



# Creating Value by Providing a Pathway to Decarbonisation and Circularity

Sims Resource Renewal Rocklea and Pinkenba Site Tours



2 May 2023

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**Authorised for Release by:** the Company Secretary, Gretchen Johanns

**ABN** 69 114 838 630

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# Acknowledgment of Country



# Agenda

Time	Description	Duration	Speaker
8:30 am – 8:35 am	Venue Safety	5 mins	
8:35 am – 9:00 am	Welcome and Strategy Overview	25 mins	Alistair Field
9:00 am – 9.40 am	SRR Strategy Update	40 mins	Christine Baker
9:40 am – 10:10 am	Prepare for Site Tour – PPE & Safety Briefing	30 mins	
10:10 am – 10.55 am	SRR – Site Tour	45 mins	
10:55 am – 11.25 am	ANZ Metal – Operations	30 mins	Rod Bonnette
11:25 am – 11:40 am	ANZ Metal – Pinkenba	15 mins	David Burrows
11:40 am – 12.10 pm	Q&A	30 mins	Rod Bonnette /David Burrows
12:10 pm – 12:15 pm	Wrap Up	5 mins	Alistair Field
12:15 pm – 12.45 pm	Lunch	30 mins	
12:45 pm – 1:45 pm	Transfer from Rocklea to Pinkenba	60 mins	
1:45 pm – 2:30 pm	Tour to Pinkenba	45 mins	
2:45 pm	Transfer to the airport		





**Alistair Field**  
Group CEO & Managing Director



# Create a world without waste to preserve our planet

## Driving value through a purpose-led strategy

We enable the re-use of finite natural resources and the decarbonisation of our customers' supply chain, directly creating measurable positive impact for individuals, communities, industry and governments.



# Our business

*Is underpinned by positive trends and key competitive advantages*

## Structural Market Tailwinds

-  Increased environmental concerns for our customers
-  More stringent environmental compliance to operate in the metal recycling industry
-  Growing demand for recycled copper and aluminum
-  Higher landfill costs driving an increased focus on waste management
-  Electrification and energy transition to drive copper and aluminium prices higher
-  Global push for high quality metals
-  Increased demand for recycled metal
-  Increased demand for cloud services

## Unique capabilities

-  Dedicated in-house engineering team
-  Best-in-class shredding and non-ferrous metal separation technology
-  Material recovery technology and processes
-  International trading offices and agents in 15 countries
-  Operate best-in-class assets at scale
-  Strong reputation in the market
-  Market leadership in core business
-  Public company with strong balance sheet



# Rapidly changing environments

*Acceleration of existing trends and emergence of new ones*

## SOCIAL

- Community activism is increasing its impact through social media and better coordination

## CHANGE FROM 2020

- **New**

## ENVIRONMENTAL

- Climate change action has grown in urgency across governments, corporations and consumers

- **Accelerated**

## ECONOMIC

- Inflation at generational high, leading to higher costs and interest rates
- Volatile commodity prices due to supply chain constraints

- **New**
- **New**

## TECHNOLOGICAL

- Car manufacturers accelerating EV development and desire to 'close the loop'
- Continued growth of information digitisation and cloud storage solutions
- AI is changing the way we work and product development

- **Accelerated**
- **Accelerated**
- **Accelerated**

## POLITICAL

- War in Ukraine has amplified global tensions and elevated risk of conflict
- Geopolitical tensions have reversed globalization trends and is re-routing supply chains

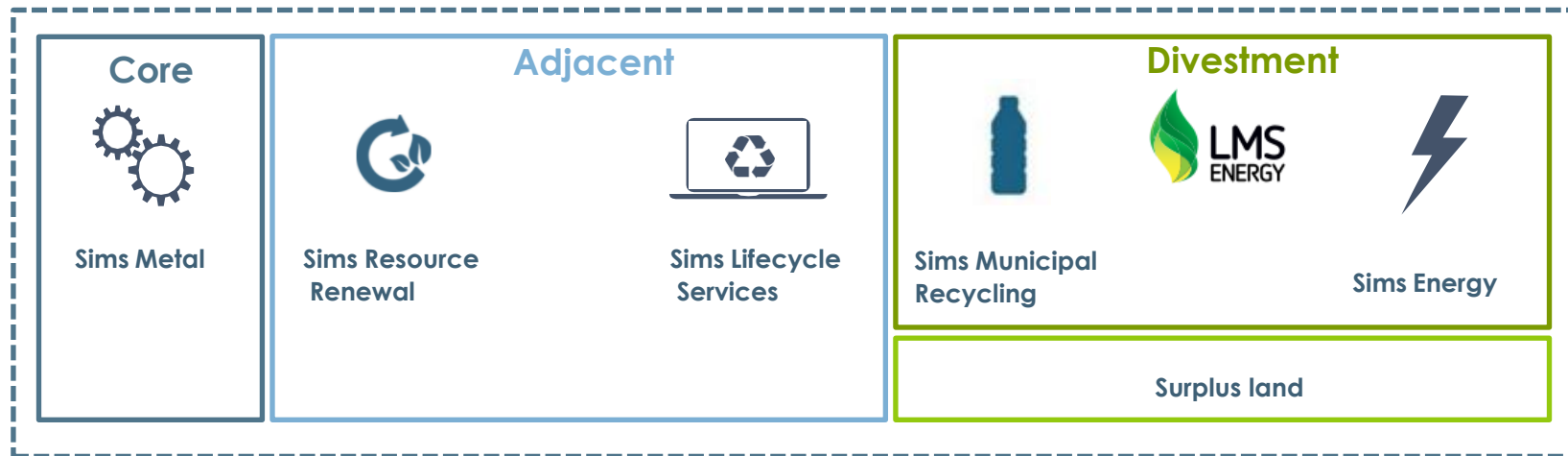
- **New**
- **Accelerated**



# Actively managing our business portfolio

*Adapting to evolving market conditions. Seeking to sell underperforming, undervalued or underutilised assets and recycle proceeds to grow core business*

## Sims Limited





# Questions & Answers





# Sims Resource Renewal





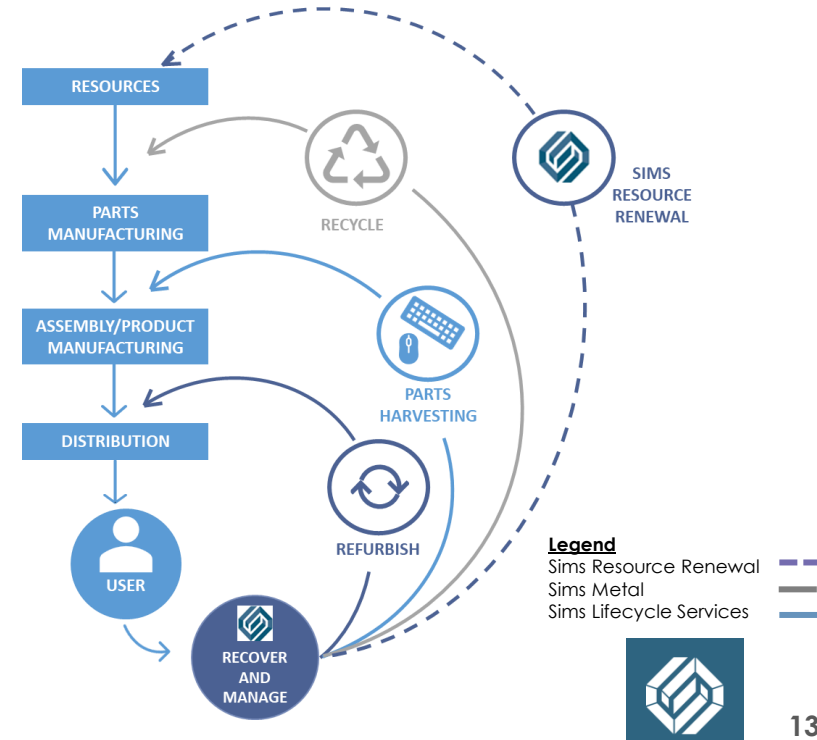
**Christine Baker**  
General Manager SRR



# SRR is a key element of delivering Sims' Purpose

**SRR's vision is to transform hard to treat ASR and plastic waste into higher value, useful products for society**

- Divert 1 million tonnes of Sims Metal ASR away from landfill
- Increase recycled content in products as a pathway to full circularity
- Address Sims Metal risk exposure to escalating waste costs and reduction in landfill capacity



# Demonstration plant

*Disciplined approach to the investment of ~A\$22M*

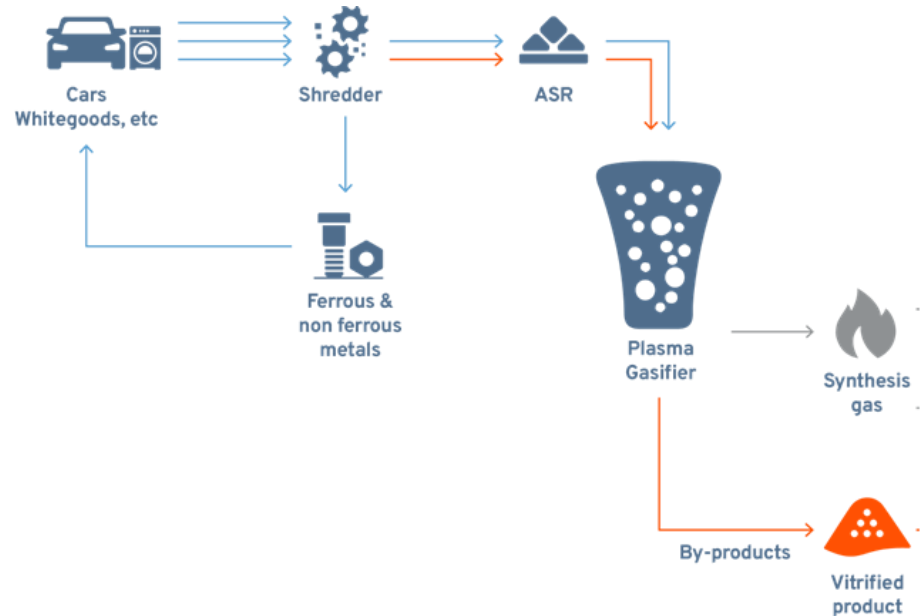
- Strong focus on governance in project delivery, ensuring safe operations and effective risk management
- Provide confidence in capability to expand operations into advanced plastics recycling
- Experienced core team leading development, execution and site operations



# Demonstration plant operations

## *Validating technology, gas and vitrified product qualities*

- Operations to commence in June for an initial test period of up to six months
- Priority is on safe operations with extensive testing of start up, shutdown and emergency response
- Will assist with customer, community, government and regulator engagement to build understanding and confidence



# Demonstration plant outcome

## *Optimise commercial facility capital investment*

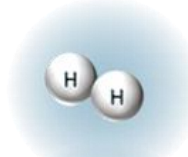
- Equipment performance, integrity and reliability will optimise future commercial scale facility design
- Will inform product qualities and the basis for a range of products best aligned to each market
- Secondary trials may be developed for R&D purposes



# Output product optionality

*Multiple product choices create greater commercial flexibility*

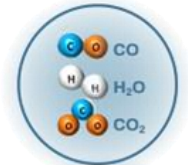
- Explore a range of products including alternative fuels, to enable optionality, on the journey to full circularity of plastics
- Take a customer centric approach to each market and product
- Work with global technology providers and potential customers on products



**Hydrogen** Industrial use, including Ammonia / chemical production



**Commercial Carbon Dioxide** Mainly for the food and beverage sector.



**Raw Syngas** Uses include plastics manufacturing



**Methanol** Uses include plastics manufacturing and fuels.



**Olefins** Uses include plastics manufacturing.



# Australian market development

## Investment timing linked to customer demand and product evolution

Hydrogen market is still emerging:

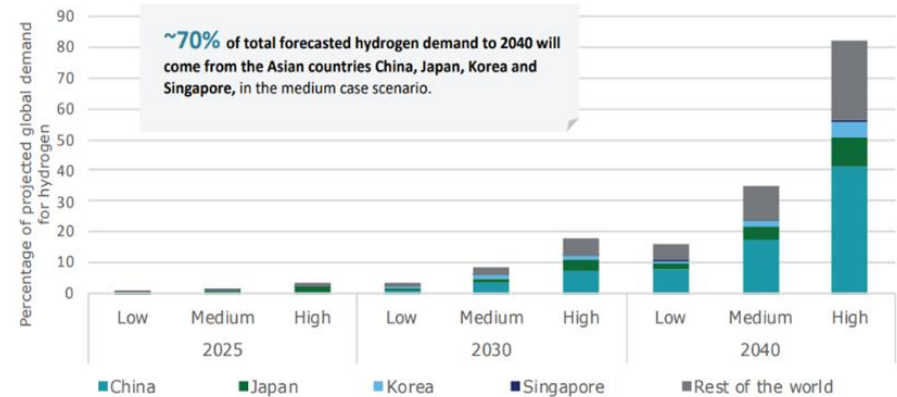
- Range of forecast demand
- Government Guarantee of Origin scheme\* is still being finalised

Growing demand from consumers and governments for products developed from advanced plastic recycling

Working with technology partners, SRR will be well positioned to capture market opportunities

### Hydrogen Demand Forecasts

Figure 2.2 Hydrogen demand in Asia and the rest of the world



Source: ACIL Allen Consulting, 2018, Opportunities for Australia from Hydrogen Exports



# Sims Resource Renewal

## *Disciplined program to realise emerging market value*

- FY24 Demonstration Plant Commitments:
  - No material capex investment
  - Operating costs for base testing ~\$2 million
- Continue a disciplined commercial plant development process, applying a capital gate review process to determine whether to advance to the next stage
- Pursue technology partnerships to deliver a range of product options, well positioned to capture market opportunities, aligned with customer demand for circular solutions
- Commercial facility funding is expected to be largely sourced from commercial partnerships and will be structured to meet the internal hurdle rate



# Questions & Answers

July 2022



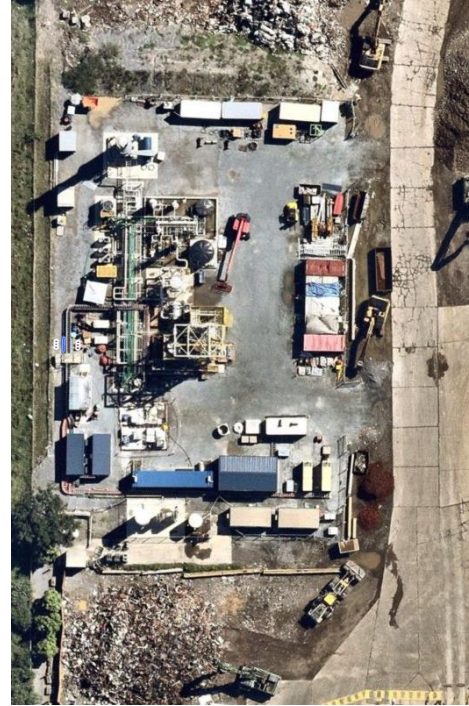
September 2022



November 2022



April 2023



# Safety briefing

- Personal Protective Equipment required - hard hat, safety glasses, safety boots, long sleeves shirts and long trousers
- Access to site will be via footpath - surface can be uneven
- We are a large group – please stick together
- SRR site is currently in commissioning phase - assume all equipment and pipes are live and pressured
- Mobile equipment will be parked up for the visit
- Follow instructions of your group leader. In the very unlikely event that there is an emergency on site, they will assist with a safe exit to an assembly point.
- No photographs please





# ANZ Metal





# Rod Bonnette

Chief Commercial Officer, ANZ  
Metal



# ANZ Metal overview

*The largest metal recycler in ANZ and the only one with operations in each Australian state and NZ regions*

**~910**

Employees in FY22



State-of-the-art non-ferrous metal separation technology

**~ 1.6 million**

tonnes of total metals in FY22<sup>1</sup>



Advancing non-ferrous processing capabilities

**~1.4 million**

tonnes of ferrous metal in FY22<sup>2</sup>

**~ \$1.7 billion**  
Sales revenue in FY22

**~ 142,000**

tonnes of non-ferrous metal in FY22<sup>3</sup>

## ANZ Metal

Mature player in a well-developed market

Scale and technological relevance

Strong logistics and service delivery expertise

Well-developed market delivery channels

1 Proprietary sales volumes; includes NFSR and brokerage volumes

2 Proprietary sales volumes

3 Proprietary sales volumes; excludes NFSR volumes



# ANZ Metal strategy

*Fits our stage of evolution; targets organic margin improvement and growth*

## Secure 'at source' scrap

- DNA of ANZ metal
- Hub and spoke design
- Competitive advantage in logistics and infrastructure
- Evolving supplier relationships

## Operations at scale

- Aggregated scale
- Major infrastructure in all large-scale markets i.e Kwinana site in Perth, Western Australia

## Product quality/ differentiation

- Securing "at source" scrap enables access to better quality infeed
- Technology/process improvements: polishing plant and robot picker R&D

## Domestic/export optionality

- Approximately half of yards have export capacity
- Well-established domestic supply relationships
- Pinkenba wharf



# 'At source' scrap is our DNA

*Our extensive market experience, resources and infrastructure enable us to secure a high proportion of scrap "at source"*

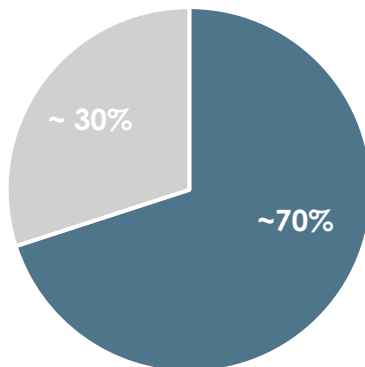
## 1 Competitive advantage in logistics and infrastructure

- Outside job crews
- Freight efficiencies:
  - Trucks/trailers/bins
  - Compactors
  - Mobile Balers

## 3 M&A opportunities

- Acquisition of Recyclers Australia

FY22 Sources of scrap



- "At Source"
- Other Sources

## 2 Evolving supplier relationships

- JV with indigenous partners
- Increasing customer focus on sustainability

## 4 Infill green & brownfield sites to support processing network



# Operations at scale

*Best-in-class and strategically located assets, enable security of scrap supply and efficient logistics*



## Advantages of scale

- Cementing Sims' position as the leader supplier of scrap in the domestic market
- Cashflow benefit
- Tighter correlation between buy & sales markets
- Technology edge with a wide range of infrastructure
- Wide geographic coverage

\* 51 facilities include 3 facilities in PNG, not represented in the map



# Product quality/differentiation

*To leverage increased demand for high quality products and changing customer needs*



Polishing drum



Robot picker R&D



# We serve domestic and export markets

*Strong balance sheet, market leadership, and access to global trade network drive consistent performance through the cycle*



## FY22 Revenue from external customers

Australia	35.8%
Bangladesh	16.5%
South Korea	10.9%
Vietnam	10.4%
China	9.5%
Other	16.9%

## FY22 Sales Volumes<sup>1</sup>



<sup>1</sup> Excludes brokerage



# Decarbonisation opportunity

*Rapidly evolving business and policy context driving demand for scrap; opportunity to increase feedstock in Australia*

- The Safeguard Mechanism Reform was passed in March 2023. Australia's largest industrial facilities will be required to reduce their carbon emissions gradually and predictably, in order to meet the legislated 2030 and 2050 emissions reduction targets
- Liberty Steel announced intention to build an EAF at Whyalla, expected to lift steelmaking capacity at Whyalla from 1 million tonnes per annum (mtpa) to over 1.5 mtpa
- BlueScope increased scrap rates at Port Kembla and Glenbrook
- Announced plans for the first green steel mill in Australia in Collie, WA. Expected to be operational in 2025. 400,000 tons of steel per annum
- Strong interest from other customers in the region to increase the use of scrap in steel production
- Australian Steel Institute and National Waste and Recycling Industry Council have reaffirmed their call for a national ban on the export of **unprocessed ferrous scrap metal**
- Australian Government has established a Ministerial Advisory Group to guide Australia's transition to a more circular economy by 2030





# David Burrows

Chief Operating Officer, ANZ  
Metal



# Pinkenba – Strategic land acquisition

*Enhances ANZ Metal export advantage and provides long-term opportunity to create a best-in-class site*

- A 140,000 m<sup>2</sup> parcel of land located on the Brisbane River in Pinkenba, Queensland in a high impact industry zone
- Total consideration of AUD\$93.5 million
- Private deep-water wharf, capable of berthing Handymax vessels up to 50,000 tonne displacement
- Import and export optionality
- Mitigates congestion and access constraints at Fisherman Island and reduces truck movements on Brisbane's roads by approximately 13,000 per annum
- Renewal of wet lease is currently under negotiation – long-term security of use
- Low flood risk – site was not impacted by 2011 and 2022 floods
- Potential to consolidate metal sites and create an integrated metal processing and resource renewal facility



# Long-term development of the site

## *Staged gate approach with strong focus on delivery of operational improvements*

### FY24

- Bulk export trials planned for Aug/Sep 2023. Results will determine long-term options for the wharf and adjacent land
- Finalise plans for Metal site

### FY25 – FY26

- Demolition of existing infrastructure and preparation of site for development
- Commence development approval process
- Redevelopment of wharf infrastructure

### FY27 – FY28

- Construction of metal infrastructure i.e shredder & MRP/MSP
- Northgate site: operate feeder yard; transition processing activities to Pinkenba; subdivide and sell excess land
- Rocklea site: maintain non-ferrous processing operations and operate feeder yard. Transition processing activities to Pinkenba; subdivide and sell land

**Development of the site through a risk mitigated stage gate process, with optimisation and replacement of existing assets as they approach end-of-life; excess land divestment at any stage.**

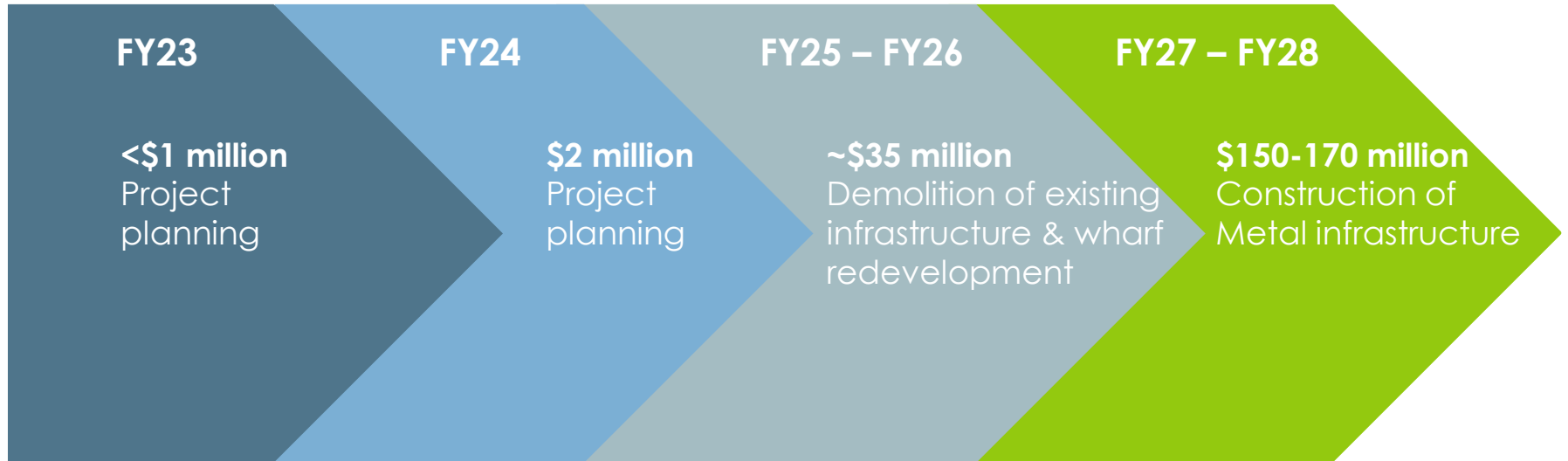
### BENEFITS

- Operational cost savings across wharfage, berthage, holding yard lease and road haulage
- Site to meet best practice environmental standards
- Improvements in plant and equipment technology, quality of finished materials, increased metal recovery from waste and reduction of material handling
- Enhanced safety systems to reduce interactions between people, vehicle and machinery



# CAPEX

*Disciplined spending with light capex planned for FY23 – FY26*





# Questions & Answers





## Wrap Up

