

The Role of Recyclers in Creating a Sustainable Electronics Industry

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ASX Code: SGM

NYSE Code: SMS

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Sims Metal Management

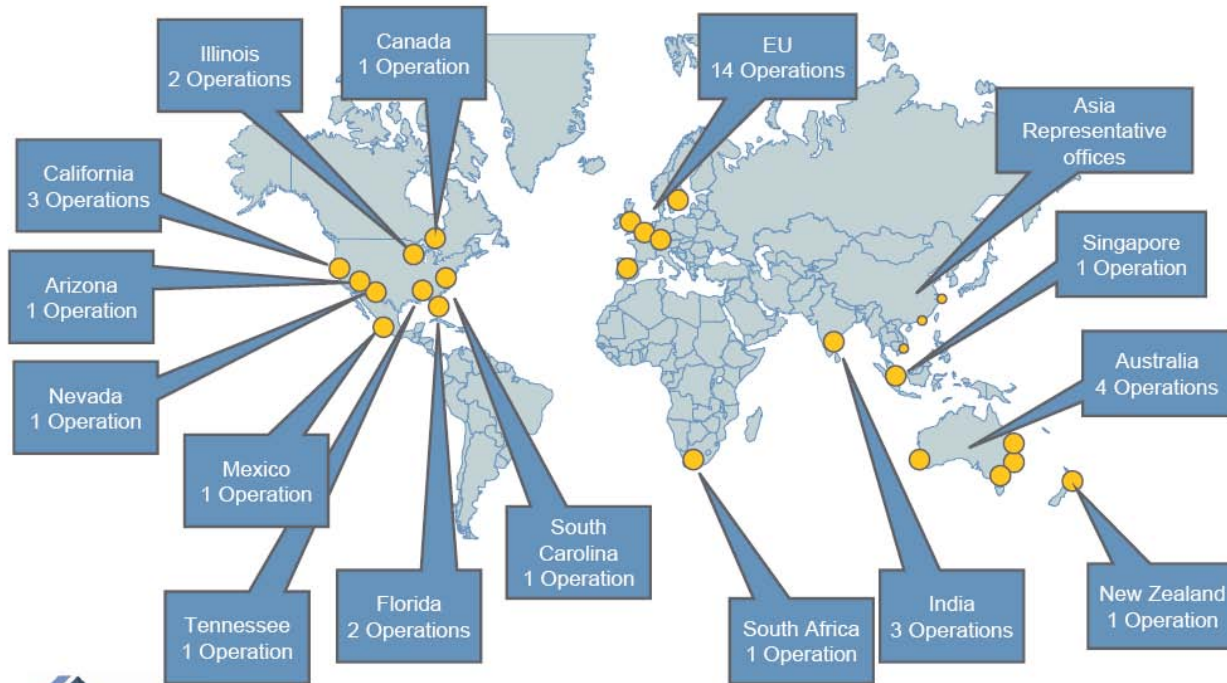
- World's largest ferrous metal recycler (public company AXS/NYS)
- Diverse activities include electronics recycling, all New York City's recycling, toner cartridges and plastic recycling
- Over 16 million tonnes of metal processed annually
- Sales circa \$ 7.5 bn.
- Global Footprint (+230 sites)
- Carbon neutral when savings vs. virgin material exploitation are taken into account
- World's largest and only global electronics recycling portfolio



Sims Recycling Solutions

- 400,000 tons of Electronics recovered annually
- 38+ processing facilities world-wide, over 40 partners as well
- Many facilities “multi-modal
- Over 1.5m individual assets recovered for reuse each year (RMA, EOL or EOU)
- Over 15m individual IC’s recovered for reuse annually
- Summary: *400k tons, 1.5 m units, 15 m IC’s*

Where is Sims Recycling Solutions?



38 Operations Globally



Leading the Way

MOST SUSTAINABLE CORPORATIONS



GLOBAL 100

100 MOST SUSTAINABLE CORPORATIONS 2010 WINNER

- The Global 100 is a list of publicly-traded, MSCI World-listed companies that, based on research and analysis by Innovest Strategic Value Advisors, have the best developed abilities, relative to their industry peers, to manage the environmental, social and governance (ESG) risks and opportunities they face. For more information log on to www.global100.org
- Participants in Carbon Disclosure Project (CDP6)
- Listed on Dow Jones and FTSE4Good Sustainability Indices



Legislative Experiences Around the World

- Sims participates in nearly every legislated “take back” system in the world (collecting, recycling, refurbishing for reuse, reporting, management of TPOs, etc.)
- Systems lack the needed flexibility to adapt and change as they mature
- Application of a successful system from one part of the world does not guarantee success in other parts of the world
- Responsible parties don’t act without meaningful targets and consequences

SB50 Issues

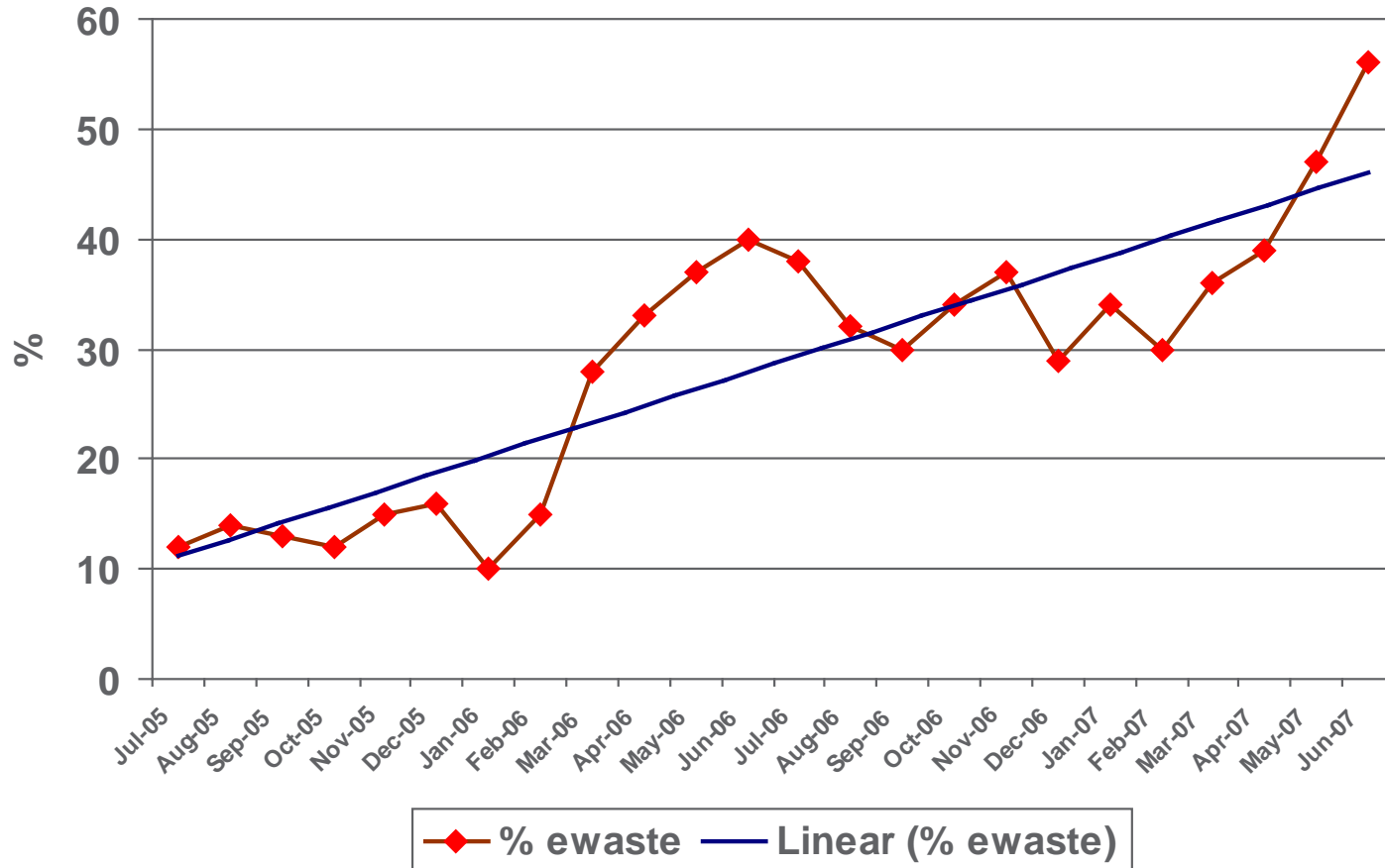
- Recycler is required by law to pay Collectors within 90 days
- State can take 6 – 10 months to reimburse recycler; recycler is required to make significant financial investment in form of “float” to the State
- Recycler bears burden of rejected claims although Collector is legally responsible for source documentation; this is thousands of line items per month on each monthly invoice to the State
- Verifiability of addresses
- “Ride along” e-waste



SB50 Issues

- Only covers one product type
- Requires destruction of the product, but not environmentally sound recycling
- Huge amount of paperwork is required from non-traditional waste handlers
- Enormous financial investments required from recyclers
- Risk is not shared equally among all players

CEDs as % of Inbound



Ideal Legislation

- The system should be based on individual producer responsibility
- Covered entities should be household consumers
- Covered products: All products with similar composition to TVs, monitors & PCs (printers to household electronics)
- OEMs and recyclers should be required to register with the state
- High internationally recognized environmental standards (e.g. R2,) should be adopted
- The responsibility placed on manufacturers should incent product improvements
- Allow OEMs to establish contractual relationship with recyclers of their choice
- Provide flexibility in how OEMs meet obligation

California System Improvements

Best bet is to change the system

- Implement true Producer Responsibility

If small steps are all that is possible

- Increase scope of products
- Assign verification responsibility to Collector
- Decrease invoice payment time