

TERMS OF REFERENCE | FEBRUARY 2021

SAFETY & SUSTAINABILITY COMMITTEE

PURPOSE AND CORE RESPONSIBILITIES

The Safety & Sustainability Committee ('the Committee') is a sub-committee established by the Orica Limited Board created to assist the Board in the effective discharge of its responsibilities in relation to the matters set out in these Terms of Reference.

In meeting its responsibility, the Committee will report to the Board and take reasonable steps in its oversight in the following key areas:

- safety
- occupational health;
- environment;
- security;
- climate change;
- social performance and community; and
- sustainability reporting.

SAFETY & SUSTAINABILITY STRATEGY AND POLICY

The Committee will review and report to the Board on:

- the safety and sustainability related issues that may have strategic, business and reputational implications for the Orica Group; and
- the effects of developments in legislation relevant to the Committee's areas of responsibility.

In discharging its responsibilities, the Committee will review and recommend to the Board:

- relevant safety, health, environment and safety ('SHES') and sustainability strategies to ensure alignment to Orica's Group-wide Business Plan including:
 - the management of safety and sustainability risks; and
 - the approach taken to promote a positive safety, health, environment and secure culture; and
 - the management of external relationships, stakeholders, regulatory authorities and communities in the jurisdictions in which the Orica Group operates; and
 - any SHES and sustainability policies that are applicable at a Group-wide level or amendments to such policies.

SAFETY & SUSTAINABILITY COMPLIANCE AND RISK

The Committee will review and report to the Board:

- on the adequacy of the Safety, Health, Environment and Security Management System and framework (SHES MS) to support and enable Orica's SHES policies;
- that an adequate independent assurance process exists to assist in verifying adherence to the SHES MS and framework; and

- on the effectiveness of the risk management methodology and processes to identify and mitigate material safety and sustainability risk in light of any risk appetite set by the Board.

In discharging its responsibilities, the Committee will:

- endorse the scope and adequacy of the annual internal audit plan regarding SHES matters;
- endorse SHES and sustainability strategies and monitor progress to achieve strategic objectives and targets;
- review the outcomes of the annual internal audit program regarding SHES matters, escalating any material issues arising from the audit to the Board;
- review safety and sustainability performance in light of the risk appetite and escalate any material issues to the Board;
- endorse appropriate levels of financial provisioning for environmental matters for reporting to the Board Audit and Risk Committee; and
- have independent access to the Vice President, Risk and Assurance as required.

Management will provide the Committee with reports that evaluate and provide assurance on the implementation and effectiveness of the SHES MS with regard to:

- identifying and defining the management of safety and sustainability risks that are material to the Orica Group;
- ensuring compliance with relevant legal and regulatory requirements;
- evaluating the effectiveness of key controls to manage and mitigate material risks;
- facilitating a timely and appropriate response to significant events; and
- evaluating the effectiveness of implementation of the SHES MS.

SAFETY & SUSTAINABILITY PERFORMANCE

The Committee will review and monitor safety and sustainability performance, and provide feedback to the Human Resources and Compensation Committee (**HR&C**) regarding the:

- annual performance of the Group with regard to safety and sustainability matters; and relevant key performance indicators for inclusion in the Group scorecard and assessment of performance against those indicators.

REPORTING

The Committee will review and recommend to the Board:

- approval of any safety and sustainability disclosures to be incorporated in Orica's annual reporting suite;
- approval of public climate-related disclosures to be incorporated in Orica's annual reporting suite in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD); and
- approval of any policies or position statements for key safety and sustainability issues that are applicable at a Group-wide level or amendments to such policies or statements.

Each year the Committee will review its performance against the Terms of Reference and agree the annual objectives and work plan for the year ahead.

The Committee's Terms of Reference will be reviewed at least biennially and updated as required.

AUTHORITY

In carrying out its duties, the Committee has the authority to discuss directly with management, internal auditors or experts any issue within its remit and to request reports, explanations and information of any of the activities or procedures of the Orica Group.

The Committee is authorised by the Board to obtain outside legal or other professional advice if it considers this necessary.

MEMBERSHIP

The Committee will consist of not less than three Non-Executive Directors. The Chair and a majority of Committee members will be independent Directors.

The Company Secretary or a delegate shall act as the Committee Secretary.

A standing invitation to the Committee will be extended to all Non-Executive Directors and, subject to the nature of the matters being discussed, to the:

- Managing Director & Chief Executive Officer; and
- Vice President Safety, Health, Environment & Security.

The Committee may invite any other individuals to attend meetings of the Committee, as it considers appropriate.

MEETINGS

The Committee will meet at least four times annually or more frequently as required. The Chairman or the Company Secretary may call a meeting and two Non-executive Directors shall constitute a quorum.

The Chairman of the Committee will provide a report to the Board following each Committee meeting.

The Committee will also consider whether any material matters arising out to the Committee meeting should be advised to any other Committee. In particular, the Committee will advise the Human Resources & Compensation Committee of any matters that it considers relevant to variable remuneration outcomes for the Managing Director and Chief Executive Officer or other executives.

The Committee may hold a closed session in the absence of management.

**Approved by
Orica Limited Board
February 2021**