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ORICA LIMITED 2022 ANNUAL GENERAL MEETING

Speeches by Malcolm Broomhead, Chairman and Sanjeev Gandhi, Managing Director and Chief Executive Officer

Malcolm Broomhead, Chairman

Before we move on to the resolutions as outlined in the Notice of Meeting, I would like to discuss some key topics important to Orica, and to you, our valued shareholders.

Safety

Starting with safety, our most important priority at Orica, always.

Tragically, we reported two fatalities this year, one relating to an incident involving an employee at a customer site in far-east Russia this year, and a second incident involving a contracted employee in the 2021 financial year at a site in Kazakhstan that is being reported this year.

Any workplace fatality has a devastating and profound impact on us all. On behalf of the Orica Board, our thoughts and sympathy are with the affected families, friends, and colleagues.

I would like to make it clear to everyone that these fatalities are not acceptable, every single person who goes to work each day across our organisation deserves to return home safely. We will be relentless in our commitment to doing better in safety, ensuring we learn from these tragic events and reinforce the critical safety measures in place to keep our people, customers, and communities safe always.

Performance

Moving now to performance.

Our improved financial results across the 2022 financial year reflect the strength and resilience of the entire Orica team.

A commitment to our refreshed strategy and focus on Orica's competitive advantages positioned us well to mitigate the challenges and capitalise on the opportunities presented this year. The Board and I are extremely proud of the entire Orica team for this improved result.

The final ordinary dividend of 22.0 cents per share was unfranked, bringing the total dividend to 35.0 cents per share, reflecting a payout ratio of 48 per cent of underlying earnings, which is in line with our target range of paying out 40 to 70 per cent of underlying earnings.

Sanjeev will cover Orica's performance in more detail shortly.

Board succession planning

Moving now to Board succession planning.

To remain effective, Board succession planning is critical to developing and supporting Orica's strategy, enabling it to discharge its responsibilities and create long-term stakeholder value. The skills, knowledge, experiences and diversity of your Board are reviewed regularly to ensure they are aligned to achieving our strategic objectives and we undertake Board renewal appropriately.

To that end, in March 2022, we welcomed Gordon Naylor to the Orica Board as an independent, Non-executive Director. Gordon brings over 30 years of experience in operational and financial leadership roles and deep expertise in engineering, global supply chain, and information systems strategy and implementation.

I am delighted to have Gordon on the Orica Board. He is an experienced business leader with a strong track record in growing businesses in challenging international environments. We are seeking your approval to elect Gordon at today's Annual General Meeting.

As announced earlier today, we have also appointed Mr Mark Garrett as independent, Non-executive Director, to the Board effective in early 2023.

I would like to welcome Mark to the Orica Board. Mr Garrett's extensive leadership experience and expertise within diverse global markets will complement the Board and the strategy of the company.

Finally, as announced last week, Non-executive Directors, Ms Maxine Brenner and Mr Boon Swan Foo will retire from the Board of Directors of Orica Limited, effective at the completion of the Annual General Meeting today.

Maxine Brenner has made an outstanding contribution to Orica during her tenure. Serving on several Board Committees, including Chair of the Human Resources and Compensation Committee, member of the Board Audit and Risk Committee, and the Nominations Committee. Maxine's extensive corporate advisory experience and counsel throughout the past nine years have been invaluable to the business.

Boon Swan Foo joined the Board in 2019 and has served as a Member of the Innovation and Technology Committee, Board Audit and Risk Committee, and the Nominations Committee. Boon's experience in the energy, oil and gas, and automotive industries, together with his commercial experience in the Asian region has been extremely valuable.

I would like to acknowledge and thank Maxine and Boon for their contribution and commitment to Orica's Board and wish them well with their future endeavours and, welcome Mark to the Board.

I am also pleased to say that we are in final discussions with another Board candidate, and we will be in a position to announce that appointment in due course.

Sustainability

Now, turning to sustainability.

When it comes to sustainability and climate resilience, the Board recognises that sound corporate governance, transparency and accountability have never been more important. Strong corporate governance creates stakeholder value by ensuring the interests of our Board and management are aligned with our external stakeholders, cultivating a company culture of integrity, and facilitating better decision-making through clearly defined roles and responsibilities, and robust processes.

The Board and its Committees have an annual program in place that covers key strategic, operational, oversight and governance activities to enhance effectiveness in achieving our purpose and supporting strategic decision-making. This includes sustainability and climate resilience.

The Board Safety and Sustainability Committee, chaired by Non-executive Director Karen Moses, oversees safety and sustainability-related issues that have strategic, business and reputational implications for Orica, and public disclosures and position statements, including climate change.

Some notable activities of the Board's Safety and Sustainability Committee during the 2022 financial year included:

- Continued commitment to and oversight of Orica's workplace health, safety and employee well-being strategic plan including deep dives into safety across regional operations and key employee health risks and their management.
- Approval of a target to source 100 per cent of Orica's electricity from renewable sources by 2040.
- Approval of entering into a Power Purchase Agreement for Orica's New South Wales manufacturing operations, towards our commitment to source 100% renewable electricity by 2040.
- Review of sustainability performance targets tied to Orica's existing committed debt facilities, transitioning our loan agreements to a Sustainability Linked Loan structure.
- Approval of a refresh of the Orica Code of Business Conduct clarifying everyone's authority to stop work to protect people's safety, the environment and indigenous cultural heritage.

All of these Board activities aid in strengthening Orica's overall position on sustainability and climate resilience and will continue to be a key focus for the Board moving forward in line with the increase in societal expectations in this area.

'Say on Climate'

We appreciate the deep interest our investors, employees, customers and stakeholders have in our efforts in reducing our impact on the climate.

Today, I can confirm that Orica will adopt the 'Say on Climate' initiative and offer our shareholders an opportunity to consider Orica's Climate Action Report at next year's Annual General Meeting.

This adds to our long-standing investment in transparency consistent with the recommendations of the 'Taskforce on Climate-Related Financial Disclosures'. Shareholders will also note that in 2022 we converted \$1.3 billion of existing bank debt facilities to sustainability-linked loans which will also demand an additional layer of accountability against defined sustainability performance metrics.

I believe all these actions represent a comprehensive body of work to strengthen Orica's position as the world transitions to a lower-carbon economy. We have much work yet to do but I am satisfied with our intent and planning in a world that is changing at a rapid pace.

I would also like to take this opportunity to make some brief comments on the Australian macroeconomic environment and important reviews by the Government on climate change and energy policies.

As recent events in Europe demonstrate, energy transition requires careful planning and policy coordination between governments, regulators, energy suppliers, consumers, and the broader private sector. If the pace of change is too fast and creates risk for the reliability or sustainable pricing, then the unintended consequences and socio-economic disruption will be significant.

Closer to home, there is no doubt that, as one of the world's largest exporters of natural gas, the price for local industry is far too high. We welcome the Federal Government's ongoing consultations with producers and consumers like Orica on how the industry can deliver reliable supply and sustainable pricing of gas during the transition to cleaner energy sources.

I believe that all fossil fuels including gas and coal have their role to play across the medium term as lower-carbon technologies advance and we continue to transition. Thermal coal will continue to present a low-cost energy source to many developing communities in Asia and the sub-continent and it will take time for them to develop alternatives and transition at a pace that does not jeopardise their most vulnerable communities and industries. Australian coal exports will be an important dimension to providing that energy security.

Nonetheless, Orica supports the broad policy objectives of the Government to increase our national climate commitments and to bring in a more robust Safeguard Mechanism to reduce the aggregate impact of the country's highest industrial greenhouse gas emitters.

The Government has indicated its goal to introduce significant changes to the Mechanism by mid-2023 and I commend them for the consultative approach they are taking before finalising changes. I would stress that early movers such as Orica, who have made significant good-faith investments in reducing emissions should not be retrospectively penalised by those changes.

Orica is a very good example of the challenges faced by Australian-based manufacturers in hard-to-abate industries. In the short and mid-term, we confront inflation, higher wages, labour and skills shortages and uncertainty in climate and energy policy settings, adding to the volatility of input costs. In the longer term, if we are to have a future, we must also make investments in cleaner ways of operating and across our supply chains. Often these will be capital-intensive and high-risk.

Australia's sovereign manufacturing will need Government support to navigate these challenges if the scale and complexity of Australia's industrial base are to remain. I believe that is a worthwhile investment. As recent years have so clearly demonstrated, sovereignty over critical supply chains will be increasingly important in an uncertain world.

Inflation and industrial relations

Finally, I would like to touch on inflation and industrial relations.

As a key driver of volatility and uncertainty for the global economy, I believe inflation will require effective monetary policies to mitigate this significant risk. Policies such as corporate tax reforms, industrial relations and incentives for continued innovation are all critical enablers for productivity gains aligned with wage growth and cost of living increases.

These changes would be most effective if supported by well-targeted government funding, and tax measures for innovation, R&D and fast-tracking new technology and automation across our industrial heartland.

The industrial relations debate in Australia can only be progressed if it is aligned to these broader macro-economic policies covering inflation, productivity, labour, skills and maintaining our global

competitiveness. In the sectors that we serve wage growth is already underway. We hope that proposals for industry-wide bargaining are done in a balanced manner, and do not introduce sector-wide risks at a time when investment confidence is already being challenged.

I trust that the government will maintain close consultation with the business community on the implementation and impact of its IR changes.

Conclusion

Before I invite Sanjeev to talk, I would like to thank our stakeholders.

On behalf of the Orica Board, we would like to thank the entire Orica team for their ongoing dedication and commitment in what has been another tough year.

Importantly, we thank our shareholders, customers, and industry partners, for your continued support and investment in Orica.

I now welcome your Managing Director and Chief Executive Officer, Sanjeev Gandhi, to address you.

Sanjeev Gandhi, Managing Director and Chief Executive Officer

Thank you, Chairman, and thank you to our shareholders for joining us today.

Safety and well-being

Starting with safety, our number one priority at Orica.

As Malcolm already mentioned, sadly, we reported two fatalities this year.

Following the fatalities in Russia and Kazakhstan, we conducted a detailed review of key controls in our Major Hazard Management (MHM) program relating to flyrock and elevated work platform risks. We are updating our procedures for working from heights to provide additional guidance and are reviewing contractor management processes and requirements around monitoring contractor work on-site to ensure these incidents are never repeated in our business again.

The incident in Kazakhstan, which occurred in 2021 was reported through our *Whistleblower* channels earlier this year and was subject to an immediate and thorough investigation. Disciplinary action has been taken against site management personnel who were aware of the incident and did not report it. These actions are not reflective of Orica's values and are in breach of *Our Code of Business Conduct*. Positively, it reinforces that our *Whistleblower* channels are effective.

We are deeply disappointed with this performance and we must do better. Our thoughts and sympathies are with the affected families, friends, and colleagues of those employees that lost their lives. We are deeply committed to re-establishing the trust of our stakeholders and living up to our values to keep our people, customers, and communities safe, always.

Positively, in safety this year we achieved a reduction in our Serious Injury Case Rate and Loss of Containment.

Our operating environment

Now, turning to our operating environment.

This year has presented both challenges and opportunities for our business.

The strength and flexibility of our global manufacturing and supply network remain a key competitive advantage for us and allowed Orica to respond quickly to a changing environment and focus on delivering the needs of our customers.

Elevated commodity prices have grown demand for copper, nickel, and other future-facing commodities, and the disruption of energy markets has increased demand for coal. This has driven demand for Orica's products and services around the world.

The escalation of the Russia-Ukraine conflict, and imposed sanctions and export restrictions, led us to a responsible and structured exit from our Russian operations this year.

Environmental Social and Governance (ESG) performance and climate change continue to gain momentum across our industry including changes to policy and growing societal expectations. Orica is committed to taking tangible action to achieve our ambition of net zero emissions by 2050.

Inflation has emerged as a key driver of volatility and uncertainty for the global economy. While Orica is experiencing rising costs including salaries and raw material inputs, commercial discipline, collaborative culture, and continued focus on sustainable cost reduction are providing a level of mitigation.

Performance

Now, turning to our performance.

In November 2021, we refreshed our strategy centred on optimising our operations, delivering smarter solutions, and partnering for progress across our four business verticals of mining, quarry and construction, digital solutions, and mining chemicals.

At the core, we continue to pursue organic growth from blasting. We identified and capitalised on further opportunities for growth in quarry and construction, and by expanding Orica's presence across future-facing commodities.

Beyond blasting, we are accelerating customer adoption of our new technologies and demonstrating our unique strengths and capabilities in providing digital workflows and solutions from mine-to-mill. Mining Chemicals also continues to present growth opportunities for our business.

Our financial results were strong. Underlying earnings before interest and tax (EBIT) were \$579 million, an increase of 36 per cent on the previous year. Statutory net profit after tax (NPAT) in FY2022 was \$60 million including a \$257 million significant items expense after tax.

This positive performance reflects the exceptional efforts of our team to deliver in line with our refreshed strategy. Our commercial discipline, combined with the strength of our global network has positioned us well to capitalise on the current opportunities presented by a growing commodities market.

In August 2022, we announced the acquisition of Axis Mining Technology to position Orica as a leading orebody intelligence provider and broaden our customer offering, from mine-to-mill.

We continued our disciplined approach to the balance sheet and capital management, and we are focused on improving our operating cash generation.

We accelerated our customer adoption of premium products, blasting technologies and digital solutions, increasing our digital solutions adoption rate across the globe by 63 per cent on the previous year, well above target.

In addition, our technology portfolio increased, with 17 new products and services introduced to the market, including our second generation WebGen™ 200, 4D™ bulk explosives technology, and Avatel™ in partnership with Epiroc.

This year we achieved a return on net assets (RONA) of 11.4 per cent which is within our target range of 10-12 per cent. The increase from the prior year was driven by our improved earnings performance.

To support our future growth, our people strategy focused on building our talent and capabilities.

In the 2022 financial year, we implemented our global culture and engagement survey *Our Say* to understand how we are tracking, and opportunities to enhance the employee experience. With a participation rate of 65 per cent, we achieved an overall engagement score of 88 per cent, outperforming global industry benchmarks.

While this is a good result, there is always work to do. The results of the *Our Say* survey identified opportunities for greater support in learning and development, increased recognition of performance, and flexibility and clarity of roles.

In response, we implemented a series of programs and actions designed to enhance the way we work and support new learning and development initiatives for our people. We also commenced the design of a new global reward and recognition program to strengthen our high-performance culture at Orica and ensure we attract and retain talent to support our growth agenda.

Sustainability

Now, turning to our sustainability achievements and the broader industry challenges and opportunities in front of us.

This year I am proud to say we have achieved year-on-year improvements in our key environmental metrics, this includes no serious environmental incidents, a reduction in loss of containment incidents and our potable water intensity target was achieved.

I am very pleased also with our ongoing progress in reducing our own direct greenhouse gas emissions (GHG). This year, we installed tertiary abatement technology at our Carseland manufacturing site in Canada, delivering 95 per cent abatement efficiency from unabated levels and enabling the production of lower-carbon intensity ammonium nitrate. The same abatement technology is now being installed across our Kooragang Island manufacturing facility in Newcastle, Australia with positive results already achieved.

Importantly, this outcome gives us confidence that we can achieve our global target to reduce operational emissions by at least 40 per cent by 2030, below 2019 baseline levels. We have already delivered a 14 per cent reduction after the 2022 financial year. This is no small feat.

Additionally, this year, we announced our commitment to source 100 per cent renewable electricity globally by 2040 with a short-term goal of sourcing 60 per cent renewable electricity by 2030. To start this journey, we signed our first Power Purchase Agreement (PPA) with Lightsource bp for renewable electricity across our NSW operations.

Tackling the remaining material portion of our greenhouse gas emissions profile requires a greener alternative feedstock for ammonia manufacturing. Our analysis shows decarbonising ammonia production is most likely to come in the form of green hydrogen to replace the natural gas

feedstock used today. To this end, we have formed critical Hydrogen Hub partnerships with Origin Energy and The Hydrogen Utility to develop future green hydrogen and ammonia opportunities in Australia, giving the surrounding regional communities a pathway to 'future-proof' regional jobs and economies.

Our customers are becoming increasingly interested in these investments and actions too, as most have their own supply chain and Scope 3 emission reduction commitments in place. And we expect, as direct and indirect carbon pricing is increasingly adopted across governments and trading regimes, supplier performance on greenhouse gas reduction will inevitably be integrated into the procurement and tendering processes of our major customers.

We continue to invest in digital and automated technologies offering safer solutions to our customers that increase productivity while helping manage social and environmental impacts, and adoption of these solutions is accelerating. An example of this is Cyclo™, our first automated used oil recycling system that recycles our customer's used oil (like engine and hydraulic oil) and processes it to remove any contaminants so it can be used to manufacture quality emulsions for use in explosives, creating circularity solutions for our customers.

Another is Fortis™ Protect, a premium product that reduces nitrate leaching risk in surface blasting, currently being trialled by De Beers in remote Northern Canada.

When it comes to improving safety across our industry, we are also leading the way with smarter solutions to remove people from harm's way.

Take WebGen™ for example, our patented, world-first fully wireless initiation system which can communicate through hundreds of metres of rock, air and water to initiate blasts. By eliminating the need for wires, WebGen™ allows mine personnel to spend less time in the dangerous zones of the mine compared to traditional blasting systems, it's also a critical enabler of the first stages of automated blasting with our Avatel™ unit.

Avatel™ is the world's first mechanised charging system developed in partnership with Epiroc. Just two weeks ago we fired the first ever mechanised, wireless development blast in the history of underground mining. The technology allows a single operator to locate, clean, prime and load our bulk explosives and our patented wireless initiating systems from the safety of an enclosed cabin, several metres from the face and out of harm's way.

These are just a few examples of how our technologies are supporting our customers to achieve their ESG goals and we expect the appetite for such solutions to grow exponentially in the future.

In addition to our innovative solutions, we've also strengthened our position on respect for First Nations Peoples and their cultural heritage in the refresh of *Our Business Code of Conduct*, and we've just published our first Reconciliation Action Plan (RAP) in association with Reconciliation Australia – laying the groundwork for improving our engagement approach with First Nations Peoples in Australia and around the world.

By accelerating our approach to decarbonisation through low-emissions technology and creating innovative and sustainable solutions, we are playing our role to advance a safer and more sustainable industry and society.

Outlook

Now, to the outlook for the 2023 financial year.

As anticipated, the positive momentum from the second half of the 2022 financial year has continued, with the first two months of the 2023 financial year delivering strong results. We expect this momentum to continue through this financial year.

By maintaining our disciplined approach to commercial management, we will continue to diversify our portfolio in future-facing commodities and quarry and construction markets.

Safety remains our number one priority. As I mentioned earlier, we are committed to improving our safety performance, living up to our values and keeping our people, customers and communities safe.

We expect the demand for critical minerals to remain strong in the year ahead, and we are well-positioned to navigate ongoing external challenges with the strengths of our global network and culture, and a strengthened balance sheet.

Our customers' appetite for new technology and our refreshed strategy sets us on a clear pathway to drive growth from blasting technology and accelerate the adoption of our digital solutions from mine-to-mill, growing beyond blasting.

Conclusion

In conclusion, we are making significant progress towards a simpler, more efficient, and more sustainable organisation.

We are in a good position to continue our momentum and drive our strategy for growth and the Executive Committee and I are extremely proud of the entire Orica team and what they have delivered this year!

Thank you to our customers, partners, and the communities in which we operate for your ongoing support.

Finally, thank you to our shareholders, for your continued support and investment in Orica.

The Chairman then moved to the formal items of business.

End.

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