

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 4 May 2018

Completed acquisition by Sims Group UK Limited of Morley Waste Traders Limited, Lord & Midgely Limited and Kaystan Holdings Limited

We refer to your letter dated 31 May 2018 and email of 6 June 2018 requesting that the CMA consents to derogations to the Initial Enforcement Order of 4 May 2018 (the 'Initial Order'). The terms defined in the Initial Order have the same meaning in this letter. Further in this letter:

Sims International Business refers to the business and assets of Sims Metal Management outside the UK that were subject to the transaction as at the commencement date.

SMS UK refers to the Sims UK trading division involved in the scrap metal industry in the UK.

Sims Recycling Solutions refers to Sims Recycling Solutions Limited (company number: SC251765), the Sims UK trading division operating in asset management including reuse, component recovery and recycling of primarily end-of-life electronics and computers in the B2B sphere in the UK.

Sims Metal Management and Sims UK are required to hold separate the Sims Metal Management business from the Morley Waste business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference.

After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Sims Metal Management, Sims UK and the Morley Waste business may carry out the following actions, in respect of the specific paragraphs:

1. Paragraphs 5(c), 5(e), 5(h), 5(i) and 5(k) of the Initial Order

Sims Metal Management and Sims UK have sought CMA consent to exclude the Sims International Business and Sims Recycling Solutions from the scope of the obligations in paragraphs 5(c), 5(e), 5(h), 5(i) and 5(k) of the Initial Order.

The CMA consents that the obligations in paragraphs 5(c), 5(e), 5(h), 5(i) and 5(k) of the Initial Order do not apply to the Sims International Business. This derogation is granted on the basis of Sims UK's representation that other Sims Metal Management divisions outside the UK operate through separate legal entities, and are run entirely separately from Sims UK's trading division with their leadership reporting separately to Sims Metal Management's CEO.

The CMA also consents that the obligations in paragraphs 5(c), 5(e), 5(h), 5(i) and 5(k) of the Initial Order do not apply to Sims Recycling Solutions. This derogation is granted on the basis of Sims UK's representations that (i) Sims Recycling Solutions is run entirely separately from SMS UK, (ii) Sims Recycling Solutions has no involvement in the UK scrap metal market, and (iii) there is no overlap between Sims Recycling Solutions and the Morley Waste business.

These derogations should not prevent any remedial action that the CMA may need to take regarding the transaction.

2. Paragraph 5(c) of the Initial Order

Sims Metal Management and Sims UK have sought CMA consent to provide training to staff of the Morley Waste business on Sims UK's legal compliance, health and safety, environmental, drug and alcohol and code of conduct policies.

The CMA consents to Sims Metal Management and Sims UK providing training to staff of the Morley Waste business on Sims UK's legal compliance, health and safety, environmental, drug and alcohol and code of conduct policies.