SIMS LIFECYCLE SERVICES

Create a world without waste to preserve our planet

Carbon Reduction Goals Overview

Sims Lifecycle Services

Sims Lifecycle Services (SLS) helps clients keep their equipment in use at the highest value for as long as possible by refurbishing and redeploying equipment.

We are a market leader in data center circularity and electronics recycling. Our services enable organizations to reuse, recycle and manage the disposal of IT assets, networking and data center equipment in a compliant, data-secure, traceable and environmentally responsible way.

We are constantly exploring new, innovative solutions to serve this vast, growing market, by advancing product stewardship and services for recycling the cloud, with a focus on closing resource loops.

SLS helps clients measure opportunities to reduce their Scope 3 emissions. The use and disposition of IT assets and data center equipment form part of our client's Scope 3 emissions. They expect ambitious action from us on measuring and reducing GHG/carbon emissions related to our operations in processing their IT equipment. IT equipment. We strive to operate our Circular Centers to manage equipment securely, responsibly, and as sustainably as possible, which will help decrease client's Scope 3 emissions. Our goals and ambitions are guided by our company purpose – to create a world without waste to preserve our planet.

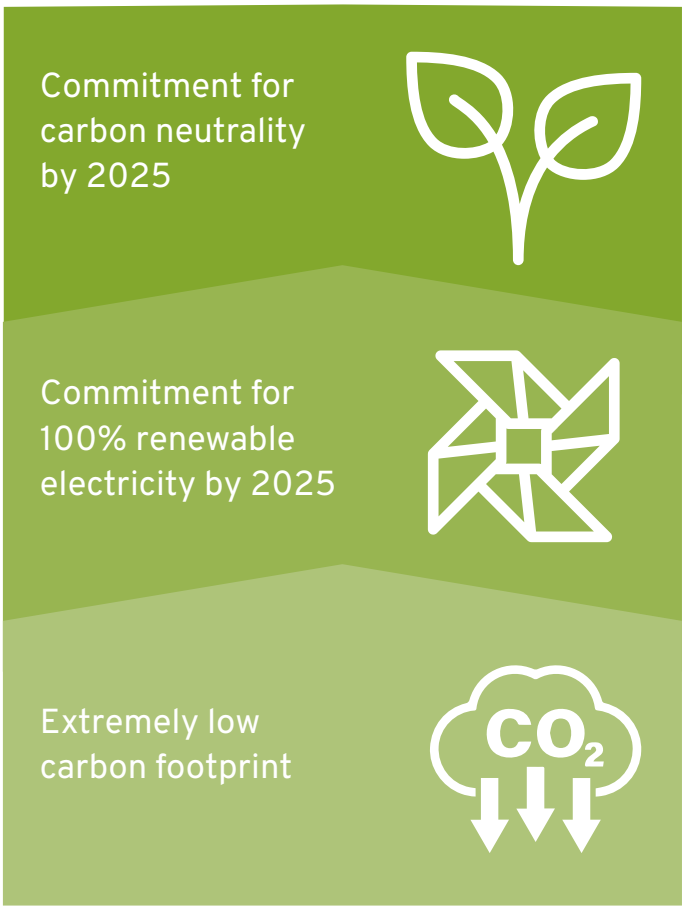
Our Three Year Carbon Reduction Goals

In addition to creating opportunities for our clients to measure and reduce their Scope 3 emissions, we are committed to operating our Circular Centers with an extremely low carbon footprint. We have established measurable three-year goals to achieve further carbon reductions at our Circular Centers.

Our Goals

1. Establish 100% renewable electricity used or matched at all SLS Circular Centers by the end of FY25
2. Achieve carbon neutrality at all SLS Circular Centers by the end of FY25

How We Are Going to Achieve Carbon Neutrality



Our Roadmap to Carbon Neutrality

Key Initiatives for Decarbonization

	2022				2025
Design to Decarbonize	Engage employees	Model shadow carbon price to guide internal decisions	Procurement & capex policies	Advocate for an orderly, 1.5°C transition	Carbon risk assessment on strategy & acquisitions
Fuels & Gas (Scope 1)	Efficiency projects & upgrades	Explore alternative fuels (e.g. hydrogen)	Electrify plant and vehicles	Offset remaining emissions	
Value Chain (Scope 2)	Efficiency projects & upgrades	Move to renewable		Increase on-site renewable	
Value Chain (Scope 3)	Measure & verify Scope 3	Collaborate with key suppliers		Reduce where possible (e.g. business travel)	

Emissions Reductions Pathways

SLS has planned emissions reductions pathways with immediate focus areas. Energy efficiency, projects and items with longer lifespans, such as plant electrification and vehicle decarbonization will be pursued first to maximize long-term and emissions savings.

Our capex process has also been reset to mandate consideration of low-emissions options. This ensures options such as heavy vehicle electrification are considered as opportunities emerge.

All areas of our Circular Center operations (including static equipment, facilities and on-road vehicles) are being reviewed for identifiable improvements under three categories: efficiency improvements, fuel substitutions and opportunities for re-design. These will include: optimization, tuning and re-programming equipment, electrification of equipment and vehicles, use of hydrogen and/or biofuels, upgrades to more energy efficient HVAC and lighting systems, battery storage, driver training, route optimisation and modal shift (e.g. rail usage) where possible.

Renewable Electricity

Renewable electricity transition is a high priority to address Scope 2 emissions and drive emissions reductions from electrification of plant and vehicles. SLS currently uses 100% renewable electricity at 7 of 19 sites globally, representing 28% of our sites.

We will continue to adopt increased renewable electricity sources and will pursue a mixed strategy for supply, including renewable electricity contracts and on-premises renewable options. We have active procurement initiatives in major geographies to manage this transition.

Value Chain Emissions

We are working to better understand our value chain (Scope 3) emissions profile. This includes analysis of secondary processing, freight, purchase of capital goods, purchased of goods and services, business travel and commuting. This data will enable us to identify any emission hotspots in our value chain and work together with key suppliers to help drive these down.

Case Study: SLS Germany

The SLS Circular Center in Gustavsburg, Germany is strategically located near the Frankfurt data center hub. The proximity of this site to Frankfurt keeps emissions associated with moving equipment low. Additionally, we have undertaken a sustainability review of our Circular Center in Gustavsburg and identified operational improvements to decrease our carbon footprint.

As of 1st January, 2022, the Gustavsburg site is using **100% renewable energy**

All lighting was upgraded to LED including exterior lighting, task lighting, interior warehouse and office lighting with expected **reduction of 71% electricity requirement**

Change of toilet flush installation helps to reduce water quantity per flush by **30-40%**

These initiatives together will achieve a reduction in Scope 1 & 2 emissions of 79% for the site.

Additionally we are addressing our Scope 3 emissions by applying efficiency improvements to freight movements in line with the US EPA SmartWay Program and other initiatives such as reducing plastics used in our e-commerce packaging.

"SLS has established and announced goals to the ITAD industry and our clients that we are committed to the Sims purpose 'create a world without waste to preserve our planet'. We have a responsibility to our clients, especially those with strict sustainability goals of their own, to operate in a way that manages their equipment securely, responsibly and as sustainable as possible."

Angela Catt, chief financial and sustainability officer.

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