

# SUSTAINABILITY

Orica's commitment to the safety, health and wellbeing of our people and customers, the environment, and the communities in which we operate underpins everything we do.

During 2015, further progress was made on ensuring Orica's processes and procedures support ongoing improvement in sustainability performance. Progress also continues to be made in addressing legacy issues associated with historical operations. A detailed description of Orica's sustainability risks, indicators, progress and performance is provided in the 2015 Orica Sustainability Report, available on the Orica website at [www.orica.com/Sustainability](http://www.orica.com/Sustainability).

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 Safety, Health and Environment Committee and the Board Audit and Risk Committee.

Orica also reports its sustainability performance externally and continues to be included in the Dow Jones Sustainability Australia Index and the FTSE4Good Index. Orica 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 over 12,000 employees represent 72 different nationalities. Orica seeks to foster a culture of respect, transparency, collaboration and performance in which all employees can develop and thrive. Orica has a continued commitment to diversity and inclusion in our workforce, with a focus on gender diversity of the Senior Leadership team, strengthening local management and improving the cultural capability of senior leaders. Progress was made on strengthening local management with leadership appointments in Africa, Latin America and Asia, expansion of Orica's Graduate Program to Russia and further growth of the program in Africa. The percentage of women in senior leadership roles remained unchanged at 14%, below where Orica seeks to be now and in the future. A review is underway which will lead to new targets and initiatives commencing in 2016, aimed at accelerating progress.

During 2015, investment increased in training and development to engage our leaders and strengthen capability across Orica. Programs to train operational employees and supervisors to globally-consistent standards continued: over 9,500 operators have completed Orica's mandatory safety training, over 500 shot firers have completed Orica's global competency program and over 800 frontline supervisors completed Orica's global Licence to Lead supervisory program. All senior leaders completed Orica's Executive Development Program and a Manager Development Program commenced rollout during the year.

Orica has continued to acknowledge and recognise the many achievements of individuals and teams across our globally diverse organisation through the Global Recognition Awards program. Among many entries, this year's Awards recognised the application of technology to blast safety and safety training; partnership with customers to improve mine productivity and mine sustainability and proactive engagement with the local communities in which Orica operates.

## Safety, Health, Environment and Community

During 2015, Orica continued implementation of its revised Safety, Health, Environment and Community (SHEC) management system and underpinning processes and procedures, to support ongoing improvement in sustainability performance. Key achievements include:

- A continued reduction in All Worker Recordable Case Rate (number of recordable injuries and illnesses per 200,000 hours worked) to 0.38, a best-ever performance and a 5% reduction on the 2014 result. In 2015 Orica remained fatality free.
- Further implementation of the Enablon integrated SHEC information management and reporting system, with new modules released to cover: SHE audits and assessments; regulatory permit and licence management; community initiatives and donations; and stakeholder relationship management.
- Development of Key Control Data Sheets (KCDSs) for identified critical and dominant controls relating to the major hazard scenarios. The deployment of KCDSs to operating sites was commenced and will be fully implemented in the coming year, including integration with a semi-automated job hazard assessment and permit to work tool.
- Completion of the program to implement site-specific environmental management plans (EMPs) at all relevant Orica controlled operating sites. There are now around 400 sites with EMPs that will be updated on an annual basis and more comprehensively reviewed every three years.
- Review of the Orica SHE Assurance program and realignment to the revised SHEC Management System Procedures and Key Control Data Sheets.

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 750,000 tonnes of carbon dioxide equivalent (CO<sub>2</sub>-e) in 2015, compared to 2010 baseline levels. Although abatement performance declined by around 16% compared to the previous year due to catalyst performance and availability issues in its four Australian high-pressure nitric acid plants, this still represents a nitrous oxide emissions intensity reduction of over 40% compared to a 2010 baseline. Orica remains committed to taking measures to reduce its greenhouse gas emissions and is working with CSIRO on the development of an alternative catalyst for its high-pressure nitric acid plants.

The first two rounds of Orica's Community Partnerships Program have seen 38 projects implemented in all Orica's six operating regions, delivering on the objective of making the corporate community investment program more reflective of the Company's global presence. 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. A total of A\$2.8m has been allocated under the program, on initiatives of up to three years duration.

## Management of Legacy Sites

The Company manages legacy issues associated with historical operations at a number of its sites around the world. During 2015, remediation activities associated with past operations were undertaken at sites in Australia, Norway, Sweden, Brazil and the USA.

Remediation projects are progressing in consultation with communities and environmental regulators.

## Product Stewardship

Orica aims to adopt life cycle thinking in the creation and delivery of its products and services.

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. Orica is also 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.

Orica invests in research and development (R&D) at the company's own sites and through collaborative R&D arrangements with universities and research institutes to progress commercialisation of ground breaking technology to improve productivity and environmental performance in the mining sector. Orica works with customers to develop site specific advanced blasting solutions which can assist customers to maintain their licence to operate in terms of vibration and fume reduction. Solutions are also designed to increase customer product recovery and reduce energy consumption in downstream mining and milling processes, which can assist in reducing mine site greenhouse gas emissions.

As part of its commitment to promoting the safe and effective use of explosives, during the year Orica opened its first 'Centre of Innovation and Collaboration' in Santiago, Chile. The facility will provide a location for activities including customer forums, technical seminars, training in the safe use of Orica's products, and workshops to share industry knowledge and opportunities for improvement.