

# SUSTAINABILITY

Orica's value of *No Accidents Today* underpins our commitment to the safety, health and wellbeing of our people, customers, the environment, and the communities in which we operate.

During 2014, Orica continued to strengthen processes and procedures which support ongoing improvement in sustainability performance. Progress also continues to be made in addressing legacy issues associated with historical operations.

Risk management is a fundamental pillar of Orica's activities, including the identification and management of its safety, health, environment and community risks. Orica has robust processes in place to undertake risk management systematically across the Company's operations, use of products and delivery of services. A key aspect of Orica's risk management approach is a focus on preventative controls and the effectiveness of those controls.

## SUSTAINABILITY GOVERNANCE

Orica has company-wide policies and procedures to define requirements and provide guidance in the areas of safety, health, environment, community and people.

Performance against selected sustainability indicators is reported internally on a monthly basis to the Executive Committee and sustainability issues are considered by the Board.

Sustainability performance continues to be reported publicly through the annual Orica Sustainability Report, which is available at [www.orica.com](http://www.orica.com). Orica has again been included in the Dow Jones Sustainability Australia Index and the FTSE4Good Index and also reports greenhouse gas and energy related performance to the Carbon Disclosure Project.

## PEOPLE

A skilled, productive and diverse workforce is critical to Orica's performance. Orica's people policies, training and development programs, and supporting systems, guide how the Company attracts, develops and retains talented people aligned to business strategy.

With operations in over 50 countries, Orica's more than 14,000 employees represent 79 different nationalities. In 2014, Orica's Board and management approved a new diversity and inclusion strategy and targets, renewing Orica's commitment in this area as part of delivering sustainable value to all stakeholders. Significant progress on diversity and inclusion was made in Orica's award-winning Graduate Program: the percentage of women in the 2014 intake increased by over 50% versus 2013 and the program launched in Africa with an initial intake of nine graduates.

During 2014, investment increased in training and development to engage and equip Orica's employees to achieve the Company's objectives. By year end, over 12,000 employees had gained a greater understanding of Orica's vision, values and strategy through the Orica Seven Pillars program, which was conducted in 160 locations worldwide. Multi-year programs to train operational employees and supervisors to globally-consistent standards and to develop Orica's leaders also commenced.

All employees and contractors were migrated during the year onto one global Human Resources information system, enabling improvements in the way Orica organises, develops and rewards its people for performance. Performance Management was enhanced with the introduction of a new performance management scale, enabling greater differentiation of performance and better performance feedback.



## SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY

Implementation of Orica's revised Safety, Health, Environment, Community (SHEC) systems and structures continued during the year. Key achievements include:

- Continued implementation of the revised SHEC Management System;
- Implementation of a standardised semi-quantitative risk assessment process for Major Hazards across the organisation;
- Implementation of the first phase of the new integrated SHEC information management and reporting system, covering incident management, action management and reporting metrics;
- Development of the subsequent phases of the SHEC information management system, including audits, health and hygiene management, compliance management and community investment;
- Continued development of site specific environmental management plans and stakeholder plans at key Company operating sites; and
- Piloting of the revised SHEC audit program to deliver a more streamlined and standardised process and improve integration with other SHEC assurance system elements.

A significant reduction in employee injury statistics was achieved during the year, with the All Worker Recordable Case Rate (number of injuries and illnesses per 200,000 hours worked) ending the year at 0.40, a 26% improvement on the previous year. There were no fatalities.

Activities to reduce the Company's greenhouse gas emission footprint were continued during the year. Nitric acid production is Orica's most greenhouse gas emissions intensive process. Greenhouse gas abatement projects at Orica's nitric acid plants in Australia, Canada and Indonesia have reduced nitrous oxide emissions by more than 900,000 tonnes of carbon dioxide equivalent (CO<sub>2</sub>-e) in 2014, compared to 2010 baseline levels. This represents a nitrous oxide emissions intensity reduction of almost 50% at Orica's nitric acid plants since 2010.

Orica completed the first round of its Community Partnerships Program as part of making the corporate community investment program more reflective of the Company's global footprint. The Program targets initiatives that build or strengthen key stakeholder relationships; demonstrate Orica's commitment to corporate social responsibility; provide tangible results for host communities; and build Orica's licence to operate and grow.

## MANAGEMENT OF LEGACY SITES

The Company manages legacy issues associated with historical operations at a number of its sites around the world. During 2014, remediation activities associated with past operations were undertaken at sites in Australia, Norway, Sweden, Brazil and the USA.

For example, at Botany, Australia, remediation works were completed for the Car Park Waste Encapsulation and are continuing at the former chlor-alkali site with completion expected within two years. Orica responded to community concerns about the potential for offsite mercury contamination from past operations at Botany by funding an independent review overseen by the New South Wales (NSW) Government. Testing conducted to date has indicated that there is no unacceptable risk to human health or the environment.

## LEGAL ACTIONS

During 2014, the NSW Land and Environment Court delivered its decision relating to incidents at Orica's Kooragang Island (KI) and Botany sites between October 2010 and December 2011. The Court imposed penalties of \$768,250 for a total of nine offences to which Orica had pleaded guilty. The penalties will contribute to funding seven environmental enhancement projects in the Hunter Valley and Botany. Orica remains committed to making improvements since the incidents and has invested more than \$200 million over the last three years delivering improvements at KI, including ammonia plant changes to prevent a repeat of the August 2011 event and implementation of the first stage of the ammonia management improvement program.

## PRODUCT STEWARDSHIP

Orica aims to adopt life cycle thinking in the creation and delivery of its products and services. The Company's approach is based on the International Chemical Council's Responsible Care Product Stewardship Code of Practice. Orica is a signatory to the International Cyanide Management Code (ICMC), with its cyanide manufacturing facility at Yarwun, Australia and transfer stations in Ventanilla, Peru and Tarkwa, Ghana fully ICMC accredited. Orica's global supply chain is also ICMC accredited, with route assessments conducted by accredited third party contractors for road deliveries, and due diligence programs for port and rail delivery operations.

The Company is a member of the global explosives safety group SAFEX and a number of other organisations that promote the safe manufacture, transport and use of explosives and chemicals.

During the year, Orica and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) in Australia entered into a second five year alliance to progress commercialisation of ground breaking technology to improve productivity and environmental performance in the mining sector.

Orica continues to assess the impact of the full life cycle of our products through a Life Cycle Assessment (LCA) program. This year, a further seven LCAs were completed. Work also continued to update Orica's approximately 8,000 product Safety Data Sheets (SDSs) to meet the Australian 1 January 2017 requirements relating to implementation of the 'Globally Harmonised System of classification and labelling of chemicals' (GHS). Product SDSs for other countries are being converted to the GHS format in line with local implementation timeframes and legislative requirements.