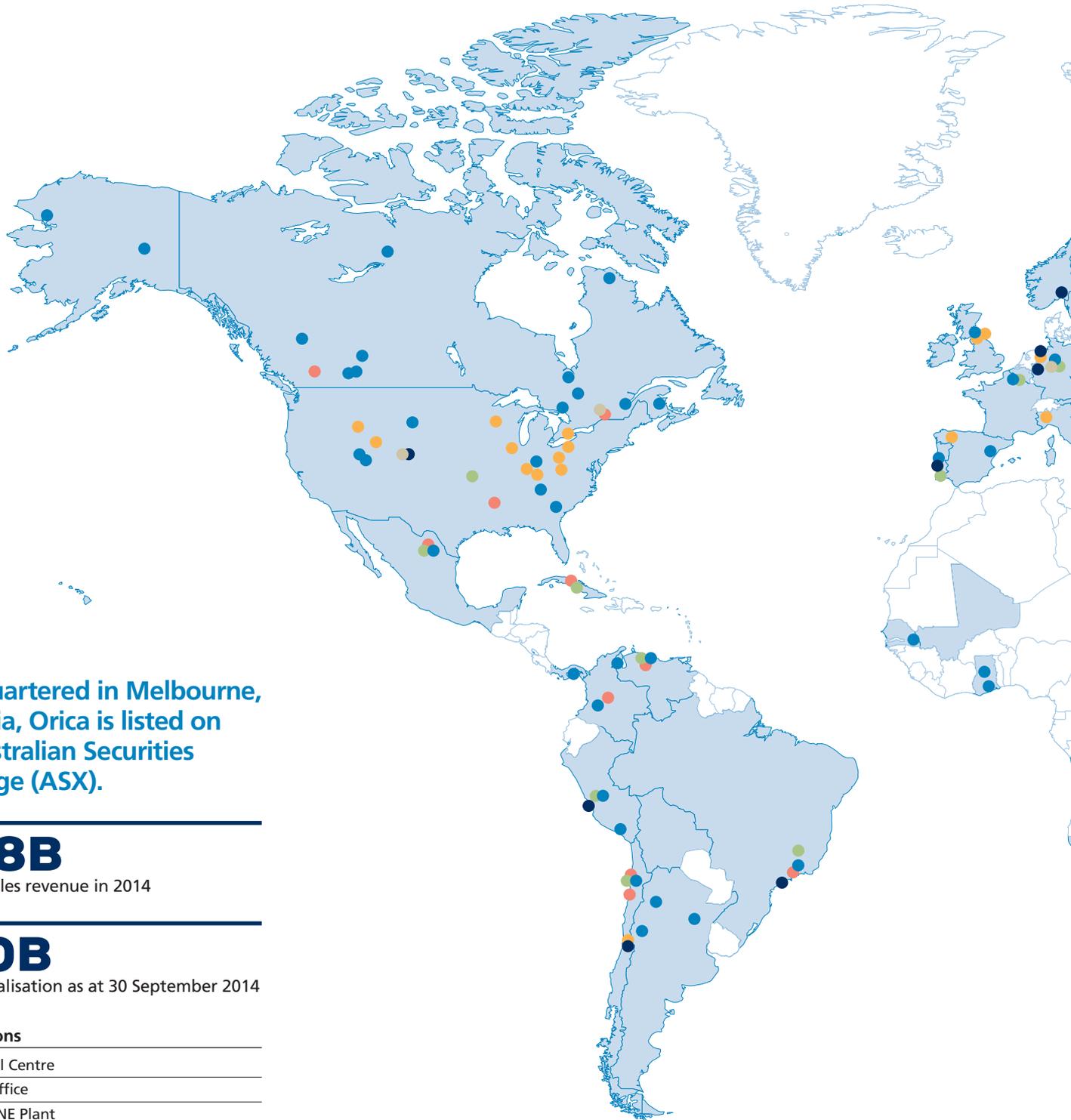




SUSTAINABILITY REPORT 2014



AN AUSTRALIAN COMPANY WITH A GLOBAL FOOTPRINT



Headquartered in Melbourne, Australia, Orica is listed on the Australian Securities Exchange (ASX).

\$6.8B

Full Year sales revenue in 2014

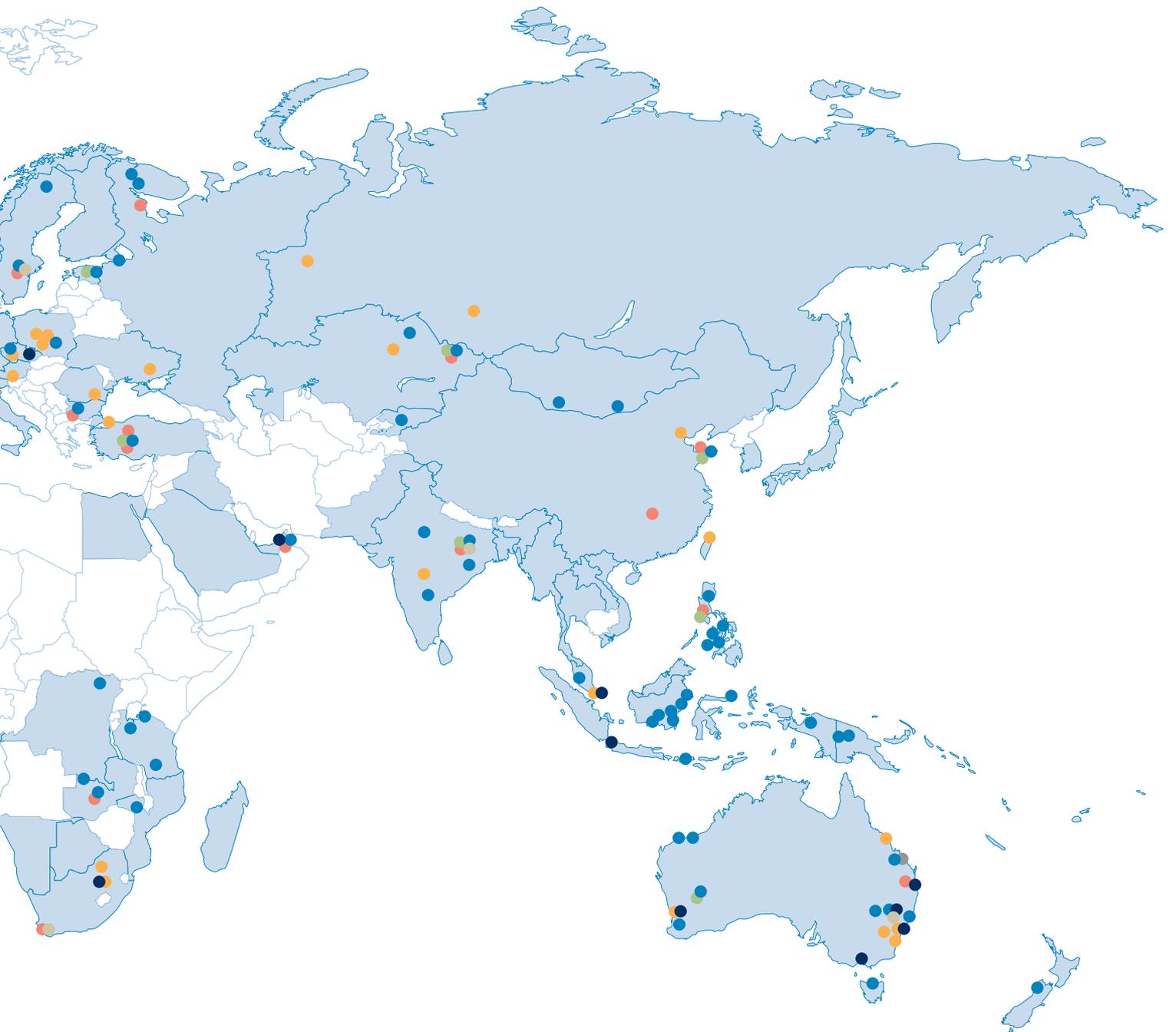
\$7.0B

Total Capitalisation as at 30 September 2014

Key Locations

- Technical Centre
- Major Office
- AN or ANE Plant
- Packaged Explosives Plant
- Initiating Systems Plant
- Ground Support Plant
- Sodium Cyanide Plant

■ Orica Coverage



ABOUT THIS REPORT



This Report for the 12 months ending 30 September 2014 is Orica's 11th annual Sustainability Report.

Information and statistics in this Report cover sites owned and operated wholly by Orica Limited and its subsidiaries or operated by Orica Limited subsidiaries in a 50% or more joint venture operation during the 12 month period. Data is reported on a 100% basis for facilities operated by Orica Limited subsidiaries irrespective of equity share, unless otherwise stated. Joint venture projects that are not operated by Orica are excluded unless expressly stated. Data for energy, greenhouse gas emissions, water and waste is only reported for operations owned and operated wholly by Orica Limited subsidiaries, with the exception of the Bontang, Indonesia joint venture, which is included due to Orica's operational control of the facility and its significant emissions profile.

Information and data reflects the entire 12 month period to 30 September 2014 or the status as at 30 September 2014, unless otherwise stated.

All monetary amounts in the Report are in Australian dollars (AUD), unless otherwise stated.

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (Version 3.1). The GRI 'B Level' application check is included on page 39 of the Report.

Information relating to Orica's sustainability approach and sustainability performance is also communicated through the Company's website www.orica.com, Annual General Meeting, Annual Report and disclosures to the Australian Securities Exchange (ASX). Previous years' Sustainability Reports and Annual Reports can be downloaded from www.orica.com.

Locations and Operations	IC
About this Report	2
Message from the Managing Director and CEO	3
Orica Overview	4
Key Sustainability Issues	6
Stakeholder Engagement	8
Sustainability Performance Scorecard 2014	9
Recognition	10
Orica Management Systems	11
PEOPLE	
Employees	12
Safety	16
Occupational Health	19
ENVIRONMENT	
Environment	20
Energy and Greenhouse Gas Emissions	24

SOCIETY	
Community	28
Product Stewardship	33
Economic Contribution	36
GOVERNANCE	
Governance Framework	37
Affiliations and Participation	38
About the Report 2014	39
Global Reporting Initiative (GRI) Application Level Service	39
GRI Summary Index	40

MESSAGE FROM THE MANAGING DIRECTOR AND CEO

The past year was one of significant progress on Orica's ongoing transformation program to ensure that the Company continues to be a market leader in providing solutions for improving the productivity of its customers in the mining, quarrying, oil and gas and infrastructure sectors.

Throughout the year the Company maintained its focus on delivery of sustainability objectives, with improvements recorded in numerous areas. This was very pleasing given the challenging nature of the external business environment and the number of internal transformation initiatives underway.

2014 OPERATING PERFORMANCE

Market conditions were very challenging throughout 2014, however negative market impacts were largely offset by Orica's diverse geographic footprint and commodity exposure, strategic focus on differentiated products and services, and efficiency improvements.

Although explosives volumes were slightly down compared to the previous year, volume growth was recorded in the Company's focus markets of the Pilbara (Australia), Africa and CIS. Further progress was made in the adoption of Orica's advanced blasting services by customers in Australia, Europe and North and South America. These advanced blasting services are assisting our customers to improve their productivity, at a crucial time for the resources sector, which is heavily focused on reducing costs.

In line with the Company's strategy, Orica continued to grow its international footprint and implement strategic sourcing arrangements and its capital light strategy. Construction of Orica's emulsion plant on Apatit's site in CIS and the Burrup ammonium nitrate plant in the Pilbara, remain on plan. Orica also announced the sale of its Chemicals business, which will be completed in the coming year.

SUSTAINABILITY PROGRESS

Continued progress was made on key sustainability indicators. Installation of nitrous oxide abatement at Orica's nitric acid production plants in Australia, Canada and Indonesia has resulted in a reduction of greenhouse gas emissions of over 900,000 tCO₂-e compared to a 2010 baseline, equivalent to taking more than 300,000 cars off the road. In New South Wales, Australia, a project with Hunter Water will see freshwater use at Orica's Kooragang Island plant decrease significantly from early 2015, as more than 2 billion litres per year are replaced with recycled water.



As well as initiatives to improve the Company's performance, Orica also develops and commercialises products and services that assist customers in their own sustainability objectives. The use of chemical energy to break rock in the blasting process can be up to 25 times more effective than electrical energy to do the same task by milling and grinding, resulting in improved energy and greenhouse gas outcomes. Orica's blasting solutions can also provide customers with improved control of noise, vibration and fume, assisting mine owners to maintain the support of their host communities.

Orica has a number of other important projects with potential future sustainability implications. The Mineral Carbonation International joint venture with the University of Newcastle and the New South Wales and Federal governments in Australia is scheduled to commence pilot plant trials in early 2015. The program is investigating the permanent carbon capture potential of serpentinite, a technology which has the potential to provide meaningful reductions in both Orica's and customers' CO₂ emissions. Orica renewed its research alliance with the CSIRO to support collaboration on ground-breaking technology to improve productivity and environmental performance in the mining sector.

PEOPLE AND SAFETY

A skilled, productive and diverse workforce is critical to Orica's performance and to support the Company's global customer base. 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.

The Company recorded no fatalities in 2014 and a 26% improvement in its All Worker Recordable Case Rate, reflecting the enduring commitment of all Orica employees to workplace safety. The implementation of updated Safety, Health, Environment, Community (SHEC) systems and processes continued during the year, including release of the first phase of the new integrated SHEC information management and reporting system.

COMMUNITY

The first round of Orica's Community Partnerships Program was completed in 2014, as part of ensuring that community investments are better co-ordinated and more reflective of the Company's global footprint. More than 20 initiatives in Australia, South America, Africa, Asia and North America have been selected for funding in the first round of the program. Each of the successful projects reinforces Orica's commitment to corporate social responsibility and will provide tangible results for host communities, and contributes to Orica's licence to operate and grow.

OUTLOOK

Orica expects that volatility and uncertainty will continue to be a feature of global resources markets in the year ahead. However, the Company's continued investment in technical and environmental innovation, and in its transformation program, will improve Orica's resilience and ensure that the Company is well positioned to respond to changes in market conditions and the expectations of our key stakeholders.

IAN SMITH
Managing Director and CEO

ORICA OVERVIEW

WHO WE ARE

Orica provides market-leading customer solutions to improve productivity and resource efficiency in the mining, quarrying, oil and gas, chemicals and infrastructure sectors. An Australian company with a global footprint, Orica has a diverse workforce of over 14,000 people, with operations in more than 50 countries and customers in more than 100 countries.

WHAT WE DO

Orica's vision is to provide *Clever Resourceful Solutions* to its customers around the world. Orica's value of *No Accidents Today* underpins our commitment to the safety, health and wellbeing of our people and customers, the environment, and the communities in which we operate.

Orica's strategy is to create sustainable shareholder value through customer focused, innovation led and capital efficient supply of differentiated blasting, mining chemicals and ground support services and products. These are delivered through low cost manufacturing and third party sourcing that underpin security of supply. The Company's portfolio of third party supply arrangements and its broad footprint of manufacturing and distribution assets provide supply capability across Australia Pacific, Asia, Europe, Africa, Latin America and North America.

Orica is the world's largest provider of commercial explosives and advanced blasting systems to the mining and infrastructure markets, a leading supplier of sodium cyanide to the gold industry and of chemical products to the mining, water treatment and other industrial, food and cosmetics markets.

Orica delivers value by developing and commercialising differentiated services and products that maximise our customers' capacity to:

- Transform mineral resources into recoverable reserves;
- Increase mine productivity and mill throughput;
- Increase mineral recovery;
- Reduce energy consumption;
- Operate safely – above and below ground;
- Improve noise, vibration and fume control; and
- Improve mineral processing efficiency.

The Company is committed to the safe handling and use of its products and services. Orica believes that responsible corporate practices will not only enhance the Company's performance but also benefit our customers, the environment and the communities in which we work.

OUR VISION

Clever Resourceful Solutions

OUR VALUES

No Accidents Today

Find Valuable Solutions

Succeed Through Collaboration

It's Our Business

BLASTING

- Bulk explosives
- Packaged explosives
- Electronic blasting systems
- Initiating systems
- Seismic systems
- Blasting services
 - Delivery and magazine services
 - Surface mining, underground, quarry and construction – planning, design, loading and firing services
 - Technical services – feasibility studies, training, auditing, blast modelling and blast improvement
 - Blast measurement and analysis services
 - Blasting environmental effects and risk management services
 - Performance services – blasting to specification

MINING CHEMICALS

- Sodium cyanide
- Sparge – cyanide delivery and dissolutions systems
- PRO service – technical in-use mineral processing reagent support
- Emulsifiers for blasting applications

GROUND SUPPORT

- Bolts
- Glassfibre reinforced plastic bolts
- Injection chemicals
- Mesh
- Powders
- Resin capsules
- Resin grouts
- Services
- Accessories

GENERAL CHEMICALS

- Water treatment and watercare
- Mining
- Oil and gas
- Food and nutrition
- Personal care
- Agriculture
- Building and construction
- Flavours and fragrances
- Pulp and paper
- Plastics

AT A GLANCE

#1 SUPPLIER
GLOBALLY
of commercial explosives



MORE THAN
1,000
Mobile Manufacturing Units



MORE THAN
4,500
ORICA EMPLOYEES
based at over 40 customer sites
and hub locations



1,500
BLASTS PER DAY
on our customers' sites



MORE THAN
900,000
tonnes of CO₂-e abated last year



4 MILLION
TONNES
of bulk explosives supplied annually



TOP 5
ASX SAFETY
PERFORMER



CHEMICAL ENERGY
25 TIMES
MORE EFFICIENT
than mechanical energy
for breaking rock

KEY SUSTAINABILITY ISSUES

The materiality assessment process used to identify and prioritise the topics included in this Sustainability Report is:

- Identifying issues by reviewing our Group Risk Register, enquiries from our shareholders and investors, daily media coverage and feedback from stakeholders as described on page 8; and
- Rating the significance of these issues from our stakeholders’ perspectives and the potential impact on our business as low, medium or high.

A summary of these issues, and current and future initiatives to respond to these issues, is provided below.

CLEVER RESOURCEFUL SOLUTIONS					
ENVIRONMENT			PEOPLE		
Energy and Greenhouse Gas	Resource Efficiency	Ecosystems	Workforce Safety and Health	Diversity and Equality	
					
Challenges	<ul style="list-style-type: none"> • Reducing greenhouse gases and improving energy efficiency – looking at ways to reduce our carbon footprint • Using more efficient forms of energy – being able to provide products and services that reduce our customers’ production costs, energy use intensity and carbon footprint 	<ul style="list-style-type: none"> • Responsible and efficient use of non-renewable natural resources, such as fossil fuels and minerals • Access to limited resources – ensuring adequate and secure supply of key raw materials such as natural gas and water • Minimising waste generation from the manufacture and use of Orica products – for both Orica and its customers 	<ul style="list-style-type: none"> • <i>No Accidents Today</i> – preventing environmental incidents at Orica sites and in transporting our products • Eliminating adverse/unplanned environmental impacts from the manufacture and use of Orica’s products • Rehabilitation of Orica’s manufacturing and storage sites at end of use 	<ul style="list-style-type: none"> • <i>No Accidents Today</i> – preventing safety incidents at Orica sites and while working on customer sites • Ensuring the health and wellbeing of the workforce • Globally consistent approach to safety and health management 	<ul style="list-style-type: none"> • Diversity in the workforce – ensuring we can support and grow our global business by leveraging the diversity of talent in our workforce • Inclusive culture – bringing together people of different genders, ethnic and cultural backgrounds and ages and giving them opportunities to apply their diverse range of skills, experiences and perspectives to create value for customers
Initiatives – Now	<ul style="list-style-type: none"> • Advanced Blasting Services – reducing downstream processing energy requirements for mining customers • Nitrous oxide Abatement Technology – reducing greenhouse gas emissions from nitric acid production 	<ul style="list-style-type: none"> • Advanced Blasting Services – improved recovery of mined product • Use of sustainably sourced palm oil as a renewable fuel in emulsion formulation • Reuse of ferrous chloride by-product as a wastewater treatment chemical 	<ul style="list-style-type: none"> • Implementation of site based Environmental Management Plans (EMP) • Remediation program for Legacy Sites • Management of historical Hexachlorobenzene (HCB) waste at Botany site, Australia 	<ul style="list-style-type: none"> • Revised Safety, Health, Environment and Community (SHEC) Management System • Revised Major Hazard Scenarios using a semi-quantitative risk analysis process 	<ul style="list-style-type: none"> • Updated Diversity and Inclusion Policy • New diversity and inclusion strategy and targets set by the Board
Initiatives – Future	<ul style="list-style-type: none"> • Trial Mineral Carbonation technology for permanent CO₂ storage 	<ul style="list-style-type: none"> • Implement Kooragang Island site recycled water scheme with Hunter Water • Commercialise wireless detonators – reduced waste associated with detonator cords 	<ul style="list-style-type: none"> • Destruction of HCB waste 	<ul style="list-style-type: none"> • Develop and deploy semi-automated Job Hazard Analysis (JHA) tool 	<ul style="list-style-type: none"> • Deliver initiatives to achieve new diversity and inclusion targets

CLEVER RESOURCEFUL SOLUTIONS

Clever Resourceful Solutions			
Global Competency	SOCIETY		
	Stakeholder Relationships	Socio-Economic Contributions	Product Responsibility
			
<ul style="list-style-type: none"> • Attracting and retaining talent – having the right people with the right skills to deliver the Orica strategy and provide a high level of service to our customers • Globally consistent competencies – providing a consistent service to all customers globally • Corporate governance – being able to work consistently across different geographic locations by having common standards, reporting systems and assurance processes 	<ul style="list-style-type: none"> • Maintaining our social licence to operate – meeting current, and adapting to changes in, expectations of community and government • Proactively shaping regulatory policy through the provision of technical knowledge and expertise • Meeting customer needs – continuing to deliver customer driven solutions through innovation and collaboration 	<ul style="list-style-type: none"> • Contributing to local growth and development from Orica’s presence (job creation, business opportunities) • Supporting learning in science, technology and innovation to improve society’s knowledge and provide a pool of future employees • Ensuring community investment is fully representative of Orica’s global footprint 	<ul style="list-style-type: none"> • Product stewardship – minimising SHEC risks related to the manufacture, distribution and use of Orica products • Providing valued customer solutions – advanced blasting solutions to minimise vibration, fume or other environmental or community impacts • Meeting customer expectations – ensuring reliability of supply and consistent standards while increasing sourcing via capital efficient JVs and/or supply alliances
<ul style="list-style-type: none"> • Globally Consistent Competency Training • Leadership Development Program for General Managers • Orica Seven Pillars training 	<ul style="list-style-type: none"> • Stakeholder Plans at site, country and regional level 	<ul style="list-style-type: none"> • Major Sponsor of Science and Technology Education Leveraging Relevance (STELR) • Orica Community Partnerships Program • Local site Community programs • Integration of local supplier/contractor and human rights requirements in Procurement Value Delivery Program (PVDP) 	<ul style="list-style-type: none"> • Responsible Supply and Use of Palm Oil (RSPO) member • Only sourcing palm oil from RSPO members • Implementation of Fume Risk Reduction Program • Integration of revised SHEC requirements in Procurement Value Delivery Program (PVDP)
<ul style="list-style-type: none"> • Develop second phase of Orica Seven Pillars training • Deliver Leadership Development Program to Operational Leaders 	<ul style="list-style-type: none"> • Develop Engagement Skills training • Develop common Community Complaints Mechanism 	<ul style="list-style-type: none"> • Deliver Orica Community Partnerships Program • Further global deployment of STELR • Sponsorship of The Smith Family – education for disadvantaged children programs in the Pilbara • Sponsorship of First Nations People – training-to-employment program 	<ul style="list-style-type: none"> • Global deployment of Track and Trace for packaged explosives • Commercialise laser initiation – as an option to improve product safety

STAKEHOLDER ENGAGEMENT

Orica identifies its key stakeholders as those that can have a significant impact on, or be significantly impacted by, the Company's operations. These include: employees, customers, business partners, shareholders, governments, and the communities where the Company operates.

This Report aims to discuss Orica's significant economic, environmental and social impacts. Topics reported, and GRI indicators used, have been prioritised through an assessment of the Company's material sustainability challenges and opportunities. The assessment seeks to consider whether these material issues would substantively influence the views and decisions of key stakeholders and users of the Report. Orica anticipates that all of the key stakeholders listed above may be users of this Report.

Feedback from the following engagement activities was considered when identifying key issues for inclusion in this Report:

- Direct engagement with customers;
- Regular consultation with host communities and partners;
- Annual General Meeting and engagement with the investment community;
- Interactions with regulatory bodies, host governments, special interest groups and industry programs; and
- Surveys of key stakeholder groups.



Orica understands that effective engagement and communication are fundamental to gaining the trust and support of our key stakeholders. The Company seeks to tailor engagement to each stakeholder group. A summary of key issues raised by and responded to those stakeholder groups is listed below.

STAKEHOLDER	CONCERNS AND INTERESTS	ENGAGEMENT MECHANISMS USED
Employees and contractors	Career and development opportunities, performance management and senior leadership.	Direct engagement at Company work locations; intranet; regular internal written and/or face-to-face communications about the changes that could impact employees; the 'Orica Update' bi-monthly newsletter; Orica Seven Pillars workshops; internal workshops and conferences.
Customers	Performance of product, cost, reliability of supply, ability to add value to customer performance, sustainability impacts of products and services.	Direct engagement, including commercial and contract negotiations and extensive interactions as part of Orica's Customer Compass initiative; the Mining Services Global Feedback Database, a formal mechanism for capturing compliments and complaints relating to products and services; customer technical workshops; presentations at industry events, forums and conferences.
Suppliers and business partners	Performance of product, cost, reliability of supply, sustainability impacts of products and services.	Direct engagement; Procurement Value Delivery Program (PVDP) supplier engagement processes; supplier questionnaires; regular meetings with joint venture partners.
Shareholders and the investment community	Company performance, delivery on company strategy and governance.	Annual General Meeting; half-year and end-of-year results presentations and webcasts; investor road show meetings; direct shareholder engagement including calls and meetings, with feedback to the Board where appropriate. Sustainability performance is disclosed on the website and in the annual Sustainability Report; Orica reports its performance to the Dow Jones Sustainability Index (Materials sector), FTSE4Good Index and the Carbon Disclosure Project.
Community and local residents	Employment opportunities, socio-economic contribution to local communities, local operational impacts such as noise, odour, emissions and contamination.	Community Investment Program, site-specific stakeholder plans and programs for community contact and information sharing; employment opportunities posted on the website; direct engagement with individuals; systems to register, investigate and promptly respond to community complaints; community meetings; site visits; and tours by local community members including local school groups.
Government	Regulatory compliance, research and development, socio-economic contribution and local community issues.	Direct engagement with government and regulatory agencies in countries where we operate; written submissions regarding regulatory impact either directly, or via professional groups or industry associations.

SUSTAINABILITY PERFORMANCE SCORECARD 2014

TARGET	2014 PERFORMANCE	LOOKING FORWARD
SAFETY AND HEALTH		
Fatalities	 0 Fatalities in 2014 Continued from 0 in 2013	0 for 2015
All Worker Recordable Case Rate	 0.40 against a target of 0.50 in 2014 Improved 26% from 0.54 in 2013	0.45 for 2015
Injury and Illness Severity Rate*	 3.35 against a target of 7.8 in 2014 Improved from 9.10 in 2013	7 for 2015
Health	 99.8% against a target of 98% of scheduled health assessments completed in 2014 Improved from 98.5% in 2013	98% for 2015
ENVIRONMENT		
Environmental Incidents	 0 Severity 3+ environment incidents against a target of 0 in 2014 New Indicator for 2014	0 for 2015
Greenhouse Gas Emission Intensity	 0.49 tCO ₂ -e/tonne of production in 2014 Improved 8% from 0.53 tCO ₂ -e/tonne in 2013 ¹	0.38 ¹ tCO ₂ -e/tonne for 2015
Potable Water Consumption Intensity	 2.02 kL/tonne of production in 2014 Improved 1% from 2.05 kL/tonne in 2013 ²	1.14 ² kL/tonne for 2015
COMMUNITY		
Community Incidents	 0 Severity 3+ community incidents against a target of 0 in 2014 New indicator for 2014	0 for 2015
Stakeholder Plans	 42 site level stakeholder plans in place in 2014 Exceeded 2014 target of 40	Community Partnership Programs progressed >90% to plan
PEOPLE		
Women in Senior Management	 14% representation of women in senior management ranks in 2014 Decreased from 18% in 2013	20% in 2016
Orica Seven Pillars Training	 86% of employees worldwide participated in program Exceeded 2014 Target of 85%	Develop Orica Seven Pillars II program and deliver to at least 90% of employees for 2016
PRODUCT STEWARDSHIP		
Distribution Incidents	 27 Severity 2+ distribution incidents in 2014 Improved from 41 in 2013	24 for 2015

 **TARGET ACHIEVED**
 **LIMITED PROGRESS MADE**

 **SIGNIFICANT PROGRESS MADE**
 **NOT ACHIEVED**

* Injury and Illness Severity Rate will replace Injury Severity Index to align with industry benchmarks. See page 16, Injury Severity Index for details on performance in old and new metric.

¹ Data 2010 to 2013, including 2010 baseline data updated to reflect revised N₂O emissions calculation methodology.

² Intensity Data 2010 to 2013, including 2010 baseline updated to reflect revised production figures.

RECOGNITION

EXTERNAL AWARDS AND RECOGNITION

A number of Orica's programs, products and services have been recognised as leading practice in their field during the past year. These include:

Latin America Business Excellence Award (Australia-Latin America Business Council) – Awarded to Orica for its contributions in Latin America, including choosing the region as the launch market for the i-kon II™ electronic detonator and investment in the Global Centre of Excellence in Opencut Metal Mining.

2014 CEEC Medal (Coalition for Eco-Efficient Comminution) – Awarded to Orica for its research into ultra-high intensity blasting which results in improved rock fragmentation and mine productivity.

Natural Capital Decoupling Leader (Greenbiz, Trucost) – Orica was recognised as one of just 34 Natural Capital Decoupling Leaders out of more than 4,600 companies screened in the State of Green Business 2014 report released by GreenBiz.

Top Graduate Employer 2014 (Australian Association of Graduate Employers) – Awarded to Orica as one of Australia's Top 75 Graduate Employers as voted by graduates for the second year running.

Top Intern Programs 2014 (Australian Association of Graduate Employers) – Awarded to Orica as one of Australia's Top 30 Intern Employers as voted by undergraduates.

Innovation Tracker Badge (BlueTech® Research) – Awarded to Orica Watercare for its innovative water technology, the MIEX ion exchange system for removing contaminants from water.

One of America's Safest Companies (EHS Magazine, USA) – Awarded for Orica USA's achievement of 2013 lost-time injury rates nearly seven times lower than industry standards reported by the Institute of Makers of Explosives (IME).

Zero Accident Award (Indonesian Government – Ministry of Man Power and Transmigration) – Awarded to Orica Mining Services Indonesia for over 2 million working hours with no accidents between 1 January 2010 to 30 November 2013.



ORICA RECOGNITION AWARDS

The internal Orica Recognition Awards were launched in September 2013 to recognise outstanding employee achievements in living Orica's values and delivering results for customers.

Five winning teams, comprising employees in Africa, North America and Australia, were selected from over 100 entries. Winning teams demonstrated the best of Orica: *Clever Resourceful Solutions* applied to improve customers' and Orica's operations, and global collaboration to support customers' growth in new locations. Winners were presented with their trophies at an Awards dinner held in Perth, Australia, in February 2014.

No Accidents Today Award – Airblast Restriction Project – For assisting a customer to meet new air blast restrictions set by the community and local government, allowing the respective quarry to avoid closure.

Succeed Through Collaboration Award – High Energy Bulk Implementation Team – Development and introduction of new explosive blasting product range with relative bulk strengths of 225% to 275% compared to ANFO delivering significant customer benefits in improved mill throughput and efficiency and associated cost savings.

Find Valuable Solutions Award – Single-Level Drawbell Blasting Technique – New blasting technique which can negate the need to mine the undercut level and allows drawbell cavity generation in a single blast. Potentially reducing customer block caving costs by approximately 45%.

It's Our Business Award – Nitric Acid Plant N₂O Abatement Project – Developed and implemented N₂O abatement technology to significantly reduce greenhouse gas emissions in Canada, Indonesia and Australia, positioning Orica to reduce carbon footprint and carbon price risk.

Clever Resourceful Solutions (Team of the Year) Award – Tender for First Quantum Minerals (FQM) in Zambia – Winning FQM's largest mine start-up tender by successfully communicating Orica's ability to meet customer requirements through a collaborative Orica regional and global team effort.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INDICES

In 2014, Orica was a constituent member of the following ESG Indices: the Dow Jones Sustainability Index of Australia; the FTSE4Good Index Series; and the MSCI World ESG Index.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



ORICA MANAGEMENT SYSTEMS

Orica has robust processes in place to systematically undertake risk management across the Company's activities, products and services.

RISK MANAGEMENT

Our risk management approach is consistent with AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines, and facilitates the ongoing assessment, monitoring and reporting of risks, which otherwise could impede progress in delivering our strategic priorities.

Core to Orica's risk management approach is a focus on the identification and application of effective controls to both prevent and mitigate the realisation of known risks. These controls are subject to regular verification and assessment to ensure they are functioning as required and opportunities for improvement are captured.

SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY (SHEC) SYSTEMS

In 2014, the implementation of Orica's revised Safety, Health, Environment and Community (SHEC) systems and structures continued. This included the implementation of:

- The revised SHEC Management System;
- A standardised semi-quantitative risk assessment process for Major Hazards across the organisation;
- The first phase of the new integrated SHEC information management and reporting system (Enablon), covering incident management, action management and reporting metrics;
- Site specific Environmental Management Plans and stakeholder plans at key Company operating sites;
- Site based pilots for the revised SHEC audit program to deliver a more streamlined and standardised process and improve integration with other SHEC assurance system elements; and
- Converting to reporting of events based on severity ratings which are more easily benchmarked against industry, compared to Orica's internally developed categories.



Planning is also underway for subsequent phases of the Enablon SHEC information management system, including audits, health and hygiene management, compliance management and community investment. Processes and tools which support delivery of key SHEC Management System requirements for employees in the workplace are also in development, for implementation in 2015.

HUMAN RESOURCES (HR) SYSTEMS AND POLICIES

In 2014, all Orica employee information was migrated onto a single global system, PeopleNet, enabling accurate HR reporting and HR support. Contractors were also migrated onto the system. Implementation of the global HR service request system was completed, further supporting employees and managers.

A review and update of global HR policies was also commenced during the year. Policies addressing Working at Orica, Performance, Diversity and Inclusion and Training and Development have been implemented.



Priorities for the coming year:

Continued implementation of the revised SHEC Management System and development of improved underpinning workplace SHEC processes and tools

Leveraging SHEC information in the Enablon system to support SHEC performance improvements and implementation of the next tranche of Enablon modules

Implementation of the revised SHEC audit program

PEOPLE EMPLOYEES

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.



MORE THAN 12,000 EMPLOYEES

in 160 locations participated in Orica Seven Pillars program

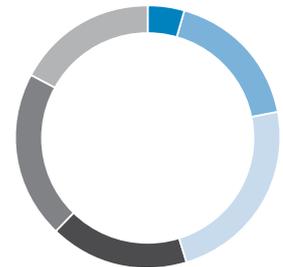
MORE THAN 8,000 FRONTLINE OPERATORS

trained to globally consistent safety and health standards

9 AFRICAN GRADUATES

joined Orica’s Graduate Development program

Employees by Region and Gender



Globally, Orica employs 14,288 employees, 82% male, 18% female

- Africa 662 employees, 82% male, 18% female
- Asia 2,490 employees, 84% male, 16% female
- Australia Pacific 3,335 employees, 77% male, 23% female
- Europe and Middle East 2,412 employees, 78% male, 22% female
- LATAM 2,933 employees, 88% male, 12% female
- North America 2,456 employees, 81% male, 19% female

GLOBAL TEAM, GLOBAL SKILLS

Orica's more than 14,000 employees represent 79 different nationalities, working in operating sites in more than 50 countries and customer service sites in more than 100 countries. Orica's workforce has a rich diversity of languages, culture, background and experience.

During 2014, total employee numbers reduced by approximately 600 and turnover was around 16%, reflecting operational changes and efficiencies from leveraging scale. Geographically, Orica increased its workforce in Africa and Russia, supporting customer growth. Over 77% of employees are now based outside of Australia and New Zealand.

Of Orica employees 98% are full-time and 2% are part-time. Contractors make up 9% of Orica's total workforce.

Orica serves and works alongside customers worldwide. Employees' skills and experience in blasting, logistics and manufacturing are supported by world-leading research and project development and global support functions.

BUILDING COMPETENCE AND CAPABILITY

Orica invests in its people through training in Safety, Health, Environment and Community (SHEC), technical and management skills both at induction and throughout their employment. In 2014, Orica continued to invest over 3% of payroll into employee training and development.

A Company-wide training program, Orica Seven Pillars, was commenced in 2013 to ensure all employees have a greater understanding of Orica's vision, values, strategy and the core competencies required to achieve Company objectives. At the program's conclusion in May 2014, over 12,000 employees across more than 160 locations had attended an Orica Seven Pillars workshop.

A two-year initiative to accelerate the development and implementation of globally-consistent competency-based training for employees and contractors commenced in 2014. The initiative will ensure that all employees, supervisors and contractors receive regular safety and health training in their job roles to a consistent standard. By the end of 2014, over 90% of operators worldwide were trained in the first tier of the competency program.

Orica's senior leaders commenced a development program in 2014. The program, delivered in partnership with London Business School, aims to develop leaders to empower and engage the diverse organisation.

Orica has a multi-award winning global Graduate Development program with 153 participating graduates across Australia Pacific, Asia, Africa, Latin America and North America in 2014.

All employees in managerial/supervisory, professional, technical and administrative roles participate in the Company's annual performance management process. The majority of these employees also participate in a short-term incentive plan, in which financial incentives are awarded based on Company and individual performance. A new performance management scale was introduced in 2014 to improve the quality of employee feedback and provide better differentiation of individual performance.

Orica provides support to employees who leave the Company due to restructuring or reorganisation. Applicable job vacancies within Orica are listed on the Company intranet.



PROTECTING WORKPLACE RIGHTS

Orica is committed to fostering open and inclusive workplaces that are based on recognised workplace human rights and international human rights standards.

Orica prohibits the use of all forms of forced labour and adheres to minimum age provisions of applicable laws and regulations. Orica prohibits the hiring of individuals that are under 18 years of age for positions in which hazardous work is required. In 2014, the Company did not receive any reports of child, forced or compulsory labour.

The Company is committed to equal opportunity and values all employees and the contributions they make. Orica seeks to maintain workplaces that are free from discrimination. The basis for recruitment, hiring, placement, training, compensation and advancement at Orica is qualifications, performance, skills and experience.

Orica seeks to have a Company culture in which employees feel confident to raise concerns regarding their work, work environment, terms and conditions of employment or other employment-related matters directly with their managers. Within this culture, Orica and its employees are mutually accountable for upholding workplace rights.

When commencing employment with the Company, new employees are required to sign Orica's Code of Conduct and SHEC Charter which commits them to safe and environmentally responsible work practices. Orica's SHEC Procedures require that site SHEC committees have employee representation.

Orica respects employees' rights to negotiate individually or collectively in relation to their terms and conditions of employment and their decision on whether to join a legally recognised trade union or third party representative organisation. Orica will establish and maintain a constructive dialogue with such representatives in good faith. Around 40% of employees are covered by collective bargaining agreements.

Employees are consulted about operational changes that affect them. Orica follows all local legal requirements and, where appropriate, provisions in collective bargaining agreements, with respect to consultation provisions and notice periods. While the minimum notice period varies in different parts of the Company and in various agreements and awards, Orica aims to inform employees about relevant changes as soon as practicable.

Unlawful discrimination, harassment and/or bullying of its employees, contractors or members of the general public is not tolerated by Orica and appropriate action is taken if the Code of Conduct is breached. Orica's integrity hotline, the Speak Up Line, enables employees to report breaches of the Code of Conduct anonymously. If a report is made, it is escalated for investigation and action.

There were two allegations of discrimination in 2014. These were investigated and one was found to be unsubstantiated with no further action taken. The second case was found to be partially substantiated with appropriate corrective actions taken towards the employees involved.

In 2014, the Speak Up Line received 98 reported incidents, the same number as in 2013. The most common incidents reported were general misconduct (46), bullying/harassment/workplace grievance/discrimination (26), and safety breaches (13). 29 of the reported incidents resulted in action being taken towards the employees involved. By region, 41% of reports were received from the Australia/Pacific region, 19% from Europe/Middle East/Africa, 19% from Latin America, 11% from Asia and 10% from North America.

LISTENING AND RESPONDING TO OUR PEOPLE

Orica is committed to providing employees the opportunity to provide input on what they think of the Company and on improvements which they think could make Orica a better place to work.

Through the Orica Seven Pillars program, employees had the opportunity to provide feedback on their understanding of the Company's vision, values and strategy and how they feel about Orica as a place to work. A comprehensive evaluation of the program was conducted including over 45 focus groups and review of over 9,000 feedback forms. That feedback is being used to help develop the Orica Seven Pillars II program which will commence in 2015, along with other improvements in training and development.



A DIVERSE TEAM

Orica believes that a diverse workforce and an inclusive culture supports high performance and its licence to operate. As a truly global Company, Orica seeks to attract and retain talent at all levels from the countries in which it operates and to provide workplaces in which employees from all backgrounds are treated with respect and supported to succeed. The Company benefits from bringing together people of different genders, ethnic and cultural backgrounds and ages and giving them the opportunity to apply their diverse skills, experiences and perspectives to create value for customers.

In 2014, Orica's Board and management approved a new diversity and inclusion strategy and targets, renewing Orica's commitment to diversity and inclusion as part of delivering sustainable value to all stakeholders. Orica's current focus is to improve the diversity and cultural capability of senior leaders and continue to build strong local management teams and skilled workforces. Over one-third of Orica's senior leaders are based outside of Australia and 75% of Orica's 19 major countries/hubs are led by local management teams.

Over 18% of Orica employees are female. A review of remuneration across senior management showed that roles held by male and female managers are paid in line with market benchmarks. Representation of women at the senior leader (Executive and General Manager) level is currently 14%, which decreased from 18% in the previous year. 25% of external senior appointments made in the past two years and over 35% of Orica's graduate intake in 2014 were female.

Orica's Flexible Work Practice standard covers part-time employment, job sharing, flexible working arrangements, return from family leave, arrangements for ongoing care, phased retirement and working from home. Orica offers family leave in line with legislative frameworks around the world.

Priorities for the coming year:

Complete rollout of globally consistent competency-based training program

Commence the Orica Seven Pillars II program

Implement initiatives to deliver on the diversity and inclusion strategy and targets



SHOTFIRER COMPETENCY

Shotfiring is one of the cornerstones of Orica's service to customers.

Orica is implementing a program to train its Shotfirers to a globally consistent standard, ensuring customers receive Orica's highest on-ground expertise anywhere in the world.

The program builds on Orica's expertise in Shotfirer training in the Australia Pacific and Asia regions. As a Registered Training Organisation in Australia, Orica issues statements of attainment under the Australian Standard (RIIBLA301D), issuing over 100 certificates in 2014 in Australia alone.

The program commenced in mid-2013 with a 'Train the Trainer' pilot program in North Carolina, USA, for 12 blasters of varying experience levels from Orica's North American business. Following the week-long theory course, the Shotfirer Training Superintendent spent another week conducting practical assessments on program attendees.

The program was then expanded to the rest of the USA, Canada, the Dominican Republic, Mexico and Latin America. In all, 67 experienced blasters were trained to the global standard, enabling them to train others. The program has enhanced shotfirer competency, improved customer service, site safety and increased the volume of assessments in the field.

Experienced shotfirers provided some positive feedback.

"We had a great opportunity to share our knowledge and experience with other colleagues from different areas and countries. The course literally allowed us to 'dive' inside the blasthole and see the hot bubbles of explosive, and the accuracy of the numbers. It was great."

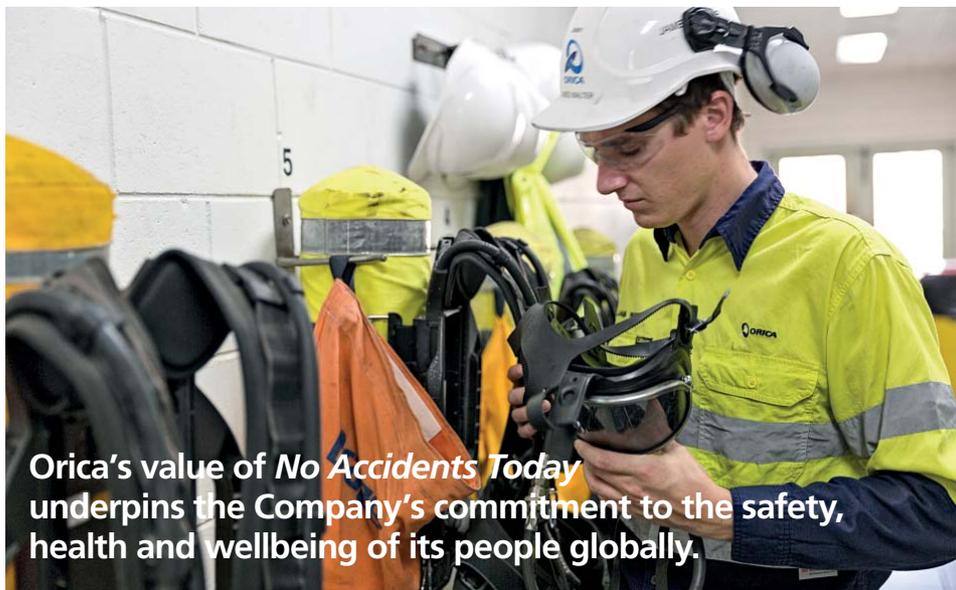
Bruno Pimentel
Shotfirer, Brazil

"The course was a great opportunity for us to refine our knowledge and upgrade our competency."

Carlos Builes
Shotfirer, Colombia

This initiative will roll out across Africa and Europe in 2015, with the Company aiming for all its shotfirers to be signed off against the globally consistent Orica Shotfiring Standard by the end of 2015.

PEOPLE SAFETY



Orica's value of *No Accidents Today* underpins the Company's commitment to the safety, health and wellbeing of its people globally.

KEY CHALLENGES AND OPPORTUNITIES

Orica's key safety risks relate to the manufacture, distribution and use of explosive materials and chemicals, interactions of people with plant and equipment, vehicle activities, and travel to and work on customer sites.

The Company's global operations stretch to over 550 sites ranging from single person operations to plants of more than 200 employees, creating challenges to define and communicate clear and fit-for-purpose standards and targets. However, such diversity allows for finding and sharing leading practice within Orica and with our customers, suppliers and regulators.

LEARNING INCIDENTS

Orica recognises the importance of learning from events to prevent recurrences. The Company fosters a culture of incident reporting and investigation, with emphasis on 'near miss' events that represent opportunities to learn and improve Orica's SHEC performance. There were 71 High Potential Incidents across the Company in 2014, compared with 111 in 2013.

PERSONAL SAFETY

Personal safety incidents have the potential to cause physical injury to an individual and include slips, trips and falls, manual handling injuries, cuts, crushes and electric shocks. All Orica sites have annual SHEC improvement plans, including key personal safety improvement initiatives.

INJURIES AND ILLNESSES

In 2014 the All Worker Recordable Case Rate (AWRCR) was 0.40 compared to 0.54 in 2013. There were no fatalities. The AWRCR is the number of recordable cases (using Occupational Safety and Health Administration (USA) guidelines) per 200,000 hours worked by employees and contractors. 2014 was Orica's safest year to date with regard to personal safety as measured by the AWRCR. This is a very pleasing result and demonstrates the commitment of Orica's people to working safely, underpinned by Orica's systems and processes.

Orica's Lost Workday Case Rate (LWCR) was 0.15 compared to 0.26 in 2013. LWCR is a sub-set of the Company's AWRCR and measures the number of lost work day cases per 200,000 hours worked by employees and contractors. Orica's AWRCR and LWCR have both decreased in 2014, with the majority of injuries being associated with hand injuries and manual handling type injuries. The overall severity of injuries has continued to decrease year-on-year.

TOP FIVE SAFETY

performer in ASX 100

Recorded Orica's LOWEST EVER

All Worker Recordable Case Rate for injury and illness

63% REDUCTION

in injury and illness severity

Orica is consistently a top quartile performer for safety performance of Australian-listed (ASX) top 100 companies and according to a recent report compiled by investment bank Citi¹, this would place Orica in the top five ranked ASX companies.

INJURY SEVERITY INDEX

The use of AWRCR as a safety metric is limited by its inability to differentiate between injury severities. Orica's Severity Index Ratio is an internal metric that weights all recordable injuries on a scale of 1 to 100. Significant injuries such as lost workday cases are allocated a greater score than a lesser injury that requires medical attention only. This internal metric facilitates increased focus on the more serious injury events to reduce the likelihood of recurrences. In 2014 the Orica Severity Index Ratio was 3.09, compared to 3.37 in 2013.

In 2014 the Company also reported against the industry recognised Injury and Illness Severity Rate which is a measure of the number of lost workdays per 200,000 hours worked by employees and contractors. In 2014 the Orica Severity Rate was 3.35, compared to 9.10 in 2013. This metric will better align with external standards and allow for more effective benchmarking in future.

¹ 'Safety Spotlight: ASX100 Companies & More: Injury & Fatalities Data FY05 to FY13 Presented & Interpreted' Citi Research, Australia, January 2014.



✓ Priorities for the coming year:

Continued implementation of the new Orica SHEC Management System

Development of new automated tools to assist delivery of SHEC Management System requirements in the workplace

Continued implementation of targeted injury reduction programs in manufacturing and in road transport

Improving the analysis of data from incidents and audits to better inform targeted safety improvement initiatives at a regional level

PROCESS SAFETY

Process safety incidents have the potential to result in multiple injuries or fatalities, major equipment damage and impact to local communities or the environment. Process Safety is most relevant to Orica's manufacturing operations where the Company operates a number of chemical and explosive process plants.

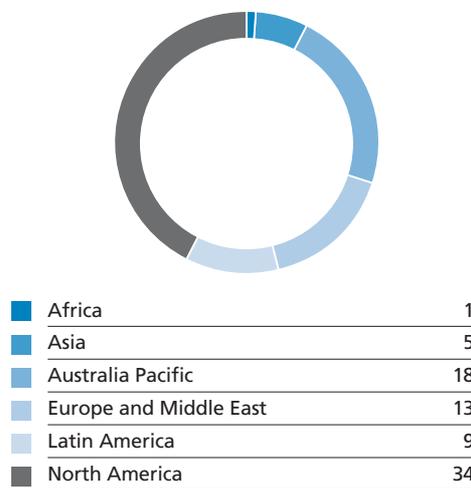
New process excellence and maintenance teams were established within the manufacturing function in 2013 and have since then worked cross-functionally to revise the Orica Engineering Manual. The Engineering Manual has a suite of documents to assist in efficient, safe and consistent plant and equipment design.

Key improvements and changes made include:

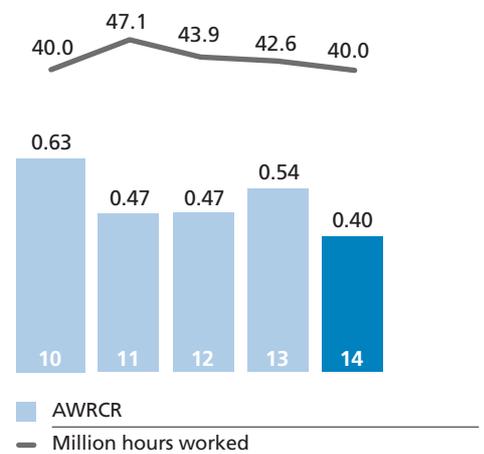
- Updating of the priority documents, plus 20 new documents published;
- Alignment of all 284 documents with Orica's revised document management framework;
- Alignment of key documents with Orica's new SHEC Management System and with other key engineering data sources such as the Manufacturing Centre of Excellence; and
- Establishment of a searchable, web-based platform for easier reference.

There were no process safety incidents with serious (Severity 3+) impacts recorded in 2014.

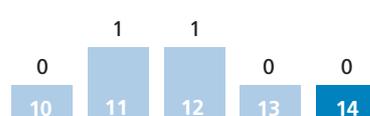
Recordable Cases by Region



All Worker Recordable Case Rates



Number of Fatalities





ZERO LOST TIME INJURIES IN 20 YEARS

Orica's strong safety focus is core to all its operations. From day one, all Orica employees are exposed to the strongly embedded culture of *No Accidents Today*.

On 13 April 2014 Orica's Carseland site achieved 20 years without a Lost Time Injury. This marks a major milestone for Carseland and for Orica, and demonstrates the Company's long-term commitment to safety. Good safety performance means both preventing injuries to employees and being a safe and reliable supplier for our customers.

The Carseland site is 40 kilometres south-east of Calgary, Alberta, Canada. It was established in 1976 and is currently one of Orica's four bulk producers of ammonium nitrate, producing approximately 500,000 tonnes annually. The site pioneered a team-system concept during the site's inception, giving all site members a strong sense of ownership and empowering them to contribute to the team's success.

Carseland's exemplary safety performance is not the result of any single initiative or individual but rather a strong site safety culture built upon its team focus.

The site team developed their own set of personal safety 'Golden Rules' in 2010 which summarise what the site believes to be key elements responsible for Carseland's safety record. The first rule embodies the team approach, being 'Brother's keeper attitude (look after each other)'.

As Carseland's General Manager Patrick Jeanson puts it: "Creating and maintaining a safe work environment is a core value at Orica. In order to be successful, safety has to be paramount and a shared approach from all of our employees and contractors. The Carseland team is proving that reaching a goal of zero lost-time incidents is not only possible but sustainable in a strong embedded safety culture."

Carseland Team's Golden Rules:

- Brother's keeper attitude (look after each other)
- Risk assessment and Management (Take 5, JSERA, HIRAC)
- Ownership, empowered and accountable
- Report unsafe conditions and incidents
- Appropriate training of new employees and contractors
- Be alert/focused and aware of your surroundings
- Maintain high housekeeping standards
- Do not rush, good planning
- Follow rules and procedures
- Trust and respect
- Take action

PEOPLE OCCUPATIONAL HEALTH

99.8%

of scheduled health assessments completed, annual target of >98% met

99.2%

of scheduled industrial hygiene samples taken, annual target of >98% met

636

exposure assessments to hazardous agents completed



In 2014, a new silica grinding system was installed at Orica's Brownsburg Plant in Canada. The new automated, closed system has reduced operator exposure to perchlorethylene (PCE), the solvent used to grind silica particles to the size required for the manufacture of detonators. As a result, operators are no longer required to wear full personal protective equipment, including respiratory masks. The manual handling of drums of PCE has also been eliminated. As well as the occupational health and safety benefits of the new system, there are environmental benefits also – with 95% of the PCE able to be recovered and reused in the process.

Orica is committed to the health and wellbeing of everyone involved in the business. Employing over 30 health professionals globally, the health of Orica's people, visitors and communities is a high priority.

KEY CHALLENGES AND OPPORTUNITIES

Orica's key health risks relate to exposure to hazardous agents such as noise, dust, solvents and other chemicals. Exposures to people can be either at Orica's own manufacturing, storage or handling facilities or at customer sites where Orica personnel are providing services. With the global nature of Orica's business and the significant number of people travelling to work on remote customer sites, fatigue and travel pose health risks unless well managed.

FATIGUE

Orica's fatigue management procedure requires that an assessment is undertaken when existing or proposed work hours exceed a defined set of conditions. If significant potential risks are identified, a Fatigue Management Plan must be developed and implemented. After a successful pilot, program implementation commenced on a regional basis in 2014.

HAZARDOUS AGENTS

Orica has defined processes to control workplace exposure to hazardous agents, including risk identification, exposure assessments and ongoing monitoring. In 2014, 636 potential hazardous agent exposure assessments were undertaken at Orica's manufacturing facilities and field operations. Where a likelihood of exposure was identified, samples were collected to quantify actual exposure. Over 2,900 samples were collected and analysed relating to more than 40 discrete hazardous agents. In the majority of cases, existing engineering controls were effective in ensuring exposure remained below relevant limits, with personal protective equipment required to control exposure in less than 10% of instances.

HEALTH ASSESSMENTS

Orica's fitness for work health assessment programs are targeted to specific jobs and potential exposures. Over 8,697 health assessments were conducted in 2014 to ensure employee health was not impacted by workplace activities.

TRAVEL HEALTH AND SAFETY

Orica's global footprint requires employees to travel to locations where endemic health hazards are present (including malaria, hepatitis and yellow fever), and access to adequate medical facilities may be limited. The Company's procedures require that health and security assessments are undertaken before people travel to locations where significant health, safety or security concerns exist.

PSYCHOLOGICAL HEALTH

A number of services are offered to Orica's employees and immediate family members for managing stress and work-life balance issues. Programs are periodically reviewed to ensure consistency of the Company's approach to employee assistance across all operations.



Priorities for the coming year:

Finalising implementation of the Orica fatigue management procedure

Developing health plans for implementation at regional and site level

Implementing the health and hygiene module of the Enablon SHEC information management and reporting system

Implementing travel safety and health requirements as an integrated part of the travel booking process

ENVIRONMENT

MORE THAN 150

site Environmental Management Plans developed

ZERO

serious environmental incidents

29% DECREASE

in waste generated

KEY CHALLENGES AND OPPORTUNITIES

Orica's key environmental impacts relate to emissions from and use of resources at manufacturing sites. The most significant portion of Orica's environmental footprint is related to the major continuous manufacturing facilities, the largest of which are based in Australia. Orica also has a number of sites impacted by historical operations that require ongoing management to minimise risks to the environment. Many of these sites are in close proximity to communities.

A number of Orica's products are environmentally hazardous, requiring appropriate management during manufacture, transport and use to minimise the potential for environmental impacts. However, many of these products also help customers achieve better environmental outcomes, such as reducing energy use in mining processes and ensuring water meets desired quality requirements.

ENVIRONMENTAL MANAGEMENT SYSTEMS

The Company continued implementation of the environmental requirements of the revised SHEC Management System, with a focus on tools and processes that build employee awareness of environmental impacts and regulatory requirements relating to their activities. The implementation of site based Environmental Management Plans is central to achieving this. Upgraded systems for environmental compliance management and environmental performance data reporting are under development, for implementation in 2015.

Orica understands that excellence in environmental performance is essential to ongoing business sustainability and support from local communities.



INCIDENTS AND EMISSIONS

There were no serious (Severity 3+) environmental incidents recorded in 2014.

There were six recordable (Severity 1) on-site losses of containment recorded at Orica operations in 2014, compared with seven in 2013. No significant off-site environmental impacts occurred as a result of these losses. Of the six incidents, four involved the loss of containment either to containment areas or to the ground, and two resulted in emission to atmosphere. Two of the incidents occurred in Australia, two in Latin America and one in each of Asia and North America. Incident investigations were undertaken in each case and appropriate corrective actions implemented to prevent further recurrence.

Orica reports chemical releases from many of its global operations in accordance with Australia's National Pollutant Inventory (NPI) program. Annual data for the 12 month period ending 30 June is available at www.orica.com.au/sustainability.

ACTIONS RELATING TO PAST INCIDENTS

During 2014, the New South Wales (NSW), Australia, 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.

The 2010/2011 incidents have been a catalyst for significant change at Orica's Kooragang Island facility. Since these events, the facility has been working hard to improve environmental and operational performance. Critical to this process has been a commitment to a major investment in the plant, in our people and in the broader community.

Over the last three years Orica has spent more than \$200 million on the largest improvement and capital upgrade program in the site's 45-year history. This expenditure was focused on environmental improvements and upgrading assets, including projects such as:

- Re-designing the ammonia plant to prevent a repeat of the August 2011 incident;
- Upgrading computerised control systems, instrumentation and alarm systems;
- Improving effluent quality and storm water management;
- Reducing noise emissions by enclosing major pieces of equipment;
- Installing secondary containment structures on chemical storage tanks;
- Replacing drainage networks;
- Upgrading electrical infrastructure; and
- Upgrading plant equipment and process vessels.

A further \$80 million is to be invested to improve the way ammonia is managed. This will improve how the product is stored and distributed, as well as how any releases that may occur are detected and contained. The program will include the installation of three ammonia flaring systems, which are designed to prevent ammonia emissions and their associated odour. Flaring systems are considered best practice and are used extensively in modern plants around the world that produce and use ammonia.

As well as investing in significant changes to the Kooragang Island plant since the incidents, Orica is committed to strengthening community relationships through ongoing and meaningful engagement with local residents, industrial neighbours and the broader community.



WATER MANAGEMENT

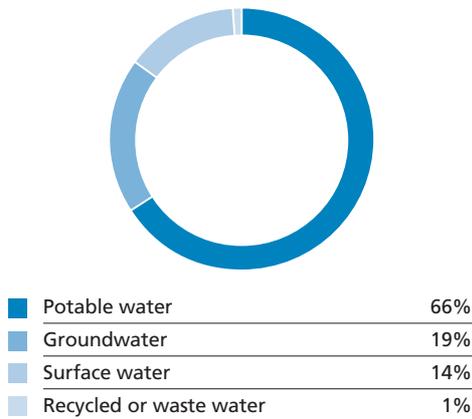
Orica consumes water for process use, in cooling towers, for cleaning equipment, and for employee amenities. Water is also used as a raw material for product manufacture. Orica's gross water consumption in 2014 was 9.1 million kilolitres (M kL), a 2% decrease compared to 2013. This decrease was primarily due to reduced usage at Botany's Groundwater Treatment Plant. Orica's overall water use intensity decreased to 2.02 kilolitres per tonne of product (kL/t) in 2014, compared to 2.05 kL/t in 2013.

Of the water consumed, 66% was sourced from potable water, 19% sourced from groundwater, 14% sourced from surface water and 1% sourced from recycled water or wastewater.

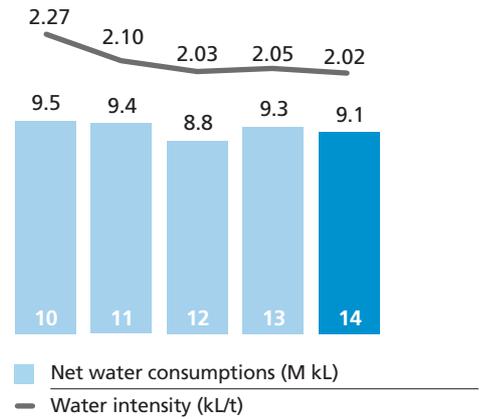
In 2014, Orica's Kooragang Island facility installed infrastructure including tanks and pipework as part of Hunter Water's Kooragang Recycled Water Scheme. The scheme will replace around 2.3 billion litres of fresh water used at the Kooragang Island site each year, the equivalent of 1,440 Olympic-sized swimming pools or water typically supplied to 12,000 homes. The use of recycled, rather than fresh potable water will significantly reduce demand on the region's precious drinking water supply and contribute to minimising impacts on the community in times of drought.

This will make a major contribution to improving Orica's water use performance indicator in the coming year. The first delivery of recycled water is scheduled to be received at the site in November 2014.

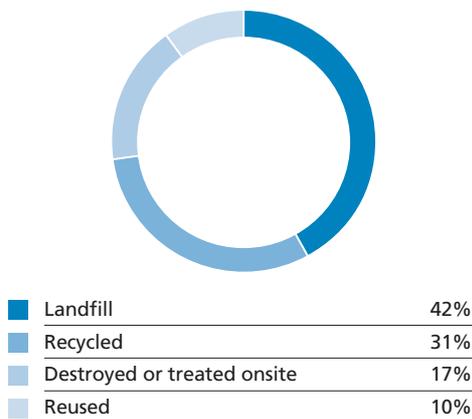
Water Consumption by Source



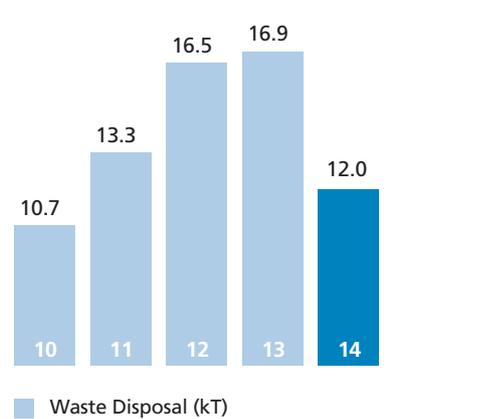
Water Consumption



Waste Disposal by Destination



Waste Disposal



✓ Priorities for the coming year:

Completing Environmental Management Plans for remaining relevant sites

Commissioning of the Kooragang Island Recycled Water Scheme

Implementing first phase of the regulatory compliance management module of the Enablon SHEC information management and reporting system

WASTE MANAGEMENT

Orica works to minimise the amount of waste generated at its operations, prioritising activities to: eliminate or minimise waste streams where possible; increase opportunities for reuse and recycling; and treat and dispose of waste where other options are not practicable.

In 2014, Orica generated 12,045 tonnes of waste, of which 41% was either recycled (31%) or reused (10%). This represents a 29% decrease in waste generated since 2013, with over half the improvement attributable to the Kooragang Island site which improved the effectiveness of its waste management practices in the period.

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, 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 NSW Government. Testing conducted to date has indicated that there is no unacceptable risk to human health or the environment.

BUILDING ENVIRONMENTAL AWARENESS AND CAPABILITY

In 2013, Orica commenced a program of implementing site level Environmental Management Plans (EMPs) as part of its revised SHEC Management System and developing fit for purpose tools to improve the Company's SHEC performance. The purpose of a site-specific EMP is to ensure that Orica's operations have appropriate environmental management practices in place to minimise environmental impacts and prevent legal non-compliances. EMPs are a requirement of Orica's environment policy and are a key enabler for implementation of SHEC Management System environmental requirements at the operating level.

Key elements of an EMP include a description of the site, outline of applicable environmental legal requirements and the identification and assessment of environmental aspects and associated impacts of the operation. The EMPs describe the site-specific requirements for environmental controls, monitoring, reporting, training, communications and management review processes.

To date, a large number of one-on-one training sessions have been held, along with eight training workshops on EMP development across the globe in Australia, Asia, Europe and North America. This has seen a total of 78 SHEC and operations personnel trained in EMP development to date. The training workshops are conducted over three to four days. The first one to two days are spent on the key technical elements and preparation of an EMP. The next one to two days are spent in a plant, applying the theory and practising the identification and assessment of site environmental aspects and impacts.

The first EMPs developed were for Orica's larger and more complex sites; these EMPs have now been in place for a year and are undergoing their first annual update. A streamlined approach has been developed for our less complex, common plant types, to ensure EMPs provide a fit-for-purpose and consistent site management tool.

Approximately 450 EMPs will be completed across the globe with approximately 190 site-specific EMPs developed to date. EMPs for the remaining relevant sites are targeted for completion in 2015.

"With a large number of operating sites over a broad geographical spread, the roll-out of EMPs has been a fantastic effort from all involved. EMPs are now being used by our sites to demonstrate to our customers and external stakeholders how our sites understand potential environmental impacts and implement controls to minimise those potential impacts. The process of EMP development has strengthened environmental awareness at a site level which has set us on the path for an environmentally sustainable future with our customers."

Fleur Hannaford
Global Environment Manager

"Having an EMP in place assisted the Laverton North site to demonstrate how it complied with relevant legislation, including the site EPA Licence, during the site's annual compliance performance review conducted by the Regulator."

Ken Bowles
SHEC Advisor, Continuous Manufacturing, Australia



ENVIRONMENT

ENERGY AND GREENHOUSE GAS EMISSIONS

Orica believes that to operate responsibly, sustain growth, offer valuable customer solutions and maintain regulatory and community trust, environmental stewardship must be embedded in everything it does.

KEY CHALLENGES AND OPPORTUNITIES

Orica’s operations and those of a number of its key customers are both energy-intensive and emissions-intensive.

At Orica’s manufacturing facilities, gas and liquid fuels are used to run manufacturing processes and as raw materials in explosives products. Historically, over half of Orica’s greenhouse gas emissions related to nitrous oxide (N₂O) emissions from its nitric acid plants. After significant investment in N₂O abatement technology, the Company has delivered a reduction of more than 900,000 tonnes CO₂-e (tCO₂-e) per year compared to a 2010 baseline. The continued reliability of existing N₂O abatement technology and the identification of alternative abatement technologies represent key challenges for Orica. Opportunities to reduce the CO₂ component of the Company’s emissions profile are, at present, limited.

Orica’s products can provide a significant opportunity for some mining and infrastructure customers to reduce their energy use and greenhouse gas emissions. Orica continues to develop products and measurement processes to optimise and quantify these benefits for customers.

ENERGY USE

Orica uses both electricity and fuels in manufacturing processes. Some fuels such as natural gas and diesel are also used as raw materials in product manufacture. Ammonia is Orica’s most energy intensive product to manufacture and uses significant amounts of natural gas as a raw material.

In 2014, Orica used a total of 22.6 million gigajoules (M GJ) of energy, compared to 23.1 M GJ the previous year. Natural gas use at Kooragang Island’s ammonia facility increased in the past year, but this was offset by a decrease at the Yarwun facility, Australia, due to lower cyanide production and the suspension of chlor-alkali plant activities. Less than 1% of direct energy consumed was from renewable fuel sources. Orica is currently unable to quantify contribution of electricity consumption generated from renewable sources.

Orica’s energy intensity was 5.02 GJ/tonne (GJ/t) of product in 2014, a 1% decrease from the 2013 result of 5.06 GJ/t. The decrease in energy intensity was primarily due to energy efficiency gains achieved at Orica’s Australian manufacturing plants.

Energy reduction projects were implemented at Orica’s Botany facility in New South Wales as part of Orica’s Manufacturing Improvement Process. The process involved undertaking energy assessments and identifying energy reduction opportunities that met the Company’s financial payback criteria.

Examples included:

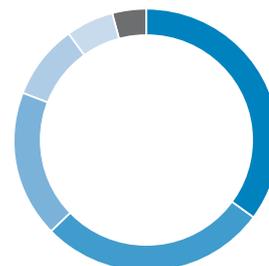
- Estimated electricity savings of 1 million kWh and greenhouse gas savings of 880 tCO₂-e per year at the Botany, Australia chlor-alkali Plant from a 20% reduction in compressed air use. An energy assessment identified that the four existing air compressors could be replaced with a single 90kW air compressor fitted with a variable speed drive and an additional compressor on standby. In addition, two air dryers were replaced by a single more efficient unit. Installation was completed in May 2014.
- Estimated energy savings of 1,550 GJ and greenhouse gas savings of 55 tCO₂-e per year at the Botany, Australia groundwater treatment plant (GTP) from improved management of steam boiler blow-downs. This project also resulted in water savings, with annualised water consumption for boiler blow-downs decreasing from 2.5 megalitres (ML) to 1.5 ML and total water savings estimated to be 12 ML.
- Reduced electricity use of 41,000 kWh/yr by Orica’s Corporate Office at 100 Victoria Parade in Melbourne, Australia. This represents a 25% reduction in total energy used and resulted in the building’s energy efficiency rating improving from 1 star to 3 stars. The program involved employee awareness training and the installation of more efficient office and computer equipment and lighting.

8% IMPROVEMENT
in greenhouse gas emissions intensity

REDUCED GREENHOUSE GAS EMISSIONS

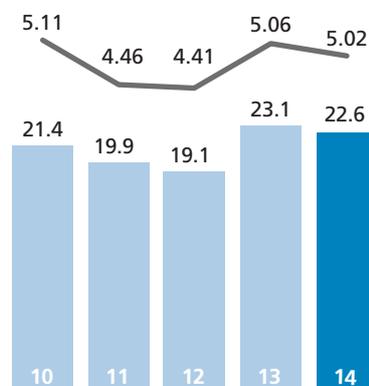
from nitric acid plants by more than 900,000 tonnes CO₂-e

Energy Consumption by Material



Natural gas – Ammonia feedstock	35%
Natural gas – Used as fuel	28%
Other	18%
Electricity	9%
Natural gas – Sodium cyanide feedstock	6%
Diesel oil – Product feedstock	4%

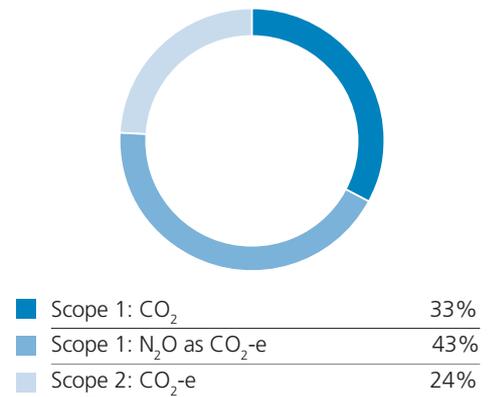
Net Energy Consumption



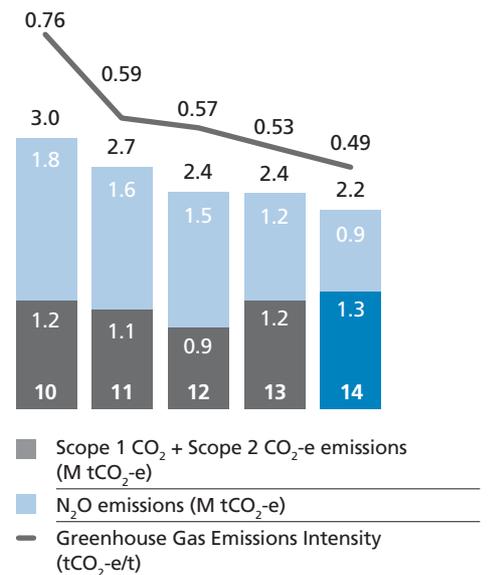
Net energy consumption (M GJ)
Energy intensity (GJ/t)



Greenhouse Gas Emissions by Scope and Gas



Net Greenhouse Gas Emissions



GREENHOUSE GAS EMISSIONS

Orica's direct (Scope 1) greenhouse gas emissions arise from fuels such as natural gas and diesel consumed at operating sites, as well as direct process emissions such as N₂O. Indirect (Scope 2) emissions arise from energy supplied such as electricity and steam. Orica's greenhouse gas profile is dominated by direct emissions of N₂O, a by-product of nitric acid manufacture. N₂O has a global warming potential 310 times that of CO₂. Other significant direct emissions relate mainly to CO₂ from the production of ammonia at Kooragang Island.

Orica's N₂O abatement program continued to deliver substantial emissions reductions in 2014, with N₂O abatement operating in all of Orica's Nitric Acid Plants (NAPs) worldwide. N₂O abatement has significantly reduced Orica's greenhouse gas footprint.

Since the installation of abatement technology, emissions of CO₂-e from Orica's NAPs have reduced by more than 900,000 tonnes annually compared to a 2010 baseline, an almost 50% reduction in N₂O emissions.

In 2014, Orica emitted a total of 2.2 million tonnes of CO₂-e (M tCO₂-e), an 8% decrease from the 2.4 M tCO₂-e emitted in 2013. Although Scope 1 greenhouse gas emissions increased slightly in 2014, this was more than offset by the decrease in N₂O emissions.

Orica's greenhouse gas emissions intensity improved to 0.49 tonnes of CO₂-e per tonne of product (tCO₂-e/t) in 2014 compared to 0.53 in 2013. The 8% decrease in greenhouse gas emissions intensity is largely attributed to the significantly reduced emissions of N₂O from Orica's Nitric Acid Plants worldwide.

CLEVER RESOURCEFUL SOLUTIONS FOR CO₂ EMISSIONS

Orica is investing in research for technologies which can provide solutions for the safe and permanent capture of CO₂ emissions. In 2013 Orica invested in Mineral Carbonation International Pty (MCI), a joint venture between Orica, the University of Newcastle and the GreenMag Group; with matched funding from Orica and both the Australian and New South Wales Governments.

Construction of the world-first Mineral Carbonation Pilot Plant commenced in 2014, with the first trials of the technology to transform captured CO₂ emissions into carbonated rock scheduled to commence in early 2015. In addition, Memoranda of Understanding have been signed with Singapore’s Agency for Science, Technology and Research and Singxin Resources, a company with serpentinite resources in China. Further agreements with research and potential commercialisation partners are well advanced.

The technology, which Orica’s scientists have researched for six years, combines captured CO₂ with low-grade minerals to create inert carbonates, which could be used in the building, mining and power generation industries.

IMPROVING ENERGY AND GREENHOUSE PERFORMANCE FOR CUSTOMERS

Orica invests considerable time, people and effort into identifying *Clever Resourceful Solutions* to improve the energy use and greenhouse gas performance of its products. Since 2011, Orica has expanded its range of products to optimise the use of chemical energy contained within them. Chemical energy is 25 times more efficient than mechanical energy for breaking rock. Orica has developed both low energy and high energy products and initiating systems to control the release and movement of energy. In addition, the development of sophisticated software to predict and design blasts has enabled customers to achieve improved productivity outcomes, as well as favourable safety, environmental and community outcomes.

In 2014, Orica was recognised by the Australia-Latin America Business Council (ALABC) for its work in supporting the mining industry in Latin America, in particular in Chile, where production, environmental and community challenges require innovative solutions for operations to remain sustainable. Solutions provided by Orica to Chilean customers included:

- Improved rock fragmentation and reduced dust emissions. One of Orica’s mining customers with an integrated open cut and underground copper mine was facing challenges from an increasing depth to the ore and mineral hardness. Orica used the latest high energy explosives, innovative blasting techniques

and sophisticated modelling software to provide the required rock fragmentation and wall stability in critical areas of the mine, as well as reducing dust emissions.

- Reduced blast fume, dust emissions and vibration. These were key challenges for another open cut copper mining operation located in close proximity to the local community. Orica worked closely with the mining company, local community and regulatory authorities in developing a solution. This involved the application of high energy explosives, programmable electronic timing, a three stage fume risk reduction program, online vibration management and dual layer blasting. The result was the achievement of desired environmental outcomes as well as increased productivity and decreased energy consumption at the mine.
- Reduced dust emissions in the vicinity of glaciers. Glaciers provide a critical freshwater supply for some local communities. Dust emissions can accelerate the degradation and melting of the glaciers which can have both a water quality and climatic impact. Orica’s blasting solutions can minimise dust emissions, minimising potential impacts on glaciers from nearby mining operations.

As part of Orica’s ongoing commitment to the sustainability of the mining industry in Latin America, Orica has invested in the Global Centre of Excellence in Opencut Metal Mining, which is due to open in Chile in 2015.



✓ Priorities for the coming year:

Continue to optimise N₂O abatement at Nitric Acid Plants, including investigation of alternative technologies

Continue to develop and deliver customer service offerings that can make a significant contribution to customer energy and greenhouse goals

Conduct pilot trials for mineral carbonation

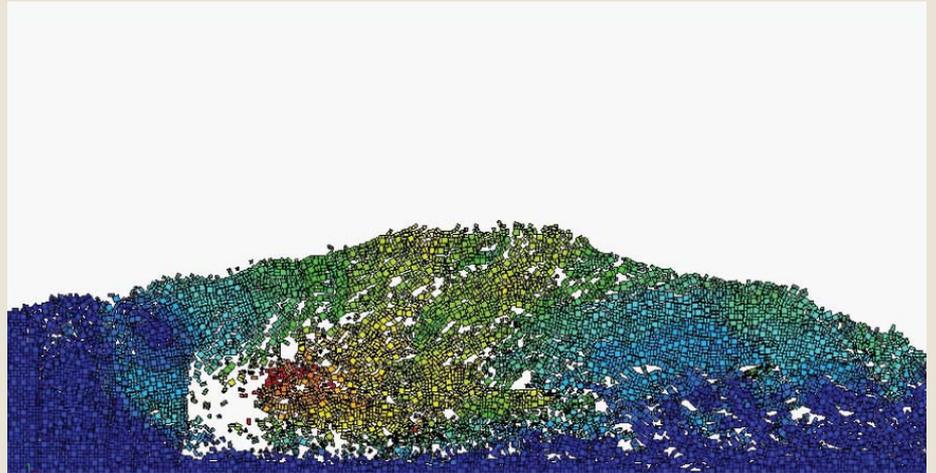
USING EXPLOSIVE ENERGY TO REDUCE EMISSIONS

In 2014, Orica was recognised and awarded the 2014 CEEC Medal (Coalition of Eco-Efficient Commintion) for groundbreaking research in Ultra-High Intensity Blasting to improve mine productivity.

The method represents a step-change in blasting practices and involves a novel design, utilising dual blast layers within a single blast event, all initiated with state-of-the-art electronic blasting systems. The energies in the lower layer can be as high as five times the standard energies, providing for intense fragmentation of the ore. Improved rock fragmentation in the blast can lead to substantial increases in the productivity of excavators and in downstream crushing and grinding circuits.

Speaking on behalf of Orica's research team, Dr Geoff Brent said: "By utilising explosive energy in the pit to produce much finer ore we can dramatically increase the efficiency and throughput of the downstream comminution processes of crushing and milling. The overall energy consumption across the mining and milling cycle can be reduced with a consequent reduction in emissions. This is a step-change in ore processing."

"To date it has not been possible to blast at these ultra-high explosive energies, or powder factors, due to safety and environmental constraints," Dr Brent said. "However, the new technique demonstrated for the first time that not only can these ultra-high energies be safely utilised but they can also deliver improved mine productivity and reduce environmental impacts in open pit mines. The key to the breakthrough has been to use the rock itself to contain the explosive energy by the selective deployment of state-of-the-art digital electronic initiation systems in novel blast designs. The new method was thoroughly tested in blast models and then verified in large scale production blasts."



"This breakthrough approach is particularly important given the worldwide trend of decreasing ore grades. More ore needs to be ground and processed in order to achieve production targets and this method has the potential to generate a step-change in mine productivity, particularly in complex or lower grade ore bodies. It can render ore bodies that might ordinarily be uneconomic both affordable and practical to extract," Dr Brent said.

The greenhouse gas savings associated with this type of blasting are significant. Milling electricity consumption dominates the energy and emissions profile of mineral processing operations, being typically in the range of 10 to 40 kWh per tonne of ore milled. For Australian metal mines, a production weighted mean electrical energy consumption of about 20 kWh per tonne of ore is typical. Since electricity supply in Australia is largely derived from coal power, this equates to greenhouse gas emissions of around 21 kg CO₂-e/t ore milled. The potential environmental benefits are also significant. The technique has the potential to cut CO₂ emissions associated with grinding by up to 30%.

SOCIETY COMMUNITY



Orica is committed to effective and targeted engagement with the communities that host the Company's operations.

KEY CHALLENGES AND OPPORTUNITIES

The number and diversity of Orica operations around the globe presents a challenge for developing a consistent approach to community relations. The Company is working on ways to expand the reach of its programs globally and ensure that its corporate community investment program is more reflective of the Company's global footprint.

STAKEHOLDER ENGAGEMENT

Orica's stakeholder planning processes were developed further during 2014, with the number of site level stakeholder plans in place increasing to 42. The stakeholder planning process was also implemented at a country and region level to guide stakeholder engagement in regions where Orica operates its business. Ten country and region stakeholder plans have been developed to date, covering Europe, Africa, and North America.

A stakeholder plan documents key stakeholder relationships, past and current issues, future engagement needs, potential engagement opportunities and community investment strategies. An annual review process for stakeholder plans was commenced in 2014. The process involves a discussion between sites and corporate on stakeholder plan implementation during the past year, including identifying opportunities to strengthen future engagement and derive improved business and community value from engagement activities.

COMMUNITY INVESTMENT

Orica recognises that strategic community investment builds and strengthens stakeholder relationships and supports the Company's reputation and licence to grow. In 2014 Orica increased its investment in community programs to \$1.58 million.

Orica's approach to community investment includes both programs co-ordinated at a corporate level, the Community Partnership Program; and the local level, the Community Grants Program.

42

Site Stakeholder Plans in place

**GLOBAL
COMMUNITY**

Partnership Program launched

\$1.6 MILLION

in community investment expenditure

COMMUNITY PARTNERSHIPS PROGRAM

In July, Orica launched its new Community Partnerships Program, which provides corporate funding for initiatives that demonstrate Orica's commitment to corporate social responsibility and provide tangible results for host communities. Key objectives of the program are to channel funds to regions proportionally to reflect Orica's operational footprint and to build capability within Orica to successfully carry out strategic community investments. The program is designed to complement, but not replace, existing community investment by Orica sites at a local or regional level.

Applications are accepted internally from Orica sites, which identify community organisations delivering programs in their community and/or country and then apply to the program on behalf of a specific initiative.

The first round of the program concluded at the end of 2014 with funding earmarked for 23 initiatives that will benefit communities in eight countries across six continents in 2015 and beyond. Projects range from one-off contributions to three year programs. The initiatives range in scope from local to regional and they share common goals to contribute to education, the environment or community health and wellbeing initiatives. For example, in Zambia and India, Orica will purchase much needed education and equipment and resources to support schools in communities near Orica's operations. In Peru, Orica will rehabilitate a parcel of land into a park for community use. In Australia the company will support vital research which contributes to protecting and preserving the iconic Great Barrier Reef.

Orica also committed to three initiatives through the Community Partnerships Program that will see funds working in concert with those of customers/partners to deliver benefits to communities. In Brazil, a project is being scoped for a tripartite partnership with a major customer to support vulnerable adolescents. In north-western Canada, Orica will contribute to a training-to-employment program for First Nations peoples. In the Pilbara region of Australia where Orica has several major customers with thousands of employees, Orica is contributing funds to a renowned education support program for disadvantaged students.



ORICA COMMUNITY GRANTS

Larger Orica sites also have independent community grants programs, which are open to applications from organisations working locally. These include: Botany, Kooragang Island, and Yarwun in Australia; Bontang in Indonesia and Brownsburg in Canada. In addition, co-ordinated programs across multiple sites are in place in New Zealand, the USA and Canada.

Projects under the program are principally aligned with the core corporate themes of education, and in particular science education; and community health and wellbeing.

INVESTING IN EDUCATION

Education is one of three key themes of Orica's overarching community investment strategy, accounting for 24% of the 2014 expenditure by category.

Orica's single largest education investment is in the Australian Academy of Technological Sciences and Engineering's (ATSE) Science and Technology Education Leveraging Relevance (STELR) Project. Orica is a founding and major sponsor of the innovative, in-curriculum high school science program that in 2014 celebrated a major milestone when the 400th school adopted STELR.

Over the past year, STELR has also made significant progress with schools outside of Australia. In New Zealand several schools are now on board, including Mount Maunganui College with the support of Orica's Mount Maunganui chemicals site. In Asia, STELR is working to embed the program through the Indonesian Government's Quality Improvement

of Teachers and Educational Personnel initiative. In October 2013, 30 secondary science teachers from 15 local government schools attended a STELR workshop in Bandung, Indonesia. A similar workshop was held in Davao in the Philippines in November 2013.

Support for science and technology education in line with local priorities and needs also occurred in other regions, in particular:

- **CANADA** – The Brownsburg site in Quebec has a well established community investment program with clearly defined objectives which include support for local school students. An example was Brownsburg's support of a group of Grade 5 students to undertake a special robotics program.

Also in Canada, a partnership between Orica's Grand Valley site and the local public library facilitated the purchase of around 150 children's books and two iPad Minis loaded with reading and educational apps.

- **INDONESIA** – Building on Orica's support for science and related education, the Bontang site launched a program in May 2014 that facilitates access to specialised mathematics tutoring for students living in villages close to the plant.

The program's initial 80 students will be supported through collaboration with local government-endorsed community organisations and a specialist mathematics tutorial provider. Students are chosen based on criteria that target those from disadvantaged backgrounds with good academic records and potential.

INVESTING IN HEALTHY COMMUNITIES

Community health and wellbeing was the principal theme of 28% of Orica’s community investment. As well as communities surrounding Orica’s operating sites, Orica also considers the communities that host customers’ mine sites within its approach, contributing to selected activities and programs in these locations. Examples of investment in the past year included:

- **AUSTRALIA** – As a contributor to communities in Central Queensland, Orica supports the operation of the CQ Rescue Helicopter in Queensland, along with several of its customers in the region. Central Queensland is home to thousands of families working in the mining industry.
- **THE PHILIPPINES** – In response to Typhoon Haiyan – one of the most powerful typhoons ever recorded – Orica implemented a global matched giving program. Orica has 600 employees in the Philippines, the country hardest hit by the disaster. Employees from around the globe demonstrated support for those affected by utilising a dedicated web-based payment platform to make personal donations, which were then matched by the Company. This joint effort raised over \$54,000. In addition to the contribution garnered through the matched giving program Orica’s Asian business donated \$12,500 to local disaster relief in the immediate aftermath of the tragedy.

- **MEXICO** – To celebrate the 30th anniversary of the Orica Cuatro Ciénegas plant, the site held community athletic races in April 2014 in collaboration with the Cuatro Ciénegas Municipal Government. As part of the celebrations, the Mayor accepted delivery of an ambulance donated by Orica. The plant employs more than 200 people, all of whom live within close vicinity of the town of approximately 12,500 people.

- **INDIA** – In January 2014 Orica sponsored graduate chemical engineer Tom Naughton to attend a three week Engineers Without Borders (EWB) tour of India, using his engineering skills to contribute to sanitation, energy and infrastructure initiatives. Tom secured the coveted place after submitting a proposal on how Orica Laverton North could reduce potable water use.

Orica’s relationship with the humanitarian engineering NGO is set to deepen in 2015 with a partnership brokered under the Community Partnerships Program. The partnership will focus on Indigenous Australia and connecting Orica graduates with opportunities to contribute to EWB’s objectives in the communities that host Orica’s assets in Australia and Asia.

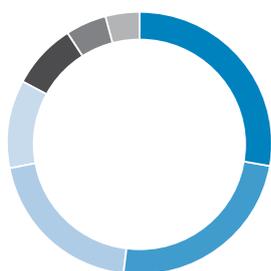
HUMAN RIGHTS

A review of how Orica’s management systems currently underpin human rights obligations was undertaken utilising the United Nations Global Compact framework. The Company is taking the opportunity to ensure that human rights obligations are being appropriately reflected as Orica’s management systems and processes are being updated. For example, human rights considerations are currently being incorporated into Orica’s procurement standards and systems.

The focus for 2015 will be to strengthen Orica’s human rights approach in three key areas:

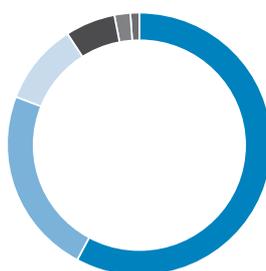
- Health and safety of employees with fit-for-purpose, easy to use management systems;
- Training to incorporate human rights elements for key personnel who engage with local communities; and
- Specific human rights training for personnel engaged in protecting the security of Orica sites.

Expenditure by Category



Community health and wellbeing	28%
Education and young people	24%
Community events and sport	20%
Emergency services and relief	11%
Economic and community development	8%
Environment	5%
Other	4%

Expenditure by Region



Australia Pacific	58%
Asia	23%
North America	10%
Europe and Middle East	6%
Latin America	2%
Africa	1%

✓ Priorities for the coming year:

Ensuring the community investment program is representative of the Company’s global footprint

Developing tools for globally consistent recording and reporting of community investments

Integrating human rights considerations into Orica’s management systems and processes



GROWING HEALTHY COMMUNITIES

New trees flourishing in front of the St. Phillippe School in Brownsburg, Canada are a beautiful reminder of the Orica Brownsburg plant's commitment to its local community.

"We're not just planting trees, we're continuing to put down roots in our community and leaving a legacy for future generations," said Leah Barlow, General Manager Brownsburg Site.

Thanks to a C\$15,000 donation from the Orica Brownsburg site, and additional funding from other local organisations and the public, area school children are enjoying the new trees and a brand new playground.

"Through the partnership of these various organisations in the community, the kids at the school and the municipality have the pleasure of playing outside in a safe and enjoyable environment," said Daniel Chartrand, St. Phillippe School Principal.

"The trees are a beautiful testimony to the involvement of private companies for the welfare of the community. The trees will grow and will contribute to the happiness of our children."

As the largest employer in the area, Orica Brownsburg is well known in the community and has a long history of community contributions and volunteering through the site's OriCare program. While the plant will close

its Components Department, the site continues to be the global hub for the production of Electronic Blasting Systems (EBS) and is more committed than ever to supporting and enriching the lives of the residents in the surrounding areas.

"There is a lot of history and community pride here, and it is a privilege for us to continue to collaborate with and support the long-lasting partnership between Orica and the Brownsburg-Chatham region," added Leah.

ORICA-GreenEDGE



Orica's partnership with the GreenEDGE professional cycling team provided a platform for Orica to build and strengthen relationships with customers, employees, investors, and communities.

The world-class performances by the Orica-GreenEDGE team generated global exposure for Orica during their successful third season. The team finished the year with 35 wins including an historic 100th victory, and was ranked a best ever fifth in the world (up from seventh in 2013). Australian Simon Gerrans ended the year at Number 3 on the UCI WorldTour rankings, with individual wins including the Tour Down Under and Liège-Bastogne-Liège.

The Orica-AIS women's team finished in fourth place with highlights including silver at the UCI Road Cycling World Championships in Spain. Sweden's Emma Johansson continued to dominate for Orica-AIS finishing the season ranked Number 2 in the world, with an individual win in the BeNe Ladies Tour a season highlight.

LEVERAGING ORICA-GREENEDGE PARTNERSHIP

While performance on the road is key, both Orica and GreenEDGE made sure that the partnership worked off the road as well with athletes and management

supporting Orica at key events in Melbourne, Leeds, Paris, Newcastle, Perth, Singapore, Montreal, Beijing and Kuala Lumpur. By sharing inspirational stories around teamwork and strategic focus with Orica's customers, staff and other key stakeholders, Orica-GreenEDGE riders engaged both dedicated fans and non-cyclists alike.

With a shared commitment to *Succeed Through Collaboration*, the partnership has also proven an effective feature at major trade shows and conferences including CONEXPO-CON/AGG in Las Vegas USA, CIM Canada in Vancouver and IMARC in Melbourne, Australia.

RIDE TO CONQUER CANCER

Orica also drew on the GreenEDGE connection to encourage employee participation in Ride to Conquer Cancer events. The events involve a 200km, two-day cycle to raise funds for local cancer research institutions. Critically, these organisations not only benefit local patients but the outcomes of their work and expertise is shared with healthcare organisations and research institutes around the world.

In Australia and New Zealand, Orica's Graduate Sustainability Committee (GSC)¹ co-ordinated the Company's participation,

with 62 employees rising to the challenge. Riders in Brisbane, Sydney, Melbourne and Auckland rode as an Orica team in Orica-GreenEDGE kit, while employees in Perth rode as part of major customer MACA's team. With the generous support of the broader Orica community, family and friends, the teams rode wearing Orica-GreenEDGE kit, raising more than \$120,000 in five months. This effort placed Orica as the fourth-highest fundraising organisation across Australia and New Zealand.

In Canada, the Brownsburg site near Montreal fielded a six-strong Team Orica Canada into the local Ride to Conquer Cancer event. Also proudly wearing Orica-GreenEDGE kit, the Brownsburg team exceeded its fundraising goal to raise more than C\$23,000 for a local cancer research and treatment centre.

¹ The GSC has been operating for several years and provides a forum for the future generation of Orica management to make a difference within Orica and in the communities in which it operates. The GSC won a prestigious Australian graduate award for innovation in 2014.

SOCIETY

PRODUCT STEWARDSHIP

At Orica, product stewardship means adopting life cycle thinking in the creation and delivery of its products and services.

VALUE CHAIN

Product stewardship initiatives are reviewed at each stage of the different value chains in which Orica operates. Orica's expertise and large range of mining products and services position it well to improve each stage of the mining value chain.

RESEARCH AND DEVELOPMENT

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. The Company operates R&D centres in North America, Europe, Africa, India and Australia. Orica's approach to R&D is to provide superior products and services that improve efficiency, productivity and sustainability performance for customers.

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 groundbreaking technology to improve productivity and environmental performance in the mining sector.

PROJECTS AND TECHNOLOGY

Before developing or introducing a new product, considerable attention is given to determining the physical, chemical and biological properties, and assessing the potential risks to people and the environment. Changes in regulatory frameworks in the different jurisdictions in which Orica operates also inform R&D opportunities.



SUPPLIERS

As part of evaluating and selecting major suppliers of raw materials, services and products, suppliers are assessed against Orica's SHEC performance standards. Examples include:

- Orica's Yarwun sodium cyanide plant has a strict requirement that its suppliers use Plantation Certified timber for all wooden packaging requirements.
- Orica Chemicals Australia and Bronson and Jacobs are members of the Roundtable of Sustainable Palm Oil (RSPO) and their suppliers of palm oil are also required to be members of RSPO and meet its requirements.

- An RSPO sourcing requirement was introduced as part of assessing the use of palm oil for improved explosives product performance.
- The sourcing of Intermediate Bulk Containers (IBCs) with higher pressure test ratings for ammonia products.

The procurement process has been reviewed to incorporate the revised SHEC Management System requirements as a part of the Procurement Value Delivery Program (PVDP). The scope of the PVDP involved both evaluating new suppliers and re-evaluating all existing supplier agreements in selected procurement categories.

MANUFACTURING

Before a new product is manufactured or a new process is commissioned at a plant, a number of specifically designed Hazard Studies are used to assess and eliminate or control associated hazards. Processes are optimised to maximise efficiency and process safety and to minimise waste.

DISTRIBUTION

SHEC performance is paramount when selecting transport companies for the distribution of products, warehouses for the storage of products, and ports for the import and export of raw materials and finished goods. Orica's transport drivers are trained to identify and avert potential SHEC risks at customer sites and other facilities.

Desktop emergency exercises are conducted with transport companies, customers and emergency authorities.

Orica is currently undertaking a review of risk reduction approaches for road transport of Orica's explosive products by both Orica and third parties. The review will result in an updated Orica road transport safety standard in 2015.

PRODUCT USE AND DISPOSAL

When products leave Orica's direct control and are distributed, sold and used by customers, the Company aims to work with customers to influence the responsible storage, use and eventual consumption or disposal of the product.

The approach taken varies by customer across the globe, reflecting the different risks and opportunities inherent in Orica's different products and services.

An example of this is Chemicals' practice of conducting safety inspections at customer sites where bulk hazardous substances are delivered. This process has been refined in 2014 with the inclusion of a subject matter expert review step. In addition to this, the business has developed customer information packs which summarise likely potential issues with products and provide guidance in dealing with the issue.

The basic life cycle product risk assessment process ensures that the use and disposal of products and product packaging is assessed and improvements implemented where possible. Often this can be as simple as raising the awareness of the customer to the required use and disposal requirements, through to ensuring that packaging is recycled for use – such as the Schultz IBC Ticket Service – a collection service for used Schultz IBCs available in all of the world's major industrial regions.

Orica has assisted a customer to convert a by-product from its process into a saleable product. Previously this by-product would have either undergone regeneration, which was becoming economically unviable, or prescribed disposal. The product, Ferrous Chloride, is now traded by Orica and sold as a wastewater treatment chemical. The reuse of this by-product stream has resulted in reduced potential waste generation and a reduced environmental footprint in the wastewater industry due to the offsetting of wastewater treatment chemical manufacture.

Orica is committed to providing safe and effective products and services, with a number of systems and services in place to support this objective.

SAFETY DATA SHEETS

To comply with the United Nations 'Globally Harmonised System of classification and labelling of chemicals' (GHS), Orica has updated its system for Safety Data Sheets (SDS) and labelling. GHS is being progressively implemented internationally and will be mandatory after 1 January 2017. Work commenced in 2013 to update more than 8,000 Orica SDS, which is now over 50% complete.

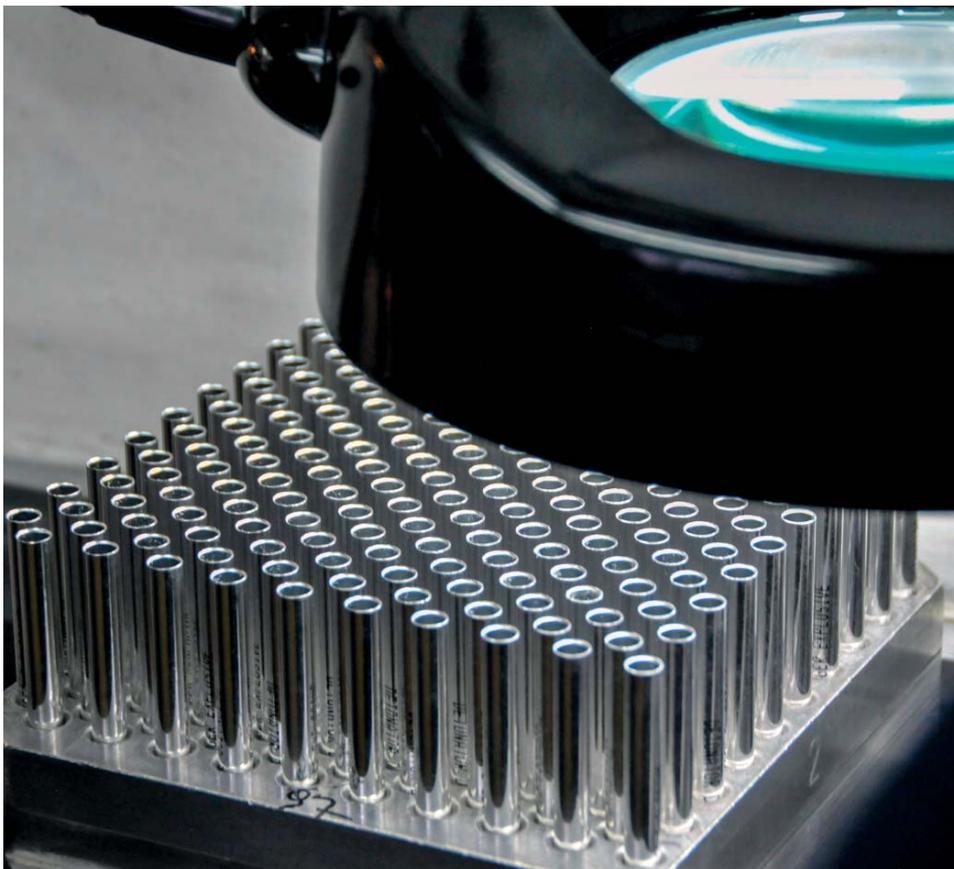
A SDS is an important source of information that should be considered when making decisions on managing risk from hazardous chemicals in the workplace. Orica Chemicals systems automatically email updated SDS to all customers, sites and contractors that have purchased or deal with that product. The SDS are also available at www.orica.com.

STEWARDSHIP PROGRAMS

Stewardship programs, such as Ammsafe for ammonia and Chlorine Safeguard for chlorine, inform and support customers. Advice includes the safe disposal of Orica products where appropriate.

EMERGENCY RESPONSE SERVICE

The Emergency Response Service (ERS) conducted by Orica Australia Pty Ltd operates 24 hours a day, seven days a week, providing telephone advice and assistance to callers in emergency situations relating to transport, storage and use of chemicals. The ERS acts on behalf of subscribing client companies (currently 110 clients) and Orica businesses in Australia and New Zealand (outside of these regions, Orica businesses take direct responsibility for their emergency responses).



The service has 30 years' experience in provision of emergency response, and in excess of 35,000 emergency incidents have been handled by the service since its inception. Coverage is provided for a broad range of materials and activities, ranging from dangerous goods and hazardous substances used in a variety of industries, to everyday consumer and household products.

Clients of the service include companies of all sizes from the agricultural, chemicals and plastics, petrochemical, pharmaceutical, consumer products, transport, manufacturing and construction sectors. Callers to the service include client company customers and employees, transport carriers, emergency services, government authorities, hospitals, veterinarians and members of the public. In 2014 the ERS responded to 2,174 emergencies in total, with 135 of these incidents being related to Orica products and sites in the Australasian region, compared with 169 calls relating to Orica products and sites in 2013.

GLOBAL CYANIDE EMERGENCY RESPONSE NETWORK

Orica Mining Chemicals supplies sodium cyanide to the mining industry around the globe to countries such as Peru, Ghana, Tanzania, Thailand, Indonesia, Papua New Guinea and Australia.

Handling sodium cyanide is a responsibility which Orica takes seriously. To ensure the safe handling of sodium cyanide, Orica has identified and comprehensively trained Orica Emergency Responders around the globe. Emergency response plans, procedures and standards have been developed to guide the response to cyanide emergencies.

Orica is a signatory to the International Cyanide Management Code (ICMC), and the Company's Yarwun cyanide manufacturing facility and transfer stations (Peru and Ghana) are fully ICMC accredited. Additionally, Orica's global supply chain is ICMC accredited, with route assessments conducted by accredited third party contractors for road deliveries, and due diligence programs for port and rail delivery operations.

PRODUCT INCIDENT RECORDING

Orica defines a product incident as an incident with SHEC implications involving a Company product after delivery to a customer, including after delivery to a toll manufacturer or contract packer premises.

A total of 14 significant (category 2+) product incidents were reported in 2014, the same number as 2013. Of these 14 events reported, nine occurred in Australia Pacific, three in North America and one in each of Europe and Latin America.

Types of incidents included product that failed to perform as specified, incorrect product delivery and discharge, damaged packaging and transport incidents. In all instances, Orica worked with the customer to resolve the product issue and made recommendations, and advised and/or implemented process or procedure improvements to mitigate the risk of recurrence.

DISTRIBUTION INCIDENT RECORDING

Orica defines a distribution incident as one that does not occur on a Company site. It arises from the transport or storage of raw materials, products, intermediates or wastes owned by Orica or prior to delivery to the customer.

A total of 27 distribution related incidents were recorded in 2014, compared with 41 in 2013. Of the 27 incidents, 22 were rated as significant (Severity 2) and five as serious (Severity 3+).

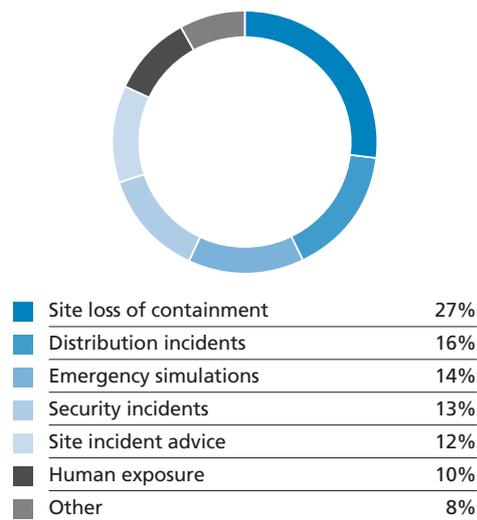
Of the distribution incidents 12 occurred in Australia Pacific, six in North America, three in Europe, and two in each of Africa, Asia and Latin America. Three of the distribution events were under Orica's direct control and the other 24 were via third party contractor companies.

Ten of the incidents related to vehicle rollovers, including two involving Orica employees; four involved head-on vehicle collisions; ten were spillage during transportation or unloading at customer sites and three events involved drivers being injured during the delivery process.

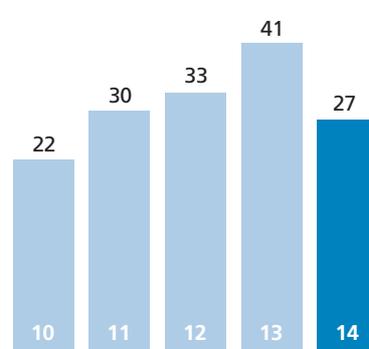
As a result of an Orica global working group to address distribution related incidents, and specifically rollover events, a number of initiatives are being employed. For example in-cab cameras, Geographic Information Systems (GIS) and geo-fencing. A further review of Orica's road transport safety standard is also underway.



Types of Orica Related Calls Received by ERS



Distribution Incidents



SOCIETY ECONOMIC CONTRIBUTION

Orica aims to deliver value to shareholders and support local economies in a socially responsible manner.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

Orica’s economic value generated, distributed and retained in 2014 is detailed in the table below.

SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

In 2014, Orica received the following assistance from the Australian Government:

- 1,607,179 free carbon units issued under the former Jobs and Competitiveness Program *Clean Energy Act 2011*, now repealed.
- Partial Exemption Certificates for 207,988 MWh of electricity as part of the *Renewable Energy (Electricity) Act 2000*.

INDIRECT ECONOMIC IMPACT

Orica also supports the local and regional economies where it operates. Examples include the construction of housing, schools, medical facilities and access to potable water in Gomia, India; the use of local contractors in the construction of the ammonium nitrate plant in Bontang; and the training of disabled citizens in Brazil, as part of Orica’s involvement in the ‘Without Borders Program’. Further information is provided in the Community

section of this report. In the coming year, Orica will be looking at implementing methods to better quantify the Company’s indirect economic impact.

USE OF LOCALLY BASED SUPPLIERS

Orica is committed to considering local employees, contractors and business partners where possible. As part of Orica’s Procurement Value Delivery Program (PVDP), and in addition to Orica’s SHEC requirements, evaluation of Suppliers policies and procedures related to Human Rights and Social Responsibility are performed. Orica expects its suppliers to demonstrate focus on respecting human rights within its business and encourage their own suppliers to do likewise. Preference is given to suppliers who contribute to social, economic and institutional development back into their local communities in which they operate. In the coming year, processes to capture information relating to the extent of local procurement will be introduced as part of the PVDP.

RISKS AND OPPORTUNITIES RELATING TO CLIMATE CHANGE

Climate change implications are assessed by reviewing the Company’s emissions profile, the current and anticipated regulatory frameworks in the countries of operation, and the likely impacts of those regulatory frameworks.

Risks and opportunities that may be related to climate change considered by Orica include:

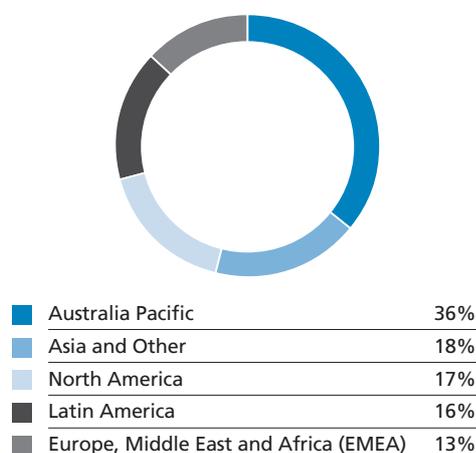
- Regulatory impacts and opportunities, including the Australian Government’s Emissions Reduction Fund (ERF) and the Renewable Energy Target (RET); the Clean Development Mechanism (CDM) under the Kyoto Protocol; and the Government of Alberta, Canada’s Specified Gas Emitters Regulation.
- The role of new technology and innovation in reducing energy use and emissions.
- Products and services that minimise carbon emissions for mining customers.
- Pricing of raw materials, including energy inputs.

Orica runs specific financial models of cost/revenue outcomes for abatement opportunities and marketing plans to customers that incorporate greenhouse gas-related business opportunities. Contracts and expenditure proposals that meet certain threshold criteria must include a sustainability statement, while sustainability impacts are considered as part of the approval process for major projects.

 Read more about Orica’s financial performance in the 2014 Annual Report at www.orica.com.

ECONOMIC VALUE	2014 (A\$M)	DEFINITION
DIRECT ECONOMIC VALUE GENERATED	7,661.4	Receipts from customers plus revenues from financial investments and sales of assets
ECONOMIC VALUE DISTRIBUTED	6,694.2	
Operating costs	5,083.1	Payments to suppliers and employees, excluding employee benefits expenses
Employee wages and benefits	1,256.7	Employee benefits expenses
Payments to providers of capital	143.3	Net interest paid
Payments to Government	209.5	Net income taxes paid
Community investments	1.6	Voluntary community investments and contributions, including donations.
ECONOMIC VALUE RETAINED	967.2	Economic Value Generated less Economic Value Distributed

Gross Sales by Region



GOVERNANCE

GOVERNANCE FRAMEWORK

Orica's Directors and management are committed to conducting the Company's business ethically and in accordance with the highest standards of corporate governance.

BOARD COMPOSITION AND INDEPENDENCE

The primary role of the Orica Limited Board is the protection and enhancement of long-term shareholder value. Orica considers the successful management of safety, health and environment matters as vital, and a Safety, Health and Environment (SHE) Committee assists the Board in the effective discharge of its responsibilities in this area. *Read more in the 2014 Orica Limited Annual Report at www.orica.com.*

MECHANISMS FOR EMPLOYEE AND SHAREHOLDER COMMUNICATION

The Board encourages full participation of shareholders at the Annual General Meeting (AGM) where important issues are presented to the shareholders as individual resolutions. As well as internal communication processes and direct feedback to line management, employees can also be heard via the Orica Speak Up Line.

PERFORMANCE EVALUATION AND REMUNERATION

Orica has a range of processes in place to evaluate the performance of the Board, Board Committees and executives. *Read more in the 2014 Orica Limited Annual Report at www.orica.com.*

RISK MANAGEMENT

Orica aims to maintain a consistent and effective organisation-wide approach to the management of risk aligned with the principles of ISO 31000:2009. This includes regular reporting of relevant risks to Company management and the Board. The Company has integrated risk management processes covering all aspects of business activity and the entire life cycle of Orica's products, projects and services. *Read more in the 2014 Orica Limited Annual Report at www.orica.com.*

CODE OF CONDUCT

Orica's Code of Conduct applies in all countries in which Orica operates. The Code of Conduct sets out the standards of business conduct required of all employees and contractors of the Company. It is aimed at ensuring the Company's business is conducted with integrity and in an environment of openness. Orica's Code of Conduct is communicated to employees when they join the Company and is available at www.orica.com.

BRIBERY AND CORRUPTION PREVENTION

In addition to the Code of Conduct, Orica has a number of procedures relating to appropriate standards of conduct by employees, contractors and service providers. These include requirements relating to bribery, corruption, financial inducements, facilitation payments, conflicts of interest, gifting, hospitality and entertainment. The Company conducts awareness and training programs in relation to the Code of Conduct and its associated procedures. Internal control systems are in place to monitor adherence to the Code of Conduct.

POLITICAL CONTRIBUTIONS AND ACTIVITIES

Orica does not contribute funds to any political party or candidate for election.

ORICA'S SPEAK UP LINE

The Orica Speak Up Line is an outsourced independent service, developed to provide employees with an opportunity to anonymously report suspected breaches of the Code of Conduct within the organisation by phone or email. If a report is made, it is escalated as appropriate for investigation and action.



Read more in the 2014 Orica Limited Annual Report at www.orica.com.

GOVERNANCE AFFILIATIONS AND PARTICIPATION

Orica participates in a number of key industry organisations and programs to support collaboration and sharing of leading practice.

These include:

- **The International Council of Chemical Associations (ICCA)** – Orica is a signatory to the ICCA Global Charter and has adopted its Responsible Care® program in Australia, New Zealand and Latin America.
- **Explosives Safety Organisations** – Orica is a member of the global Explosives Safety Group, SAFEX (Global Ammonium Nitrate Industry Working Group) and is active in regional explosives safety organisations, among them the Australian Explosives Industry and Safety Group (AEISG), the Institute of Makers of Explosives in the United States, the Federation of European Explosives Manufacturers and the Canadian Explosives Safety Group. Orica is also active in the National Fire Protection Association (Ammonium Nitrate Working Group), and the US and Canadian Fertiliser institutes. Internationally, Orica participates in the UN Explosives Working Group and the International Group of Experts on Hazards of Unstable Substances – Explosives, Propellants, and Pyrotechnics (IGUS-EPP).
- **International Cyanide Management Code (ICMC)** – Orica is a signatory to the ICMC. *Read more about Orica's ICMC status on page 35.*
- **World Coal Association (WCA)** – Orica became a member of the WCA and the Global Head of Mining Services was elected to the WCA board in 2013. The WCA is an industry group that has represented the global coal industry since 1985, playing a key role in influencing the international direction of the coal industry, one of Orica's key customers.
- **Australian Industry Associations** – Orica is a member of the Business Council of Australia (BCA); the Australian Industry Group (Ai Group); the Australian Mines and Metal Association (AMMA) (Orica's Managing Director and CEO is currently the President of AMMA); the Plastics and Chemicals Industries Association (PACIA) (Orica's Australian operations are signatories of PACIA's Sustainability Leadership Framework); and the Minerals Council of Australia (MCA). Orica is an active member of the Australian Water Association, the Australian Water Industry Operators Association and five co-operative research centres with relevance to the Australian water industry.

Orica is also committed to meeting the Security Sensitive Ammonium Nitrate (SSAN) Principles – Orica's ammonium nitrate prill and all emulsion products are designated as SSAN and are subject to Council of Australian Governments (COAG) Principles and legislative requirements. Orica supports the mining and construction sectors taking a leadership role in diligently managing the handling and storage of SSAN.

During 2014, Orica actively engaged with various governments including the Government of Australia and the Government of Alberta, Canada on a variety of policy issues relating to greenhouse gas emissions; including, in Australia, the Australian Government's Emission Reduction Fund, Renewable Energy Target and Carbon Tax Repeal legislation.



ABOUT THE REPORT 2014

DATA DEFINITIONS, CORRECTIONS AND RESTATEMENTS

INCIDENT SEVERITY CATEGORISATION

This Report includes reporting of incidents by 'Severity Rating', a measure used by Orica to categorise the impact of an incident on people, the environment, the community and/or Orica's reputation.

Severity 1 incidents are recordable incidents with minor and/or reversible short-term impacts. Examples may include a first aid injury, a minor spill or gaseous emission restricted to the immediate vicinity of equipment/incident, a fire that causes limited damage to equipment, or a minor spill of product during transportation to a customer.

Severity 2 incidents are more significant incidents with short to medium-term impacts, which generally require some treatment or remedial action.

Severity 3 incidents are serious incidents which are severe or widespread in nature and which have medium to long-term impacts requiring significant remedial action.

High Potential Incident (HPI) is defined as any incident that had the potential for a serious (Severity 3+) outcome. Incidents may be captured under a variety of classification types.

Product Incidents are reported as 'Category 2+ Incidents' and are based on Orica's previous categorisation of significant incidents. These would be either Severity 1 or Severity 2 incidents in the revised rating scale.

REPORTING OF GREENHOUSE GAS EMISSIONS

Orica reports greenhouse gas emissions, energy consumption and energy production from the Company's Australian facilities under the Australian Government's *National Greenhouse and Energy Reporting Act 2007* and appropriate guidelines. Greenhouse gas emissions from the Company's non-Australian sites are reported using the same general framework, with the application of local energy and emission factors. The reporting of non-Australian data is based on materiality thresholds.

CHANGES TO DATA REPORTED IN THE 2014 SUSTAINABILITY REPORT

Re-evaluation of 2010 to 2013 data has resulted in the following updates in the 2014 report.

- Updated emission factors for nitrous oxide emissions from two of Australia's nitric acid plants developed for the 2013 period have been applied to historic data for those plants since the installation of N₂O abatement. This resulted in an overall decrease of 2.8% from previously reported total greenhouse gas emissions.
- Review of energy data captured has resulted in an overall increase of 0.8% compared to previously reported net energy consumed.
- In addition to the changes above, changes to the calculation basis for tonnes of production have resulted in an increase of intensity values by 7.0%.

The updating of the 2010 greenhouse gas and potable water consumption results also alters the baseline for their respective 2015 targets for reduced intensity per tonne of production.

Economic data reported in the 2013 Sustainability Report has been re-stated due to a change in accounting standards. Refer to Note 41 of the 2014 Full Year Profit Report Appendix 4E.

DATA ACCURACY AND VERIFICATION

Independent verification has not been sought for the information contained in this Report, with the exception of financial information, which is drawn from the 2014 Annual Report and N₂O emissions data from Orica's nitric acid plants.

Orica reports its energy consumption, energy production and greenhouse gas emissions under the Australian Government's *National Greenhouse and Energy Reporting Act 2007*. Independent reasonable assurance reports were provided with the Company's 2014 submissions.

While every effort has been made to ensure the accuracy of the information, anyone seeking to rely on information in this Report or seeking to draw conclusions from the data should not do so before contacting the Company for verification and assistance.

Questions regarding the Report or its contents may be directed to the Company by email (sustainability.team@orica.com) or via the contact details on the back cover of this Report.

GRI APPLICATION LEVEL SERVICE

Orica Limited's 2014 Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines.

GRI Report Services has determined that Orica Limited's 2014 Sustainability Report fulfils the requirement of GRI G3.1 Application Level B.

The Service confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures.

The use of the GRI Application Level Service icon serves as the formal confirmation for completing the Service.



GLOBAL REPORTING INITIATIVE (GRI) SUMMARY INDEX

Orica's 2014 Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, Version 3.1. The following table summarises Orica's performance against the GRI Guidelines. See Orica's full 2014 GRI Content Index at Orica.com/sustainability.

GRI STANDARD DISCLOSURE	INDICATOR	REPORTED	PAGE REFERENCE
Statement from the most senior decision-maker of the organisation	1.1	Fully	Message from the Managing Director and CEO (p3)
Description of key impacts, risks, and opportunities	1.2	Fully	Sustainability Performance Scorecard (p9), Stakeholder Engagement (p8), Key Sustainability Issues (pp6-7)
Organisational Profile	2.1 – 2.10	Fully	Orica Overview (p4), Locations and Operations (ppC-1), Recognition (p10)
Report Parameters	3.1 – 3.13	Fully	About this Report (p2), Stakeholder Engagement (p8), Key Sustainability Issues (pp6-7), About the Report 2014 (p39)
Governance Framework, Affiliations and Commitments	4.1 – 4.17	Fully	Governance Framework (p37), Affiliations and Participation (p38), Stakeholder Engagement (p8), Key Sustainability Issues (pp6-7)
DISCLOSURE ON MANAGEMENT APPROACH			
Economic	Aspects	Fully	Economic Contribution (p36), Orica Overview (p4)
Environment	Aspects	Fully	Environment (pp20-23), Energy and Greenhouse Gas Emissions (pp24-27), Product Stewardship (pp33-35), Orica Management Systems (p11)
Labour Practices	Aspects	Fully	Employees (pp12-15), Occupational Health (p19)
Human Rights	Aspects	Fully	Employees (pp12-15), Economic Contribution (p36)
Society	Aspects	Fully	Community (pp28-32), Governance Framework (p37), Environment (pp20-23)
Product Responsibility	Aspects	Fully	Product Stewardship (pp33-35)
ECONOMY			
Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	EC1	Fully	Economic Contribution (p36)
Financial implications and other risks and opportunities for the organisation's activities due to climate change	EC2	Partially	Economic Contribution (p36)
Significant financial assistance received from government	EC4	Fully	Economic Contribution (p36)
Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	EC6	Partially	Economic Contribution (p36)
Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	EC8	Fully	Community (pp28-32), Economic Contribution (p36)
Understanding and describing significant indirect economic impacts, including the extent of impacts	EC9	Partially	Community (pp28-32), Economic Contribution (p36)
ENVIRONMENT			
Direct energy consumption by primary energy source	EN3	Fully	Energy and Greenhouse Gas Emissions (Energy Use) (p24)
Indirect energy consumption by primary source	EN4	Fully	Energy and Greenhouse Gas Emissions (Energy Use) (p24)
Energy saved due to conservation and efficiency improvements	EN5	Fully	Energy and Greenhouse Gas Emissions (Energy Use) (p24)
Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	EN6	Partially	Energy and Greenhouse Gas Emissions (Improving Energy and Greenhouse Performance for Customers) (p26)
Total water withdrawal by source	EN8	Fully	Environment (Water Management) (p22)
Percentage and total volume of water recycled and reused	EN10	Fully	Environment (Water Management) (p22)
Total direct and indirect greenhouse gas emissions by weight	EN16	Fully	Energy and Greenhouse Gas Emissions (Greenhouse Gas Emissions) (pp25-26)
Other relevant indirect greenhouse gas emissions by weight	EN17	Fully	Energy and Greenhouse Gas Emissions (Greenhouse Gas Emissions) (pp25-26)

GRI STANDARD DISCLOSURE	INDICATOR	REPORTED	PAGE REFERENCE
Initiatives to reduce greenhouse gas emissions and reductions achieved	EN18	Fully	Energy and Greenhouse Gas Emissions (Greenhouse Gas Emissions) (pp25-26)
NOx, SOx, and other significant air emissions by type and weight	EN20	Fully	Environment (Incidents and Emissions) (p21)
Total weight of waste by type and disposal method	EN22	Fully	Environment (Waste Management) (p22)
Total number and volume of significant spills	EN23	Partially	Environment (Incidents and Emissions) (p21)
Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	EN26	Partially	Product Stewardship (pp33-35), Energy and Greenhouse Gas Emissions (pp24-27)
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	EN28	Fully	Environment (Incidents and Emissions) (p21)
SOCIAL: LABOUR PRACTICES AND DECENT WORK			
Total workforce by employment type, employment contract, and region, broken down by gender.	LA1	Fully	Employees (Global Team, Global Skills) (p13)
Total number and rate of new employee hires and employee turnover by age group, gender, and region	LA2	Partially	Employees (Global Team, Global Skills) (p13)
Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	LA3	Partially	Employees (Building Competence and Capability) (p13)
Return to work and retention rates after parental leave, by gender	LA15	Partially	Employees (A Diverse Team) (p15)
Percentage of employees covered by collective bargaining agreements	LA4	Fully	Employees (Protecting Workplace Rights) (p14)
Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	LA5	Fully	Employees (Protecting Workplace Rights) (p14)
Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	LA6	Partially	Employees (Protecting Workplace Rights) (p14)
Rates of injury, occupational disease, lost days, and absenteeism, and number of work-related fatalities by region and gender	LA7	Partially	Safety (p16)
Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	LA8	Fully	Occupational Health (p19), Employees (pp12-15)
Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	LA11	Partially	Employees (Building Competence and Capability) (p13)
Percentage of employees receiving regular performance and career development reviews, by gender	LA12	Partially	Employees (Building Competence and Capability) (p13)
Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	LA13	Partially	Employees (A Diverse Team) (p15)
SOCIAL: HUMAN RIGHTS			
Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	HR1	Partially	Economic Contribution (Use of Locally Based Suppliers) (p36)
Total number of incidents of discrimination and actions taken	HR4	Fully	Employees (Protecting Workplace Rights) (p14)
SOCIAL: SOCIETY			
Percentage of operations with implemented local community engagement, impact assessments, and development programs	SO1	Partially	Community (Stakeholder Engagement) (p28)
Public policy positions and participation in public policy development and lobbying	SO5	Partially	Affiliations and Participation (p38)
Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	SO6	Fully	Governance Framework (Political Contributions and Activities) (p37)
SOCIAL: PRODUCT RESPONSIBILITY			
Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	PR1	Fully	Product Stewardship (pp33-35)
Type by product and service information required by procedures, and percentage of significant products and services subject to such information requirements	PR3	Fully	Product Stewardship (Safety Data Sheets) (p34)
Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	PR5	Partially	Stakeholder Engagement (p8)

Cover and text: Revive Laser is 100% Recycled, and is manufactured from FSC Recycled certified fibre. Certified Carbon Neutral by the Department of Environment under the National Carbon Offset Standard (NCOS). Made in Australia by an ISO 14001 certified mill. No chlorine bleaching occurs in the recycling process.

Orica Limited
ABN 24 004 145 868

Head Office:
1 Nicholson Street
East Melbourne
Victoria 3002
Australia

Postal Address:
GPO Box 4311
Melbourne
Victoria 3001

Telephone:
+61 3 9665 7111

Facsimile:
+61 3 9665 7937

Email:
companyinfo@orica.com

Web:
www.orica.com

