company and shareholders. Any discretion to be applied will be disclosed and explained in the Remuneration Report, as necessary.

REMUNERATION REPORT (continued)

1.5 LONG-TERM INCENTIVE PLAN OVERVIEW FOR FY24

Who participates in the LTI Plan?	The Group CEO and other KMP Executives
What is the objective of the LTI Plan?	• To align executive and shareholder interests through share ownership, focusing on Group results through awards of long-term, at-risk, deferred equity while also motivating and retaining its key Executives. • To reward executives for accomplishment of strategic objectives that position the Company for future success and improve operational capabilities as well as for achievement of multi-year financial objectives. • The Company's FY24 LTI design encourages strong alignment of Executives' interest with those of the Company's shareholders, as the ultimate reward is dependent upon the Company's financial and share price performance.
How is the award delivered and what is the performance period?	Executives are offered grants in the form of Performance Rights under the LTI plan. **Performance Rights** A performance right is a contractual right to acquire an ordinary share for nil consideration if specified performance conditions are met. Performance rights include TSR Rights, Strategic Rights and ROPA Rights. Details regarding the performance rights are below: • TSR Rights: reward achievement of higher shareholder returns relative to peer companies in the ASX 200 materials and energy sectors, over the three-year performance period of 1 July 2023 through 30 June 2026. Rights vest after three years, with the quantum subject to attainment of the performance conditions. • Strategic Rights: incentivise achievement of the Company's strategic goals over the three-year performance period of 1 July 2023 through 30 June 2026. Rights vest after three years, with the quantum subject to attainment of the performance conditions. • ROPA Rights: incentivise achievement of the Company's Return on Productive Assets over the three-year performance period of 1 July 2023 through 30 June 2026. ROPA is defined as underlying EBIT divided by the average of non-current assets (excluding right of use assets arising from AASB16 Leases and deferred tax assets). Rights vest after three years, with the quantum subject to attainment of the performance conditions.
How often are awards made?	LTI awards are granted on an annual basis to eligible participants. The Board has absolute discretion to determine the frequency and timing of grants under the LTI Plan.
What is the mix of awards?	All Executives were granted LTI for FY24 in values proportionate as follows:
What is the quantum of the award and what allocation methodology is used?	**Performance Rights** For all Performance Rights, the number of rights granted is calculated by dividing 150% of the CEO's base salary or 100% of other Executive's base salary by the face value of the underlying shares on the date of grant. Further details and the Company's rationale for the grants offered under the LTI plan are highlighted throughout the remainder of this section.

POSITIONS	TSR RIGHTS	STRATEGIC RIGHTS	ROPA RIGHTS
Group CEO & other KMP Executives	22%	45%	33%

REMUNERATION REPORT (continued)

How are the TSR Rights measured?

TSR measures the growth over a particular period in the Company's share price plus the value of reinvested dividends.

The TSR performance hurdle was chosen as it directly aligns with shareholder's interest as executives are rewarded only when the Company's TSR equals or exceeds the median of the comparator companies.

Comparator group

The comparator group used to measure TSR performance is the constituent companies as of 1 July 2023 in the ASX 200 materials and energy sectors. This comparator group is made up of companies in related sectors and of similar size to Sims, that are subject to many of the same economic trends as Sims.

Vesting schedule

TSR-based grants vest according to relative positioning of the Company's TSR at the end of a three-year performance period.

Sims' TSR relative to TSR of Comparator group	Proportion of TSR Rights Vesting
Below 50th Percentile	0%
At 50th Percentile	50%
Between 50th and 75th Percentile	Straight line between 50% and 100%
At or Above 75th Percentile	100%

How are the Strategic Rights measured?

Strategic Rights are measured over a three-year performance period.

Strategic Rights vest based on achievement of defined goals over the Performance Period.

Sims' Board has full discretion to make adjustments on either the calculation or testing results of the Strategic Rights performance measures.

Details of the performance goals and conditions are shown in section 2.6 of the Remuneration Report.

How are the ROPA Rights measured?

ROPA Rights are measured over a three-year performance period.

ROPA Rights vest based on the Company's Return on Productive Assets over the Performance Period.

FY24-26 Average ROPA	Proportion of Earned ROPA Rights Vesting
Below 12%	0%
At 12%	50%
Between 12% and 20%	Straight line between 50% and 100%
At or Above 20%	100%

Details of the performance goals and conditions are shown in section 2.6 of the remuneration report.

REMUNERATION REPORT (continued)

What happens to LTI awards when an Executive ceases employment?	When a participant voluntarily resigns or is terminated for cause, all unvested awards are forfeited, as all rights are subject to a continuous service provision. Where termination of employment is the result of a qualifying cessation (i.e., generally death, permanent disablement, redundancy, retirement, or in other circumstances at the discretion of the Board), a participant will be entitled to his or her unvested awards subject to any performance conditions, in accordance with the original vesting schedule. Any unvested awards that did not meet the required performance conditions will lapse at the end of the relevant performance period.
How are dividends treated during the vesting period?	Holders of rights and options are not entitled to dividends over the term of the relevant vesting period (and in the case of options, until exercised). Deferred shares do earn dividends during the holding period, as these shares are fully vested.
Is there a malus/ clawback provision?	Yes. Sims' Board may exercise clawback provisions related to LTI payments and future vesting in the event of fraud or serious misconduct by Executives, or any other eligible plan participant.
What happens in the event of a change of control?	The Board has the discretion to immediately vest the rights and options prior to their vesting date if there is a change of control event or in the event that a takeover bid of the Company is recommended by the Board, or a scheme of arrangement concerning the Company, which would have a similar effect to a full takeover bid, is approved by the Company's shareholders.
Why does the Board consider Board discretion to be appropriate?	At all times, the Board may exercise discretion on LTI awards. The Board acknowledges that selected performance measures and formulaic calculations may not provide the right remuneration outcome in every situation, leading to occasions where the incentive does not reflect the true performance and overall contributions of the executive. It is at this point that discretion becomes necessary, such that the Board can adjust outcomes up or down as warranted. Any discretion applied is disclosed and explained in the Remuneration Report.

1.6 MINIMUM SHAREHOLDING GUIDELINES

All KMP Executives are subject to Minimum Shareholding Guidelines. Unless otherwise approved by the Board, Executives will be prohibited from selling any shares (other than as necessary to satisfy tax withholding obligations upon vesting of Rights), while under the Minimum Shareholding Guideline. Minimum Shareholding Guidelines consider all vested shares, including those subject to a holding period.

KMP Executive	Minimum Shareholding Guideline
CEO	2x Fixed Remuneration
Other Executives	1x Fixed Remuneration

REMUNERATION REPORT (continued)

SECTION 2: FY24 COMPANY PERFORMANCE/EXECUTIVE REMUNERATION OUTCOMES

2.1 SIMS' FINANCIAL PERFORMANCE RESULTS

Year-on-Year Performance

FY24 financial result was impacted by challenging market conditions, including lower ferrous prices, limited scrap availability, difficult export markets, and persistent inflationary pressures.

Despite these challenges, the company recorded resilient performance in ANZ and in its joint venture SA Recycling. There was also significant improvement in our NAM segment in the second half, where early green shoots indicate that strategic initiatives have started to yield positive results. Furthermore, SLS delivered an outstanding performance, showcasing its potential.

Statutory EBIT was $72.6 million, above the Underlying EBIT of $42.9 million.

FY24 sales revenue of $8,562.7 million was up 6.2% compared to FY23 sales revenue of $8,061.1 million, driven by an increase in average sales prices of 8.8%, offset by sales volumes decline of 1.1% as we prioritised margins over volumes.

Total metal trading margin for FY24 was up by 2.4% compared to FY23, despite challenging trading conditions across all markets.

FY24 operating cash flow was $202.5 million, compared to $449.2 million in FY23.

A total dividend of $40.6 million was paid in FY24.

Capital expenditures for property, plant and equipment and intangible assets, excluding acquisitions, were $214.6 million during FY24 compared to $232.5 million in FY23.

Sims commenced a strategic review of the UK business and the Board has recently confirmed that a decision to sell provides the optimal outcome for Sims and its shareholders. This transaction not only maximises value but also aligns with our strategic objectives to simplify our business portfolio, recycle capital and maintain balance sheet strength. In conjunction with this process, we commenced a comprehensive review of our cost base, commencing with a simplification of our organisational structure at a senior executive level. Work on this item will continue into FY25.

Furthermore the Company has signed a letter of intent to sell its remaining interest in Circular Services.

Amidst the challenges experienced in FY24, the dedication to employee health and safety remained consistent. The total recordable injury frequency rate (TRIFR) continued its downward trend, reaching 1.0 by the end of FY24, successfully meeting the target to reduce TRIFR to below or equal 1.0 by 2025.

REMUNERATION REPORT (continued)

The following table provides a summary of the results over the past five years:

	FINANCIAL YEAR				
	2024[7]	2023	2022	2021	2020
Statutory profit/(loss) before interest and tax (A$m)[1]	**72.6**	293.0	773.6	314.0	(239.1)
Statutory diluted earnings/(loss) per share (A¢)	**(29.9)**	91.7	295.6	112.8	(131.2)
Statutory return/(loss) on shareholders' equity	**(2.3%)**	6.8%	23.6%	10.8%	(13.4%)
Net cash (A$m)	**(411.9)**	(135.5)	(102.7)	8.3	110.4
Return on productive assets[2]	**1.8%**	11.4%	39.0%	23.0%	(3.4%)
Underlying profit/(loss) before interest and tax (A$m) [3]	**42.9**	252.2	756.1	386.6	(57.9)
Total dividends paid (A$m)[4]	**40.6**	123.6	140.2	24.2	50.6
Share Buyback (A$m)	**–**	14.6	123.9	–	16.5
Share price at 30 June (A$)[5]	**10.30**	15.75	13.71	16.60	7.93
CEO STI outcome (% of maximum) [6]	**11%**	12%	100%	78%	–%
CEO Performance Rights vesting % [6]	**32%**	91%	82%	–%	36%
CEO SSI Rights vesting % [6]	**N/A**	N/A	80%	90%	70%

1 FY20 includes goodwill and other intangible impairment charges of A$72.0 million. There were no intangible impairment charges in FY24, FY23, FY22,and FY21.

2 Underlying EBIT divided by the average of opening non-current assets and ending non-current assets excluding right of use assets arising from AASB16 Leases and deferred tax assets.

3 Underlying EBIT is a non-IFRS measure that is presented to provide an understanding of the underlying performance of the Group. The measure excludes the impacts of impairments, disposals as well as items that are subject to significant variability from one period to the next. Refer to the *Reconciliation of Statutory Results to Underlying Results* within the *Operating and Financial Review* section of the Directors' Report for further detail.

4 FY24 final dividend of 10.0 cents per share was declared after 30 June 2024 and will be paid in FY25.

5 1 July 2019 share price was $10.86.

6 CEO STI, Performance Rights and SSI Rights are shown in the year in which their respective performance periods end.

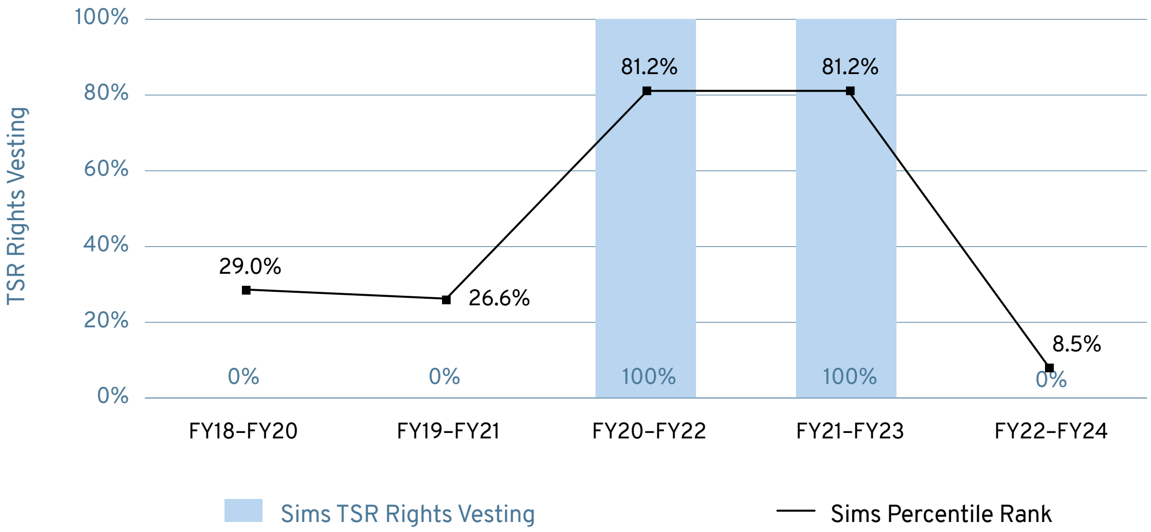
7 2024 figures combines both continuing and discontinued operations results.

REMUNERATION REPORT (continued)

2.2 TOTAL RETURN TO SHAREHOLDERS

Sims Total Shareholder Return – Sims TSR Rights Vesting

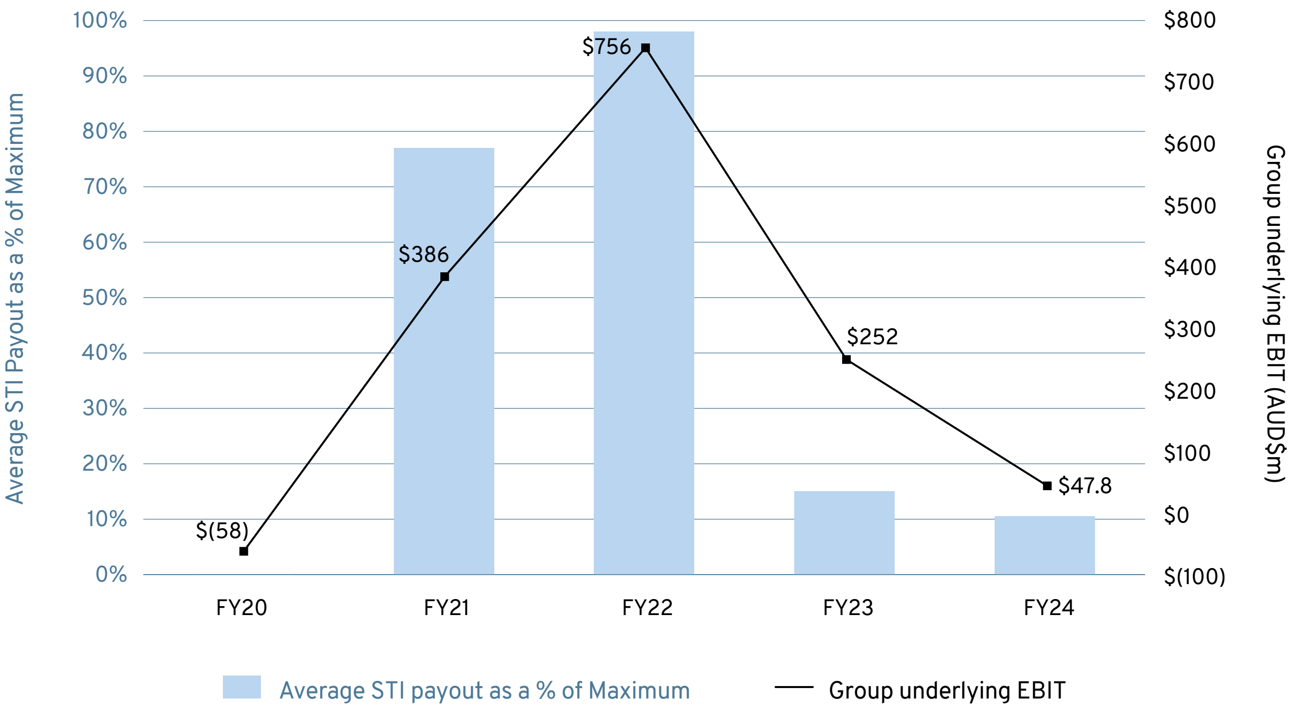
The chart below compares Sims relative TSR percentile rank to the vesting of Sims TSR Rights over the previous five performance periods:



2.3 HISTORICAL AVERAGE STI PAYOUT AS % OF MAXIMUM

Average Executive STI Payout (as a % of maximum) compared to Sims' EBIT performance

Sims' Group underlying EBIT over the past five years is shown in the chart below. The chart confirms that historical average STI outcomes for Executives are aligned with the Company's financial results.



REMUNERATION REPORT (continued)

2.4 EXECUTIVE STATUTORY REMUNERATION TABLE

Executive Statutory Remuneration

The following Executive Statutory Remuneration table has been prepared in accordance with the accounting standards and has been audited by the Company's external auditors:

			SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS		SHARE-BASED PAYMENTS[5]		
(A$) NAME	LOCATION	FINANCIAL YEAR	CASH SALARY[1]	CASH BONUS[2]	OTHER BENEFITS[3]	PENSION AND SUPER-ANNUATION	OTHER LONG TERM BENEFITS[4]	LTI	TOTAL	% of performance related pay
Current KMP										
S Mikkelsen[6]	Australia	**2024**	**1,359,251**	**271,778**	**104,767**	**27,399**	**22,584**	**983,660**	**2,769,439**	**45 %**
		2023	1,162,004	244,021	89,564	25,292	19,307	829,700	2,369,888	45 %
W Ranson	Australia	**2024**	**593,849**	**300,000**	**9,309**	**15,874**	**8,631**	**304,637**	**1,232,300**	**25 %**
		2023	–	–	–	–	–	–	–	— %
J Glyde[6]	Australia	**2024**	**800,947**	**135,761**	**65,024**	**311,007**	**13,308**	**641,095**	**1,967,142**	**39 %**
		2023	793,391	147,901	70,600	170,138	13,182	739,573	1,934,785	46 %
R Thompson[6]	USA	**2024**	**991,458**	**537,485**	**40,836**	**53,261**	**21,965**	**521,798**	**2,166,803**	**49 %**
		2024[7]	**965,538**	**523,433**	**39,769**	**51,869**	**21,390**	**508,157**	**2,110,156**	**49 %**
		2023	943,875	1,248,768	52,823	60,887	–	535,808	2,842,161	19 %
Former KMP										
A Field[6]	Australia	**2024**	**428,605**	**86,189**	**33,036**	**6,873**	**7,121**	**2,430,700**	**2,992,524**	**84 %**
		2023	1,714,420	394,317	141,928	27,492	28,486	2,450,721	4,757,364	60 %
S Skurnac[6]	USA	**2024**	**653,389**	**103,522**	**9,760**	**44,562**	**23,681**	**1,354,536**	**2,189,450**	**67 %**
		2024[7]	**636,307**	**100,815**	**9,505**	**43,397**	**23,061**	**1,319,123**	**2,132,208**	**67 %**
		2023	1,002,674	210,561	62,858	83,334	24,733	679,784	2,063,944	43 %
Total		**2024**	**4,827,499**	**1,434,735**	**262,732**	**458,976**	**97,290**	**6,236,426**	**13,317,658**	
		2024[7]	**4,784,497**	**1,417,976**	**261,410**	**456,419**	**96,095**	**6,187,372**	**13,203,769**	
		2023	5,616,364	2,245,568	417,773	367,143	85,708	5,235,586	13,968,142	

1 Cash salary includes amounts sacrificed in lieu of other benefits at the discretion of the individual.

2 Cash bonus amounts reflect the amounts provided for all Executives under the FY24 and FY23 STI plan. For Mr Ranson, the FY24 cash bonus includes a first year minimum STI bonus of $300,000 for FY24 only. For Mr Thompson, the FY24 bonus includes the final instalment of his new hire sign-on bonus in the amount of US$250,000, and the FY23 cash bonus included the first instalment of his new hire sign-on bonus in the amount of US$500,000 and a first year minimum STI bonus of US$350,000.

3 Other short-term benefits include employer contributions to health and life insurance plans, relocation expense and associated tax gross-ups, and amounts accrued for annual leave during the period.

4 Other long-term benefits include Australian accrued long-term leave (for Messrs Field, Mikkelsen and Glyde) and amount for deferred compensation plans (for Messrs Thompson and Skurnac).

5 Share-based payments represent the accounting expense (as computed pursuant to AASB 2 *Share-based Payments*) recognised by the Company for share-based awards. For Messrs Thompson and Ranson this also included a one-time award of RSUs as part of their respective employment offers, and for Mr Glyde an RSU that was granted prior to becoming a KMP and vested in FY24.

6 Messrs Field, Mikkelsen and Glyde received their cash payments in Australian dollars. Messrs Thompson and Skurnac were paid in U.S. dollars.

7 FY24 remuneration for Messrs Thompson and Skurnac has been translated on a constant currency basis for a relative performance comparison to FY23 before the translation impact of currency fluctuations. The current period amounts paid in U.S. dollars are translated into Australian dollars using the prior year U.S. dollar exchange rate.

REMUNERATION REPORT (continued)

2.5 SUPPLEMENTAL REMUNERATION TABLE

Total Realised Remuneration received by Executives in FY24[1]

As part of the Company's commitment to clear and transparent communication with its shareholders, the Committee has included the table below showing the remuneration that was actually paid to Executives in FY24. The figures in this table include the market value of LTI grants that vested during FY24, while the section 2.4 table includes the accounting value for LTI grants recognised during FY24, regardless of the date on which they vest, or whether they vest at all.

		CASH SALARY	OTHER BENEFITS	CASH BONUS	LTI	TOTAL REMUNERATION	ACTUAL TOTAL
(A$) [2] EXECUTIVES	FINANCIAL YEAR	ACTUAL $	ACTUAL $[3]	ACTUAL $[4]	ACTUAL VESTED $[5]	ACTUAL $	REMUNERATION AS % OF TARGET TOTAL REMUNERATION
Current KMP							
S Mikkelsen	**2024**	**1,359,251**	**27,399**	**271,778**	**1,519,979**	**3,178,407**	**64 %**
	2023	1,162,004	25,292	244,021	1,305,474	2,736,791	78 %
W Ranson	**2024**	**593,849**	**15,874**	**300,000**	**–**	**909,723**	**34 %**
	2023	–	–	–	–	–	– %
J Glyde	**2024**	**800,947**	**314,297**	**135,761**	**1,423,313**	**2,674,318**	**99 %**
	2023	793,391	179,586	147,901	1,190,899	2,311,777	90 %
R Thompson	**2024**	**991,458**	**70,199**	**537,485**	**283,638**	**1,882,780**	**67 %**
	2024[6]	**965,538**	**68,363**	**523,433**	**276,222**	**1,833,556**	**67 %**
	2023	943,875	44,992	1,248,768	–	2,237,635	84 %
Former KMP							
A Field	**2024**	**428,605**	**6,873**	**86,189**	**4,491,690**	**5,013,357**	**117 %**
	2023	1,714,420	37,278	394,317	3,838,210	5,984,225	87 %
S Skurnac	**2024**	**653,389**	**38,391**	**103,522**	**1,315,083**	**2,110,385**	**77 %**
	2024[6]	**636,307**	**37,387**	**100,815**	**1,280,702**	**2,055,211**	**77 %**
	2023	1,002,674	78,746	210,561	1,013,558	2,305,539	75 %

1 The figures in the table are different from those shown in the Executive Statutory Remuneration table in section 2.4. The table in section 2.4 is consistent with financial statement recognition and measurement and includes an apportioned accounting value for all unvested STI and LTI grants during or after FY21 (some of which remain subject to satisfaction of performance and service conditions and may not ultimately vest).

2 Messrs Field, Mikkelsen and Glyde received their cash payments in Australian dollars. Messrs Thompson and Skurnac were paid in U.S. dollars.

3 Other Benefits include employer contributions to defined contribution retirement plans, health and life insurance plans and relocation expenses and associated tax gross-ups, if applicable.

4 Actual Cash Bonus refers to the Executive's total STI provided for in FY24 to be paid in FY25 (and similar for the comparative period). For Mr Ranson, the FY24 cash bonus also includes a first year minimum STI bonus of $300,000 for FY24 only. For Mr Thompson, the FY24 bonus also includes the final instalment of his new hire sign-on bonus in the amount of US$250,000, and the FY23 cash bonus also includes the first instalment of his new hire sign-on bonus in the amount of US$500,000 and a first year minimum STI bonus of US$350,000.

5 Actual vested LTI refers to equity grants from prior years that vested during FY24. These include share rights that vested on 31 August 2023. The value is calculated using the Company's closing share price on the day of vesting after deducting any exercise price.

6 FY24 remuneration for Messrs Thompson and Skurnac has been translated on a constant currency basis for a relative performance comparison to FY23 before the translation impact of currency fluctuations. The current period amounts paid in U.S. dollars are translated into Australian dollars using the prior year U.S. dollar exchange rate.

REMUNERATION REPORT (continued)

2.6 REMUNERATION OUTCOME FOR SIMS EXECUTIVES

KMP remuneration outcomes for fixed remuneration and the incentives related to the performance period ended 30 June 2024 are set out within this section.

FY24 Fixed Remuneration Changes

As part of the restructuring and cost reduction initiatives undertaken by the Company, management recommended no increase to the fixed remuneration for Executives in FY24. However, the current Group CEO received an increase in salary of 23% effective with his new role 1 October 2023. Note that the fixed remuneration of the current Group CEO is 17% less than the amount for the Former Group CEO.

Historical remuneration practice is to review, and where warranted, make Executive base salary adjustments effective annually in September.

FY24 Short Term Incentive Performance Outcomes

An Executive's STI payout is based on two fundamental factors: how well the Company performed and how well the individual Executive performed against pre-established goals. In accordance with the methodology set out in section 1.4 of the Remuneration Report, an assessment was undertaken of the performance of the Group CEO and each KMP Executive against their FY24 objectives.

Details on the CEO's performance against financial and non-financial STI objectives, with commentary on achievements, are provided in the scorecard shown below.

CATEGORY	KPIs	RATIONALE FOR SELECTION	TARGET WEIGHTING	PERFORMANCE (MIN / TARGET / MAX)	WEIGHTED OUTCOMES
Financials[1]	Underlying EBIT	Ensure a focus on growing and managing the profitability of the business as a key driver of sustainable shareholder returns	80%		0%
Non-Financial[2] **(IPGs)**	Safety - achieve 95%+ on all leading indicators and meet TIFR and LTIR lagging indicator targets.	Reflects key areas that drive outperformance on safety and business initiatives critical to the overall success of the Company including the execution of its strategic, performance improvement, and sustainability initiatives and operating objectives.	20%		20%
	Simplify the organisational structure for improved efficiencies and reduced overhead costs. Perform a strategic review of the U.K Metal business.				
	Identify and execute on Margin Optimisation efforts through improved material intake practices, capacity utilisation and sales channel improvements.				
	Driving desired leadership culture through inclusive leadership principles, behaviours and accountabilities.				
Scorecard Outcome			100%		20% of Target (11% of Maximum)

1 FY24 underlying EBIT of $42.9 was significantly below the minimum threshold of the performance goal.

2 Among other achievements, the Board considered the achievement of the lowest total recordable injury rate ever reported.

REMUNERATION REPORT (continued)

The table below outlines the percentage of maximum STI achieved (and forfeited), and the total STI awarded, for each Executive in FY24.

EXECUTIVES	STI MAXIMUM OPPORTUNITY (A$)	STI ACHIEVEMENT (% OF MAXIMUM)	STI FORFEITED (% OF MAXIMUM)	STI ACTUAL AMOUNT (A$)
Current KMP				
S Mikkelsen	2,500,361	11%	89%	271,778
W Ranson[1]	1,082,132	28%	72%	300,000
J Glyde	1,248,998	11%	89%	135,761
R Thompson	1,368,212	11%	89%	156,155
Former KMP				
A Field	792,942	11%	89%	86,189
S Skurnac	952,399	11%	89%	103,522

1 As part of his employment terms, Mr Ranson had a minimum guaranteed FY24 bonus payment of AUD$300,000.

2 Messrs Field and Skurnac each received a prorated bonus based on the time worked in FY24 to their retirement date.

FY24 Long Term Incentive Performance Outcomes for Performance Periods ending 30 June 2024

FY22 Strategic Performance Rights

Strategic performance-based rights were tested for achievement at the end of the three-year performance period ended 30 June 2024. These metrics represent key long-term objectives directly aligned to the strategic goals presented to shareholders in April 2019. While the specific details of those goals and the progress made thereto may be commercially sensitive, a summary of the measures and progress the Board considered in its assessment of achievement is set out below. In certain instances, the Board also evaluated the impact of a change in strategy on the ability to achieve the relevant measures. This was primarily considered in the strategic shift away from pursuing volume targets in favour of a focus on margin optimisation associated with improved material intake practices.

REMUNERATION REPORT (continued)

INCENTIVE MEASURE	TARGET	ACHIEVEMENT/COMMENTARY	ACHIEVEMENT
Expand metal volumes in favourable geographies	Global ferrous volumes of 8.3 million tonnes	Although only 87% of this target was achieved, the Board exercised discretion for a substantial achievement to support the progress made on the initiatives necessary for executing the strategic shift away from volume targets towards margin-optimised practices.	**Substantially Achieved**
Grow non-ferrous business	Sales of U.S. non-ferrous volumes of 250,000 tonnes	Exceeded - achieved 110% of target.	**Full Achievement**
Enter resource renewal	Campbellfield Resource Renewal Facility operational and processing all available Sims ASR up to design capacity Receipt of regulatory approval of proposed commercial facility in Queensland Approval by Board to commence construction of second resource renewal facility in Queensland	Project pilot plant successfully built and technology proven. Currently evaluating potential JV partners to pursue next phase of commercial development.	**Substantially Achieved**
Recycle the cloud	4.75 million Repurposed Units (resold and redeployed units, excluding recycled and shredded)	Exceeding 6 million units, this measure was significantly exceeded.	**Full Achievement**
Business Transformation	Optimise and embed benefits from ERP and Business Transformation, including: - Global Metal inventory position in "real time" - Shared services undertaking Global Metal accounting transactions - Monthly results produced in a specific number of business days	The specified goals for the ERP benefits were not achieved during the measurement period. However, the Board recognised the significant effort that has been undertaken to implement major IT systems in both Global Trade and ANZ Metals during the measurement period and therefore exercised its discretion to recognise partial achievement.	**Partially Achieved**
Sims Energy	Acquire or build 35 megawatts outside of Australia	Although the 35 megawatts goal was not established outside of Australia, the Board considered the favourable outcome to shareholders as a result of the sale of Sims Energy/LMS business and therefore exercised its discretion for a full achievement.	**Full Achievement**
		Overall Performance	**85% Achievement**

The performance goals under the FY22 Grants did not have specified individual weightings. However, the board considered the importance of the growth of the non-ferrous Metal business, the development of the Sims Lifecycle Services business and the cash generated from the successful sale of the Sims Energy for the recycling of capital in its consideration of overall results. As communicated to shareholders, we have shifted our focus for the ferrous business from volume growth to margin expansion. The Board introduced individual weightings of goals beginning with FY23 Grants.

REMUNERATION REPORT (continued)

ROC Modifier – FY22 Strategic Rights are subject to a Return on Capital (ROC) modifier, which is multiplied by the achievement percentage for the Incentive Measures above to obtain the final achievement level. The ROC achievement is based on the following table:

FY22-24 ROC	ROC Achievement Percentage
10% or Below	70%
10% - 12%	Straight-line interpolation
12% or Above	100%

For FY22-24, the ROC result is 1.4%, resulting in a ROC modifier of 70% applied against the achievement level. Combined with the 85% Incentive Measures achievement, the final Strategic Performance Rights vesting percentage is 60%.

FY22 TSR Performance Rights

TSR performance-based rights that were tested for achievement at the end of the three-year performance period ending 30 June 2024, attained the 8.5th percentile against the comparator group, and therefore no TSR Performance Rights vested and all were subsequently forfeited. The TSR achievement is based on the following table:

Sims' TSR relative to TSR of Comparator group	Proportion of TSR Rights Vesting
Below 50th Percentile	0%
At 50th Percentile	50%
Between 50th and 75th Percentile	Straight line between 50% and 100%
At or Above 75th Percentile	100%

REMUNERATION REPORT (continued)

SECTION 3: FY25 EXECUTIVE REMUNERATION STRATEGY AND FRAMEWORK

3.1 CHANGES TO SIMS' REMUNERATION FRAMEWORK FOR FY25

Due to the favourable feedback received from Sims' shareholders and various stakeholder groups on the changes to the FY24 remuneration structure we disclosed in last year's Report, no further changes are being made to either the STI or LTI plan designs in FY25.

REMUNERATION REPORT (continued)

SECTION 4: EXECUTIVE REMUNERATION GOVERNANCE AND DISCLOSURE TABLES

4.1 REMUNERATION GOVERNANCE

The Committee assists the Board in fulfilling its oversight responsibility relative to the integrity of the Company's remuneration framework and works closely with other Board Committees to ensure the Company's policies and procedures on risk management, organisational culture, and Board effectiveness are consistent with the long-term best interests of the Company and its shareholders.

BOARD

The Sims' Board has responsibility for the Company's executive remuneration programs which include:
- Establishing remuneration philosophy and guiding principles
- Oversight of remuneration practices and policies
- Reviewing and approving recommendations from the People & Culture Committee

PEOPLE & CULTURE COMMITTEE

The Committee includes 5 independent NEDs and advises the Board on:
- Remuneration strategy, framework, performance goals, recruitment, retention, termination and NED fees and framework
- Considers recommendations from Sims' management in making remuneration decisions based on the Company's remuneration guiding principles

MANAGEMENT

Sims' management provides information relevant to remuneration decisions and makes recommendations to the Committee on:

- Remuneration structure, policies and market trends
- Remuneration recommendations

REMUNERATION CONSULTANT

- The People & Culture Committee may, at its discretion, select independent consultants to provide advice and information relevant to make informed remuneration decisions.

The Committee engaged its independent remuneration consultants to review and revise the remuneration peer group and also provide the Board with updated peer group pay data relative to base remuneration and short- and long-term incentives. For the purposes of the Corporations Act no remuneration recommendations in relation to KMP were provided by the Remuneration Consultant or other advisor during FY24.

REMUNERATION REPORT (continued)

4.2 EXECUTIVE CONTRACTS

Termination Entitlements under Executive Contracts

The table below outlines termination provisions for the Group CEO and other KMP, in accordance with formal contracts of a continuing nature with no fixed term of service. For FY24, there were no changes to the terms of the contracts for Executives reported in this year's Remuneration Report. These Termination Entitlements were approved by shareholders at the Company's 2014 Annual General Meeting.

Termination Entitlements if Terminated by the Company or by the Executive for Good Reason	Group CEO and Other Executives
Notice Period	• 3 months; provided by either the Executive or the Company • For Mr Glyde, 6 months if provided by the Company
Fixed Remuneration	• 12 months of fixed remuneration
STI	• Pro-rata STI payment subject to performance testing and Board discretion based on Executive performance
LTI	• Eligible for continued vesting of LTI awards, subject to performance testing and original vesting dates
Other Entitlements	• Eligible for any accrued but unpaid remuneration (leave and accrued benefits) • Up to 12 months Company paid health insurance premiums
Termination due to Death or Permanent Disability or Other Circumstances at the Board's discretion	• Entitlements as shown above relating to treatment of Fixed Remuneration, STI, LTI and Other Entitlements
Termination due to Retirement	• Entitlements as shown above relating to treatment of STI and LTI

REMUNERATION REPORT (continued)

4.3 SHARE BASED PAYMENTS AND EQUITY HOLDINGS

Options provided as remuneration

The number of options over fully paid ordinary shares in the Company held during the financial year by each Executive is set out below. Values are in Australian dollars. No options were awarded to Executives during FY24.

NAME	BALANCE AT 1-JUL-23	NUMBER GRANTED	NUMBER EXERCISED	NUMBER FORFEITED/ EXPIRED	CEASE TO BE A KMP	BALANCE AT 30-JUN-24	VESTED	UNVESTED	NUMBER OF OPTIONS THAT VESTED DURING FY24
Ordinary shares (A$)									
Current KMPs									
S Mikkelsen	155,101	–	–	–	–	155,101	–	–	–
W Ranson	–	–	–	–	–	–	–	–	–
J Glyde	82,135	–	–	–	–	82,135	–	–	–
R Thompson	–	–	–	–	–	–	–	–	–
Former KMPs									
A Field	636,858	–	–	–	(636,858)	–	–	–	–
S Skurnac	154,002	–	–	–	(154,002)	–	–	–	–

REMUNERATION REPORT (continued)

Performance Rights and Restricted Share Units provided as remuneration

The following table summarises the outstanding performance rights and RSUs granted to Executives.

NAME	GRANT DATE	GRANT TYPE	NUMBER GRANTED	VALUE AT GRANT DATE[2]	DATE NEXT TRANCHE VESTS	MAXIMUM TOTAL VALUE OF UNVESTED GRANT[1] (A$)
Ordinary Shares (A$)						
S Mikkelsen	11-Nov-21	Strategic	35,000	13.68	30-Aug-24	24,851
	11-Nov-21	TSR	30,005	8.18	30-Aug-24	12,739
	9-Nov-22	ROPA	24,549	11.23	30-Aug-24	101,443
	9-Nov-22	Strategic	33,476	11.23	29-Aug-25	138,331
	9-Nov-22	TSR	16,366	5.13	29-Aug-25	30,893
	2-Nov-23	ROPA	46,529	11.66	31-Aug-26	371,376
	2-Nov-23	Strategic	63,448	11.66	31-Aug-26	506,417
	2-Nov-23	TSR	31,019	6.87	31-Aug-26	145,689
W Ranson	2-Nov-23	ROPA	22,312	11.66	31-Aug-26	178,086
	2-Nov-23	Strategic	30,425	11.66	31-Aug-26	242,840
	2-Nov-23	TSR	14,875	6.87	31-Aug-26	69,865
	4-Dec-23	RSU	36,928	12.56	31-Aug-26	386,395
J Glyde	11-Nov-21	Strategic	25,718	13.68	30-Aug-24	18,261
	11-Nov-21	TSR	22,048	8.18	30-Aug-24	9,361
	9-Nov-22	ROPA	19,121	11.23	30-Aug-24	79,013
	9-Nov-22	Strategic	26,074	11.23	29-Aug-25	107,744
	9-Nov-22	TSR	12,747	5.13	29-Aug-25	24,062
	2-Nov-23	ROPA	19,701	11.66	31-Aug-26	157,246
	2-Nov-23	Strategic	26,866	11.66	31-Aug-26	214,434
	2-Nov-23	TSR	13,134	6.87	31-Aug-26	61,687
R Thompson	11-Jul-22	RSU	37,175	13.27	11-Jul-23	3,662
	9-Nov-22	ROPA	18,926	11.23	29-Aug-25	78,207
	9-Nov-22	Strategic	25,808	11.23	29-Aug-25	106,645
	9-Nov-22	TSR	12,617	5.13	29-Aug-25	23,817
	2-Nov-23	ROPA	21,018	11.66	31-Aug-26	167,757
	2-Nov-23	Strategic	28,660	11.66	31-Aug-26	228,753
	2-Nov-23	TSR	14,012	6.87	31-Aug-26	65,811

1 No performance rights or RSUs will vest if the vesting conditions are not satisfied, hence the minimum value of unvested awards is nil. The maximum value of the unvested performance rights and RSUs has been determined as the amount of the grant date value that is yet to be expensed, which will vary from expense recognised contingent on achievement criteria. Performance rights and RSUs are granted for nil consideration.

2 Value at grant date represents the fair value of each right granted at the date of grant and is independently determined using either a binomial model or a Monte-Carlo simulation model which takes into account any market related performance conditions.

REMUNERATION REPORT (continued)

Movement in Performance Rights and Restricted Shares Units[1] during the fiscal year ended 30 June 2024

The number of performance rights and RSUs to ordinary shares in the Company held during the financial year by each Executive is set out below:

NAME	INSTRUMENT THAT PERFORMANCE RIGHTS AND RSUS ARE OVER	BALANCE AT 1-JUL-23	NUMBER GRANTED	NUMBER VESTED/ EXERCISED	NUMBER FORFEITED	CEASE TO BE A KMP	BALANCE AT 30-JUN-24
Current KMPs							
S Mikkelsen	Ordinary shares	247,955	140,996	(99,086)	(9,473)	–	280,392
W Ranson	Ordinary shares	–	104,540	–	–	–	104,540
J Glyde	Ordinary shares	214,910	59,701	(102,509)	(6,693)	–	165,409
R Thompson	Ordinary shares	94,526	63,690	(18,587)	–	–	139,629
Former KMPs							
A Field	Ordinary shares	732,413	–	(292,809)	(27,993)	(411,611)	–
S Skurnac	Ordinary shares	204,024	66,140	(85,729)	(8,196)	(176,239)	–

1 Restricted Share Units (RSUs) represent the right of a participant to receive an ordinary share of Sims stock for no consideration other than the passage of time. RSUs are not a part of ongoing Executive remuneration and any RSUs reflected above were either granted as a one time award as part of the offer of employment with Sims, or are from awards granted prior to becoming an Executive.

KMP share holdings as at the end of the financial year ended 30 June 2024

KMP share holdings as at the end of the financial year and activity during the financial year, including personally related parties, is set out below:

NAME	BALANCE AT 1-JUL-23	RECEIVED ON EXERCISE OF OPTION, PERFORMANCE RIGHTS AND RSUS	PURCHASES/(SALES)	BALANCE AT 30-JUN-24
NEDs				
P Bainbridge	7,730	–	23,600	31,330
V Binns	–	–	4,000	4,000
G Dempsey	–	–	–	–
T Gorman	4,500	–	2,000	6,500
K Hirschfeld	–	–	7,350	7,350
H Kato	–	–	–	–
D O’Toole	17,500	–	–	17,500
Executives				
S Mikkelsen	77,432	99,086	(48,395)	128,123
W Ranson	–	–	–	–
J Glyde	134,865	102,509	(33,040)	204,334
R Thompson	1,000	18,587	(4,526)	15,061

REMUNERATION REPORT (continued)

4.4 NON-EXECUTIVE DIRECTOR FEES

NED Fees

The level of NED fees reflects the need to reward directors for their commitment to the corporate governance of the Company, their active participation in the affairs of the business and the contribution they make generally to the maximisation of shareholder value. The Company aims to provide a level of fees for NEDs taking into account, among other things, fees paid for similar roles in comparable companies, the time commitment, risk and responsibility accepted by NEDs, and recognition of their commercial expertise and experience. Given the geographical spread of the NEDs, with several NEDs located in either the U.S. or Japan, the Company also considers global market competitiveness in setting fee levels.

The maximum aggregate amount available for NED fees (including superannuation) is the greater of A$3 million and US$3 million per annum as approved by shareholders at the Company's 2015 Annual General Meeting. Total aggregate NED fees for FY24 were A$2,222,197/ US$1,457,960 (FY23: A$2,296,558 / US$1,538,767).

During FY19, the Company established a policy of paying all NED fees based on the Australian dollar, regardless of where the director is resident. U.S. resident NEDs who joined the Board prior to FY19 will continue to receive their fees based on the U.S. dollar.

There have been no changes to NED base fees since July 2011. The table below outlines NED base fees for FY24 and FY23:

	2024		2023	
(A$)/(US$)	A A$	B US$	A A$	B US$
Base Fees				
Chairperson	493,330		493,330	
NED	222,750	203,424	222,750	203,424
Committee Fees[1]				
Committee Chairperson[1], [2]	27,375	25,000	27,375	25,000
NED Committee Member	8,760	8,000	8,760	8,000

Column A: All Directors, except for U.S. resident Directors who joined the Board prior to FY19.
Column B: U.S. resident Directors who joined the Board prior to FY19.

1 The NEDs received pro-rated fees based on the time served on each Committee.
2 Chairperson of the Nomination/Governance Committee does not receive any fee for the role.

NEDs also receive reimbursement for essential travel, accommodation and other expenses incurred in travelling to and/or from meetings of the Board, or when otherwise engaged in the business of the Company in accordance with Board policy.

NEDs are not currently covered by any contract of employment; therefore, they have no contract duration, notice period for termination, or entitlement to termination payments. NEDs do not participate in any incentive (cash or equity-based) arrangements.

For Australian resident NEDs, superannuation is deducted from the above fees disclosed in Column A. The Company paid superannuation at 10.5% up to the maximum contribution (A$27,500) for each Australian resident NED in FY24. Superannuation is not paid in respect of overseas NEDs. NEDs do not receive any retirement benefits.

REMUNERATION REPORT (continued)

4.5 NON-EXECUTIVE DIRECTOR REMUNERATION

Non-Executive Director Remuneration

For NEDs who receive payments in U.S. dollars, the table below also reflects the Australian dollar equivalent based on the exchange rate at the date of payment. For NEDs who receive payments in Australian dollars, the table below also reflects the U.S. dollar equivalent based on the exchange rate at the date of payment. Accordingly, exchange rate movements have influenced the disclosed fee level.

A$ UNLESS NOTED NON-EXECUTIVE DIRECTORS			SHORT-TERM BENEFITS	POST-EMPLOYMENT BENEFITS		
NAME	LOCATION	FINANCIAL YEAR	CASH FEES	SUPERANNUATION[1]	TOTAL A$	TOTAL US$
P Bainbridge	Australia	**2024**	**327,260**	**–**	**327,260**	**214,904**
		2023	191,794	8,431	200,225	133,462
V Binns	Australia	**2024**	**226,285**	**27,223**	**253,508**	**166,387**
		2023	214,978	25,292	240,270	161,155
G Brunsdon[2]	Australia	**2024**	**369,157**	**20,374**	**389,531**	**255,228**
		2023	494,316	25,292	519,608	348,514
G Dempsey[3]	Australia	**2024**	**44,724**	**5,293**	**50,017**	**33,304**
		2023	–	–	–	–
T Gorman[4]	USA	**2024**	**250,125**	**–**	**250,125**	**164,167**
		2023	250,125	–	250,125	169,274
K Hirschfeld[5]	Australia	**2024**	**202,943**	**22,832**	**225,775**	**148,138**
		2023	–	–	–	–
H Kato	Japan	**2024**	**240,270**	**–**	**240,270**	**157,699**
		2023	240,270	–	240,270	162,605
G Nelson[6]	USA	**2024**	**218,243**	**–**	**218,243**	**142,581**
		2023	371,113	–	371,113	244,424
D O'Toole	Australia	**2024**	**240,245**	**27,223**	**267,468**	**175,552**
		2023	242,352	25,292	267,644	179,516
H Ridout[7]	Australia	**2024**	**–**	**–**	**–**	**–**
		2023	188,334	18,969	207,303	139,817
Total		**2024**	**2,119,252**	**102,945**	**2,222,197**	**1,457,960**
		2023	2,193,282	103,276	2,296,558	1,538,767

1 Superannuation contributions are made on behalf of Australian resident NEDs to satisfy the Company's obligations under Australian Superannuation Guarantee legislation.
2 Mr Brunsdon retired from the Board on 25 March 2024.
3 Mr Dempsey joined the Board from 22 April 2024.
4 Mr Gorman is a resident of the USA and receives his payment in Australian dollars.
5 Ms Hirschfeld joined the Board from 1 September 2023.
6 Ms Nelson retired from the Board on 1 November 2023. Ms Nelson is a resident of the USA and received her payment in US dollars.
7 Ms Ridout resigned as an Independent Non-executive director on 31 March 2023.

REMUNERATION REPORT (continued)

4.6 OTHER TRANSACTIONS WITH KMP

Transactions entered into with any KMP of the Group, including their personally related parties, are on normal commercial terms.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors.

P Bainbridge
Chairperson
New South Wales
20 August 2024

S Mikkelsen
Managing Director and Group CEO
New South Wales
20 August 2024

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000
Australia
Tel: +61 2 9322 7000
www.deloitte.com.au

20 August 2024

The Board of Directors
Sims Limited
Level 9, 189 O'Riordan Street
Mascot, NSW, 2020

Dear Board Members,

Auditor's Independence Declaration to Sims Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Sims Limited.

As lead audit partner for the audit of the financial report of Sims Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully,

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Chartered Accountants

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2024

	NOTE	2024 A$M	2023 A$M
Continuing operations			Restated[1]
Revenue	3	**7,224.0**	6,658.7
Other income	3	**204.6**	110.6
Raw materials used and changes in inventories		**(5,216.0)**	(4,641.4)
Freight expense		**(454.6)**	(578.8)
Employee benefits expense		**(712.7)**	(612.5)
Depreciation and amortisation expense	5	**(231.6)**	(193.5)
Repairs and maintenance expense		**(96.3)**	(94.1)
Other expenses		**(602.0)**	(512.1)
Impairment expense	4	**(64.2)**	(9.9)
Finance costs	2	**(71.6)**	(33.7)
Share of results of joint ventures	26	**98.2**	187.1
Profit before income tax		**77.8**	280.4
Income tax expense	13	**(76.0)**	(83.8)
Profit for the year from continuing operations		**1.8**	196.6

Discontinued Operations			
Loss for the year from discontinued operations	33	**(59.6)**	(15.5)

(Loss) / profit for the year		**(57.8)**	181.1

		A¢	A¢
Earnings/(loss) per share			
From continuing and discontinued operations			
Basic	7	**(29.9)**	93.7
Diluted	7	**(29.9)**	91.7

From continuing operations			
Basic	7	**0.9**	101.7
Diluted	7	**0.9**	99.5

The consolidated income statement should be read in conjunction with the accompanying notes.

1 In accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations, the comparatives have been restated for discontinued operations that have arisen during the year (refer to Note 33).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	NOTE	2024 A$M	2023 A$M Restated
(Loss) / profit for the year		**(57.8)**	181.1
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Foreign exchange translation differences arising during the period, net of tax	22	**2.0**	86.6
Gain reclassified to profit or loss on disposal of foreign operations, net of tax	22	**(2.6)**	(1.2)
Item that will not be reclassified to profit or loss:			
Re-measurements of defined benefit plans, net of tax		**(1.5)**	(5.5)
Other comprehensive (loss)/income for the year, net of tax		**(2.1)**	79.9
Total comprehensive (loss)/income for the year from continuing operations		**(0.3)**	276.5
Total comprehensive (loss)/income for the year from discontinued operations		**(59.6)**	(15.5)
Total comprehensive (loss)/income for the year		**(59.9)**	261.0

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	NOTE	2024 A$M	2023 A$M
Current assets			
Cash and cash equivalents	19	**93.1**	308.7
Trade and other receivables	8	**651.6**	716.2
Inventories	9	**603.7**	707.6
Other financial assets	17	**187.7**	39.4
Assets classified as held for sale	18	**584.6**	189.5
Total current assets		**2,120.7**	1,961.4
Non-current assets			
Investments in joint ventures	26	**584.9**	599.8
Other financial assets	17	**85.8**	101.4
Right of use assets	11	**230.1**	314.3
Property, plant and equipment	10	**1,399.5**	1,433.4
Retirement benefit assets	16	**0.5**	1.7
Deferred tax assets	13	**181.9**	145.7
Intangible assets	12	**301.3**	148.0
Total non-current assets		**2,784.0**	2,744.3
Total assets		**4,904.7**	4,705.7
Current liabilities			
Trade and other payables	14	**740.3**	838.1
Lease liabilities	11	**73.5**	82.1
Other financial liabilities	17	**167.4**	–
Current tax liabilities		**88.8**	33.3
Provisions	15	**122.9**	140.0
Liabilities directly associated with assets held for sale	18	**236.4**	–
Total current liabilities		**1,429.3**	1,093.5
Non-current liabilities			
Payables	14	**7.9**	21.4
Borrowings	20	**505.0**	444.2
Lease liabilities	11	**205.9**	278.5
Deferred tax liabilities	13	**167.2**	156.0
Provisions	15	**25.5**	53.4
Retirement benefit obligations	16	**1.2**	2.0
Total non-current liabilities		**912.7**	955.5
Total liabilities		**2,342.0**	2,049.0
Net assets		**2,562.7**	2,656.7
Equity			
Contributed equity	21	**2,593.3**	2,575.6
Reserves	22	**448.0**	430.1
Accumulated deficit	22	**(478.6)**	(349.0)
Total equity		**2,562.7**	2,656.7

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	NOTE	CONTRIBUTED EQUITY A$M	RESERVES A$M	ACCUMULATED DEFICIT A$M	TOTAL EQUITY A$M
Balance at 30 June 2022		2,583.2	325.7	(371.4)	2,537.5
Income for the year		–	–	181.1	181.1
Other comprehensive (loss)/income		–	85.4	(5.5)	79.9
Total comprehensive income for the year		–	85.4	175.6	261.0
Transactions with owners in their capacity as owners:					
Movement in treasury shares held by trust	22	7.0	–	(29.6)	(22.6)
Dividends paid		–	–	(123.6)	(123.6)
Share-based payments expense, net of tax		–	19.0	–	19.0
Buy-back of ordinary shares	21	(14.6)	–	–	(14.6)
		(7.6)	19.0	(153.2)	(141.8)
Balance at 30 June 2023		2,575.6	430.1	(349.0)	2,656.7
Income for the year		**–**	**–**	**(57.8)**	**(57.8)**
Other comprehensive (loss)/income		**–**	**(0.6)**	**(1.5)**	**(2.1)**
Total comprehensive income for the year		**–**	**(0.6)**	**(59.3)**	**(59.9)**
Transactions with owners in their capacity as owners:					
Movement in treasury shares held by trust	21, 22	**17.7**	**–**	**(29.7)**	**(12.0)**
Dividends paid	6	**–**	**–**	**(40.6)**	**(40.6)**
Share-based payments expense, net of tax		**–**	**18.5**	**–**	**18.5**
Buy-back of ordinary shares	21	**–**	**–**	**–**	**–**
		17.7	**18.5**	**(70.3)**	**(34.1)**
Balance at 30 June 2024		**2,593.3**	**448.0**	**(478.6)**	**2,562.7**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	NOTE	2024 A$M	2023 A$M
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**8,500.6**	8,155.5
Payments to suppliers and employees (inclusive of goods and services tax)		**(8,296.4)**	(7,762.5)
		204.2	393.0
Interest received		**19.1**	7.4
Interest paid		**(72.5)**	(34.6)
Dividends received from joint ventures		**80.6**	129.7
Grant income received		**–**	0.3
Insurance recoveries		**–**	15.3
Income taxes received		**14.2**	1.1
Income taxes paid		**(43.1)**	(63.0)
Net cash inflows from operating activities	19	**202.5**	449.2
Cash flows from investing activities			
Payments for property, plant and equipment		**(214.3)**	(230.5)
Payments for businesses, net of cash acquired		**(340.0)**	(50.5)
Payments for intangible assets		**(0.3)**	(2.0)
Payments for other financial assets		**(3.0)**	(6.1)
Proceeds from sale of assets held for sale		**5.6**	14.9
Proceeds from sale of property, plant and equipment		**7.2**	47.5
Proceeds from sale of other financial assets		**4.2**	1.5
Proceeds from sale of assets held for sale (joint venture)		**259.1**	–
Payment for contingent consideration		**(55.0)**	–
Repayment of loan by related party		**–**	1.5
Loan to joint venture		**(8.0)**	(10.4)
Investment in joint venture		**–**	(11.1)
Net cash outflows from investing activities		**(344.5)**	(245.2)
Cash flows from financing activities			
Proceeds from borrowings		**2,981.9**	757.3
Repayment of borrowings		**(2,916.0)**	(669.7)
Repayment of lease liabilities		**(88.9)**	(81.8)
Payments for ordinary shares bought back	21	**–**	(14.6)
Payments for shares under employee share plan		**(11.9)**	(22.6)
Dividends paid		**(40.6)**	(123.6)
Net cash outflows from financing activities		**(75.5)**	(155.0)
Net (decrease)/increase in cash and cash equivalents		**(217.5)**	49.0
Cash and cash equivalents at the beginning of the financial year		**308.7**	252.8
Effects of exchange rate changes on cash and cash equivalents		**1.9**	6.9
Cash and cash equivalents at the end of the financial year	19	**93.1**	308.7

The consolidated statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

Notes to the Consolidated Financial Statements

OVERVIEW

1 – BASIS OF PREPARATION

Sims Limited (the "Company") is a for-profit company incorporated and domiciled in Australia. The consolidated financial statements for the year ended 30 June 2024 ("FY24") comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint ventures.

Basis of preparation

This general-purpose financial report:

- has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*;
- complies with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- adopts all new and amended Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2023, all of which did not have a material impact on the financial statements;
- does not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective.
- has been prepared on the basis of historical cost, except for certain derivative financial assets and liabilities which have been measured at fair value (note 17);
- is presented in Australian Dollars; and
- presents all values as rounded to the nearest tenth of a million dollars, unless otherwise stated under *ASIC Corporations (rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016.

Going concern

The financial report has been prepared on a going concern basis of accounting with no material uncertainties as to the Company's ability to continue to operate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

In preparing the consolidated financial statements, all intercompany balances and transactions are eliminated.

The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions about future events. Information on material estimates and judgements can be found in the following notes:

- Inventory (note 9)
- Impairment (note 10, note 11 and note 12)
- Deferred tax positions (note 13)
- Business acquisitions and disposals (note 24)
- Share-based payments (note 28)
- Discontinued operations (note 33)

Notes to the Consolidated Financial Statements

1 – BASIS OF PREPARATION (continued)

Currency

Each entity in the Group determines its own functional currency, reflecting the currency of the primary economic environment in which it operates.

Transactions

Transactions in foreign currencies are recorded at the rate of exchange ruling on the date of each transaction. At balance date, amounts payable and receivable in foreign currencies are converted at the rates of exchange ruling at that date with any resultant gain or loss recognised in the income statement.

Translation

The financial statements of overseas subsidiaries are maintained in their functional currencies and are converted to the Group's presentation currency as follows:

- assets and liabilities are translated at the rate of exchange as at balance date;
- income statements are translated at average exchange rates for the reporting period which approximate the rates ruling at the dates of the transactions; and
- all resultant exchange differences are recorded in the foreign currency translation reserve.

On consolidation, exchange differences arising from borrowings and any other currency instruments designated as hedges of investments in overseas subsidiaries are transferred to the foreign currency translation reserve on a net of tax basis where applicable. When an overseas subsidiary is sold, the cumulative amount recognised in the foreign currency translation reserve relating to the subsidiary is recognised in the income statement as part of the gain or loss on sale.

New and amended accounting standards and interpretations

New and amended accounting standards issued by the AASB and International Accounting Standards Board ("IASB") which became effective on 1 July 2023 that are relevant to the Group include:

- AASB 17 Insurance Contracts
- AASB 101/108 Disclosure of Accounting Policies and definition of Accounting Estimates
- AASB 112 Deferred Tax related to Assets and Liabilities arising from a single transaction
- Editorial corrections and repeal of superseded and redundant standards (AASB 2022-7)

The adoption of the above amendments to the accounting standards had no material impact on the Group.

Refer to Note 13 for disclosure around the impact of the amendments to AASB 112 International tax reform – Pillar two model rules.

FINANCIAL PERFORMANCE

2 – SEGMENT INFORMATION

Description of segments

Operating segments have been identified based on separate financial information that is regularly reviewed by the Group CEO, the Chief Operation Decision Maker ("CODM").

The Group operated in five principal operating segments: North America Metal ("NAM"), Australia/New Zealand Metal ("ANZ"), Global Trading, Investment in SA Recycling ("SAR") and Sims Lifecycle Services ("SLS") during the year. The segments are based on a combination of factors including geography, products and services. All other operating segments are included within the "Unallocated" segment.

Details of the segments are as follows:

- NAM – comprising subsidiaries and joint ventures in the United States of America and Canada which perform ferrous and non-ferrous secondary recycling functions.
- ANZ – comprising subsidiaries in Australia, New Zealand and Papua New Guinea which perform ferrous and non-ferrous secondary recycling functions.
- Global Trading – comprising the Group's ferrous and non-ferrous marketing subsidiaries that coordinate sales of ferrous bulk cargo shipments, non-ferrous sales into primarily China and Southeast Asia and brokerage sales on behalf of third and related parties.
- SAR – comprising the Group's share of results from its investment in the SA Recycling joint venture.
- SLS – comprising subsidiaries which provide IT asset and cloud infrastructure reuse, redeployment and recycling in the following countries: Australia, Germany, India, Ireland, Netherlands, Poland, Singapore, the United Kingdom and the United States of America.
- Unallocated – comprising unallocated corporate costs, interests in a joint venture in Australia, Sims Resource Renewal ("SRR") and Global Sustainability Insurance Corporation, a captive insurance company.

Discontinued operations relates to the UK Metals business comprising subsidiaries in the United Kingdom which perform ferrous and non-ferrous secondary recycling functions (refer to note 33 for more details).

Information about reportable segments

2024	NAM A$M	ANZ A$M	GLOBAL TRADING A$M	SAR A$M	SLS A$M	UNALLO-CATED A$M	TOTAL CONTINUING OPERATIONS A$M	DISCONTINUED OPERATIONS A$M	TOTAL A$M
Total sales revenue	4,479.8	1,595.1	770.8	–	349.7	–	7,195.4	1,367.3	8,562.7
Other revenue	8.0	4.5	0.4	1.2	0.3	14.2	28.6	–	28.6
Total segment revenue	4,487.8	1,599.6	771.2	1.2	350.0	14.2	7,224.0	1,367.3	8,591.3
Segment EBIT[1]	(144.1)	68.4	34.9	102.2	17.0	51.7	130.1	(57.5)	72.6
Interest income							19.3	–	19.3
Finance costs							(71.6)	(2.1)	(73.7)
Profits before tax							77.8	(59.6)	18.2
Assets	2,076.4	858.3	123.7	606.0	150.7	555.4	4,370.5	534.2	4,904.7
Liabilities	600.9	466.6	150.0	0.3	133.2	754.6	2,105.6	236.4	2,342.0
Net assets	1,475.5	391.7	(26.3)	605.7	17.5	(199.2)	2,264.9	297.8	2,562.7
Other items:									
Depreciation and amortisation	(164.4)	(50.2)	(1.2)	–	(12.7)	(3.1)	(231.6)	(30.3)	(261.9)
Share of results of joint ventures	(4.8)	–	–	102.2	–	0.8	98.2	–	98.2
Investments in joint ventures	20.7	0.1	–	564.1	–	–	584.9	–	584.9
Property, plant and equipment additions	107.1	48.5	–	–	4.3	0.9	160.8	36.3	197.1

1 Segment EBIT includes the group insurance recharges, service fees from Global trade and corporate services. In addition, significant items relating to each segment impacts the segment EBIT results.

2 – SEGMENT INFORMATION (continued)

Information about reportable segments

2023 Restated	NAM A$M	ANZ A$M	GLOBAL TRADING A$M	SAR A$M	SLS A$M	UNALLO-CATED A$M	TOTAL CONTINUING OPERATIONS A$M	DISCONTINUED OPERATIONS A$M	TOTAL A$M
Total sales revenue	3,924.6	1,563.7	824.0	–	325.4	–	6,637.7	1,423.4	8,061.1
Other revenue	7.1	6.8	0.3	1.6	0.3	4.9	21.0	–	21.0
Total segment revenue	3,931.7	1,570.5	824.3	1.6	325.7	4.9	6,658.7	1,423.4	8,082.1
Segment EBIT	25.3	118.3	10.9	180.2	(10.5)	(17.4)	306.8	(13.8)	293.0
Interest income							7.4	–	7.4
Finance costs							(33.8)	(1.7)	(35.5)
Profits before tax							280.4	(15.5)	264.9
Assets	1,741.4	918.8	171.7	584.8	177.6	662.5	4,256.8	448.9	4,705.7
Liabilities	648.0	502.0	140.4	0.3	133.3	408.5	1,832.5	216.5	2,049.0
Net assets	1,093.4	416.8	31.3	584.5	44.3	254.0	2,424.3	232.4	2,656.7
Other items:									
Depreciation and amortisation	(124.1)	(54.5)	(1.2)	–	(10.6)	(3.1)	(193.5)	(29.2)	(222.7)
Share of results of joint ventures	(1.8)	–	–	180.3	–	8.6	187.1	–	187.1
Investments in joint ventures	55.5	0.1	–	543.0	–	1.2	599.8	–	599.8
Property, plant and equipment additions	137.0	43.7	0.2	–	10.5	13.2	204.6	22.3	226.9

Notes to the Consolidated Financial Statements

3 – REVENUE AND OTHER INCOME

	2024 A$M	2023 A$M Restated
Sales revenue (from contracts with customers) from continuing operations		
Ferrous secondary recycling	**4,882.2**	4,943.0
Non-ferrous secondary recycling	**1,916.2**	1,348.6
Recycling services	**349.8**	325.4
Secondary processing and other services	**47.2**	20.7
	7,195.4	6,637.7
Other revenue		
Interest income	**19.3**	7.3
Rental income	**8.5**	13.0
Dividend income	**0.8**	0.7
	28.6	21.0
Total revenue from continuing operations	**7,224.0**	6,658.7

Geographical Sales to external customers[1]

	2024 A$M
Australia	**442.0**
Bangladesh	**518.9**
China	**711.9**
India	**588.9**
Turkey	**1,236.3**
United States	**1,859.0**
Other	**1,838.4**
Total sales revenue from continuing operations	**7,195.4**

	2023 A$M Restated
Australia	**553.8**
Bangladesh	**497.2**
China	**319.8**
India	**476.8**
Turkey	**1,065.6**
United States	**1,587.2**
Other	**2,137.3**
Total sales revenue from continuing operations	**6,637.7**

1 Amounts reflect the customer geographic location.

No single customer contributed 10% or more to the Group revenue for all the periods presented.

Intersegment sales

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an “arm’s-length” basis and are eliminated on consolidation.

3 – REVENUE AND OTHER INCOME (continued)

Recognition and measurement

Ferrous secondary recycling

Ferrous secondary recycling comprises the collection, processing and trading of iron and steel secondary raw material. The Group sells a significant portion of its ferrous secondary material on cost and freight or cost, insurance and freight Incoterms. Under these arrangements, revenue from the sale of goods is recognised prior to the vessel arriving at the destination port as control has passed and performance obligations have been met (dependent on the Incoterm per contract). A material portion of the Group's ferrous bulk cargo sales arrangements specify that title passes once material has been loaded onto a vessel (i.e. passed the ship's rail). These sales are primarily sold on a letter of credit basis.

Non-ferrous secondary recycling

Non-ferrous secondary recycling comprises the collection, processing and trading of other metal alloys and residues, principally aluminium, lead, copper, zinc and nickel bearing materials. Revenue for non-ferrous secondary recycling is recognised when control passes and performance obligations are satisfied. According to the specific contract terms, control of the goods will pass to the customer at the point in time when the goods are loaded in a container, delivered to the customer or cash is received as that is the point in time the original bills of lading are passed to the buyer and title is transferred. Contract terms are determined based upon customer, product and/or destination and are typically sold on a cash in advance, deposit, letter of credit or open credit basis.

Recycling services

Recycling services comprises the provision of environmental and data security responsible services for the refurbishment, resale or commodity reclamation of IT assets recycled for commercial and post-consumer suppliers. For recycling services, service revenue is recognised based upon completion of the agreed performance obligations, including services such as hard disk cleansing and data capture and reporting. These performance obligations are based upon amount collected, processed and/or on a time basis amongst other contractual terms. For precious metals reclaimed, revenue is recognised upon completion and agreement of an assay, and when price and quantity can be determined, and acceptance is finalised. Contractual terms can involve a deposit received in advance for which revenue is deferred until performance obligations are satisfied.

Secondary processing and other services

Secondary processing and other services comprise stevedoring and other sources of service based revenue. Other service revenue is recognised based upon completion of the performance obligations in the contract.

Interest income

Interest income is recognised as it is earned, using the effective interest method.

Rental income

Rental income consists of rentals from sub-lease rentals. Rentals received under operating leases and initial direct costs are recognised on a straight-line basis over the term of the lease.

Dividend income

Dividends are recognised when the Group's right to receive the payment is established.

Other income

	2024 A$M	2023 A$M Restated
Net gain on commodity derivatives	–	9.4
Net gain on currency derivatives	**6.1**	0.6
Net gain on disposal of property, plant and equipment	**2.1**	36.4
Net gain on revaluation of financial assets at fair value through profit or loss	–	(1.0)
Gain on sale of assets held for sale	**182.6**	51.5
Other	**13.8**	13.7
Total other income from continuing operations	**204.6**	110.6

Notes to the Consolidated Financial Statements

4 – SIGNIFICANT ITEMS

Significant items are those which by their size and nature, incidence or variability from one period to the next are relevant in explaining the financial performance of the Group and as such are disclosed separately.

	2024 A$M	2023 A$M
Gain/(loss) on fair valuation of investment	**(48.1)**	49.2
Gain on sale of assets classified as held for sale	**181.7**	–
Non-recurring gains on asset disposals	**–**	36.5
Non-qualifying hedges[1]	**2.1**	(18.7)
Transaction costs	**(14.7)**	–
Restructuring and redundancies	**(6.1)**	(13.4)
Closure costs and other provisions	**(21.0)**	(2.2)
Asset impairments	**(64.2)**	(9.9)
SA Recycling amortisation reversal	**–**	16.8
Alumisource contingent consideration	**–**	(14.5)
Other non-recurring items	**–**	(3.0)
	29.7	40.8

1 Non-qualifying hedges include the impact of financial hedges that do not qualify for hedge accounting.

Significant item amounts in FY24 include the following:

- Loss on fair valuation of investment included a revaluation of the residual 12.4% interest held in Circular Services to market value following a sales process.
- Gain on sale of assets classified as held for sale primarily relates to the gain on disposal of Sims' interest in LMS.
- Non-qualifying hedges reflect the mark-to-market adjustment on commodity hedges held at balance date.
- Transaction costs were incurred in relation to the Baltimore Scrap Corporation acquisition and the disposal of LMS.
- The group continued its restructuring and redundancy program to simplify the organisational structure and reduce headcount.
- Closure costs include restructuring of certain site and lease arrangements. Other provisions include environmental related costs.
- Following a review of its portfolio, the group wrote down its carrying value of certain operating assets, together with obsolete equipment in the NAM business.

5 – EXPENSES

From continuing operations	2024 A$M	2023 A$M Restated
Depreciation and amortisation:		
Depreciation expense, net of right of use asset depreciation	**142.2**	113.5
Right of use asset depreciation expense	**76.6**	74.5
Amortisation expense	**12.8**	5.5
	231.6	193.5
Net foreign exchange loss	**5.6**	16.4

Recognition and measurement

Depreciation and amortisation

Refer to note 10 for property, plant and equipment depreciation, note 11 for right of use asset depreciation and note 12 for amortisation.

Notes to the Consolidated Financial Statements

6 – DIVIDENDS

	CENTS PER SHARE	AMOUNT A$M
2024:		
Interim 2024	—	—
Final 2023 (100% franked)	**21.0**	**40.6**
2023:		
Interim 2023 (0% franked)	14.0	27.0

Since the end of the fiscal year, the Directors have determined the payment of a final dividend of 10.0 cents per share (100% franked). The dividend will be payable on 16 October 2024 to shareholders on the Company's register at the record date of 2 October 2024. The estimated dividends to be paid, but not recognised as a liability at the end of the reporting period, is approximately $19.3 million.

Dividend franking account

The franked components of all dividends paid or declared were franked based on an Australian corporate tax rate of 30%.

At 30 June 2024, there was a $2.9 million surplus (2023: $8.3 million surplus) of estimated franking credits. The company expects to have sufficient franking credits available within the FY25 financial year to enable the final dividend for FY24 to be fully franked.

7 – EARNINGS/(LOSS) PER SHARE

Basic earnings per share is calculated by dividing net profit/(loss) by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing net profit by the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares.

The weighted average number of shares used for the purposes of calculating basic earnings per share is calculated after deduction of the shares held by the Group's trusts.

	2024	2023 Restated
From continuing operations:		
Basic earnings/(loss) per share (in A¢)	**0.9**	101.7
Diluted earnings/(loss) per share (in A¢)	**0.9**	99.5
From continuing and discontinued operations:		
Basic earnings/(loss) per share (in A¢)	**(29.9)**	93.7
Diluted earnings/(loss) per share (in A¢)	**(29.9)**	91.7
Weighted average number of shares used in the denominator ('000)		
Basic shares	**193,199**	193,318
Dilutive effect of share-based awards	**3,003**	4,275
Diluted shares	**196,202**	197,593

Notes to the Consolidated Financial Statements

ASSETS AND LIABILITIES

8 – TRADE AND OTHER RECEIVABLES

	2024 A$M	2023 A$M
Trade receivables	**455.9**	480.8
Loss allowance	**(3.4)**	(2.0)
Net trade receivables	**452.5**	478.8
Other receivables	**113.9**	135.0
Tax receivable	**50.9**	60.0
Prepayments	**34.3**	42.4
Total current receivables	**651.6**	716.2
Movement in loss allowance		
Balance at 1 July	**2.0**	2.6
Provision recognised/(written back) during the year	**1.4**	(0.7)
Foreign exchange differences	**–**	0.1
Balance at 30 June	**3.4**	2.0
Debtors overdue		
Days overdue		
1–30 days	**31.6**	31.3
31–60 days	**7.3**	8.9
Over 60 days	**4.2**	14.8
	43.1	55.0

Recognition and measurement

Trade and other receivables are initially recognised at fair value, and subsequently measured at amortised cost, net of loss allowance. Trade receivables are generally due for settlement within 30 to 60 days following shipment, except in the case of certain ferrous shipments made to export destinations, which are generally secured by letters of credit that are collected on negotiated terms but generally within 10 days of shipment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written-off by reducing the carrying amount directly. A loss allowance account is used based upon the lifetime expected credit loss model as required by AASB 9 *Financial Instruments*. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument or asset. Refer to the processes described in the credit risk section of note 23 for further information regarding the Group's approach to ongoing credit monitoring. Expected credit losses on other receivables is not considered material.

When a trade receivable for which a loss allowance provision had been recognised becomes uncollectible in a subsequent period, it is written-off against the provision for impairment account. Subsequent recoveries of amounts previously written-off are credited against other expenses in profit or loss.

Notes to the Consolidated Financial Statements

9 – INVENTORIES

	2024 A$M	2023 A$M
Raw materials	**84.8**	103.3
Finished goods	**469.9**	561.9
Stores and spare parts	**49.0**	42.4
	603.7	707.6

As at 30 June 2024, the value of ferrous inventory held by the Group was $216.2 million (2023: $299.9 million).

The cost of inventories recognised as an expense during FY24 amounted to $5,298.2 million (2023 (restated): $4,736.1 million).

Lower of cost and market adjustments during the year ended 30 June 2024 and 30 June 2023 were not material.

Recognition and measurement

Inventories (ferrous and non ferrous metals) are stated at the lower of cost and net realisable value. Cost is based on first-in, first-out or weighted average and comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditures, the latter being allocated on the basis of normal operating capacity. Precious metals are stated at net market value.

Stores and spare parts consist of consumable and maintenance stores and spare parts when they do not meet the definition of property, plant and equipment.

Critical accounting estimates and judgement

Existence of inventories

Quantities of inventories are determined using various estimation techniques, including observation, weighing and other industry methods and are subject to periodic physical verification and includes procedures such as zero pile out and peer review stock takes.

Valuation of inventories

The Group reviews its inventory at the end of each reporting period to determine if it is properly stated at the lower of cost and net realisable value. Net realisable value is based on estimated future selling prices. Impairment losses may be recognised on inventory if management needs to revise its estimates of net realisable value in response to changing market conditions.

Notes to the Consolidated Financial Statements

10 – PROPERTY, PLANT AND EQUIPMENT

	LAND A$M	BUILDINGS A$M	LEASEHOLD IMPROVEMENTS A$M	PLANT & EQUIPMENT A$M	CAPITAL WORK IN PROGRESS A$M	TOTAL A$M
At 30 June 2024						
Cost	**490.9**	**485.7**	**114.5**	**1,305.5**	**145.1**	**2,541.7**
Accumulated depreciation and impairment	**–**	**(234.2)**	**(65.5)**	**(842.5)**	**–**	**(1,142.2)**
Net book amount	**490.9**	**251.5**	**49.0**	**463.0**	**145.1**	**1,399.5**
Movement						
Balance at 1 July	**476.1**	**239.4**	**45.8**	**439.4**	**232.7**	**1,433.4**
Additions - continuing operations	**4.3**	**8.4**	**–**	**3.6**	**144.5**	**160.8**
Additions - discontinued operations	**–**	**3.4**	**2.8**	**30.1**	**–**	**36.3**
Disposals	**(5.3)**	**–**	**–**	**(1.2)**	**–**	**(6.5)**
Acquisitions (note 24)	**29.8**	**19.4**	**–**	**80.1**	**0.4**	**129.7**
Transfer	**11.5**	**24.0**	**34.6**	**130.5**	**(200.6)**	**–**
Reclassification to intangible assets (note 12)	**–**	**–**	**–**	**–**	**(23.6)**	**(23.6)**
Impairment charges	**–**	**(0.1)**	**(0.2)**	**(10.2)**	**–**	**(10.5)**
Depreciation expense - continuing operations	**–**	**(26.6)**	**(6.5)**	**(109.1)**	**–**	**(142.2)**
Depreciation expense - discontinued operations	**–**	**(1.7)**	**(3.9)**	**(16.1)**	**–**	**(21.7)**
Reclass to asset held for sale	**(23.3)**	**(13.0)**	**(23.8)**	**(79.0)**	**(7.1)**	**(146.2)**
Foreign exchange differences	**(2.2)**	**(1.7)**	**0.2**	**(5.1)**	**(1.2)**	**(10.0)**
Balance at 30 June	**490.9**	**251.5**	**49.0**	**463.0**	**145.1**	**1,399.5**

	LAND A$M	BUILDINGS A$M	LEASEHOLD IMPROVEMENTS A$M	PLANT & EQUIPMENT A$M	CAPITAL WORK IN PROGRESS A$M	TOTAL A$M
At 30 June 2023						
Cost	476.1	484.8	128.3	1,421.7	232.7	2,743.6
Accumulated depreciation and impairment	–	(245.4)	(82.5)	(982.3)	–	(1,310.2)
Net book amount	476.1	239.4	45.8	439.4	232.7	1,433.4
Movement						
Balance at 1 July	449.8	225.8	36.5	399.9	205.3	1,317.3
Additions	29.2	2.0	4.9	21.5	169.3	226.9
Disposals	(8.7)	(0.1)	–	(1.5)	–	(10.3)
Acquisitions	–	0.5	–	8.3	–	8.8
Reclass to Asset held for Sale	(3.2)	(0.5)	–	(2.7)	–	(6.4)
Transfers	(2.8)	31.8	9.5	99.3	(137.8)	–
Impairment charges	–	–	–	(0.9)	(9.9)	(10.8)
Depreciation expense - continuing operations	–	(25.2)	(4.1)	(84.2)	–	(113.5)
Depreciation expense - discontinued operations	–	(1.1)	(3.0)	(13.9)	–	(18.0)
Foreign exchange differences	11.8	6.2	2.0	13.6	5.8	39.4
Balance at 30 June	476.1	239.4	45.8	439.4	232.7	1,433.4

Notes to the Consolidated Financial Statements

10 – PROPERTY, PLANT AND EQUIPMENT (continued)

Recognition and measurement

Carrying value

Property, plant and equipment is recorded at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition and installation of the items.

Depreciation

Assets are depreciated on a straight-line basis over their estimated useful lives. Useful lives are reassessed at the end of each reporting period and are subject to management judgement. The Group's decarbonisation strategy has been considered and included within the assessment of useful lives of assets.

The expected useful lives are as follows:

- Buildings – 25 to 40 years
- Plant and equipment – 1 to 20 years
- Leasehold improvements – lesser of life of asset or term of the lease

Proceeds from sale of assets

The gross proceeds from sale of assets are recognised at the date that an unconditional contract of sale is exchanged with the purchaser and control of the asset is transferred. Gains and losses on disposals are determined by comparing proceeds with the asset's carrying amounts and recognised in profit or loss.

Critical accounting estimates and judgement

Impairment

The carrying amounts of the Group's property, plant and equipment are reviewed for impairment when there is an indication that the asset may be impaired. If the asset's carrying amount is greater than its estimated recoverable amount, then an impairment loss is recognised. Assessing the recoverable amount of property, plant and equipment requires management judgement.

Notes to the Consolidated Financial Statements

11 – LEASES

	REAL ESTATE A$M	PLANT & EQUIPMENT A$M	TOTAL A$M
At 30 June 2024			
Cost	**261.8**	**226.5**	**488.3**
Accumulated depreciation and impairment	**(134.5)**	**(123.7)**	**(258.2)**
Net book amount	**127.3**	**102.8**	**230.1**
Movement			
Balance at 1 July	**194.7**	**119.6**	**314.3**
Additions - continuing operations	**4.0**	**44.4**	**48.4**
Additions - discontinued operations	**–**	**3.9**	**3.9**
Acquisitions (note 24)	**4.1**	**–**	**4.1**
Impairment expense	**(3.5)**	**–**	**(3.5)**
Disposals and terminations	**(6.9)**	**1.4**	**(5.5)**
Reclassifications	**(1.9)**	**1.9**	**–**
Depreciation expense - continuing operations	**(28.5)**	**(48.1)**	**(76.6)**
Depreciation expense - discontinued operations	**(1.9)**	**(6.7)**	**(8.6)**
Reclassified to asset held for sale	**(31.3)**	**(15.0)**	**(46.3)**
Foreign exchange differences	**(1.1)**	**1.0**	**(0.1)**
Balance at 30 June	**127.7**	**102.4**	**230.1**
At 30 June 2023			
Cost	339.2	241.7	580.9
Accumulated depreciation and impairment	(144.5)	(122.1)	(266.6)
Net book amount	194.7	119.6	314.3
Movement			
Balance at 1 July	204.0	92.4	296.4
Additions	17.6	68.2	85.8
Acquisitions	–	5.9	5.9
Impairment expense	(1.7)	(0.6)	(2.3)
Impairment expense reversed	–	0.3	0.3
Disposals	0.5	(1.7)	(1.2)
Reclassifications	5.9	(1.5)	4.4
Depreciation expense - continuing operations	(33.7)	(40.8)	(74.5)
Depreciation expense - discontinued operations	(5.2)	(6.0)	(11.2)
Foreign exchange differences	7.3	3.4	10.7
Balance at 30 June	194.7	119.6	314.3

Notes to the Consolidated Financial Statements

11 – LEASES (continued)

Consolidated income statements

	2024 A$M	2023 A$M Restated
Right-of-use asset depreciation	**76.6**	74.5
Interest expense (included in finance costs)	**11.5**	10.3
Expense related to short-term and low-value leases	**4.1**	5.0

Consolidated statement of cash flows

	2024 A$M	2023 A$M
Repayment of lease liabilities within 'financing activities'	**88.9**	81.8
Interest related to lease liabilities within 'operating activities'	**11.5**	10.3
Total lease cash outflows	**100.4**	92.1

Lease liabilities are monitored within the Group's treasury function. The contractual cash flows of the Group's lease liabilities at the reporting date are shown in the table below. The contractual amounts represent the future undiscounted cash flows.

	2024 A$M	2023 A$M
Not later than one year	**89.5**	94.5
Later than one year, but not later than five years	**171.1**	213.7
Later than five years	**43.0**	96.3
	303.6	404.5
Less: unearned interest	**24.8**	43.9
	278.8	360.6

Recognition and Measurement

Depreciation

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Notes to the Consolidated Financial Statements

12 – INTANGIBLE ASSETS

	GOODWILL A$M	SUPPLIER RELATIONSHIPS A$M	LICENSES/ CONTRACTS A$M	SOFTWARE, R&D & OTHER A$M	TOTAL A$M
At 30 June 2024					
Cost	**1,665.1**	**370.4**	**51.8**	**79.0**	**2,166.3**
Accumulated impairment	**(1,467.3)**	**(25.7)**	**(0.9)**	**(17.8)**	**(1,511.7)**
Accumulated amortisation	**–**	**(269.5)**	**(50.7)**	**(33.1)**	**(353.3)**
Net book amount	**197.8**	**75.2**	**0.2**	**28.1**	**301.3**
Movement					
Balance at 1 July	**111.3**	**27.8**	**0.6**	**8.5**	**148.2**
Acquisitions (note 24)	**91.4**	**58.2**	**–**	**–**	**149.6**
Additions	**–**	**–**	**0.2**	**0.3**	**0.5**
Amortisation expense	**–**	**(9.1)**	**–**	**(3.7)**	**(12.8)**
Reclassification from CWIP (note 10)	**–**	**–**	**–**	**23.6**	**23.6**
Other reclassification	**–**	**0.8**	**(0.6)**	**(0.4)**	**(0.2)**
Foreign exchange differences	**(4.9)**	**(2.5)**	**–**	**(0.2)**	**(7.6)**
Balance at 30 June	**197.8**	**75.2**	**0.2**	**28.1**	**301.3**

	GOODWILL A$M	SUPPLIER RELATIONSHIPS A$M	LICENSES/ CONTRACTS A$M	SOFTWARE & OTHER A$M	TOTAL A$M
At 30 June 2023					
Cost	1,578.6	313.7	52.6	55.5	2,000.4
Accumulated impairment	(1,467.3)	(25.8)	(0.9)	(17.8)	(1,511.8)
Accumulated depreciation	–	(260.1)	(51.1)	(29.4)	(340.6)
Net book amount	111.3	27.8	0.6	8.3	148.0
Movement					
Balance at 1 July	102.5	23.3	0.6	6.8	133.2
Acquisitions (note 24)	7.2	7.3	–	1.2	15.7
Additions	–	–	–	2.0	2.0
Amortisation expense	–	(3.7)	–	(1.8)	(5.5)
Foreign exchange differences	1.6	0.9	–	0.1	2.6
Balance at 30 June	111.3	27.8	0.6	8.3	148.0

Recognition and measurement

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the share of the net identifiable assets acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Other intangible assets

Other intangible assets, comprising supplier relationships, licenses/contracts, software and other intangible asset, are acquired individually or through business combinations and are stated at cost less accumulated amortisation and impairment losses. Software and other intangible assets include acquired software assets. The Company accounts for SaaS arrangements in which the Company controls the asset as an identified intangible asset within software and other intangible asset.

Research & development (R&D) costs relate to the capitalised costs of the Sims Resource Renewal Pilot Plant which have been capitalised upon the proven feasibility of the design of the Plasma Gasification technology.

Amortisation

Intangible assets with finite useful lives are amortised on a straight-line basis.

The expected amoritsation period are as follows:

- Supplier relationships - one to ten years,
- Contracts - one to three years, and
- R&D costs - five years.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

Impairment

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they may be impaired. Other definite lived intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the cash generating unit ("CGU") level. CGUs represent the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets, other than goodwill, that have previously been impaired are reviewed for possible reversal of the impairment at each reporting period.

Goodwill has been allocated subsequent to impairments and disposals, for impairment testing purposes, to the CGUs as follows.

CGU	Segment	2024 A$M	2023 A$M
Australia and New Zealand Metal	ANZ Metal	**61.7**	61.9
North America Metal	North America Metal[1]	**134.4**	47.8
All other CGUs		**1.7**	1.6
Total		**197.8**	111.3

1 During FY24, the Group acquired recycling businesses within the NAM segment which resulted in goodwill of $ 91.4 million and other intangible assets of $58.2 million at the date of acquisition. Refer to note 24 for further information.

Impairment charges

There were no impairment charges recognised in relation to intangible assets in FY24 nor in FY23.

Critical accounting estimates and judgement

Determination of potential impairment requires an estimation of the recoverable amount of the CGUs to which the goodwill and intangible assets with indefinite useful lives are allocated. The recoverable amount of each CGU is determined based on the higher of its value in use or fair value less costs to sell. These calculations require the use of assumptions such as discount rates, growth rates based on historical market data, and other assumptions.

Key assumptions used for goodwill and intangible asset impairment tests

The value in use calculations use a five-year cash flow projection, which is based initially on the budget for the year ended 30 June 2025 (as approved by the Board) and a four-year forecast prepared by management. The four-year forecast is developed using the budget for the year ended 30 June 2025 and applying key assumptions such as long term trading margin, inflation rates, price and volume growth assumptions, and costs escalations.

These five-year projections also incorporate management estimates related to the inherent impact of future volatility in volumes, commodity prices and margins drawn from past experience and factor in current and expected future economic conditions. A terminal value is determined from the final year of cash flow based on application of the Gordon Growth model.

The cash flows are discounted using rates that reflect management's estimate of the time value of money and the risks specific to each CGU that are not already reflected in the cash flows. In determining appropriate discount rates for each CGU, consideration has been given to a weighted average cost of capital of the entity as a whole and adjusted for country and business risk specific to the CGU.

The cash flow projections are based on management's best estimates, with reference to historical results, to determine income, expenses, capital expenditures and cash flows for each CGU. Projected expenditures for the Group's decarbonisation and sustainability targets are also estimated in the cashflow forecasts. Expected future cash flows used to determine the value in use of goodwill are inherently uncertain and could materially change over time.

For CGUs utilising the value in use calculation to determine the recoverable amount, the key assumptions used for the value in use calculations were as follows:

	DISCOUNT RATE (PRE-TAX)		GROWTH RATE	
	2024	2023	2024	2023
CGU	%	%	%	%
North America Metal	**13.5%**	13.0%	**2.6%**	2.5%
ANZ Metal	**14.3%**	15.0%	**3.2%**	2.4%

Other than as disclosed above, the Group believes that for all other CGUs, any reasonably possible change in the key assumptions would not cause the carrying value of the CGUs to exceed their recoverable amount.

The North America Metal CGU has $134.4 million of goodwill and $76.1 million of other intangible assets at 30 June 2024. An assessment of the impact of possible changes in key assumptions was performed to assess the recoverability of this CGU at 30 June 2024. An increase in the discount rate and/or if the CGU fails to achieve an EBIT consistent with forecast assumptions in the coming 12 months, it is likely to result in impairment.

The UK Metals Business has been classified as discontinued operations (note 33) and has been assessed on a fair value less cost to sell basis.

13 – INCOME TAXES

	2024 A$M	2023 A$M Restated
Income tax expense from continuing operations		
Current income tax charge	**101.9**	48.5
Adjustment for prior years	**2.7**	2.7
Deferred income tax	**(28.6)**	32.6
Income tax expense recognised in profit or loss	**76.0**	83.8
Reconciliation of income tax expense to prima facie income tax expense		
Profit/(loss) before income tax from continuing operations	**77.8**	280.4
Tax at the standard Australian rate of 30%	**23.3**	84.1
Effect of tax rates in other jurisdictions	**7.0**	(24.7)
Deferred tax assets not recognised	**2.2**	12.3
Non-deductible expenses	**10.0**	9.3
Tax rate change	**–**	(2.7)
Utilisation of unrecognised deferred tax assets	**(1.0)**	(2.7)
Share of results of joint ventures	**(1.0)**	(4.2)
Non-assessable income	**(7.5)**	(0.2)
Share-based payments	**1.8**	(1.2)
State and local taxes	**3.7**	11.1
Adjustments for prior years	**2.7**	2.7
Tax on sale of investment	**30.9**	–
Other	**3.9**	–
Income tax expense recognised in profit or loss	**76.0**	83.8
Income tax (benefit)/charge directly to equity		
Share-based payments	**1.0**	(2.0)
Exchange gain on foreign denominated intercompany loans	**–**	6.4
Total income tax (benefit)/charge directly to equity	**1.0**	4.4
Tax expense relating to items of other comprehensive income		
Cash flow hedges	**0.5**	–
Defined benefit plans	**0.1**	(0.1)
Total tax expense relating to items of other comprehensive income	**0.6**	(0.1)

13 – INCOME TAXES (continued)

	2024 A$M	2023 A$M
Deferred tax assets and liabilities		
Deferred tax assets		
The balance comprises temporary difference attributable to:		
(amounts recognised in profit or loss)		
Provisions and other accruals	**37.8**	16.4
Employee benefits	**20.3**	19.6
Property, plant and equipment	**4.1**	3.7
Intangible assets	**9.0**	8.4
Joint ventures	**12.7**	4.5
Tax loss carryforwards and tax credits	**44.8**	30.9
Leases	**71.4**	92.6
Share-based payments	**3.5**	6.0
ERP software-other	**26.0**	28.8
Total recognised in profit or loss	**229.6**	210.9
(amounts recognised directly in equity)		
Defined benefit plans	**0.2**	0.3
Share-based payments	**0.3**	3.0
Total recognised directly in equity	**0.5**	3.3
Total deferred tax assets	**230.1**	214.2
Movements		
Balance at 1 July	**166.2**	243.2
Charged to income statement	**39.7**	(15.3)
Charged directly to equity and other comprehensive income	**1.0**	1.9
Transfers to/from deferred tax liabilities	**29.7**	(69.0)
Foreign exchange differences	**(6.5)**	5.4
Balance at 30 June	**230.1**	166.2

13 – INCOME TAXES (continued)

Deferred tax assets and liabilities (continued)

	2024 A$M	2023 A$M
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
(amounts recognised in profit or loss)		
Intangible assets	**2.0**	1.9
Leases	**66.9**	89.3
Property, plant and equipment	**106.7**	88.4
Inventory and consumables	**4.8**	3.5
Joint ventures	**–**	6.3
Share-based payments	**–**	–
Employee benefits	**0.1**	0.8
Other	**2.2**	2.4
Total recognised in profit or loss	**182.7**	192.6
(amounts recognised directly in equity)		
Defined benefit plans	**0.1**	(0.1)
Exchange gain on foreign denominated intercompany loans	**32.6**	32.0
Total recognised directly in equity	**32.7**	31.9
Total deferred tax liabilities	**215.4**	224.5
Movements		
Balance at 1 July	**176.5**	225.6
Charged to income statement	**14.5**	2.2
Charged directly to equity and other comprehensive income	**0.6**	6.3
Transfers to/from deferred tax assets	**29.7**	(73.9)
Foreign exchange differences	**(5.9)**	16.3
Balance at 30 June	**215.4**	176.5
Deferred tax balances recognised in the Consolidated Statement of Financial Position		
Deferred tax asset	**181.9**	145.7
Deferred tax liability	**167.2**	156.0
	14.7	(10.3)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Notes to the Consolidated Financial Statements

Recognition and measurement

Current tax

The income tax expense or benefit for the period is the tax payable on the current period taxable income using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect to prior years.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities and the corresponding tax base. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realisation of deferred tax assets. The net deferred tax assets are all reviewed for realisability each reporting period. In preparing the analysis to determine if there is certainty in future profitability to utilise the deferred assets, in order to be consistent and conservative, the future profitability projected in the goodwill impairment models has been used to determine the recognition of the net deferred tax assets. At 30 June 2024 , certain entities utilised deferred tax assets that were not recognised during the year resulting in a tax benefit for the period of $1.0 million. There were also deferred tax balances not recognised during the year due to uncertainty of future realisability resulting in tax expense of $2.2 million.

At 30 June 2024, the Group has not recognised deferred tax assets totalling $106.6 million (2023: $88.5 million) as it is not probable that they will be realised. Of the $106.6 million of unrecognised deferred tax assets, $62.6 million (including $49.4 million of losses) relate to assets held for sale in the UK. A portion of the unrecognised deferred tax asset relates to unused tax losses of $93.0 million (2023: $69.1 million) due to either a history of tax losses or it is not considered probable that there will be sufficient future taxable profits to realise the benefit of deferred tax assets within certain subsidiary entities. Unrecognised tax losses include $6.2 million (2023: $6.7 million) of tax losses that will expire in five to 20 years. Other unused tax losses (2024: $86.8 million) may be carried forward indefinitely.

The Company is within the scope of the OECD Pillar Two model rules. Pillar two legislation has been drafted in Australia (effective 1 January 2024) and the UK enacted legislation effective for accounting periods after 31 December 2023. Under the legislation, the Company is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Company has performed modelling with the FY2023 information, and all of the entities are expected to meet the safe harbour thresholds. The Company is currently engaged with specialists to assist with the FY2024 data and proper implementation of future reporting.

International parented groups with at least one company based in the UK with a consolidated group revenue of EUR 750 million or more are required to submit a Country-by-Country Report (CbCR) beginning with FY2024. The deadline is 30 June 2025 for the FY2024 reporting year. For the first year, the Company has engaged tax specialists to assist in filing these reports in the UK for FY2024.

Tax consolidation legislation

The Company and its wholly owned Australian controlled entities implemented tax consolidation legislation as of 31 October 2005. The Company is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing and funding agreement that provides for the allocation of income tax liabilities between entities should the head entity default on its tax payment obligations. No amounts have been recognised in the consolidated financial statements in respect of this agreement on the basis that the probability of default is remote.

Critical accounting estimate and judgement

Deferred tax

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of probable future taxable profits.

Notes to the Consolidated Financial Statements

14 – TRADE AND OTHER PAYABLES

	2024 A$M	2023 A$M
Current:		
Trade payables	**363.9**	471.2
Other payables	**265.3**	305.3
Deferred income	**111.1**	61.6
	740.3	838.1
Non-current:		
Other payables	**7.9**	21.4

Recognition and measurement

Trade and other payable amounts represent liabilities for goods and services provided to the Group prior to the end of a financial year, which are unpaid.

Movements in deferred income during the fiscal year relate to revenue recognised upon the satisfaction of performance obligations. Deferred income of $61.6 million at 30 June 2023 was earned during FY24 and $111.1 million at 30 June 2024 relates to performance obligations outstanding at the end of the year.

15 – PROVISIONS

	2024 A$M			2023 A$M		
	Current	Non-current	Total	Current	Non-current	Total
Employee benefits	**68.0**	**22.9**	**90.9**	50.8	19.8	70.6
Self-insured risks	**27.5**	**–**	**27.5**	10.5	17.8	28.3
Onerous provisions	**–**	**–**	**–**	0.7	1.1	1.8
Legal provisions	**0.6**	**–**	**0.6**	0.8	–	0.8
Property make-good	**13.1**	**2.6**	**15.7**	20.3	14.7	35.0
Other provisions	**13.7**	**–**	**13.7**	56.9	–	56.9
	122.9	**25.5**	**148.4**	140.0	53.4	193.4

Movements in each class of provision during the year ended 30 June 2024, other than employee benefits, are set out below:

	SELF INSURANCE RISKS A$M	ONEROUS PROVISIONS A$M	LEGAL A$M	PROPERTY MAKE-GOOD A$M	OTHER PROVISIONS[1] A$M
Balance at 1 July 2023	**28.3**	**1.8**	**0.8**	**35.0**	**56.9**
Provisions recognised/(derecognised)	**(0.8)**	**3.0**	**–**	**10.5**	**13.4**
Payments	**–**	**–**	**(0.2)**	**(2.9)**	**(57.6)**
Reclassified as liabilities directly associated with assets held for sale	**–**	**(4.8)**	**–**	**(27.1)**	**–**
Foreign exchange differences	**–**	**–**	**–**	**0.2**	**1.0**
Balance at 30 June 2024	**27.5**	**–**	**0.6**	**15.7**	**13.7**

1 Other provisions includes contingent consideration attributed to the Alumisource acquisition which was paid in FY24.

Recognition and measurement

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Probability requires a degree of management judgement. Other than for loss contracts, provisions are not recognised for future operating losses.

Employee benefits

Provisions are made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and other employee obligations. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Self-insurance

Certain of the Group's subsidiaries are self-insured for property, health, workers' compensation and general liability claims. Provisions are recognised based on claims reported, and an estimate of claims incurred but not reported. These provisions are determined by actuaries on a discounted basis.

Onerous provisions

Provisions for onerous commitments are recognised when the Group believes that the unavoidable costs of meeting the contract obligations exceed the economic benefits expected to be received under the contract.

Property make-good

Provisions are recorded for estimated make-good expenses for the Group's leased properties and environmental rehabilitation costs. The provision is an estimate of costs for property remediation that is expected to be required in the future.

The Group is subject to comprehensive environmental requirements relating to, among others, the acceptance, storage, treatment, handling and disposal of solid waste and hazardous waste; the discharge of materials and storm water into the environment; the management and treatment of wastewater and storm water and the remediation of soil and groundwater contamination. As a consequence, the Group has incurred, and will continue to incur, environmental costs and liabilities associated with site and facility operation, closure, remediation, monitoring and licensing.

Provisions have been made in respect of estimated environmental liabilities where obligations are known to exist and can be reasonably measured. However, additional liabilities may emerge due to a number of factors, including changes in environmental laws and regulations in each of the jurisdictions in which the Group operates or has operated. The Group cannot predict the extent to which it may be impacted in the future by any such changes in legislation or regulation.

Legal claims

Various Group companies are parties to legal actions and claims that arise in the ordinary course of their business. While the outcome of such legal proceedings cannot be readily foreseen, the Group believes that they will be resolved without material effect on its financial statements. Provision has been made for known obligations where the existence of the liability is probable and can be reasonably estimated and there are no contingent obligations the Group are aware of.

Other provisions

Other provisions include contingent obligations resulting from acquisition-related contractual arrangements. A provision is made when a Group company has a subsequent legal or constructive obligation, and it is probable that an outflow of resources will be required to settle the obligation based on the contractual terms. Subsequent to a fair value purchase accounting assessment, any remeasurement of the contingent consideration will be recognised in profit or loss.

16 – RETIREMENT BENEFIT OBLIGATIONS

The Group operates a number of pension plans for the benefit of its employees throughout the world. The Group's pension plans are provided through either defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans offer employees individual funds that are converted into benefits at the time of retirement. The defined contribution plans receive fixed contributions from Group companies with the Group's legal obligation limited to these contributions. The Group made contributions of $16.9 million in the year ended 30 June 2024 (2023: $8.4 million).

Defined benefit plans

The Group operates different defined benefit plans in the UK, Australia and US. The specific characteristics (benefit formulas, funding policies and types of assets held) of the defined benefit plans vary according to the regulations and laws in the country where the defined benefit plans are offered.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2024 A$M	2023 A$M
Fair value of defined benefit plan assets	**63.0**	65.4
Present value of accumulated defined benefit obligations	**(63.7)**	(65.7)
Net amount	**(0.7)**	(0.3)
Net amount comprised of:		
Retirement benefit assets	**0.5**	1.7
Retirement benefit obligations	**(1.2)**	(2.0)
Net defined benefit assets / (liabilities)	**(0.7)**	(0.3)

The movements in the net defined benefit balance during the year ended 30 June are outlined below:

	2024			2023		
	FAIR VALUE OF PLAN ASSETS A$M	PRESENT VALUE OF OBLIGATION A$M	NET PLAN ASSET A$M	FAIR VALUE OF PLAN ASSETS A$M	PRESENT VALUE OF OBLIGATION A$M	NET PLAN ASSET A$M
Balance at 1 July	**65.4**	**(65.7)**	**(0.3)**	73.1	(68.1)	5.0
Actuarial gains/(losses) recorded in comprehensive income	**(2.2)**	**0.7**	**(1.5)**	(11.8)	6.4	(5.4)
Current service cost	**–**	**(0.7)**	**(0.7)**	—	(0.6)	(0.6)
Net interest income	**3.3**	**(3.3)**	**–**	2.8	(2.7)	0.1
Employer contributions	**0.9**	**(0.1)**	**0.8**	0.6	(0.1)	0.5
Benefit payments	**(4.6)**	**4.6**	**–**	(3.9)	3.9	—
Reclass to liabilities directly associated with assets held for sale	**–**	**0.9**	**0.9**	—	—	—
Foreign exchange differences	**0.2**	**(0.1)**	**0.1**	4.6	(4.5)	0.1
Balance at 30 June	**63.0**	**(63.7)**	**(0.7)**	65.4	(65.7)	(0.3)

The principal actuarial assumptions, which require estimations and judgement, used to calculate the net defined benefit balance were as follows. These are expressed as a weighted average.

	2024	2023
Discount rate	**5.3%**	5.1%
Rate of increase in salaries	**3.5%**	3.5%
Rate of increase in Retail Price Index (UK defined benefit plan only)	**3.2%**	3.0%

The Group expects to make contributions of $0.9 million to the defined benefit plans during the next financial year.

The major categories of plan assets are as follows:

	2024 A$M	2023 A$M
Cash	**2.3**	9.0
Equity investments	**4.9**	4.5
Debt instruments	**18.7**	19.6
Property and other assets	**37.1**	32.3
Total plan assets	**63.0**	65.4

Recognition and measurement

The defined benefit obligations are calculated annually, at a minimum, by independent actuaries using the projected unit credit method. Remeasurements of the net defined benefit balance, excluding interest, are recognised immediately in other comprehensive income.

The Group determined the net interest income on the net defined benefit balance for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the opening net defined benefit balance, adjusted for any changes in the net defined benefit balance during the period resulting from contributions and benefit payments. Net interest income related to the defined benefit plans is recognised in the income statement.

Notes to the Consolidated Financial Statements

17 – OTHER FINANCIAL ASSETS AND LIABILITIES

	2024 A$M	2023 A$M
Other financial assets – Current:		
Other financial assets	**164.6**	–
Investments in marketable securities[2]	**20.7**	19.9
Trust assets	**0.2**	1.2
Lease receivable	**2.2**	0.1
Derivative financial instruments:		
Forward commodity contracts	**–**	16.4
Forward foreign exchange contracts	**–**	1.8
	187.7	39.4
Other financial assets – Non-current:		
Loans to related parties[1]	**42.4**	42.0
Long term lease receivable	**28.5**	32.7
Other receivables	**14.9**	26.7
	85.8	101.4
Other financial liabilities – Current:		
Other financial liabilities	**164.9**	–
Derivative financial instruments:		
Forward commodity contracts	**2.5**	–
	167.4	–

1 In FY20, the Group provided a US$40.0 million loan to Adams Steel of Nevada LLC, an entity held by George Adams who is a member in the Group's joint venture, SA Recycling. The loan accrues interest at 4% per annum for an eight year term. At 30 June 2024, the balance of the loan was $42.4 million.

2 Marketable securities represents an investment in a mutual fund relating to retirement obligations for employees in the US. There is a corresponding liability recognised in the Employee Benefits provision in Note 15.

3 Other financial assets and liabilities include amounts of $164.6 6 millionillion related to forward foreign exchange contracts that were settled on 1 July 2024.

Recognition and measurement

Derivative financial instruments

Refer to note 23.

Investments in marketable securities

Investments in marketable securities are designated as a financial asset at fair value through profit or loss. Investments in marketable securities are initially recognised at fair value and are subsequently carried at fair value. The fair value of the investment is based on last quoted price. Unrealised gains and losses arising from changes in the fair value are recognised in profit or loss.

18 – ASSETS CLASSIFIED AS HELD FOR SALE

	2024 A$M	2023 A$M
Interest in CLP Circular Services Holdings LLC ("CLP")[1]	**50.2**	97.5
Interest in LMS Energy Pty Ltd ("LMS")[2]	**–**	85.4
Interest in UK Metals[3]	**534.2**	–
Other	**0.2**	6.7
Assets classified as held for sale	**584.6**	189.6

	2024 A$M	2023 A$M
Interest in CLP Circular Services Holdings LLC ("CLP")[1]	**–**	–
Interest in LMS Energy Pty Ltd ("LMS")[2]	**–**	–
Interest in UK Metals[3]	**236.4**	–
Other	**–**	–
Liabilities directly associated with assets held for sale	**236.4**	–

1 The Group has a 12.4% interest in CLP at 30 June 2024 (30 June 2023: 12.4%). This interest is an asset classified as held for sale. The Group has received an offer to sell its residual interest at a discount to the current carrying value. As at 30 June 2024, the value of the asset has been revalued to reflect this discount.

2 On 20 September 2023, the Group entered into an agreement for the sale of its 50% interest in LMS for a total consideration of $269.7 million. The transaction was completed on 30 November 2023. The Group recognised a $170.7 million gain (net of transaction costs of $11.0 million) on disposal of its interest in LMS calculated as the difference between the total consideration and the equity accounted carrying amount of LMS on completion date. This amount is recognised as a significant item in note 4.

3 On 22 November 2023, the Group announced it had commenced a full strategic review of the UK Metal business to explore various options to maximise shareholder returns. Subsequent to year end, the Group has entered into a binding agreement for the sale of its full interest in the UK Metal business for total after tax cash proceeds of approximately GBP195 million (A$375 million) (including the value of retained working capital and subject to an agreed net asset value adjustment and customary completion mechanisms), along with the business's lease liabilities.The UK Metal business has been classified as an asset held for sale within the financial statements as a result.

Notes to the Consolidated Financial Statements

CAPITAL STRUCTURE AND RISK MANAGEMENT

19 – CASH AND CASH EQUIVALENTS

	2024 A$M	2023 A$M
Cash at bank and on hand	**53.3**	268.9
Restricted cash[1]	**39.8**	39.8
Cash and cash equivalents	**93.1**	308.7

[1] Restricted cash includes an amount of restricted cash related to captive insurance

Reconciliation of profit/loss for the year ended 30 June to net cash inflows/(outflows) from operating activities

	2024 A$M	2023 A$M
Profit/(loss) for the year ended 30 June	**(57.8)**	181.1
Adjustments for non-cash items:		
Depreciation and amortisation	**262.0**	222.7
Non-cash interest expense	**0.8**	0.2
Equity accounted results net of dividends received	**(14.5)**	(57.6)
Non-cash share-based payments expense	**19.5**	16.8
Unrealised (gain)/loss on held for trading derivatives	**6.8**	13.6
Non-cash retirement benefit expense	**0.1**	0.6
Non–cash closure costs	**15.5**	–
Loss on revaluation of asset held for sale investment	**48.1**	–
Net gain on disposal of property, plant and equipment	**(4.2)**	(36.7)
Impairment of equity accounted investment	**29.4**	–
Gain on sales of interest	**(182.8)**	(51.5)
Impairment of property, plant and equipment	**10.5**	10.9
Impairment of leases	**3.5**	2.0
Non-cash grant income	**(0.5)**	(0.3)
Other	**(2.5)**	(1.3)
Change in operating assets and liabilities:	**.**	
(Increase)/decrease in trade and other receivables	**(42.6)**	12.0
(Increase)/decrease in inventories	**(57.5)**	108.0
(Increase)/decrease in prepayments	**45.0**	3.9
Increase/(decrease) in provisions	**(0.6)**	(89.2)
Increase/(decrease) in income taxes	**63.3**	(5.7)
Increase/(decrease) in deferred taxes	**(25.4)**	28.7
Increase/(decrease) in trade and other payables	**86.4**	91.0
Net cash inflows/(outflows) from operating activities	**202.5**	449.2

Reconciliation of liabilities arising from financing activities

	BORROWINGS A$M	LEASE LIABILITIES A$M
Balance at 30 June 2023	**444.2**	**360.6**
Financing cash flows	**65.9**	**(88.9)**
Lease additions	**–**	**56.4**
Non-cash lease transactions	**–**	**0.9**
Reclass to liabilities directly associated with assets held for sale	**–**	**(50.2)**
Non-cash foreign exchange movement	**(5.1)**	**–**
Balance at 30 June 2024	**505.0**	**278.8**

	BORROWINGS A$M	LEASE LIABILITIES A$M
Balance at 30 June 2022	355.5	346.2
Financing cash flows	87.6	(81.8)
Lease additions	–	80.9
Non-cash lease transactions	–	4.2
Non-cash foreign exchange movement	1.1	11.1
Balance at 30 June 2023	444.2	360.6

Recognition and measurement

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

20 – BORROWINGS

	2024 A$M	2023 A$M
Non-current borrowings	**505.0**	444.2

The Group has access to unsecured global multi-currency/multi-option loan facilities, all of which are subject to common terms. At 30 June 2024, the Group had $1,030.0 million (2023: $833.0 million) unsecured global multi-currency/multi-option loan facilities and $489.6 million (2023: $352.3 million) unused credit, inclusive of financial guarantees on loan facilities. The amount of credit available is subject to limits from loan covenants as specified in the loan facilities.

In November 2023, the Group renewed its loans facilities on substantially the same terms and conditions as had previously existed. This renewal extended the maturity dates of the Group's borrowing facilities by an additional two years to 31 October 2026.

The group incurred $60.2 million of finance costs, excluding lease interest, during the year ended 30 June 2024, mainly comprised of interest on external borrowings and commitment fees on the Group's loan facilities (2023: $25.2 million).

There have been no breaches of the Group's bank covenants during the period.

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds, net of transaction costs, and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

21 – CONTRIBUTED EQUITY

	2024		2023	
	NUMBER OF SHARES	A$M	NUMBER OF SHARES	A$M
On issue per share register at the beginning of the period	**193,181,520**	**2,597.1**	194,114,369	2,611.7
Share buy-back	**–**	**–**	(977,546)	(14.6)
Issued under long-term incentive plans	**28,147**	**–**	44,697	–
On issue per share register at the end of the period	**193,209,667**	**2,597.1**	193,181,520	2,597.1
Less: Treasury shares held at the end of the period	**(251,100)**	**(3.8)**	(1,395,087)	(21.5)
Total contributed equity	**192,958,567**	**2,593.3**	191,786,433	2,575.6

Holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholders' meetings. With effect from 1 January 2020, the Company has allowed participants of its long-term incentive plan ("LTIP") to withhold shares to satisfy applicable tax withholding and exercise costs under the LTIP.

Share buy-back

The number and timing of shares purchased will depend on the Company's share price and market conditions. All ordinary shares purchased pursuant to the share buy- back program will be cancelled. During FY24, the Company did not purchase ordinary shares for under its current buy-back program.

Employee share ownership programme trusts ("treasury shares")

During August 2019, the Company established two separate employee share ownership programme trusts for the benefit of all long-term incentive plan eligible employees of the Company. The trust uses funds provided by Sims Limited and/or its subsidiaries to acquire shares on market to satisfy exercises and vestings under the Group's long-term incentive plans. The trusts held 251,100 shares at 30 June 2024 (2023: 1,395,087 shares).

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds. When the Company purchases any of its own equity instruments, for example, as a result of a share buy-back, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from contributed equity.

22 – RESERVES AND ACCUMULATED DEFICIT

Reserves

	SHARE BASED PAYMENTS A$M	FOREIGN CURRENCY TRANSLATION A$M	TOTAL A$M
Balance at 1 July 2022	282.0	43.7	325.7
Equity-settled share-based payment expense	17.0	–	17.0
Gain reclassified to profit or loss on disposal of foreign operations	–	(1.2)	(1.2)
Foreign currency translation differences	–	93.0	93.0
Deferred tax	2.0	(6.4)	(4.4)
Balance at 1 July 2023	301.0	129.1	430.1
Equity-settled share-based payment expense	**19.5**	**–**	**19.5**
Gain reclassified to profit or loss on disposal of foreign operations	**–**	**(2.6)**	**(2.6)**
Foreign currency translation differences	**–**	**2.5**	**2.5**
Deferred tax	**(1.0)**	**(0.5)**	**(1.5)**
Balance at 1 July 2024	**319.5**	**128.5**	**448.0**

Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of share-based awards issued to employees.

Foreign currency translation reserve

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group disposes of the foreign operation.

Accumulated deficit

	2024 A$M	2023 A$M
Balance at 1 July	**(349.0)**	(371.4)
Profit/(loss) after tax	**(57.8)**	181.1
Dividends paid	**(40.6)**	(123.6)
Movement in treasury shares held by trust	**(29.7)**	(29.6)
Actuarial gain on defined benefit plans, net of tax	**(1.5)**	(5.5)
Balance at 30 June	**(478.6)**	(349.0)

23 – FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk, commodity price risk and equity securities price risk), credit risk and liquidity risk. The Group's overall financial risk management strategy seeks to mitigate these risks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by a limited number of employees as authorised by the Board. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Risk Committee ("RC") of the Board oversees the monitoring of compliance by management with the Group's risk management framework. The RC is assisted in its oversight role by Internal Audit which undertakes reviews of key management controls and procedures.

The Group uses derivative financial instruments in certain circumstances in accordance with Board approved policies to hedge exposure to fluctuations in foreign exchange rates and commodity prices. Derivative financial instruments are used for hedging purposes and not as trading or other speculative instruments.

Capital risk management

The primary objective of managing the Group's capital is to ensure that there is sufficient capital available to support the funding requirements of the Group, including capital expenditure, in a way that optimises the cost of capital, maximises shareholders' returns and ensures that the Group remains in a sound financial position. In order to manage the capital structure, the Group may periodically adjust dividend policy, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital structure primarily using the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as total equity as shown in the statement of financial position plus net debt. As at 30 June 2024, the Group had a net cash position of $(411.9) million (2023: $(135.5) million).

Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's net profit or the value of its holdings of financial instruments.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to transactions settled in US dollars and Euro. The exposure of an entity to transaction risk is minimised by matching local currency income with local currency costs.

The Group enters into forward foreign exchange contracts to hedge sales or purchase commitments denominated in currencies that are not the functional currency of the relevant entity. These contracts are typically entered for a period of three to six months based on when the transaction is expected to settle.

The Group's net financial assets/(liabilities) exposure to foreign exchange risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2024 A$M	2023 A$M
Currency		
US dollar	**(116.2)**	86.3
Euro	**127.9**	143.7
British pounds sterling	**(2.6)**	23.5

The table below shows the net impact of a 10% appreciation of the relevant currency against the Australian dollar for the balances above with all other variables held constant and the corresponding effect on the Group's forward foreign exchange contracts with all other variables held constant.

Impact on post-tax profit – (lower)

	2024 A$M	2023 A$M
Currency		
US dollar	**(30.6)**	(17.5)
Euro	**10.2**	7.0
British pounds sterling	**12.0**	(1.1)

Impact on equity – higher

	2024 A$M	2023 A$M
Currency		
US dollar	**43.3**	43.3

The impact on equity includes the effect from intragroup long-term borrowings which, in substance, form part of the Group's investment in an entity. Exchange gains and losses on these balances are recorded in the foreign currency translation reserve.

A 10% depreciation of the relevant currency against the Australian dollar would have an equal and opposite effect.

(ii) Commodity price risk

The Group is exposed to risks associated with fluctuations in the market price for ferrous and non-ferrous metals and precious metals, which are at times volatile. The Group seeks to mitigate commodity price risk by seeking to turn over its inventories quickly, instead of holding inventories in anticipation of higher commodity prices.

The Group uses forward commodity contracts matched to purchases or sales of non-ferrous metals (primarily copper, nickel and aluminium) and certain precious metals (primarily gold, silver and palladium) where viable forward commodity contracts are available to minimise price risk exposure. The hedges undertaken aim to protect margins and provide downside protection of the underlying value of on-site finished goods inventories and unpriced in-transit sales.

At the end of the reporting period, none of the Group's forward commodity contracts qualified for hedge accounting, despite being valid economic hedges of the relevant risk. Accordingly, any movement in commodity rates that impact the fair value of these forward commodity contracts are recorded in profit or loss. Note 17 shows the carrying amount of the Group's forward commodity contracts at the end of the reporting period.

A 10% appreciation in commodity prices on outstanding forward commodity contracts, with all other variables held constant, would result in lower net profit of $24.3 million during FY24 (2023: $13.1 million). A 10% depreciation of the stated commodity prices would have an equal and opposite effect.

(iii) Interest rate risk

The Group is exposed to interest rate risk as entities borrow funds at variable interest rates. The Group does not use any derivative financial instruments to manage its exposure to interest rate risk. Cash deposits, loans to third parties and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The interest rate risk for interest-bearing liabilities is immaterial in terms of possible impact on profit or loss.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

The Group establishes credit limits for its customers. Trade and other receivables consist of a large number of customers, spread across various metal producing sectors in international markets. Ongoing credit evaluation is performed on the financial condition of the Group's customers and, where appropriate, a loss allowance is raised. For certain customers, the Group purchases credit insurance to protect itself against collection risks.

The Group is also exposed to credit risk arising from the Group's transactions in derivative contracts. For credit purposes, there is only a credit risk where the counterparty is liable to pay the Group in the event of a closeout.

The Group has policies that limit the amount of credit exposure to any financial institution. Derivative counterparties and cash transactions are limited to financial institutions that typically have a minimum credit rating of "A" by either Standard & Poor's or Moody's, unless otherwise approved by the Board. Management also monitors the current credit exposure with each counterparty. Any changes to counterparties or their credit limits must be approved by the Group Chief Financial Officer.

Liquidity risk

Liquidity risk is associated with ensuring that there is sufficient cash and cash equivalents on hand and the availability of funding through an adequate amount of committed credit facilities to meet the Group's obligations as they mature and the ability to close out market positions.

The Group manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic and volatile nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Included in note 19 is a summary of undrawn facilities that the Group can draw upon if required.

The contractual cash flows of the Group's financial liabilities are shown in the table below. The contractual amounts represent the future undiscounted cash flows. The amounts for interest bearing liabilities also include interest cash flows and therefore, do not equate to the carrying amount. The expected timing of cash outflows are set out below:

	LESS THAN 1 YEAR A$M	BETWEEN 1 AND 5 YEARS A$M	OVER 5 YEARS A$M	TOTAL A$M
2024				
Non-derivatives:				
Trade and other payables	**740.1**	**7.2**	**0.7**	**748.0**
Borrowings	**–**	**505.0**	**–**	**505.0**
Derivatives:				
Other financial liabilities	**166.6**	**–**	**–**	**166.6**
Net settled (forward commodity contracts)	**2.5**	**–**	**–**	**2.5**
Gross settled (forward foreign exchange contracts):				
– (inflows)	**334.0**	**–**	**–**	**334.0**
– outflows	**(335.7)**	**–**	**–**	**(335.7)**
	907.5	**512.2**	**0.7**	**1,420.4**
Interest on financial commitments	**37.0**	**37.0**	**12.5**	**86.5**
Financial guarantees[1]	**38.9**	**–**	**–**	**38.9**
	983.4	**549.2**	**13.2**	**1,545.8**

	LESS THAN 1 YEAR A$M	BETWEEN 1 AND 5 YEARS A$M	OVER 5 YEARS A$M	TOTAL A$M
2023				
Non-derivatives:				
Trade and other payables	838.1	16.7	4.7	859.5
Borrowings	–	444.2	–	444.2
Derivatives:				
Net settled (forward commodity contracts)	–	–	–	–
Gross settled (forward foreign exchange contracts):				–
– (inflows)	(157.8)	–	–	(157.8)
– outflows	159.3	–	–	159.3
	839.6	460.9	4.7	1,305.2
Interest on financial commitments	26.4	8.9	–	35.3
Financial guarantees	44.3	–	–	44.3
	910.3	469.8	4.7	1,384.8

1 Refer to note 30 for details on financial guarantees. The amounts disclosed above are the maximum amounts allocated to the earliest period in which the guarantee could be called. However, the Group considers that it is more likely than not that such an amount will not be payable under the arrangement.

Put option

A subsidiary of the Group holds a 50% share in the SA Recycling, LLC Joint Venture ("SAR"). The remaining 50% of SAR is owned by the Adams family through Adams Steel LLC ("Adams Steel"). Under the terms of the SAR Operating Agreement dated 1 September 2007, as subsequently amended, Adams Steel holds an option which gives Adams Steel the right to compel the Group's subsidiary to purchase some or all of its interest on a cash free/debt free basis, using a 4.5 multiple of the average annual EBITDA for the prior three fiscal years. Sims' assessment is that this formula would result in an exercise price that would be considered equal to the fair value of 50% of SAR. As such, the derivative does not have a material value to be accounted for. The purchase of some or all of the interest under the option is to be settled in cash within twelve months of the option being exercised. The option has no expiry date and has no impact on the current control of SAR. The Group considers that sufficient financing options are available should the put option be exercised.

Fair value

The carrying amounts and estimated fair values of the Group's financial assets and liabilities are materially the same.

The fair value of financial instruments traded on active markets (such as publicly traded derivatives and investments in marketable securities) is based on quoted market prices at the reporting date. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (such as forward foreign exchange contracts) is determined using readily observable broker quotes. These instruments are included in level 2.

There were no transfers between levels during the year.

Valuation of financial assets and liabilities

Financial instruments carried at fair value are classified by valuation method using the following hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Recognition and measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Certain derivative instruments do not qualify for hedge accounting, despite being valid economic hedges of the relevant risks. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses. Refer to note 4 for the impact of hedge gains or losses for non-qualified hedges.

Notes to the Consolidated Financial Statements

GROUP STRUCTURE

24 – BUSINESS ACQUISITIONS AND DISPOSALS

Acquisitions

(a) **Baltimore Scrap Corporation**

On 15 August 2023, the Group announced that it had agreed to acquire the operations of US based metal recycler, Baltimore Scrap Corporation ("BSC"), within the NAM segment, for total consideration of $347.3million (US$220.0 million). BSC is one of the largest metal recyclers in the United States Northeast with 17 facilities across five states - Maryland, Virginia, Pennsylvania, New York, and New Jersey. BSC's operations include four shredders and extensive rail, barge and port infrastructure.

The transaction was completed on 27 October 2023.

On a combined basis, had the acquisition occurred on 1 July 2023, the revenue and net loss contribution by the business acquired to the Group's Income Statement would be $370.2 million (US$242.7 million) and $8.8 million (US$5.7 million). Additionally, revenue and net loss contribution by the business acquired to the Group post acquisition to 30 June 2024 was $202.0 million (US$132.6 million) and $15.7 million (US$10.3 million) respectively. This includes $4.7 million (US$3.1 million) of amortisation of supplier relationships, and $4.8 million (US$3.2 million) of depreciation on the uplifted value of fixed asset values on acquisition.

Details of the purchase consideration, assets and liabilities arising from the acquisition and goodwill recognised from the acquisition are as follows:

	A$M
Receivables	**54.2**
Inventories	**25.6**
Property, plant and equipment	**129.7**
Right of use asset	**4.1**
Identified intangible assets	**58.2**
Provisions	**(11.8)**
Lease liabilities	**(4.1)**
Net identifiable assets acquired	**255.9**
Goodwill on acquisition	**91.4**
Total consideration	**347.3**

The Group incurred $4.2 million of transactional costs related to the acquisition.

(b) Northeast Metal Traders, Inc.

On 21 March 2023, the Group announced that it had agreed to acquire the commercial and operating assets of Northeast Metal Traders, Inc., within the NAM segment, for total consideration of $54.6 million (US$36.1 million), including inventory on hand of $27.6 million (US$18.2 million). Northeast Metal Traders, Inc. is a non-ferrous scrap metal wholesaler and broker which operates a single-scale site in Philadelphia, US. This transaction was completed on 1 May 2023.

Since 30 June 2023, the Group has finalised its acquisition accounting and there has been no material change to the accounting previously presented.

(c) Alumisource

On 12 February 2021, the Group acquired Alumisource Corporation which included contingent consideration based on the performance of the business post-acquisition. During the year ended 30 June 2024, an amount totalling $55.0 million (US$36.0 million) was paid to the vendor.

Notes to the Consolidated Financial Statements

25 – SUBSIDIARIES

(a) List of subsidiaries

NAME OF ENTITY	COUNTRY OF INCORPORATION	EQUITY HOLDING % 2024	EQUITY HOLDING % 2023
Sims Limited[1]	Australia		
Electronic Product Stewardship Australasia Pty Limited[4]	Australia	**100%**	90%
Sims Aluminium Pty Limited[1]	Australia	**100%**	100%
Sims Corporate Pty Limited	Australia	**100%**	100%
Sims E-Recycling Pty Limited[4]	Australia	**100%**	90%
Sims Energy Pty Ltd[4]	Australia	**100%**	90%
Sims Group Australia Holdings Limited[1]	Australia	**100%**	100%
Sims Group Holdings 1 Pty Ltd	Australia	**100%**	100%
Sims Group Holdings 2 Pty Ltd	Australia	**100%**	100%
Sims Group Holdings 3 Pty Limited	Australia	**100%**	100%
Sims Industrial Pty Limited	Australia	**100%**	100%
Simsmetal Holdings Pty Limited	Australia	**100%**	100%
Simsmetal Properties NSW Pty Limited	Australia	**100%**	100%
Simsmetal Properties Qld Pty Limited	Australia	**100%**	100%
Simsmetal Services Pty Limited[1]	Australia	**100%**	100%
Sims Resource Renewal Pty Limited	Australia	**100%**	100%
Sims Group Canada Holdings Limited	Canada	**100%**	100%
Sims Group Recycling Solutions Canada Ltd	Canada	**100%**	100%
Sims Group German Holdings GmbH	Germany	**100%**	100%
Sims Lifecycle Services GmbH	Germany	**100%**	100%
Sims Metal Management Asia Limited	Hong Kong	**100%**	100%
Sims Recycling Solutions India Private Limited	India	**100%**	100%
Trishyiraya Recycling India Private Limited	India	**100%**	100%
Sims Recycling Solutions Ireland Limited	Ireland	**100%**	100%
Sims Lifecycle Services BV	Netherlands	**100%**	100%
Sims Recycling Solutions Coöperatief B.A.[2]	Netherlands	**0%**	100%
Sims E - Recycling (NZ) Limited[4]	New Zealand	**100%**	90%
Sims Pacific Metals Limited	New Zealand	**100%**	100%
Simsmetal Industries Limited	New Zealand	**100%**	100%
PNG Recycling Limited	Papua New Guinea	**100%**	100%
Sims Recycling Solutions Sp. z.o.o.[2]	Poland	**0%**	100%
Sims Global Commodities Pte. Ltd.	Singapore	**100%**	100%
Sims Recycling Solutions Pte. Ltd.	Singapore	**100%**	100%
Kaystan Holdings Limited	UK	**100%**	100%
Lord & Midgley Limited	UK	**100%**	100%
Morley Waste Traders Limited	UK	**100%**	100%
Sims Renewable Energy Limited	UK	**100%**	100%
Sims Group UK Holdings Limited	UK	**100%**	100%
Sims Group UK Intermediate Holdings Limited	UK	**100%**	100%
Sims Group UK Limited	UK	**100%**	100%
Sims Group UK Pension Trustees Limited	UK	**100%**	100%
Sims Metal Management Finance Limited	UK	**100%**	100%
CIM Trucking, Inc.	US	**100%**	100%
Dover Barge Company	US	**100%**	100%
Global Sustainability Insurance Corporation	US	**100%**	100%
Metal Management Indiana, Inc.	US	**100%**	100%

Notes to the Consolidated Financial Statements

NAME OF ENTITY	COUNTRY OF INCORPORATION	EQUITY HOLDING % 2024	2023
Metal Management Midwest, Inc.	US	**100%**	100%
Metal Management Northeast, Inc.	US	**100%**	100%
Metal Management Ohio, Inc.	US	**100%**	100%
Metal Management, Inc.	US	**100%**	100%
Sims ARG, Inc	US	**100%**	100%
Export Enterprises, LLC[4]	US	**100%**	50%
Key Export, LLC[4]	US	**100%**	50%
New York Recycling Ventures, Inc.	US	**100%**	100%
Sims Aluminum Inc.	US	**100%**	100%
Sims Southwest Corporation	US	**100%**	100%
Schiabo Larovo Corporation	US	**100%**	100%
Sims Energy USA Holdings Corporation	US	**100%**	100%
Sims Energy USA LLC[2]	US	**0%**	50%
Sims Group Global Trade Corporation	US	**100%**	100%
Sims Group USA Corporation	US	**100%**	100%
Sims Group USA Holdings Corporation	US	**100%**	100%
Sims Metal Management USA GP	US	**100%**	100%
Sims Recycling Solutions Holdings Inc.	US	**100%**	100%
Sims Recycling Solutions Inc.	US	**100%**	100%
Simsmetal East LLC	US	**100%**	100%
Simsmetal West LLC	US	**100%**	100%
SMM – North America Trade Corporation	US	**100%**	100%
SMM Gulf Coast LLC	US	**100%**	100%
SMM New England Corporation	US	**100%**	100%
SMM South Corporation	US	**100%**	100%
SMM Southeast LLC	US	**100%**	100%
Elizabeth River Export, LLC[3]	US	**75%**	0%
Sims Lifecycle Services S.A. de C.V.	Mexico	**100%**	100%
Sims Lifecycle Reciclagem de Electrônicos Ltda (previously Sims Lifecycle Services Ltd)	Brazil	**100%**	100%
Sims Lifecycle Services Limited	UK	**100%**	100%
Sims Metal Limited	UK	**100%**	100%
Sims Lifecycle Services AB	Sweden	**100%**	100%
Sims Lifecycle Services Sp z.o.o (previously Balfia Sp z.o.o.)	Poland	**100%**	100%
Sims Lifecycle Services Japan KK[3]	Japan	**100%**	0%

1 These subsidiaries and the Company are parties to a Deed of Cross Guarantee under which each entity guarantees the debts of the others. The above entities represent a Closed Group and an Extended Closed Group for the purposes of the relevant Australian Securities and Investments Commission Class Order.

2 These subsidiaries were sold or dissolved in the current year.

3 These subsidiaries were formed in the current year.

4 The remaining interest of these subsidiaries were acquired in the current year.

(b) Deed of Cross Guarantee

Sims Limited, Sims Group Australia Holdings Limited, Sims Aluminium Pty Limited and Simsmetal Services Pty Limited are parties to a Deed of Cross Guarantee ("DCG") under which each company guarantees the debts of the others. By entering into the DCG, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly owned Companies) Instrument 2016/785, as in force on 28 April 2021.

The above companies represent a "Closed Group" for the purposes of the Class Order. As there are no other parties to the DCG that are controlled by Sims Limited, they also represent the "Extended Closed Group". Set out below are the condensed consolidated income statement, a consolidated statement of comprehensive income, a summary of movements in consolidated accumulated deficit and a consolidated statement of financial position for the Closed Group.

	2024 A$M	2023 A$M
(i) Consolidated income statement		
Profit before income tax	**126.5**	182.4
Income tax expense	**(88.2)**	(29.3)
Profit after tax	**38.3**	153.1
(ii) Consolidated statement of comprehensive income		
Profit after tax	**38.3**	153.1
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Actuarial gain/(loss) on defined benefit plans, net of tax	**(4.6)**	(0.4)
Other comprehensive (loss)/income for the year, net of tax	**(4.6)**	(0.4)
Total comprehensive income for the year	**33.7**	152.7
(iii) Summary of movements in consolidated accumulated deficit		
Balance at 1 July	**(997.2)**	(996.7)
Profit for the year	**38.3**	153.1
Actuarial gain/(loss) on defined benefit plans, net of tax	**(4.6)**	(0.4)
Trust reserves	**(28.9)**	(29.6)
Dividends provided for or paid	**(40.6)**	(123.6)
Balance at 30 June	**(1,033.0)**	(997.2)

Notes to the Consolidated Financial Statements

	2024 A$M	2023 A$M
(iv) Consolidated statement of financial position		
Current assets		
Cash and cash equivalents	**204.9**	234.6
Trade and other receivables	**186.4**	447.6
Current tax receivables	**–**	3.1
Inventories	**193.0**	194.2
Other financial assets	**2.4**	1.2
Assets classified as held for sale	**–**	85.4
Total current assets	**586.7**	966.1
Non-current assets		
Other financial assets	**1,615.9**	1,621.3
Right of use assets	**43.4**	53.2
Property, plant and equipment	**339.5**	355.6
Other intangible assets	**48.3**	48.7
Total non-current assets	**2,047.1**	2,078.8
Total assets	**2,633.8**	3,044.9
Current liabilities		
Trade and other payables	**345.0**	599.8
Lease liabilities	**15.5**	17.3
Current tax liabilities	**66.0**	(3.4)
Provisions	**27.5**	25.6
Total current liabilities	**454.0**	639.3
Non-current liabilities		
Payables	**16.3**	–
Lease liabilities	**64.5**	75.0
Borrowings	**205.0**	439.9
Deferred tax liabilities	**6.5**	9.7
Retirement benefit obligations	**0.2**	1.0
Provisions	**3.6**	3.6
Total non-current liabilities	**296.1**	529.2
Total liabilities	**750.1**	1,168.5
Net assets	**1,883.7**	1,876.4
Equity		
Contributed equity	**2,597.1**	2,575.6
Reserves	**319.6**	298.0
Accumulated deficit	**(1,033.0)**	(997.2)
Total equity	**1,883.7**	1,876.4

Notes to the Consolidated Financial Statements

26 – INTERESTS IN OTHER ENTITIES

Joint ventures

NAME	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST % 2024	OWNERSHIP INTEREST % 2023
SA Recycling, LLC ("SAR")	Recycling	US	**50.0**	50.0
Richmond Steel Recycling Limited	Recycling	Canada	**50.0**	50.0
Rondout Iron & Metal Company LLC	Recycling	US	**50.0**	50.0
KDCGlobal, Inc.	Recycling	US	**49.0**	49.0
Kariyarra Sims Recycling Pty Ltd[1]	Recycling	Australia	**50.0**	–
Ngardimu Pty Ltd[2]	Recycling	Australia	**50.0**	–

1 Sims Group Australia Holdings Ltd. entered into a 50% JV with a newly formed entity, Kariyarra Sims RecyclingRecycling Pty Ltd.

2 Sims Group Australia Holdings Ltd. entered into a 50% JV in Ngardimu Pty Ltd..

Movements in carrying amounts of joint ventures

2024	SAR A$M	SMR A$M	OTHER A$M	TOTAL A$M
Balance at 1 July	**542.9**	**–**	**56.9**	**599.8**
Share of results	**102.2**	**–**	**(4.0)**	**98.2**
Dividends received	**(80.6)**	**–**	**–**	**(80.6)**
Impairment	**–**	**–**	**(29.4)**	**(29.4)**
Foreign exchange and other differences	**(0.4)**	**–**	**(2.7)**	**(3.1)**
Balance at 30 June	**564.1**	**–**	**20.8**	**584.9**

2023	SAR A$M	SMR A$M	OTHER A$M	TOTAL A$M
Balance at 1 July	470.5	63.9	124.9	659.3
Share of results	163.5	(3.0)	9.8	170.3
SA Recycling amortisation reversal	16.8	–	–	16.8
Derecognition of investment in joint venture	–	(62.8)	–	(62.8)
Reclassification to assets held for sale	–	–	(85.4)	(85.4)
Dividends received	(125.2)	–	(4.5)	(129.7)
Investment/advance to joint venture	–	–	11.4	11.4
Other	–	–	0.3	0.3
Foreign exchange differences	17.3	1.9	0.4	19.6
Balance at 30 June	**542.9**	**–**	**56.9**	**599.8**

Summarised financial information of joint ventures

2024	SAR	OTHER	TOTAL
Statement of financial position			
Current assets	**836.3**	**34.4**	**870.7**
Non-current assets	**1,563.9**	**95.5**	**1,659.4**
Current liabilities	**358.9**	**12.5**	**371.4**
Non-current liabilities	**983.1**	**35.6**	**1,018.7**
Income statement			
Revenue	**4,768.6**	**159.2**	**4,927.8**
Net profit for the year	**173.7**	**(4.3)**	**169.4**

Notes to the Consolidated Financial Statements

2023	SAR A$M	SMR A$M	OTHER A$M	TOTAL A$M
Statement of financial position				
Current assets	695.0	–	53.3	748.3
Non-current assets	1,430.6	–	207.5	1,638.1
Current liabilities	368.0	–	22.5	390.5
Non-current liabilities	727.3	–	53.7	781.0
Income statement				
Revenue	4,519.0	45.6	210.9	4,775.5
Net profit for the year	299.2	(10.7)	8.4	296.9

Balances and transactions with joint ventures

2024	SAR A$M	OTHER A$M	TOTAL A$M
Purchases of goods and services	**657.1**	**18.5**	**675.6**
Management and other fees and commissions	**8.2**	**1.2**	**9.4**
Current receivables	**7.0**	**0.1**	**7.1**
Current payables	**53.1**	**0.2**	**53.3**

2023	SAR A$M	SMR A$M	OTHER A$M	TOTAL A$M
Purchases of goods and services	682.6	–	24.6	707.2
Management and other fees and commissions	7.7	–	1.1	8.8
Current receivables	12.9	–	0.2	13.1
Current payables	19.7	–	–	19.7

Recognition and measurement

Investments in joint ventures have been accounted for under the equity method of accounting. The Group's share of net profit of joint ventures is recorded in the income statement.

Investments in joint ventures are annually tested for impairment and whenever the Group believes events or changes in circumstances indicate that the carrying value amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the investment exceeds its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs to sell and value in use.

27 – PARENT ENTITY INFORMATION

The Company was incorporated on 20 June 2005. Under the terms of a scheme of arrangement entered into between Sims Limited (formerly known as Sims Metal Management Limited from 22 November 2008 to 24 November 2019 and Sims Group Limited from 20 June 2005 to 21 November 2008) and Sims Group Australia Holdings Limited ("SGAHL") (formerly known as Sims Group Limited prior to 20 June 2005) on 31 October 2005, the shareholders in SGAHL exchanged their shares in that entity for the shares in Sims Limited.

SGAHL was deemed to be the acquirer in this business combination. This transaction has therefore been accounted for as a reverse acquisition. Accordingly, the consolidated financial statements of Sims Limited have been prepared as a continuation of the consolidated financial statements of SGAHL. Summary financial information is below:

	2024 A$M	2023 A$M
Statement of financial position:		
Current assets	**149.4**	148.0
Total assets	**2,380.2**	2,383.1
Current liabilities	**84.8**	85.9
Total liabilities	**316.0**	307.4
Shareholders' equity:		
Contributed equity	**3,913.9**	3,896.3
Reserves	**319.5**	301.1
Profits reserve	**1.8**	19.8
Accumulated deficit	**(2,171.0)**	(2,141.5)
Total equity	**2,064.2**	2,075.7
Statement of comprehensive income:		
Profit for the year	**22.5**	131.1
Total comprehensive income	**22.5**	131.1

Guarantees entered into by the parent entity

The Company has not provided financial guarantees for which a liability has been recognised in the Company's statement of financial position. The Company has given guarantees in respect of the performance of contracts entered into in the ordinary course of business. The amount of these guarantees provided by the Company as at 30 June 2024 was $38.9 million (2023: $44.3 million).

The Company has provided a guarantee for its proportional share of a lease obligation of a joint venture of the Group. The Company's proportional amount of the lease obligation remaining as at 30 June 2024 was $1.4 million (2023: $5.6 million).

The Company is party to a number of financing facilities and a DCG under which it guarantees the debts of a number of its subsidiaries.

Notes to the Consolidated Financial Statements

OTHER DISCLOSURES

28 – SHARE-BASED PAYMENTS

The Company's LTIP is designed as a reward and retention tool for eligible employees. The maximum number of shares that can be outstanding at any time under the LTIP is limited to 5% of the Company's issued capital. Grants under the share ownership plans can be in the form of options or share rights. Certain share ownership plans also provide for cash-settlement, which are determined by the Board.

Share-based payment expense

	2024 A$M	2023 A$M
Equity-settled share-based payments expense	**19.5**	17.0
Cash-settled share-based payments expense	**–**	–
	19.5	17.0

The Company has issued three types of instruments under its LTIP:

- Equity settled options
- Performance rights
- Restricted share units

Equity-settled options

Historically, options were issued to reward executives for absolute share price performance because the options only have value if the Company's share price exceeds the exercise price at the end of the vesting period. Since FY19, there has been no further issuance of share options by the Group and all outstanding options have fully vested in FY22.

FY24

Grant Date	Balance 1 July	Granted during year	Fair value at Grant Date	Exercised	Forfeited / Cancelled	Balance 30 June
10-Nov-16	504,146	–	A$3.78	(417,612)	(86,534)	–
9-Nov-17	638,062	–	A$4.33	–	–	638,062
5-Feb-18	55,168	–	A$4.89	–	–	55,168
9-Nov-18	919,065	–	A$3.47	(3,587)		915,478
4-Feb-19	4,933	–	A$10.19	–	–	4,933
Total	**2,121,374**	**–**	**A$33.66**	**(421,199)**	**(86,534)**	**1,613,641**

FY23

Grant Date	Balance 1 July	Granted during year	Fair value at Grant Date	Exercised	Forfeited / Cancelled	Balance 30 June
13-Nov-15	237,427	—	A$7.00	(174,741)	(62,686)	—
10-Nov-16	699,179	—	A$3.78	(195,033)	—	504,146
9-Nov-17	675,031	—	A$4.33	(18,132)	(18,837)	638,062
5-Feb-18	55,168	—	A$4.89	—	—	55,168
9-Nov-18	976,833	—	A$3.47	(57,768)	—	919,065
4-Feb-19	4,933	—	A$10.19	—	—	4,933
Total	**2,648,571**	**–**	**A$33.66**	**(445,674)**	**(81,523)**	**2,121,374**

For equity-settled options exercised during the year ended 30 June 2024, the weighted average share price at the date of exercise was A$12.92 for ordinary shares (2023: A$14.38 for ordinary shares).

The weighted average remaining contractual life of outstanding options at the end of the financial year was 0.94 years (2023: 1.57 years) years and the weighted average exercise price was $12.93 (2023: $12.35).

Performance rights

A performance right is a contractual right to acquire an ordinary share for nil consideration if specified performance conditions are met. Performance rights include TSR Rights, Strategic Rights and ROPA Rights. Details regarding the performance rights are below:

- TSR Rights: reward achievement of higher shareholder returns relative to peer companies in the ASX 200 materials and energy sectors, over the three-year performance period of 1 July through 30 June period. Rights vest after three years, with the quantum subject to attainment of the performance conditions.
- Strategic Rights: incentivise achievement of the Company's strategic goals over the three-year performance period of 1 July through 30 June period. Rights vest after three years, with the quantum subject to attainment of the performance conditions.
- ROPA Rights: incentivise achievement of the Company's Return on Productive Assets over the three-year performance period of 1 July through 30 June period beginning in FY23 period. ROPA is defined as the Average Non-Current Assets divided by underlying EBIT. Rights vest after three years, with the quantum subject to attainment of the performance conditions.

Performance hurdles are either based on Total Shareholder Return ("TSR"), Return on Invested Capital ("ROIC") pre FY23 or Return on Productive Assets from FY23, or strategic goals criteria. Details of the performance and service conditions are provided in the Remuneration Report.

How are the TSR Rights measured?

TSR measures the growth over a particular period in the Company's share price plus the value of reinvested dividends.

The TSR performance hurdle was chosen as it directly aligns with shareholder's interest as executives are rewarded only when the Company's TSR equals or exceeds the median of the comparator companies.

Comparator group

The comparator group used to measure TSR performance is the constituent companies as of 1 July 2023 in the ASX 200 materials and energy sectors. This comparator group is made up of companies in related sectors and of similar size to Sims, that are subject to many of the same economic trends as Sims.

Vesting schedule

TSR-based grants vest according to relative positioning of the Company's TSR at the end of a three-year performance period.

Sims' TSR relative to TSR of Comparator group	Proportion of TSR Rights Vesting
Below 50th Percentile	0%
At 50th Percentile	50%
Between 50th and 75th Percentile	Straight line between 50% and 100%
At or Above 75th Percentile	100%

How are the Strategic Rights measured?

Strategic Rights are measured over a three-year performance period.

Strategic Rights vest based on achievement of defined goals over the Performance Period.

Sims' Board has full discretion to make adjustments on either the calculation or testing results of the Strategic Rights performance measures.

Details of the performance goals and conditions are shown in section 2.6 of the Remuneration Report.

How are the ROPA Rights measured?

ROPA Rights are measured over a three-year performance period.

ROPA Rights vest based on the Company's Return on Productive Assets over the Performance Period.

FY23-25 Average ROPA	Proportion of Earned ROPA Rights Vesting
Below 12%	0%
At 12%	50%
Between 12% and 20%	Straight line between 50% and 100%
At or Above 20%	100%

For all Performance Rights, the valuation per Right was based on the face value of the underlying shares on the date of issue.

During FY24, Performance Rights were granted on 2 November 2023 and 1 January 2024. Refer to Fair Value section below for valuation assumptions.

FY24

Grant Date	Award Type	Balance 1 July	Granted during year	Fair value at Grant Date	Exercised/ Vested	Forfeited/ Cancelled	Balance 30 June
11-Nov-20	Performance Rights - Strategic	569,066	–	A$10.10	(483,706)	(85,360)	–
11-Nov-20	Performance Rights TSR	934,307	–	A$8.18	(934,307)		–
7-Dec-20	Performance Rights TSR	3,119	–	A$12.85	(3,119)		–
22-Jan-21	Performance Rights TSR	6,595	–	A$6.64	(6,595)		–
11-Nov-21	Performance Rigts SSI	–	–	A$100.00			–
11-Nov-21	Performance Rights - Strategic	306,477	–	A$13.68		(33,870)	272,607
11-Nov-21	Performance Rights TSR	644,288	–	A$8.18		(30,179)	614,109
9-Nov-22	Performance Rights - ROPA	205,384		A$11.23		(49,449)	155,935
9-Nov-22	Performance Rights - Strategic	280,070		A$11.23		(67,431)	212,639
9-Nov-22	Performance Rights TSR	376,342		A$5.13		(35,007)	341,335
2-Nov-23	Performance Rights EBIT	–	170,454	A$11.03			170,454
2-Nov-23	Performance Rights GM	–	170,454	A$11.03			170,454
2-Nov-23	Performance Rights - ROPA	–	464,055	A$11.66			464,055
2-Nov-23	Performance Rights - Strategic	–	301,568	A$11.66			301,568
2-Nov-23	Performance Rights TSR	–	103,724	A$6.87			103,724
1-Jan-24	Performance Rights - ROPA	–	2,589	A$14.07			2,589
Total		**3,325,648**	**1,212,844**		**(1,427,727)**	**(301,296)**	**2,809,469**

FY23

Grant Date	Award Type	Balance 1 July	Granted during year	Fair value at Grant Date	Exercised/ Vested	Forfeited/ Cancelled	Balance 30 June
15-Nov-19	Performance Rights - Strategic	470,596	–	A$10.14	(305,889)	(164,707)	–
15-Nov-19	Performance Rights TSR	719,655	–	A$6.61	(719,655)	–	–
11-Nov-20	Performance Rights - Strategic	569,066	–	A$10.10	–	–	569,066
11-Nov-20	Performance Rights TSR	949,342	–	A$8.18	–	(15,035)	934,307
7-Dec-20	Performance Rights TSR	3,119	–	A$12.85	–	–	3,119
22-Jan-21	Performance Rights TSR	11,491	–	A$6.64	(4,896)	–	6,595
11-Nov-21	Performance Rigts SSI	30,381	–	A$100.00	(24,306)	(6,075)	–
11-Nov-21	Performance Rights - Strategic	306,477	–	A$13.68	–	–	306,477
11-Nov-21	Performance Rights TSR	658,600	–	A$8.18	–	(14,312)	644,288
9-Nov-22	Performance Rights - ROPA	–	205,384	A$11.23	–	–	205,384
9-Nov-22	Performance Rights - Strategic	–	280,070	A$11.23	–	–	280,070
9-Nov-22	Performance Rights TSR	–	376,342	A$5.13	–	–	376,342
Total		**3,718,727**	**861,796**		**(1,054,746)**	**(200,129)**	**3,325,648**

Restricted share units

Restricted share units granted to employees typically vest over a period of three to four years.

Restricted Share Units (RSUs) provide direct share ownership of the company once the restriction period lapses based on continuous employment service. At the end of the first three-year period, the RSUs will vest at 50%. The remaining 50% will vest at the end of the four-year period. Vesting is contingent upon continued employment with the company on the vest dates noted above. Once the units have vested and converted to Ordinary Shares, they become fully owned shares in Sims Limited.

During FY24, six grants of RSU was made. Refer to section below for valuation assumptions.

FY24

Grant Date	Award Type	Balance 1 July	Granted during year	Fair value at Grant Date	Exercised/ Vested	Forfeited/ Cancelled	Balance 30 June
15-Nov-19	Restricted Share Units	301,831	–	A$10.02	(301,831)	–	–
6-Jan-20	Restricted Share Units	10,000	–	A$10.07	–	–	10,000
1-Jun-20	Restricted Share Units	32,500	–	A$7.21	(32,500)	–	–
10-Aug-20	Restricted Share Units	100,677	–	A$7.77	(100,677)	–	–
31-Aug-20	Restricted Share Units	11,103	–	A$7.65	(11,103)	–	–
11-Nov-20	Restricted Share Units	844,671	–	A$9.99	(423,523)	(1,508)	419,640
7-Dec-20	Restricted Share Units	4,241	–	A$9.99	(2,120)	–	2,121
22-Jan-21	Restricted Share Units	12,140	–	A$12.90	(7,655)	–	4,485
13-Jul-21	Restricted Share Units	32,503	–	A$14.41	–	–	32,503
19-Jul-21	Restricted Share Units	–	–	A$14.85	–	–	–
11-Nov-21	Restricted Share Units	510,145	–	A$13.65	–	(2,033)	508,112
11-Jul-22	Restricted Share Units	37,175	–	A$13.27	(18,587)	–	18,588
9-Nov-22	Restricted Share Units	566,975	–	A$11.08	–	(4,438)	562,537
27-Oct-23	Restricted Share Units	–	12,874	A$11.50	–	–	12,874
2-Nov-23	Restricted Share Units	–	371,797	A$11.50	–	–	371,797
4-Dec-23	Restricted Share Units	–	36,928	A$12.56	–	–	36,928
1-Jan-24	Restricted Share Units	–	2,589	A$14.72	–	–	2,589
8-Jan-24	Restricted Share Units	–	17,698	A$12.77	–	–	17,698
25-Mar-24	Restricted Share Units	–	4,166	A$12.97	–	–	4,166
Total		**2,463,961**	**446,052**		**(897,996)**	**(7,979)**	**2,004,038**

FY23

Grant Date	Award Type	Balance 1 July	Granted during year	Fair value at Grant Date	Exercised/ Vested	Forfeited/ Cancelled	Balance 30 June
1-Apr-19	Restricted Share Units	26,128	–	A$9.88	(26,128)	–	–
15-Nov-19	Restricted Share Units	683,153	–	A$10.02	(373,574)	(7,748)	301,831
6-Jan-20	Restricted Share Units	20,000	–	A$10.07	(10,000)	–	10,000
1-Jun-20	Restricted Share Units	119,642	–	A$7.21	(87,142)	–	32,500
10-Aug-20	Restricted Share Units	112,025	–	A$7.77	(11,348)	–	100,677
31-Aug-20	Restricted Share Units	11,103	–	A$7.65	–	–	11,103
11-Nov-20	Restricted Share Units	867,448	–	A$9.99	–	(27,777)	844,671
7-Dec-20	Restricted Share Units	4,241	–	A$9.99	–	–	4,241
22-Jan-21	Restricted Share Units	15,311	–	A$12.90	(3,171)	–	12,140
13-Jul-21	Restricted Share Units	32,503	–	A$14.41	–	–	32,503
19-Jul-21	Restricted Share Units	4,756	–	A$14.85	(4,756)	–	–
11-Nov-21	Restricted Share Units	526,945	–	A$13.65	–	(16,800)	510,145
11-Jul-22	Restricted Share Units	–	37,175	A$13.27	–	–	37,175
9-Nov-22	Restricted Share Units	–	566,975	A$11.08	–	–	566,975
Total		**2,423,255**	**604,150**		**(516,119)**	**(52,325)**	**2,463,961**

Fair value

The significant weighted assumptions used to determine the fair value were as follows. Management consults with a third party firm to perform fair value assessments and assess assumptions, which involve a degree of judgement.

	PERFORMANCE RIGHTS	
	2024	**2023**
Risk-free interest rate	**4.3%**	3.4%
Dividend yield	**2.8%**	2.8%
Volatility	**36.0%**	41.1%
Share price at grant date	**A$12.61 - A$15.56**	A$12.13

	RESTRICTED SHARE UNITS	
	2024	**2023**
Risk-free interest rate	**4.3%**	0.9% - 3.4%
Dividend yield	**2.8%**	2.8%
Volatility	**36.0%**	28.2% - 41.1%
Share price at grant date	**A$12.49 - A$15.56**	A$12.13 -A$13.85

Recognition and measurement

The grant date fair value is recognised as an employee benefit expense with a corresponding increase in equity over the vesting period. At the end of each reporting period, the Group revises its estimate of the number of shares that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity.

For cash-settled share-based arrangements, the fair value of the amount payable is recognised as an employee benefit expense with a corresponding increase to a liability. The liability is re-measured each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as an employee benefit expense in profit or loss.

The fair value of options and performance rights at grant date is independently determined using either a binomial model or a Monte-Carlo simulation model which takes into account any market related performance conditions. Non-market vesting conditions are not considered when determining fair value, but rather are included in the assumptions about the number of rights that are expected to vest. The fair value of restricted share units is determined based on the market price of the Company's shares on the date of grant and the Company's dividend yield.

29 – KEY MANAGEMENT PERSONNEL

Total remuneration paid or payable to Directors and key management personnel ("KMP") is set out below:

	2024 A$	2023 A$
Short-term benefits	**8,644,218**	10,472,987
Long-term benefits	**97,290**	85,708
Post-employment benefits	**561,921**	470,419
Share-based payments	**6,236,426**	5,235,586
	15,539,855	16,264,700

Other than the disclosures in note 17, 25, 26 and 29, there were no other transactions with related parties for the year ended 30 June 2024 and 2023.

30 – COMMITMENTS AND CONTINGENCIES

COMMTMENTS	2024 A$M	2023 A$M
Lease Commitments		
Not later than one year	**2.3**	1.7
Later than one year, but not later than five years	**–**	2.3
Later than five years	**–**	–
Total lease commitments not recognised as liabilities	**2.3**	4.0

	2024 A$M	2023 A$M
Capital expenditures		
Payable within one year	**12.3**	28.0
Later than one year, but not later than five years	**–**	0.1
Later than five years	**–**	–
Total capital expenditure commitments not recognised as liabilities	**12.3**	28.1

The commitments included above also include the Group's share relating to joint ventures.

Guarantees

The Group has given guarantees in respect of the performance of contracts entered into in the ordinary course of business. The amounts of these guarantees provided by the Group, for which no amounts are recognised in the consolidated financial statements, as at 30 June 2024 was $38.9million (2023: $44.3million).

Notes to the Consolidated Financial Statements

31 – REMUNERATION OF AUDITORS

AUDITOR OF THE PARENT ENTITY	2024 A$'000	2023 A$'000
Deloitte Touche Tohmatsu:		
Audit or review of financial statements		
• Group	**1,474**	1,444
• Subsidiaries and joint operations	**2,288**	2,159
	3,762	3,603
Other services:		
• Taxation services	**184**	428
• Climate and sustainability services	**45**	–
	3,991	4,031

The auditor of Sims Limited is Deloitte Touche Tohmatsu.

32 – SUBSEQUENT EVENTS

On 22 November 2023, the Group announced it had commenced a full strategic review of the UK Metal business to explore various options to maximise shareholder returns. Subsequent to year end, the Group has entered into a binding agreement for the sale of its full interest in the UK Metal business for total after tax cash proceeds of approximately GBP195 million (A$375 million) (including the value of retained working capital and subject to an agreed net asset value adjustment and customary completion mechanisms), along with the business's lease liabilities.The UK Metal business has been classified as an asset held for sale within the financial statements as a result.

On 12 August 2024, the Group announced that it had signed a letter of intent to sell its remaining interest in CLP Circular Services Holdings LLC for approximately $50 million (US$32 million). This sale is expected to be completed in the first half of FY25.

Other than the matter above and the declaration of dividends disclosed in Note 6, there has not been any matter or circumstances, other than that referred to in the financial reports or notes thereto, that has arisen since the end of the financial period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

33 – DISCONTINUED OPERATIONS

On 22 November 2023, the Group announced it had commenced a full strategic review of the UK Metal business to explore various options to maximise shareholder returns. Subsequent to year end, the Group has entered into a binding agreement for the sale of its full interest in the UK Metal business for total after tax cash proceeds of approximately GBP195 million (including the value of retained working capital and subject to an agreed net asset value adjustment and customary completion mechanisms), along with the business's lease liabilities.The UK Metal business has been classified as discontinued operations within the financial statements as a result.

The combined results of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been restated to include those operations classified as discontinued in the current financial year.

	2024 A$M	2023 A$M
Revenue	**1,367.4**	1,423.4
Other income	**3.6**	(8.3)
Raw materials used and changes in inventories	**(1,016.2)**	(1,081.6)
Freight expense	**(133.8)**	(145.2)
Employee benefits expense	**(79.6)**	(66.9)
Depreciation and amortisation expense	**(30.3)**	(29.2)
Repairs and maintenance expense	**(16.9)**	(18.8)
Other expenses	**(151.7)**	(87.2)
Finance costs	**(2.1)**	(1.7)
Profit/(loss) for the year from discontinued operations before income tax	**(59.6)**	(15.5)
Income tax expense	**–**	–
Profit/(loss) for the year from discontinued operations	**(59.6)**	(15.5)

Notes to the Consolidated Financial Statements

33 – DISCONTINUED OPERATIONS (continued)

The combined results of the discontinued operations included in the asset held for sale balance as at 30 June 2024 are set out below.

	2024 A$M
Trade and other receivables	**158.9**
Inventories	**182.8**
Right of use assets	**46.3**
Property, plant and equipment	**146.2**
Total assets classified as held for sale	**534.2**
Trade and other payables	**152.8**
Lease liabilities	**50.2**
Provisions	**32.6**
Retirement benefit obligations	**0.8**
Total liabilities directly associated with assets held for sale	**236.4**
Total net assets of disposal group	**297.8**

CONSOLIDATED ENTITIES DISCLOSURE STATEMENT

Sims Limited and subsidiaries have been accurately disclosed in the Consolidated entity disclosure statement and is true and correct. The residency of each entity is evidenced by the income tax returns filed and residency certifications. The Group is subject to the laws and tax regimes in each of the countries in which it has a presence. The Group conducts its business responsibly and ethically and is committed to complying with all tax laws in the jurisdictions in which it operates.

There is governance including specific processes and controls in place when legal entities are established so all areas are addressed prior to establishing the entity. An entity is established with commercial purpose, economic substance, and in accordance with the relevant country legislation to meet all required compliance and reporting and ensure the new company is in line with the strategic objectives of the business.

NAME OF ENTITY	COUNTRY OF INCORPORATION	BODY CORPORATE, PARTNERSHIP OR TRUST	EQUITY HOLDING % 2024	EQUITY HOLDING % 2023	AUSTRALIAN OR FOREIGN RESIDENT	JURISDICTION FOR FOREIGN RESIDENT
Sims Limited - trustee of Sims Metal Management Limited	Australia	Body Corporate			Australian	N/A
Electronic Product Stewardship Australasia Pty Limited	Australia	Body Corporate	**100%**	90%	Australian	N/A
Sims Aluminium Pty Limited	Australia	Body Corporate	**100%**	100%	Australian	N/A
Sims Corporate Pty Limited	Australia	Body Corporate	**100%**	100%	Australian	N/A
Sims E-Recycling Pty Limited	Australia	Body Corporate	**100%**	90%	Australian	N/A
Sims Energy Pty Ltd	Australia	Body Corporate	**100%**	90%	Australian	N/A
Sims Metal Management Limited Long Term Incentive Plan	Australia	Trust	**N/A**	N/A	Australian	N/A
Sims Group Australia Holdings Limited - partner in the Kariyarra Sims Recycling Pty Ltd and Ngardimu Pty Ltd joint ventures	Australia	Body Corporate	**100%**	100%	Australian	N/A
Kariyarra Sims Recycling Pty Ltd	Australia	Body Corporate	**50%**	0%	Australian	N/A
Ngardimu Pty Ltd	Australia	Body Corporate	**50%**	0%	Australian	N/A
Sims Group Holdings 1 Pty Ltd[1]	Australia	Body Corporate	**100%**	100%	Australian	N/A
Sims Group Holdings 2 Pty Ltd[1]	Australia	Body Corporate	**100%**	100%	Australian	N/A
Sims Group Holdings 3 Pty Limited	Australia	Body Corporate	**100%**	100%	Australian	N/A
Sims Industrial Pty Limited	Australia	Body Corporate	**100%**	100%	Australian	N/A
Simsmetal Holdings Pty Limited	Australia	Body Corporate	**100%**	100%	Australian	N/A
Simsmetal Properties NSW Pty Limited	Australia	Body Corporate	**100%**	100%	Australian	N/A
Simsmetal Properties Qld Pty Limited	Australia	Body Corporate	**100%**	100%	Australian	N/A
Simsmetal Services Pty Limited	Australia	Body Corporate	**100%**	100%	Australian	N/A
Sims Resource Renewal Pty Limited	Australia	Body Corporate	**100%**	100%	Australian	N/A

CONSOLIDATED ENTITIES DISCLOSURE STATEMENT

NAME OF ENTITY	COUNTRY OF INCORPORATION	BODY CORPORATE, PARTNERSHIP OR TRUST	EQUITY HOLDING % 2024	EQUITY HOLDING % 2023	AUSTRALIAN OR FOREIGN RESIDENT	JURISDICTION FOR FOREIGN RESIDENT
Sims Group Canada Holdings Limited - partner in the Richmond Steel Recycling Limited joint venture	Canada	Body Corporate	**100%**	100%	Foreign	Canada
Richmond Steel Recycling Limited	Canada	Body Corporate	**50%**	50%	Foreign	Canada
Sims Group Recycling Solutions Canada Ltd	Canada	Body Corporate	**100%**	100%	Foreign	Canada
Sims Group German Holdings GmbH	Germany	Body Corporate	**100%**	100%	Foreign	Germany
Sims Lifecycle Services GmbH	Germany	Body Corporate	**100%**	100%	Foreign	Germany
Sims Metal Management Asia Limited	Hong Kong	Body Corporate	**100%**	100%	Foreign	Hong Kong
Sims Recycling Solutions India Private Limited	India	Body Corporate	**100%**	100%	Foreign	India
Trishyiraya Recycling India Private Limited	India	Body Corporate	**100%**	100%	Foreign	India
Sims Recycling Solutions Ireland Limited	Ireland	Body Corporate	**100%**	100%	Foreign	Ireland
Sims Lifecycle Services BV	Netherlands	Body Corporate	**100%**	100%	Foreign	Netherlands
Sims Recycling Solutions Coöperatief B.A.	Netherlands	Body Corporate	**0%**	100%	Foreign	Netherlands
Sims E - Recycling (NZ) Limited	New Zealand	Body Corporate	**100%**	90%	Foreign	New Zealand
Sims Pacific Metals Limited	New Zealand	Body Corporate	**100%**	100%	Foreign	New Zealand
Simsmetal Industries Limited	New Zealand	Body Corporate	**100%**	100%	Foreign	New Zealand
PNG Recycling Limited	Papua New Guinea	Body Corporate	**100%**	100%	Foreign	Papua New Guinea
Sims Recycling Solutions Sp. z.o.o.	Poland	Body Corporate	**0%**	100%	Foreign	Poland
Sims Global Commodities Pte. Ltd.	Singapore	Body Corporate	**100%**	100%	Foreign	Singapore
Sims Recycling Solutions Pte. Ltd.	Singapore	Body Corporate	**100%**	100%	Foreign	Singapore
Kaystan Holdings Limited	UK	Body Corporate	**100%**	100%	Foreign	UK
Lord & Midgley Limited	UK	Body Corporate	**100%**	100%	Foreign	UK
Morley Waste Traders Limited	UK	Body Corporate	**100%**	100%	Foreign	UK
Sims Renewable Energy Limited	UK	Body Corporate	**100%**	100%	Foreign	UK
Sims Group UK Holdings Limited	UK	Body Corporate	**100%**	100%	Foreign	UK
Sims Group UK Intermediate Holdings Limited	UK	Body Corporate	**100%**	100%	Foreign	UK
Sims Group UK Limited	UK	Body Corporate	**100%**	100%	Foreign	UK
Sims Group UK Pension Trustees Limited	UK	Body Corporate	**100%**	100%	Foreign	UK
Sims Metal Management Finance Limited	UK	Body Corporate	**100%**	100%	Foreign	UK

CONSOLIDATED ENTITIES DISCLOSURE STATEMENT

NAME OF ENTITY	COUNTRY OF INCORPORATION	BODY CORPORATE, PARTNERSHIP OR TRUST	EQUITY HOLDING % 2024	EQUITY HOLDING % 2023	AUSTRALIAN OR FOREIGN RESIDENT	JURISDICTION FOR FOREIGN RESIDENT
CIM Trucking, Inc.	US	Body Corporate	**100%**	100%	Foreign	US
Dover Barge Company	US	Body Corporate	**100%**	100%	Foreign	US
Global Sustainability Insurance Corporation	US	Body Corporate	**100%**	100%	Foreign	US
Metal Management Indiana, Inc.	US	Body Corporate	**100%**	100%	Foreign	US
Metal Management Midwest, Inc. - partner in the Rondout Iron & Metal Company LLC partnership	US	Body Corporate	**100%**	100%	Foreign	US
Rondout Iron & Metal Company LLC	US	Partnership	**N/A**	N/A	N/A	N/A
Metal Management Northeast, Inc.	US	Body Corporate	**100%**	100%	Foreign	US
Metal Management Ohio, Inc.	US	Body Corporate	**100%**	100%	Foreign	US
Metal Management, Inc. - trustee of Metal Management Inc Grantor Trust	US	Body Corporate	**100%**	100%	Foreign	US
Sims ARG, Inc	US	Body Corporate	**100%**	100%	Foreign	US
Export Enterprises, LLC	US	Body Corporate	**100%**	N/A	Foreign	US
Key Export, LLC	US	Body Corporate	**100%**	N/A	Foreign	US
New York Recycling Ventures, Inc.	US	Body Corporate	**100%**	100%	Foreign	US
Sims Aluminum Inc.	US	Body Corporate	**100%**	100%	Foreign	US
Sims Southwest Corporation	US	Body Corporate	**100%**	100%	Foreign	US
Schiabo Larovo Corporation	US	Body Corporate	**100%**	100%	Foreign	US
Sims Energy USA Holdings Corporation - partner in the Sims Energy USA LLC partnership	US	Body Corporate	**100%**	100%	Foreign	US
Sims Energy USA LLC	US	Partnership	**N/A**	N/A	N/A	N/A
Sims Group Global Trade Corporation	US	Body Corporate	**100%**	100%	Foreign	US
Sims Group USA Corporation	US	Body Corporate	**100%**	100%	Foreign	US
KDCGlobal, Inc.	US	Body Corporate	**49%**	49%	Foreign	US
Sims Group USA Holdings Corporation	US	Body Corporate	**100%**	100%	Foreign	US
Sims Metal Management USA GP[1]	US	Partnership	**100%**	100%	Foreign	US
Sims Recycling Solutions Holdings Inc.	US	Body Corporate	**100%**	100%	Foreign	US
Sims Recycling Solutions Inc.	US	Body Corporate	**100%**	100%	Foreign	US

CONSOLIDATED ENTITIES DISCLOSURE STATEMENT

NAME OF ENTITY	COUNTRY OF INCORPORATION	BODY CORPORATE, PARTNERSHIP OR TRUST	EQUITY HOLDING % 2024	EQUITY HOLDING % 2023	AUSTRALIAN OR FOREIGN RESIDENT	JURISDICTION FOR FOREIGN RESIDENT
Simsmetal East LLC - partner in the CS Holdings LLC partnership	US	Body Corporate	**100%**	100%	Foreign	US
CS Holdings LLC	US	Partnership	**N/A**	N/A	N/A	N/A
Simsmetal West LLC - partner in the SA Recycling LLC partnership	US	Body Corporate	**100%**	100%	Foreign	US
SA Recycling LLC	US	Partnership	**N/A**	N/A	N/A	N/A
SMM – North America Trade Corporation	US	Body Corporate	**100%**	100%	Foreign	US
SMM Gulf Coast LLC	US	Body Corporate	**100%**	100%	Foreign	US
SMM New England Corporation	US	Body Corporate	**100%**	100%	Foreign	US
SMM South Corporation	US	Body Corporate	**100%**	100%	Foreign	US
SMM Southeast LLC - partner in the Elizabeth River Export, LLC partnership	US	Body Corporate	**100%**	100%	Foreign	US
Elizabeth River Export, LLC	US	Partnership	**N/A**	N/A	N/A	N/A
Metal Management Inc. Grantor Trust	US	Trust	**N/A**	N/A	N/A	N/A
Sims Lifecycle Services S.A. de C.V.	Mexico	Body Corporate	**100%**	100%	Foreign	Mexico
Sims Lifecycle Reciclagem de Electrônicos Ltda (previously Sims Lifecycle Services Ltd)	Brazil	Body Corporate	**100%**	100%	Foreign	Brazil
Sims Lifecycle Services Limited	UK	Body Corporate	**100%**	100%	Foreign	UK
Sims Metal Limited	UK	Body Corporate	**100%**	100%	Foreign	UK
Sims Lifecycle Services AB	Sweden	Body Corporate	**100%**	100%	Foreign	Sweden
Sims Lifecycle Services Sp z.o.o (previously Balfia Sp z.o.o.)	Poland	Body Corporate	**100%**	100%	Foreign	Poland
Sims Lifecycle Services Japan KK	Japan	Body Corporate	**100%**	0%	Foreign	Japan

1 . Sims Group Holdings 1 Pty Ltd and Sims Group Holdings 2 Pty Ltd own the Sims Metal Management USA GP.

CONSOLIDATED ENTITIES DISCLOSURE STATEMENT

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. in the context of an entity which was an Australian resident, "Australian resident' has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian Tax residency:** the consolidated entity has applied current legislation and judicial precedent, inducing having regard to the Commissioners of Taxation's public guidance in Tax Ruling TR 2018/5.
- **Foreign tax residency:** The consolidated entity has applied current legislation and where available judicial precedent in the determination of the foreign tax residency. where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax;legislation has been complied with.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow through basis so there is no need for a general residency test. there are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

DIRECTORS' DECLARATION

In the Directors' opinion:

(i) The financial statements and notes set out on pages 79 to 138 are in accordance with the Corporations Act 2001, including:

- complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and

(ii) there are reasonable grounds to believe that Sims Limited will be able to pay its debts as and when they become due and payable,

(iii) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 25 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in note 25, and

(iv) the Consolidated entity disclosure statement set on our pages 139 and 143 required by subsection (3A) is true and correct.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Group Chief Executive Officer and the Group Chief Financial Officer required by section 295A of the Corporations Act 2001.

The declaration is made in accordance with a resolution of the directors.

P Bainbridge
Chairperson

New South Wales
20 August 2024

S Mikkelsen
Managing Director and Group CEO

New South Wales
20 August 2024

INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report to the Members of Sims Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sims Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Existence of Ferrous Inventories At 30 June 2024, the Group's consolidated statement of financial position includes inventories of A$603.7 million, which includes A$216.2 million attributable to ferrous metals, as disclosed in Note 9 'Inventories'. The nature of ferrous inventories means significant judgement is required to estimate the physical quantity of ferrous metals on hand due to the various estimation techniques used.	Our procedures included, but were not limited to: • Evaluating management's processes for determining the quantity of ferrous inventories, including understanding relevant controls; • Testing the existence of ferrous inventories by attending counts conducted by management at material locations at or around year end and observing and challenging management's process to estimate the quantities on hand; and • Assessing the adequacy of disclosures in the financial report.
Impairment testing of North America Metals CGU At 30 June 2024, the Group's consolidated statement of financial position included goodwill of $197.8 million of which $134.4 million is attributable to the NAM CGU. Goodwill is required to be assessed for impairment on an annual basis or when any indicators of impairment exist. The Group has prepared a value in use model to estimate the recoverable amount. The recoverable amount of the NAM CGU has been identified as having a heightened risk due to the sensitivity of the recoverable amount to the estimated revenue and volume growth rates during the forecast period.	Our procedures included, but were not limited to: • Obtained an understanding of the key controls associated with the preparation of the value in use model and critically evaluating management's methodologies. • Assessed key assumptions, including forecast growth rates by comparing them to economic and industry growth rates (where applicable); • Challenged the forecast revenue for with reference to the historical forecasting accuracy; • Agreed the cash flow forecast to the latest Board approved financial plan; • Performed an independent assessment of an appropriate discount rate; • Tested the mathematical accuracy of the value in use model; • Performed sensitivity analyses to stress test the recoverable amount for changes to key assumptions used in the value in use model, including revenue and volume growth rates, and discount rate used. We also assessed the appropriateness and adequacy of the disclosures included in Note 12 of the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): Chairman's Review, CEO's Review, Operational and Financial Review, Other Information and Shareholder Information, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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When we read the Chairman's Review, CEO's Review, Operational and Financial Review, Other Information and Shareholder Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 46 to 77 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Sims Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Chartered Accountants
Sydney, 20 August 2024

SHAREHOLDER INFORMATION

As at 26th August 2024

EQUITY SECURITIES

Substantial Shareholders

	%
Allan Gray Australia Pty Ltd	18.65%
Mitsui & Co., Ltd.	17.31%

ORDINARY SHARES

Distribution of ordinary share holdings

RANGE	SECURITIES	%	NO. OF HOLDERS	%
1 to 1,000	174,359,853	90.24	25	0.24
1,001 to 5,000	5,366,641	2.78	222	2.17
5,001 to 10,000	3,134,283	1.62	436	4.26
10,001 to 100,000	7,915,969	4.1	3,464	33.82
100,001 and Over	2,432,921	1.26	6,094	59.51
Total	**193,209,667**	**100.00**	**10,241**	**100.00**
Unmarketable Parcels	10,555	0.01	853	8.33

PERFORMANCE RIGHTS/RESTRICTED SHARE UNITS HOLDINGS

Distribution of performance rights/restricted share units holdings

RANGE	HOLDERS
1 to 1,000	0
1,001 to 5,000	78
5,001 to 10,000	14
10,001 to 100,000	77
100,001 and Over	13
Total	**182**

A total of 5,322,746 performance rights and restricted share units to take up ordinary shares are issued under the Sims Limited Long Term Incentive Plan and individual contracts, held by 182 holders.

The performance rights and restricted share units do not have any voting rights.

OPTIONS

Distribution of performance rights/restricted share units holdings

RANGE	HOLDERS
1 to 1,000	1
1,001 to 5,000	13
5,001 to 10,000	12
10,001 to 100,000	20
100,001 and Over	3
Total	**49**

A total of 1,613,641 options to take up ordinary shares are issued under the Sims Limited Long Term Incentive Plan and individual contracts, held by 49 holders.

The options do not have any voting rights.

SHAREHOLDER INFORMATION

As at 26th August 2024

TWENTY LARGEST SHAREHOLDERS

RANK	NAME	26 AUG 2024	%IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	49,127,256	25.43
2	CITICORP NOMINEES PTY LIMITED	47,813,280	24.75
3	MITSUI & CO LTD	33,450,338	17.31
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	24,979,715	12.93
5	BNP PARIBAS NOMINEES PTY LTD	5,796,691	3.00
6	NATIONAL NOMINEES LIMITED	3,903,902	2.02
7	SOLIUM NOMINEES (AUSTRALIA) PTY LTD	2,200,396	1.14
8	BNP PARIBAS NOMS PTY LTD	1,864,200	0.96
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,531,785	0.79
10	CITICORP NOMINEES PTY LIMITED	449,819	0.23
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	441,379	0.23
12	SOLIUM NOMINEES (AUSTRALIA) PTY LTD	412,156	0.21
13	BNP PARIBAS NOMS (NZ) LTD	386,385	0.20
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	380,394	0.20
15	BNP PARIBAS NOMINEES PTY LTD	306,633	0.16
16	NETWEALTH INVESTMENTS LIMITED	185,068	0.10
17	BNP PARIBAS NOMINEES PTY LTD	180,242	0.09
18	PACIFIC CUSTODIANS PTY LIMITED	156,951	0.08
19	MR NAZMI RESSAS	150,000	0.08
20	WOODROSS NOMINEES PTY LTD	119,963	0.06
	Total	**173,836,553**	**89.97**

5 YEAR TREND SUMMARY

FIVE YEAR TREND SUMMARY	2024[1]	2023	2022	2021	2020
Revenue	8,591.3	8,082.1	9,275.6	5,925.9	4,908.5
Profit/(loss) before interest and tax	72.6	293.0	773.6	314.0	(239.1)
Net finance costs	(54.4)	(28.1)	(16.0)	(11.5)	(13.8)
Tax (expense)/benefit	(76.0)	(83.8)	(158.3)	(73.1)	(12.4)
Profit/(loss) for the year	(57.8)	181.1	599.3	229.4	(265.3)
Net cashflows from operations	202.5	449.5	547.8	129.4	(65.3)
Earnings/(loss) per share – diluted	(29.9)	91.7	295.6	112.8	(131.2)
Dividends per share[1]	10.0	35.0	91.0	42.0	6.0
Return on shareholders' equity	(2.3%)	6.8%	23.6%	10.8%	-13.4%
Current ratio (to 1)	1.48	1.79	1.73	1.80	1.82
Gearing ratio	n/a	n/a	n/a	n/a	n/a
Net tangible asset backing per share	11.70	12.99	12.39	10.08	9.56

1 2024 figures combine both continuing and discontinued operations results

CORPORATE DIRECTORY

Securities Exchange Listing

The Company's ordinary shares are quoted on the Australian Securities Exchange under the ASX Code 'SGM'.

The Company's American Depositary Shares ("ADSs") are quoted on the Over the Counter market under the symbol 'SMSMY'. The Company has a Level I ADS program, and the depositary bank is The Bank of New York Mellon Corporation. ADSs trade under CUSIP number 829160100 with each ADS representing one (1) ordinary share. Further information and investor enquiries on ADSs may be directed to:

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Regular mail

Computershare
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Providence, RI 02940 3078

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