ANNUAL REPORT 2023

OUR PURPOSE IS TO SUSTAINABLY MOBILISE THE EARTH'S RESOURCES.

From the production and supply of explosives, blasting systems, mining chemicals and geotechnical monitoring to our advanced suite of digital solutions and comprehensive range of services, Orica is supporting customers across the mining value chain. Our vision is to become the world's leading mining and infrastructure solutions company.

More materials, metals and minerals will be required to help the global economy grow and transition to net zero emissions. Our priority is to help mobilise those resources, utilising advanced technology and innovation from mine to mill to accelerate global decarbonisation efforts. We are collaborating with our customers and other stakeholders to find solutions to our industry's biggest challenges and move towards a lower-carbon future, together.

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OUR FY2023 ANNUAL REPORTING SUITE

Navigating this report

Welcome to our FY2023 Annual Report, which forms part of our annual reporting suite for the 2023 financial year.

Structure and content

The elements of the Directors' Report required by ASIC Regulatory Guide 247 are covered on pages 04 to 111. This includes the Operating and Financial Review (OFR), which is presented on pages 04 to 73. Specific commentary on Orica's financial performance is on pages 42 to 51.

This report covers Orica operations worldwide that we had control of for the financial year ending 30 September 2023, unless otherwise stated (collectively 'the Orica Group', or 'the Group'). All monetary amounts are subject to rounding and reported in Australian dollars, unless otherwise stated.

Annual reporting suite

We produce a suite of reports to meet the needs of a wide range of stakeholders.

FY2023 Corporate Governance Statement

In accordance with the ASX Corporate Governance Council's Principles and Recommendations (4th Edition).

FY2023 Climate Action Report

Climate-related information aligned to the recommendations of the Task Force on Climate-related Financial Disclosures.

FY2023 Modern Slavery Statement

In accordance with the *Australian Modern Slavery Act 2018* (Cth) and the *UK Modern Slavery Act 2015*.

FY2023 Tax Transparency Report

Overview of our approach to tax, governance structure and tax position.

The following documents are available at orica.com/Investors: **Full Year Results Investor Presentation** and **Full Year Results ASX Announcement**.

An **Environmental, Social, and Governance (ESG) Data Centre** is available on our website and contains detailed data and reporting indices such as our Global Reporting Initiative (GRI) Index, Sustainability Accounting Standards Board (SASB) Index, Taskforce on Climate-related Financial Disclosures (TCFD) Index and Climate Action 100+ (CA100+) Net Zero Company Benchmark Index. Enquiries about this report or our annual reporting suite can be directed to companyinfo@orica.com.

Learn more
orica.com/annualreport

Standard setters are working to encourage global consistency in non-financial reporting. We continue to monitor and respond to evolving reporting standards (e.g. the International Sustainability Standards Board standards) and their approaches to materiality. The utility of our current approach to reporting will be reviewed against leading practice and emerging frameworks.

Forward-looking statements

DISCLAIMER: This report contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward-looking statements are subject to a range of risk factors. Orica cautions against reliance on any forward-looking statements, due to the volatility and uncertainty of the geopolitical and economic landscape.

Orica has prepared this information based on current knowledge and good faith, understanding that there are risks and uncertainties involved that could cause results to differ from projections. Orica will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections from time to time. Orica undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report, subject to disclosure obligations under the applicable law and ASX listing rules.

Integrated reporting and reporting what matters

This report is designed to be read in its entirety and discloses both our financial and non-financial performance. It has been prepared in accordance with the Content Elements of the 2021 International Integrated Reporting (IR) Framework for which an index is provided on page 187. We have used the framework to demonstrate how our purpose and values, and consideration of risks and opportunities, drive our strategy. We have also articulated how we create and measure value beyond financial performance. An overview of our value creation process is provided on page 16.

The IR materiality methodology has been used to determine our material topics and describe to investors how Orica creates value over time. We identify relevant topics through primary and secondary research, refine our topics and evaluate their importance using internal and external insights. Orica conducts this materiality process annually to understand the topics that matter most to our stakeholders and our business and identify emerging topics.

This materiality process shapes external reporting and provides inputs to our business strategy and risk management approaches, including our material risks and opportunities – those that could materially affect our financial or non-financial performance, long-term value creation and/or licence to operate.

A summary of material topics based on our FY2023 assessment is available on our website.

Learn more
orica.com/Sustainability/our-approach

Orica's material business risks and opportunities are presented on pages 28 to 30.

The FY2023 Annual Report was approved at the November 2023 Board meeting.

Verification and assurance

The Remuneration Report (pages 86 to 110) and Financial Statements (pages 112 to 179) have been audited by KPMG. KPMG was also engaged to provide limited assurance that the Content Elements of the 2021 International IR Framework have been addressed in this report. This assurance considers whether the Content Elements have been included but does not extend to assessing the accuracy or validity of any statements made throughout this report.

Ernst & Young (EY) have provided limited assurance over a selection of non-financial metrics including certain greenhouse gas (GHG) emissions and associated intensities and reductions, gender diversity in senior leadership and potable water intensity. Refer to EY's limited assurance report for further information.

These reports can be found on pages 188 to 191 and on our website.

Material statements contained in this report have been subject to an internal review and approval process defined by our Annual Reporting Verification Framework.

FY2023 PERFORMANCE SNAPSHOT

The following data callouts are key financial and non-financial metrics that outline our performance in the year against our strategy and targets.

43.0cps
FY2023 dividend
FY2022: 35.0cps

53%
FY2023 payout ratio[1]
FY2022: 48%

$698m
Underlying EBIT[2]
FY2022: $564m

0
Fatalities[3]
FY2022: 2

0.131
SICR[4]
FY2022: 0.157

22%
Annual reduction in net Scope 1 and 2 GHG emissions from FY2019 baseline[5]
FY2022: 14%

17
Loss of Containment (LOC) events[6]
FY2022: 23

34.8%
Women in senior leadership[7]
FY2022: 28.9%

12.6%
RONA[8]
FY2022: 11.4%

$439m
Capital expenditure[9]
FY2022: $349m

$296m
NPAT[10]
FY2022: $60m

$4.1m
Community investment
FY2022: $3.7m

90+
Nationalities represented in Orica's workforce
FY2022: 80+

18.6%
Gearing[11]
FY2022: 19.7%

1. Dividend amount/Underlying NPAT before individually significant items.
2. Equivalent to profit/loss before financing costs and income tax from continuing operations, as disclosed in Note 1(b) to the financial statements, before individually significant items.
3. Fatalities are categorised by a review of Orica's degree of control over circumstances of the event leading to the fatality. We record non-work-related and third-party fatalities separate to this metric. Third-party fatalities are incidents that occur beyond our Orica-controlled operations and network.
4. Serious Injury Case Rate (unit of measure: per 200,000 hours worked).
5. Target to reduce net Scope 1 and 2 emissions by at least 45 per cent by 2030, from 2019 levels.
6. Severity 1 events are minor, reversible environmental effects. Short-term impacts only in the immediate vicinity of the release. Minor clean-up required with the total cost of any clean-up less than $100,000. Severity 2 environmental events have localised but measurable environmental effect that is reversible after clean-up; severity 3 environmental events result in relatively wide-spread serious environmental damage, with some impairment of ecosystem function that will recover after remediation.
7. The percentage of executive positions within the Band D (Senior Manager) level and above (i.e., CEO 2 (Band D+)) held by women.
8. RONA is defined as EBIT/Net operating assets on continuing operations. Net operating assets is defined as rolling 12-month average assets including net property, plant and equipment; intangibles at NBV; current and non-current investments in associates at current carrying value; trade working capital; non-trade working capital excluding environmental provisions.
9. Excludes capitalised interest.
10. Net profit after tax attributable to shareholders of Orica Limited.
11. Net debt/(net debt + equity), where net debt excludes lease liabilities, as disclosed in Note 3 to the financial statements.


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FY2023 FINANCIAL PERFORMANCE

Segment results

Underlying EBIT from continuing operations increased by 24 per cent to $698 million on the previous corresponding period (pcp).

Earnings increased in all segments versus the pcp, attributable to continued commercial discipline, strong customer demand, and increased earnings from advanced technology offerings.

Australia Pacific and Asia

Strong EBIT growth in the region with 24 per cent increase on the pcp driven by high demand, structural contract improvements and strengthened market position.

External sales revenue
$3,169m

FY2022 $2,707m

EBITDA[1]
$634m

FY2022 $551m

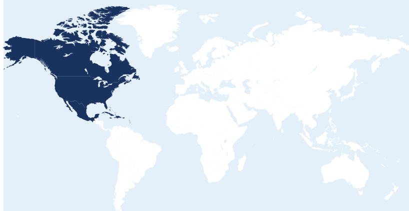
EBIT[2]
$458m

FY2022 $370m

AN and emulsion volumes
1,841,000 tonnes

FY2022 1,767,000 tonnes

North America



EBIT increased by 11 per cent on the pcp, the region delivered resilient earnings performance despite external challenges caused by extreme weather in Canada and United States and prolonged industrial action impacting supply in Mexico.

External sales revenue
$1,745m

FY2022 $1,567m

EBITDA[1]
$224m

FY2022 $194m

EBIT[2]
$150m

FY2022 $135m

AN and emulsion volumes
1,131,000 tonnes

FY2022 1,106,000 tonnes

FY2022 results are restated for change of segment reporting, refer to note 1(a) within the financial statements.

1. EBIT before individually significant items and depreciation and amortisation expense.
2. Equivalent to profit/(loss) before financing costs and income tax as disclosed in Note 1(b) within the financial statements.
3. Orica completed the exit of its operating business in Russia in September 2022.

Latin America

Underlying EBIT performance driven by commercial discipline and technology penetration. Demand for technology and premium products in Orica's established markets continue to grow.

External sales revenue
$1,733m

FY2022 $1,650m

EBITDA[1]
$105m

FY2022 $100m

EBIT[2]
$54m

FY2022 $54m

AN and emulsion volumes
924,000 tonnes

FY2022 973,000 tonnes

Europe, Middle East and Africa

Significant 24 per cent improvement in EBIT despite no contribution from Russia in FY2023[3]. The improvement was driven by strong growth and margin improvements in Africa, Southern Europe, Middle East and Central Asia.

External sales revenue
$1,087m

FY2022 $1,026m

EBITDA[1]
$84m

FY2022 $78m

EBIT[2]
$58m

FY2022 $47m

AN and emulsion volumes
337,000 tonnes

FY2022 415,000 tonnes

Orica Digital Solutions

Strong performance with 103 per cent increase in EBIT due to solid demand, margin improvement and contribution from Axis Mining Technology. Fifteen new features were released in this financial year.

External sales revenue
$212m

FY2022 $147m

EBITDA[1]
$97m

FY2022 $45m

EBIT[2]
$54m

FY2022 $27m

LETTER FROM OUR CHAIRMAN AND MANAGING DIRECTOR

Sanjeev Gandhi
Managing Director and
Chief Executive Officer

Malcolm Broomhead AO
Chairman

Our people have remained committed to delivering on our strategy and driving improved performance across our company.

We are pleased to report a strong financial result for the 2023 financial year, including $698 million in underlying EBIT from continuing operations, a 24 per cent increase on the previous year.

We operate in a complex global environment that presents both challenges and opportunities for our company. We continue to mitigate and capitalise on this to successfully execute our strategy, pursue further growth opportunities and accelerate our sustainability commitments.

Safety and environment

At Orica, nothing is more important than safety, and we are pleased to report no fatalities or serious life-changing injuries across our controlled operations in FY2023.

The prevention of harm is our number one priority, and for a second consecutive year we have achieved a reduction in our serious injury case rate, and there were no significant environmental incidents across our global operations.

Our Major Hazard Management (MHM) program continues to deliver an exceptional global safety culture. We recorded over 4,000 MHM stops this year, representing 4,000 times our people on the front line were empowered to stop work until they could be sure the key controls to keep them safe were in place.

People and culture

None of this is possible without our most valuable asset, our people.

The commitment of our employees and operators has ensured we continue to deliver for our customers.

For our people to thrive, mental and physical wellbeing is critical. This year, we initiated several activities to better understand how we can support mental and physical health across our business. These activities will culminate in the delivery of a psychosocial risk profile for Orica. We will capture and adopt emerging best practices to continue to manage our psychosocial risks and better protect our people.

We are committed to fostering a culture of respect and belonging. In FY2023 we proudly launched our new global Diversity, Equity and Inclusion strategy, to foster an inclusive organisation with leadership accountability and alignment. We have made good progress, but there is always more work to be done. We will continue working to ensure we have the right culture and environment to attract, retain and develop a diverse, engaged workforce.

Our external market

Our evolving operating context presents both challenges and opportunities for our company that impact how we create value and deliver on our purpose to sustainably mobilise the earth's resources.

Our technology remains a key enabler, allowing us to deliver smarter solutions to address shifting challenges and priorities. Demand for technology solutions that improve safety, sustainability, productivity and recovery is increasing across our industry, with strong technology adoption rates sustained throughout FY2023.

As we continue to navigate geopolitical tensions, our global network increases both our exposure and resilience. With global supply constraints expected to remain in the near term, we have continued to ensure the security of supply for our customers, and our manufacturing and supply networks remain a source of competitive advantage to Orica.

We are cautious of external challenges and are committed to continuing ongoing cost-efficiency initiatives and commercial discipline, diversifying our customer and commodity portfolio, and delivering unique integrated products and solutions to reduce the impact of these external factors.

Strategy and performance

In FY2023 we made strong progress towards our strategic priorities, focusing on our four key business verticals: Mining, Quarry and Construction, Digital Solutions and Mining Chemicals. However, there is more we can do to realise the full potential of our expertise and solutions while supporting the global energy transition.

For the first time, our Orica Digital Solutions vertical was launched as a separate segment and is delivering robust growth in a market with an accelerated focus on digitisation and automation. Increased technology adoption, the launch of new digital solutions offerings including OREPro™ 3D Predict and the successful ongoing integration of Axis Mining Technology have contributed to a strong financial result this year.

In our Mining and Quarry and Construction verticals, we achieved improved performance across all regions. The benefits of commercial discipline, supply security, growth in emerging markets including Africa and Asia and a focus on technology delivery were key drivers. The combined exposure of copper and other future-facing commodities (FFC) remains Orica's largest commodity exposure, in line with demand.

We successfully launched WebGen™ 200 in both underground and surface markets. Our 4D™ bulk systems surface coal technology has transitioned from customer trials to multiple commercial contracts, while 4D™ bulk systems surface metal customer trials are underway in Chile and Canada. In conjunction with our joint venture partner, we launched DragonDet™ Electronic Blasting System (EBS) to service the China market. Globally, we have increased our EBS capacity to realise sourcing and cost benefits through the optimisation of our discrete network.

Despite challenging conditions in our Mining Chemicals vertical, there remains a continued interest in our value-add cyanide services, including our industry-leading sparge technology.

We are committed to delivering on and accelerating our climate change commitments and decarbonisation efforts. We have anticipated shifting expectations, invested responsibly and are well-positioned to remain competitive in response to macro environments and trends.

"Our technology remains a key enabler, allowing us to deliver smarter solutions to address shifting challenges and priorities."

LETTER FROM OUR CHAIRMAN AND MANAGING DIRECTOR

Business performance

This year, we are pleased to deliver another improved financial performance. Underlying EBIT was $698 million from continuing operations, an increase of 24 per cent on the previous year, reflecting the embedded commercial discipline across our company and a continued focus on the quality of earnings. Statutory NPAT in FY2023 was $296 million, including a $73 million individually significant items expense after tax. We achieved a return on net operating assets of 12.6 per cent, an increase on the previous year driven by our improved earnings performance and strong market conditions.

Our robust financial performance is a testament to the remarkable efforts of our people, who continue to deliver on our strategy amid a volatile external environment. The external market conditions, while challenging, have highlighted the strength of our people and unmatched global asset and technology portfolio, which has allowed us to adapt to and mitigate these conditions.

As this macroeconomic volatility continues, commercial discipline, strong customer demand, supply security, technology and a diversified customer and commodity mix will support our company throughout the cycle.

In March this year, we completed the issuance of US$350 million of fixed-rate unsecured notes in the United States Private Placement market, extending Orica's drawn debt maturity. This proactive debt management further strengthens our financial position. Our prudent balance sheet positions us well to continue managing our volatile external environment while supporting further business growth, advancing climate change initiatives and seeking to deliver improved shareholder returns.

We have continued to apply our disciplined approach to capital expenditure to support the base business and pursue growth opportunities and decarbonisation initiatives.

The final ordinary dividend of 25.0 cents per share unfranked, brings the total dividend payout to 43.0 cents per share, reflecting a payout ratio of 53 per cent of full year underlying earnings.

Sustainability performance

This year has been characterised by continued global volatility and a renewed urgency to deliver positive environmental, social and governance outcomes, particularly on the energy transition to more renewable sources.

Sustainability is an integral part of our strategy and at the core of our purpose. We continue to embed sustainability into our strategic, financial and operational decision-making while demonstrating strong environmental stewardship across our value chain.

This year, we made good progress towards our climate targets. Our net Scope 1 and 2 emissions were 1,704 ktCO_2-e, a nine per cent decrease on the previous year and 22 per cent below 2019 baseline levels.

Our achievements so far give us the confidence to accelerate our climate change commitments and accountability. This year, we announced strengthened climate-related targets, accelerating our pathway towards net zero and driving the industry towards a lower-carbon future.

We have increased our commitment to reduce net operational Scope 1 and 2 emissions under our direct control by at least 45 per cent by 2030 from 2019 levels, an uplift from our previous 40 per cent commitment. This also includes a new short-term target to reduce net Scope 1 and 2 emissions by 30 per cent by 2026, from 2019 levels.

Additionally, we acknowledge that Scope 3 is a material portion of our overall emissions profile and are committed to partnering with our suppliers and customers to introduce a new ambition of reducing our Scope 3 emissions by 25 per cent by 2035, from 2022 baseline levels.

Lastly, we have expanded the boundary of our 2050 net zero ambition, to include Scope 3 emissions associated with our purchased goods and services and the use of our products in blasting activities.

Our accelerated targets and new Scope 3 ambition support our long-term ambition to achieve net zero emissions by latest 2050, creating a clear pathway and evidence-based roadmap to achieve it.

As the world continues to move towards net zero, the demand for critical minerals will grow, and exploration and production of these commodities will need to increase. In Australia, we have partnered with Origin Energy and The Hydrogen Utility to develop future renewable hydrogen and ammonia opportunities, and with Alpha HPA to support lower-carbon technologies including lithium-ion batteries and LED lighting.

We continue to deliver technologies and solutions to support our customers' sustainability goals and more sustainable mining outcomes. As we progress our sustainable solutions offering, we expect this to deliver an even more compelling customer proposition over time, creating further commercial advantage for customers and Orica.

As stakeholder expectations and material regulatory drivers for climate action increase, we are proactively improving our accountability and transparency. This year we will adopt the 'Say on Climate' initiative, allowing our shareholders to consider our Climate Action Report at the 2023 Annual General Meeting.

Community and relationships

As a complex global business, we are committed to respecting and upholding the human rights of our people and continually seek to improve our governance to ensure those protections are extended to all people in our value chain. While there is more work to do to address such a complex issue, especially in an increasingly challenging landscape, we will strive to meet our stakeholder expectations and continue to provide leadership and focus on human rights in our industry.

We continue to work collaboratively with our customers and the communities in which we operate globally, to protect cultural heritage and progress our work with First Nations Peoples around the world.

In Australia, for example, we are in the early stages of our reconciliation journey, having released our inaugural Reconciliation Action Plan in December 2022. Our vision for reconciliation is a future based on mutual respect where we acknowledge and learn from our shared past and forge a path forward for a more hopeful future.

Governance

In FY2023, we announced the retirement of Non-executive Directors Maxine Brenner and Boon Swan Foo from the Board of Directors of Orica Limited.

We welcomed Mark Garrett and Vanessa Guthrie to the Orica Board as Independent Non-executive Directors, to support the Board's objectives and Orica's long-term growth strategy. Mark brings more than 30 years' experience in commercial and senior leadership roles in the chemical industry, across diverse global markets. Vanessa's considerable leadership experience in the resources sector spans over three decades, having held a diverse set of senior leadership roles across operations, environment, community, indigenous affairs, corporate development and sustainability.

Outlook

As we look to FY2024, we remain deeply committed to the continued execution of our strategy. As a result of our commercial discipline, strong customer demand and increased earnings from our blasting and digital technology offerings, the strength of our underlying business is expected to continue. While external challenges remain, we will continue to work hard to mitigate the impact of these on our business.

Our prudent balance sheet positions us well to manage the volatile external environment, supporting further business growth, advancing climate change initiatives and delivering improved shareholder returns.

We are committed to accelerating our sustainability agenda, helping our customers achieve their targets while ensuring we remain competitive in a lower-carbon future.

On behalf of our Board and the Executive team, we thank the entire Orica team for their ongoing commitment and dedication to delivering on our strategy and purpose. We remain in a good position to continue our momentum and drive our strategy for growth.

To our shareholders, customers and industry partners, we also thank you for your continued support of Orica.

Malcolm Broomhead AO
Chairman

Sanjeev Gandhi
Managing Director and
Chief Executive Officer

OUR BUSINESS

OUR VALUES

To deliver on our purpose, we work as one team, always guided by our values.

Safety is our priority. Always.

The most important thing is that we all return home safely, every day.

We respect and value all.

Our care for each other, our customers, communities, and the environment builds trusted relationships.

We act with integrity.

We are open and honest, and we do what is right.

Together we succeed.

Collaboration makes us better, individually and collectively.

We are committed to excellence.

We take accountability for our business and for delivering outstanding results.

OUR GLOBAL FOOTPRINT

Our story began in 1874, when we first supplied explosives to the Victorian goldfields in Australia. Since then, we have grown to become one of the world's leading mining and infrastructure solutions providers.

Global reach

Orica has a proud history of nearly 150 years of innovation that continues to deliver smarter, safer and more sustainable solutions for the world's mining and infrastructure industries.

Our global network comprises continuous and discrete manufacturing operations, technology and monitoring centres and support offices, supported by a network of joint ventures, ammonium nitrate emulsion plants and bulk explosives depots strategically located to serve our customers around the world.

Approaching

150

years of experience and expertise

Customers in more than

100 countries

12,500+

employees

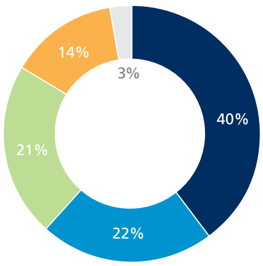
$7.1b

market capitalisation[1]

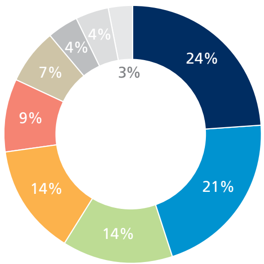
1. As at 30 September 2023.

Diversified global business

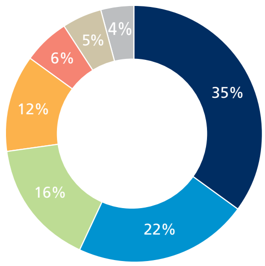
Revenue by segment[2]

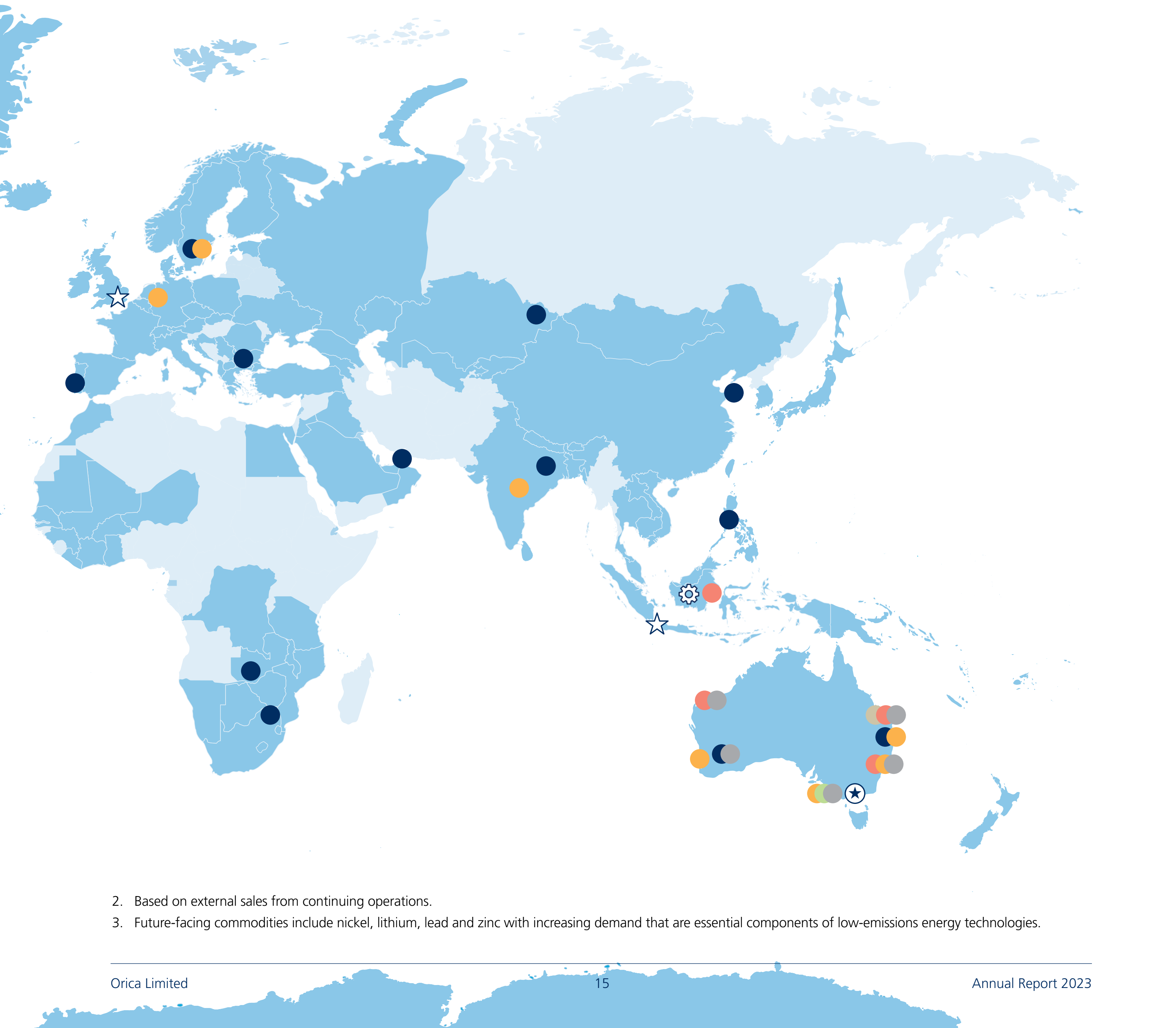


Revenue by commodity[2]



Revenue by product/service type[2]





2. Based on external sales from continuing operations.
3. Future-facing commodities include nickel, lithium, lead and zinc with increasing demand that are essential components of low-emissions energy technologies.

HOW WE CREATE VALUE

Operating safely and responsibly is the cornerstone of our business. Our strategy underpins everything we do and is designed to empower our people to deliver enduring value to our stakeholders. Our sustainability pillars guide our work, every day and everywhere.

We use technology and innovation to advance safer, more productive and sustainable practices to mobilise the resources needed to support a lower-carbon economy and societal ambitions.

What we rely on (our value drivers)

- **Safe and responsible operations**
- **Financial performance**
- **Customers, technology and innovation**
- **People and capabilities**
- **Climate and the natural environment**
- **Community and relationships**

Our core business activities

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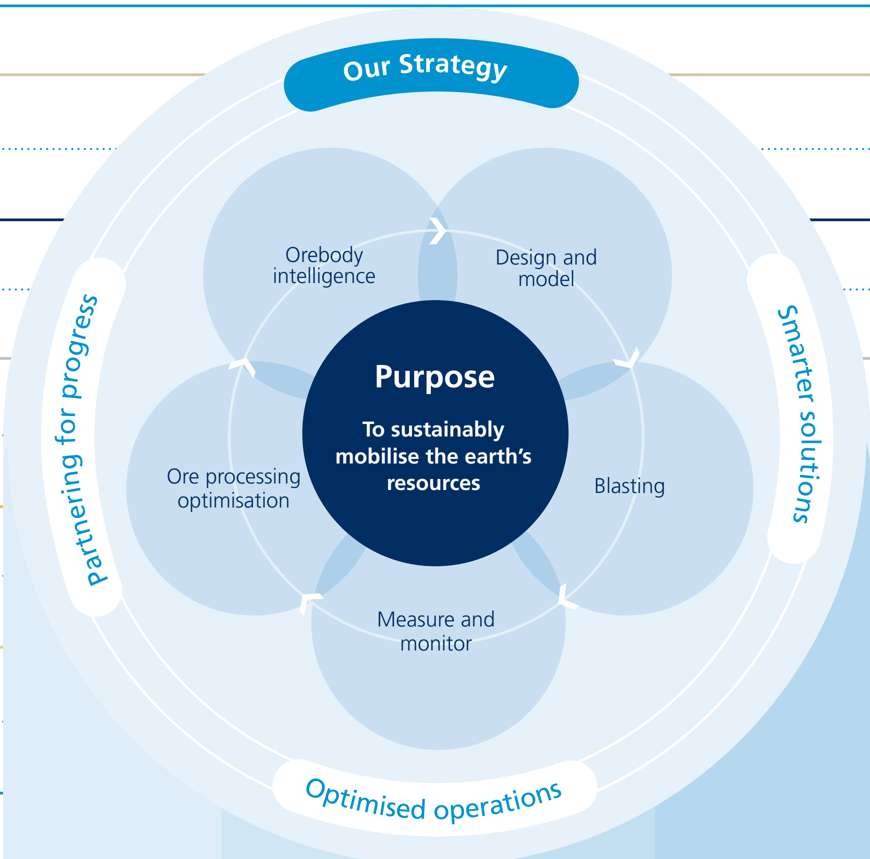


Protecting our people, communities and the environment

Innovating sustainable solutions

Building climate change resilience and circularity

Fostering relationships and transparency

Our operating context

We proactively monitor and respond to changes in our operating environment.

Page 18

Our stakeholders

We prioritise strong relationships with our stakeholders to identify opportunities to better respond to their needs.

Page 34

Risk appetite

We execute our strategy within the defined parameters of our risk appetite including an active appetite for growth and innovation and a zero appetite for fatalities and other serious safety, health, environmental and ethical incidents as outlined in our risk appetite statements.

Page 26

As Orica approaches 150 years of innovation, we seek to advance our core blasting products and services and innovate industry-leading, digital and automated technologies. The execution of our strategy is enabled through access to financial capital, optimising the use of natural resources, and the strength of our workforce and global manufacturing and supply network.

We proactively collaborate with stakeholders including customers, industry partners and research bodies to drive sustainable growth, contribute to communities and solve shared challenges.

Our risk appetite guides our strategic decision-making, supporting the allocation of assets and resources.

Orica's value creation process is based on the IR Framework with a focus on the key inputs and activities that deliver outcomes aligned with our vision to become the world's leading mining and infrastructure solutions company.

Each component is discussed in more detail in the *Our Business* and *Our Performance* sections.

Outcomes

Safe and responsible operations Page 37

We are a values-driven organisation with a relentless focus on preventing fatalities and serious injuries. The health, safety and wellbeing of our people, customers and communities is our number one priority.

Delivering long-term value to shareholders Page 42

We apply our capital management framework to guide our investment decisions as we strive to maximise returns to our shareholders over the long term.

Enabling customers for the future Page 52

We seek to be an agile and innovative organisation, responding to the changing technological landscape of the mining and infrastructure industries and supporting our customers' growth and sustainability goals. We partner with industry stakeholders to solve shared challenges across the value chain.

Empowering a talented and diverse workforce Page 58

We strive to ensure our workforce is engaged through diversity of thought and a culture of collaboration. We invest in a talent lifecycle to drive innovation and evolving technology, meet stakeholder needs and deliver our strategy.

Minimising environmental impact Page 62

We aim to be a resourceful and resilient solutions-focused organisation that prioritises the protection and stewardship of the environment. Managing physical and transitional climate risks is positioning our business to prosper in a lower-carbon economy.

Fostering strong and collaborative relationships Page 70

We collaborate with our stakeholders to better understand and respond to their needs and expectations and work with our local communities to build mutually beneficial relationships based on open and constructive engagement.

OUR OPERATING CONTEXT

FY2023 was characterised by continued global volatility and a renewed urgency to deliver positive ESG outcomes, particularly on climate change and the energy transition. Our evolving operating context creates risks and presents opportunities that impact how we create value and deliver on our purpose to sustainably mobilise the earth's resources.

Changing commodity demand

Link to key value drivers:

Global demand for copper, nickel and other FFCs remains strong as the energy transition gains momentum. A continued acceleration in production of these commodities is required for the manufacture of renewable technologies such as batteries, solar panels and wind turbines, which are fundamental to achieving the goals of the Paris Agreement.

We continue to actively grow our presence in FFCs, which forms a considerable proportion of mining pipelines in Australia Pacific, Latin America and Africa. This is providing growth opportunities for our blasting business and Orica Digital Solutions, particularly in exploration and resource definition activities, and the processing phases of the mining value chain.

The energy crisis triggered by the Russia-Ukraine conflict continues to drive high demand and prices for thermal coal in the short term as global markets attempt to secure alternative supply of coal and fuel. However, thermal coal production is still expected to decline in the long term. We will continue to supply and service our coal customers throughout the energy transition while diversifying our offerings to prosper in a lower-carbon economy.

Expectations in relation to ESG actions

Link to key value drivers:

Expectation to deliver positive ESG outcomes continues to evolve and strengthen with a shift towards regulatory requirements, mandatory disclosures and due diligence. Greenwashing and meaningful action on material ESG issues are increasingly important agenda items for stakeholders.

Climate change and decarbonisation continue to be a core focus for our industry. There is an expectation that organisations work to achieve deep decarbonisation in their operations and, increasingly, throughout their supply chains. Our strategic decarbonisation actions to date have created long-term value for Orica while positioning us well to meet rising expectations. We are delivering on and accelerating our decarbonisation targets and remain committed to a coordinated transition that mitigates climate change without leaving people behind.

We are focused on anticipating and improving performance ahead of regulation, addressing material sustainability issues and providing transparent disclosure of our performance.

Our Stakeholders page 34.

Climate change and adaptation

Link to key value drivers:

As the world proceeds with its energy transition and a focus on reducing emissions, the physical impacts of climate change (e.g. flooding, storms, bush fires, etc.) are being increasingly observed across the world.

We are focused on ensuring our strategy is robust, resilient and considers the potential impacts of physical climate change. To this end, we updated our long-term climate scenarios in FY2023, and for the first time estimated a financial impact of physical climate events under each of the four scenarios that were addressed.

As a business, we have also commenced a process to assess potential physical climate risks at each of our major sites. These assessments will be used to consider mitigation and/or adaptation measures that can be taken to ensure that our operations are safe and resilient.

Technological change

Link to key value drivers:

Technological advancements are continually reshaping the mining landscape, propelling the industry towards more efficient, safer and socially responsible practices. Demand for innovative blasting and digital solutions is increasing, with high customer adoption rates and competition for digital solutions emerging from digital technology providers in other industries. As mines go deeper and ore bodies become more complex and remote, demand for innovative technological solutions continues to increase.

We employ technology and innovation for continual improvement across our core blasting business and through Orica Digital Solutions. In FY2023, we launched 4D™ bulk systems for underground, allowing for precision matching of blast energy to geological and mine needs and commercialised the next generation of our WebGen™ wireless initiating systems, increasing the safety and efficiency of blasting. Building on our established blasting solutions, our digital growth strategy seeks to expand our portfolio of digital solutions through product technology development and acquisition. The unique value proposition of our digital solutions is the seamless connection of our customers' physical blasting operations and digital platforms. This enables our customers to readily understand and optimise their operations at every step of the value chain through integrated workflows, real-time data and end-to-end predictability, from mine to mill.

Geopolitical tensions and security of supply

Link to key value drivers:

Our global network increases both our exposure and our resilience to geopolitical tensions and other global events. Maintaining security of supply to our customers is critical to fulfilling our role as a trusted partner. Our strategically located global manufacturing network and third-party purchasing arrangements are the key levers we utilise to increase our agility in the context of global uncertainty.

We maintained security of supply for our customers through the supply chain disruptions caused by the Russia-Ukraine conflict in FY2023, by increasing production at our own ammonium nitrate (AN) plants in Australia and Canada, and continuing to retain access to and purchase third-party explosive grade AN in other regions.

With global AN supply expected to remain constrained in the near term, our manufacturing and supply networks will continue to be a source of competitive advantage.

Inflation and the risk of recession

Link to key value drivers:

Inflation is a key driver of volatility and uncertainty for the global economy. Orica is also directly exposed to inflationary impacts as we experience rising costs including salaries and raw material inputs. We mitigate inflation risk through our ongoing cost efficiency initiatives, commercial discipline, diverse customer and commodity portfolio and technology penetration.

Our *Material risks and opportunities* on page 28 reflect the above trends and further detail how we are managing their impact.

> We are delivering on and accelerating our decarbonisation targets, and remain committed to a coordinated transition that mitigates climate change without leaving people behind.

OUR STRATEGY

To deliver our vision in a focused way, we have a detailed strategy that sets the direction of our business.

Smarter solutions

- Excellence in service delivery
- Speed to market
- Proactively sell solutions to create and share value

Optimised operations

- Safe and cost-competitive manufacturing
- Optimised, reliable and secure supply chain

Partnering for progress

- Empowering our diverse teams of talented people
- Champion for a safer and more sustainable industry

- Protecting our people, communities and the environment
- Innovating sustainable solutions
- Building climate change resilience and circularity
- Fostering relationships and transparency

What sets us apart

- Superior, innovation-led customer outcomes
- Secure, reliable, locationally advantaged supply

Leveraging our competitive advantage

To successfully execute our strategy, we leverage our core strengths of delivering superior customer outcomes and maintaining security of supply. Our unique value proposition connecting our core physical blasting operations with integrated end-to-end digital insights enables us to support our customers to optimise safety, productivity and sustainability outcomes across the value chain. As we navigate difficult operating conditions, particularly the global AN market disruption arising from the ongoing Russia-Ukraine conflict and elevated energy prices in Europe, the global footprint of our manufacturing and supply network and our ability to leverage our purchasing scale and logistics capabilities support us to continue to be reliable and trusted partners to our customers.

Enabling sustainable business performance

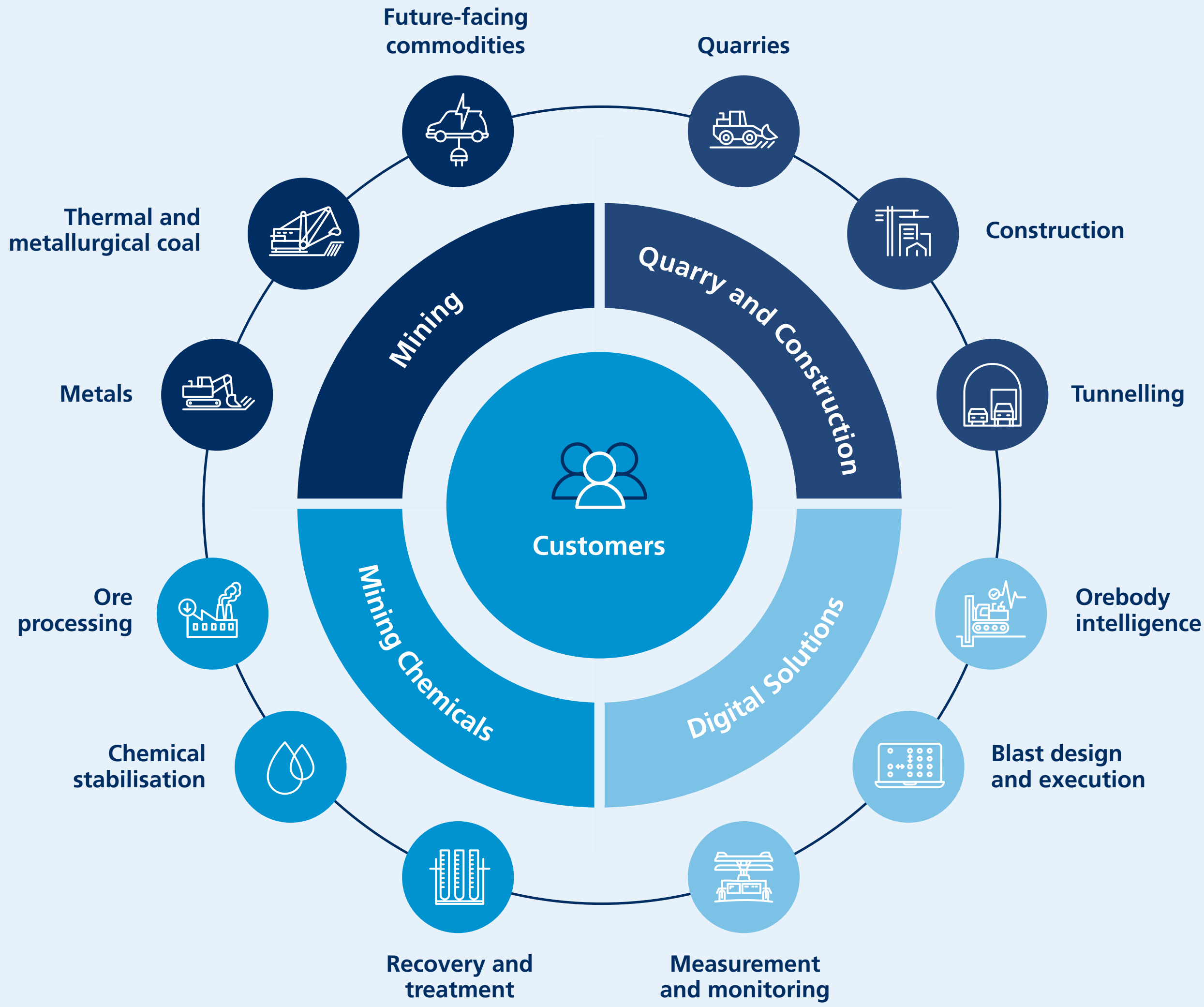
We are delivering on our strategy to optimise our operations, deliver smarter solutions and partner for progress to drive sustainable growth. Our strategic priorities are focused on our four key business verticals: mining, quarry and construction, digital solutions, and mining chemicals.

Keeping people safe remains our number one priority. We continue to execute our sustainability strategy by developing and deploying technologies that improve safety outcomes for our workforce, customers and communities. Considerable progress is being made to embed sustainability into our policies, business strategy and practices to capture new opportunities, accelerate our more ambitious commitments and improve performance ahead of regulation. By anticipating shifting expectations, we are well positioned to remain competitive and respond to macro environments and trends, and the increased scale and pace of economic transition.

While blasting in mining for metals and coal remains the core of our business, our market share in quarry and construction and FFCs is growing. To deliver the critical materials required for the energy transition, we are building on our strong presence in copper and growing our exposure to other FFCs, particularly nickel and lithium in Australia.

Our blasting and digital technologies continue to expand, providing innovative solutions to enhance safety, productivity, recovery and sustainability across the mining value chain.

As an emissions-intensive business, accelerating decarbonisation is a critical component of our sustainability agenda. We are executing on our strategy to reduce operational greenhouse gas (GHG) emissions and will continue to collaborate with our suppliers, customers and innovative partners to drive decarbonisation across our value chain.



Our People Strategy is fundamental to delivering on our commercial objectives and is designed to drive attraction, retention and development through an improved employee experience. This is helping to build the distinctive capabilities we need to deliver our net zero ambition[1], keep up with evolving technology and meet stakeholder needs.

Robust governance and risk management processes are in place to support the execution of our strategy.

Orica Investor Day Presentation 2023

1. Our net zero emissions ambition covers our global Scope 1 and 2 emissions under our direct control and material Scope 3 emission sources. Material means the GHG emissions arising from the Scope 3 reporting categories of purchased goods and services (category 1) and use of sold products (category 11).

United Nations Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) are 17 interconnected goals that form a global benchmark for achieving a sustainable future for all. We are committed to the SDGs and our role in advancing them. The SDG goals and targets have informed our sustainability strategy and are mapped against our sustainability pillars.

PROGRESS AGAINST OUR STRATEGY

Throughout FY2023, we continued to successfully execute our strategy. Launching Orica Digital Solutions as a separate reportable segment, continuing to diversify our commodity exposure away from thermal coal, and reducing the GHG footprint of our operations by 22 per cent since 2019 are a few examples that demonstrate our progress.

We collaborate with our customers and strategic partners to drive sustainable growth and explore expansion into future-facing segments including hydrogen. From smarter solutions to optimising our operations we are positioned to contribute to and prosper in a lower-carbon economy.

Mining and Quarry and Construction (Q&C)

Australia Pacific and Asia (APA)

Australia Pacific maintains a diverse commodity portfolio across iron ore, gold, other metals and coal, backed by manufacturing plants at Kooragang Island (ammonia and AN), Yarwun (AN and cyanide), Burrup (AN) and Helidon (electronic blasting systems (EBS)).

Asia has a growing population with significant infrastructure needs translating into strong demand for quarrying and construction solutions. There is also long-term growth potential for FFCs. Our business in Asia is backed by manufacturing facilities in Bontang (AN), Limay and Gomia (initiating systems, EBS).

Strategic priorities

- Diversify and grow our metals portfolio while continuing to capture a deepening portion of FFC exposure.
- Maintain manufacturing efficiency and reliability to maximise volume growth in a tight global AN market.
- Decarbonise our operations and capture new growth opportunities to increase resilience and support the global transition to a lower-carbon economy.
- Create value for our customers through our technology, including Orica Digital Solutions, WebGen™ 200 and 4D™.
- Become a premium supplier of EBS, capitalising on the opportunity created by China's mandate to convert all detonators used in the country to electronic, implemented in CY2023.
- Increase penetration into the Indian market through improved distribution capabilities and a continued focus on delivering technology-driven, value-focused solutions.

Progress in FY2023

- Increased exposure to copper and gold.
- Ongoing development of our industry-leading position in the Australian hard-rock lithium (spodumene) industry.
- Continued strong technology uptake, notably in Orica Digital Solutions. First commercial 4D™ contract signed in Asia.
- Strong commercial discipline resulted in favourable contract renewals and new contracts.
- Continued rollout of abatement catalyst technology at our nitric acid plants (NAPs) including completion of installation of tertiary abatement technology at Kooragang Island and maintaining the effectiveness of existing secondary catalysts at Bontang and Yarwun.
- Progressed development of the Hunter Valley Hydrogen Hub with Origin Energy, which could begin to provide Kooragang Island with renewable hydrogen feedstock by FY2026.
- New ammonium nitrate emulsion plant in Malaysia is on track to deliver growth in the country.
- First DragonDet™ detonators produced at our Weihai facility are now being utilised in commercial trials.

North America (NA)

The North American market is characterised by a high concentration of copper and gold mines, as well as a significant Q&C market, primarily in the United States (US). The region is supported by manufacturing plants at Carseland (AN) and Brownsburg (EBS).

North American mining activity remains resilient throughout the mining cycle for most commodities, despite many areas in the region being impacted by extreme winter weather. In spite of large-scale committed US government spending initiatives, growth in Q&C is constrained as labour shortages limit the pace of construction activity.

Strategic priorities

- Maintain strong commercial discipline.
- Drive growth in metals and FFCs through significant opportunities in the western US, Canada and Mexico.
- Drive growth in Q&C, focusing on the US market following significant infrastructure spend commitments by the US government.
- Deliver profitable growth through products that enhance sustainability outcomes such as nitrate reduction (e.g., Fortis™ Protect and Centra™ Gold HV.

Progress in FY2023

- Executed successful commercial negotiations across several key contracts.
- Growth in revenue in the Q&C market.
- Carseland, Canada tertiary catalyst abatement delivering 95 per cent abatement of nitrous oxide emissions from unabated levels.
- Significant contract wins delivered in Mexico.
- Strong sales of nitrate risk reduction products Fortis™ Protect and Centra™ Gold HV supporting customers in meeting environmental requirements.

Latin America (LATAM)

The LATAM mining market is driven primarily by minerals that will help to drive the global energy transition away from fossil fuels, including copper, lithium and other FFCs. The region is also important to the group from an Initiating Systems and Packed Explosives (IS&PE) manufacturing perspective, with facilities in Lurin, Lorena and La Portada.

Despite volatile political situations in some LATAM countries in FY2023, mining activity across the region has continued to be materially stable. As a result of the global energy transition, LATAM is poised to see significant growth in copper and other FFCs.

Strategic priorities

- Drive synergies and sourcing benefits through the discrete manufacturing network, including increased EBS assembly capacity and an increase in component manufacturing for initiating systems.
- Drive growth through blast technology offerings and uptake of WebGen™.
- Pursue customer growth in the copper and gold sectors.

Progress in FY2023

- Growth delivered in the Caribbean through Orica's ability to quickly serve customers in Guyana.
- Improved commercial discipline and pass-through mechanisms in contracts to mitigate rising costs.
- Strong rates of conversion to premium products in many contracts.
- Increased technology penetration through uptake of WebGen™ 200.

Europe, Middle East and Africa (EMEA)

Orica is present in around 50 countries in the EMEA region. With a large geographic footprint, EMEA has a broad commodity exposure, with a focus on copper and gold in Africa. After exiting our Russia operations in FY2023, the region has restructured to focus on growth in mining, predominantly copper and gold in West Africa, and Q&C in Europe.

EMEA plays a key role in Orica's IS&PE manufacturing footprint with a large facility located in Sweden, and smaller facilities elsewhere in the region.

Strategic priorities

- Deliver technology-led differentiation in the African copper and gold segments, specifically in underground mining.
- Selective footprint expansion focused on global miners and FFCs.
- Support our customers' ESG priorities, notably in Europe, with EBS products that are less environmentally intense, and through specialised bulk emulsions that allow for safer blasting in challenging environments (e.g. 4D™ bulk systems).

Progress in FY2023

- Strong technology growth supported by Cyclo™ and WebGen™.
- New contracts in Africa delivering profitable growth, particularly in gold and copper.
- Launched Exel™ Neo, the world's first lead-free non-electric detonator range.
- Strength of Orica's global supply chain allowing for efficient mobilisation of new contracts and opportunistic sales throughout the region.

PROGRESS AGAINST OUR STRATEGY

Digital Solutions

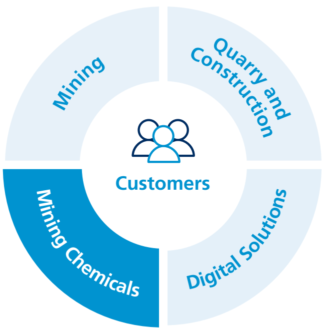
Our newly established Orica Digital Solutions segment supports our customers across the mining value chain, from exploration to processing. As orebodies are increasingly becoming harder to find, and as ESG responsibilities and commitments increase globally, demand for software, sensors and data science is increasing exponentially. Orica Digital Solutions is seamlessly connecting our customers' physical worlds and digital platforms so they can readily understand and optimise their operations at every step of the value chain. Orica Digital Solutions is one of our key growth verticals as we continue to build and invest in the next generation of digital solutions beyond our blasting core. Digital technologies are enabling blast automation and allowing us to connect, monitor and track information to make blasts more predictable, productive and safer. We are continuing to expand our delivery of digital solutions that integrate workflows, providing actionable data and insights from mine to mill.

Strategic priorities

- Accelerate the adoption of digital solutions to deliver safer, more productive and sustainable outputs across the value chain through integrated workflows.
- Leverage customer opportunities resulting from ESG obligations and exploration of FFCs.
- Integrate and optimise technologies associated with recently acquired orebody intelligence businesses including HIG, RIG Technologies International, RHINO™ and Axis Mining Technology.
- Broaden GroundProbe slope stability and technology offerings that facilitate safer mining across more geotechnical environments.

Progress in FY2023

- Presented for the first time as a separate Orica business segment.
- Completed the acquisition of Axis Mining Technology positioning Orica to become the industry's first integrated solutions provider, from mine to mill.
- Significant adoption growth across GroundProbe and Blast Design and Execution.
- GroundProbe Tucson, US assembly plant opened and manufacturing capacity increased.



Mining Chemicals

Our cyanide business services more than 70 customers globally. It is underpinned by our integrated manufacturing facility in Australia and supported by a network of transfer stations in key gold mining regions (Malaysia, Ghana and Peru).

Our premium emulsifiers business comprises of a manufacturing base in Australia and a Joint Venture in the United States. These facilities provide critical components to explosives manufacturing across the world.

The financial results for the Mining Chemicals vertical are reported within each geographical segment noted above.

Strategic priorities

- Drive cost and operating efficiencies through our manufacturing facilities.
- Convert cyanide customers to sparge product offering safer chemical transport outcomes by leveraging our network of transfer stations and decreasing the risk of LOC.
- Drive technology-led services to support customers in optimising their leaching practices and maximising gold recovery.
- Develop new emulsifier product ranges that respond to customer demand.

Progress in FY2023

- Continued interest in our value-add cyanide services including our industry-leading sparge technology.
- Launched an emulsifier using a bio-based renewable feedstock at one of our manufacturing sites, currently undergoing a lifecycle analysis to credibly quantify carbon benefits.
- Two additional emulsifier ranges developed, for application with premium diesels and low-cost market segments.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RISK

Our approach to risk management

Oversight and monitoring by the Board

Context
Our strategy and risk appetite settings are approved by the Board.

Risk identification and analysis
Risks are identified and their impact analysed by the business on a regular basis.

Risk treatment and evaluation
Adequate risk responses and actions are implemented by risk owners to reduce the level of exposure, or capture opportunities, within approved appetite settings.

Risk monitoring
Risk appetite performance and material risks are monitored through regular reviews, deep dives, key risk indicators and other sources of assurance.

Communication and reporting
Risk appetite and material risk information is communicated and reported across the business and to the Board.

Risk identification, analysis and treatment by the business

Our risk management system is informed and shaped by our strategic objectives, our purpose, our values and risk appetite.

Risk and uncertainty are inherent parts of doing business. We recognise the strategic nature of risk as an organisational value driver and are focused on identifying and capitalising on the opportunities our risks present, and controlling and mitigating the downside risks. Our risk management framework is designed to support the delivery of our strategy and vision.

To respond to threats and opportunities, risk management is embedded at every level of the organisation.

Risk strategy, policy and processes are set at the Group level with management responsible for implementation. Furthermore, emerging and external risks and trends are analysed and incorporated into the strategic planning process.

Our risk management system provides a framework through which we can consistently identify, assess, prioritise, manage, monitor and report risks across the organisation and is aligned with the principles of the International Organisation for Standardization's (ISO) Risk Management Guideline, ISO 31000:2018.

Our risk appetite

In FY2023, we reviewed the scope, applicability, key risk indicators and risk tolerances of our risk appetite statements to align to our operating environment, stakeholder expectations and strategic priorities. We enhanced and evolved our risk appetite dashboard reporting through improved data visualisation. Our risk appetite dashboard enables effective monitoring, strengthens the Board's level of oversight, and instils a strong risk awareness across Orica.

Our risk appetite statements are defined based on our material categories of risk:

Strategic	Operational	Information technology	Financial	Compliance
Inorganic growth	Safety and health	Cyber security	Finance	Compliance
Technology and innovation	Environment	IT governance	Tax	Ethics and compliance
	Security			
	People			

Risk oversight and governance

The 'three lines model' provides assurance that risks are effectively managed in line with our policies, standards and procedures and is the foundation of our risk oversight and governance approach:

Board

The Board oversees our risk management and internal control systems, including setting Orica's risk appetite. The Board also oversees our material risks and regularly reviews and challenges, either directly or through its committees, the effectiveness of the risk management process.

Executive Committee

The Executive Committee owns our material risks and is responsible for interrogating the effectiveness of risk mitigation strategies and monitoring our performance against the approved risk appetite settings.

Line 1

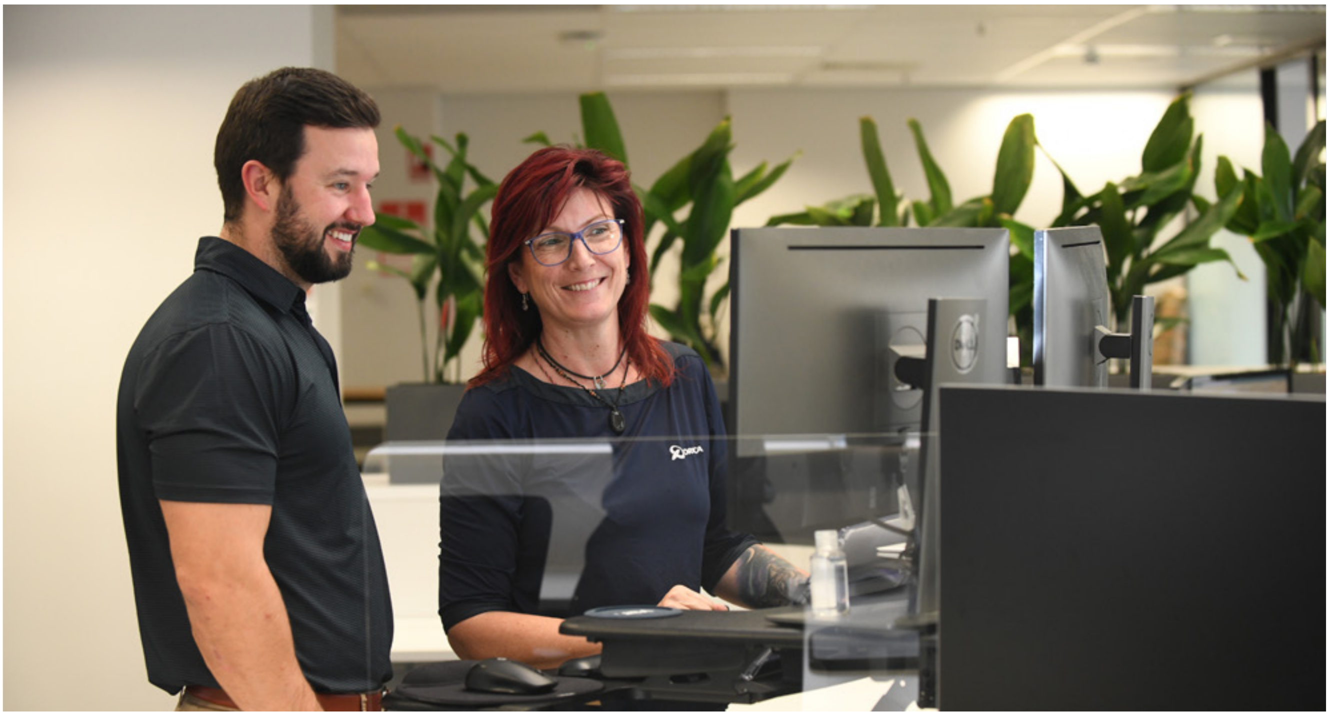
Management is responsible for identifying, owning, monitoring and managing risks and controls. They are responsible for risk leadership and instilling a strong risk management culture across the organisation.

Line 2

Our group risk function establishes risk standards, systems and processes for identifying and managing the risks material to achieving our strategy. To support the embedment of risk management across Orica, the Second Line coach and challenge the First Line while working with other risk disciplines.

Line 3

Our Internal Audit function provides independent and objective assurance over risks and controls. The Third Line evaluates the effectiveness of key internal controls, risk management and governance processes and communicates directly with the Board (via the Board Audit and Risk Committee) and the Executive Committee.



MATERIAL RISKS AND OPPORTUNITIES

Our material risks and opportunities are organised into three categories depending on the origin of the risk and the nature of our risk response.

- Strategic risks and opportunities are ordinarily beyond our control as they originate from the external operating landscape. We monitor trends so we can respond to changes in the environment to limit the impact or create opportunities to deliver long-term value for our stakeholders.
- Operational risks typically result in negative impacts on our business if the risk events occur. We actively manage these risks, within our approved risk appetite settings and limits, through a controls-based approach.
- Business risks impact our ability to execute our strategy and deliver our planned business outcomes. These risks can also provide upside opportunities and often require a balanced approach that considers both the risk and reward.

The risks detailed below could materially affect (negatively or through opportunities) our financial or non-financial performance, and our long-term value creation.

Risk	Risk movement from prior year	Our response
Macroeconomic factors: commodity demand Uncertainty in the economic growth outlook and material fluctuations in commodity demand could impact demand and margins of the products and services sold by Orica.	**Neutral** The volatility in macroeconomic factors – such as inflation, talent availability, constrained global supply chains and monetary policy – continue to drive uncertain macroeconomic outcomes. Global economic recovery continues, albeit slower, despite the volatility of macroeconomic factors.	• Strategic planning considering alternate scenarios, contingency plans, capability to absorb cost or event driven pressures. • Maintenance of a globally diverse customer base and positioning our portfolio towards higher growth commodities, including future-facing commodities. • Seeking to ensure contract mechanisms effectively pass through our costs. • Development of new products and technology. • Seeking opportunities for supply chain efficiencies.
Political and regulatory Uncertain geopolitical dynamics and regulatory changes could impact our operations and supply chain, result in additional compliance obligations, and increase our cost of compliance.	**Neutral** Geopolitical challenges remain prevalent with policy and security threats to globalisation, free markets and business continuity.	• Regular engagement of key stakeholders to remain informed, enabling rapid response to changing regulations, sanctions and trade rulings. • Active monitoring of the political situation around our operations and assessing our exposure to political and regulatory risks.
Climate change Transitioning to a lower-carbon economy and physical climate change effects have the potential to impact the demand for our products, disrupt our supply chain and impede our ability to maintain production levels and service customer demand.	**Neutral** Climate-related risks and opportunities remain prevalent, affecting government policy, markets, the transition to a lower-carbon economy and rising stakeholder expectations. Physical climate-related risks have materialised in the forms of extreme weather events across the world in 2023, including flooding in Asia, wildfires in North America and tropical and sub-tropical cyclones. Global emissions remain above committed Paris Agreement temperature goals with the current trajectory towards 2.7°C. However, the 1.5°C pathway is being pursued with developed nations continuing to justify stimulus in domestic industry. The Safeguard Mechanism reforms passed in the Australian Parliament this year have brought renewed policy confidence and investment certainty for Orica on our decarbonisation plans.	• Embedded climate risk into strategic and financial planning in line with our ambition to achieve net zero. • Completed Kooragang Island Tertiary Abatement project forecast to eliminate 48 per cent of Scope 1 and 2 emissions. • Assessing emissions reduction and transition risk resilience. • Investigating lower-carbon AN product offerings. • Responding to the refreshed Safeguard obligations and supporting advocacy for a lower-carbon economy. • Completed FY2022 global physical risk assessment to inform further actions to better understand physical climate risks for Orica assets and key ports and customer sites in our supply chain.

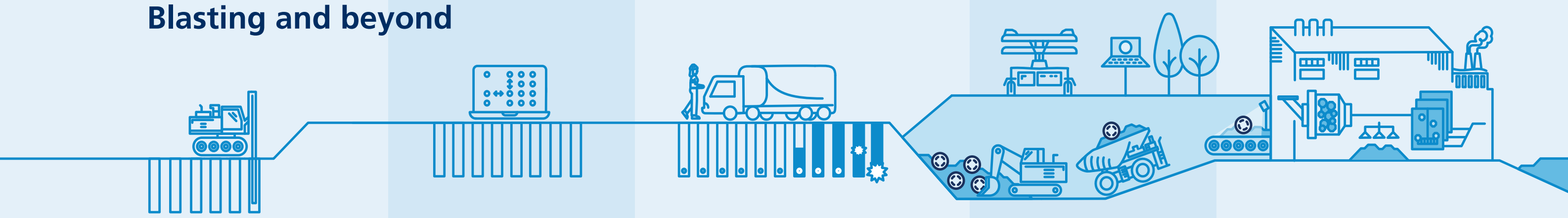
Risk	Risk movement from prior year	Our response
Customer and technology disruption Rising adoption of new technology and fast-paced competitor development could impact our ability to commercialise or generate an adequate return on previous investments in technology and services.	**Neutral** Competitor and customer investment in technology continues to accelerate with a focus on automation, digitalisation, data, hydrogen and renewable energy technology. Security of supply remains a key challenge in the market, which presents some upside opportunity for Orica. We are also seeing increased prevalence and pace of artificial intelligence (AI) tools with corresponding high rates of market interest and adoption.	• Continue to develop products and accelerate adoption of technology and solutions to support our customers in their growth, productivity and sustainability goals. • Focusing on opportunities to accelerate the development and commercialisation of new products. • Development of Orica Digital Solutions to meet our customers' most critical and emerging challenges. • Reviewing applicability of AI in internal business systems and products.
Cyber security A compromise to the confidentiality, availability and/or integrity of our critical technology services and data could impact our reputation and ability to operate.	**Increase** Global cyberthreats continue to outpace society's ability to effectively prevent and manage them, while presenting a threat to safe and reliable operations. Increased rate and sophistication of attacks drives the need for constant control environment improvement.	• Continuous review and strengthening of our Information Technology (IT) controls. • Conduct annual cyber security preparedness and crisis activities.
Increasing society and investor expectations Failure to respond to the rapidly shifting ESG expectations of our key stakeholders could impact our reputation and ability to operate.	**Increase** Societal standards for businesses to act responsibly continue to increase. Failing to anticipate or respond to social pressure could see increased regulatory burden supply and/or operational disruption, damaged stakeholder relationships and our reputation. A growing recognition of the nexus between climate and other sustainability areas exists, particularly biodiversity.	• Proactive engagement of stakeholders with respect to our sustainability strategy and roadmap. • Continued focus on modern slavery due diligence and management of modern slavery impacts. • Improving our First Nations engagement through the development of the Australian Reconciliation Plan (RAP) to engage across supply chain, recruitment, employee development and governance. • Communicating our support for truth and reconciliation of First Nations people in Canada. • Establishing partnerships with First Nation groups in Canada to bring training and employment opportunities and provide resources to essential programs and community activities. • Continuing community investment through the Orica Impact Fund. • Implemented Diversity, Equity and Inclusion Strategy. • Setting new Scope 1 and 2 targets, and Scope 3 ambition.
Ethical business practices and good governance Non-compliance with laws and regulations including those relating to competition, anti-bribery and corruption could expose Orica to penalties in the form of fines, criminal sanctions, civil suits and reputational damage.	**Increase** A greater focus on strengthening anti-bribery and corruption laws, increasing penalties and the adoption of protectionist measures by countries has increased the complexity of trade compliance requirements. The imposition of sanction regimes on countries across our global operations has increased the compliance risks of doing business.	• Extensive compliance procedures and controls, including entering or selling products and services into new countries and screening customers and vendors for potential non-compliance. • Provided training to our people to understand and abide by our Code of Business Conduct. • Conducted whistleblower awareness training and communication to our people about when and how to raise concerns. • Modern slavery training with internal stakeholders and modern slavery due diligence with suppliers.

MATERIAL RISKS AND OPPORTUNITIES

Risk	Risk movement from prior year	Our response
Safety, health, environment, and security The inherent nature of our business presents safety, environmental (including biodiversity), health and security risks. Improper management and response to these risks could directly impact our employees, customers and the communities in which we operate. Risk events could also disrupt our operations, lead to financial penalties and impact our reputation.	**Neutral** Safety, health, environment and security continues to be a priority area of focus for our business.	• Safety is our number one priority. We manage fatalities and serious harm risks through our Major Hazard Management (MHM) program. • Ongoing focus on building health systems and processes that allow us to enhance physical and mental health. • Continue to manage our key environment risks and prevent or minimise impacts to the environment. • Continued implementation of Track and Trace technology across relevant global sites.
Supply chain disruption Interruption to the integrity and/or continuity of our supply chain could impact our margins and our ability to maintain security of supply for our customers.	**Neutral** The susceptibility of global supply chains to disruption continues to be a challenge. Demand increase, extreme weather events, geopolitical tensions which have resulted in capacity constraints on the major shipping lanes and pricing pressures continue to create a complex operational environment.	• Continued strong focus on maintaining security of supply for our customers globally. • Work with our suppliers and conduct supplier due diligence to manage performance. • Managing our modern slavery risks in our supply chain. • Developed new Scope 3 ambition to support net zero ambition.
Product quality Poor-quality products or services could impact performance against required outcomes causing harm to people and the environment, impacting our reputation and resulting in regulatory actions or penalties.	**Neutral** We are committed to responsible product stewardship and managing the impacts of our products and materials on the environment and human health and safety.	• Ongoing focus on product quality and quality improvement to ensure our products reliably meet our customers' needs. • Conduct global and regional supplier due diligence to assess capability and performance.

OUR BUSINESS MODEL

Blasting and beyond



Mine to mill

Our business activities

Orebody intelligence

Through our growing orebody intelligence portfolio, which includes RHINO™, Axis Mining Technology, DRILLMax™, DRILLHub™, WIREBmr™, we are empowering customers with real-time insights that help them accurately define their orebodies, inform downstream decision-making and optimise extraction strategies while delivering sustainable and profitable mining operations.

Design and model

We collaborate with customers and industry to develop technologies and integrate vast amounts of complex geotechnical data into the blast design processes. Our OREPro™ 3D Predict blast movement modelling software enables situational awareness and improved grade control.

Blasting

At the core of our business is the vertically integrated global provision of bulk explosives and blasting products and services. We are a global leader in blasting services, providing trusted and proven expert market solutions in surface and underground mining and construction. The convergence of new technologies and solutions including WebGen™ wireless initiating systems and 4D™ bulk systems enables us to adjust and optimise customers' mine plans, so they can operate more efficiently, precisely and responsibly.

Measure and monitor

Our post-blast monitoring suite, including GroundProbe technologies and measurement technologies deliver insights around blast outcomes. FRAGTrack™, using advanced binocular machine vision and AI technology and a 2D/3D technique, provides automated high-quality fragmentation imagery and data with auto-analysis capability.

Mine simulation and optimisation

We deliver mining chemicals and technologies to aid with processing and are building capability and technologies in ore processing with digital tools like Integrated Extraction Simulator (IES) and Design for Outcome (DfO). This is helping our customers to optimise their entire mining value chain.

Our products and services

Digital solutions

- Orebody intelligence (e.g., RHINO™, Axis Mining Technology, DRILLMax™, DRILLHub™, WIREBmr™)

Digital solutions

- Blast design and modelling (e.g., BlastIQ™, SHOTPlus™, OREPro™ 3D Predict)

Digital solutions

- Blasting (e.g., BlastIQ™, LOADPlus™)

Explosives

- Ammonium nitrate
- Ammonium nitrate emulsion
- Bulk explosives (e.g., 4D™ Bulk Systems, Fortis™ Protect)
- Packaged explosives (Senatel™)

Initiating systems

- Boosters (Pentex™)
- Conventional initiating systems (Exel™ Neo)
- Electronic blasting systems (e.g., i-kon™ III, eDev™ II, uni tronic™ 600, ORBS™)
- Wireless initiating systems (e.g. WebGen™)

Blasting services

- Cyclo™
- Delivery systems (e.g., Bulkmaster™ 7)
- Technical and specialist services

Automation

- Avatel™

Digital solutions

- Advanced processing and analytic software (e.g., MonitorIQ™)
- Blast measurement (e.g., Advanced Vibration Management, BlastIQ™, BlastVision®, FRAGTrack™)
- Radar and laser-based monitoring systems (e.g., GroundProbe RGR-Velox™)

Digital solutions

- Process optimisation (e.g., Integrated Extraction Simulator, Design for Outcome)

Mining chemicals

- Analysers and mineral processing optimisation (e.g., PROService™)
- Emulsifiers
- Process simulator software (e.g., LeachIT™)
- Sodium cyanide
- Sodium cyanide delivery systems (e.g., Sparge)

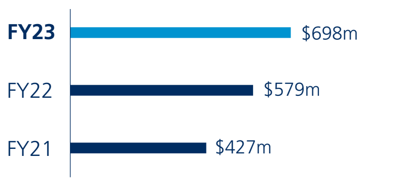
KEY PERFORMANCE INDICATORS

Orica uses a range of financial and non-financial metrics to measure the Group's performance. These metrics and associated targets are regularly reviewed in response to changes in our operating environment, stakeholder expectations and strategy.

Externally assured data
Denotes information subject to limited assurance by EY.

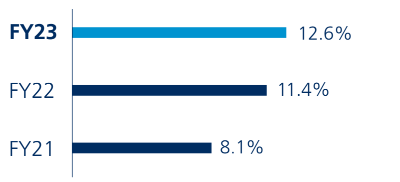
Link to Executive remuneration
Denotes a KPI which is directly linked to FY2023 Executive STI performance metrics.

KPI: **EBIT[1]**



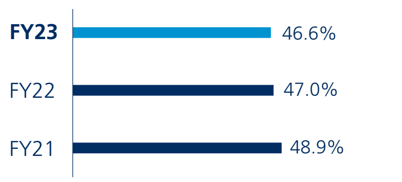
Underlying earnings prior to deducting interest and tax expenses from continuing operations, before individually significant items.

KPI: **RONA – Continuing operations[1]**



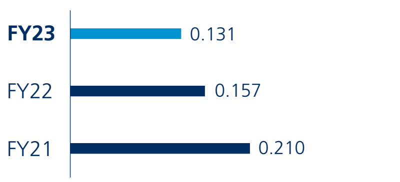
RONA is defined as EBIT/Net operating assets. Net operating assets is defined as rolling 12-month average assets including net property, plant and equipment; intangibles at NBV; current and non-current investments in associates at current carrying value; trade working capital; non-trade working capital excluding environmental provisions.

KPI: **Cash generation efficiency – continuing operations[1]**



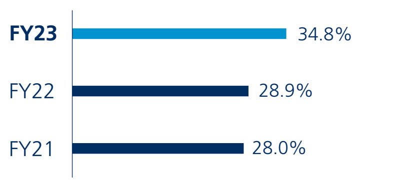
Calculated as earnings before interest, tax, depreciation and amortisation (EBITDA) less (average trade working capital movements, income tax paid, net dividends/(earnings) from associates, and sustaining capital expenditure) divided by EBITDA.

KPI: **Serious injury case rate including fatalities (SICR)[1]**



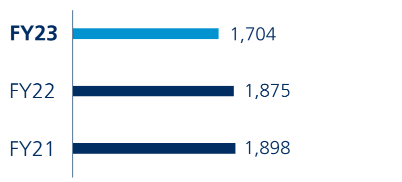
The number of serious injuries or illnesses that occur in the workplace for every 200,000 hours worked. Serious injuries are those which result in lost work time, and include fatalities, temporary or permanent disablement, hospitalisations, and less significant injuries where the affected person is unable to attend work for a day or more.

KPI: **Women in senior leadership[1]**



The percentage of executive positions within Band D (Senior Manager) level and above (i.e., CEO-2 (Band D+)) held by women.

KPI: **Net Scope 1 and 2 emissions[1]**



The total amount of greenhouse gas emissions, measured in kilotonnes of carbon dioxide equivalent, that can be directly attributed to Orica's business activities (Scope 1, i.e., chemical processes) or indirectly from purchased electricity, heat, steam or cooling (Scope 2).

1. Refer section 3.1 of our Remuneration Report for the formal definitions used for FY2023 STI purposes.

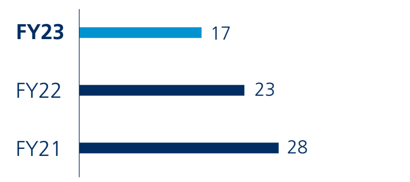
The remuneration of Orica executives and employees is aligned with the successful delivery of our strategy. Several KPIs are used as specific measures in determining incentive plan outcomes to ensure incentives are linked to actual performance.

KPIs not explicitly linked to Executive short-term incentive (STI) performance outcomes are important measures of strategic performance and long-term value creation and key to internal management reporting and decision-making. The Board has an overriding discretion to adjust final outcomes under the terms of the STI plan, to ensure Executive reward outcomes are reflective of our overall financial and non-financial performance and aligned to shareholder experience.

Remuneration Report
pages 86 to 110.

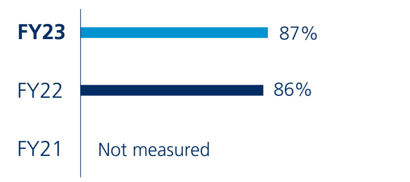
Where applicable with respect to our non-financial metrics, prior period information has been restated to align with the presentation in the current period to reflect updated methodologies or classifications.

KPI:
Loss of containment (LOC)[1]



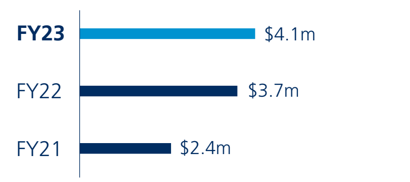
The number of incidents where a contained substance escapes from containment and results in a Severity 1 or greater environmental impact on water or soil.

KPI:
Inclusion index



An index used to measure sense of belonging and inclusion by our people. This data is collected through our employee engagement survey 'Our Say'.

KPI:
Total community investment



The amount of investment in supporting community projects and initiatives, contributing to society, and benefiting future generations.

OUR STAKEHOLDERS

We proactively engage with a diverse set of global stakeholders who express an interest in our business. Our engagement is collaborative, proactive and transparent to build trust, support the delivery of our business strategy and create long-term value.

We undertake a range of activities that enable us to better understand the interests and concerns of our stakeholders, and identify opportunities to better respond to their needs.

Stakeholder	What issues are important to them?	How we engage our stakeholders
Employees and contractors Our people are key to delivering on our purpose. We communicate with and listen to our people and strive to provide them with an inclusive workplace with development opportunities.	• Safety, health and wellbeing • Skills and capability development • Diversity, equity and inclusion • Sustainability • Reward and recognition	• Global culture and engagement survey 'Our Say' • Interactive webcasts with the CEO, Executive Committee and senior leaders • Direct people leader communication • Performance and development plans and reviews • Internal communications channels, including intranet and internal social media Read about how we engage our employees and contractors in *People and Capabilities*.
Customers We aim to deliver solutions and technologies that drive safety, productivity and sustainability outcomes for our customers across the globe. Listening to their feedback helps identify opportunities to improve our products and customer service. We aim to raise awareness of automation and digital solutions enable more productive and safer mining.	• Safety • Security of supply • Sustainability of products and services • Innovative and reliable products and new technology • Improving productivity and recovery	• 'Voice of Customer' platform capturing feedback on customers' experience and other customer forums including net promotor score (NPS) • Contract reviews • Executive engagements • Industry and sustainability forums • Digital platforms (webinars, support platforms) • Technology site tours and forums Read about how we engage our customers in *Customers, Technology and Innovation*.
Suppliers and business partners We aim to treat suppliers fairly and ethically and be a partner of choice. Collaborating with others across our supply chain helps us address social and environmental challenges and deliver on our strategic goals.	• Managing supply chain risks, including sustainability risks • Fair contracting and on-time payment • Human rights and modern slavery legislation and due diligence requirements	• Sourcing and procurement activity, including engagement on modern slavery risks and processes • Contract reviews • Supplier sustainability questionnaires • Supplier forums Read about how we engage suppliers in *Community and Relationships.*

Stakeholder	What issues are important to them?	How we engage our stakeholders
Local communities Engaging with our local communities helps inform our strategy, define our priorities and advance sustainable solutions to common challenges.	• Product safety and security • Strong partnerships • Investment in communities • Local operational impacts including water, air and noise • Support following natural disasters • Economic opportunities including employment and procurement	• Stakeholder engagement plans • Community investment programs • Local stakeholder engagement sessions • Grievance mechanisms and other feedback Read about our engagement with local communities in *Community and Relationships.*
Investors and financiers We engage with financial capital providers to promote a strong shared understanding of Orica's value proposition, strategy and performance. With investment decisions increasingly integrating environmental, social and governance criteria, knowledge of our sustainability performance is helping drive competitive advantage.	• Financial performance and position • Business strategy and growth opportunities • Corporate governance • Sustainability approach, commitments and progress	• Interim and full-year results briefings • Investor Day • Annual General Meeting • Disclosure documents, including results announcements, investor presentations and other ASX lodgements • Annual Reporting Suite, including Climate Action Report and ESG Data Centre
Government and regulators Dialogue with national and local governments and regulators allows us to understand their priorities and concerns and provides an opportunity to share our views and objectives. We engage with governments and regulators on topics that may impact trade, competition, operating licenses and operational competitiveness.	• Regulatory compliance, good governance and ethical business conduct • Effective policy development and probity • Innovation, research and development	• Meetings with political stakeholders, public officials and regulators • Hosting site familiarisation tours • Submissions to government and regulatory consultations • Applications for grant funding

We also work with and engage civil society including industry associations, non-government organisations, research and technical institutions.

More detail is available on our website.

Learn more
orica.com/sustainability

Read more about our actions in *Our Performance* on page 36.

OUR PERFORMANCE

Non-International Financial Reporting Standards (Non-IFRS) information

This report makes reference to certain non-IFRS financial information. This information is used by management to measure the operating performance of the business and has been presented as this may be useful for investors. This information has not been reviewed by the Group's auditor.

Where applicable with respect to our non financial metrics, prior period information has been restated to align with the presentation in the current period to reflect updated methodologies or classifications.

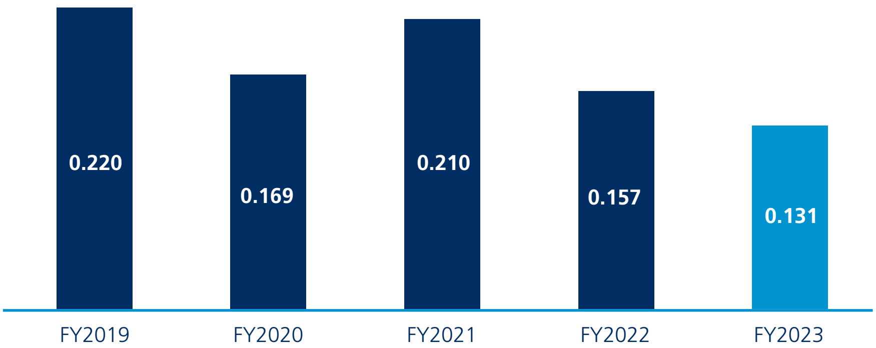
SAFE AND RESPONSIBLE BUSINESS

We pride ourselves on conducting our business safely and responsibly, from how we work with our suppliers and manufacture our products to how we deliver for our customers. Our approach to business ethics is governed by robust risk management and corporate governance frameworks. We continue to strengthen our safety programs and are committed to delivering on our promise to keep people – our employees, contractors and local communities – safe, always.

0 Fatalities[1]

0.00 SLICR[2]

Serious Injury Case Rate (SICR)



Product

Security – Zero Severity 3[4] or higher incidents

0.131

SICR[3]

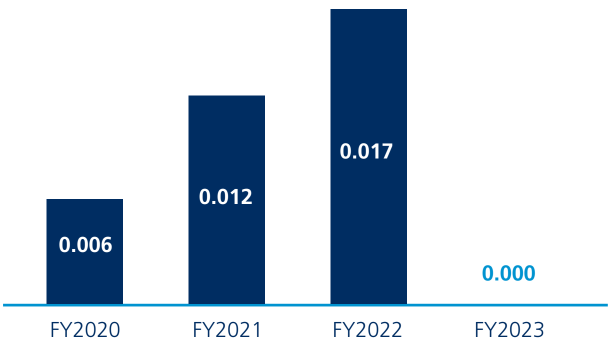
Down 20 per cent from FY2022

185

Whistleblower reports

Received in FY2023

Serious Life-Changing Injury Case Rate (SLICR)[5]



1. Fatalities are categorised by a review of Orica's degree of control over circumstances of the event leading to the fatality. We record non-work related and third-party fatalities separate to this metric. Third-party fatalities are incidents that occur beyond our Orica-controlled operations and network.
2. Serious Life-Changing Injury Case Rate (unit of measure: per 200,000 hours worked).
3. Serious Injury Case Rate (unit of measure: per 200,000 hours worked).
4. Misuse of security sensitive Orica product to cause actual harm while Orica has no control of the product; or Significant regulatory action taken with total cost of legal action/ fines or prosecution between $1,000,000 and $10,000,000; or Sustained adverse media reporting at the national level.
5. Metric introduced in FY2020.

SAFE AND RESPONSIBLE BUSINESS

Workplace safety and wellbeing

Our safety performance has markedly improved this year, with no fatalities or serious life changing injuries occurring in our controlled operations, and a significant reduction in serious injuries.[6]

Major Hazard Management (MHM)

As in previous years, our priority focus has been on ensuring controls to prevent potential fatal and serious life-changing injuries are in place at all our operations in alignment with our Safety strategy.

MHM is our key program to deliver this strategy, identifying the most serious risks to our people, and implementing controls to manage those risks. Our MHM program covers 19 major hazards common to most of our operations, supplemented by additional Major Hazard information specific to important processes and technologies. We use feedback from our assurance processes and High Potential Incidents (HPIs) to develop and improve our MHM controls. This year, we made significant improvements to the control frameworks for major hazards related to rockfalls and flyrock.

Our Health strategy continues to focus on controlling exposure to material harmful agents, managing fitness for work and building health systems and processes that allow us to enhance the physical and mental wellbeing of our people. Improved exposure monitoring reporting has identified a 32 per cent increase in exposure incidents allowing for the further prioritisation of controls for respirable dust, trinitrotoluene (TNT) and lead exposure. Site-based competency reviews were completed, and additional health resources and capabilities were added to support the implementation of more robust controls.

We completed over 13,000 control verifications this year, generating more than 3,800 improvement actions. In a program that has taken three years, we also completed the first round of verification for all Major Hazards at all sites. This program generated 12,000 improvement initiatives, 90 per cent of which have been completed.

Additionally, following a pilot program, we incorporated the Dust Suppression and Mitigation Key Control Performance Statement ('KCPS') and Manager Key Control Verification ('mKCV') material into our MHM program. This material is designed to manage exposure to respirable mine dusts, such as silica, and protect our people from their associated health hazards. It is currently being rolled out by the regions.

We empower our people to call an immediate stop to work if they observe a potentially hazardous situation to people, environment and cultural heritage. In FY2023, the number of stops called was 4,181. Our employees understand they are empowered, and expected, to call a stop work to ensure safety controls are in place.

Serious injury performance

In FY2023, no serious life-changing injuries were recorded. Our Serious Life-Changing Injury Rate (SLCIR) per 200,000 hours worked was 0.000 against a target of under 0.011. Our Serious Injury Case Rate (SICR) was 0.131, which is a 17 per cent improvement on our FY2022 performance, and below our target of 0.149 serious injuries per 200,000 hours worked. With approximately 20-40 per cent of our serious injuries arising from hazardous situations which should be controlled under our MHM program, there is still an opportunity to reduce our SICR target in FY2024.

Product distribution safety

Safe distribution of our products continues to provide challenges, particularly where activities are outside of Orica's control. In some regions road infrastructure also presents higher risks. There were eight significant distribution events recorded in FY2023, one of which was under Orica's control. The remainder were outside our Orica-controlled network, and occurred during product shipments by third-party providers. One of these events resulted in two fatalities to members of the public, when the light vehicle they were travelling in collided with a truck in a convoy carrying Orica products in Uganda. The event is under investigation and any learnings will be shared across our transport networks.

Safety Leadership in Action

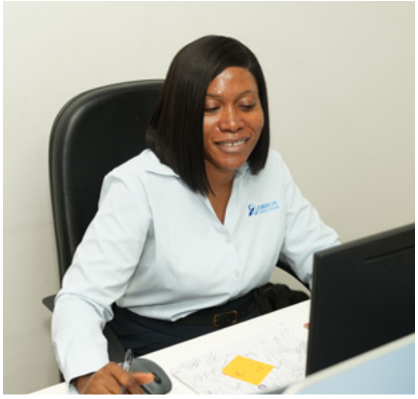
Orica's NextGen Safety Leadership program is designed for operational leaders who lead teams on the frontline and manage our Major Hazards every day. NextGen builds an understanding of the role of trust in achieving safe, high performing teams and effectively influencing safety-critical behaviour. The NextGen program gives frontline leaders an understanding of the psychological drivers of behaviour, and the ways successful leaders influence their team's thinking and behaviours. It provides practical tactics to build trust and develop safe behaviours in everyday working situations such as pre-start meetings, inspections, inductions and other safety interactions, and a supportive team environment where these skills can be practised. In FY2023, we completed 91,067 safety leadership interactions, up 9.7 per cent from FY2022.

Learn more
orica.com/Sustainability/responsible-business

6. Those where personnel are unable to report for work because of their injuries.

Mental and physical health in the workplace

Mental and physical wellbeing is critical for our people to thrive. To understand where we can support mental and physical health across Orica, we designed and implemented a psychosocial risk assessment for parts of the organisation. Psychosocial risks are factors that may increase the risk of work-related stress and can lead to psychological distress and physical harm. Common psychosocial hazards at work include poor organisational change management, remote or isolated work, poor physical environment, lack of inclusion and equity, bullying and harassment. The work included a survey-based assessment, organisational desktop review and focus group interviews to identify and assess workplace psychosocial factors that can impact our people's mental health and wellbeing. In FY2024, we will analyse and evaluate the data collected to deliver a risk profile for the areas of the organisation studied. This will allow for demonstratable data and risk-based prioritising of effective risk mitigation initiatives.



FY2024 safety and wellbeing priorities

- Continue to focus on the development and verification of Key Controls within our MHM program.
- Focus on reducing the highest frequency High Potential Incidents globally.
- Establish a global Mental Health Strategy.

Product security

At Orica, we implement controls to mitigate risks associated with products potentially being used for unintended purposes. In line with our strategy and to demonstrate our commitment to product stewardship, we are implementing Track and Trace across our global sites that manufacture packaged explosives and initiating systems, regardless of whether there is a regulatory requirement to do so.

The technology enables us to provide detailed information to authorities in the event of lost or stolen product, or, if product is recovered in the hands of unauthorised persons. Track and Trace technology has been proven to facilitate the rapid apprehension of malicious actors and has the added benefit of higher accuracy inventory management. In FY2023, we had zero Severity 3[7] product security incidents and 13 Severity 2 incidents. Of these, 10 occurred outside of Orica's control.

We regularly communicate to our employees on case studies, learnings across the organisation and the organisational standards and guidance tools in place to support the organisation.

We participated in the Global Congress on Chemical Security and presented the transport security practices we have implemented in Latin America. The Global Congress is co-sponsored by INTERPOL, the US Department of Homeland Security, the FBI and the US Defence Threat Reduction Agency. Orica is a member of the Emerging Threats Industry Advisory Group that is part of the Global Congress. This group is focused on preventing access to explosives precursor chemicals and is working toward the development of a global security standard for transport.

FY2024 product security priorities

- Continue to implement Track and Trace at sites manufacturing packaged explosives and initiating systems.
- Actively participate in international forums and advocate for a global transport security standard.

Cyber security

Cyber security is key to protecting Orica's customers, people, products, sites and sensitive information. Orica's cyber strategy is focused on four key outcomes:

- Single pane of glass visibility, correlation and management of cyber events within business, digital and manufacturing systems.
- Zero trust requiring constant verification of identity, device, access and services.
- Advanced detection, response and recovery controls to safeguard our data.
- Relentless focus on foundational controls including privileged access management, multi-factor authentication, security patching, system hardening and testing of backup and recovery.

The cyber security risk landscape is constantly evolving. To stay ahead of malicious actors, we constantly test and improve our cyber security protections and response plans.

In FY2023, we implemented a specialist Cyber Physical Systems Protection Platform and related processes across 100 per cent of our key manufacturing sites to decrease the risk of cyber-related impacts. We also implemented multiple engineering controls to identify, protect, detect, respond and recover from cyber security events. This includes providing a single security layer across our cloud environments, to protect our public online environments, and identify, prioritise and remediate security vulnerabilities across our systems.

Our Cyber Security team continues to grow in key centres around the world to support the increased capability. We also continue to mature the cyber awareness program with regular training and phishing email simulations that build company-wide capability. We regularly test our cyber security posture and our response preparedness in case of malicious cyber events.

FY2024 cyber security priorities

- Enhance access management tools and related processes.
- Refresh Data Loss Prevention Strategy.

7. Severity 3: Misuse of security sensitive Orica product to cause actual harm while Orica has no control of the product; or Significant regulatory action taken with total cost of legal action/fines or prosecution between $1,000,000 and $10,000,000; or Sustained adverse media reporting at the national level.

   Severity 2: Loss of a security sensitive Orica product. The product may or may not be recovered and if recovered was in the possession of an unauthorised third party; or Significant regulatory action taken with total cost of legal action/fines or prosecution between $100,000 and $1,000,000; or Sustained adverse media reporting at the sub-national level.

SAFE AND RESPONSIBLE BUSINESS

Ethical business conduct

Our Code of Business Conduct (Our Code)

Our Code is our guide to doing the right thing. It establishes how we conduct ourselves to deliver on Orica's purpose, vision and strategy. Our Code has five sections aligning with each of Our Charter values – Safety, Respect, Together, Integrity and Excellence.

Our Code was updated in July 2022 to reflect changing societal expectations, strengthen our culture of safety and emphasise our strong position on respect for the communities in which we operate. To accompany the updated Code, a mandatory online training module was rolled out in 14 languages across our global operations.

Respect@Work

At Orica, we are committed to providing respectful workplaces in which every employee works in a safe and secure environment that is free from discrimination, vilification, harassment, bullying and victimisation. Orica will not tolerate any unacceptable behaviour and appropriate action will be taken if this policy is breached.

In line with our commitment to prevent and eliminate non-inclusive behaviours, especially targeting sexual harassment and discrimination in the workplace, in FY2023, we continued our Respect@Work approach to embed a culture of respect and safety. Mandatory leader and employee learning modules that clearly define the expectations and obligations of our people within Australia were successfully implemented, resulting in an increase in reported cases. Respect@Work has helped to shift our culture to empower people to speak up, demonstrate practices of building psychological safety and call out unacceptable behaviour.

Based on the success, learnings and constructive feedback received from the Australian roll-out, the global Respect@Work program will be deployed in FY2024.

Reporting issues and grievances

We are committed to ensuring everyone can raise concerns freely and without fear. Concerns are dealt with swiftly, fairly and confidentially using our Speak Up service (operated by third-party provider Navex) and authorised internal and external recipients, as per our Whistleblower Policy.

In FY2023, we received 185 whistleblower reports, equivalent to 1.4 reports per 100 employees. Based on benchmarking supplied by our independent Speak Up service provider, 1.5 reports per 100 employees represents an optimal rate that is high enough to demonstrate broad employee awareness of whistleblowing processes but low enough to indicate there are not excessive issues and grievances.

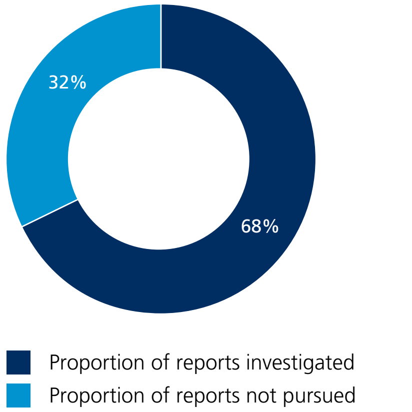
Whistleblower reports in FY2023 were primarily in relation to bullying and harassment, conflict and inappropriate behaviours. Twice a year, whistleblowing reports are provided to the Board Audit and Risk Committee.

In FY2023, 57 per cent of reports were partially or fully substantiated. Where allegations were substantiated, appropriate action was taken to remedy and prevent reoccurrence.

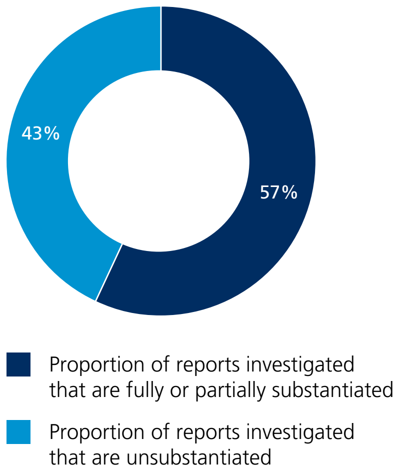
Our Whistleblower Policy

At Orica, we are committed to providing respectful workplaces and safe and secure environments free from discrimination, vilification, harassment, bullying and victimisation.

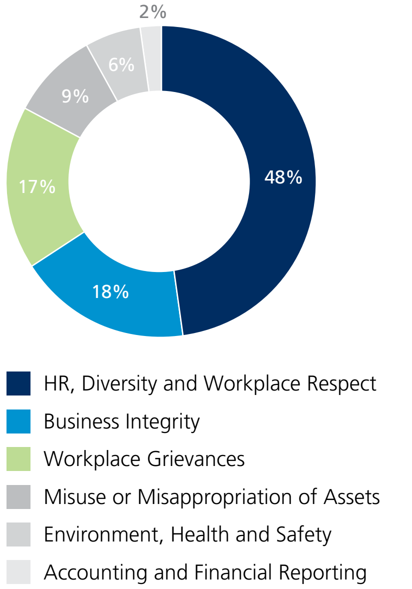
Reports investigated or not pursued



Reports by outcome



Reports by category



Ethics and compliance

In recognition of the rapidly changing ethics and compliance landscape, an independent benchmarking review was undertaken in July 2023 to assess the maturity and robustness of our Ethics and Compliance program. The review found our program is established, embedded and operating to meet expectations within recognised standards. Identified areas for improvement will be our focus areas for FY2024.

Our Code

Tax transparency

Tax transparency is a critical element of ethical business behaviour. We comply with all relevant taxation laws in a responsible manner, with all taxes properly due, accounted for and paid. A tax standard and relevant procedures are in place to ensure our tax compliance obligations are managed. Our effective tax rate before individually significant items was 30 per cent.

FY2023 Tax Transparency Report

Human rights

We are committed to respecting and upholding the human rights of our people and those who may be impacted by our operations and business activities. With the mining and metals industry facing increased scrutiny over its human rights obligations and approaches, we continue to work to meet stakeholder expectations and support the industry in raising human rights protections and processes.

Our approach to respecting human rights is guided by internationally recognised standards such as the UN Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our approach is embedded within Our Charter, Our Code, risk management approach and organisational policies.

Modern slavery

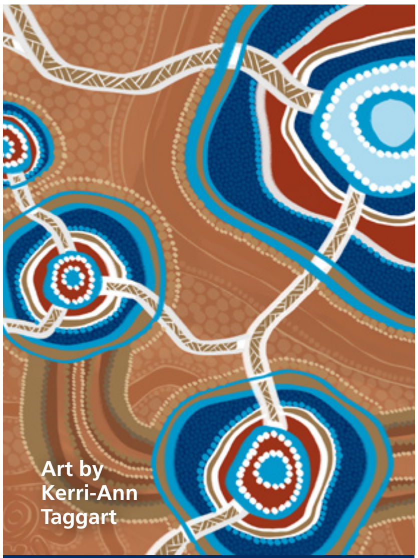
Efforts to address modern slavery require a sustained, united collaboration among various stakeholders, including governments, non-governmental organisations, and businesses. While we are actively strengthening our approach to managing modern slavery risks throughout our operations and supply chain, we are cognisant that there is still work to be done.

In FY2023, we made progress against our commitments and continued to prepare for increasing legislative requirements across Orica's global footprint. We are conscious of strengthening our due diligence across our value chain as we progress into FY2024. We have engaged a professional services firm with human rights and modern slavery experience to complement our team undertaking a modern slavery risk assessment across our operations and supply chain.

FY2023 Modern Slavery Statement

FY2024 human rights priorities

- Finalise enterprise-wide human rights risk high-level review.
- Embed modern slavery risk assessment findings and recommendations into enterprise risk management approaches.
- Renew Australian Reconciliation Action Plan.



First Nations engagement and cultural heritage protection in Australia

Following formal endorsement from Reconciliation Australia, Orica officially launched our first Reflect Reconciliation Action Plan (RAP) in Australia in late 2022.

Our vision for reconciliation is a future based on mutual respect, where we acknowledge and learn from our shared past and forge a path forward for a more hopeful future. We seek to form a genuine connection to the land and waters on which we operate by building respectful and meaningful relationships with First Nations communities who have always cared for their surrounding environments.

Read about our First Nations-related community investment work in *Community and Relationships*.

Learn more
orica.com/Sustainability/responsible-business

FINANCIAL PERFORMANCE

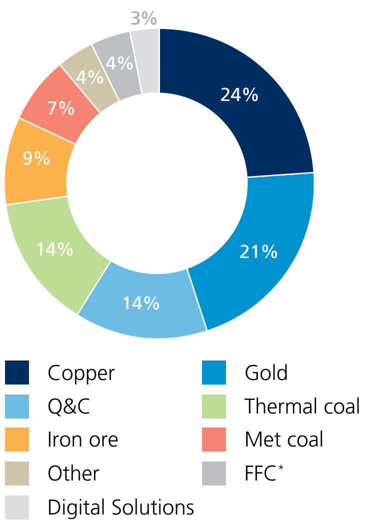
GROUP RESULTS

Footnotes that apply to financial performance are described on page 50.

Year ended 30 September	2023 A$M	2022 A$M	Change %
Sales revenue from continuing operations	**7,945.3**	7,096.4	12%
EBITDA from continuing operations[1]	**1,090.6**	949.6	15%
EBIT from continuing operations	**698.1**	**563.8**	**24%**
EBIT from Minova (discontinued operations)	**–**	14.7	(100%)
Total EBIT[2]	**698.1**	**578.5**	**21%**
Net financing costs	**(143.7)**	(100.3)	43%
Tax expense before individually significant items	**(166.2)**	(154.0)	8%
Non-controlling interests before individually significant items	**(19.2)**	(7.2)	
NPAT before individually significant items	**369.0**	**317.0**	**16%**
Individually significant items after tax attributable to Orica shareholders	**(73.3)**	(256.9)	
NPAT after individually significant items (statutory)	**295.7**	**60.1**	

Note: numbers in this report are subject to rounding and stated in Australian dollars unless otherwise noted.

Group commodity exposure



Fundamentals remain strong across commodities, driving high demand for Orica products and services in most markets.

Copper and FFCs continued to be the highest commodity exposure for Orica, reflecting continued demand. FFCs continue to present a significant opportunity and Orica is in a strong position to take advantage of this long-term trend.

Gold revenue grew in each region.

Q&C exposure increased versus the pcp, driven by infrastructure projects in the United States.

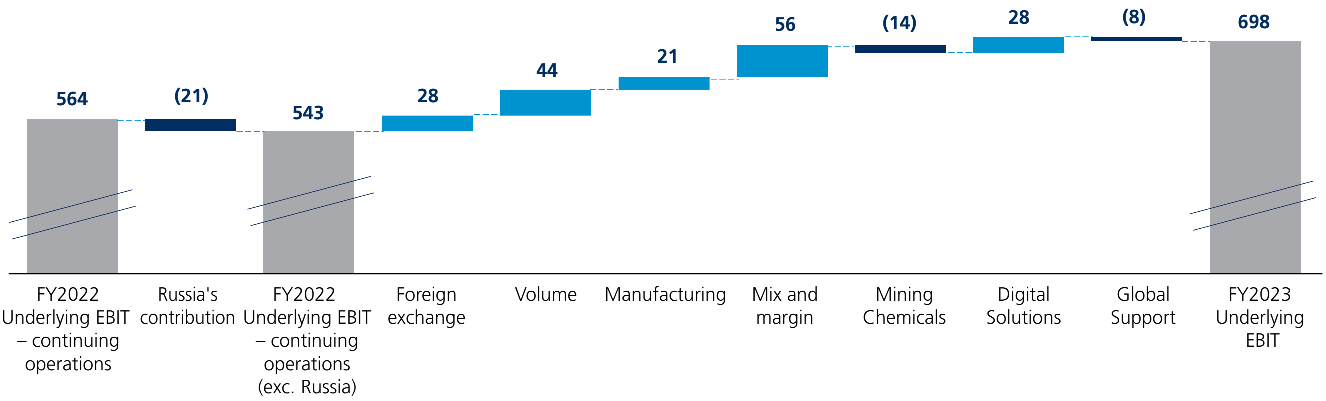
Exposure to metallurgical coal (Met Coal) grew the strongest versus the pcp due to high demand in Australia. Thermal coal exposure declined versus the pcp mostly due to the strength of other commodities.

* Future-facing commodities include nickel, lithium, lead, and zinc with increasing demand that are essential components of low-emissions energy technologies.

Financial performance

Underlying EBIT from continuing operations increased by 24 per cent on the pcp to $698 million and excluding Russia in FY2022, underlying EBIT increased by 29 per cent on the pcp. EBIT growth in FY2023 reflected growth in volumes, increased utilisation of manufacturing plants, benefits from commercial discipline in both customer and supply contracts, and increased earnings from digital technology offerings. This was offset partly in Mining Chemicals, mainly due to the planned cyanide plant turnaround.

FY2022 to FY2023 EBIT (A$M)



Russia's contribution

Following the sanctions placed on Russia in FY2022, Orica completed the exit of its operating business in Russia in September 2022. There has been no contribution from the Russia operations in FY2023.

Foreign exchange

During FY2023, the Australian dollar depreciated against key foreign currencies, resulting in a favourable impact to EBIT on translation of foreign currency denominated earnings.

Volume

Ammonium nitrate (AN) volumes, after removing Russia volumes, increased by two per cent on the pcp reflecting increased mining activity driven by strong commodity demand, and Orica's ability to provide security of supply to customers in a continuing tight supply market.

Electronic blasting systems (EBS) volumes increased by three per cent on the pcp as new contracts ramped up and customers continued the shift away from conventional detonators. EBS accounted for 25 per cent of the volume uplift contribution in EBIT.

Manufacturing

Manufacturing performance improved as a result of increased volumes at the large continuous plants. The pcp result included costs for alternate sourcing of AN during the Carseland plant turnarounds in North America, which have not been repeated in FY2023.

Mix and margin

EBIT growth across the regions was led by sustained commercial discipline and greater technology penetration.

The benefit of the high level of recontracting which occurred in the second half of FY2022 has flowed into the FY2023 results.

Digital Solutions

Customers' desire for productivity gains and efficiency improvements, as well as increasing ESG obligations, is increasing customer demand for our products and solutions.

Growth in adoption of digital technologies, the introduction of new solutions, and contribution from the newly acquired Axis Mining Technologies (Axis) business, grew earnings in the new Digital Solutions segment.

Mining Chemicals

Mining Chemicals earnings were impacted by lower production volume at Yarwun due to a turnaround and lower sales of cyanide in Latin America.

Global Support

Global Support costs increased versus the pcp primarily due to inflation and increased non-billable employment costs.

FINANCIAL PERFORMANCE

Business summary

A summary of the performance of the segments for the 2023 and 2022 financial years is presented below:

Year ended 30 September A$M	2023 External sales revenue	2023 EBITDA[1]	2023 EBIT[2]	2022 (restated[4]) External sales revenue	2022 (restated[4]) EBITDA[1]	2022 (restated[4]) EBIT[2]
Australia Pacific and Asia (APA)	**3,168.8**	**633.6**	**458.0**	2,706.5	551.0	369.6
North America	**1,744.6**	**224.2**	**149.7**	1,567.4	193.8	135.1
Latin America	**1,733.1**	**104.5**	**54.2**	1,650.3	99.7	53.6
Europe, Middle East and Africa (EMEA)*	**1,087.1**	**83.8**	**57.6**	1,025.6	77.5	46.5
Digital Solutions	**211.7**	**96.9**	**54.3**	146.6	45.2	26.7
Global Support	**–**	**(52.4)**	**(75.7)**	–	(17.6)	(67.7)
Continuing Operations	**7,945.3**	**1,090.6**	**698.1**	**7,096.4**	**949.6**	**563.8**
Minova (Discontinued Operations)				231.1	14.7	14.7
Total	**7,945.3**	**1,090.6**	**698.1**	**7,327.5**	**964.3**	**578.5**

** FY2022 figures for EMEA included Russia's contribution.*

Australia Pacific and Asia

Year ended 30 September	2023	2022 (restated[4])	Change
External sales revenue (A$M)	**3,168.8**	2,706.5	17%
EBITDA[1] (A$M)	**633.6**	551.0	15%
EBIT[2] (A$M)	**458.0**	369.6	24%
Total AN and Emulsion Volumes ('000 tonnes)	**1,840.6**	1,766.9	4%

Market conditions

Commodity prices and mining activity across the region remained robust. Demand and supply balance for AN continued to be tight. Security and flexibility of supply remained a key customer need.

Technology and premium product adoption increased as expected as miners sought to gain productivity and meet sustainability commitments.

High gold and copper prices supported increased demand. However, mining activity was impacted by wet weather on the Australian east coast in the first half while recovering in the second half. Coal activity was strong across the region, driven by China's energy consumption.

Tight labour market and high inflation in Australia and Asia put cost pressure on mining activity and supply chains.

Segment performance

EBIT increased by 24 per cent on the pcp driven by contract improvements and increase in volume due to high demand.

In the Australia and Pacific region, Orica continued to strengthen its market position across coal, metal and Q&C segments with high retention rates and new contract wins.

Growth in Asia remained strong. Commercial discipline resulted in increased earnings particularly in Indonesia.

Technology penetration continued to increase. Successful trials of 4D™ across multiple sites were converted to commercial contracts in Australia and Indonesia. WebGen™ experienced significant growth in Asia.

In manufacturing, turnarounds were completed safely and on budget at Yarwun, Kooragang Island, Bontang and Burrup. Tertiary catalyst abatement was successfully installed at KI's three nitric acid plants, and new improved secondary catalyst was introduced at Bontang and Yarwun.

There was a controlled shutdown at the Burrup plant in the first half following an operational incident at an ancillary facility. A temporary solution was put in place, allowing Burrup to resume production. One of Orica's strongest competitive advantages is its strong and flexible global supply network; so there has been no impact on customer supply.

North America

Year ended 30 September	2023	2022 (restated[4])	Change
External sales revenue (A$M)	**1,744.6**	1,567.4	11%
EBITDA[1] (A$M)	**224.2**	193.8	16%
EBIT[2] (A$M)	**149.7**	135.1	11%
Total AN and Emulsion Volumes ('000 tonnes)	**1,130.8**	1,105.7	2%

Market conditions

While market fundamentals for most commodities in the region remained robust, activity in the United States and Canada was impacted by extreme cold weather, forest fires and a hurricane impacting Eastern Canada in late December. Mining activity in Mexico was impacted by prolonged industrial action late in the financial year.

Rising inflation and interest rates impacted customers' operational costs and limited project investment in parts of the United States.

US domestic gas pricing normalised in the second half, resulting in demand from thermal coal customers returning to normalised levels.

Q&C activity remained robust in the United States, supported by significant government infrastructure investment.

The extreme cold weather in parts of the United States and Canada also constrained logistics networks and impacted rail availability. Ongoing challenges in the labour market also limited some project investment and further industry growth.

Segment performance

North America delivered a resilient earnings performance despite external challenges caused by extreme weather in the United States and Canada, and prolonged industrial action impacting supply in Mexico.

EBIT increased by 11 per cent year on the pcp. Improved quality of earnings was driven by ongoing strong EBS conversion, technology earnings growth, commercial discipline and cost management initiatives together with favourable contribution from foreign exchange rates. This was partly offset by increased freight costs due to extreme weather and prolonged industrial action in Mexico. Depreciation increased versus the pcp following the Carseland plant turnarounds in 2022.

The region progressed with the strategic transitioning of its commodity base, with strong revenue growth in the metals and Q&C segments in FY2023.

Strong technology growth was supported by conversion to WebGen™ 200, accelerated EBS conversion and increased demand for nitrate-reducing products Fortis™ Protect, Centra™ Protect and Centra™ Gold HV.

The Carseland AN manufacturing plant continues to perform well following the turnaround completed in 2022. Tertiary catalyst abatement technology continues to reduce emissions in line with expectations.

Latin America

Year ended 30 September	2023	2022 (restated[4])	Change
External sales revenue (A$M)	**1,733.1**	1,650.3	5%
EBITDA[1] (A$M)	**104.5**	99.7	5%
EBIT[2] (A$M)	**54.2**	53.6	1%
Total AN and Emulsion Volumes ('000 tonnes)	**924.2**	973.2	(5%)

Market conditions

Mining and exploration activity in the region was strong across the region, particularly in Southern Peru. Local community issues and individual union disputes were less severe than in previous years, although there were some logistics interruptions in Chile and Peru.

AN supply chain interruption, due to the ongoing Russia-Ukraine conflict, continued in FY2023. Continued uncertainty over the availability and price of AN and the current restrictions on Panama Canal capacity added an extra level of complexity.

Demand continued to grow for technology and premium products in Orica's established markets, with more miners looking for solutions to enhance productivity and maintain their licence to operate.

Segment performance

Underlying EBIT performance was driven by commercial discipline and technology penetration.

Volume was lower due to mine closures and mine operational issues.

Security of supply remained Orica's competitive advantage in the region.

Orica was able to leverage its global make-and-buy network to ensure supply continuity to customers albeit at higher costs.

Technology adoption and demand for premium products continued to grow within the region, including increased commercial adoption of WebGen™ 200 in FY2023.

Global manufacturing optimisation activity continues in the region. The Lurin EBS manufacturing capacity and assembly expansion is on track to be the major supplier for Orica's mining customers in the Americas.

FINANCIAL PERFORMANCE

Europe, Middle East and Africa

Year ended 30 September	2023	2022 (restated[4])	Change
External sales revenue (A$M)	**1,087.1**	1,025.6	6%
EBITDA[1] (A$M)	**83.8**	77.5	8%
EBIT[2] (A$M)	**57.6**	46.5	24%
Total AN and Emulsion Volumes ('000 tonnes)	**336.5**	414.9	(19%)

Market conditions

Mining activity in Europe and Central Asia remained stable with a continued focus on ESG obligations and commitments. In the Middle East, growth opportunities continued with Saudi Arabia investing heavily in infrastructure development projects and strongly incentivising mining investments in gold and copper. Robust commodity prices drove strong mining activity for gold, copper and other future-facing commodities across Africa.

The weak economic outlook and high inflation in Northern Europe continued to impact Q&C activity. Rising costs caused project delays and a reduction in construction activity in the Nordic region.

Segment performance

EBIT improved by 24 per cent compared to the pcp despite the loss of volume and earnings from Russia. Excluding Russia from FY2022, EBIT was up 124 per cent on the pcp. The improvement was driven by strong growth and margin improvements in Africa, Southern Europe, Middle East and Central Asia, together with favourable foreign exchange movements.

Initiating System volumes and AN volumes were down versus the pcp due to Orica's exit from Russia operations. Excluding Russia, volumes were up 14 per cent on the pcp.

Revenue from gold, copper and other FFC customers increased as Orica's exposure to Africa grew.

Q&C activity was impacted by project delays due to macroeconomic conditions in the Nordic region.

Technology adoption continued to progress. Earnings from new technology increased versus the pcp, driven by sales of Cyclo™ and WebGen™ 200. Orica launched the Exel™ Neo, the world's first lead-free detonator range, further helping customers with their ESG commitments.

Digital Solutions

In line with Orica's strategy to grow the Digital Solutions vertical, a new reporting segment was created at the start of the 2023 financial year, comprising three categories; Orebody Intelligence (Axis Mining Technology, HIG and RIG), Blast Design and Execution solutions (BDE), and GroundProbe (previously reported within the Monitor segment).

Year ended 30 September	2023	2022 (restated[4])	Change
External sales revenue (A$M)	**211.7**	146.6	44%
EBITDA[1] (A$M)	**96.9**	45.2	114%
EBIT[2] (A$M)	**54.3**	26.7	103%

Market conditions

Demand for software, sensors and data science continues to increase as orebodies are increasingly becoming harder to find and extract against a backdrop of high commodity prices, and as ESG obligations and commitments increase.

Strong demand also continued for both discrete and integrated end-to-end workflows as customers seek operational efficiency across the mining value chain.

Customers are also seeking ways to unlock the value of digitisation and automated workflows.

Segment performance

The strong EBIT performance compared to the pcp was due to revenue growth across all three sub-verticals, margin improvements, and the contribution of Axis.

Substantial growth from strong demand was evident across all regions and commodities.

Customer retention was strong with contribution to segment revenue from recurring contracts such as product leasing, software as a service, monitoring services, and care plans supporting the resilience of earnings. The annual revenue from recurring contracts remained stable, within the targeted range of 60 to 70 per cent of segment revenue.

Orica completed the acquisition of Axis Mining Technology in October 2022. The integration has progressed to plan with Orica's ownership opening new international markets for the business. Axis expanded to new markets in Canada, Africa, and the USA in the second half.

Digital Solutions continued to innovate and build integrated workflows. Fifteen new features were released this financial year, with an increasing focus on Artificial Intelligence applications across the portfolio.

Global Support

Year ended 30 September	2023	2022 (restated[4])	Change
EBIT[2] (A$M)	**(75.7)**	(67.7)	12%

Global Support costs increased versus the pcp primarily due to inflation and increased non-billable employment costs. The provision against a specific doubtful debtor raised in the first half of FY2023 was reversed in the second half.

Net financing costs

Net financing costs of $143.7 million was $43.4 million higher than the pcp. Net interest expense excluding lease interests was $126.6 million, $23.7 million higher than the pcp, primarily as a result of higher interest rates. Unwinding of discount on provisions moved by $16.0 million compared to the pcp, mainly due to an increase in the discount rate applied to remeasure long-term provisions in the pcp.

Year ended 30 September	2023	2022 A$M	Variance A$M
Net interest expense excluding lease interest	**(126.6)**	(102.9)	(23.7)
Lease interest	**(15.5)**	(11.8)	(3.7)
Unwinding of discount on provisions	**(1.6)**	14.4	(16.0)
Net financing costs	**(143.7)**	**(100.3)**	**(43.4)**

Tax expense

The effective tax rate before individually significant items of 30.0 per cent is lower than pcp of 32.2 per cent due to increased profits in jurisdictions where the statutory tax rate is lower than 30.0 per cent.

Individually significant items

Year ended 30 September 2023	Gross A$M	Tax A$M	Net A$M
Loss on sale of Türkiye businesses	**(73.5)**	0.8	(72.7)
Loss on exit of Venezuela business	**(71.1)**	33.6	(37.5)
Axis Group acquisition earnout	**(26.6)**	–	(26.6)
Individually significant items	**(171.2)**	**34.4**	**(136.8)**
Non-controlling interests in individually significant items	**80.4**	(16.9)	63.5
Individually significant items attributable to shareholders of Orica	**(90.8)**	**17.5**	**(73.3)**

Sale of Türkiye businesses

In November 2022, Orica completed the sale of the Türkiye businesses for proceeds of US$12.75 million ($19.0 million). Upon completion, as required by Australian Accounting Standards, the associated debit foreign currency translation reserve (FCTR) balance of $92.5 million (of which $45.1 million is attributable to non-controlling interests) was recognised in the income statement. The net impact attributable to shareholders of Orica, of $27.6 million after tax, has been recognised as an individually significant item.

Exit of Venezuela operations

On 29 September 2023, Orica entered an agreement to exit Venezuela. As required by Australian Accounting Standards, the foreign currency translation reserve was released to the income statement. This resulted in a gross loss of $37.5 million after tax ($33.6 million was booked as credit to tax expense), of which $18.4 million is attributable to non-controlling interests. The net impact attributable to shareholders of Orica, of $19.1 million after tax, has been recognised as an individually significant item.

Axis Group acquisition earnout

In October 2022, Orica finalised its acquisition of Axis Mining Technology. The purchase price comprised $255.8 million paid on completion plus potential earnout payments of up to $90.0 million based on the achievement of cumulative EBITDA generated from 1 October 2022 to 31 December 2024 and contingent on certain key management remaining employed by Orica during the earnout period. The earnout is payable in early 2025. $26.6 million has been recognised as an individually significant item for FY2023 in relation to the earnout.

FINANCIAL PERFORMANCE

Cash flow

Year ended 30 September	2023 A$M	2022 A$M	Variance A$M
Net operating cash flows	**898.7**	362.3	536.4
Net investing cash flows	**(664.7)**	(229.2)	(435.5)
Net operating and investing cash flows	**234.0**	**133.1**	**100.9**
Dividends – Orica Limited	**(140.9)**	(90.6)	(50.3)
Dividends – non-controlling interest shareholders	**(7.2)**	(7.0)	(0.2)
Other net financing cash flows[5]	**(202.8)**	613.1	(815.9)
Net cash flows from financing activities	**(350.9)**	**515.5**	**(866.4)**
Net cash inflow/(outflow)[6]	**(116.9)**	**648.6**	**(765.5)**

Net operating cash flows

Net cash generated from operating activities of $898.7 million reflects higher earnings as well as cash inflows from lower working capital balances at year end, partly offset by higher income taxes paid associated with the higher earnings, and the impacts of higher interest rates on financing costs.

Net investing cash flows

Net investing cash outflows were higher than the pcp predominantly due to the consideration paid for the acquisition of Axis, and proceeds received from the sale of the Minova business in the prior period. Increased capital expenditure in FY2023 of $439 million (pcp of $349 million) reflects the successful delivery of planned turnarounds, further investment in customer-facing assets at both existing and new customers' sites, the continued optimisation of the discrete manufacturing network, and strategic growth in the Digital Solutions segment. A deposit was received during the year in respect of the planned sale of stage one of the Deer Park non-operational industrial land. The finalisation of the sale is subject to completion requirements.

Net financing cash flows

Other net financing cashflows include $116.0 million of net repayment on debt facilities and $73.3 million of lease payments. The prior year cash inflows include net proceeds of $681.7 million from an equity raise.

Balance sheet

Orica's capital management framework is based on three key objectives:

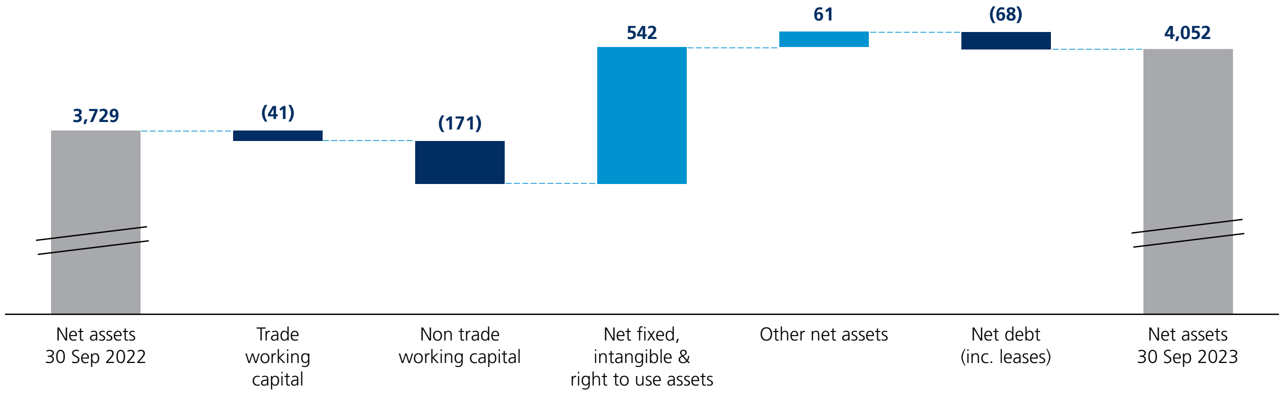
- maintaining an investment grade credit rating
- preserving the flexibility to facilitate future investment alternatives and to respond to changes in the external operating environment
- maximising returns to shareholders.

As part of ongoing management of Orica's debt structure and debt maturity profile, during the year $656.0 million of US Private Placement debt was repaid, and $526.0 million of longer dated debt was issued into the US Private Placement bond market. The average tenor of drawn debt at 30 September 2023 was 5.9 years (September 2022: 4.3 years).

S&P Global Ratings reaffirmed Orica's investment grade credit rating of BBB stable during the year.

The strengthened balance sheet continues to provide resilience in a volatile external environment, supports progress against Orica's strategic priorities and is delivering increased distributions to shareholders.

Movement in net assets (A$M)



Trade working capital[7] reduced by $41 million on the pcp and was $201 million lower than from first half of 2023. Lower ammonia prices resulted in both reduced input costs to inventory and lower debtors towards the end of the year, partly offset by impacts of foreign exchange rates on balances and the inclusion of trade working capital relating to Axis.

Non trade working capital[8] net liability increased by $171 million. The main drivers in the movement include the refundable deposit received in relation to the planned sale of stage one of the Deer Park non-operational industrial land ($50 million), deferred consideration in relation to the Axis Mining Technology earnout of $27 million, increase in employee-related accruals of $30 million, and timing of non-trade payables.

Net fixed, intangible and right of use assets increased by $542 million this period. The increase was due to asset additions of $574 million, assets recognised as a result of the Axis Mining Technology acquisition of $279 million and foreign exchange translation of $62 million, which was partly offset by depreciation and amortisation expense of $393 million.

Other net assets increased by $61 million driven by the purchase and revaluation of an equity interest in Alpha HPA of $35 million and an increase in net tax assets of $20 million driven by business growth.

Net debt (incl. leases) liability was $68 million higher than the pcp due to cash outflows for the acquisition of Axis Mining Technology of $256 million, capital expenditure of $439 million, dividends paid of $141 million and lease payments of $73 million partially offset by the net cash flow generated from operating activities across the year of $899 million.

Debt management and liquidity

As at	30 September 2023	30 September 2022	Variance
Interest bearing liabilities – excluding lease liabilities	**2,075.4**	2,167.5	(92.1)
Less: Cash and cash equivalents	**(1,152.1)**	(1,255.3)	(103.2)
Net debt[9]	**923.3**	912.2	11.1
Lease liabilities	**296.8**	239.5	57.3
Net debt – including lease liabilities	**1,220.1**	1,151.7	68.4
Gearing % – excluding Lease liabilities[10]	**18.6%**	19.7%	(1.1%)

Interest-bearing liabilities of $2,075 million comprise $2,050 million of US Private Placement bonds and $25 million of committed and other bank facilities.

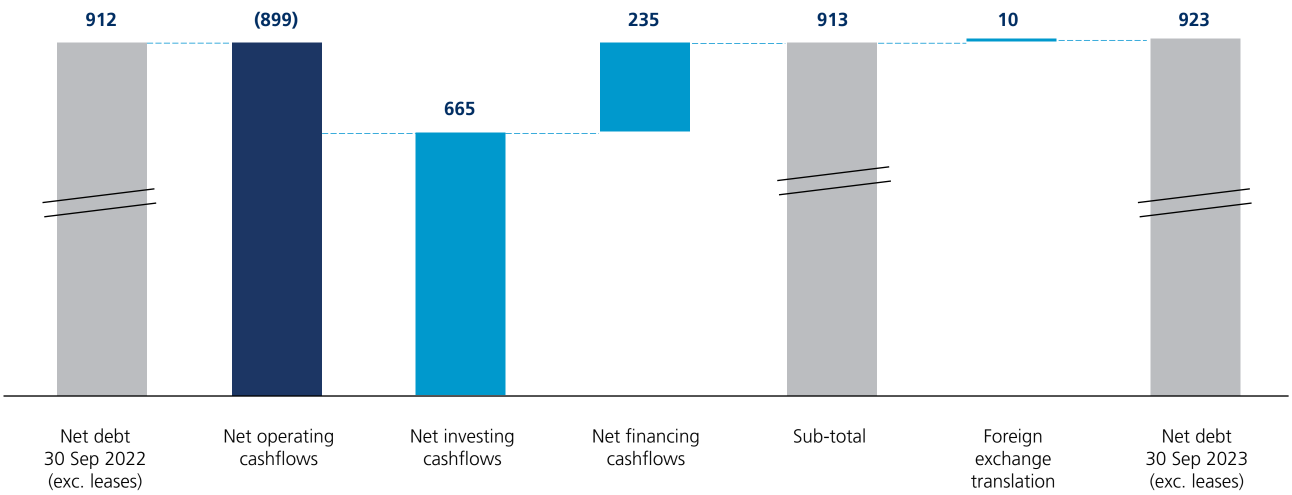
Cash of $1,152 million provides for a strong liquidity position, complemented by undrawn committed bank facilities of $1,467 million.

Gearing excluding lease liabilities at 18.6 per cent is below the Group's target range of 30 to 40 per cent and is below the 57.5 per cent covenant default measure. The interest cover ratio at 5.4x is well above the minimum 2x covenant requirement.

FINANCIAL PERFORMANCE

The chart below illustrates the movement in net debt from 30 September 2022.

Movement in net debt (A$M)



Outlook

FY2024

- 2024 financial year EBIT from continuing operations is expected to increase on the pcp attributable to:
  - > Strong demand for our products and services from continued anticipated growth in global commodities
  - > Increased adoption of blasting and digital technology offerings
  - > Further benefits from commercial discipline
  - > Offset partly by the major, six-yearly ammonia plant turnaround and prill tower scrubber installation at Kooragang Island
  - > Inflationary pressures, higher energy costs and increasing geopolitical risks will remain an ongoing challenge.
- Earnings will be more skewed to the second half compared with FY2023 due to the heavy planned turnaround schedule in the first half and normal seasonality.
- Capital expenditure expected to be within the range of $410 million to $430 million, driven by the turnaround schedule as mentioned above; depreciation and amortisation to be slightly higher than the pcp.
- Net finance costs expected to be in line with FY2023, subject to interest rate movements.
- Effective tax rate to be around 30 per cent.
- Continued disciplined approach to growth opportunities.

Looking forward

The outlook for the next three years is expected to deliver three-year average RONA in the range of 12.0 to 14.0[11] per cent (previous range: 10.5 to 13.0[12] per cent).

1. EBIT before individually significant items and depreciation and amortisation expense.
2. Equivalent to profit/(loss) before financing costs and income tax as disclosed in Note 1(b) within the financial statements.
3. Equivalent to profit after income tax expense before individually significant items attributable to shareholders of Orica Limited, as disclosed in Note 1(b) within the financial statements.
4. Restated for change of segment reporting. Effective 1 October 2022, Orica made changes to its segment reporting to provide transparency of the growing Digital Solutions vertical, in line with Orica's refreshed strategy. Refer Note 1(a) within the financial statements.
5. Equivalent to net cash flows from financing activities (as disclosed in the Statement of Cash Flows within the financial statements) excluding dividends paid to Orica ordinary shareholders and non-controlling interests.
6. Equivalent to net increase/(decrease) in cash held, as disclosed in the Statement of Cash Flows within the financial statements.
7. Comprises inventories, trade receivables and trade payables, as disclosed in the Balance Sheet within the financial statements.
8. Comprises other receivables, other payables, and provisions, as disclosed in the Balance Sheet within the financial statements.
9. Interest-bearing liabilities – excluding lease liabilities less cash and cash equivalents.
10. Net debt/(net debt + total equity), where net debt excludes lease liabilities.
11. FY2024 – FY2026 3-year average RONA.
12. FY2023 – FY2025 3-year average RONA.


ORICA

CUSTOMERS, TECHNOLOGY AND INNOVATION

We are focused on developing solutions to our customers' current and emerging challenges. We manufacture and supply products and services that enhance safety, productivity, recovery and sustainability across the mining value chain.

47 Net Promotor Score (NPS)

up seven per cent from FY2022

730+ Customers engaged

6,000 WebGen™ blasts globally

1st shot Avatel™ fired

in May 2023 at Newcrest Cadia Valley Operations, Australia

4D™

New range

New range of 4D™ bulk systems for the underground market unveiled in March 2023

AFR No.1

Innovative Large Company

Orica recognised as the 'Most Innovative Large Company' taking out the number one spot under the Agriculture, Mining and Utilities category for Avatel™ in the 2023 Australian Financial Review (AFR) Most Innovative Companies List.

Supporting our customers

We know our customers share our commitment to safety and sustainability and that meeting these commitments are essential components of maintaining a social licence to operate. Simultaneously, our customers are facing increasing challenges related to productivity and recovery as commodity demands shift and the need to access more remote and deeper ore deposits increases.

By developing strategic and enduring partnerships with our customers we foster a deeper understanding of their needs and ensure our suite of products and services are fit for purpose. We work together with our customers and the industry, because we believe the best outcomes are achieved through genuine teamwork, trusting partnership and meaningful collaboration. Our technology roadmap guides our research and development process and maintains our focus on finding innovative solutions to our customers' emerging challenges and needs.

Our Voice of Customer (VoC) program independently and consistently captures customer feedback across our operations, with over 730 customers providing insights in FY2023. The primary metric used to measure customer loyalty and satisfaction is our Net Promoter Score (NPS), which was 47 in FY2023, up seven per cent from FY2022.

We have a clearer sense of customer sentiment that provides the focus for specific action plans which improve the experience. Customers value our focus on service, ease of doing business and reliability of supply. They also value our ability to establish strong relationships to deliver value in new advanced technologies that increase safety, productivity, recovery and sustainability in a complex operating environment.

In FY2023, we targeted a further increase in our VoC response rate in regions, markets and enterprise accounts with opportunities identified for greater and faster supply and proactive engagement and solutions, which has had a positive impact on customer sentiment. All regions provided input into the effectiveness of our VoC program to ensure it is fit for purpose for our teams and customers. By understanding our customers' challenges and sharing their goals and aspirations, we deliver better outcomes for them every day and use this insight to create new technologies that will deliver increasing value for them in the future.

Read more in *Lower-carbon customer solutions*

Social responsibility solutions provided by WebGen™ in surface mines

Technological advancements are continually reshaping the mining landscape, propelling the industry toward more efficient, safer and socially responsible practices. Our WebGen™ products are not only transforming mining methods for underground and surface blasting, but also addressing the critical aspects of blasting close to communities.

WebGen™ wireless initiation reduces the complexity of mining when blasting in sensitive areas or close to communities through dust and flyrock suppression, reduction of lightning risk, and optimising the output while reducing the number of times customers have blasting events.

The wireless initiation makes covering a blast much faster, easier, and safer. Due to the absence of wires and signal tubes on the surface, machines can safely drive over loaded blastholes to dump fill material and place mats with reduced risk of causing unplanned initiation or misfire. WebGen™ allows a blast to be fired at short notice, because there is no need to connect wiring across blastholes and run out firing cables. By using WebGen™ it is easy to change the blasting plan to suit the wind conditions.

Learn more
orica.com/wireless

Exel™ Neo – the world's first lead-free non-electric detonator range

At Orica, product stewardship extends to designing products to meet compliance and in ways that reduce negative environmental, human health and safety impacts. This year we launched Exel™ Neo. The Neo range of non-electric detonators is produced using a safer and lead-free formulation in Gyttorp, Sweden, close to Orica's customer base in Europe. There are no lead or lead compounds used in the manufacturing process of the pyrotechnic delay compositions and lead is now eliminated from release into the natural environment.

The newly launched Exel™ Neo range is designed for use in civil infrastructure, and surface and underground mining operations. The lead-free alternative can burn with the same accuracy as our current lead-based delay compositions, as confirmed through independent tests on timing accuracy and scatter patterns.

Learn more
orica.com/exelneo

CUSTOMERS, TECHNOLOGY AND INNOVATION

Technology and innovation

We respond to the changing needs of our industry and customers, and focus on delivering technologies and solutions to remove people from harm's way, drive productivity, maximise recovery and reduce the overall footprint of mining and infrastructure operations.

Our technology roadmap

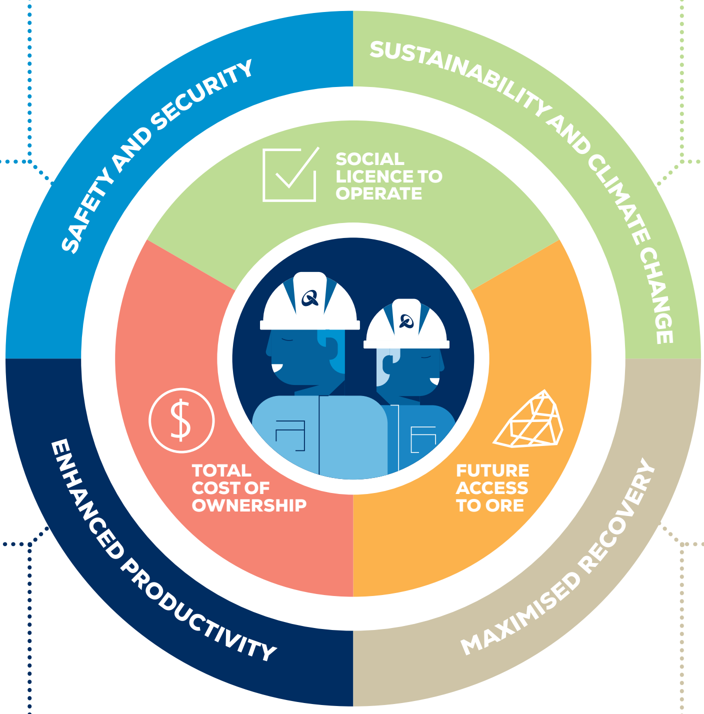
We aim to reduce, or completely remove safety risks for our customers and reduce the need for human intervention in mining and infrastructure.

Globally, social and environmental performance for mining (and mineral processing) is under increasing scrutiny, driving the push to reduce the impacts of operations, especially where operations are encroaching communities.

We are harnessing our technology to help enable improved social and environment outcomes.

The ever-present push for productivity and efficiency improvement is being magnified as customers face increases to total cost of ownership.

The exhaustion of readily accessible resources is driving deeper operations and the necessity to move significant amounts of earth while keeping dilution economically viable. As operations go deeper, some sites will only be mineable with zero-entry operations.



With blasting at the core of our business model, our new technologies and solutions are enabling industry to think and mine differently, and operate more efficiently, precisely and responsibly.

We focus on precision across the value chain to help achieve better recovery rates and reduce energy usage for our customers.

Orica has deep domain expertise in blasting in mining and infrastructure, spanning nearly 150 years across more than 100 countries. Our blasting solutions are automated, digitised and connected, providing actionable data and insights for our customers to improve downstream benefits. We are continually improving our core physical blasting products and services, including advancements in our blast design, wireless initiating systems and explosives offerings in FY2023. Beyond blasting, we are expanding our digital and automated solutions to create integrated workflows, allowing our customers to optimise their entire operations.

We are investing in and building the next generation of digital technologies and solutions. Over the past five years, the development of digital solutions has brought further focus to developing capabilities across the mining, infrastructure sectors and other extractive industries. As a result, we have accelerated the development of powerful digital solutions from exploration to processing, to meet our customers' most critical and emerging challenges. The rapidly expanding Orica Digital Solutions segment offers a flexible suite of digital solutions that can be deployed separately or across the value chain, depending on customers' needs and the existing digital ecosystem.

Partnering for progress

Driven by our purpose to sustainably mobilise the earth's resources, our extensive network of scientists, engineers and technology experts work together with our customers, industry and world-leading academia to solve shared challenges. Our team of experts continues to grow, with specialists at every stage of the mining value chain. This includes geophysicists to better understand the ore, engineers to enhance our drill and blasting, geotechnical specialists focused on stope stability, metallurgists and mineral experts to solve processing challenges, and developers and data scientists to progress our approach to digitisation and automation.

We invest in research and new technologies, from the early stages of innovation through to product development and commercialisation, with our dedicated technology centres in Australia, United States, Canada, Sweden, Germany, United Kingdom and Chile.

We also collaborate with many world-leading research bodies and industry partners, incorporating their specific expertise to create practical solutions for our customers. These include universities, national laboratories, suppliers and independent inventors.

AI at Orica

Our Digital Solutions team is building sophisticated AI and machine learning solutions to enhance the service offering to our customers across the value chain. The commercialisation of large language models and generative AI is providing the opportunity to improve productivity for many people across Orica. We have been accepted into the early adopter program for Microsoft Co-Pilot, which embeds the power of Generative AI into the Microsoft Office 365 suite to improve day-to-day productivity while protecting Orica's data through inbuilt engineered security controls.

In FY2023, we commenced activities to implement an enterprise-wide AI Community of Practice. This body will be responsible for governing the introduction and operation of AI, defining procedures, standards and principles for the continued responsible use of such solutions and ensuring compliance with Orica's risk appetite, evolving regulatory frameworks and expectations to operate under a social licence.

FY2024 digital priorities

- Develop training to support our people to responsibly use technology and AI.
- Accelerate the adoption of digital solutions to deliver safer, more productive and sustainable outputs across the value chain.
- Leverage customer opportunities from ESG obligations and FFC exploration.
- Integrate and optimise recently acquired technologies associated with acquired orebody intelligence businesses including HIG, RIG Technologies International, RHINO™ and Axis Mining Technology.

FY2024 blasting priorities

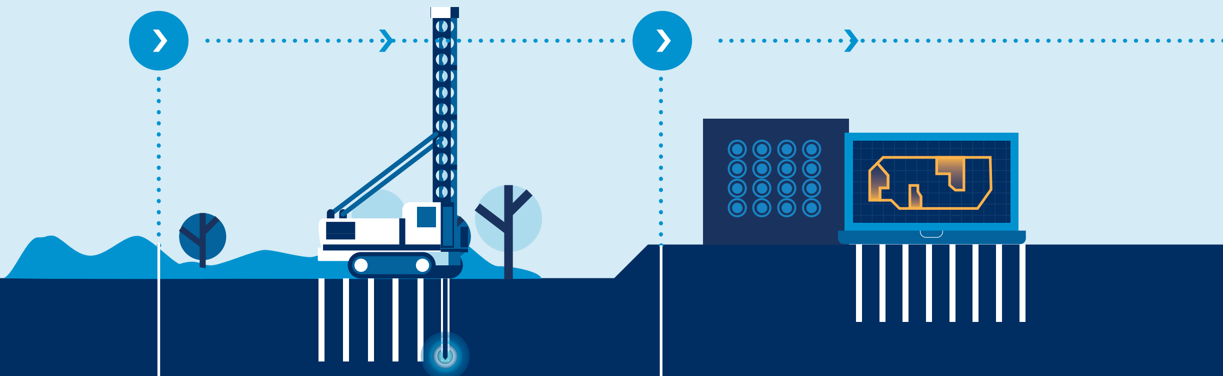
- Support the continued expansion of WebGen™ 200 across all regions with a particular focus on the surface market following the successful release of the WebGen™ 200 Surface variant in 2023.
- Growth in commercial sales of 4D™ Surface Coal bulk systems across the East Coast Australian market and entry of 4D™ Surface and Underground bulk delivery systems in the metalliferous markets in LATAM, NA and Asia.
- Successfully transition to full commercial sales of Avatel™, the world's first fully mechanised development charging system, at our foundation customer in Australia.
- Scale up the implementation of Cyclo™, our recycled mine oil system for bulk explosives manufacturing, into LATAM and Asia.

Learn more
orica.com/products---services

Our blasting solutions are automated, digitised and connected, providing actionable data and insights for our customers to improve downstream benefits.

CUSTOMERS, TECHNOLOGY AND INNOVATION

FY2023 new technology introductions across the entire value chain.



Customer value propositions

- Safety and security
- Sustainability and climate change
- Enhanced productivity
- Maximised recovery

OREBODY INTELLIGENCE

RHINO™

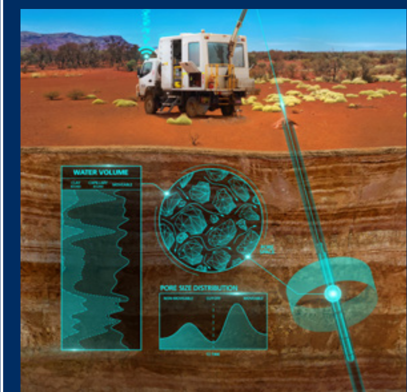
AXIS Mining Technology

DRILLMax™ (RIG and HIG)

DRILLHub™ (RIG and HIG)

WIREBmr™ (RIG and HIG)

WIREBmr™ is a downhole geophysics tool that measures the water in a subsurface environment safely, efficiently, and accurately.



BLASTING

OREPro™ 3D Predict

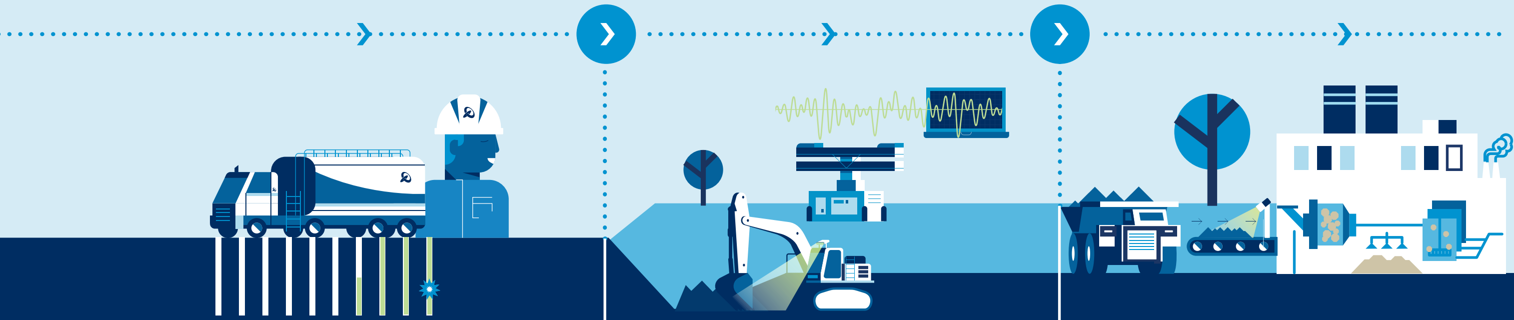
BLASTIQ™ QUARRY **BLASTIQ Insights**

Avatel™

4D™ Surface and Underground

Subtek™ Vulcan™

Fortis Protect



WebGen 200 Pro (Underground) WebGen 200 Pro (Surface)

Exel Neo

Cyclo™

ORBS

Optex®

龙拓 DragonDet

MEASURE AND MONITOR

FRAGTrack™ Gantry

FRAGTrack™ Front End Loader (FEL)

FRAGTrack™ Lens Cleaner

GroundProbe® BlastVision®

FRAGTrack™ gantry, real-time oversized material detection.

MINE SIMULATION AND OPTIMISATION

IES Integrated Extraction Simulator ModelNet

Design for Outcome Post Drill Classification V1

Integrated Extraction Simulator (IES), a powerful whole-of-mine optimisation simulator.

PEOPLE AND CAPABILITIES

We are committed to fostering a culture of respect and belonging, enabling our people to unlock their full potential and shape our shared vision of the future. We continue to identify areas of improvement through feedback from employee engagement and roll out training and leadership programs to grow the skills and expertise of our people.

12.5k+ Global employees

45+ Countries with Orica employee presence

34.8% Women in senior leadership target progress[1] (against goal of 35 per cent by end of FY2024)

Launched global
Diversity, Equity and Inclusion Strategy

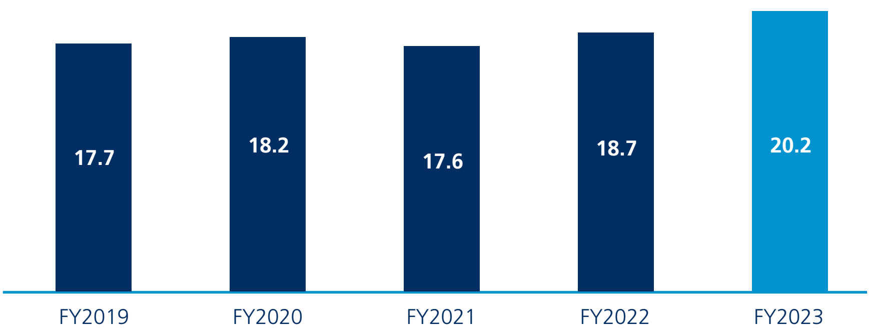
Deployed global recognition program
bravO

Established an
Ambassador Program
supporting talent attraction and retention

87%
Inclusion Index

An Inclusion Index is a metric used to assess the level of inclusion felt by people within an organisation. At Orica, we measure our people's sense of opportunity, belonging and impartiality.

Representation of women in our workforce (%)



1. The percentage of positions within Band D (Senior Manager) level and above (i.e., CEO 2 (Band D+)) held by women.

In FY2023, we focused on strengthening the capabilities of our diverse workforce, promoting safety and wellbeing, and embedding talent attraction and retention initiatives.

In a post-COVID-19 era, trends across employee experience increasingly show that agility is essential to meet the pace of technological change and workplace evolution. Employees have different expectations of their work environment, and by adapting to these evolving expectations, Orica will continue to be an employer of choice. This supports the realisation of our business strategy. Employee attrition in a tight candidate market further emphasises the importance of Orica prioritising internal mobility and mature talent management practices to retain talent and encourage our people to grow with Orica.

Listening and engaging with our people

'Our Say' pulse survey

In FY2023, two global culture and engagement pulse surveys, 'Our Say', were deployed across the organisation. Both recorded a healthy participation rate of at least 50 per cent from selected populations. The pulse survey themes – career development, leadership, strategy, inclusion and reward and recognition – were directly aligned to global action areas identified through a global employee survey held in FY2022.

Results demonstrated:

- Orica's leadership results were significantly above external mining global benchmarks. In particular, manager care for employee wellbeing was seen as a strength (86 per cent).[2]
- Employees have a strong understanding of how their performance contributes to Orica's refreshed strategy with a score of 81 per cent.
- Orica's Inclusion Index was 87 per cent, significantly outperforming global high-performance, manufacturing and mining norms and increased from historical results.
- The response to changes in reward and recognition demonstrated the biggest improvement from previous employee listening surveys.

Although overall results from the survey are encouraging, the feedback received illustrates opportunities for continued improvement in specific areas.

This demonstrates the importance of continuing to make progress across:

- strengthening leadership capability
- maturing talent development
- continued commitment to diversity, equity and inclusion
- continued adoption and engagement of reward and recognition.

Sustained momentum across global and local actions is critical to a positive employee experience. Employee feedback will continue to be sought in FY2024 through various channels, with key actions identified and used to measure progress as part of our broader employee listening strategy.

bravO, Orica's global recognition platform

Ongoing feedback from our employees has shaped our global program for recognising our people's work. In FY2023, we launched our enterprise-wide recognition platform, bravO. Along with localised employee engagement programs and action plans, bravO encourages peer and leader recognition and appreciation.

In May 2023, bravO was deployed to all Orica employees across more than 45 countries. It is available in 10 languages to better enable employees to connect, collaborate and recognise each other. In line with our values, peers and leaders are encouraged to share their appreciation for each other and celebrate their contributions across the moments that matter. Since its launch, over 50 per cent of our employees have engaged with bravO, with more than 11,000 recognitions shared. bravO will continue to be embedded across Orica in FY2024 as a critical enabler of a culture of recognition.

Shaping Orica's Diversity, Equity and Inclusion Strategy

Our Diversity, Equity and Inclusion Strategy is integral to strengthening Orica's position as an attractive employer for diverse people in an increasingly competitive talent market. The Diversity, Equity and Inclusion Strategy has been shaped by our people for our people and grounded by Our Charter values, with a particular focus on Safety and Respect. Workplace culture, inclusivity and feeling valued are high priorities for our diverse and global workforce.

Orica as the home of the future shaper

Orica's activated Employee Value Proposition provides a point of differentiation in the external talent market. Our approach to recruitment and retention focuses on experience, employee advocacy and enhanced employer branding. We have established a new careers website, our global Ambassador Program and advocacy program, and implemented a learning pathway to build our capability to attract and retain talent. By generating momentum, we are driving local activation throughout the employee lifecycle, and ultimately strengthening our position as an employer of choice globally.

Learn more
orica.com/sustainability/people-and-capabilities

Through a structured approach, our Diversity, Equity and Inclusion Strategy seeks to foster leader accountability and alignment across Orica, with a focused three-year plan to:

1. **Build an attractive talent brand:** Improve and embed the systems, processes, tools and resources needed to be an employer of choice.
2. **Create an inclusive culture:** Understand the value and connection between employee experience and belonging, and put these learnings to practice.
3. **Increase leadership accountability:** Build trust through improved governance and demonstrated leadership behaviours. Good progress has been made in building foundational diversity, equity and inclusion requirements. The importance of workplace culture, inclusivity and feeling valued is a high priority for our diverse and global workforce.

2. Our Say results are the percentage of respondents who agreed with the statement.

PEOPLE AND CAPABILITIES

Key measures that reflect our diverse workforce

In FY2023, we employed over 12,500 people in more than 45 countries, bringing together a workforce that harnesses the strengths of our people's diverse backgrounds, experiences and skill sets. Our commitment is grounded in recognising our diversity as our strength and enabling our people to shape their own futures and potential.

Our Diversity, Equity and Inclusion Policy outlines our continued vision, commitment and approach.

Diversity, Equity and Inclusion Policy

Inclusion Index

In FY2023, we surveyed our people against the Inclusion Index, which measures their sense of opportunity, belonging and impartiality. An Inclusion Index score of 87 points to the positive impact of the global Diversity, Equity and Inclusion Strategy as well as that of the flagship capability and awareness-building programs such as Inclusive Leadership. Ongoing local activation of the Diversity, Equity and Inclusion Strategy continues to drive change and foster a strong culture of belonging.

Women in our workforce

The representation of women in our workforce is 20.2 per cent, reflecting positive progress year-on-year from 18.7 per cent in FY2022. Improvements have also been recorded in the percentage of women in senior leadership roles which increased from 28.9 per cent in FY2022 to 34.8 per cent in FY2023. Continuing to improve these metrics remains an area of focus for Orica.

Female representation on our Board remained at 33.3 per cent (three of our nine Directors), exceeding our target of ≥30 per cent.

Looking ahead

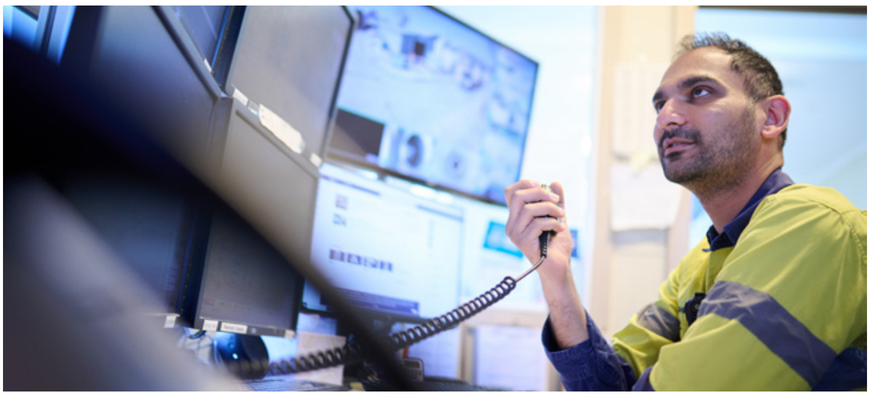
Our ongoing commitments aim to progress and mature our efforts in the diversity, equity and inclusion space and continue the regained momentum across our people programs and initiatives. Progress will be monitored through our continuous listening strategies.

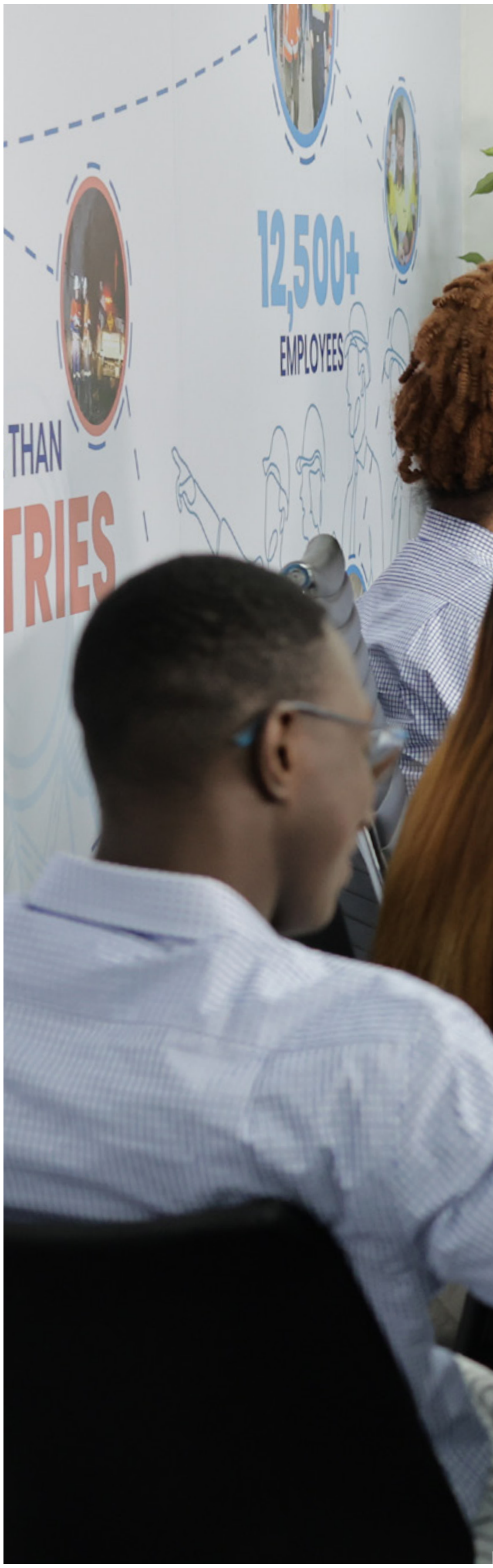
Full scorecard for FY2023 and FY2024 targets available on ESG Data Centre

FY2024 people and capabilities priorities

- Continue to roll out of our Diversity, Equity and Inclusion Strategy with local activation plans. Inclusive behaviours training expanded to frontline employees.
- Embed leadership traits through talent, performance and development cycles.
- Targeted capability-building and talent pipelines for critical business segments including digital, sustainability and commercial.
- Ongoing improved standardisation, automation and efficiency across the employee lifecycle.

Our employee listening strategy demonstrates the importance of commitment and progress towards identified focus areas.





Inclusive leadership program delivered to Orica's senior leaders

Creating and maintaining an inclusive culture and increasing leadership accountability are key pillars of our global Diversity, Equity and Inclusion Strategy.

The Inclusive Leadership Program has been purpose-built to enable positive role modelling and inclusive practices from our senior leaders. Participants engage in three interactive workshops around the importance of diversity, equity and inclusion, developing an inclusive culture and how inclusive leadership contributes to business success.

Throughout FY2023, our senior leaders across all business units have completed or commenced the Inclusive Leadership Program. We will continue to roll out the program into FY2024.

CLIMATE AND THE NATURAL ENVIRONMENT

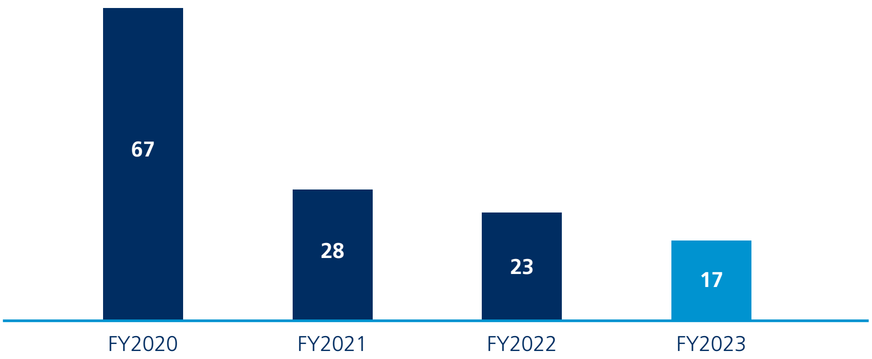
From decarbonising our own operations to innovating sustainable customer solutions, we are delivering on our own environmental goals and helping our customers achieve theirs. In FY2023, we materially reduced our greenhouse gas emissions footprint and improved our approach to addressing environmental impacts.

22% Reduction in net Scope 1 and Scope 2 GHG emissions from FY2019 baseline

9% Annual reduction in net Scope 1 and 2 GHG emissions from FY2022

20% Material reduction in Scope 1 and 2 emissions intensity per tonne of AN produced (down 20 per cent from FY2022)

Loss of Containment (LOC)



The number of incidents where a contained substance escapes from containment and results in a Severity 1[2] or greater environmental impact on water or soil.

Accelerated climate change commitments

At least **45%** reduction in Scope 1 and Scope 2 emissions, from 2019 levels[1]

Established strong targets by accelerating Orica's climate change commitments, including an increased target to reduce net operational Scope 1 and 2 emissions by at least 45 per cent by 2030, from 2019 levels (uplift from 40 per cent); a new short-term target to reduce net operational Scope 1 and 2 emissions by 30 per cent by 2026, from 2019 levels; and launched a new ambition to reduce Scope 3 emissions by 25 per cent by 2035, from 2022 levels

Tertiary catalyst abatement

at Kooragang Island site

Reducing GHG emissions by deploying tertiary catalyst abatement technology in Australia for the first time: forecast to mitigate 48 per cent of the Scope 1 and 2 GHG emissions on our Kooragang Island site

Electricity supply agreements

Progressing to source renewable or zero-emissions electricity supply with agreements established in Sweden, Peru and Australia

1. Applies to existing operations and covers more than 95 per cent of Scope 1 and Scope 2 GHG emissions. Base year will be recalculated consistent with GHG Protocol emissions accounting standards if structural changes occur such as acquisitions or divestments.
2. Severity 1 events are minor, reversible environmental effects. Short-term impacts only in the immediate vicinity of the release. Minor clean-up required with the total cost of any clean-up is less than $100,000. Severity 2 environmental events have localised but measurable environmental effect that is reversible after clean-up; Severity 3 environmental events result in relatively wide-spread serious environmental damage, with some impairment of ecosystem function that will recover after remediation.

Climate change

Orica supports international efforts to limit global warming in line with the goals of the Paris Agreement. We believe a coordinated transition to a net zero emissions economy is required and we are committed to doing our part. Our purpose is to sustainably mobilise the earth's resources and we help our customers responsibly extract the materials that are critical to supporting the lower-carbon transition. As a global leader in mining services, we have a fundamental role to play in addressing climate change.

Transparency with shareholders

The Board recognises the importance of accountability and transparency for our shareholders, and as a result, Orica is putting its FY2023 Climate Action Report to a non-binding advisory vote at the 2023 Annual General Meeting. Orica's Climate Action Report articulates how we aim to navigate and capture opportunities in the transition to a lower-carbon economy.

FY2023 performance

Our net operational Scope 1 and 2 GHG emissions for FY2023 were 1,704 $ktCO_2$-e[3]. This represents a nine per cent decrease from FY2022 and a 22 per cent reduction from our base year of FY2019.

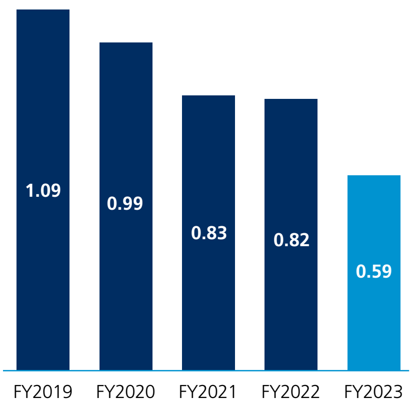
Gross Scope 1 GHG emissions decreased by 14 per cent from FY2022, driven primarily by abatement at our continuous manufacturing facilities. This year, low-emissions technology was installed and optimised at our facilities, namely tertiary catalyst abatement at Kooragang Island's three NAPs, and more effective secondary catalyst at one plant each in Bontang, Indonesia and Yarwun, Australia.

Abatement technologies contributed to emissions intensity improvements and lowered site-based Scope 1 and 2 emissions intensity per tonne of AN produced by 20 per cent in FY2023 compared to FY2022. These reductions in emissions intensity were partially offset by increased AN production volumes, which were up six per cent globally from FY2022.

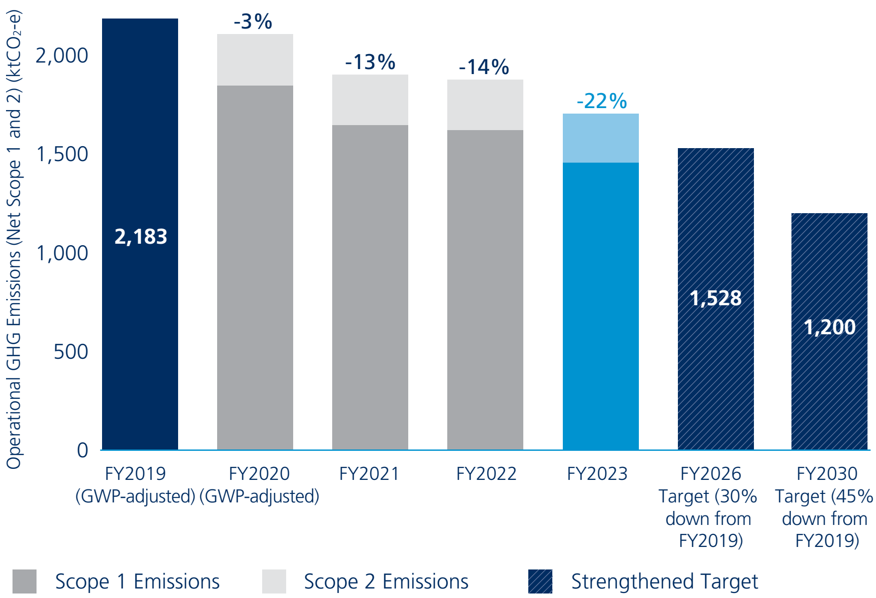
Gross Scope 2 GHG emissions remained stable from FY2022, decreasing by 0.2 per cent, with 335 MWh (0.10 per cent) of electricity generated from renewable sources. Despite increased global operations resulting in higher consumption, Scope 2 emissions arising from purchased electricity were down two per cent. This was primarily due to electricity grid factors decreasing in key operational jurisdictions, including Australia. With the establishment of our company-wide renewable electricity sourcing target, we intend to transition to dual location- and market-based Scope 2 emissions reporting over the coming years.

Global Scope 3 emissions increased two per cent in FY2023 compared to FY2022, primarily due to increased global production and associated raw material requirements (including purchased ammonia and AN). Gross Scope 1, 2 and 3 GHG emissions were down one per cent compared to FY2022 as our reductions in operational Scope 1 and 2 emissions were offset by the increase in indirect Scope 3 emissions arising from purchased goods and use of our products.

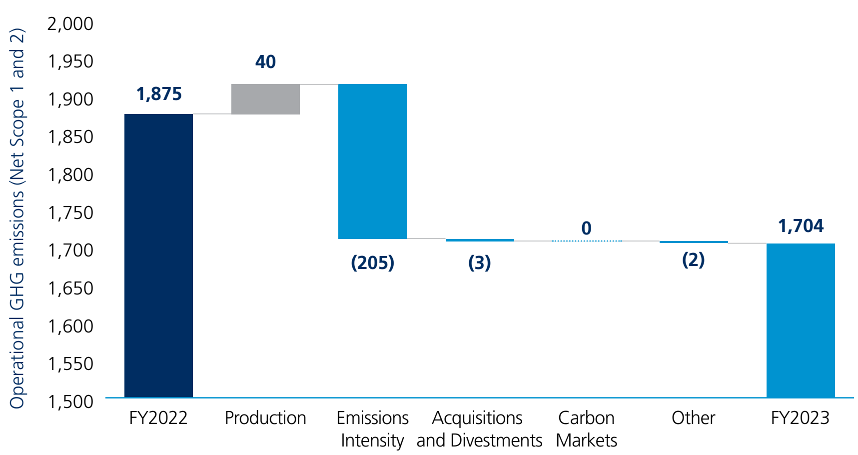
Global nitric acid plant emissions intensity (Scope 1 Nitrous Oxide – tCO_2-e/t of nitric acid produced)



Progress towards achieving GHG emissions reduction targets



Annual change in Scope 1 and Scope 2 GHG emissions ($ktCO_2$-e)



3. Our net Scope 1 and Scope 2 GHG emissions position for FY2023 is equivalent to our gross Scope 1 and Scope 2 GHG emissions given no surrender of carbon credits occurred within the reporting period.

CLIMATE AND THE NATURAL ENVIRONMENT

Delivering on and accelerating our commitments

Since announcing our 2030 climate targets, we have taken steps to invest in climate change initiatives in support of our commitments. Capital allocation for emissions reduction is delivering positive shareholder returns, with $54 million invested in tertiary abatement projects from FY2021 to FY2023. Given the economic and successful mitigation of process emissions and the development of a strategy for value chain decarbonisation, we are well positioned to strengthen our suite of climate commitments.

We have refreshed our operational net Scope 1 and 2 emissions targets adding an interim short-term target to reduce emissions by 30 per cent by 2026 and increasing our 2030 target to at least 45 per cent (from 40 per cent).

These strengthened targets complement the delivery of our purpose and strategy. Reaching our 2030 targets and 2050 net zero emissions ambition requires us to take several actions to reduce emissions, including catalyst abatement, renewable electricity, feedstock and fuel switching, and site efficiencies. We have developed pathways to achieve these objectives. Details on these roadmaps are included in our FY2023 Climate Action Report.

Looking ahead, our most material remaining Scope 1 emissions arise from Kooragang Island, as a result of steam-methane reforming of natural gas in the production of ammonia. Planning and concept studies for alternative chemical feedstocks have commenced, including the co-development of the Hunter Valley Hydrogen Hub with Origin Energy. Read more in our Climate Action Report.

To increase accountability internally, we strengthened corporate governance by introducing long-term links between executive remuneration and climate change. A new FY2024-26 long-term incentive (LTI) metric will focus on portfolio resilience and diversification, rewarding outcomes that strengthen business resilience in alignment with our strategic plan.

New ambition to decarbonise Scope 3 emissions

We are committed to playing our part to mitigate the impact of the emissions from our value chain. We are focused on understanding the sources of our Scope 3 emissions, accurately quantifying these emissions and identifying pathways for reduction.

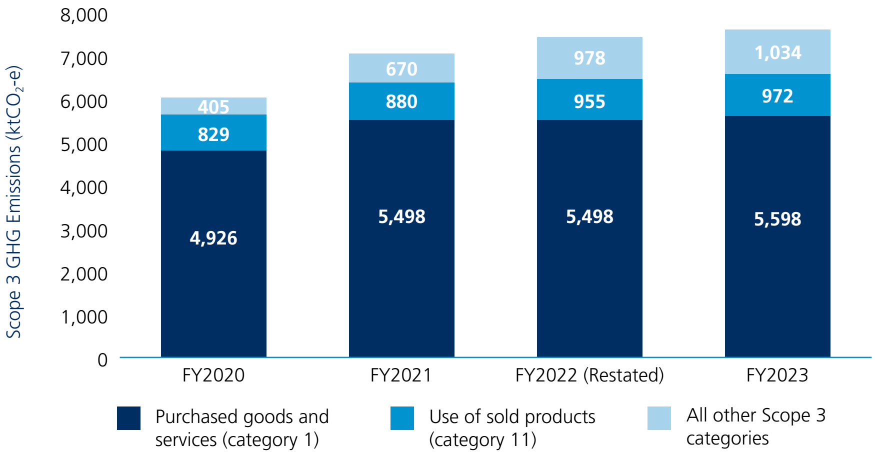
During FY2023, we developed an evidence-based roadmap for decarbonisation across our value chain, focusing on upstream and downstream sources. This includes our most material emissions arising from purchased goods and services and the use of bulk explosive products in blasting activities.

While our Scope 3 emissions are broadly outside of our direct control, a framework for value chain decarbonisation can be built around the core principles of control, partner and influence. These principles have informed the development of our value chain decarbonisation roadmap and our ambition to reduce Scope 3 emissions by 25 per cent by 2035, from a 2022 baseline[4].

Achieving our Scope 3 ambition is dependent on supportive government policy and regulatory frameworks, transparency and collaboration across our value chain and the pace of technology development, commercialisation and adoption. Key enablers in our Scope 3 roadmap include the emergence of low-carbon feedstocks and renewable fuels at commercial scale, key suppliers achieving their emissions reduction commitments, alternate sourcing strategies, consideration of product design and internal governance mechanisms that enable supportive decision-making.

FY2023 Climate Action Report

Global Scope 3 emissions



4. Coverage includes all categories of Scope 3 emissions deemed relevant for Orica under the GHG Protocol Corporate Value Chain (Scope 3) Standard (excluding categories 8, 13 and 14). Base year emissions will be recalculated consistent with GHG Protocol emissions accounting standards if methodology or structural changes occur such as acquisitions or divestments.

Our role in the transition to a lower-carbon economy

In addition to decarbonising our own operations, Orica has a role in enabling global decarbonisation. By developing lower-carbon products and technologies that improve mining efficiency for our customers and mobilising the resources required to drive the transition, we are positioning Orica to thrive in a lower-carbon world.

Lower-carbon customer solutions

We aim to collaborate and enable our customers to achieve their own sustainability goals. Our efforts to decarbonise move us towards producing lower-carbon products and solutions, helping to facilitate the reduction of our customers' value chain emissions profiles. Building on our established suite of blast optimisation and digital products and services that increase the efficiency of resource extraction, we are now developing lower-carbon end products.

In FY2023, we produced our first emulsifiers using bio-based renewable energy feedstock and are currently undertaking a life cycle assessment to quantify carbon benefits. This innovation will provide opportunity to modify the feedstock of our existing emulsifiers to customers in coming years. As part of our Scope 3 work, a number of low-carbon AN purchase agreements are in early development. We have signed Memorandum of Understanding and Letter of Intent in both EMEA and LATAM to bring products to those customers interested in lower-carbon blasting.

Increasing exposure to future-facing commodities

Our purpose is to sustainably mobilise the earth's resources, and our role will be critical as the net zero transition drives exponential demand for the materials required for clean energy technologies. We continue to diversify our commodity exposure and position our portfolio towards higher growth commodities, including FFC. We have a strong global presence in copper and are serving future-facing mines, particularly nickel and lithium in Australia.

In LATAM, the ongoing shift in the region's commodity exposure reflects the strong recovery in copper customer demand. A large proportion of our customers' mining pipelines in this region are focused on FFC.

More details can be found in our FY2023 Climate Action Report

49%

Revenue from gold, copper and FFC

14%

Revenue from thermal coal, down from 19% in FY2019*

* Based on external sales, excluding discontinued operation Minova.

Kooragang Island decarbonisation project delivers first 250,000 tCO_2-e of abatement

In an Australian first, tertiary abatement catalyst technology was successfully installed on all three NAPs at our Kooragang Island facility in FY2023. On an annualised basis, this is expected to reduce the site's annual total emissions by around 48 per cent and Australia's total chemical industry process emissions by 11 per cent. Tertiary catalyst technology has mitigated 98 per cent of nitrous oxide emissions from our nitric acid production at Kooragang Island, with site-wide Scope 1 and 2 emissions now 30 per cent below 2019 baseline levels.

Deployment of tertiary abatement technology at our Yarwun manufacturing facility in Queensland, Australia, is planned for in FY2024, which is expected to reduce our GHG emissions by around 200 $ktCO_2$-e per year.

This represents real abatement and decarbonisation onsite. More importantly, it enables us to produce lower-carbon intensity AN products and solutions, commercialising our decarbonisation initiatives by helping to reduce our customers' Scope 3 emissions profiles.

Learn more
orica.com/Sustainability/environment-and-climate-change

FY2024 climate change priorities

- Deploy tertiary catalyst abatement at one of our three NAPs at Yarwun, Australia.
- Present a 'Say on Climate' resolution at Orica's 2023 Annual General Meeting, giving shareholders the opportunity to consider Orica's FY2023 Climate Action Report.
- Progress towards final investment decision for Hunter Valley Hydrogen Hub.

CLIMATE AND THE NATURAL ENVIRONMENT

Stewarding natural resources

Avoiding environmental harm

At Orica, our focus is on preventing and managing Loss of Containment (LOC) as part of our environmental stewardship approach. Since FY2018, we have recorded no serious environmental incidents. LOC events are decreasing year-on-year and remain below our target of 22 events equal to or greater than severity 1.[5]

Our year-on-year improvement reflects a greater internal focus on rapid response and earlier intervention.

As part of our approach to environmental stewardship, we assess and mitigate key individual sites' environmental risks through our Material Environmental Issues Review (MEIR) program. We apply a global environmental standard across all our regions, going beyond local standards in some jurisdictions. Environmental impacts are remediated where identified.

Environmental factors at our sites can include bodies of water, groundwater, soil, air quality, cultural heritage sites and communities in which we operate. We assess environmental pathways at each of our sites to identify and mitigate the risk of spillage and contamination of the surrounding environment, local communities and cultural heritage. Our people are empowered to proactively identify and address key failure points and mitigate environmental risks to avoid spills and contamination.

Nature and biodiversity

We acknowledge that effective management of biodiversity is emerging as a core tenet of natural stewardship. There is an increased emphasis on businesses to understand their dependencies and impacts on nature and biodiversity, and develop methods to maintain and regenerate areas of high nature value and prevent significant degradation.

Ecosystem health is considered across our operational and commercial activities. To protect biodiversity, we manage environmental risks, water, waste and climate, and we deploy innovative remediation techniques that provide biodiversity co-benefits.

Increasing stakeholder expectations require a more targeted and sophisticated approach to nature and biodiversity that leverages emerging methods to manage and account for impacts. We are working to determine the most effective approach and gain a more comprehensive understanding of our nature-related risks and opportunities, with consideration to the Kunming-Montreal Global Biodiversity Framework[6] and the rapidly evolving landscape of frameworks, including the Taskforce on Nature-related Financial Disclosure (TNFD).

This year, we participated in a pilot study and provided feedback on the learnings and existing barriers to adopting and implementing the TNFD Framework in the Australian context. The pilot study was sponsored by the Australian Government Department of Climate Change, Energy, the Environment and Water.

Nature Action 100

Nature Action 100, a global investor engagement initiative focused on nature and biodiversity, has identified Orica as one of the first 100 companies to be included as part of its investor engagement process. We will engage proactively and constructively with Nature Action 100 in due course and evolve our disclosures over time.

Water

The management of freshwater resources is an issue that directly impacts the communities and ecosystems in which we operate. Orica's assessment of physical climate risks identifies water stress as a key risk hazard. With competition for water resources increasing globally due to multiple pressures, particularly climate change, population growth and pollution, we are increasing our focus on optimising our water use.

Our sites use water from various sources including potable, ground, recycled, surface, recycled and wastewater. We are reducing our dependency on potable water by increasing the efficiency with which we use water and maximising our use of recycled water, wherever possible. We aim to limit the impact on our host communities and ecosystems and increase resilience to water stress.

Gross water consumption fell three per cent to 8.35 million kL. While recycled water increased to 31.6 per cent of total consumption, potable water consumption decreased by five per cent' to 2.56 million kL.

In FY2023, we used 1.57 kL of potable water per tonne of AN manufactured at six material sites.

Water use at Kooragang Island

Measuring our water consumption can help us understand our dependencies and where we can place appropriate controls to guide efficient water use. At our Kooragang Island site, several factors influenced water consumption over the reporting period including:

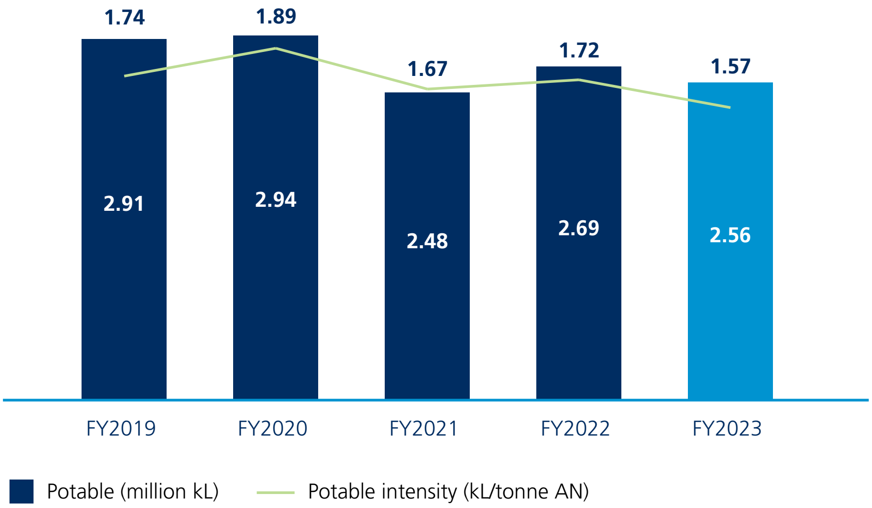
- An underground leak on the potable water supply, which was rectified in September 2022.
- The reliability of the supply of recycled water has been poor at times across the year, which has required the use of potable water as an alternate supply.
- We completed a project updating cooling water supply at our Kooragang Island site from potable water to recycled water.

To manage the potential influence of an El Niño climate pattern in the coming summer, contingency planning has been undertaken to ensure we are well equipped to operate in hotter, drier conditions.

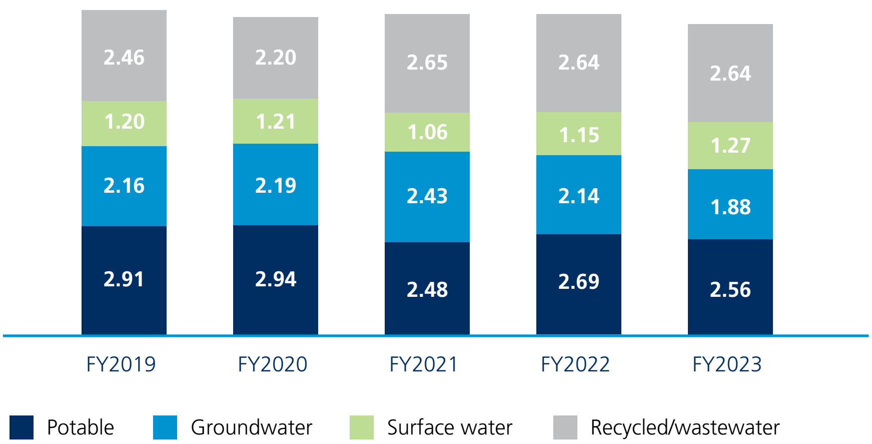
Learn more
orica.com/Sustainability/environment-and-climate-change

5. Severity 1 events are minor, reversible environmental effects. Short-term impacts only in the immediate vicinity of the release. Minor clean-up required with the total cost of any clean-up is less than $100,000.
6. The Kunming-Montreal Global Biodiversity Framework was adopted during the fifteenth meeting of the Conference of Parties (COP 15) and outlines a pathway to reach the global vision of a world living in harmony with nature by 2050.

Potable water consumption and intensity



Gross water consumption by source (million kL)



Circularity at Orica

We continued to support the scaling of our partnership with Mineral Carbonation International (MCi) with construction commencing of a mobile demonstration plant at our site at Kooragang Island, Australia. MCi is a carbon capture and utilisation start-up which will react waste carbon dioxide provided by Orica with alkaline materials to produce a range of products for construction, manufacturing and consumer markets.

We continue to pursue initiatives and partnerships that help us address the circular economy. We formally launched our innovative Cyclo™ service, which reuses waste oil from mine sites to make an emulsion explosive, which displaces virgin oil consumption to reduce our customers' waste and GHG.

In FY2023, we expanded our strategic partnership with Alpha HPA by investing in a five per cent equity position. Alpha HPA offers a suite of high-purity alumina products, which are critical raw materials for decarbonisation. High-purity alumina manufactured by Alpha HPA has a carbon footprint potentially 70 per cent lower than traditional production processes. This partnership leverages chemical process synergies between Orica and Alpha HPA. Its proprietary technology requires reagents to purify raw materials – which Orica manufactures at our Yarwun plant, Australia. At the same time, Alpha HPA produces ammonium nitrate solution as a waste byproduct of its manufacturing process which is key to our Yarwun operations.

Learn more
orica.com/sustainability

CLIMATE AND THE NATURAL ENVIRONMENT

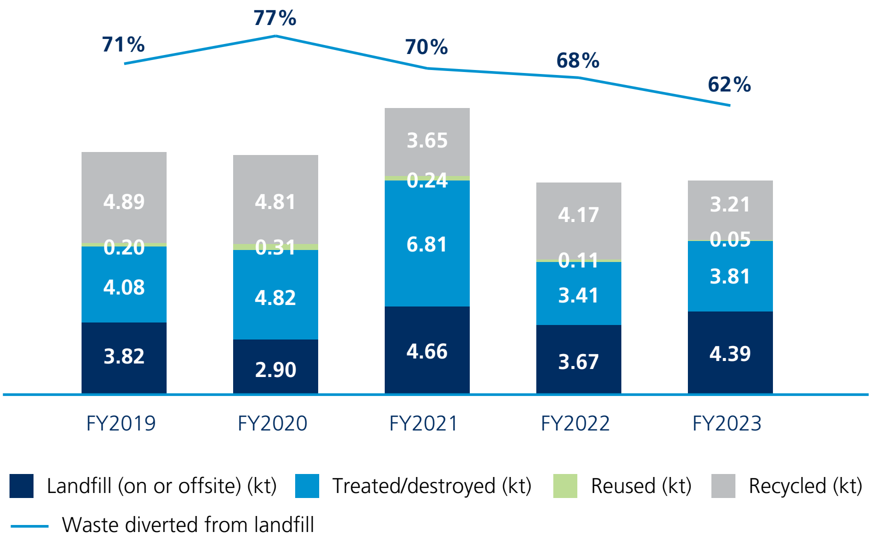
Waste

Solid waste generated in FY2023 was down 9.1 per cent to 11.5 kt however the proportion diverted from landfill also fell 12.9 per cent to 62 per cent. Orica's waste profile is variable year-on-year due to waste generated through remediation work.

FY2024 stewarding natural resources priorities

- Continue to prevent losses of product to soil and water (LOCs) against target of 22 severity 1 events and 0 severity 3 or higher.
- Expand Orica's portfolio of water stewardship initiatives across material global sites.

Gross waste disposal by destination and waste diverted from landfill (kt)



Environmental remediation

We work with technology and nature to progress environmental remediation where our operations have impacted natural systems and resources. We aim to remediate land to permanently reduce risks to human health and the environment and to allow divestment, reuse and ongoing operations.

Estimated costs for the remediation of soil, groundwater and untreated waste are recognised as provisions or contingent liabilities. In FY2023, a total $280 million of environmental and decommissioning provisions was reported. Refer to *Notes to the Financial Statements, Section 6: Provisions* for more information.

We seek out opportunities to identify and implement the best available options to achieve our remediation goals, leveraging knowledge and skills from around the world. Our major remediation projects are associated primarily with legacy issues at our former chemical manufacturing sites but also arise from ongoing manufacturing activities. A core team of remediation experts is responsible for progressing our complex, ongoing contamination remediation projects, working with and providing technical advice to regional SHES[7] teams where necessary.

Yarraville thermal remediation Clean Up Plan

In FY2023, we successfully completed Australia's first use of in situ thermal remediation technology to treat legacy contamination at a site adjacent to our Yarraville site in Victoria, Australia. The organic contaminants were removed through a system of soil and groundwater heating and gas/vapour extraction. The last stages of the site clean up will be completed in FY2024 making the Yarraville site ready for divestment.

Sixth shipment of HCB waste completed

The sixth shipment of waste to specialist treatment plants in Sweden and Finland was completed this year, as part of our ongoing program for the safe destruction of the hexachlorobenzene (HCB) stockpile in New South Wales. The program to eliminate this long-term legacy safely and responsibly has seen 11,000 tonnes of HCB shipped to date. We envisage one final shipment of HCB left, to complete in FY2024.

Gomia phytoremediation continues

Since 2021, we have conducted a large-scale phytoremediation project in Gomia, India, using more than 50,000 seedlings to address elevated concentrations of contaminants including nitrates, lead and perchlorate in surface water and groundwater. Harvesting and planting occurs annually, using indigenous reeds, grasses and lilies to remediate the contaminants. In FY2023, surface water and groundwater monitoring demonstrated significant reductions of all target contaminants. Recent research has also demonstrated the successful composting of harvested shoots, and the efficacy of certain species in stabilising and remediating highly impacted sediments.

Phytoremediation uses plants to consume and absorb contaminants as they grow and prevent contaminants from spreading further to surrounding areas. Through this process, contaminants are either degraded into harmless substances or accumulated and removed when the plants are harvested. Phytoremediation can also be used to immobilise contaminants in the soil in the root zones, and to control or reduce the flow of surface water and groundwater.

7. Safety, health, environment and security.

COMMUNITY AND RELATIONSHIPS

Fostering strong and collaborative partnerships with our host communities, suppliers and industry will create shared and enduring value. We engage our host communities and key stakeholders to build trust and understanding, and develop mutually beneficial relationships through open and constructive engagement. We also invest in our communities to support education, positive environmental action and community safety and wellbeing.

In FY2023 we financed 47 Orica Impact Fund (OIF) grants to contribute to organisations and initiatives around the world.

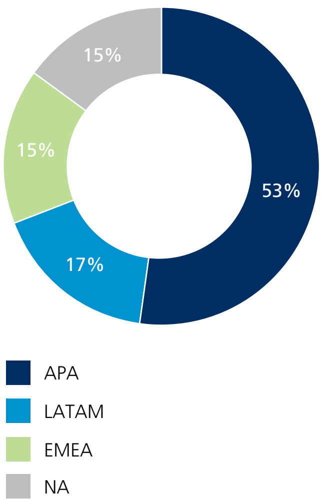
73
OIF applications received in FY2023, 64 per cent (47 projects) funded

FY2023 Modern Slavery Statement published

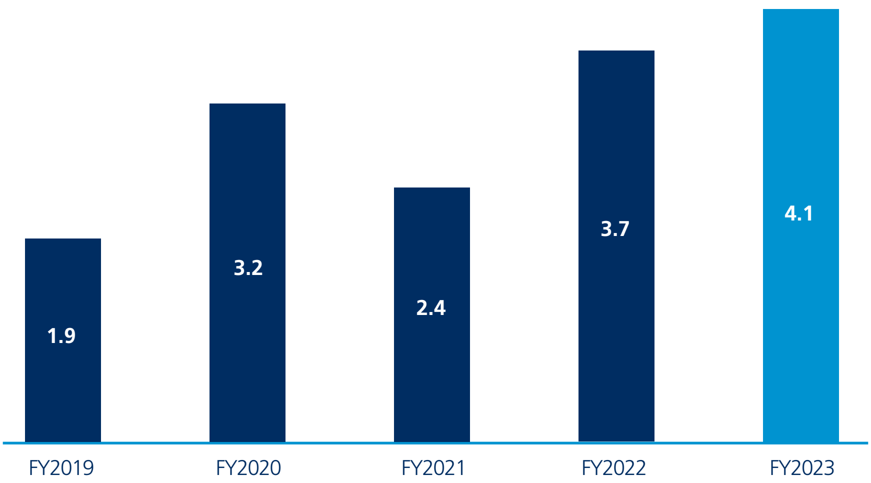
$10.2m
Total community investment since FY2021 towards target of $15 million by 2025

$4.1m
Contributed to communities in FY2023

FY2023 community investment by region



Annual community investment – $m



Community

We are focused on building safe, strong, and thriving communities in regions which we operate. We aim to help our communities grow and flourish by making safety a top priority, responsibly managing natural resources and investing in social and economic development.

Our sustainability function sets and promotes a consistent approach to community engagement, community issues management and community investment. Our primary emphasis is on cultivating enduring partnerships founded upon the principles of trust and transparency. We are committed to delivering impactful and strategically directed investments, following the guidance outlined by our Community Impact and Investment Framework. In FY2023, our community investment totalled $4.1 million.

We are on track to achieve our five-year community investment target of at least $15 million by 2025, and have contributed $10.2 million since FY2021. This includes investments made through the Orica Impact Fund (OIF), regional spend and matched payroll giving.

Disaster response and relief

When a crisis or a natural disaster hits, our priorities are to ensure the safety of our employees and help the community recover from the devastation. The increase in extreme weather events this year presented impacts to our people and their local communities.

Our local Orica teams step up to support their communities. In Aljustrel, Portugal, the Orica team donated pallets of water bottles to the local Fire Department to support them during the fire season. In Yarwun, Australia, Orica donated large tarps left over from an old project to the State Emergency Services. We have also funded tree replanting following disasters through the Orica Impact Fund. Read more in our Arbor Day Foundation case study online.

Orica Impact Fund (OIF)

The OIF was introduced in FY2021 within the scope of our updated Community Investment and Impact Framework. The OIF complements our ongoing community investment efforts in various regions and prioritises support for local endeavours aimed at promoting education and environmental awareness and nurturing a sense of togetherness within communities.

The OIF grants range from $10,000 to $100,000 annually, for up to three years. The goal is to create significant, tangible effects and facilitate a more profound impact in the communities in which we operate.

This year we launched round three of OIF with applications received from across our global operations, on behalf of local community partners, more than doubling since FY2021.

Investing in First Nations communities

The Clontarf Foundation, Puwampi Unti Kunarr, and Stars, Australia

Orica is committed to our partnership with the Clontarf Foundation as well as supporting other First Nations organisations.

The Clontarf Foundation helps to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men by setting up school engagement and mentoring programs in school communities around Australia. This year we held several site and career planning discussions and hosted the Kalgoorlie Clontarf Academy at our head office.

This year, we were the major sponsor for the Aboriginal Student Dance Group 'Puwampi Unti Kunarr' who attend a local school in the Hunter Valley, Australia. The dance group is supported by local Elders and performs at community events. The translation from Wonnarura to English is "Guardian Spirit of the Hunter Valley Dance Family".

Orica has also donated to the Stars Foundation, a program that supports Indigenous girls and young women to attend and remain engaged at school, complete Year 12 and move into work or further study.

A total of $80,000 was invested across these initiatives in FY2023.

The Water and Community Education Project, Philippines

To support access to safe drinking water, round two of the OIF awarded $65,000 to a water and community education project in the Philippines. The Aeta people of Nabuclod live in a remote area of the Philippines and need to trek 16 kilometres to access potable water and supplies. The project will be used to build a bridge that will help transport water and other goods to and from the community. Funding has also been allocated to the purchase of computers and printers and to enhance internet connectivity.

COMMUNITY AND RELATIONSHIPS

Inspiring young people to pursue careers in STEM[1]

STEMPunks, Chile, Colombia and Peru

Orica and GroundProbe have partnered with STEMPunks to create equality, equity and diversity in STEM (science, technology, engineering and mathematics) education while inspiring future innovators in the communities in which we operate. STEMPunks are the recipients of a three-year grant totalling $300,000 which will help them reach more than 10 schools in Chile, Colombia and Peru and positively impact over 5,000 young students in remote and underserved areas. STEMPunks is focused on school engagements and professional development for teachers, as well as hosting student classes and train the trainer sessions.

The LATAM STEM Education Program is making significant strides in achieving its objectives of promoting STEM education and inspiring young minds across Chile, Colombia and Peru.

Suppliers

The strength of our global supply network is a key differentiator that allows us to be a partner of choice for our customers. With geopolitical volatility and economic uncertainty, security of supply is critical to our customers' operations. Strong supplier relationships ensure we can continue to deliver for our customers.

Suppliers are critical to our business. We seek to work with suppliers that share our commitment to excellence, are aligned to our values, and are committed to acting ethically and to improving their environmental and social impact. We strive to work collaboratively to meet sustainability challenges together and implement improvement plans where gaps or risks are identified.

In FY2023, we procured products and services from 13,777 suppliers in 39 countries around the world.

Responsible sourcing

We work with our suppliers to mitigate sustainability impacts and promote sustainable practices across our value chain, with guidance from our Responsible Sourcing Statement. The Statement enhances the principles outlined in Our Code and details our expectations of suppliers with respect to ethical business practices, human and labour rights, and social and environmental impacts. In FY2023, we published the Statement online and incorporated it as part of our onboarding process with new suppliers.

Responsible Sourcing Statement

Responding to modern slavery risks in our supply chain

We continue to identify, mitigate and remedy modern slavery risks and impacts in our supply chain. Our FY2023 Modern Slavery Statement outlines the results of our enterprise-wide modern slavery risk assessment and actions taken to engage with high-risk suppliers to understand their controls and where they need corrective actions to manage their modern slavery approach.

FY2023 Modern Slavery Statement

FY2024 community and relationships priorities

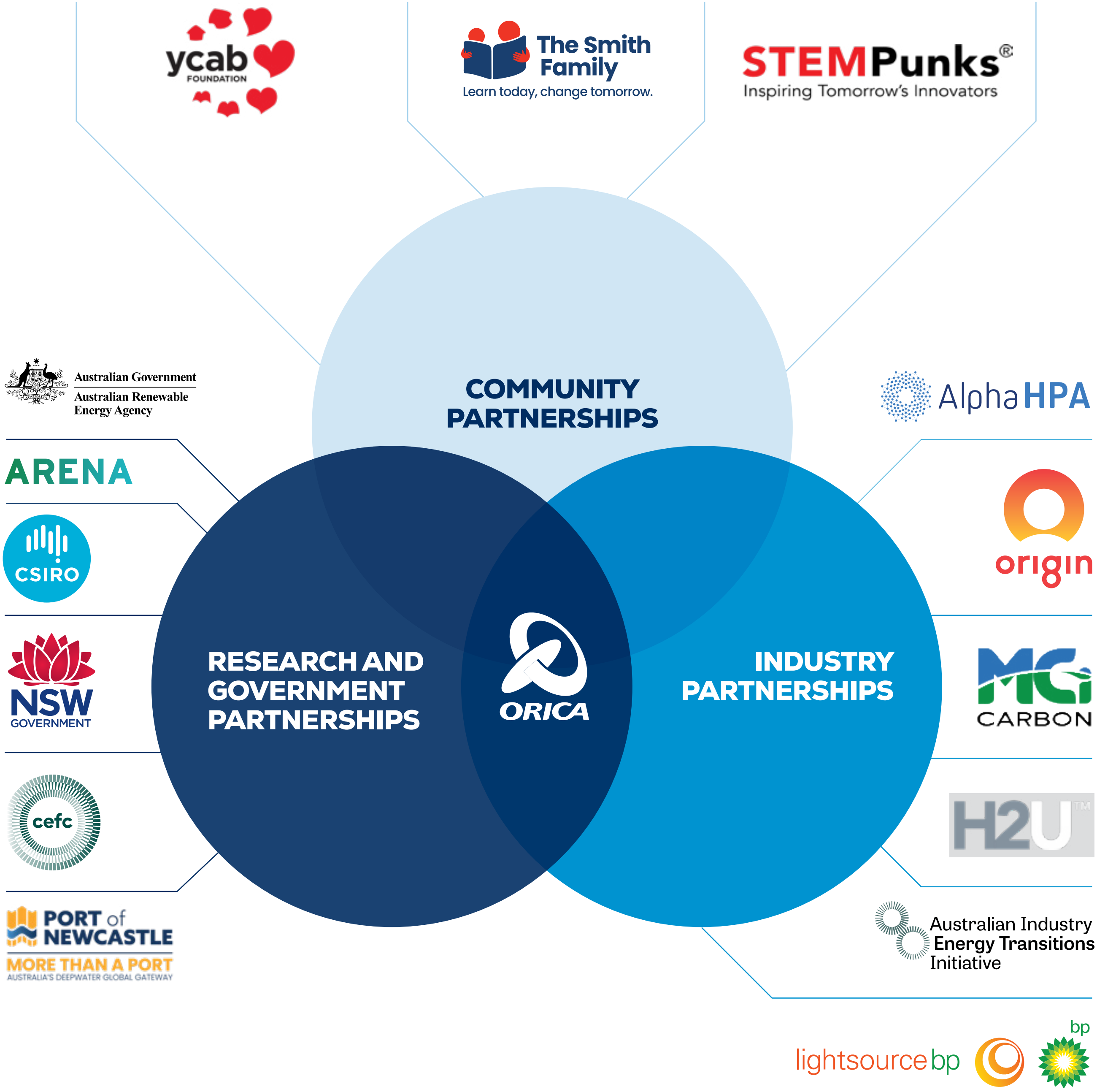
- Strengthen our foundations in managing modern slavery risk in our supply chain and focus on training and building capability through upskilling initiatives.
- Continue to invest in communities and align the OIF towards meeting community and business needs.

Learn more
orica.com/Sustainability/community

1. Science, technology, engineering, maths.

Partnering for progress

We collaborate with government, industry, research and educational institutions, and non-government organisations (NGOs) to develop and deploy sustainable, commercially-driven solutions. Our work with external partners delivers a range of commercial, environmental and social benefits. We seek out opportunities to collaborate with innovative organisations that share our goals and align with our values and strategic business objectives – some examples of recent partnering arrangements are detailed below.



In FY2023, we published an Industry Associations Review which outlines our approach to responsible corporate climate advocacy and lobbying.

FY2023 Industry Associations Review

GOVERNANCE

BOARD OF DIRECTORS

Malcolm Broomhead AO
BE, MBA

Malcolm Broomhead was appointed Chairman of Orica Limited on 1 January 2016 and has been a Non-executive Director since December 2015. He is Chairman of the Nominations Committee. He is a former Director of BHP Group and a former Chairman of Asciano Limited. He is also a Director of the Walter and Eliza Hall Institute and Council Member of Opportunity International Australia.

Sanjeev Gandhi
BEng, MBA

Sanjeev Gandhi was appointed Managing Director and Chief Executive Officer in April 2021, after previously holding the role of Group Executive and President, Australia Pacific and Asia. He is a former Executive Director of publicly listed German chemical company BASF SE. During his 26-year career with BASF, he held several senior marketing, commercial and business leadership roles including Head of Asia Pacific and Head of Global Chemicals Segment (Intermediates and Petrochemicals).

Gene Tilbrook
BSc, MBA, FAICD

Gene Tilbrook has been a Non-executive Director since August 2013. He is Chairman of the Board Audit and Risk Committee and member of the Nominations Committee. He is also a Non-executive Director of Woodside Petroleum, a former Director of Aurizon Holdings, Fletcher Building and GPT Group, and former Executive Director of Wesfarmers Limited.

Karen Moses
BEc, DipEd, FAICD

Karen Moses was appointed Non-executive Director in July 2016. She is Chairman of the People and Remuneration Committee, and member of the Board Audit and Risk Committee and the Nominations Committee. She is a Director of Charter Hall Group, Snowy Hydro Limited, and Music In The Regions Limited, and a Fellow of the Senate of Sydney University. She is a former Director of Boral Limited, Sydney Dance Company, SAS Trustee Corporation, Australia Pacific LNG Pty Limited, Origin Energy Limited, Contact Energy Limited, Energia Andina S.A., Australian Energy Market Operator Ltd, VENCorp and Energy and Water Ombudsman (Victoria) Limited and Sydney Symphony Limited, and former Chair of the NSW Artform Board for Dance and Physical Theatre.

Denise Gibson
BSc, MBA

Denise Gibson was appointed Non-executive Director in January 2018 and is Chairman of the Innovation and Technology Committee and member of the People and Remuneration Committee and the Nominations Committee. She is co-founder and Chairman of Ice Mobility, Director of NASDAQ-listed VOXX International Corporation, a director of the Consumer Technology Association, and the Consumer Technology Association Foundation, both not-for-profit organisations. She is the founder and former CEO of Brightstar US and former director of Aerial Technologies Inc.

John Beevers
BEng, MBus, GAICD

John Beevers was appointed Non-executive Director in February 2020. He is Chairman of the Safety and Sustainability Committee, and member of the Innovation and Technology Committee and the Nominations Committee. He is also a Non-executive Director of Syrah Resources Limited and Lynas Rare Earths Limited and former Director of QUT Bluebox, the commercialisation arm of the Queensland University of Technology. He previously held the role of Managing Director and Chief Executive Officer of GroundProbe and executive roles within the Orica Group, including Global Technology Manager, Group General Manager of Chemical Services and Chief Executive Officer of Orica Mining Services.

BOARD OF DIRECTORS

Gordon Naylor
BEng (Mechanical), MBA, GradDip (Computing Studies), CPA, GAICD, FTSE

Gordon Naylor was appointed as a Non-executive Director on 1 April 2022 and is a member of the Board Audit and Risk Committee, the Safety and Sustainability Committee and the Nominations Committee. He is the Non-executive Chair of Medical Developments International, a former President of Seqirus, a member of the CSL Group and held numerous global executive leadership roles within the CSL Group, including Chief Financial Officer.

Mark Garrett
BA (Economics), GradDip (Applied Information Systems)

Mark Garrett was appointed Non-executive Director in January 2023 and is a member of the Innovation and Technology Committee and the Nominations Committee. He is a member of the Board of UMICORE NV/SA and Interim Chief Executive Officer for Archroma. He is a former Chief Executive Officer at Borealis AG and Marquard & Bahls AG, and former Chairman of the Supervisory Board of OMV AG.

Dr Vanessa Guthrie
Hon DSc, PhD, BSc (Hons), FAICD

Vanessa Guthrie was appointed Non-executive Director in February 2023. She is a member of the Safety and Sustainability Committee, the People and Remuneration Committee and the Nominations Committee. She is a Non-executive Director of Santos Limited, Lynas Rare Earths Limited, NYSE-listed Tronox Holdings PLC and Cricket Australia. She is also a Board member of Infrastructure Australia and Pro-Chancellor of Curtin University. She is former Deputy Chair and Lead Independent Director of Adbri Limited, Managing Director and CEO of Toro Energy Limited, Chair of Minerals Council of Australia and Non-executive Director of companies including Australian Broadcasting Corporation and Vimy Resources Limited. She is a former Member of Australia-India Council.

GROUP COMPANY SECRETARIES

Kirsten Anderson Llewellyn
LLB, BA, LLM, FGIA

Erin O'Connor
LLB (Hons), BCom, FGIA

EXECUTIVE COMMITTEE

Sanjeev Gandhi
BEng (Chemical Engineering), MBA

Managing Director and Chief Executive Officer

Leah Barlow
BEng (Chemical Engineering), BBus (Management and accounting)

President – SHES, Discrete Manufacturing and Supply

James Bonnor
BCom (Economics, Marketing)

President – Europe, Middle East and Africa

Delphine Cassidy
BBus (Accounting), MBA, FAICD

Chief Communications Officer

James Crough
BCom (Accounting), MBA, FCPA, GAICD

President – North America

Brian Gillespie
BSc (Hons), MBA, FIET

President – Latin America

Adam L. Hall
BCom, LLB (Hons), MBA (HD)

President – Asia and Chemicals

Jennifer Haviland
BCom (Economics), Dip-Enterprise Systems & Analysis, GAICD, CPA

Chief People and Corporate Services Officer

Kim Kerr
BBus (Accounting), GAICD, Chartered Accountant

Chief Financial Officer

Angus Melbourne
BEng (Hons) Mechanical Engineering, BSc Applied Mathematics

Chief Technology Officer

Germán Morales
MSc (Civil Engineering), Executive MBA

President – Australia Pacific

Andrew Stewart
BEng (Hons) Mechanical Engineering, MBA

Chief Development and Sustainability Officer

Full biography details can be found on our website.

GOVERNANCE

Orica is committed to maintaining a high standard of governance, transparency and accountability.

Our governance framework is fundamental to the effectiveness of our Board. To align our approach with best practice, we periodically review and update our corporate governance documents and practices. Throughout FY2023, Orica's governance arrangements complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (ASX Principles and Recommendations).

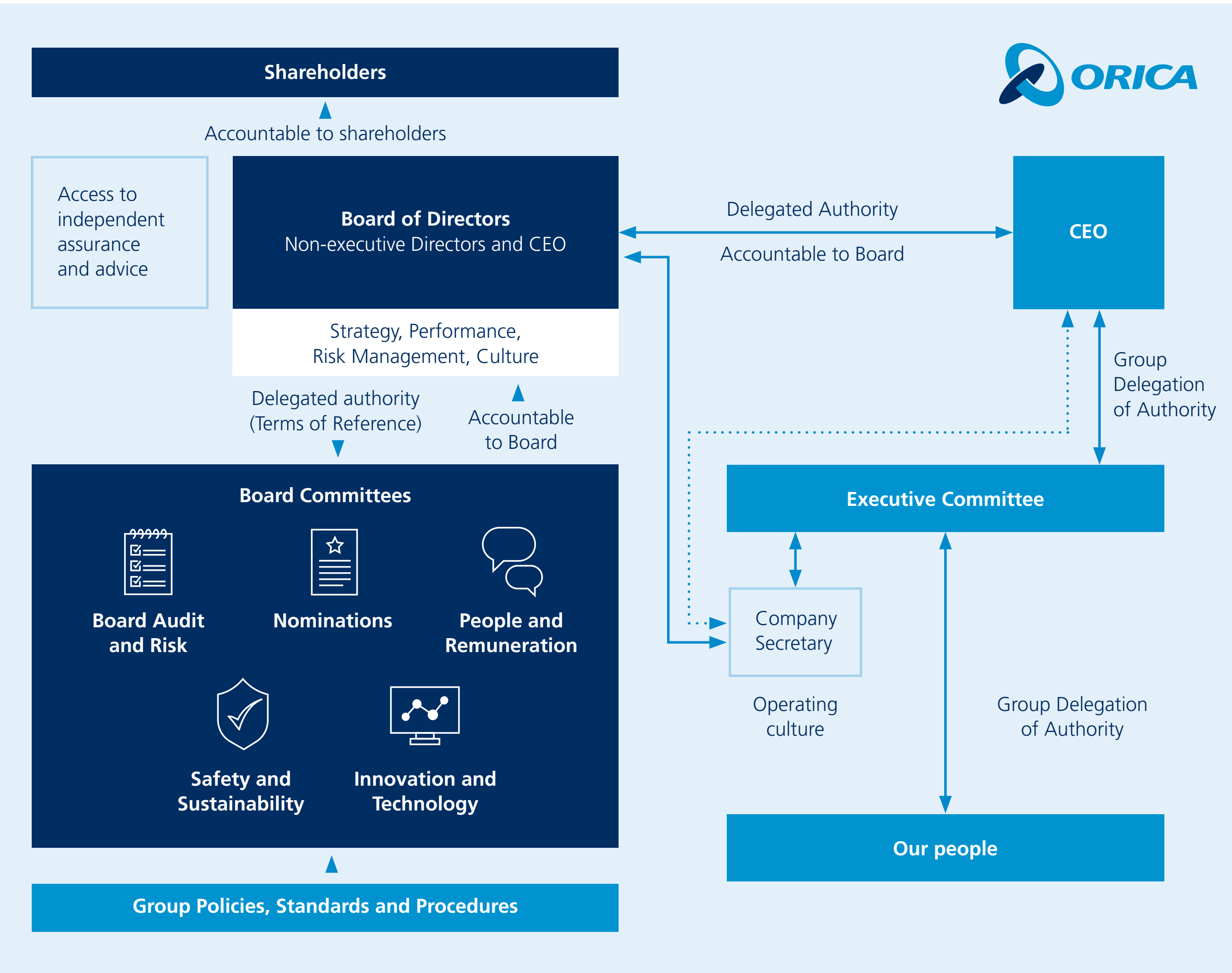
For further detail on Orica's corporate governance framework see our FY2023 Corporate Governance Statement.

Role of our Board

Our Board oversees the business and affairs of the Group. It sets our strategic direction, oversees financial and non-financial performance and risk management, and provides leadership and direction on workforce culture and values.

Day-to-day responsibility for managing the Group is delegated to our Managing Director and CEO who operates within delegated authority limits determined by our Board.

Learn more
orica.com/About-Us/Governance



Committees

Five standing Committees have been established by our Board. Each Committee operates under its own Terms of Reference which sets out its roles and responsibilities. Further details are available in the Board, Executive and Committees section of our website.

Board Committees

- Board Audit and Risk
- Nominations
- People and Remuneration
- Safety and Sustainability
- Innovation and Technology

Composition and succession planning

Our Board comprises of individuals with appropriate skills, knowledge, experience and diversity to develop and support Orica's strategy, enable it to discharge its responsibilities and create long-term stakeholder value.

To remain effective, succession planning is critical. Responsibility for overseeing Board composition and succession planning sits with our Nominations Committee who assess the skills, experience and competencies of potential candidates in relation to the Board's current and future skill and experience requirements, and diversity.

On 15 January 2023, Mark Garrett was appointed as an Independent Non-executive Director. Mr Garrett's expertise in the chemical and energy sectors, and his proven ability to drive growth, productivity and efficiencies across diverse global markets will continue to support Orica's strategy for growth.

On 1 February 2023, Dr Vanessa Guthrie was appointed as an Independent Non-executive Director. Dr Guthrie's broad and strategic experience across the resources sector, combined with her deep understanding of the environment and management of natural resources, community, indigenous affairs and corporate development, will greatly enhance the Board's ability to meet its long-term strategic and sustainable growth objectives and environmental, social and governance performance.

Mr Garrett and Dr Guthrie will stand for election at the 2023 Annual General Meeting.

Board skills and experience

A skills matrix is used to ensure the key skills and experience required to serve on our Board are represented. Each Director updates the matrix by rating their skills, expertise and experience for each identified skill using two key categories, 'awareness' or 'high competence/practiced'. These individual ratings are then considered and approved by all Board members.

The collective skills held by our Board are:

Leadership

Board, CEO or Senior Executive experience in major organisations, enterprises or listed companies in Australia or overseas.

Mining

Experience, knowledge and expertise in the Australian or the international resources sector and/or related operations.

Global perspective

Experience in international markets with exposure to a range of political, cultural, regulatory and business environments.

Technology trends and innovation

Experience, knowledge and expertise in the development and commercial application of new and emerging technologies and cyber security.

Financial acumen

Financial knowledge or related financial management or accounting qualifications and experience, including understanding of financial statements.

Mergers and acquisitions

Experience in merger and acquisition transactions involving complex issues.

Governance and legal

Experience and knowledge in governance issues (including the legal, compliance, environmental and regulatory environment applicable to the Australian or international resources sector).

Safety and sustainability

Experience in workplace health and safety, environmental management and social responsibility, community, climate change and sustainability.

Climate change

Experience, knowledge and expertise in understanding climate-related risks and opportunities, including sector-specific implications of climate change.

Strategy

Experience in developing, implementing and overseeing business strategy and strategic planning processes in large and complex organisations.

GOVERNANCE

Professional development

Our Non-executive Director Business Understanding program delivers ongoing learning for Directors to deepen their understanding of our business and operations to ensure they make fully informed decisions on our strategic direction. The program is delivered through a combination of site visits, business briefings, deep-dive education sessions at Board and Committee level, and in one-on-one discussions with management, as appropriate.

In FY2023, Board members participated in a number of deep dive education sessions, including on the geo-political and regulatory environment, Orica's China business strategy and evolving ESG and mandated global sustainability reporting frameworks. Our Board also visited the Kooragang Island major manufacturing facility in Australia and the manufacturing and research and development facilities in Gyttorp, Sweden.

Board and Board Committee focus areas during FY2023

The Board and its Committees have an annual program covering key strategic, operational, oversight and governance activities. The program guides the content and structure of Board and Committee meetings to enhance effectiveness in achieving our purpose and supporting strategic decision-making.

The topics below provide insight into our Board's activities during FY2023, however are not an exhaustive summary of the Board program.

Our Board

Considered macroeconomic, commodity markets, strategic risk and long-term scenarios informing Orica's strategic and financial planning.

Continued commitment to and oversight of Orica's workplace health, safety and employee wellbeing strategic plan. This included deep dives into safety across regional operations and key employee health risks and their management.

Oversight of funding activities and approval of the issue of US$350m (equivalent) of bonds in the US private placement market.

Continued oversight of cyber security risks and controls.

Oversight of Orica's ESG strategy and delivery on public commitments on sustainability priorities, including climate change.

Approved a 'Say on Climate' non-binding resolution to be presented at the 2023 Annual General Meeting.

Diversity profile

33.3%

Women

33.3%

International experience

Average tenure of Non-executive Directors

Under 3 years	3
3-6 years	2
6-9 years	2
Over 9 years	1

Link to our value drivers

- Safe and responsible operations
- Financial performance
- Customers, technology and innovation
- People and capabilities
- Climate and the natural environment
- Community and relationships

An overview of the key focus areas for the standing Committees during FY2023 is set out in the table below.

Board Audit and Risk Committee	Nominations Committee
Oversees the integrity of financial statements and disclosures, the integrity of environmental, social and governance ('ESG') periodic reporting and the Group risk and assurance functions.	**Oversees Board composition and Board and CEO succession planning.**
Key activities: › Oversight of our financial performance and associated reporting processes, including the review of half and full-year financial results. › Annual review of the effectiveness of our risk management framework. › Oversight of the status and closure actions for key internal audit activities. › Review of reports from management on ethics, compliance and business conduct matters.	Key activities: › Board renewal. › Review of the methodology and outcomes of the annual Board performance review and recommended improvement actions. › Approval of the Non-executive Director business understanding program.

People and Remuneration Committee	Safety and Sustainability Committee
Oversees people and culture strategy and policy, as well as Director and Executive remuneration frameworks.	**Oversees safety, sustainability and climate change-related issues that have strategic, business and reputational implications for Orica, and public disclosures and position statements.**
Key activities: › Oversight of the preparation of Orica's Remuneration Report. › Executive succession planning and talent strategy. › Diversity and inclusion strategy and related public disclosures. › Organisational culture and engagement. › Oversight of the short- and long-term incentive design and principles for target setting. › Review of CEO performance.	Key activities: › Oversight of safety and sustainability performance. › Review of material safety, health, environmental and security (SHES) and sustainability risks. › Oversight of the five-year SHES strategic plan and sustainability roadmap. › Review of material environmental remediation projects. › Endorse public sustainability and climate-related disclosures.

Innovation and Technology Committee
Oversees Orica's technology strategy and technology related risks.
Key activities: › Oversight of the introduction and commercialisation of new technology and the research and development pipeline. › Oversight of technology risk, including cyber security and enterprise-wide business systems. › Review of the intellectual property strategy and portfolio.

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors of Orica Limited ('the Company' or 'Orica') present the Annual Report of the Company and its controlled entities (collectively 'the Group') for the year ended 30 September 2023 and the Auditor's Report thereon.

Directors

The Directors of the Company during the financial year and up to the date of this report are:

M W Broomhead, Chairman

S Gandhi, Managing Director and Chief Executive Officer ('CEO')

J R Beevers

D W Gibson

K A Moses

G Naylor

G T Tilbrook

M N Brenner (retired on 14th December 2022)

Boon SF (retired on 14th December 2022)

M Garrett (appointed on 15th January 2023)

V A Guthrie (appointed on 1st February 2023)

E O'Connor and K Anderson Llewellyn are each Company Secretary of Orica Limited.

Particulars of Directors' and Company Secretary qualifications, experience and special responsibilities are detailed in the Annual Report.

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the directors of the Company during the financial year are listed below:

Director	Scheduled Board Meetings[1]		Ad-hoc Board Meetings[1, 2]		Audit and Risk Committee[1]		People and Remuneration Committee[1]		Nominations Committee[1]		Safety and Sustainability Committee[1]		Innovation and Technology Committee[1]	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
M W Broomhead[3]	10	10	2	2	–	–	–	–	3	3	–	–	–	–
J R Beevers	10	10	2	2	–	–	–	–	3	3	5	5	4	4
M N Brenner[4]	4	3	–	–	1	1	2	2	1	1	–	–	–	–
S Gandhi[5]	10	10	2	2	–	–	–	–	–	–	–	–	–	–
M Garrett[6]	6	6	2	2	–	–	–	–	2	2	–	–	3	3
D W Gibson	10	10	2	2	–	–	6	6	3	3	–	–	4	4
V A Guthrie[7]	5	4	2	2	–	–	4	3	2	2	4	4	–	–
K A Moses[8]	10	10	2	2	5	5	6	6	3	3	1	1	–	–
G Naylor[9]	10	10	2	2	5	5	–	–	3	3	4	4	–	–
Boon SF[10]	4	4	–	–	1	1	–	–	1	1	–	–	1	1
G T Tilbrook[11]	10	10	2	2	6	6	–	–	3	3	1	1	–	–

1. Shows the number of meetings held and attended by each Director during the period the Director was a member of the Board or Committee.
2. Ad-hoc board meetings were held on 14 March 2023 and 27 September 2023.
3. The Chairman of the Orica Board attends all Board Committee meetings as an 'ex officio' member of that Committee.
4. Ms M N Brenner retired as an Orica Director, Chair of the People & Remuneration Committee and Member of the Audit & Risk Committee and Nominations Committee on 14 December 2022.
5. The Managing Director and CEO attends Committee meetings on an 'as needs' basis.
6. Mr M Garrett was appointed to the Orica Board and as a Member of the Innovation & Technology Committee on 15 January 2023.
7. Dr V A Guthrie was appointed to the Orica Board and as a Member of the People & Remuneration Committee and Safety & Sustainability Committee on 1 February 2023.
8. Ms K A Moses retired as a Member of the Safety & Sustainability Committee on 31 December 2022 and was appointed a Member of the Audit & Risk Committee on 1 January 2023.
9. Mr G Naylor was appointed a Member of the Safety & Sustainability Committee on 1 January 2023.
10. Mr Boon SF retired as an Orica Director and Member of the Audit & Risk Committee, Nominations Committee and Innovation & Technology Committee on 14 December 2022.
11. Mr G T Tilbrook retired as a Member of the Safety & Sustainability Committee on 1 January 2023.

DIRECTORS' REPORT (CONTINUED)

Directors' interests in share capital

The relevant interest of each Director in the share capital of the Company is disclosed in the Remuneration Report.

Principal activities

The principal activities of the Group in the course of the financial year were the manufacture and distribution of commercial blasting systems including technical services and solutions, mining and tunnelling support systems to the mining and infrastructure markets, and various chemical products and services.

Likely developments

Likely developments in the operations of the Group and the expected results of those operations are covered generally in the review of operations and financial performance of the Group in the Annual Report.

Review and results of operations

A review of the operations of the Group during the financial year and of the results of those operations is contained in the Annual Report.

Changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year ended 30 September 2023.

Dividends

Dividends paid or declared since the end of the previous financial year were:	$m
Final dividend declared at the rate of 22.0 cents per share on ordinary shares, unfranked, paid 22 December 2022	99.6
Interim dividend declared at the rate of 18.0 cents per share on ordinary shares, unfranked, paid 3 July 2023	81.7
Total dividends paid	**181.3**

Since the end of the financial year, the Directors have declared a final dividend to be paid at the rate of 25.0 cents per share on ordinary shares. This dividend will be unfranked.

Events subsequent to balance date

Dividends

On 8 November 2023, the Directors declared a final dividend of 25.0 cents per ordinary share payable on 18 December 2023. The financial effect of this dividend is not included in the financial statements for the year ended 30 September 2023 and will be recognised in the FY2024 Annual Report.

The Directors have not become aware of any other significant matter or circumstance that has arisen since 30 September 2023, that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in this report.

Environmental regulations

Orica seeks to be compliant with applicable environmental laws and regulatory permissions relevant to its operations. Where instances of non-compliance occur, Orica's procedures require that relevant governmental authorities are notified in accordance with statutory requirements and internal investigations are conducted to determine the cause of the non-compliance to ensure the risk of recurrence is minimised.

The Company has committed major investments, both in terms of capital and resources, to improve its environmental performance at key sites in addition to its general maintenance program. The Company is working closely and co-operatively with regulators and government agencies in relation to these initiatives, as well as enhancing community engagement and consultation.

More specific details about Orica's sustainability initiatives and performance, including safety, health and environment, can be found on the Orica website – www.orica.com/sustainability.

DIRECTORS' REPORT (CONTINUED)

Indemnification of officers

The Company's Constitution requires the Company to indemnify any person who is, or has been, an officer of the Company, including the Directors, the Secretaries and other Executive officers, against liabilities incurred whilst acting in good faith as such officers to the extent permitted by law.

In accordance with the Company's Constitution, the Company has entered into a Deed of Access, Indemnity and Insurance with each of the Company's Directors and, in certain instances, specific indemnities have been provided. No Director or officer of the Company has received benefits under an indemnity from the Company during or since the end of the year.

The Company has paid a premium in respect of a contract insuring officers of the Company and of its controlled entities, against a liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with some exceptions. The insurance contract prohibits disclosure of the nature of the liability insured against and the amount of the premium paid.

Non-audit services

During the year, KPMG, the Company's auditor, performed certain other services in addition to its audit responsibilities.

The Board is satisfied that the provision of non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor's independence as set out in *APES 110 Code of Ethics for Professional Accountants (Including Independence Standards)*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

A copy of the lead auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is contained on page 111 and forms part of this Directors' Report.

Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are disclosed in note 21 to the financial report.

REMUNERATION REPORT

Dear Shareholders,

On behalf of the Board, I am pleased to present Orica's FY2023 Remuneration Report, for which we seek your support at our Annual General Meeting.

During FY2023, our 12,500 plus employees worked hard to deliver strong financial, safety, sustainability and strategic outcomes for the business, driven by our purpose of sustainably mobilising the earth's resources. While the external environment remained challenging, we saw improved performance across all our key financial and non-financial metrics including significant growth in underlying EBIT and importantly, no fatalities or serious life-changing injuries across our controlled operations.

Our people remain central to what we do and aligned with our commitment to building a culture where our people feel engaged, respected and connected, this year we are pleased to have launched our new global Diversity, Equity and Inclusion strategy, a key driver in fostering leadership accountability and ensuring an inclusive culture where everyone feels valued. Other examples of the work being undertaken to support the development and wellbeing of our people are outlined on page 58 of the Annual Report. With operations in over 45 countries including Executives located in each of our key regions, we continue to compete with other large global organisations for critical skills. It is important for us to reward our people appropriately through a market competitive remuneration framework that supports pay for performance.

FY2023 remuneration outcomes

FY2023 short-term incentive (STI) outcomes reflect strong business performance, including improved outcomes across all scorecard metrics.

- For the second consecutive year, we have achieved a reduction in our Serious Injury Case Rate (SICR), with our Major Hazard Management (MHM) program successfully driving a global safety culture.
- The number of Loss of Containment (LOC) events decreased in FY2023, with increased awareness throughout the organisation since the LOC metric was introduced, and the development of a strong culture of event review and subsequent action.
- Solid progress has been made to decarbonise Orica's operations leading to a substantial decrease in net Scope 1 and 2 emissions, ahead of our global sustainability plan.
- Management delivered an increase in underlying EBIT from continuing operations of 24 per cent, and a 10 per cent increase in Return On Net Assets (RONA), on the prior year.
- Our Cash Generation Efficiency (CGE) improved across the year with close management of our trade working capital balanced with capital expenditure on sustainability and sustenance projects.

The result of this is a final STI for the Managing Director and Chief Executive Officer (CEO) of 147.6 per cent of his target opportunity (98.4 per cent of maximum). Outcomes for the other Executive KMP also reflected their individual and business unit performance, including the delivery of key priorities within their STI strategic components. Further detail on STI outcomes, including associated performance commentary, is provided in Section 3.2 of this report.

The FY2020-22 long-term incentive (LTI) award (with a performance period from 1 October 2019 to 30 September 2022) did not vest following testing in November 2022, as average RONA performance was below the required threshold. The FY2021-23 LTI award (performance period from 1 October 2020 to 30 September 2023) was similarly impacted by a slow recovery from COVID-19 and while the final vesting outcome will be confirmed following the release of Orica's FY2023 full-year results, no vesting is anticipated.

REMUNERATION REPORT (CONTINUED)

Fixed annual remuneration changes in FY2023

In recognition of his strong performance and leadership during a critical period for the business, the CEO's Fixed Annual Remuneration (FAR) was increased from $1.7m to $1.82m effective 1 April 2023. This was the first FAR increase since his appointment to the CEO role and ensures his remuneration is positioned competitively against our market peers. Following no Executive FAR increases for FY2022, other than for those individuals who had a change in role or accountability, external remuneration benchmarking was also conducted for the other Executive roles in late-2022. Effective 1 January 2023, FAR for the Chief Technology Officer and President Safety, Health, Environment and Security (SHES), Discrete Manufacturing and Supply, was increased by 1.5 per cent and 6.7 per cent respectively.

Outcomes of Executive remuneration framework review

As foreshadowed in the FY2022 Remuneration Report, the Board undertook a full review of the Executive remuneration framework in FY2023 to test its alignment with Orica's long term objectives under the refreshed strategy and the delivery of shareholder value, whilst also ensuring we are rewarding our people competitively.

While the Board agreed that the existing framework remains the most appropriate approach for Orica as we continue to focus on improved efficiency and growth, the review identified opportunities to improve our incentive plan arrangements to better align with business needs. The resultant key changes to the FY2024 Executive remuneration framework are as follows:

- A new LTI Business Sustainability metric with a 20 per cent weighting, which recognises the need for Orica to undertake a suite of critical actions in the coming years that will enable us to deliver long term, sustainable returns for our shareholders. To allow for this new metric, the weightings on the existing relative Total Shareholder Return (TSR) and RONA metrics have been reduced to 40 per cent on each.
- Expanding the Global Scope 1 & 2 Absolute Emissions Reduction STI metric to a broader Decarbonisation metric which will include a more complete assessment of both our absolute emissions reduction and the delivery of key emissions reduction initiatives.
- Inclusion of an Operational Priorities component within the CEO's STI scorecard which will initially focus on the delivery of key operational milestones and results that are critical to Orica's long term success, providing a more balanced assessment of overall performance. To allow for this component, the RONA metric has been removed, however it remains within the LTI.
- Removal of the post-vesting holding lock on STI deferred shares to better align with our market peers, noting the one-year vesting period remains. This change will first come into effect for the FY2024 STI and no changes will be made in respect of deferred shares granted in prior years, or that will be granted under the FY2023 STI. Long term shareholder alignment will continue to be driven by the LTI design where the two-year post-vesting holding lock will remain, as well as our Executive minimum shareholding policy.

We appreciate the feedback provided by shareholders during FY2023 and the support for what we are seeking to achieve through our modified Executive incentive plans. Further detail on the review outcomes and full suite of incentive plan changes, including the CEO's FY2024 STI metrics and weightings, is provided in Section 3.7 of this report.

On behalf of the People and Remuneration Committee, I would like to thank you for your ongoing support and invite you to read the full report in detail.

Karen Moses
Chair, People and Remuneration Committee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REMUNERATION REPORT (CONTINUED)

Executive summary

FY2023 Remuneration Strategy and outcomes linked to business priorities and performance

At Orica, remuneration is linked to the drivers of our business strategy, helping to create long term success for shareholders. The at-risk components of remuneration are tied to measures that support safe and sustainable operations, alongside the delivery of operating and capital efficiencies in both the short and long term. With the Board having committed to undertaking a fulsome review of Executive remuneration during FY2023, the FY2023 remuneration strategy and framework remained consistent with the prior year.

OBJECTIVE: COMPETITIVE REMUNERATION THAT ALIGNS EXECUTIVES WITH THE LONG TERM SUCCESS OF ORICA AND ITS SHAREHOLDERS				
BOARD PRIORITIES	**Strong alignment** with shareholder returns and overall business performance	**Fit for purpose,** with a clear link to business strategy and that drives desired behaviours	**Simple and transparent,** delivering incentive outcomes that are well understood	**Globally competitive,** enabling Orica to attract and retain the best talent

Component	Fixed Annual Remuneration (FAR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Purpose and link to strategy	**Provide competitive base pay in a challenging talent market that will attract and retain the skills needed to manage a complex global business.** We target remuneration at the median of an ASX listed comparator group comprising companies of similar size, operations and global business complexity. The CEO receives a portion of FAR in equity to ensure immediate and ongoing alignment with our shareholders.	**Drive performance aligned to near term strategy and underpinning long term value creation.** Scorecard metrics for FY2023 supported a continued focus on: • reducing serious injuries; • minimising the impact of our operations on the environment; • driving improved financial performance; • sustainable productivity improvement and efficient capital allocation; and • key strategic priorities including operating efficiency, innovation and technology, and adjacency growth. The deferred equity component provides long term shareholder alignment.	**Drive long term value creation for shareholders by encouraging an owner's mindset and decision-making that supports sustainable performance.** The LTI design: • reinforces a focus on sustainable productivity improvement and efficient capital allocation during the three-year vesting period; and • provides long term shareholder alignment over a five-year time horizon.
Policy Mix (at target): Cash Equity	CEO: 20.9% 4.1% Other Executives: 35.7%	CEO: 12.5% 12.5% Other Executives: 14.3% 7.1%	CEO: 50.0% Other Executives: 42.9%
Delivery	Base salary, superannuation (or pension equivalent) and allowances (per local market practice). For the CEO, $300,000 of FAR is delivered in fixed equity that vests monthly but is subject to a trading restriction until the CEO's minimum shareholding guideline is met.	Portion as cash payment (50% for CEO; 66.7% for other Executives). Portion deferred into shares with a one-year vesting period and three-year holding lock (50% for CEO; 33.3% for other Executives).	Performance rights with a three-year vesting period and two-year holding lock. The LTI is granted at face value, based on the volume weighted average price (VWAP) of Orica shares during the five trading days following the full year results announcement.
FY2023 outcomes	Following external benchmarking of his remuneration (refer Section 3.1 for detail on our benchmarking approach), the CEO received a 7% increase in FAR from $1.7m to $1.82m effective 1 April 2023. This was the first increase since being appointed to the role on 1 April 2021 and recognised both his strong performance and leadership through Orica's critical recovery phase back to a growth focus. It also ensures that we continue to remain competitive against external market peers. A portion of the CEO's FAR continues to be provided in the form of fixed equity (FY2023 fixed equity grant of $300,000 was made in December 2022). Remuneration increases effective 1 January 2023 were also received by the Chief Technology Officer (1.5%) and President SHES, Discrete Manufacturing and Supply (6.7%) following an assessment of market benchmarks and performance in role.	CEO and Executive STI outcomes were between target and stretch in FY2023, primarily driven by strong financial performance, alongside improved safety and sustainability results. Good progress was also made against our key strategic priorities across the business. Refer Section 3.2 for further detail on performance against our FY2023 STI scorecard metrics. Deferred shares allocated under the FY2019 and FY2020 plans remain in a holding lock and have therefore seen fluctuations in value aligned with our share price (no FY2021 deferred shares were allocated as there were no Executive STI payments for this financial year). The FY2018 award was released from restriction in December 2022.	The FY2020-22 LTI (tested in November 2022) did not vest with three-year average RONA below the required threshold.

Contents

REMUNERATION REPORT (CONTINUED)

Section 1. Key Management Personnel

1.1 Executive Key Management Personnel

The table below lists the Executives of the Company who, together with the Non-executive Directors, were defined as Key Management Personnel (KMP) under Australian Accounting Standards for FY2023. For the purpose of this Remuneration Report, references to Executives are to the Executive KMP and other Executive Committee members with the same remuneration arrangements as the Executive KMP.

Name	Role in FY2023	Commencement date in role	Country of residence
Executive Director			
Sanjeev Gandhi	Managing Director and CEO (CEO)	1 April 2021	Australia
Executive KMP			
Kim Kerr	Chief Financial Officer	11 October 2022	Australia
Leah Barlow	President – Safety, Health Environment and Security (SHES), Discrete Manufacturing and Supply	1 July 2022	Australia
Angus Melbourne	Chief Technology Officer	1 April 2021	Australia
Former Executive KMP			
Christopher Davis[1]	Chief Financial Officer	1 October 2018	Australia

1. Ceased to be KMP on 10 October 2022 and as an employee on 30 December 2022. Given the minimal length of time served as KMP during FY2023 and with all unvested equity awards lapsing on cessation of employment, relevant disclosures in this Remuneration Report are contained within Section 6.1.

Executive Committee member qualifications, experience and responsibilities are detailed within the Annual Report.

1.2 Non-executive Directors Key Management Personnel

The Non-executive Directors who held office during FY2023 are set out below. This includes Mark Garrett and Vanessa Guthrie, who commenced in their roles effective 15 January and 1 February 2023 respectively and will stand for election at the 2023 Annual General Meeting. These directors have oversight of the strategic direction of the Company but have no direct involvement in the day-to-day management of our business.

Name	Role in FY2023	Commencement date in role	Country of residence
Current Directors			
Malcolm Broomhead	Non-executive Director, Chairman	1 December 2015	Australia
John Beevers	Non-executive Director	1 February 2020	Australia
Mark Garrett	Non-executive Director	15 January 2023	Switzerland
Denise Gibson	Non-executive Director	1 January 2018	United States
Vanessa Guthrie	Non-executive Director	1 February 2023	Australia
Karen Moses	Non-executive Director	1 July 2016	Australia
Gordon Naylor	Non-executive Director	1 April 2022	Australia
Gene Tilbrook	Non-executive Director	14 August 2013	Australia
Former Directors			
Maxine Brenner[1]	Non-executive Director	8 April 2013	Australia
Boon Swan Foo[1]	Non-executive Director	6 May 2019	Singapore

1. Retired from the Board on 14 December 2022.

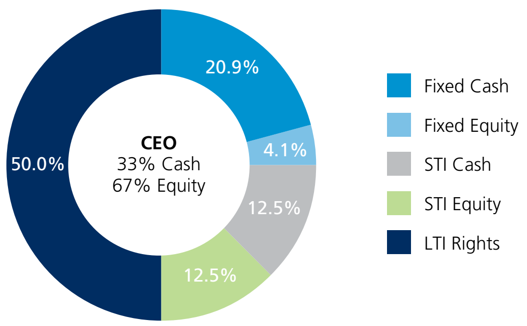
Section 2. Key stakeholder questions

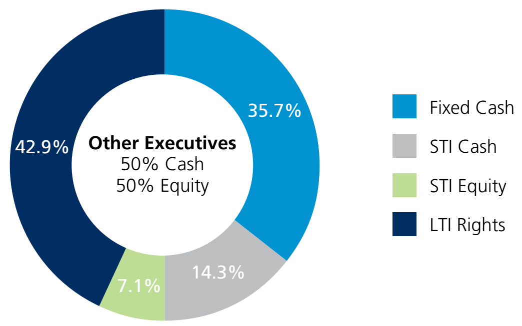
2.1 How is Executive remuneration structured?

Our Executive remuneration framework is weighted towards variable (at-risk) remuneration to align with the interests of our shareholders and drive performance against short and long term business objectives.

Assuming target STI and the face value of LTI granted to Executives, the current policy remuneration mix is:

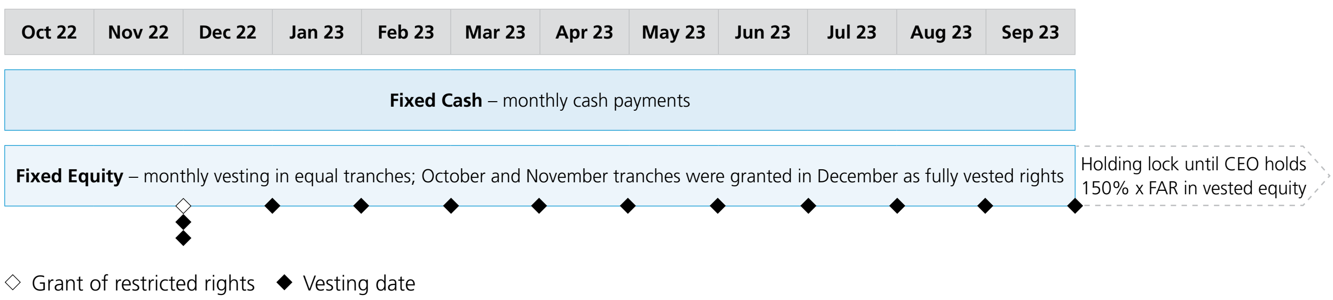
- CEO: 75.0 per cent variable based on performance, 62.5 per cent of which is delivered as deferred shares or performance rights.
- Other Executives: 64.3 per cent variable based on performance, 50.0 per cent of which is delivered as deferred shares or performance rights.





2.2 How does the CEO's fixed equity component operate?

On Sanjeev Gandhi's appointment to the CEO role in FY2021, the Board determined it appropriate for a portion of his FAR to be delivered in the form of Orica equity to ensure immediate and ongoing alignment with shareholders. At the same time, the CEO's minimum shareholding requirement was increased from 100 per cent to 150 per cent of FAR and the time period allowed to reach this holding reduced from six to five years from appointment. For FY2023, Mr Gandhi again received $300,000 of his FAR as fixed equity, granted in the form of restricted rights which vest monthly in alignment with the payment of fixed cash. The allocation value for the FY2023 grant made in December 2022 was based on the five-day VWAP following FY2022 full-year financial results, consistent with the FY2023-25 LTI plan.



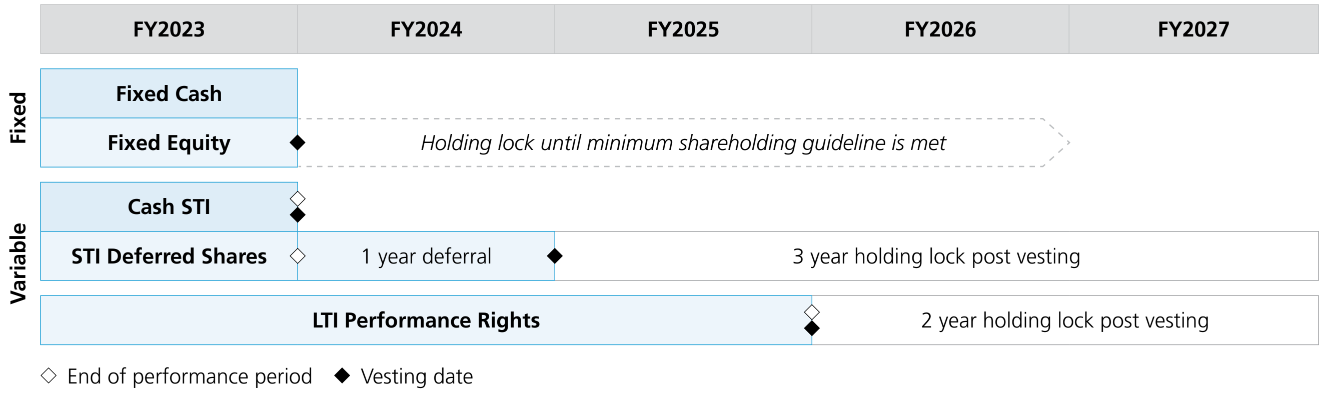
Vested rights are exercisable for a five-year period from grant, with the underlying shares subject to a holding lock until the CEO exceeds his minimum shareholding requirement, except where the sale of shares is required to meet tax obligations.

Further information on the CEO's fixed equity is detailed in Section 3.1.

REMUNERATION REPORT (CONTINUED)

2.3 When is remuneration earned and received?

The diagram below illustrates the period over which FY2023 remuneration is earned and delivered. The intent is to reward Executives progressively across different timeframes with ongoing alignment with shareholders through the equity components.



2.4 How much were Executive KMP paid in FY2023?

The table below presents the remuneration paid to, or vested for, current Executive KMP in FY2023. The STI outcomes reflect Orica's strong financial and non-financial performance over FY2023 (refer to Section 3.2 for information on the determination of FY2023 STI outcomes including the CEO's STI scorecard and associated performance commentary).

Executive KMP	Fixed pay[1] $000	STI to be paid in cash[2] $000	Total cash payment $000	Equity awards vested during year[3] $000	Other[4] $000	Total remuneration received $000
Sanjeev Gandhi	1,460.0	1,299.0	2,759.0	301.0	3.2	3,063.2
Kim Kerr	775.0	514.2	1,289.2	–	2.8	1,292.0
Leah Barlow	787.5	570.7	1,358.2	–	22.4	1,380.6
Angus Melbourne	930.4	639.0	1,569.4	–	2.6	1,572.0
Total	**3,952.9**	**3,022.9**	**6,975.8**	**301.0**	**31.0**	**7,307.8**

1. Fixed pay includes actual base pay received in cash and superannuation (or equivalent pension) contributions for each individual's applicable KMP period. For Sanjeev Gandhi, it therefore does not include the equity component of his fixed annual remuneration (i.e., the FY2023 fixed equity) which is captured under the 'Equity awards vested during the year' column.
2. Refers to FY2023 Executive STI plan cash payments that will be received by Executives in December 2023 (in accordance with the STI plan rules, associated deferred shares will also be granted in December 2023 to all Executives).
3. Refers to the face value of Executive equity awards (using the share price at the vesting date) that vested during FY2023. No deferred shares vested in FY2023 due to there being no FY2021 Executive STI and correspondingly no associated deferred shares awarded. The FY2020-22 Executive LTI also did not vest. For Sanjeev Gandhi, the amount includes FY2023 fixed equity which is part of his FAR.
4. Refers to other benefits and allowances provided (where applicable) including fees relating to managing trailing tax obligations associated with international assignments and/or permanent relocations. Movements in annual leave and long service leave balances have not been shown.

Refer to Section 6.1 for the remuneration table prepared in accordance with the accounting standards.

2.5 Will there be any changes to the FY2024 Executive incentives?

During FY2023, the Board undertook a formal review of the Executive remuneration framework with a focus on support for Orica's objectives under our refreshed strategy, delivering outcomes aligned with long term shareholder returns, and motivating and retaining our critical talent. The review confirmed that our current framework, with a separate short- and long-term incentive, remains the most appropriate approach as we continue to focus on improved efficiency and growth within our core business whilst also looking towards a more sustainable future. However, several changes to our short- and long-term incentives will be made for FY2024. Refer Section 3.7 for detail on these changes.

Section 3. Executive remuneration

3.1 Executive remuneration framework

The following table outlines the FY2023 Executive remuneration framework.

Remuneration Positioning	
Market position	Median for FAR and between Median and 75th percentile for total remuneration where outstanding performance is delivered.
Comparators	**Primary comparator group** – 14 ASX listed companies similar in size, operations and complexity to Orica, with reference to market capitalisation, revenue, industry and the extent of international operations. The primary comparator group was last reviewed as at 30 June 2023 and comprises the following companies: Amcor Plc, Ansell Limited, BlueScope Steel Limited, Brambles Limited, Cochlear Limited, Incitec Pivot Limited, James Hardie Industries Plc, Newcrest Mining Limited, Nufarm Limited, Orora Limited, Sims Limited, Santos Limited, South 32 Limited and Worley Limited. **Secondary comparator group (reference)** – ASX listed companies with market capitalisation between 50% and 200% of Orica's 12-month average market capitalisation, as at 30 June of the relevant financial year. Where appropriate, particularly for roles located outside of Australia, additional sector or local industry specific data is taken into consideration in benchmarking Executive remuneration.
FAR (Cash)	
Payment vehicle	Cash salary, superannuation (or pension equivalent) and allowances (per local market practice).
FAR (Equity)	
Payment vehicle	Restricted rights (each vested right providing a 1:1 entitlement to Orica shares).
Opportunity (face value)	CEO: Grant value of $300,000 for FY2023 (17.6% of FAR at the date of grant). The actual number of restricted rights issued was determined by dividing FAR (Equity) opportunity by the five-day VWAP of Orica shares following the announcement of our FY2022 annual results ($15.24).
Vesting period	1 October 2022 to 30 September 2023.
Vesting schedule	Vests in equal monthly tranches subject to continued employment until the end of the relevant month. Due to timing of the grant, the first two tranches were granted as fully vested rights.
Exercise period	Between vesting and five-years from grant.
Holding locks	Shares allocated following exercise of vested rights will be subject to a holding lock until the CEO's minimum shareholding requirement (150% x FAR) has been met.
Cessation of employment	Unvested rights lapse on cessation, subject to Board discretion to determine otherwise. Vested rights are retained with no holding locks attached to the underlying shares.
Change of control	Board discretion to determine an appropriate treatment.
Access to dividends	Entitlement to dividend equivalent payments in relation to vested rights.
STI	
Payment vehicle	Cash and deferred shares.
Opportunity	CEO: 0 to 150% of FAR; 100% at target. Other Executives: 0 to 120% of FAR; 60% at target. For Executives based outside of Australia, opportunities are referenced to base salary only.

REMUNERATION REPORT (CONTINUED)

Performance measures		CEO: Safety & Sustainability (25%) comprising Serious Injury Case Rate (SICR), Loss of Containment (LOC) and Global Scope 1 & 2 Absolute Emissions Reduction; Financials (75%) comprising EBIT, RONA and CGE[1]. Other Executives: Safety & Sustainability (25%); Financials (50%); Strategic priorities (25%). Required performance levels for threshold, target and maximum are set for each Safety, Sustainability and Financial metric. Below threshold, no incentive is paid. Above threshold, straight-line vesting applies between threshold and target, and between target and maximum. While not specifically included within the CEO or Executive STI scorecards, the Board has consideration for overall progress made against Orica's corporate plan, key people metrics and adherence to business conduct and compliance frameworks. The determination of final outcomes for all Executives includes input from Board Committee Chairs and senior functional leaders (including from the Finance, Legal, Risk & Assurance, SHES, Sustainability and People functions).
Deferred STI		CEO: 50% of STI delivered in deferred shares which vest after one-year and are subject to risk of forfeiture. Other Executives: one-third of STI delivered in deferred shares which vest after one-year and are subject to risk of forfeiture. The number of deferred shares granted is calculated using the five-day VWAP of Orica shares following the announcement of our FY2022 annual results ($15.24).
	Holding lock	Following the one-year vesting period, vested deferred shares are subject to a further three-year holding lock during which time Executives are restricted from trading in shares. Disposal restrictions may be lifted only where an Executive is required to fund personal tax obligations arising on vesting of shares (applicable for certain non-Australian based Executives) or on cessation of employment.
	Cessation of employment	Unvested deferred shares lapse on resignation or termination for cause. In other circumstances, being good leaver events, unvested shares may be retained subject to the original vesting period and holding lock. Vested deferred shares are retained on cessation, subject to the original holding lock. The Board retains discretion to determine a different treatment on cessation if considered appropriate in the circumstances.
	Change of control	Board discretion to determine an appropriate treatment.
	Access to dividends	Executives are entitled to accumulate dividends during both the deferral and holding lock periods.
LTI		
Payment vehicle		Performance rights (each vested right providing a 1:1 entitlement to Orica shares).
Opportunity (face value)		CEO: 200% of FAR grant at face value. Other Executives: 120% of FAR grant at face value. For Executives based outside of Australia, opportunities are referenced to base salary only. The actual number of performance rights issued to each Executive was determined by dividing their respective grant values by the five-day VWAP of Orica shares following the announcement of our FY2022 annual results ($15.24).
Performance period		Performance is measured over three financial years (FY2023, FY2024 and FY2025).
Performance measures		50% of Rights are subject to RONA[2] – calculated as annual EBIT/rolling 12-month Net Operating Assets (calculated on an average basis over three financial years). 50% of Rights are subject to Relative Total Shareholder Return (rTSR) performance.

1. For STI purposes, EBIT is defined as earnings from Continuing Operations before interest, tax and individually significant items; RONA is defined as EBIT/Net operating assets. Net operating assets is defined as rolling 12-month average assets including net property, plant and equipment; intangibles at NBV; current and non-current investments in associates at current carrying value; trade working capital; non-trade working capital excluding environmental provisions; CGE is defined as Net cash from operating activities (incorporating movement in 12-month average trade working capital) excluding cash outlays related to growth capital or other investments, non-trade working capital, and payments to and from shareholders and debt, but including sustaining capital/Earnings Before Interest, Taxes, Depreciation and Amortisation.
2. For LTI purposes, RONA is defined as EBIT/Net operating assets. Net operating assets is defined as rolling 12-month average assets including net property, plant and equipment; intangibles at NBV; current and non-current investments in associates at current carrying value; trade working capital; non-trade working capital excluding environmental provisions; EBIT is defined as earnings from Continuing Operations before interest, tax and individually significant items.

Targets and vesting schedule	**RONA Component (50%)** The FY2023-25 vesting schedule for the RONA performance measure is as follows: <table><tr><th>Average RONA over 3 years</th><th>% of Rights vesting</th></tr><tr><td>Below 10.5%</td><td>No vesting</td></tr><tr><td>At 10.5%</td><td>30% of Rights vest</td></tr><tr><td>Between 10.5% and 12.0%</td><td>Straight line vesting between 30% and 60%</td></tr><tr><td>At 12.0%</td><td>60% of Rights vest</td></tr><tr><td>Between 12.0% and 13.0%</td><td>Straight line vesting between 60% and 100%</td></tr><tr><td>At or above 13.0%</td><td>100% of Rights vest</td></tr></table>The FY2023-25 LTI RONA targets reflected the Board's expectations in late 2022 based on Orica's corporate plan and the long term growth forecast considering the current industry and market cycle. **Relative TSR Component (50%)** Orica's TSR performance over the performance period will be measured against the performance of constituents within the ASX 100 index, defined as at the start of the performance period (1 October 2022). <table><tr><th>Orica TSR percentile ranking (against constituents of ASX 100)</th><th>% of Rights vesting</th></tr><tr><td>Below 50th</td><td>0%</td></tr><tr><td>50th (Target performance)</td><td>50% of Rights vest</td></tr><tr><td>Between 50th and 75th percentile</td><td>Straight line vesting between 50% and 100%</td></tr><tr><td>75th or above (Stretch performance)</td><td>100% of Rights vest</td></tr></table>
Holding locks	Following the three-year performance period, vested performance rights are converted into shares and are subject to a further two-year holding lock during which time Executives are restricted from dealing in those shares. The holding lock is designed to support an owner's mindset and provide alignment with shareholders. Disposal restrictions may be lifted where an Executive is required to fund personal tax obligations arising from the vesting of Rights (applicable for certain non-Australian based Executives).
Cessation of employment	Unvested rights lapse on resignation or termination for cause. In other circumstances, being good leaver events, a pro-rata portion of rights (based on service period) is retained subject to the original vesting period and holding lock. Vested rights are retained on cessation, subject to the original holding lock. The Board retains discretion to determine a different treatment on cessation if considered appropriate in the circumstances.
Change of control	Board discretion to determine an appropriate treatment.
Access to dividends	Executives are not entitled to receive dividends on unvested performance rights during the three-year performance period. Once vested, Executives are entitled to receive dividends during the two-year holding lock.

The Board has an overriding discretion to adjust final outcomes under the terms of both the STI and LTI plans to ensure executive reward outcomes are reflective of our overall performance and aligned to shareholder expectations.

REMUNERATION REPORT (CONTINUED)

3.2 Short-term incentive outcomes – link to performance

(a) Summary of FY2023 STI performance conditions and performance level achieved

Consistent with the prior year, performance is measured against a suite of financial and non-financial metrics as part of each Executive's performance review. Key drivers of performance within the CEO's STI scorecard are outlined below, with the resultant outcome for FY2023 being 147.6 per cent of his target STI opportunity (98.4 per cent of maximum).

Measure	Target	Weighting (at target)	2023 performance: Threshold 50%	Target 100%	Max 150%	Weighted Outcome (%)	Performance commentary
Safety and Sustainability	Rewards a continuous focus on ensuring safe and reliable operations, and reducing the impact of our business on the environment						
SICR[1]	0.149	10%				15.0%	Safety outcomes were much improved from FY2022 with zero fatalities or serious life changing injuries and continuous improvement seen through SICR outcomes. We also continued to see improvement in the severity level of LOC events with the overall number reducing again in FY2023.
Loss of Containment[2]	22	5%				7.5%	Net emissions reduced substantially from the prior year, resulting in Orica achieving a 22% reduction in Global Scope 1 & 2 GHG emissions from our FY2019 baseline levels. This outcome was enabled by the completion of tertiary catalyst abatement deployment at Kooragang Island, with the final investment decision reached during the year in relation to Yarwun tertiary catalyst abatement expected to also deliver further emissions reduction. Refer to page 62 for detail on our key sustainability achievements for the year.
Global Scope 1 & 2 GHG Emissions Reduction[3]	15.9%	10%				15.0%	
Financials	Rewards improvements to earnings, enhanced returns from invested capital, developing enabling technology and adjacency growth, and optimising capital allocation/reallocation						
EBIT[4]	$596.2m	30%				45.0%	EBIT of $698.1m was above stretch, underpinned by strong results in Australia Pacific, Asia and EMEA, and ongoing commercial discipline across the portfolio. The successful replacement of earnings previously contributed by our Russia business was supported by accelerated growth in emerging Africa, GroundProbe and the increasing adoption of technology-based solutions.
RONA[4]	10.9%	30%				45.0%	RONA of 12.6% was above stretch, driven predominantly by the strong EBIT result against budget.
CGE[4]	43.6%	15%				20.1%	CGE of 46.6% was between Target and Stretch as a result of both a strong EBITDA result and significant efforts to reduce trade working capital (TWC) despite the impact of ongoing security of supply challenges and capital expenditure to support sustainability and key sustenance projects.
Overall STI outcome					% of Target % of Maximum	147.6% 98.4%	

1. SICR measures the total number of Severity 3 and Severity 4 injuries and illnesses per 200,000 hours worked by an employee/contractor. Excludes non-work-related injury/illness and occupational disease or illness that are attributable to chronic exposure to harmful agents over an extended period.
2. LOC measures the total number of uncontrolled releases of material from a primary containment that results in a Severity 1 or greater environmental impact on water or soil. From FY2022, the targets exclude events occurring in transit, the focus being on events that are within Orica's direct operational control.
3. Scope 1 and 2 refers to emissions under Orica's operational control, measured in accordance with the GHG Protocol and National Greenhouse and Energy Reporting (NGER) Measurement Determination.
4. Refer Section 3.1 for the definitions of EBIT, RONA and CGE for FY2023 STI purposes.

The overall outcomes for Executive KMP (other than the CEO) ranged from 82.6 per cent to 90.6 per cent of their maximum opportunity, largely driven by strong Group performance. Differences in outcome reflect individual performance and the performance of the business units and/or functions over which the Executives were accountable during FY2023, considering delivery against applicable strategic objectives determined by the Board at the start of the financial year with clear alignment to Orica's corporate plan. Performance commentary for each Executive is outlined in the table below.

Chief Financial Officer	Ms Kerr achieved strong results against her strategic objectives. Proactive debt management, including extending Orica's drawn debt maturity through completion of the issuance of USD$350m of fixed-rate unsecured notes in the US Private Placement market and embedding a disciplined approach to capital expenditure across all parts of the business positions Orica well to continue pursuing growth opportunities and decarbonisation initiatives. A centralised focus on inventory resulted in significantly improved TWC and cash flow positions.
President SHES, Discrete Manufacturing & Supply	Ms Barlow delivered outstanding outcomes across her areas of accountability. The success of Orica's SHES programs, including the Major Hazard Management (MHM) program that has been critical to driving a global safety culture, was seen through Group SICR and LOC outcomes. The increase in our Electronic Blasting System (EBS) capacity globally has enabled the realisation of sourcing and cost benefits through the Discrete Network Optimisation (DNO) program which is delivering ahead of plan with global hubs in India and Peru. Notwithstanding ongoing external challenges, the strength of our manufacturing and supply networks continues to ensure security of supply for our customers.
Chief Technology Officer	Mr Melbourne oversaw the successful launch of Orica's Digital Solutions vertical, which together with the integration of Axis Mining Services, is delivering robust growth in a market with an accelerated focus on digitisation and automation. Growth in new technology returns across all regions was a significant contributor to Orica's strong financial results and we continue to see increased technology adoption as new digital and technology solutions are launched or transition from customer trials to commercialisation. In FY2023, this included the launch of OrePro™ Predict and WebGen™ 200 in Underground and Surface mining markets, and the commercialisation of 4D™ technology.

(b) Short-term incentive outcome – FY2023

Details of the FY2023 outcomes for eligible Executive KMP are set out in the table below:

For the year ended 30 September 2023	Maximum STI Opportunity $000	Actual STI paid in cash $000	Actual STI paid in deferred equity[1] $000	Actual STI payment as % of maximum	% of maximum STI forfeited
Current Executive KMP					
Sanjeev Gandhi	2,640.2	1,299.0	1,299.0	98.4%	1.6%
Kim Kerr[2]	933.7	514.2	257.1	82.6%	17.4%
Leah Barlow	944.9	570.7	285.4	90.6%	9.4%
Angus Melbourne	1,116.5	639.0	319.5	85.9%	14.1%

1. Under AASB 2 *Share-based Payments*, STI paid to Executives as deferred shares is accounted for as a share-based payment and expensed over two years. Accordingly, 50% of the value of deferred equity is included in each Executive KMP's share based payments expense in the relevant performance year with the remainder included in the subsequent year.
2. Refers only to Kim Kerr's KMP period from 11 October 2022.

REMUNERATION REPORT (CONTINUED)

3.3 Long-term incentive outcome

The table below summarises the LTI Plan awards tested in the current financial year together with awards that remain unvested. The current face value (and the estimate of the maximum possible total value) of LTI Plan awards granted during FY2023 that are yet to vest, can be determined by multiplying the number of awards shown in Section 6.2 by the current share price of the Company. The minimum possible total value of the awards is nil. The actual value that may ultimately be received by Executives cannot be determined as it is dependent on and therefore fluctuates with movements in the Company's share price.

Plan	Grant	Performance period	Performance measures applicable to award	Outcome
LTIP	FY2020	FY2020 – FY2022	RONA (100%)	No vesting
LTIP	FY2021	FY2021 – FY2023	RONA (100%)	Not yet tested
LTIP	FY2022	FY2022 – FY2024	RONA (50%), rTSR (50%)	Not yet tested
LTIP	FY2023	FY2023 – FY2025	RONA (50%), rTSR (50%)	Not yet tested

The FY2020 grant was tested in November 2022 but did not vest as the three-year average RONA was below the required threshold. In determining the average RONA outcome, the Board applied discretion to adjust EBIT and Net Operating Assets (being the inputs used to calculate RONA) to remove the acquisition year impact of the Exsa transaction, the impact of the IRFS-16 leasing standards and SaaS accounting changes, the sale of Minova and Nitro Consult, and Orica's exit from Russia. Net Operating Assets was also adjusted to ensure management were not advantaged from impairments to IT and other assets or business impairments that occurred during the performance period. Overall, management were neither advantaged nor disadvantaged by the adjustments made and they did not change the vesting outcome.

FY2020-2022 LTIP	Final outcome	Vesting position	% Rights vesting
RONA (3-year average)	9.6%	Below threshold of 13.4%	0%

3.4 Equity granted in FY2023

The table below presents the equity granted at face value to Executive KMP during FY2023.

Executives (KMP)	FY2023 LTI[1] $000	FY2022 Deferred shares $000	Other[2] $000	Total $000
Sanjeev Gandhi	3,400.0	1,057.4	300.0	4,757.4
Kim Kerr	960.0	–	–	960.0
Leah Barlow	960.0	189.4	–	1,149.4
Angus Melbourne	1,120.8	301.7	–	1,422.5
Total	**6,440.8**	**1,548.5**	**300.0**	**8,289.3**

1. Due to vest in November 2025 subject to satisfaction of performance conditions and then subject to a two-year holding lock.
2. Relates to Sanjeev Gandhi's FY2023 fixed equity grant which as part of his FAR vests in equal monthly tranches (refer Section 3.1 for details).

REMUNERATION REPORT (CONTINUED)

3.5 Overview of business performance – five-year comparison

The table below summarises key indicators of the performance of the Company, relevant shareholder returns over the past five financial years, and average Executive KMP STI vesting outcomes.

Financial year ended 30 September	2019	2020	2021	2022	2023
Profit/(loss) from the consolidated group operations ($m)	468.8	320.6	(27.3)	304.5	526.9
Individually significant items ($m)[1]	195.9	293.1	453.9	274.0	171.2
EBIT ($m)[2]	664.7	613.7	426.6	578.5	698.1
Dividends per ordinary share (cents)	55.0	33.0	24.0	35.0	43.0
Closing share price ($ as at 30 September)	22.54	15.43	13.79	13.22	15.59
Three-month average share price (1 July to 30 September) each year	21.36	17.05	12.83	15.41	15.39
EPS growth (%)[2]	14.2	(22.8)	(32.3)	49.2	6.3
NPAT ($m)[2]	371.9	299.1	208.4	317.0	369.0
External Sales ($m)	5,878.0	5,611.3	5,682.2	7,327.5	7,945.3
Cumulative TSR (%)[3]	11.56	(8.91)	(30.35)	(14.94)	(1.09%)
Average STI received as % of maximum opportunity for Executives[4]	53.3	29.2	0.0	67.7	89.4

1. This figure is before interest, tax and non-controlling interests.
2. Before individually significant items.
3. Cumulative TSR has been calculated using the same start date for each period measured (1 October 2018). In calculating the cumulative TSR, three-month average share prices (1 July to 30 September for each year) have been used.
4. Refers to awards received by Executive KMP under the Executive STI plan.

3.6 Service agreements

Remuneration and other terms of employment for Executives are formalised in service agreements. The terms and conditions of employment for each Executive reflect market conditions at the time of their contract negotiation on appointment or subsequently. The material terms of the employment contracts for the current Executive KMP are summarised in the table below and subject to applicable law.

Contractual Term	Application	Conditions
Duration of contract	All Executive KMP	Permanent full-time employment contract until notice given by either party.
Notice period to be provided by Executive	All Executive KMP	Six months.
Notice period to be provided by Orica	CEO	Six months. Orica may elect to make payment in lieu of notice. In the event of Orica terminating the service agreement, the CEO will be entitled to receive a termination payment of six months' salary (less any payment in lieu of notice). Should the CEO's service agreement be terminated by mutual agreement, six months' salary is payable (in which case no notice is required to be given).
	Other Executive KMP	Executives have either a 13 week or 26 week notice period. Executives are entitled to be paid an amount equivalent to up to 26 weeks' FAR on termination.
Post-employment restraints	All Executive KMP	Each Executive has also agreed to restraints and non-solicitation undertakings as part of their service agreements, which will apply upon cessation of their employment to protect the legitimate business interests of Orica.

REMUNERATION REPORT (CONTINUED)

3.7 Executive remuneration in FY2024

As a result of the Board's review of Executive remuneration in FY2023, several changes will be made to FY2024 incentives as outlined below.

Introduction of a Business Sustainability LTI metric

Our refreshed strategy balances continued growth in Orica's underlying business with the need to make substantial operating changes that will ensure the longevity of the company and ongoing returns for our shareholders. The new Business Sustainability metric will encourage our Executives to make these long term decisions and complement our existing RONA and rTSR metrics. For the FY2024-26 LTI award, the Business Sustainability metric will be specifically focused on Portfolio Resilience and Diversification, rewarding for the delivery of initiatives and outcomes that strengthen the resilience and sustainability of Orica's portfolio in alignment with our strategic plan. This includes:

- Increasing our exposure to and delivering on the growth potential of key emerging markets within Asia, Africa and Latin America;
- Growth in Orica Digital Solutions through the accelerated adoption of innovative blasting technologies and expansion in high-growth Mining Chemicals markets, balancing our core blasting business and accelerating customer usage of more sustainable solutions; and
- Moving towards more progressive and sustainable commodities that are essential to a broader energy transition, including rebalancing our portfolio mix towards gold, copper, future-facing commodities and the Quarry and Construction vertical.

Incorporating the new Business Sustainability metric, the FY2024-26 LTI Plan metrics and weightings are shown below:

Measure	Weighting
Return on Net Assets	40.0%
Relative Total Shareholder Return	40.0%
Business Sustainability: Portfolio Resilience and Diversification	20.0%
– Increasing exposure to key emerging markets	
– Accelerating growth in Orica Digital Solutions and Mining Chemicals	
– Moving towards a more progressive and sustainable commodity mix	

The outcome of the Business Sustainability metric will be determined by the Board at the end of the three-year vesting period considering our progress in each of the relevant areas against a set of challenging internal targets directly aligned to our long term strategic plan. The Board's final vesting assessment and associated rationale will be clearly communicated to investors in the relevant Remuneration Report. With regard to what may be considered commercially sensitive information at the time of vesting, this will include how we have performed against the relevant targets.

Changes to the STI scorecard

STI design changes for FY2024 primarily seek to provide a more balanced view of performance with the introduction of an Operational Priorities component within the CEO scorecard and expansion of the existing emissions reduction metric to include an assessment of delivery of key Net Zero Program initiatives that are viewed as being critical to meeting Orica's stated targets.

Changes have also been made to the Financial metrics, taking into consideration investor feedback on RONA duplication and shifting from Cash Generation Efficiency (an internal metric) to Net Operating Cash Flows (an externally reported metric). The latter change will continue to drive a strong focus on cash generation from operations while being a metric that is better understood internally and externally.

A fatalities gateway has also been introduced over our Safety metric such that the outcome of this metric may be reduced to nil in the event of a fatality, having regard to its circumstances.

The FY2024 CEO scorecard metrics and weightings are shown below:

Measure	Metric	Weighting (at target)
Safety, Environment and Decarbonisation	Serious Injury Case Rate	10.0%
	Loss of Containment	5.0%
	Global Scope 1 & 2 Absolute Emissions Reduction; and delivery of key Net Zero Program initiatives	10.0%
Financial	EBIT	40.0%
	Net Operating Cash Flows	20.0%
Operational Priorities	Operational Excellence	5.0%
	Operational Efficiency	5.0%
	Value Generation	5.0%

The Operational Priorities metrics focus on how well we deliver our planned, core activities; how efficiently we are operating as a business; and what we need to do to ensure sustainable growth that will deliver long term shareholder value. At the end of the performance period the Board will conduct a detailed assessment of what has been delivered against a robust set of internal targets to determine the outcome of each metric. Performance commentary will be included in the FY2024 Remuneration Report to provide investors with transparency regarding the basis for the Board's vesting assessment.

Executive STI scorecards will contain the same measures as in the CEO scorecard, however the weightings will differ and underlying Operational Priorities metrics will be based on each individual's key accountabilities.

Other structural amendments

In addition to the incentive design changes outlined above, two structural amendments will also be made:

- Removal of the three-year STI post-vesting holding lock, which the review confirmed as being out of step with ASX-listed market peers and deemed to no longer be necessary given substantial Executive shareholdings, re-introduction of rTSR into the LTI from FY2022 and retention of the two-year LTI post-vesting holding lock. The one-year vesting period on STI deferred shares will remain. This change will first come into effect for the FY2024 STI and no changes will be made in respect of deferred shares granted in prior years, or that will be granted under the FY2023 STI.
- Effective 1 October 2023, a reduction to the minimum shareholding time period for Executives from six to five years from their appointment to the Executive Committee to align with the CEO time period which was similarly reduced to five years on appointment of the new CEO. All Executives are on-track to achieve their minimum shareholding within this reduced time.

REMUNERATION REPORT (CONTINUED)

Section 4. Non-executive Director arrangements

4.1 Overview

Fees for Non-executive Directors (Directors) are set by reference to:

- the individual's responsibilities and time commitment attached to the role of Director and Committee membership;
- the Company's existing remuneration policies and survey data sourced from external specialists; and
- fees paid by comparable companies and the level of remuneration required to attract and retain Directors of the appropriate calibre.

To preserve their independence, Directors do not receive any form of performance-based pay.

The current aggregate fee pool for Directors of $2,750,000 was approved by shareholders at our 2019 Annual General Meeting. The Company pays both superannuation and Committee fees to the Directors from this pool. Committee fees are not paid to the Chairman of the Board.

4.2 Fees and other benefits

The table below sets out the elements of Directors' fees and other benefits applicable for the full FY2023, noting there were no changes to Board or Committee fees from the prior year.

Fees/benefits	Description	2023 $	Included in shareholder approved cap
Board fees	**Main Board**		
	Chairman – Malcolm Broomhead	510,000	Yes
	Members – all Non-executive Directors	177,000	
Committee fees	**Board Audit and Risk Committee**		
	Chair – Gene Tilbrook	45,000	
	Members – Karen Moses (from January 2023), Gordon Naylor, Maxine Brenner (to December 2022), Boon Swan Foo (to December 2022)	22,500	
	People and Remuneration Committee		
	Chair – Karen Moses (from January 2023), Maxine Brenner (to December 2022)	45,000	
	Members – Denise Gibson, Vanessa Guthrie (from February 2023)	22,500	Yes
	Innovation and Technology Committee		
	Chair – Denise Gibson	45,000	
	Members – John Beevers, Mark Garrett (from January 2023), Boon Swan Foo (to December 2022)	22,500	
	Safety and Sustainability Committee		
	Chair – John Beevers (from January 2023), Karen Moses (to December 2022)	45,000	
	Members – Gordon Naylor (from January 2023), Vanessa Guthrie (from February 2023), Gene Tilbrook (to January 2023)	22,500	
Superannuation	Superannuation contributions are made on behalf of the Directors at a rate of 11% from 1 July 2023 (10.5% prior to 1 July 2023) being the current superannuation guarantee contribution rate, subject to a cap at the Maximum Contributions Base.		Yes
Other fees/benefits	Directors receive a travel allowance based on the hours travelled to a Board meeting. The allowance paid is $3,000 per meeting for travel between three and 10 hours, or $6,000 if travel time exceeds 10 hours. Directors are also entitled to be paid additional fees for extra services or special exertions.		No

Section 5. Remuneration governance

5.1 Responsibility for setting remuneration

The People and Remuneration Committee is delegated responsibility by the Board for reviewing and making recommendations on our remuneration policies, including policies governing the remuneration of Executives.

Activities of the Committee are governed by its Terms of Reference, which is available on our website at www.orica.com. Among other responsibilities, the Committee assists the Board in its oversight of:

- remuneration policy for Executives
- level and structure of remuneration for Senior Executives, including STI and LTI plans
- the Company's compliance with applicable legal and regulatory requirements in respect of remuneration matters; and
- approval of the allocation of shares and awards under Orica's equity programs.

5.2 Use of remuneration advisors during the year

Independent remuneration advisors are engaged from time to time to provide relevant information including benchmarking and other market data or to give an external perspective that may assist the Committee with its decision making. No remuneration recommendations were received from remuneration advisors during FY2023, as defined under the *Corporations Act 2001*.

5.3 Securities dealing policy and Malus

Securities dealing

All Executives are required to comply with our Securities' Dealing Policy at all times and in respect of all Orica shares held, including any defined employee share plans. Trading is subject to pre-clearance and is not permitted during designated blackout periods unless there are exceptional circumstances. Executives are prohibited from using any Orica shares as collateral in any margin loan or derivative arrangement.

Malus

Orica's Malus Standard allows the Board to require any Executive to forfeit in full or in part, any unvested LTIP or deferred STI award as a result of:

- a material misstatement in financial results;
- behaviour that brings Orica into disrepute or has the potential to do so;
- serious misconduct; or
- any other circumstance, which the Board has determined in good faith.

In considering whether any adjustment is necessary in respect of any or all participants, the Board may take into account the individual's level of responsibility, accountability or influence over the action or inaction, the quantum of the actual loss or damage, any impact on our financial soundness or reputational standing, the extent to which any internal policies, external regulations and/or risk management requirements were breached, and any other relevant matters.

REMUNERATION REPORT (CONTINUED)

5.4 Executive and Director share ownership

The Board considers that an important foundation of our Executive remuneration framework is that each Executive and Director accumulate and hold a significant number of Orica shares to align their interests as long term investors.

Executives

The Executive Minimum Shareholding Guideline requires each Executive to accumulate a minimum vested equity holding in Orica over a fixed time period from their appointment. The requirement is 150 per cent of FAR over five years from appointment for the CEO and following a change in the timeline from 1 October 2023, 50 per cent of FAR over five years from appointment for other Executives.

Non-executive Directors

To create alignment between Directors and shareholders, Directors are required to hold (or have a benefit in) shares in the Company equivalent in value to at least one year's base fees. Such holdings must be acquired over a reasonable time using personal funds.

The table below sets out the number of shares held directly and indirectly by Directors and Executive KMP employed as at 30 September 2023:

	Balance at 1 October 2022	Acquired[1]	Disposed	Balance at 30 September 2023	Minimum Shareholding Required[2]	Date Minimum Shareholding Required to be met[3]
Executive KMP						
Sanjeev Gandhi[4]	77,571	19,685	–	97,256	175,112	31 March 2026
Kim Kerr[5]	–	5,421	–	5,421	25,657	10 October 2027
Leah Barlow	3,810	4,071	–	7,881	25,657	31 March 2027
Angus Melbourne	62,291	745	–	63,036	29,955	31 December 2022
Directors						
Malcolm Broomhead	39,847	–	–	39,847	32,713	
John Beevers	14,800	–	–	14,800	11,353	
Mark Garrett[5]	12,000	–	–	12,000	11,353	
Denise Gibson	13,000	–	–	13,000	11,353	
Vanessa Guthrie[5]	–	–	–	–	11,353	
Karen Moses	14,348	–	–	14,348	11,353	
Gordon Naylor	11,500	3,000	–	14,500	11,353	
Gene Tilbrook	16,033	–	–	16,033	11,353	

1. Shares acquired include STI deferred shares that have vested but remain subject to holding locks and shares acquired through the Dividend Reinvestment Plan (DRP).
2. Calculated using base fees or FAR and the Orica closing share price as at 30 September 2023.
3. Directors are required to acquire a shareholding of at least one year's base fees over a reasonable time.
4. Includes vested but unexercised rights granted under the CEO's fixed equity arrangement as these are no longer subject to forfeiture and can be converted into ordinary shares with nil consideration.
5. Opening balance shown refers to balance on commencement as KMP.

Section 6. KMP statutory disclosures

6.1 Executive KMP remuneration

Details of the nature and amount of each element of remuneration for the Executive KMP are set out in the table below. Remuneration outcomes presented in these tables are calculated with reference to the *Corporations Act 2001* and relevant Australian Accounting Standards for FY2023 rather than the basis of take-home pay.

	Short-term employee benefits				Post-employment benefits				
	Base (Fixed) Pay $000	Cash STI Payment[1] $000	Other Benefits[2] $000	Other Long-Term Benefits[3] $000	Superannuation Benefits $000	Termination Benefits $000	Total excluding SBP* Expense $000	SBP Expense[4,5] $000	Total $000
Current Executive KMP									
Sanjeev Gandhi									
2023	**1,434.2**	**1,299.0**	**60.3**	**–**	**25.8**	**–**	**2,819.3**	**2,714.8**	**5,534.1**
2022	1,400.0	1,057.4	133.3	–	–	–	2,590.7	1,488.4	4,079.1
Kim Kerr[6]									
2023	**749.8**	**514.2**	**12.3**	**–**	**25.2**	**–**	**1,301.5**	**282.4**	**1,583.9**
2022	–	–	–	–	–	–	–	–	–
Leah Barlow[6]									
2023	**761.7**	**570.7**	**28.8**	**20.7**	**25.8**	**–**	**1,407.7**	**326.8**	**1,734.5**
2022	181.2	121.1	11.0	–	6.3	–	319.6	30.3	349.9
Angus Melbourne									
2023	**904.6**	**639.0**	**6.6**	**–**	**25.8**	**–**	**1,576.0**	**714.8**	**2,290.8**
2022	895.8	603.4	15.3	–	24.0	–	1,538.5	300.6	1,839.1
Total Current Executive KMP									
2023	**3,850.3**	**3,022.9**	**108.0**	**20.7**	**102.6**	**–**	**7,104.5**	**4,038.8**	**11,143.3**
2022	2,477.0	1,781.9	159.6	–	30.3	–	4,448.8	1,819.3	6,268.1
Former Executive KMP									
Christopher Davis[7]									
2023	**22.0**	**–**	**9.1**	**0.5**	**0.6**	**–**	**32.2**	**–**	**32.2**
2022	888.5	273.8	4.6	25.0	24.0	–	1,215.9	142.4	1,358.3
Total									
2023	**3,872.3**	**3,022.9**	**117.1**	**21.2**	**103.2**	**–**	**7,136.7**	**4,038.8**	**11,175.5**
2022	3,365.5	2,055.7	164.2	25.0	54.3	–	5,664.7	1,961.7	7,626.4

* Share-based payment (SBP).

1. Cash STI Payment includes payments relating to FY2023 performance accrued but not paid until FY2024.
2. These benefits include car parking, medical and insurance costs, relocation or assignment related expenses including reimbursement of accommodation, health insurance and taxation services, and movements in annual leave accrual (inclusive of any applicable fringe benefits tax). A negative balance may appear where the leave accrual has decreased from the prior year.
3. This benefit includes the movement in long service leave accrual.
4. This includes the value of Executive LTI awards calculated under AASB 2 *Share-based Payment* to Executives which vest over three years. Value only accrues to the Executive when performance conditions have been met. The share-based payment expense represents the amount required under Accounting Standards to be expensed during the year in respect of current and past long-term incentive allocations to Executives. These amounts are therefore not amounts received by Executives during the year nor may they be payable to the Executive at any other time if performance hurdles are not met. The mechanism which determines whether LTI awards vest in the future is described in Section 3.1. Where a negative SBP Expense is shown, this represents a write-back of a previous share-based payment accrual based on a revised estimate of performance conditions being met.
5. Under AASB 2 *Share-based Payment*, STI paid to Executives as deferred equity is accounted for as a share-based payment and expensed over two years. Accordingly, 50% of the value of deferred equity is included in the Executives share-based payment expense in the relevant performance year with the remainder included in the subsequent year. The SBP Expense amounts for 2022 did not appropriately reflect the prior year deferred equity component of the STI and have been restated in the table above.
6. Remuneration for 2022 for Leah Barlow and 2023 for Kim Kerr relate to their Executive KMP periods only.
7. Christopher Davis ceased to be KMP on 10 October 2022. Remuneration for 2023 therefore reflects his Executive KMP period only.

REMUNERATION REPORT (CONTINUED)

6.2 Summary of awards held under Orica's Executive equity arrangements

Details of LTIP performance rights, CEO restricted rights and deferred shares awarded under the STI plan are set out in the table below.

For the year ended 30 September 2023	Grant date	Opening balance	Granted during FY2023	Vested	Lapsed	Closing balance	Fair value of instruments at grant date $	Value of equity instruments included in compen-sation for the year $
Current Executive KMP								
Sanjeev Gandhi								
FY2023 Fixed Equity Rights[1]	2 Dec 22	–	19,685	19,685	–	–	300,000	300,000
FY2023 LTIP Rights	18 Jan 23	–	223,097	–	–	223,097	2,247,700	544,897
FY2022 LTIP Rights	17 Jan 22	224,719	–	–	–	224,719	1,902,244	691,725
FY2021 LTIP Rights	3 Feb 21	70,629	–	–	–	70,629	949,960	–
FY2022 STI Deferred Shares	2 Dec 22	–	69,383		–	69,383	1,057,400	528,700
Kim Kerr								
FY2023 LTIP Rights	18 Jan 23	–	62,992	–	–	62,992	634,644	153,853
Leah Barlow								
FY2023 LTIP Rights	18 Jan 23	–	62,992	–	–	62,992	634,644	153,853
FY2022 STI Deferred Shares[2]	2 Dec 22	–	12,425	–	–	12,425	189,371	30,262
Angus Melbourne								
FY2023 LTIP Rights	18 Jan 23	–	73,543	–	–	73,543	740,943	179,623
FY2022 LTIP Rights	17 Jan 22	72,951	–	–	–	72,951	617,528	224,555
FY2021 LTIP Rights	3 Feb 21	64,965	–	–	–	64,965	873,779	–
FY2020 LTIP Rights	10 Jan 20	46,370	–	–	46,370	–	895,405	–
FY2022 STI Deferred Shares	2 Dec 22	–	19,796	–	–	19,796	301,694	150,847

1. A grant of restricted rights was made to Sanjeev Gandhi in relation to his FY2023 fixed equity component of remuneration. 11 of the 12 tranches vested during FY2023 (in relation to service from 1 October to 31 August 2023) with the remaining tranche vesting on 1 October 2023 (in relation to service from 1 September to 30 September 2023).
2. Value of equity instruments included in compensation for the year for Leah Barlow relates only to her KMP period (from 1 July 2022).

The total number of rights and the fair value of rights issued under the LTI are:

Grant date	Vesting date	Number of rights issued	Number of rights held at 30 September 2023	Number of rights held at 30 September 2022	Number of participants at 30 September 2023	Number of participants at 30 September 2022	Fair value of rights at grant date $
31 Jul 23[1]	30 Nov 25	7,717	7,717	–	3	–	86,430
18 Jan 23	30 Nov 25	1,120,287	1,058,538	–	256	–	12,547,214
18 Jan 23[2]	30 Nov 25	849,690	849,690	–	11	–	8,560,627
29 Jul 22[1]	30 Nov 24	23,378	23,378	23,378	2	2	219,870
17 Jan 22	30 Nov 24	1,061,048	905,498	1,005,830	223	244	9,979,156
17 Jan 22[2]	30 Nov 24	733,498	664,100	733,498	8	9	6,209,061
30 Jul 21[1]	30 Nov 23	36,834	24,643	24,643	3	3	535,566
3 Feb 21	30 Nov 23	1,226,741	813,468	893,305	262	286	17,836,814
3 Feb 21[2]	30 Nov 23	776,085	379,014	440,815	8	9	10,438,343
10 Jan 20	30 Nov 22	939,811	–	689,436	–	281	19,623,254
10 Jan 20[2]	30 Nov 22	507,595	–	267,429	–	7	9,801,689

The assumptions underlying the rights valuations are:

Grant date	Price of Orica Shares at grant date $	Expected volatility in share price %	Dividends expected on shares %	Risk free interest rate %	Fair value per right RONA $	Fair value per right rTSR $
31 Jul 23[1]	15.75	30.0	2.96	3.12	13.83	8.57
18 Jan 23	15.03	30.0	2.96	3.12	13.83	8.57
18 Jan 23[2]	15.03	30.0	2.96	3.12	12.44	7.71
29 Jul 22[1]	16.78	30.0	2.96	1.26	12.31	6.50
17 Jan 22	13.38	30.0	2.96	1.26	12.31	6.50
17 Jan 22[2]	13.38	30.0	2.96	1.26	11.08	5.85
30 Jul 21[1]	12.39	22.5	3.00	0.11	14.54	–
3 Feb 21	15.79	22.5	3.00	0.11	14.54	–
3 Feb 21[2]	15.79	22.5	3.00	0.11	13.45	–
10 Jan 20	22.71	20.0	3.00	0.79	20.88	–
10 Jan 20[2]	22.71	20.0	3.00	0.79	19.31	–

1. A supplementary LTI offer was made in July 2021, July 2022 and July 2023 to selected senior management who joined Orica after the grant date of the main offer in February 2021, January 2022 and January 2023. No supplementary offer was made in 2020. The terms and conditions of the supplementary offer are the same as the main offer.
2. Under the Executive LTI plan, performance rights granted are subject to either a single or dual performance condition(s), with a two-year holding lock applying to shares acquired following vesting. A discount to the fair value has been made to reflect lack of marketability during this period.

REMUNERATION REPORT (CONTINUED)

6.3 Non-executive Director remuneration

Details of Non-executive Directors' remuneration are set out in the following table:

	Short-term employee benefits			Post-employment benefits	
	Directors fees $000	Committee fees $000	Other benefits[1] $000	Super-annuation $000	Total $000
Current Directors					
Malcolm Broomhead, Chairman					
2023	**510.0**	**–**	**6.5**	**25.8**	**542.3**
2022	510.0	–	0.6	24.0	534.6
John Beevers					
2023	**177.0**	**61.9**	**6.0**	**25.2**	**270.1**
2022	177.0	45.0	–	22.5	244.5
Mark Garrett[2]					
2023	**126.2**	**15.9**	**18.0**	**15.2**	**175.3**
2022	–	–	–	–	–
Denise Gibson					
2023	**177.0**	**67.5**	**30.0**	**25.7**	**300.2**
2022	177.0	67.5	12.0	24.0	280.5
Vanessa Guthrie[2, 3]					
2023	**124.1**	**30.0**	**18.0**	**9.7**	**181.8**
2022	–	–	–	–	–
Karen Moses[3]					
2023	**196.0**	**67.5**	**6.0**	**6.7**	**276.2**
2022	191.2	67.5	–	9.8	268.5
Gordon Naylor					
2023	**177.0**	**39.4**	**6.0**	**24.1**	**246.5**
2022	88.5	1.9	12.0	9.3	111.7
Gene Tilbrook					
2023	**177.0**	**52.5**	**27.0**	**24.3**	**280.8**
2022	177.0	67.5	12.0	24.0	280.5
Total Current Directors					
2023	**1,664.3**	**334.7**	**117.5**	**156.7**	**2,273.2**
2022	1,320.7	249.4	36.6	113.6	1,720.3
Former Directors					
Maxine Brenner[4]					
2023	**44.3**	**16.9**	**–**	**6.3**	**67.5**
2022	177.0	67.5	–	24.0	268.5
Boon Swan Foo[4]					
2023	**44.3**	**11.3**	**6.0**	**6.3**	**67.9**
2022	177.0	45.0	9.0	22.5	253.5
Total					
2023	**1,752.9**	**362.9**	**123.5**	**169.3**	**2,408.6**
2022	1,674.7	361.9	45.6	160.1	2,242.3

1. These benefits include travel allowances and car parking benefits.
2. Mark Garrett and Vanessa Guthrie were appointed to the Board during FY2023.
3. Vanessa Guthrie elected not to receive superannuation contributions from 1 July 2023 to 30 September 2023. Karen Moses elected not to receive superannuation contributions from 1 July 2022 to 30 June 2023. Superannuation contributions were received in accordance with statutory requirements for the remaining period.
4. Maxine Brenner and Boon Swan Foo retired from the Board in December 2022.

REMUNERATION REPORT (CONTINUED)

Rounding

The amounts shown in this report and in the financial statements have been rounded off, except where otherwise stated, to the nearest tenth of a million dollars, the Company being in a class specified in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016.

The Directors' Report is signed on behalf of the Board in accordance with a resolution of the Directors of Orica Limited.

M W Broomhead
Chairman

S Gandhi
Managing Director and Chief Executive Officer

Dated at Melbourne 8 November 2023

LEAD AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Orica Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Orica Limited for the financial year ended 30 September 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Gordon Sangster
Partner
Melbourne
8 November 2023


FINANCIAL REPORT

INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER

	Notes	Consolidated 2023 $m	Consolidated 2022 $m
Continuing operations			
Sales revenue	(1b)	**7,945.3**	7,096.4
Other income	(1d)	**9.2**	31.8
Raw materials and inventories		**(4,226.5)**	(3,909.5)
Employee benefits expense		**(1,423.6)**	(1,223.7)
Purchased services and other expenses		**(682.8)**	(622.0)
Depreciation and amortisation expense	(1b)	**(392.5)**	(385.8)
Outgoing freight		**(351.1)**	(307.1)
Repairs and maintenance		**(202.2)**	(156.1)
Loss on sale of Türkiye businesses	(1e)	**(73.5)**	–
Loss on exit of Venezuela business	(1e)	**(71.1)**	–
Axis Group acquisition earnout	(1e)	**(26.6)**	–
EMEA impairment expense	(1e)	**–**	(167.9)
Loss on sale of JSC "Orica CIS"	(1e)	**–**	(40.6)
Gain on sale of Nitro Consult AB	(1e)	**–**	19.5
Share of net profit of equity accounted investees	(13)	**22.3**	39.8
Total		**(7,427.6)**	(6,753.4)
Profit from operations		**526.9**	374.8
Net financing costs			
Financial income	(3b)	**9.0**	2.1
Financial expenses	(3b)	**(152.7)**	(102.4)
Net financing costs	(3b)	**(143.7)**	(100.3)
Profit before income tax expense from continuing operations		**383.2**	274.5
Income tax expense	(11)	**(131.8)**	(140.9)
Profit after tax from continuing operations		**251.4**	133.6
Discontinued operations			
Net loss on sale of Minova after tax	(1e)	**–**	(93.7)
Profit after tax from Minova	(15)	**–**	9.1
Loss after tax from discontinued operations		**–**	(84.6)
Net profit for the year		**251.4**	49.0
Net profit for the year attributable to:			
Shareholders of Orica Limited		**295.7**	60.1
Non-controlling interests		**(44.3)**	(11.1)
Net profit for the year		**251.4**	49.0
		cents	**cents**
Earnings per share attributable to ordinary shareholders of Orica Limited:			
From continuing operations:			
Basic earnings per share	(2)	**65.1**	35.1
Diluted earnings per share	(2)	**64.5**	35.0
Total attributable to ordinary shareholders of Orica Limited			
Basic earnings per share	(2)	**65.1**	14.5
Diluted earnings per share	(2)	**64.5**	14.4

The income statement is to be read in conjunction with the accompanying notes to the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER

	Notes	Consolidated 2023 $m	2022 $m
Net profit for the year		**251.4**	49.0
Other comprehensive income			
Items that may be reclassified subsequently to income statement:			
Exchange differences on translation of foreign operations			
Exchange gain on translation of foreign operations, net of tax	(11c)	**91.9**	164.2
Net loss on hedge of net investments in foreign subsidiaries, net of tax	(11c)	**(6.0)**	(64.5)
Currency translation on companies disposed of, transferred to the income statement net of tax	(15)	**129.2**	135.3
Net exchange differences on translation of foreign operations		**215.1**	235.0
Sundry items:			
Net (loss)/gain on cash flow hedges, net of tax	(11c)	**(10.4)**	12.1
Changes in the fair value of financial assets through other comprehensive income	(11c)	**15.0**	–
Items that will not be reclassified subsequently to income statement:			
Net actuarial gain on defined benefit obligations, net of tax	(11c)	**0.6**	65.9
Other comprehensive income for the year		**220.3**	313.0
Total comprehensive income for the year		**471.7**	362.0
Attributable to:			
Shareholders of Orica Limited		**440.9**	372.2
Non-controlling interests		**30.8**	(10.2)
Total comprehensive income for the year		**471.7**	362.0

The Statement of Comprehensive Income is to be read in conjunction with the accompanying notes to the financial statements.

BALANCE SHEET
AS AT 30 SEPTEMBER

	Notes	Consolidated 2023 $m	2022 $m
Current assets			
Cash and cash equivalents		**1,152.1**	1,255.3
Trade receivables	(5)	**759.2**	903.1
Other receivables		**150.6**	126.8
Inventories	(5)	**868.1**	872.6
Other assets		**165.1**	151.7
Total current assets		**3,095.1**	3,309.5
Non-current assets			
Other receivables		**54.6**	56.6
Equity accounted investees	(13)	**326.5**	323.8
Property, plant and equipment	(7)	**3,360.3**	3,082.3
Intangible assets	(8)	**1,406.4**	1,142.9
Deferred tax assets	(11d)	**433.0**	395.6
Other assets		**91.3**	57.1
Total non-current assets		**5,672.1**	5,058.3
Total assets		**8,767.2**	8,367.8
Current liabilities			
Trade payables	(5)	**984.5**	1,091.7
Other payables		**564.9**	385.6
Interest bearing liabilities	(3a)	**72.8**	713.3
Provisions	(6)	**251.9**	229.1
Other liabilities		**85.7**	60.5
Total current liabilities		**1,959.8**	2,480.2
Non-current liabilities			
Other payables		**40.0**	31.2
Interest bearing liabilities	(3a)	**2,299.4**	1,693.7
Provisions	(6)	**310.6**	329.8
Deferred tax liabilities	(11d)	**46.8**	47.2
Other liabilities		**58.8**	56.5
Total non-current liabilities		**2,755.6**	2,158.4
Total liabilities		**4,715.4**	4,638.6
Net assets		**4,051.8**	3,729.2
Equity			
Ordinary shares	(4a)	**3,421.2**	3,389.7
Reserves		**(240.6)**	(397.0)
Retained earnings		**808.1**	693.1
Total equity attributable to ordinary shareholders of Orica Limited		**3,988.7**	3,685.8
Non-controlling interests		**63.1**	43.4
Total equity		**4,051.8**	3,729.2

The Balance Sheet is to be read in conjunction with the accompanying notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER

	Ordinary shares $m	Retained earnings $m	Foreign currency translation reserve $m	Cash flow hedge reserve $m	Other reserves $m	Total $m	Non-controlling interests $m	Total equity $m
2022								
Balance at 1 October 2021	2,686.1	687.4	(519.3)	(16.6)	(111.3)	2,726.3	66.1	2,792.4
Net profit/(loss) for the year	–	60.1	–	–	–	60.1	(11.1)	49.0
Other comprehensive income	–	65.9	234.1	12.1	–	312.1	0.9	313.0
Total comprehensive income/(loss) for the year	–	126.0	234.1	12.1	–	372.2	(10.2)	362.0
Transactions with owners, recorded directly in equity								
Total changes in contributed equity, net of costs (note 4a)	703.6	–	–	–	(3.3)	700.3	(5.5)	694.8
Share-based payments expense	–	–	–	–	8.0	8.0	–	8.0
Share-based payments settlement	–	–	–	–	(0.7)	(0.7)	–	(0.7)
Dividends/distributions (note 4c)	–	(120.3)	–	–	–	(120.3)	–	(120.3)
Dividends declared/paid to non-controlling interests	–	–	–	–	–	–	(7.0)	(7.0)
Balance at the end of the year	**3,389.7**	**693.1**	**(285.2)**	**(4.5)**	**(107.3)**	**3,685.8**	**43.4**	**3,729.2**
2023								
Balance at 1 October 2022	**3,389.7**	**693.1**	**(285.2)**	**(4.5)**	**(107.3)**	**3,685.8**	**43.4**	**3,729.2**
Net profit/(loss) for the year	**–**	**295.7**	**–**	**–**	**–**	**295.7**	**(44.3)**	**251.4**
Other comprehensive income/(loss)	**–**	**0.6**	**140.0**	**(10.4)**	**15.0**	**145.2**	**75.1**	**220.3**
Total comprehensive income/(loss) for the year	**–**	**296.3**	**140.0**	**(10.4)**	**15.0**	**440.9**	**30.8**	**471.7**
Transactions with owners, recorded directly in equity								
Total changes in contributed equity, net of costs (note 4a)	**31.5**	**–**	**–**	**–**	**–**	**31.5**	**(2.3)**	**29.2**
Share-based payments expense	**–**	**–**	**–**	**–**	**13.7**	**13.7**	**–**	**13.7**
Share-based payments settlement	**–**	**–**	**–**	**–**	**(1.9)**	**(1.9)**	**–**	**(1.9)**
Dividends/distributions (note 4c)	**–**	**(181.3)**	**–**	**–**	**–**	**(181.3)**	**–**	**(181.3)**
Dividends declared/paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**(8.8)**	**(8.8)**
Balance at the end of the year	**3,421.2**	**808.1**	**(145.2)**	**(14.9)**	**(80.5)**	**3,988.7**	**63.1**	**4,051.8**

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER

	Notes	Consolidated 2023 $m Inflows/ (Outflows)	Consolidated 2022 $m Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		**9,069.5**	8,087.5
Payments to suppliers and employees		**(7,910.6)**	(7,565.8)
Interest received		**8.7**	2.2
Interest paid		**(139.0)**	(113.0)
Dividends received		**22.5**	23.2
Other operating income received		**17.4**	34.4
Net income taxes paid		**(169.8)**	(106.2)
Net cash flows from operating activities	(3c)	**898.7**	362.3
Cash flows from investing activities			
Payments for property, plant and equipment		**(418.1)**	(319.1)
Payments for intangibles		**(21.0)**	(30.2)
Payments for purchase of investments		**(19.8)**	–
Proceeds from sale of property, plant and equipment		**11.4**	10.4
Proceeds from other advances in relation to property, plant and equipment		**50.0**	–
Payments for purchase of businesses/controlled entities	(14)	**(275.4)**	(14.4)
Proceeds from sale of businesses, net of cash disposed and disposal costs	(15)	**8.2**	123.6
Proceeds from sale of business to non-controlling interests		**–**	0.5
Net cash flows used in investing activities		**(664.7)**	(229.2)
Cash flows from financing activities			
Proceeds from borrowings		**1,625.9**	1,706.1
Repayment of borrowings		**(1,741.9)**	(1,706.3)
Dividends paid – Orica ordinary shares	(4c)	**(140.9)**	(90.6)
Dividends paid – non-controlling interests		**(7.2)**	(7.0)
Principal portion of lease payments		**(73.3)**	(60.6)
Payment for purchase of ordinary shares, net of costs		**(13.5)**	–
Proceeds from issue of ordinary shares, net of costs		**–**	673.9
Net cash flows (used in)/from financing activities		**(350.9)**	515.5
Net (decrease)/increase in cash held		**(116.9)**	648.6
Cash at the beginning of the period		**1,255.3**	593.7
Effects of exchange rate changes on cash		**13.7**	13.0
Cash at the end of the period		**1,152.1**	1,255.3

The Statement of Cash Flows is to be read in conjunction with the accompanying notes to the financial statements. The statement above includes discontinued operations for financial year 2022 until completion date of the sale, refer to note 15 for further details.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Basis of preparation

This is a general purpose Financial Report which has been prepared by a for-profit entity in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* and complies with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board.

It has been prepared on a historical cost basis, except for derivative financial instruments, superannuation commitments and investments in financial assets which have been measured at fair value.

The financial statements are presented in Australian dollars with all amounts rounded off, except where otherwise stated, to the nearest tenth of a million dollars, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016.

Orica's Directors have included information in this report that they deem to be material and relevant to the understanding of the consolidated financial statements. Where appropriate, comparative information has been reclassified to conform to changes in presentation and to enhance comparability.

Disclosure may be considered material and relevant if the dollar amount is significant due to size or nature, or the information is important to understand the:

- Group's current year results
- impact of significant changes in Orica's business
- aspects of the Group's operations that are important to future performance.

Except as described in note 24, the financial statements have been prepared using consistent accounting policies in line with those of the previous financial year and corresponding interim reporting period.

Significant accounting policies that apply to the overall financial statements

Foreign currencies

Functional and Presentation Currency

The Company's functional and presentation currency is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and Balances

Transactions in currencies other than the functional currency of the Company or entity concerned are recorded using the exchange rate on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies at the balance date are retranslated at closing exchange rates. Non-monetary assets are not retranslated unless they are carried at fair value. Gains and losses arising on the retranslation of monetary assets and liabilities are included in the income statement, except where the application of hedge accounting requires inclusion in other comprehensive income (refer to note 10).

Consolidation of Group Entities

On consolidation, assets and liabilities of foreign operations are translated into Australian dollars at the closing rate at balance date. The results of foreign operations are translated into Australian dollars at average exchange rates for the period where these do not materially differ from rates applicable on the date of the transaction. Foreign exchange differences arising on the retranslation of foreign operations are recognised directly in a separate component of equity.

Critical accounting judgements and estimates

Application of the Group accounting policies requires management to make judgements, and to apply estimates and assumptions to future events. The areas involving a higher degree of judgement or complexity, and which are material to the report, are highlighted in the following notes:

Note 3	Net debt and net financing costs	Note 9	Impairment testing of assets
Note 5	Working capital	Note 11	Taxation
Note 6	Provisions	Note 14	Businesses and non-controlling interests acquired
Note 7	Property, plant and equipment	Note 19	Defined benefit obligations
Note 8	Intangible assets	Note 20	Contingent liabilities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Section A. Financial performance

A key element of the Group's strategy is to create sustainable shareholder value. This section highlights the results and performance of the Group for the year ended 30 September 2023.

1. Segment report

(a) Identification and description of segments

Orica's reportable segments are based on internal reporting to the Group's Chief Operating Decision Maker (the Group's Managing Director and Chief Executive Officer).

Effective 1 October 2022, Orica made changes to its segment reporting to provide transparency of the growing Digital Solutions vertical, in line with Orica's refreshed strategy.

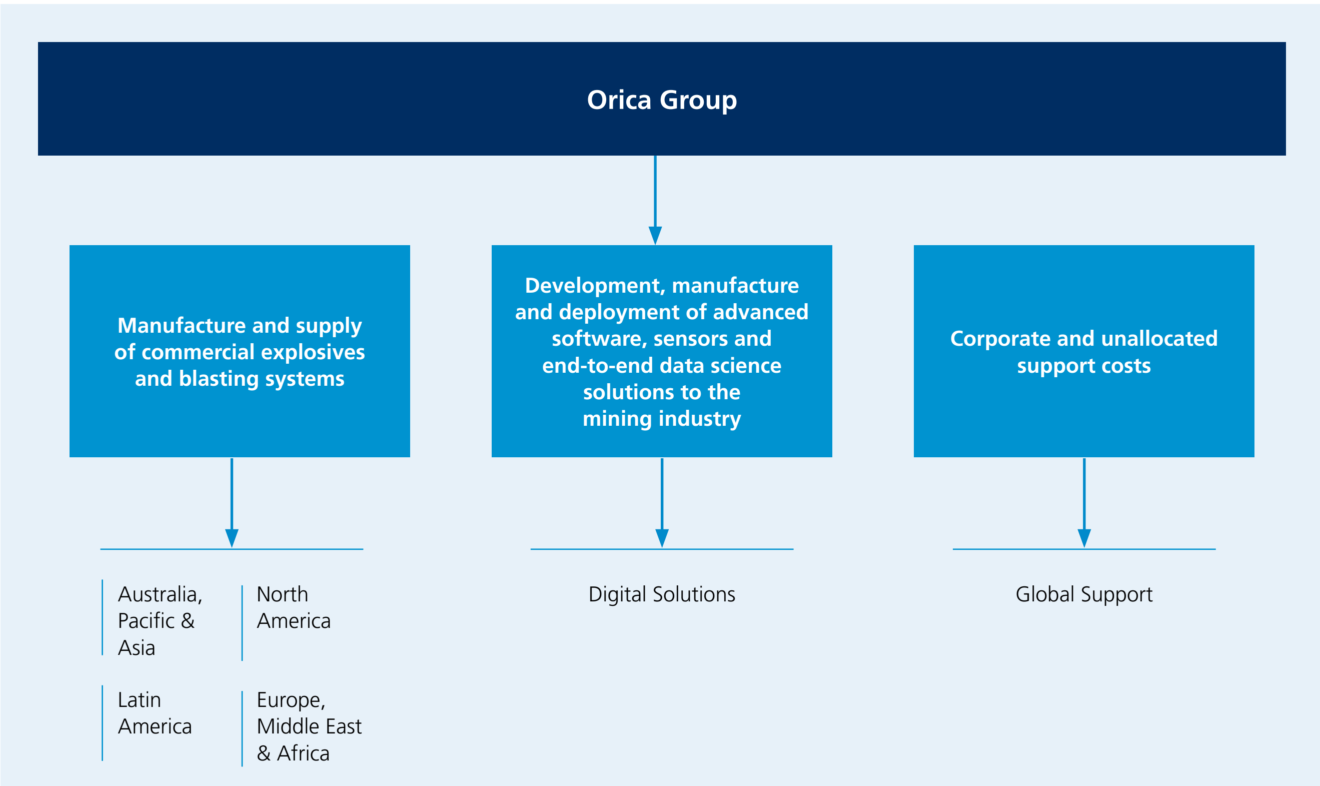
The new Digital Solutions segment comprises:

- Orebody Intelligence (OBI) businesses (Axis Group, HIG and RIG)
- Blast Design and Execution (BDE) solutions
- GroundProbe (previously reported within the Orica Monitor segment).

HIG and RIG were previously reported in Australia Pacific & Asia, while BDE was reported across Australia Pacific & Asia, North America, Latin America, Europe, Middle East & Africa and Global Support.

The 2022 financial year segments have been restated to reflect the new segment reporting structure. OBI and BDE results prior to the 2022 financial year are considered to be immaterial and have not been restated.

There is no change to the Orica Group earnings and balance sheet as previously reported.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Segment report (continued)

(b) Reportable segments

2023 $m	Australia Pacific & Asia	North America	Latin America	Europe, Middle East & Africa	Digital Solutions	Global Support	Elimin-ations	Total Conti-nuing Oper-ations	Discont-inued Oper-ations	Elimin-ations	Consoli-dated
Revenue											
External sales	**3,168.8**	**1,744.6**	**1,733.1**	**1,087.1**	**211.7**	**–**	**–**	**7,945.3**	**–**	**–**	**7,945.3**
Inter-segment sales	**145.7**	**116.2**	**30.4**	**24.3**	**0.4**	**–**	**(317.0)**	**–**	**–**	**–**	**–**
Total sales revenue	**3,314.5**	**1,860.8**	**1,763.5**	**1,111.4**	**212.1**	**–**	**(317.0)**	**7,945.3**	**–**	**–**	**7,945.3**
Other income (refer to note 1d)[1]	**4.0**	**6.8**	**(7.6)**	**7.1**	**(1.1)**	**–**	**–**	**9.2**	**–**	**–**	**9.2**
Total revenue and other income	**3,318.5**	**1,867.6**	**1,755.9**	**1,118.5**	**211.0**	**–**	**(317.0)**	**7,954.5**	**–**	**–**	**7,954.5**
Results before individually significant items											
Profit/(loss) before financing costs and income tax	**458.0**	**149.7**	**54.2**	**57.6**	**54.3**	**(75.7)**	**–**	**698.1**	**–**	**–**	**698.1**
Financial income											**9.0**
Financial expenses											**(152.7)**
Profit before income tax expense											**554.4**
Income tax expense											**(166.2)**
Profit after income tax expense											**388.2**
Less: Profit attributable to non-controlling interests											**(19.2)**
Profit after income tax expense before individually significant items attributable to shareholders of Orica Limited											**369.0**
Individually significant items (refer to note 1e)											
Gross individually significant items	**–**	**–**	**(71.1)**	**(73.5)**	**(26.6)**	**–**	**–**	**(171.2)**	**–**	**–**	**(171.2)**
Tax on individually significant items	**–**	**–**	**33.6**	**0.8**	**–**	**–**	**–**	**34.4**	**–**	**–**	**34.4**
Net individually significant items attributable to non-controlling interests	**–**	**–**	**18.4**	**45.1**	**–**	**–**	**–**	**63.5**	**–**	**–**	**63.5**
Individually significant items attributable to shareholders of Orica Limited	**–**	**–**	**(19.1)**	**(27.6)**	**(26.6)**	**–**	**–**	**(73.3)**	**–**	**–**	**(73.3)**
Profit for the year attributable to shareholders of Orica Limited											**295.7**
Segment assets	**3,682.7**	**1,594.7**	**1,220.7**	**751.4**	**695.8**	**821.9**	**–**	**8,767.2**	**–**	**–**	**8,767.2**
Segment liabilities	**1,138.5**	**405.9**	**425.6**	**247.4**	**110.4**	**2,387.6**	**–**	**4,715.4**	**–**	**–**	**4,715.4**
Equity accounted investees	**73.6**	**251.0**	**–**	**0.5**	**–**	**1.4**	**–**	**326.5**	**–**	**–**	**326.5**
Acquisitions of PPE and intangibles (excluding right of use assets)	**235.0**	**67.5**	**48.7**	**40.2**	**44.1**	**3.6**	**–**	**439.1**	**–**	**–**	**439.1**
Depreciation and amortisation	**175.6**	**74.5**	**50.3**	**26.2**	**42.6**	**23.3**	**–**	**392.5**	**–**	**–**	**392.5**
Share of net (loss)/profit of equity accounted investees	**(16.4)**	**38.7**	**–**	**–**	**–**	**–**	**–**	**22.3**	**–**	**–**	**22.3**

1. Includes foreign currency gains/(losses) in various reportable segments.

1. Segment report (continued)

(b) Reportable segments

2022 Restated[1] $m	Australia Pacific & Asia	North America	Latin America	Europe, Middle East & Africa	Digital Solutions	Global Support	Elimin-ations	Total Conti-nuing Oper-ations	Discont-inued Oper-ations	Elimin-ations	Consoli-dated
Revenue											
External sales	2,706.5	1,567.4	1,650.3	1,025.6	146.6	–	–	7,096.4	231.1	–	7,327.5
Inter-segment sales	153.4	103.1	34.9	25.9	0.2	–	(317.5)	–	–	–	–
Total sales revenue	2,859.9	1,670.5	1,685.2	1,051.5	146.8	–	(317.5)	7,096.4	231.1	–	7,327.5
Other income (refer to note 1d)[2]	17.2	8.3	1.2	(6.9)	0.6	11.4	–	31.8	(0.8)	–	31.0
Total revenue and other income	2,877.1	1,678.8	1,686.4	1,044.6	147.4	11.4	(317.5)	7,128.2	230.3	–	7,358.5
Results before individually significant items											
Profit/(loss) before financing costs and income tax	369.6	135.1	53.6	46.5	26.7	(67.7)	–	563.8	14.7	–	578.5
Financial income											2.2
Financial expenses											(102.5)
Profit before income tax expense											478.2
Income tax expense											(154.0)
Profit after income tax expense											324.2
Less: Profit attributable to non-controlling interests											(7.2)
Profit after income tax expense before individually significant items attributable to shareholders of Orica Limited											317.0
Individually significant items (refer to note 1e)											
Gross individually significant items	–	–	–	(208.5)	19.5	–	–	(189.0)	(85.0)	–	(274.0)
Tax on individually significant items	–	–	–	7.5	–	–	–	7.5	(8.7)	–	(1.2)
Net individually significant items attributable to non-controlling interests	–	–	–	18.3	–	–	–	18.3	–	–	18.3
Individually significant items attributable to shareholders of Orica Limited	–	–	–	(182.7)	19.5	–	–	(163.2)	(93.7)	–	(256.9)
Profit for the year attributable to shareholders of Orica Limited											60.1
Segment assets	3,586.9	1,468.1	1,323.6	732.1	376.0	881.1	–	8,367.8	–	–	8,367.8
Segment liabilities	1,069.4	322.0	519.5	222.2	41.2	2,464.3	–	4,638.6	–	–	4,638.6
Equity accounted investees	90.0	231.9	–	0.5	–	1.4	–	323.8	–	–	323.8
Acquisitions of PPE and intangibles (excluding right of use assets)	144.2	64.6	32.0	27.3	40.4	32.6	–	341.1	8.2	–	349.3
Depreciation and amortisation	181.4	58.7	46.1	31.0	18.5	50.1	–	385.8	–	–	385.8
Share of net profit of equity accounted investees	6.0	32.0	–	1.8	–	–	–	39.8	–	–	39.8

1. Restated for change of segment reporting, refer to note 1(a) for details.
2. Includes foreign currency gains/(losses) in various reportable segments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Segment report (continued)

(c) Disaggregation of revenue (by commodity/industry)

Revenue has been disaggregated by the customer site, except for Digital Solutions where revenue represents sales by the Digital Solutions segment.

	Consolidated	
	2023 $m	2022 Restated $m
Copper	**1,894.0**	1,741.5
Gold	**1,654.6**	1,468.4
Quarry and Construction	**1,127.3**	934.6
Thermal Coal	**1,101.6**	1,121.9
Iron Ore	**712.1**	598.9
Coking Coal	**592.4**	446.1
Future Facing Commodities[1]	**295.6**	272.4
Digital Solutions[2]	**211.7**	146.6
Other[1,2]	**356.0**	366.0
Minova (Discontinued operations)	**–**	231.1
Total disaggregated revenue	**7,945.3**	7,327.5

1. Future facing commodities (FFC) include nickel, lithium, lead, and zinc with increasing demand that are essential components of low-emissions energy technologies. The 2022 financial year results have been restated to reflect revenue from FFC.
2. Restated for change of segment reporting, refer to note 1(a) for details.

(d) Other income

	Consolidated					
	2023			2022		
	Continuing $m	Discontinued $m	Consolidated $m	Continuing $m	Discontinued $m	Consolidated $m
Other income	**25.2**	**–**	**25.2**	39.3	0.2	39.5
Net foreign currency losses	**(21.9)**	**–**	**(21.9)**	(15.2)	(1.1)	(16.3)
Net gain on sale of property, plant and equipment	**5.9**	**–**	**5.9**	7.7	0.1	7.8
Total other income	**9.2**	**–**	**9.2**	31.8	(0.8)	31.0

1. Segment report (continued)

(e) Individually significant items

	Consolidated					
	2023			2022		
	Gross $m	Tax $m	Net $m	Gross $m	Tax $m	Net $m
Profit after income tax includes the following individually significant items of expense:						
Individually significant items from continuing operations						
Loss on sale of Türkiye businesses[1]	**(73.5)**	**0.8**	**(72.7)**	–	–	–
Loss on exit of Venezuela business[1]	**(71.1)**	**33.6**	**(37.5)**	–	–	–
Axis Group acquisition earnout[2]	**(26.6)**	**–**	**(26.6)**	–	–	–
Impairment expense[3]	**–**	**–**	**–**	(167.9)	(1.8)	(169.7)
Loss on sale of JSC "Orica CIS"[1]	**–**	**–**	**–**	(40.6)	9.3	(31.3)
Gain on sale of Nitro Consult AB[1]	**–**	**–**	**–**	19.5	–	19.5
Individually significant items from continuing operations	**(171.2)**	**34.4**	**(136.8)**	(189.0)	7.5	(181.5)
Non-controlling interests in individually significant items	**80.4**	**(16.9)**	**63.5**	18.3	–	18.3
Individually significant items attributable to shareholders of Orica from continuing operations	**(90.8)**	**17.5**	**(73.3)**	(170.7)	7.5	(163.2)
Loss on sale of Minova	**–**	**–**	**–**	(85.0)	(8.7)	(93.7)
Individually significant items from discontinued operations	**–**	**–**	**–**	(85.0)	(8.7)	(93.7)
Individually significant items attributable to shareholders of Orica	**(90.8)**	**17.5**	**(73.3)**	(255.7)	(1.2)	(256.9)

1. Refer to note 15.
2. Refer to note 14.
3. The Group have recognised an impairment charge against the assets of the Türkiye and Russia operations in the 2022 financial year, as well as goodwill in the EMEA segment. Refer to note 9.

Recognition and measurement

Individually significant items are those gains or losses where their nature and or impact is considered material to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Segment report (continued)

(f) Geographical segments

The presentation of geographical revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Consolidated		Consolidated	
	Revenue		Non-current assets[1]	
	2023 $m	2022 $m	2023 $m	2022 $m
Australia	**2,326.4**	1,969.2	**3,022.3**	2,586.9
Peru	**1,045.0**	950.8	**315.8**	310.0
United States	**689.5**	705.2	**469.6**	419.6
Other[2]	**3,884.4**	3,702.3	**1,385.1**	1,304.0
Total	**7,945.3**	7,327.5	**5,192.8**	4,620.5

1. Excluding: financial derivatives (included within other assets) and deferred tax assets.
2. Other than Australia, Peru and the United States, sales to other countries are individually less than 10% of the Group's total revenues.

Recognition and measurement

Revenue is recognised when, or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration includes a variable amount (net of trade discounts and volume rebates), the Group estimates the amount of consideration to which it will be entitled. The majority of the Group's operations are conducted under Master Service Agreements which require customers to place orders for goods or services on a periodic basis. The performance obligations are identified at the point that the customer places the order.

Supply of products and provision of services

Revenue is derived from contractual agreements for either:

- the supply of products, or
- the supply of products and the provision of services.

Contracts for the supply of products are one performance obligation. Contracts for the supply of products and services include one or two separate performance obligations depending on whether the customer can benefit from the products independently of the services.

Product revenue is recognised when the goods are delivered to the contracted point of delivery as this is the point at which the customer gains control of the product and the performance obligation is satisfied by the Group.

Service revenue is recognised over time as the customer simultaneously receives and consumes the benefits of the Group's performance. Where products and services are combined into one single performance obligation, revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

Contracts to provide a designated output

The provision of goods and services in contracts that provide a designated quantity of output results in the identification of a single performance obligation to deliver an integrated service to the customer. Revenue from this performance obligation is recognised over time as the customer simultaneously receives and consumes the benefits of the Group's performance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Earnings per share (EPS)

(i) As reported in the income statement

	Consolidated 2023 $m	Consolidated 2022 $m
Earnings used in the calculation of basic and diluted EPS attributable to ordinary shareholders of Orica Limited		
Profit after tax from continuing operations	**251.4**	133.6
Loss after tax from discontinued operations	**–**	(84.6)
Less: Net Loss for the year attributable to non-controlling interests	**(44.3)**	(11.1)
Net profit for the year attributable to shareholders of Orica Limited	**295.7**	60.1

	Number of shares 2023	Number of shares 2022
Weighted average number of shares used in the calculation:		
Number for basic earnings per share	**454,174,130**	414,802,433
Effect of dilutive share options and rights	**3,927,977**	2,569,554
Number for diluted earnings per share	**458,102,107**	417,371,987
The weighted average number of options and rights that have not been included in the calculation of diluted earnings per share	**798,070**	1,511,936

	Cents per share 2023	Cents per share 2022
From continuing operations attributable to ordinary shareholders of Orica Limited		
Basic earnings per share	**65.1**	35.1
Diluted earnings per share	**64.5**	35.0
Total attributable to ordinary shareholders of Orica Limited		
Basic earnings per share	**65.1**	14.5
Diluted earnings per share	**64.5**	14.4

(ii) Adjusted for individually significant items

	Consolidated 2023 $m	Consolidated 2022 $m
Earnings used in the calculation of basic and diluted EPS adjusted for individually significant items attributable to ordinary shareholders of Orica Limited		
Profit after income tax expense before individually significant items attributable to shareholders of Orica Limited (refer to note 1b)	**369.0**	317.0

	Cents per share 2023	Cents per share 2022
From continuing operations before individually significant items attributable to ordinary shareholders of Orica Limited		
Basic earnings per share[1]	**81.2**	74.4
Diluted earnings per share[1]	**80.5**	74.0
Total attributable to ordinary shareholders of Orica Limited before individually significant items attributable to ordinary shareholders of Orica Limited		
Basic earnings per share[1]	**81.2**	76.4
Diluted earnings per share[1]	**80.5**	76.0

1. Earnings per share before individually significant items is a non-IFRS measure. Management excludes individually significant items from the calculation in order to enhance the comparability from year-to-year and provide investors with further clarity in order to assess the underlying performance of operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Section B. Capital management

Orica's objectives when managing capital (net debt and total equity) are to safeguard the Group's ability to continue as a going concern and to ensure the capital structure enhances, protects and balances financial flexibility against minimising the cost of capital. This section outlines the principal capital management initiatives that have been undertaken, current year drivers of the Group's cash flows, as well as the key operating assets used and liabilities incurred to support financial performance.

3. Net debt and net financing costs

In order to maintain an appropriate capital structure, the Group may adjust the dividend paid to shareholders, utilise a DRP, return capital to shareholders such as through a share buy-back, or issue new equity, in addition to incurring an appropriate level of borrowings. Orica maintains a dividend policy and expects the total dividend payout ratio to be in the range of 40-70 per cent of underlying earnings. It is also expected that the total dividend paid each year will be weighted towards the final dividend.

Orica monitors debt capacity against a number of key credit metrics aligned to debt covenants, principally the gearing ratio (net debt excluding lease liabilities divided by net debt excluding lease liabilities plus equity) and the interest cover ratio (EBIT excluding individually significant items, divided by net financing costs excluding lease interest). These ratios, together with performance measure criteria determined by S&P Global Ratings (S&P), are monitored in support of maintaining an investment grade credit rating, which enables access to borrowings from a range of sources. S&P's key measures include Funds from Operations (FFO)/Debt and Debt/EBITDA. Of note, S&P's rating methodology adjusts Orica's net debt to incorporate post-retirement benefit obligations, asset retirement obligations (i.e. environmental and decommissioning provisions) and leases. Orica's debt covenants are exclusive of these items.

The Group's target range for gearing is 30-40 per cent and the interest cover financial covenant is two times or greater. Gearing may move outside of the target range for relatively short periods of time after major acquisitions or other significant transactions.

In addition, the gearing and interest cover ratios are monitored to ensure an adequate buffer against covenant levels applicable to the various financing facilities.

	Consolidated	
	2023 $m	**2022 $m**
The gearing ratio is calculated as follows:		
Interest bearing liabilities excluding lease liabilities – continuing operations (refer to note 3a)	**2,075.4**	2,167.5
less cash and cash equivalents – continuing operations	**(1,152.1)**	(1,255.3)
Total net debt	**923.3**	912.2
Total equity	**4,051.8**	3,729.2
Total net debt and equity	**4,975.1**	4,641.4
Gearing ratio (%)	**18.6%**	19.7%
The interest ratio is calculated as follows:		
Profit before financing costs and income tax (excluding individually significant items – refer to note 1b)	**698.1**	578.5
Net financing costs excluding lease interest (note 3b)	**128.2**	88.5
Interest cover ratio (times)	**5.4**	6.5

3. Net debt and net financing costs (continued)

(a) Interest bearing liabilities

Current	Opening Balance $m	Non-cash movements $m	Net cash movements $m	Closing Balance $m
Unsecured				
Private Placement debt[1]	**655.8**	**(2.2)**	**(653.6)**	**–**
Bank loans[1]	**–**	**4.4**	**(4.4)**	**–**
Lease liabilities	**57.5**	**104.1**	**(88.8)**	**72.8**
Total	**713.3**	**106.3**	**(746.8)**	**72.8**
Non-current				
Unsecured				
Private Placement debt[1]	**1,504.9**	**21.7**	**523.4**	**2,050.0**
CEFC[1, 2]	**6.4**	**–**	**16.0**	**22.4**
Other loans	**0.4**	**–**	**2.6**	**3.0**
Lease liabilities	**182.0**	**42.0**	**–**	**224.0**
Total	**1,693.7**	**63.7**	**542.0**	**2,299.4**
Total	**2,407.0**	**170.0**	**(204.8)**	**2,372.2**

1. Orica Limited provides guarantees on certain facilities, refer to note 16 for further details.
2. Financing from the Clean Energy Finance Corporation (CEFC) for the Kooragang Island Decarbonisation Project.

During the year $656.0 million of US Private Placement debt was repaid, and $526.0 million of longer dated debt was issued into the US Private Placement bond market.

During the current and prior year, there were no defaults or breaches of covenants on any loans.

(b) Net financing costs

	Consolidated 2023 $m	Consolidated 2022 $m
Finance income		
Interest income	**9.0**	2.2
Total finance income	**9.0**	2.2
Finance costs		
Interest expense	**135.6**	105.1
Lease interest expense from continuing operations	**15.5**	11.6
Lease interest expense from discontinued operations	**–**	0.2
Unwind of/(gain on) discounting of provisions[1]	**1.6**	(14.4)
Total finance costs (note 15)	**152.7**	102.5
Net financing costs	**(143.7)**	(100.3)
Net financing costs excluding lease interest	**(128.2)**	(88.5)

1. Primarily due to the change in the discount rate applied to measure the Botany groundwater provision.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Net debt and net financing costs (continued)

(c) Notes to the statement of cash flows

	Notes	Consolidated 2023 $m	2022 $m
Reconciliation of profit/(loss) after income tax to net cash flows from operating activities			
Profit/(loss) after income tax expense		**251.4**	49.0
Adjusted for the following items:			
Depreciation and amortisation expense	(1b)	**392.5**	385.8
Net gain on sale of property, plant and equipment	(1d)	**(5.9)**	(7.8)
Impairment expense		**–**	169.7
Net loss on disposal of controlled entities		**110.2**	105.5
Share based payments expense		**13.7**	8.0
Share of equity accounted investees net profit after adding back dividends received		**0.3**	(16.6)
Unwinding of discount on provisions		**1.6**	(14.4)
Other		**(11.0)**	3.9
Changes in working capital and provisions excluding the effects of acquisitions and disposals of businesses/controlled entities:			
decrease/(increase) in trade and other receivables		**137.8**	(297.2)
decrease/(increase) in inventories		**22.6**	(290.3)
increase in net deferred taxes		**(37.8)**	(13.8)
increase in payables and provisions		**5.5**	239.1
increase in income taxes payable		**17.8**	41.4
Net cash flows from operating activities		**898.7**	362.3

Recognition and Measurement

Cash and cash equivalents

Cash includes cash at bank, cash on hand and deposits at call.

Interest bearing liabilities, excluding lease liabilities

Interest bearing liabilities are initially recognised net of transaction costs. Subsequent to initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the liabilities on an effective interest basis, unless they are liabilities designated in a fair value relationship in which case they continue to be measured at fair value (refer to note 10).

Financing costs

Borrowing costs are expensed as incurred unless they relate to qualifying assets where interest on funds are capitalised. Interest income and interest expense relating to interest rate swaps and cross currency interest rate swaps are presented on a net basis.

Lease liabilities

The Group recognises all lease liabilities and corresponding right of use assets, with the exception of short-term (12 months or less) and low-value leases, on the balance sheet. Lease liabilities are recorded at the present value of fixed payments, variable lease payments that depend on an index or rate, amounts payable under residual value guarantees and extension options expected to be exercised. Where a lease contains an extension option which the Group can exercise without negotiation, lease payments for the extension period are included in the liability if the Group is reasonably certain that it will exercise the option. Variable lease payments not dependent on an index or rate are excluded from the liability. Lease payments are discounted at the incremental borrowing rate of the lessee unless the rate implicit in the lease can be readily determined.

Lease liabilities are remeasured when there is a change in future lease payments resulting from a change in an index or rate, or a change in the assessed lease term. A corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount has been reduced to zero.

3. Net debt and net financing costs (continued)

The Group applied judgement to determine the incremental borrowing rates as well as the lease term for some lease contracts that include extension or termination options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

The Group recognises depreciation of the right of use assets and interest on the lease liabilities in the income statement over the lease term. Repayments of lease liabilities are separated into a principal portion (presented within financing activities) and interest portion (presented within operating activities) in the cash flow statement.

Expenses relating to short-term and low-value leases of $65.6 million (2022: $53.8 million) and variable lease payments not included in lease liabilities of $167.3 million (2022: $132.2 million) have been recognised in the income statement. Total cash outflow for leases was $321.7 million (2022: $259.3 million).

Critical accounting judgements and estimates

- Determination of the discount rate to use
- In relation to lease liabilities, determination of whether it is reasonably certain that an extension or termination option will be exercised.

4. Contributed equity and reserves

(a) Contributed equity

Movements in issued and fully paid shares of Orica since 1 October 2021 were as follows:

Details	Date	Number of shares	Issue price $	$m
Ordinary shares				
Opening balance of shares issued	1-Oct-21	407,513,099		2,686.1
On market share repurchase	31-Oct-21			(8.4)
Shares issued under the Orica DRP	22-Dec-21	1,317,955	14.40	18.9
Shares issued under the Orica DRP	8-Jul-22	666,029	16.19	10.8
Shares issued under the Institutional Share Placement, net of costs	9-Aug-22	40,625,000	16.00	640.6
Shares issued under Share Purchase Plan	2-Sep-22	2,685,802	15.29	41.1
Shares issued under the Orica GEESP[1]				0.6
Balance at the end of the year	**30-Sep-22**	**452,807,885**		**3,389.7**
Shares issued under the Orica DRP	**22-Dec-22**	**1,332,377**	**14.97**	**19.9**
Shares issued under the Orica DRP	**3-Jul-23**	**1,351,296**	**15.20**	**20.5**
On market share repurchase				**(14.1)**
Deferred shares issued to settle Short-Term Incentive				**4.6**
Shares issued under the Orica GEESP[1]				**0.6**
Balance at the end of the year	**30-Sep-23**	**455,491,558**		**3,421.2**

1. General Employee Exempt Share Plan (GEESP).

(b) Reserves

Recognition and measurement

Foreign currency translation reserve

Records the foreign currency differences arising from the translation of foreign operations. The relevant portion of the reserve is recognised in the income statement when the foreign operation is disposed of.

Cash flow hedge reserve

Represents the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Other reserves

Other reserves represent share based payments reserves and equity reserves arising from the purchase of non-controlling interests, as well as unrealised gains in fair value of financial assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Contributed equity and reserves (continued)

(c) Dividends

	Consolidated	
	2023 $m	**2022 $m**
Dividends paid or declared in respect of the year ended 30 September were:		
Ordinary shares		
interim dividend of 13.0 cents per share, unfranked, paid 8 July 2022		53.1
interim dividend of 18.0 cents per share, unfranked, paid 3 July 2023	**81.7**	
final dividend of 16.5 cents per share, unfranked, paid 22 December 2021		67.2
final dividend of 22.0 cents per share, unfranked, paid 22 December 2022	**99.6**	
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan (DRP) during the year were as follows:		
paid in cash	**140.9**	90.6
DRP – satisfied by issue of shares	**40.4**	29.7

Since the end of the financial year, the Directors declared the following dividend:

Final dividend on ordinary shares of 25.0 cents per share, unfranked, payable 18 December 2023.

The financial effect of the final dividend on ordinary shares has not been brought to account in the financial statements for the year ended 30 September 2023, however will be recognised in the 2024 financial statements.

Franking credits

Franking credits available at the 30 per cent corporate tax rate after allowing for tax payable in respect of the current year's profit or loss and the payment of the final dividend for 2023 are nil (2022: nil).

Section C. Operating assets and liabilities

This section highlights current year drivers of the Group's operating and investing cash flows, as well as the key operating assets used and liabilities incurred to support delivering financial performance.

5. Working capital

(a) Trade working capital

Trade working capital includes inventories, receivables and payables that arise from normal trading conditions. The Group continuously looks to improve working capital efficiency in order to maximise operating cash flow.

		Consolidated	
	Notes	2023 $m	2022 $m
Inventories	(a)(i)	**868.1**	872.6
Trade receivables	(a)(ii)	**759.2**	903.1
Trade payables	(a)(iii)	**(984.5)**	(1,091.7)
Trade working capital		**642.8**	684.0

(a)(i) Inventories

The classification of inventories is detailed below:

	Consolidated	
	2023 $m	2022 $m
Raw materials	**296.8**	337.0
Work in progress	**0.6**	0.7
Finished goods	**570.7**	534.9
	868.1	872.6

Recognition and measurement

Inventories are measured at the lower of cost and net realisable value. Cost is based on a first-in first-out or weighted average basis. For manufactured goods, cost includes direct material and fixed overheads based on normal operating capacity. Inventories have been shown net of provision for impairment of $62.2 million (2022: $51.1 million).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Working capital (continued)

(a)(ii) Trade receivables

The ageing of trade receivables and allowance for impairment is detailed below:

	Consolidated		Consolidated	
	2023 Gross $m	**2023 Allowance $m**	**2022 Gross $m**	**2022 Allowance $m**
Not past due	**711.1**	**–**	851.8	–
Past due 0 – 30 days	**46.0**	**–**	52.0	(0.7)
Past due 31 – 120 days	**20.3**	**(18.2)**	20.4	(20.4)
Past 120 days	**22.1**	**(22.1)**	43.1	(43.1)
	799.5	**(40.3)**	967.3	(64.2)

Recognition and Measurement

The collectability of trade and other receivables is assessed continuously, specific allowances are made for any doubtful trade and other receivables based on a review of all outstanding amounts at year end. The expected impairment loss calculation for trade receivables considers both quantitative information from historic credit losses as well as qualitative information on different customer/debtor profiles and segments. The net carrying amount of trade and other receivables approximates their fair values. A risk assessment process is used for all accounts, with a stop credit process in place for most long overdue accounts.

(a)(iii) Trade payables

Recognition and Measurement

Trade and other payables are recognised when the Group is required to make future payments as a result of the purchase of goods or as services provided prior to the end of the reporting period. The carrying amount of trade payables approximates their fair values due to their short-term nature.

(b) Non-trade working capital

Non-trade working capital includes all other receivables and payables not related to the purchase of goods and is recognised net of provisions for impairment of $23.0 million (2022: $18.5 million).

Critical accounting judgements and estimates

In the course of normal trading activities, management uses its judgement in establishing the carrying value of various elements of working capital, principally inventory and accounts receivable. Provisions are established for obsolete or slow moving inventories. Actual expenses in future periods may be different from the provisions established and any such differences would impact future earnings of the Group.

6. Provisions

	Consolidated	
	2023 $m	2022 $m
Current		
Employee entitlements	**117.0**	108.4
Environmental and decommissioning[1, 2]	**66.6**	85.0
Other	**68.3**	35.7
	251.9	229.1
Non-current		
Employee entitlements	**17.7**	16.1
Retirement benefit obligations (see note 19b)	**74.3**	83.3
Environmental and decommissioning[1, 2]	**213.0**	221.6
Other	**5.6**	8.8
	310.6	329.8

1. Payments of $41.9 million (2022: $52.4 million) were made during the year in relation to environmental and decommissioning provisions.
2. Net provision increases of $1.4 million (2022: decreases of $5.9 million) have been recognised in the income statement during the year. Net provision increases of $12.7 million (2022: decreases of $21.2 million) have been capitalised as a part of the carrying value of property, plant and equipment.

The total environmental and decommissioning provision comprises:

	Consolidated	
	2023 $m	2022 $m
Botany Groundwater remediation	**169.1**	182.8
Burrup decommissioning	**24.9**	14.9
Initiating systems network optimisation	**22.4**	23.3
Botany (HCB) waste	**13.8**	24.0
Deer Park remediation	**6.7**	13.7
Yarraville remediation	**6.6**	11.6
Other provisions	**36.1**	36.3
Total	**279.6**	306.6

Recognition and Measurement

Employee Entitlements

A liability for employee entitlements is recognised for the amount expected to be paid where the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and that obligation can be reliably measured.

Decommissioning

In certain circumstances, the Group has an obligation to dismantle and remove an asset and to restore the site on which it is located. The present value of the estimated costs of dismantling and removing the asset and restoring the site on which it is located are recognised as a depreciable asset with a corresponding provision being raised where a legal or constructive obligation exists.

At each reporting date, the liability is remeasured in line with changes in discount rates, timing and estimated cash flows. Any changes in the liability are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as a finance cost.

Environmental

As a result of historical and current operations, certain sites owned or used by the Group will require future remediation activities to address environmental contamination. Estimated costs for the remediation of soil, groundwater and untreated waste are recognised as a provision when:

- there is a present legal or constructive obligation to remediate
- a probable outflow of economic resources will occur to undertake the remediation
- the associated costs can be reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Provisions (continued)

Where future expenditure is expected to meet the recognition and measurement criteria of an asset (as described in Note 7), a provision is recognised only to the extent of the performance of the obligation (i.e. when costs are incurred by the Group).

Where the cost relates to the enhancement of land which is expected to be sold (e.g. where the Group no longer has ongoing operations), then the costs are assessed for recognition as an asset taking into consideration the nature and extent of the activities and also the expected sales proceeds compared to the sum of the current book value of the land and the estimated total costs. Any costs which result in the total carrying value exceeding the expected proceeds on sale are expensed.

The amount of each provision reflects the best estimate of the expenditure required to settle each respective obligation having regard to a range of potential scenarios, input from subject matter experts on appropriate remediation techniques and relevant technological advances.

Critical accounting judgements and estimates

Environmental provisions for other sites

Judgement is required in determining whether a constructive obligation to remediate environmental contamination exists. The Group considers that a constructive obligation exists where there is a current risk to human health or the environment arising from environmental contamination; or where an expectation has been established with a third party (including regulators, employees, neighbours or other stakeholders) that remediation activities will be undertaken.

Where an obligation (legal or constructive) exists, further judgement is necessary to determine the future expenditure required to settle the obligation. This is due to uncertainties in assumptions regarding the nature or extent of the contamination, the nature of the remedial solution deployed and its effectiveness, the application of relevant laws or regulations and the information available at certain locations where Orica no longer controls the site. Changes in these assumptions may impact future reported provisions. Subject to those factors and taking into consideration experience gained to date regarding environmental matters of a similar nature, Orica considers that the provision balances are appropriate based on currently available information. Changes in the assumptions noted above may result in costs incurred in future periods being greater than or less than amounts provided.

Environmental provisions are reviewed bi-annually taking into account any material changes to facts or circumstances which would be expected to impact the valuation of the provision.

Botany groundwater remediation

Orica's historical operations at the Botany Industrial Park resulted in contamination of the soil and groundwater. Due to the complex nature of the chemicals involved and its distribution e.g. Dense Non-Aqueous Phase Liquid (DNAPL), the lack of known practical remediation approaches and the unknown scale of the contamination, a practical solution to completely remediate the contamination has not been found. Orica continues to work in close cooperation with the New South Wales (NSW) Environmental Protection Authority (EPA) to address the contamination.

Orica has a current obligation to contain and mitigate the effects of the contamination on the groundwater at the site. Orica and the NSW EPA entered into a Voluntary Management Proposal to contain groundwater contamination while an effective remediation approach to the DNAPL source contamination is identified (refer to contingent environmental liabilities section below).

The findings from the 2018 review of costs and operational duration of the Groundwater Treatment Plant (GTP) indicated that the cessation of groundwater extraction using the GTP is possible within an 18-year timeframe. After this period, Orica anticipates that the contamination levels will be materially below current levels and will be able to be managed through natural attenuation or less intensive technologies.

Contingent environmental liabilities

In addition to the obligations for which an environmental provision has been recognised, certain sites may require future remediation activities to address environmental contamination.

Where the criteria for recognition of a provision are not met, a contingent liability may exist in the following circumstances:

- Sites where known contamination exists but does not pose a current threat to human health or the environment and there is no current legal or regulatory requirement to remediate. Orica has a possible obligation for remediation which may be confirmed by future events and the likelihood of a future outflow of resources is not remote; or
- Sites where contamination is known or likely to exist and it is probable that a future outflow of resources will occur, however the financial impact cannot be reliably measured due to uncertainties related to the extent of Orica's remediation obligations or the remediation techniques that may be utilised.

Any costs associated with these matters are expensed as incurred. Information regarding each class of contingent liability is set out below.

Botany – remediation of source contamination

Specifically related to the remediation of DNAPL source contamination a reliable estimate of the costs to complete remediation is not possible given the lack of proven remediation techniques that can be effectively deployed at the site and uncertainty of the scale of the DNAPL contamination.

6. Provisions (continued)

Other sites

Contingent liabilities exist with respect to a number of other sites owned or used by Orica where future remediation may be required and possible obligations exist. Orica's obligations with respect to these sites will be confirmed by future events and are subject to the following uncertainties regarding the amount and timing of future outflows:

- Orica's future decisions regarding the use of the site including the timing of any changes to the current use
- the requirements of laws and regulations at an unknown future point in time and the outcome of discussions with regulators at that time
- the nature and extent of environmental remediation required at a future point in time
- the availability and determination of solutions to address identified environmental issues and the cost and duration of the method selected.

Depending on the outcome of these factors, Orica may be required to incur expenditure to prevent or remediate environmental contamination. Due to the uncertainties described above, it is not practicable to estimate the financial effect of the possible future outflows.

7. Property, plant and equipment

	Owned assets		Leased assets		
Consolidated	**Land, buildings and improvements $m**	**Machinery, plant and equipment $m**	**Land, buildings and improvements $m**	**Machinery, plant and equipment $m**	**Total $m**
2022					
Cost	983.8	5,299.2	231.8	201.7	6,716.5
Accumulated impairment losses	(71.3)	(336.7)	(0.6)	(0.3)	(408.9)
Accumulated depreciation	(397.4)	(2,609.7)	(102.4)	(115.8)	(3,225.3)
Total carrying value	**515.1**	**2,352.8**	**128.8**	**85.6**	**3,082.3**
Movement					
Carrying amount at the beginning of the year	518.0	2,288.5	131.6	102.1	3,040.2
Additions	0.6	310.3	19.0	23.9	353.8
Additions through acquisitions of entities (see note 14)	–	1.0	0.4	–	1.4
Disposals	(4.1)	(20.5)	(2.3)	(0.3)	(27.2)
Disposals through disposals of entities (see note 15)	–	(2.5)	(0.6)	–	(3.1)
Transfers between property, plant & equipment and intangible assets	14.9	(22.7)	–	–	(7.8)
Depreciation expense	(27.8)	(240.9)	(23.6)	(40.2)	(332.5)
Impairment expense	(13.6)	(40.0)	(0.6)	(0.3)	(54.5)
Revaluation of capitalised provisions	–	(21.2)	–	–	(21.2)
Foreign currency exchange differences	27.1	100.8	4.9	0.4	133.2
Carrying amount at the end of the year	**515.1**	**2,352.8**	**128.8**	**85.6**	**3,082.3**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Property, plant and equipment (continued)

Consolidated	Owned assets Land, buildings and improvements $m	Owned assets Machinery, plant and equipment $m	Leased assets Land, buildings and improvements $m	Leased assets Machinery, plant and equipment $m	Total $m
2023					
Cost	**1,022.6**	**5,755.4**	**250.8**	**294.0**	**7,322.8**
Accumulated impairment losses	**(71.3)**	**(336.7)**	**(0.6)**	**(0.3)**	**(408.9)**
Accumulated depreciation	**(430.5)**	**(2,852.3)**	**(121.1)**	**(149.7)**	**(3,553.6)**
Total carrying value	**520.8**	**2,566.4**	**129.1**	**144.0**	**3,360.3**
Movement					
Carrying amount at the beginning of the year	**515.1**	**2,352.8**	**128.8**	**85.6**	**3,082.3**
Additions	**1.0**	**417.1**	**26.9**	**108.4**	**553.4**
Additions through acquisitions of entities (see note 14)	**0.5**	**24.0**	**–**	**–**	**24.5**
Disposals	**(1.9)**	**(9.4)**	**(4.6)**	**(0.3)**	**(16.2)**
Transfers between property, plant & equipment and intangible assets	**22.8**	**(29.6)**	**–**	**(0.1)**	**(6.9)**
Depreciation expense	**(26.0)**	**(233.8)**	**(24.4)**	**(53.0)**	**(337.2)**
Revaluation of capitalised provisions	**–**	**12.7**	**–**	**–**	**12.7**
Foreign currency exchange differences	**9.3**	**32.6**	**2.4**	**3.4**	**47.7**
Carrying amount at the end of the year	**520.8**	**2,566.4**	**129.1**	**144.0**	**3,360.3**

Capital expenditure commitments

Capital expenditure on property, plant and equipment and business acquisitions contracted for but not provided for and payable no later than one year was $141.0 million (2022: $105.1 million) and later than one but less than five years was $6.7 million (2022: $13.0 million).

Recognition and Measurement

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item and includes capitalised interest. Subsequent costs are capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The right of use asset at initial recognition reflects the lease liability adjusted for any lease payments made before the commencement date plus any make good obligations and initial direct costs incurred (refer to note 3). The leases recognised by the Group under AASB 16 predominantly relate to property leases including offices and storage as well as plant & equipment leases including vehicles and rail cars.

Critical accounting judgements and estimates

Management reviews the appropriateness of useful lives of assets at least annually, any changes to useful lives may affect prospective depreciation rates and asset carrying values. Depreciation is recorded on a straight line basis using the following useful lives:

	Owned assets	Right of use assets – leased
Land	Indefinite	1 to 70 years
Buildings and improvements	25 to 40 years	1 to 20 years
Machinery, plant and equipment	3 to 40 years	1 to 15 years

8. Intangible assets

Consolidated	Goodwill $m	Patents, brands, trademarks and rights $m	Software $m	Customer relationships and other $m	Total $m
2022					
Cost	1,258.7	226.9	314.7	121.5	1,921.8
Accumulated impairment losses	(381.7)	–	(114.5)	–	(496.2)
Accumulated amortisation	–	(110.3)	(106.1)	(66.3)	(282.7)
Net carrying amount	877.0	116.6	94.1	55.2	1,142.9
Movement					
Carrying amount at the beginning of the year	896.7	73.2	99.3	81.2	1,150.4
Additions	–	–	30.1	0.1	30.2
Additions through acquisitions of entities (see note 14)	25.5	6.7	–	–	32.2
Disposals	–	(0.1)	(0.5)	–	(0.6)
Disposals through disposal of entities (see note 15)	–	–	(0.1)	(0.4)	(0.5)
Transfers between property, plant & equipment and intangible assets	(6.8)	41.1	(0.9)	(25.6)	7.8
Amortisation expense	–	(11.9)	(40.2)	(1.2)	(53.3)
Impairment expense	(45.3)	–	(0.1)	–	(45.4)
Foreign currency exchange differences	6.9	7.6	6.5	1.1	22.1
Carrying amount at the end of the year	877.0	116.6	94.1	55.2	1,142.9
2023					
Cost	**1,445.2**	**234.2**	**337.6**	**223.4**	**2,240.4**
Accumulated impairment losses	**(381.7)**	**–**	**(114.5)**	**–**	**(496.2)**
Accumulated amortisation	**–**	**(124.5)**	**(137.1)**	**(76.2)**	**(337.8)**
Net carrying amount	**1,063.5**	**109.7**	**86.0**	**147.2**	**1,406.4**
Movement					
Carrying amount at the beginning of the year	**877.0**	**116.6**	**94.1**	**55.2**	**1,142.9**
Additions	**–**	**0.1**	**20.9**	**–**	**21.0**
Additions through acquisitions of entities (see note 14)	**176.8**	**6.0**	**–**	**94.0**	**276.8**
Transfers between property, plant & equipment and intangible assets	**–**	**–**	**0.4**	**6.5**	**6.9**
Amortisation expense	**–**	**(13.6)**	**(32.3)**	**(9.4)**	**(55.3)**
Foreign currency exchange differences	**9.7**	**0.6**	**2.9**	**0.9**	**14.1**
Carrying amount at the end of the year	**1,063.5**	**109.7**	**86.0**	**147.2**	**1,406.4**

Recognition and Measurement

Unidentifiable intangibles – Goodwill

Where the fair value of the consideration paid for a business acquisition exceeds the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is treated as goodwill. Goodwill is not amortised but the recoverable amount is tested for impairment at least annually.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Intangible assets (continued)

Identifiable intangibles

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Identifiable intangible assets with a finite life are amortised on a straight line basis over their expected useful life to the Group, being up to thirty years. Expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits of the specific asset to which it relates and which the Group controls (therefore excluding Software as a Service). All other expenditure is expensed as incurred.

Critical accounting judgements and estimates

Management reviews the appropriateness of useful lives of intangible assets at least annually. Any changes to useful lives may affect prospective amortisation rates and asset carry values.

9. Impairment testing of assets

Recognition and Measurement

Methodology

Formal impairment tests are carried out annually for goodwill. In addition, formal impairment tests for all assets are performed when there is an indication of impairment. The Group conducts an internal review of asset values at each reporting period, which is used as a source of information to assess for any indications of impairment. External factors, such as changes in expected future prices, costs and other market factors, are also monitored to assess for indications of impairment. If any such indication exists, an estimate of the asset's recoverable amount is calculated.

The recoverable amount is determined using the higher of value in use or fair value less costs to dispose. Value in use is the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Group's continued use and does not consider future development. The value in use calculations use cash flow projections which do not exceed five years based on actual operating results and the operating budgets approved by the Board of Directors. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in the table below. Growth rates are specific to individual cash-generating units (CGUs) and reflect expected future market and economic conditions. Fair value less costs to dispose is the value that would be received in exchange for an asset in an orderly transaction.

The discount rates applied to the post-tax cash flows are derived using the weighted average cost of capital methodology. Adjustments to the rates are made for any risks that are not reflected in the underlying cash flows, including country risk. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBIT growth rate.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups and referred to as CGUs. CGUs are the smallest identifiable group of assets, liabilities and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets with each CGU being no larger than a segment. CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The test of goodwill and its impairment is undertaken at the segment level, except for the Pilbara CGU which contains the joint operation with Yara International ASA Group.

The capital outflows required to meet the Group's 2030 greenhouse gas emissions reduction target have been incorporated into the cash flows. As part of the Group's Climate Action Report (CAR) and Task Force on Climate-related Financial Disclosures (TCFD) reporting, an assessment of climate-related risks and scenario analysis was performed but did not identify a risk of impairment at this time. As the Group's financial and non-financial reporting develops and quantitative analysis is performed, financial implications will continue to be considered and built into future cash flow assumptions.

9. Impairment testing of assets (continued)

Key assumptions

	Post-tax discount rates 2023 %	Weighted average post-tax discount rates 2023 %	Terminal growth rates 2023 %	Weighted average terminal growth rate 2023 %	Goodwill 2023 $m
Australia Pacific & Asia	**8.5-14.9**	**9.4**	**0.0-6.4**	**2.2**	**404.2**
Pilbara	**8.8**	**8.8**	**2.3**	**2.3**	**–**
North America	**7.9**	**7.9**	**2.1**	**2.1**	**170.4**
Latin America	**7.9-13.0**	**9.6**	**1.5-4.0**	**3.0**	**171.2**
Europe, Middle East & Africa	**7.6-21.4**	**11.4**	**0.7-14.5**	**3.4**	**–**
Digital Solutions	**8.8**	**8.8**	**2.3**	**2.3**	**317.7**
Total					**1,063.5**

	Post-tax discount rates 2022 %	Weighted average post-tax discount rates 2022 %	Terminal growth rates 2022 %	Weighted average terminal growth rate 2022 %	Goodwill 2022 $m
Australia Pacific & Asia	8.8-15.5	9.8	2.3-6.5	3.2	429.7
Pilbara	8.8	8.8	2.6	2.6	–
North America	8.3	8.3	1.7	1.7	168.5
Latin America	8.3-12.7	9.9	1.5-5.0	3.0	163.7
Europe, Middle East & Africa	7.5-22.5	12.3	0.7-13.1	4.2	–
Digital Solutions	8.8	8.8	2.6	2.6	115.1
Total					877.0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Impairment testing of assets (continued)

Critical accounting judgements and estimates

2023

LATAM

Based on the latest projected cash flows of the Group, the carrying value of the Latin America segment is approximately equal to its value in use. The value in use calculations are sensitive to earnings forecasts, changes in discount rates and terminal growth rates.

Any variation in the key assumptions of the cash flows would result in a change in the assessed value in use. If the impact of the change had a negative impact, it could, in the absence of other factors require an impairment to goodwill. The key assumptions underlying the value in use calculations are as follows:

- Growth in post-tax cashflows for the region of $32.3 million from FY2024 to FY2028. This is reliant on achieving future growth in earnings primarily due to securing new or expanded contracts and delivery of value added services and growth in the future facing commodities.
- A weighted average terminal growth in line with local country economic forecasts of 3.0 per cent.
- A weighted average post-tax discount rate of 9.6 per cent.

2022

Türkiye

The significant decline in the local economy and the devaluation of the Lira has resulted in the impairment of our investments in Orica Nitro Patlayici Maddeler Sanayi ve Ticaret Anonim Sirketi and GeoNitro Limited. The total impairment charge is $32.7 million of which $18.3 million is attributable to non-controlling interests.

As at 30 September 2022, there was a foreign currency translation reserve balance of $92.4 million debit (of which $45.5 million is attributable to non-controlling interests) which would be released on sale, liquidation, repayment of share capital or abandonment of the entity.

Russia

The escalation of the Russia-Ukraine conflict, and imposed sanctions and export restrictions, led to our decision to exit the Russian operations.

On 9 September 2022, the Group executed a contract to sell JSC "Orica CIS" Joint-Stock Company for cash consideration of $13.1 million. Orica has risk adjusted the proceeds given the trade sanctions imposed on Russia.

The Group has recognised a gross impairment expense of $89.9 million ($1.8 million was booked as a debit to tax expense), reducing the value of the Russian business to nil. In addition, there was a loss on disposal of $40.6 million ($9.3 million was booked as a credit to tax expense), relating to the release of foreign currency translation reserve as required by Australian Accounting Standards.

EMEA

Due to the issues outlined above impairment testing was performed on the EMEA region. The key assumptions underlying the value in use calculations are as follows:

- no future cashflows for the Türkiye or Russian businesses.
- growth in post-tax cashflows for the region of $17.5 million between FY2023 and FY2027.
- a weighted average terminal growth rate in line with local country economic forecasts of 4.2 per cent.
- a weighted average post-tax discount rate of 12.3 per cent.

The present value of cashflows in EMEA no longer support the carrying value of goodwill. Therefore, the remaining balance of $45.3 million has been impaired.

Any variation in the key assumptions of the cash flows would result in a change in the assessed value in use. If the impact of the change had a negative impact, it could, in the absence of other factors require a further impairment of other assets.

Section D. Managing Financial Risks

Orica's Review of Operations and Financial Performance highlights funding and other treasury matters as material business risks that could adversely affect the achievement of future business performance.

This section discusses the principal market and other financial risks that the Group is exposed to and the risk management program, which seeks to mitigate these risks and reduce the volatility of Orica's financial performance.

10. Financial risk management

Financial risk factors

Financial risk management is carried out centrally by the Group's treasury function under policies approved by the Board.

The Group's principal financial risks are associated with:

- interest rate risk (note 10a)
- foreign exchange risk (note 10b)
- commodity price risk (note 10c)
- credit risk (note 10d)
- liquidity risk (note 10e).

(a) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Group is primarily exposed to interest rate risk on outstanding interest bearing liabilities. Non-derivative interest bearing assets are predominantly short-term liquid assets. Interest bearing liabilities issued at fixed rates expose the Group to a fair value interest rate risk while borrowings issued at a variable rate give rise to a cash flow interest rate risk.

Interest rate risk on long-term interest bearing liabilities is managed by adjusting the ratio of fixed interest debt to variable interest debt. This is managed within policies determined by the Board via the use of interest rate swaps and cross currency interest rate swaps. As at September 2023, fixed rate borrowings after the impact of interest rate swaps and cross currency swaps were $1,305.0 million (2022: $1,413.9 million), representing a fixed/floating split of 63 per cent and 37 per cent respectively (2022: 65 per cent and 35 per cent).

Interest rate sensitivity

A 10 per cent movement in interest rates without management intervention would have a $4.0 million (2022: $4.6 million) impact on profit before tax and a $3.4 million (2022: $3.2 million) impact on shareholders' equity.

(b) Foreign exchange risk

i) Foreign exchange risk – transactional

Foreign exchange risk refers to the risk that the value of a financial commitment, recognised asset, liability or cash flow will fluctuate due to changes in foreign currency rates.

The Group is exposed to foreign exchange risk due to foreign currency borrowings and sales and/or purchases denominated, either directly or indirectly, in currencies other than the functional currencies of the Group's subsidiaries.

Foreign exchange risk on foreign currency borrowings is managed using cross currency swaps and forward foreign exchange contracts. As at September 2023, the notional balance of derivative contracts hedging foreign currency debt was $1,197.8 million (2022: $1,106.8 million).

In regard to foreign currency risk relating to sales and purchases, the Group may hedge up to 100% of committed exposures utilising a declining percentage over time methodology. Only exposures that can be forecast to a high probability are hedged. Transactions can be hedged for up to five years. The derivative instruments used for hedging purchase and sale exposures are bought vanilla option contracts and forward exchange contracts. Forward exchange contracts may be used only under Board policy for committed exposures and anticipated exposures expected to occur within 12 months. Bought vanilla option contracts may be used for all exposures. These contracts are designated as cash flow hedges and are recognised at their fair value. At reporting date, Orica held foreign exchange contracts with a fair value loss of $0.8 million (2022 fair value gain of $8.3 million).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Financial risk management (continued)

Foreign exchange sensitivity

The table below shows the Group's main exposure to foreign currency transactional risk (Australian dollar equivalent) and the effect on profit or loss and equity had exchange rates been 10 per cent higher or lower than the year end rate with all other variables held constant.

The analysis takes into account all underlying exposures and related hedges but not the impact of any management actions that might take place if these events occurred.

	2023			
	USD $m	**IDR $m**	**CAD $m**	**EUR $m**
Cash and cash equivalents	**296.5**	**51.4**	**0.1**	**27.1**
Trade and other receivables	**275.0**	**43.7**	**–**	**6.1**
Trade and other payables	**(372.2)**	**(7.9)**	**(2.7)**	**(21.7)**
Interest bearing liabilities	**(1,587.1)**	**(20.3)**	**(44.6)**	**(43.5)**
Net derivatives	**1,531.1**	**–**	**44.9**	**39.2**
Net exposure	**143.3**	**66.9**	**(2.3)**	**7.2**
Effect on profit/(loss) before tax				
If exchange rates were 10% lower	**9.8**	**7.4**	**(0.3)**	**0.5**
If exchange rates were 10% higher	**(8.0)**	**(6.1)**	**0.2**	**(0.4)**
Increase/(decrease) in equity				
If exchange rates were 10% lower	**11.1**	**5.2**	**(0.2)**	**0.6**
If exchange rates were 10% higher	**(9.1)**	**(4.3)**	**0.2**	**(0.5)**

	2022			
	USD $m	**IDR $m**	**CAD $m**	**EUR $m**
Cash and cash equivalents	261.9	77.4	18.7	20.6
Trade and other receivables	289.4	54.6	–	5.6
Trade and other payables	(396.8)	(29.3)	(3.6)	(14.1)
Interest bearing liabilities	(1,346.7)	(19.1)	–	(16.0)
Net derivatives	1,299.9	–	(37.8)	12.8
Net exposure	**107.7**	**83.6**	**(22.7)**	**8.9**
Effect on profit/(loss) before tax				
If exchange rates were 10% lower	7.8	9.3	(2.5)	0.2
If exchange rates were 10% higher	(6.4)	(7.6)	2.1	(0.2)
Increase/(decrease) in equity				
If exchange rates were 10% lower	8.4	6.5	(1.8)	0.7
If exchange rates were 10% higher	(6.9)	(5.3)	1.4	(0.6)

ii) Foreign currency risk – translational

Foreign currency earnings translation risk arises primarily as a result of earnings generated by foreign operations with functional currencies of CAD, USD, PEN, MXN, and KZT being translated into AUD. Derivative contracts to hedge earnings exposures do not qualify for hedge accounting under Australian Accounting Standards. Board approved policy allows hedging of this exposure in order to reduce the volatility of full year earnings resulting from changes in exchange rates. At reporting date, Orica held no derivative contracts to hedge earnings exposures (2022: nil).

Net investment in foreign operations

Hedging of foreign investment exposures is undertaken primarily through originating debt in the functional currency of the foreign operation, or by raising debt in a different currency and swapping the debt to the currency of the foreign operation using derivative financial instruments. The remaining translation exposure is managed, where considered appropriate, using forward foreign exchange contracts, or cross currency interest rate swaps. As at reporting date, 21.2 per cent of the Group's net investment in foreign operations was hedged (2022: 28.9 per cent).

10. Financial risk management (continued)

(c) Commodity price risk

Commodity price risk refers to the risk that Orica's profit or loss or equity will fluctuate due to changes in commodity prices.

Natural gas or ammonia are the primary feedstocks in Orica's production process. Orica manages its contract portfolio so that on a mass balance basis it seeks to maintain a low risk position across the contract cycle such that material input cost variations are passed through to customers in price variations through rise and fall adjustments contained in all significant contracts.

The Group may enter into derivative contracts to hedge commodity price risk that is not eliminated via contractual or other commercial arrangements. In FY2022, Orica executed a Power Purchase Agreement (PPA) to source renewable energy for Kooragang Island for 10 years commencing FY2025. At reporting date, the fair value of the PPA was $2.8m loss (2022: nil).

The following table summarises the impact of changes to the key unobservable inputs on the fair value of the PPA for 2023:

Key unobservable inputs	Range of inputs	Relationship of key unobservable inputs to fair value
Forward electricity price	+/-10%	A change in the electricity price by +/-10% would increase/decrease the fair value by $5.5m

(d) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to meet their obligations under a contract or arrangement. The Group is exposed to credit risk from trade and other receivables and financial instrument contracts.

The creditworthiness of customers is reviewed prior to granting credit, using trade references and credit reference agencies. Credit limits are established and monitored for each customer, and these limits represent the highest level of exposure that a customer can reach. Trade credit insurance may be purchased when required.

The Group manages bank counterparty risk by ensuring that actual and potential exposure is monitored daily against counterparty credit limits, which have been assigned based on counterparty credit ratings. The Group does not hold any credit derivatives to offset its credit exposures.

Orica's maximum exposure to credit risk as at 30 September is the carrying amount, net of impairment, of the financial assets as detailed in the table below:

Financial assets	2023 $m	2022 $m
Cash and cash equivalents	**1,152.1**	1,255.3
Derivative assets	**50.4**	74.7
Trade and other receivables	**964.4**	1,086.5
Total	**2,166.9**	**2,416.5**

(e) Liquidity risk

Liquidity risk arises from the possibility that there will be insufficient funds available to make payment as and when required.

The Group manages this risk via:

- maintaining an adequate level of undrawn committed facilities in various currencies that can be drawn upon at short notice
- using instruments that are readily tradeable in the financial markets
- monitoring duration of long-term debt
- spreading, to the extent practicable, the maturity dates of long-term debt facilities
- comprehensively analysing all forecast inflows and outflows that relate to financial assets and liabilities.

Facilities available and the amounts drawn and undrawn are as follows:

	2023 $m	2022 $m
Unsecured bank overdraft facilities		
Unsecured bank overdraft facilities available	**41.9**	57.1
Amount of facilities undrawn	**41.9**	57.1
Committed standby and loan facilities		
Committed standby and loan facilities available	**3,550.1**	3,596.6
Amount of facilities unused	**1,466.7**	1,422.8

The bank overdrafts are payable on demand and are subject to an annual review. The repayment dates of the committed standby and loan facilities range from 27 May 2024 to 16 October 2032 (2022: 25 October 2022 to 25 October 2030).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Financial risk management (continued)

The contractual maturity of the Group's financial liabilities including estimated interest payments as at 30 September are shown in the table below. The amounts shown represent the future undiscounted principal and interest cash flows and therefore differ from the carrying amount on the balance sheet:

2023	1 year or less $m	1 to 2 years $m	2 to 5 years $m	Over 5 years $m	Contractual cash flows $m	Carrying amount $m
Non derivative financial liabilities						
Interest bearing liabilities, excluding lease liabilities	**110.4**	**207.8**	**869.2**	**1,676.6**	**2,864.0**	**2,075.4**
Lease liabilities	**87.4**	**65.6**	**117.6**	**116.9**	**387.5**	**296.8**
Trade and other payables	**1,549.4**	**40.0**	**–**	**–**	**1,589.4**	**1,589.4**
Derivative financial liabilities						
Inflows	**(643.9)**	**(22.8)**	**(70.2)**	**(606.5)**	**(1,343.4)**	**–**
Outflows	**663.1**	**38.0**	**118.2**	**594.8**	**1,414.1**	**63.5**
Total	**1,766.4**	**328.6**	**1,034.8**	**1,781.8**	**4,911.6**	**4,025.1**

2022	1 year or less $m	1 to 2 years $m	2 to 5 years $m	Over 5 years $m	Contractual cash flows $m	Carrying amount $m
Non derivative financial liabilities						
Interest bearing liabilities, excluding lease liabilities	754.9	69.7	871.4	1,013.6	2,709.6	2,167.5
Lease liabilities	69.1	54.2	79.5	120.2	323.0	239.5
Trade and other payables	1,477.3	31.2	–	–	1,508.5	1,508.5
Derivative financial liabilities						
Inflows	(543.4)	(12.7)	(38.0)	(416.3)	(1,010.4)	–
Outflows	562.4	27.2	78.7	427.0	1,095.3	64.3
Total	**2,320.3**	**169.6**	**991.6**	**1,144.5**	**4,626.0**	**3,979.8**

Fair value measurement

The balance sheet includes financial assets and financial liabilities that are measured at fair value. These fair values are categorised into hierarchy levels that are representative of the inputs used in measuring the fair value.

Valuation method	Level 1 – uses quoted prices for identical instruments in active markets.
	Level 2 – uses inputs for the asset or liability other than quoted prices that are observable either directly or indirectly.
	Level 3 – uses valuation techniques where one or more significant inputs are based on unobservable market data.

At reporting date, other assets and other liabilities on the balance sheet included an equity investment in the ASX listed company Alpha HPA (2023: $34.9 million, 2022: nil) valued at the quoted market price and categorised as Level 1, derivatives (2023: $10.3 million net liability, 2022: $10.4 million net asset) carried at fair value and categorised as Level 2 as the inputs are observable, and a renewable electricity PPA categorised as Level 3 as the electricity forward prices cannot be forecasted using observable market data.

10. Financial risk management (continued)

Valuation techniques include, where applicable, reference to prices quoted in active markets, discounted cash flow analysis, fair value of recent arm's length transactions involving the same instruments or other instruments that are substantially the same, and option pricing models. Changes in default probabilities are included in the valuation of derivatives using credit and debit valuation adjustments.

	2023		2022	
Derivative financial instruments	**Current $m**	**Non-Current $m**	**Current $m**	**Non-Current $m**
Derivative assets				
Designated as a hedge of interest bearing liabilities	–	**46.4**	16.3	46.0
Other	**4.0**	–	12.4	–
Total	**4.0**	**46.4**	**28.7**	**46.0**
Derivative liabilities				
Designated as a hedge of interest bearing liabilities	–	**(56.0)**	(3.6)	(56.5)
Power purchase agreements	–	**(2.8)**	–	–
Other	**(4.7)**	–	(4.2)	–
Total	**(4.7)**	**(58.8)**	**(7.8)**	**(56.5)**

The fair values of forward exchange contracts, cross currency interest rate swaps and interest rate swaps and other financial liabilities measured at fair value are determined using valuation techniques which utilise data from observable markets. Assumptions are based on market conditions existing at each balance date. The fair value is calculated as the present value of the estimated future cash flows using an appropriate market-based yield curve, which is independently derived and representative of Orica's cost of borrowings.

The fair value of the PPA is determined using an electricity forecasting model and key inputs used include the contract strike price, forecast electricity volumes, forward NSW electricity spot prices and the credit worthiness of the service provider.

There have been no reclassifications between Level 1 and Level 2 or changes in the valuation techniques applied since the prior year.

The following table presents the changes in the PPA fair value (Level 3 instruments) for 2023:

	Level 3 Instruments $m
Opening balance at 1 October 2022	–
Losses recognised in the income statement[1]	(2.8)
Closing balance at 30 September 2023	**(2.8)**

1. Comprises unrealised losses recognised in raw materials and inventories in the income statement.

Financial assets and liabilities carried at amortised cost

The fair value of cash and cash equivalents, trade and other receivables (note 5), and trade and other payables (note 5) approximates their carrying amount due to their short maturity.

Interest bearing liabilities excluding lease liabilities have a carrying amount of $2,075.4 million (2022: $2,167.5 million including discontinued operations). The carrying amount of bank and other loans which are primarily short-term in nature approximates fair value. Private Placement debt which is primarily long-term in nature has a carrying amount of $2,050.0 million (2022: $2,160.7 million) and a fair value of $1,957.1 million (2022: $2,068.0 million). Fair value of Private Placement debt is determined as the present value of future contracted cash flows discounted using standard valuation techniques at applicable market yields having regard to timing of cash flows.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet where Orica currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. No financial assets or liabilities are currently held under netting arrangements.

Orica has entered into derivative transactions under International Swaps and Derivatives Association (ISDA) master agreements that do not meet the criteria for offsetting but allow for the related amounts to be set-off in certain circumstances, such as the event of default. As Orica does not presently have a legally enforceable right of set-off, derivatives are presented on a gross basis on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Financial risk management (continued)

Derivatives and hedge accounting

The Group uses derivatives and other financial instruments to hedge its exposure to currency, interest rate and commodity price risk exposures arising from operational, financing and investing activities. Where applicable, these instruments are formally designated in hedge relationships as defined by AASB 9. To qualify for hedge accounting the Group formally designates and documents details of the hedge, risk management objective and strategy for entering into the arrangement and methodology used for measuring effectiveness.

Hedge accounting relationships are categorised according to the nature of the risks being hedged:

Hedge type	Description
Fair value hedge	Hedges the change in fair value of recognised assets and liabilities.
Cash flow hedge	Hedges the exposure to variability in cash flows attributable to a particular risk associated with an asset, liability or highly probable forecast transaction.
Net investment hedge	Hedges the foreign currency translation exposure of the net assets of foreign operations.

Critical terms of hedging instruments and hedged items are transacted to match on a 1:1 ratio by notional values. Matching critical terms enables economic offset thereafter to be determined qualitatively.

Hedge ineffectiveness arises primarily from the counterparties' and the Group's own credit risk which is included in the fair value of the derivative hedge instrument but not the hedge item. During the current and prior financial years, there was no material impact on profit or loss resulting from hedge ineffectiveness.

AASB 9 also allows certain costs of hedging to be deferred in equity. Gains or losses associated with 'currency basis' cost of hedging are deferred in the cash flow hedge reserve as they are not material for separate disclosure. The amounts are systematically released to the income statement to align with the hedged exposure.

Effects of hedge accounting on financial position and performance

Fair value and cash flow hedges

The table below shows the carrying amounts of the Group's Private Placement debt and the derivatives which are designated in fair value and/or cash flow hedge relationships to hedge them.

- The carrying amount of the Private Placement debt includes foreign exchange remeasurements to year end rates and fair value adjustments when included in a fair value hedge.
- The breakdown of the hedging derivatives includes remeasurement of foreign currency notional values at year end rates, fair value movements due to interest rate risk, foreign currency cash flows designated into cash flow hedges, costs of hedging recognised in other comprehensive income and ineffectiveness recognised in the income statement.
- Hedged value represents the carrying amount of the Private Placement debt adjusted for the carrying amount of the designated derivatives.

		Fair value of derivatives[1]					
2023	**Carrying amount $m**	**Foreign exchange notional @ spot $m**	**Fair value interest rate risk $m**	**Balance in cash flow hedge reserve – gross of tax[2] $m**	**Recognised in income statement[3] $m**	**Total carrying amount liability/ (asset) $m**	**Hedged value $m**
Private Placement debt	**2,050.0**	**(112.7)**	**103.0**	**21.3**	**(2.1)**	**9.5**	**2,059.5**
2022							
Private Placement debt	2,160.7	(105.6)	97.1	6.5	(1.0)	(3.0)	2,157.7

1. Individual derivative transactions may be included in more than one hedge type designation.
2. Includes cost of hedging as defined by AASB 9 of $0.5 million (2022 $1.2 million).
3. Amounts recognised in the income statement are presented within financing costs.

10. Financial risk management (continued)

The timing of the cash flows for the hedging derivatives match the payment terms of the interest bearing liabilities, refer to note 10(e).

Cash flow hedge reserve[1]	2023 $m	2022 $m
Balance at 1 October	**4.5**	16.6
Changes in fair value		
• foreign currency risk on debt issued	**(20.8)**	(16.5)
• other items	**(0.1)**	(0.8)
Amount reclassified to profit or loss[2]		
• foreign currency risk on debt issued	**34.8**	(0.1)
• other items	**0.9**	0.1
Tax on movements on reserves during the year	**(4.4)**	5.2
Balance at 30 September	**14.9**	4.5

1. Includes cost of hedging as defined by AASB 9 of $0.5 million (2022: $1.2 million).
2. Amounts reclassified from cash flow hedge reserve to profit or loss are recorded in financing costs in the income statement.

Net investment hedges

As at 30 September, hedging instruments designated in a net investment hedge consisted primarily of foreign currency debt and had a carrying amount of $779.1 million (2022: $1,000.9 million). During the period movements in the hedging instruments of $8.6 million loss (2022: $92.1 million loss) were recognised in the foreign currency translation reserve, with no ineffectiveness (2022: nil) recognised in the income statement.

Derivatives and hedge accounting – significant accounting policies

Valuation: Derivatives are measured at fair value at inception, and subsequently remeasured to fair value at each reporting date.

	Fair value hedges	Cash flow hedges	Net investment hedges
Gains or losses on fair value movements of the financial instrument	Recognised within financing costs in the income statement, together with gains or losses in relation to the hedged item attributable to the risk being hedged.	The effective portion is recognised in other comprehensive income. The ineffective portion is recognised immediately within financing costs in the income statement.	The effective portion is recognised in the foreign currency translation reserve in equity. The ineffective portion is recognised immediately in the income statement.
Discontinuation of hedge accounting	The cumulative gain or loss that has been recorded to the carrying amount of the hedged item is amortised to the income statement using the effective interest method.	When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity. If the forecast transaction is no longer forecast to occur, the cumulative gain or loss is transferred immediately to the income statement.	Amounts remain deferred in the foreign currency translation reserve and are subsequently recognised in the income statement in the event of disposal of the foreign operation.

Derivatives not in a designated hedge arrangement

Financial instruments that do not qualify for hedge accounting but remain economically effective, are accounted for as trading instruments. As at 30 September 2023 the Group has entered into a 10 year Power Purchase Agreement (PPA) commencing January 2025 and due to expire in December 2035. The PPA is a contract for difference (CfD) derivative financial instrument classified as non-current on the balance sheet. All other derivatives not in a designated hedge arrangement are classified as current on the balance sheet. All derivatives not in a designated hedge arrangement are stated at fair value, with any resultant gain or loss recognised within raw materials and inventories in the income statement. The Group policy is to not hold or issue financial instruments for speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Section E. Taxation

This section outlines the taxes paid by Orica and the impact tax has on the financial statements.

Orica has operations in more than 45 countries, with customers in more than 100 countries. In 2023, Orica paid $252.7 million (2022: $188.7 million) globally in corporate taxes and payroll taxes. Orica collected and remitted $157.1 million (2022: $200.1 million) globally in GST/VAT.

As Orica operates in a number of countries around the world, it is subject to local tax rules in each of those countries. Orica's tax rate is sensitive to the geographic mix of profits earned in different countries with different tax rates, as tax will be due in the country where the profits are earned. Many of the jurisdictions Orica has operations in have headline tax rates lower than 30 per cent.

11. Taxation

(a) Income tax expense recognised in the income statement

	Consolidated					
	2023			2022		
	Continuing $m	Discontinued $m	Consolidated $m	Continuing $m	Discontinued $m	Consolidated $m
Income tax expense						
Current year	**195.6**	**–**	**195.6**	141.3	7.4	148.7
Deferred tax	**(70.0)**	**–**	**(70.0)**	(2.2)	6.9	4.7
Under provided in prior years	**6.2**	**–**	**6.2**	1.8	–	1.8
Total income tax expense in income statement	**131.8**	**–**	**131.8**	140.9	14.3	155.2

11. Taxation (continued)

(b) Reconciliation of income tax expense to prima facie tax payable

	Consolidated					
	2023			2022		
	Continuing $m	Discontinued $m	Consolidated $m	Continuing $m	Discontinued $m	Consolidated $m
Income tax expense attributable to profit before individually significant items						
Profit from operations before individually significant items	**554.4**	**–**	**554.4**	463.5	14.7	478.2
Prima facie income tax expense calculated at 30% on profit	**166.3**	**–**	**166.3**	139.1	4.4	143.5
Tax effect of items which (decrease)/ increase tax expense:						
variations in tax rates of foreign controlled entities	**(4.4)**	**–**	**(4.4)**	7.7	–	7.7
tax under provided in prior years	**6.2**	**–**	**6.2**	1.8	–	1.8
non-allowable interest deductions	**5.8**	**–**	**5.8**	3.4	–	3.4
non-creditable withholding taxes	**8.0**	**–**	**8.0**	5.7	–	5.7
recognition of previously unbooked temporary differences	**(11.8)**	**–**	**(11.8)**	(4.2)	–	(4.2)
recognition of unbooked prior year tax losses	**(9.6)**	**–**	**(9.6)**	(14.2)	–	(14.2)
other	**5.7**	**–**	**5.7**	9.1	1.2	10.3
Income tax expense attributable to profit before individually significant items	**166.2**	**–**	**166.2**	148.4	5.6	154.0
Income tax (benefit)/expense attributable to individually significant items						
Loss from individually significant items	**(171.2)**	**–**	**(171.2)**	(189.0)	(85.0)	(274.0)
Prima facie income tax expense calculated at 30% on individually significant items	**(51.4)**	**–**	**(51.4)**	(56.7)	(25.5)	(82.2)
Tax effect of items which (decrease)/ increase tax expense:						
loss on sale of Türkiye businesses	**21.2**	**–**	**21.2**	–	–	–
loss on exit of Venezuela business	**(12.2)**	**–**	**(12.2)**			
Axis Group acquisition earnout	**8.0**	**–**	**8.0**	–	–	–
impairment expense	**–**	**–**	**–**	55.1	–	55.1
non-taxable gain on sale of Nitro Consult AB	**–**	**–**	**–**	(5.9)	–	(5.9)
non-deductible loss on sale of Minova	**–**	**–**	**–**	–	34.2	34.2
Income tax benefit attributable to loss on individually significant items	**(34.4)**	**–**	**(34.4)**	(7.5)	8.7	1.2
Income tax expense reported in the income statement	**131.8**	**–**	**131.8**	140.9	14.3	155.2

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Taxation (continued)

(c) Income tax recognised in Equity

	Consolidated					
	2023			2022		
	Before tax $m	Tax (expense)/ benefit $m	Net of tax $m	Before tax $m	Tax (expense)/ benefit $m	Net of tax $m
Net loss on hedge of net investments in foreign subsidiaries	**(8.6)**	**2.6**	**(6.0)**	(92.1)	27.6	(64.5)
Cash flow hedges						
– Effective portion of changes in fair value	**20.9**	**(6.3)**	**14.6**	17.3	(5.2)	12.1
– Transferred to income statement	**(35.7)**	**10.7**	**(25.0)**	–	–	–
Changes in the fair value of financial assets through other comprehensive income	**15.0**	**–**	**15.0**	–	–	–
Exchange gain on translation of foreign operations	**75.6**	**16.3**	**91.9**	213.8	(49.6)	164.2
Net actuarial gain on defined benefit obligations	**1.1**	**(0.5)**	**0.6**	91.7	(25.8)	65.9
Recognised in comprehensive income	**68.3**	**22.8**	**91.1**	230.7	(53.0)	177.7
Deductible share issue costs	**–**	**–**	**–**	(11.2)	1.8	(9.4)
Total recognised in equity	**68.3**	**22.8**	**91.1**	219.5	(51.2)	168.3

(d) Recognised deferred tax assets and liabilities

	Consolidated			
	Balance Sheet		Income Statement	
	2023 $m	2022 $m	2023 $m	2022 $m
Deferred tax assets				
Trade and other receivables	**27.3**	15.8	**(1.7)**	12.3
Inventories	**31.4**	38.1	**5.9**	(19.2)
Property, plant and equipment	**53.8**	50.7	**(2.7)**	(33.6)
Intangible assets	**51.9**	67.8	**15.9**	3.8
Trade and other payables	**73.6**	50.7	**(23.1)**	(9.2)
Interest bearing liabilities	**16.2**	–	**(22.3)**	28.9
Provision for employee entitlements	**34.8**	31.5	**(3.5)**	(3.8)
Provision for retirement benefit obligations	**9.6**	17.0	**3.2**	(3.1)
Provision for environmental and decommissioning	**75.1**	83.8	**8.7**	14.8
Provision for other	**15.1**	6.9	**(9.7)**	(3.6)
Tax losses	**156.8**	133.2	**(13.1)**	0.2
Other items	**2.6**	4.4	**(8.3)**	(2.5)
Deferred tax assets	**548.2**	499.9		
Less set-off against deferred tax liabilities	**(115.2)**	(104.3)		
Net deferred tax assets	**433.0**	395.6		
Deferred tax liabilities				
Property, plant and equipment	**117.2**	105.7	**11.5**	7.1
Intangible assets	**40.2**	25.8	**(15.6)**	1.1
Interest bearing liabilities	**–**	11.4	**(11.4)**	10.7
Other items	**4.6**	8.6	**(3.8)**	0.8
Deferred tax liabilities	**162.0**	151.5		
Less set-off against deferred tax assets	**(115.2)**	(104.3)		
Net deferred tax liabilities	**46.8**	47.2		
Deferred tax expense			**(70.0)**	4.7

11. Taxation (continued)

	Consolidated	
	2023 $m	2022 $m
Tax losses not booked[1]	**158.1**	118.7
Capital losses not booked	**93.0**	83.2
Temporary differences not booked	**12.2**	83.6

1. Tax losses not booked expire between 2024 and 2038.

Recognition and Measurement

Income tax on the profit or loss for the year comprises current and deferred tax and is recognised in the income statement.

Current tax expense is the expected tax payable on the taxable income for the year using tax rates applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax balances are determined by calculating temporary differences based on the carrying amounts of assets and liabilities for financial reporting purposes and their amounts for taxation purposes. Where amounts are recognised directly in equity the corresponding tax impact is also recognised directly in equity.

The amount of deferred tax recognised is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

A deferred tax asset will be recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets will be reduced to the extent it is no longer probable that the related tax benefit will be realised.

Tax consolidation

Orica Limited is the parent entity in the tax consolidated group comprising all wholly-owned Australian entities.

Due to the existence of a tax sharing agreement between the entities in the tax consolidated group, the parent entity recognises the tax effects of its own transactions and the current tax liabilities and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the subsidiary entities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Taxation (continued)

Critical accounting judgements and estimates

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. These include transfer pricing, indirect taxes and transaction-related issues. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

The Group recognises liabilities for tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provision in the period in which such determination is made.

In addition, deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment.

Assumptions are also made about the application of income tax legislation. These assumptions are subject to risk and uncertainty and there is a possibility that changes in circumstances or differences in opinions will alter outcomes which may impact the amount of deferred tax assets and deferred tax liabilities recorded on the balance sheet and the amount of tax losses and timing differences not yet recognised. In these circumstances, the carrying amount of deferred tax assets and liabilities may change, resulting in an impact on the earnings of the Group.

Contingent tax liabilities

In the normal course of business, contingent liabilities may arise from tax investigations or legal proceedings. Where management are of the view that potential liabilities have a low probability of crystallising or it is not possible to quantify them reliably, they are not provided for and are disclosed as contingent liabilities.

Consistent with other companies of the size and diversity of Orica, the Group is the subject of ongoing information requests, investigations and audit activities by tax and regulatory authorities in jurisdictions in which Orica operates. Orica co-operates fully with the tax and regulatory authorities. It is possible that Orica may incur fines and/or other penalties as a consequence of these investigations and audits.

(i) Brazilian Tax Action

The Brazilian Taxation Authority (BTA) is claiming unpaid taxes, interest and penalties of approximately $31 million for the 1997 financial year relating to an alleged understatement of income based on an audit of production records. Orica believes BTA has misinterpreted those production records and has received a favourable decision from the Brazilian Civil Court in relation to an excise dispute based on the same factual matter. This decision should support the income tax dispute.

ICI plc, the vendor of the business to Orica, has been notified to preserve Orica's rights under the tax indemnity obtained upon acquisition of the business which provides indemnity for amounts exceeding certain limits. The BTA has been granted a bank guarantee of up to approximately $31 million.

Section F. Group structure

Orica has a diverse spread of global operations, which includes controlled entities incorporated in over 45 countries, as well as strategic partnering arrangements with certain third parties. This section highlights the Group structure.

12. Investments in controlled entities

Recognition and measurement

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Company (the parent entity) and its subsidiaries as defined in AASB 10 *Consolidated Financial Statements*.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

When the Group relinquishes control over a subsidiary, it derecognises its share of net assets. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control until such time as the Company ceases to control such entity. In preparing the consolidated financial statements, all intercompany balances, transactions and unrealised profits arising within the Group are eliminated in full.

Refer to note 23 for the list of investments in controlled entities.

13. Equity accounted investees and joint operations

(a) Investments accounted for using the equity method

The table below shows material investments (based on carrying values). All other investments are included in “Individually immaterial”.

			Ownership		Profit/(loss) for the year		Consolidated Carrying value	
Name	**Principal activity**	**Balance date**	**2023 %**	**2022 %**	**2023 $m**	**2022 $m**	**2023 $m**	**2022 $m**
Nelson Brothers, LLC[1]	Manufacture and sale of explosives	30-Sep	**50.0**	50.0	**14.7**	9.0	**47.3**	43.2
Nelson Brothers Mining Services LLC[1]	Sale of explosives	30-Sep	**50.0**	50.0	**7.2**	8.9	**38.0**	37.2
Poly Orica Management Co., Ltd[2]	Manufacture and sale of explosives	31-Dec	**49.0**	49.0	**(4.7)**	3.8	**73.6**	78.3
Southwest Energy LLC[1]	Sale of explosives	30-Sep	**50.0**	50.0	**16.8**	14.1	**165.3**	151.0
Individually immaterial	Various				**(11.7)**	4.0	**2.3**	14.1
					22.3	39.8	**326.5**	323.8

1. Entities are incorporated in USA.
2. Entity is incorporated in China.

All equity accounted investees disclosed in the table above are classified as joint ventures.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Equity accounted investees and joint operations (continued)

The following table summarises the financial information of significant equity accounted investees as included in their own financial statements.

Equity Accounted Investees

2023 Name	Nelson Brothers, LLC $m	Nelson Brothers Mining Services LLC $m	Poly Orica Management Co., Ltd $m	Southwest Energy LLC $m
Balance Sheet				
Current assets	**109.8**	**33.9**	**98.7**	**100.4**
Non-current assets	**118.0**	**20.4**	**83.6**	**148.1**
Current liabilities	**(105.5)**	**(29.6)**	**(28.6)**	**(42.5)**
Non-current liabilities	**(56.2)**	**(12.3)**	**(2.2)**	**(2.8)**
Net assets (100%)	**66.1**	**12.4**	**151.5**	**203.2**
Group's share of net assets	**33.1**	**6.2**	**74.2**	**101.6**
Income Statement				
Revenue	**464.5**	**189.7**	**84.8**	**331.2**
Net profit	**24.6**	**13.3**	**(2.4)**	**30.7**
Total profit and comprehensive income (100%)	**24.6**	**13.3**	**(2.4)**	**30.7**
Group's share of total comprehensive income	**12.3**	**6.7**	**(1.2)**	**15.4**
Translation and other adjustments	**2.4**	**0.6**	**(3.5)**	**1.4**
Included in the Group's income statement	**14.7**	**7.3**	**(4.7)**	**16.8**
Dividends received by the Group	**11.1**	**6.7**	**–**	**4.7**

2022 Name	Nelson Brothers, LLC $m	Nelson Brothers Mining Services LLC $m	Poly Orica Management Co., Ltd $m	Southwest Energy LLC $m
Balance Sheet				
Current assets	90.2	34.3	107.8	92.2
Non-current assets	89.7	16.7	85.0	126.2
Current liabilities	(85.8)	(27.1)	(24.9)	(37.6)
Non-current liabilities	(32.7)	(10.4)	(2.2)	(7.1)
Net assets (100%)	61.4	13.5	165.7	173.7
Group's share of net assets	30.7	6.8	81.2	86.9
Income Statement				
Revenue	354.5	190.5	113.8	299.0
Net profit	17.9	17.4	11.8	28.9
Total profit and comprehensive income (100%)	17.9	17.4	11.8	28.9
Group's share of total comprehensive income	9.0	8.7	5.8	14.5
Translation and other adjustments	–	0.2	(2.0)	(0.4)
Included in the Group's income statement	9.0	8.9	3.8	14.1
Dividends received by the Group	9.8	9.5	–	3.9

(b) Joint operations

The Group owns 50 per cent interest of Yara Pilbara Nitrates Pty Ltd, with the remaining shares held by subsidiaries in the Yara International ASA Group.

13. Equity accounted investees and joint operations (continued)

(c) Transactions with equity accounted investees

Transactions during the year with equity accounted investees were:

	2023 $m	2022 $m
Sales of goods to equity accounted investees	**358.4**	397.2
Purchase of goods from equity accounted investees	**156.1**	118.1
Dividend income received from equity accounted investees	**22.5**	23.2

(d) Transactions with related parties

All transactions with other related parties are made on normal commercial terms and conditions and in the ordinary course of business.

Recognition and Measurement

Investments accounted for using the equity method

The Group's interests in investments accounted for using the equity method comprise interests in associates and joint ventures.

An associate exists where Orica holds an interest in the equity of an entity, generally of between 20 per cent and 50 per cent, and is able to significantly influence the decisions of the entity. A joint venture is an arrangement in which the Group has joint control.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Orica recognises its share of any jointly held or incurred assets, liabilities, revenue and expenses in the consolidated financial statements under applicable headings.

14. Businesses and non-controlling interests acquired

Business combinations are accounted for under the acquisition method when control is transferred to the Group, in accordance with AASB 3 *Business Combinations*. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. The transaction costs are expensed in the income statement.

Consolidated – 2023

Acquisitions of business and controlled entities

On 3 October 2022, the Group acquired 100% of the shares of Axis Group, who designs, develops and manufactures specialised geospatial tools and instruments for the mining industry. The purchase price comprises $255.8 million paid on completion and potential earnout payments of up to $90.0 million based on the achievement of cumulative EBITDA generated from 1 October 2022 to 31 December 2024, and contingent on certain key management remaining employed by Orica during the earnout period. An accrual of $26.6 million has been recognised in the income statement as an individually significant Item for 2023.

	Axis Group 2023 $m
Consideration	
cash paid	**255.8**
Total consideration	**255.8**
Fair value of net assets of businesses acquired	
Intangibles	**100.0**
property, plant and equipment	**2.4**
deferred tax liability	**(30.0)**
other assets	**6.6**
Total fair value of net assets of businesses/controlled entities acquired	**79.0**
Goodwill on acquisition	**176.8**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Businesses and non-controlling interests acquired (continued)

Goodwill on the purchase is attributable mainly to the skills and technical talent of the acquired business' workforces and the synergies expected to be achieved from integrating this business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related costs of $6.5 million that were not directly attributable to the issue of shares are included in the income statement and in operating cash flows in the statement of cash flows.

On 22 June 2023, the Group acquired the operations of two ammonium nitrate emulsion plants and associated assets in Blackwater, Queensland and Gunnedah, New South Wales. The purchase price comprises $19.6 million paid on completion and an additional amount up to $2.5 million payable within 24 months from completion. There was no goodwill associated with the transaction.

In August 2023, the Group acquired an additional 0.01% of Exsa, for consideration of $0.02 million. The ownership at 30 September 2023 is 100 per cent.

Consolidated – 2022

Acquisitions of business and controlled entities

On 29 October 2021, the Group entered a contract to acquire 100% of the shares of RIG Technologies International Pty Ltd and Resources Innovation Group Pty Ltd, based in Western Australia, who design and build downhole measurement technology. The purchase price comprises $12.5 million paid on completion and potential earnout payments based on the achievement of revenue targets over the next five years.

	RIG Group
	2022 $m
Consideration	
cash paid	12.5
deferred settlement	21.5
Total consideration	34.0
Fair value of net assets of businesses acquired	
property, plant and equipment	1.4
intangibles	6.7
other	0.4
Total fair value of net assets of businesses/controlled entities acquired	8.5
Goodwill on acquisition	25.5

Goodwill on the purchase is attributable mainly to the skills and technical talent of the acquired business' work forces and the synergies expected to be achieved from integrating this business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Since 1 October 2021, the Group has acquired an additional 1.2 per cent of Exsa, for the consideration of $1.9 million. The ownership at 30 September 2022 is 99.9 per cent.

Critical accounting judgements and estimates

Judgment is required in determining the value of earnout accrual as it is based on future operating results. The group prepares forecasts bi-annually taking into account any material changes to facts or circumstances which would be expected to impact the level of earnout to be paid.

15. Businesses disposed and discontinued operations

Businesses disposed – 2023

On 10 November 2022 Orica completed the sale of Orica Nitro Patlayici Maddeler Sanayi ve Ticaret Anonim Sirketi and GeoNitro Limited (Türkiye businesses), for a consideration of $19.0 million. Orica recorded a loss on sale before tax of $73.5 million which included a loss of $92.5 million relating to the release of the foreign currency translation reserve as required by Australian Accounting Standards. $45.1 million of the net loss on sale was attributable to non-controlling interests.

	Türkiye businesses 2023 $m
Summary	
Cash received[1]	15.7
Deferred cash consideration	3.3
Net consideration	19.0
Carrying value of net assets of businesses disposed	–
Profit on sale of businesses before release of foreign currency translation reserve (FCTR)	**19.0**
Release of FCTR	(92.5)
Loss on sale of businesses before tax	**(73.5)**
Income tax expense	0.8
Net loss on sale of businesses	**(72.7)**
Less: Net loss on sale of businesses attributable to non-controlling interests	45.1
Net loss on sale of businesses attributable to shareholders of Orica Limited	**(27.6)**

1. Total cash received as at 30 September 2023, included a deposit of $7.5 million received in September 2022.

On 29 September 2023 Orica entered an agreement to exit Venezuela. As required by Australian Accounting Standards, the foreign currency translation reserve was released to the income statement. This resulted in a net loss of $37.5 million after tax, of which $18.4 million is attributable to non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Businesses disposed and discontinued operations (continued)

Businesses disposed – 2022

The Group disposed of the Minova business on 28 February 2022 and Nitro Consult AB on 7 March 2022.

	Minova 2022 $m	Nitro Consult AB 2022 $m
Summary		
Cash received	149.4	25.6
Cash disposed	(26.6)	(11.1)
Net cash received	122.8	14.5
Deferred cash consideration	28.2	–
Less disposal costs	(12.0)	(1.7)
Net consideration	139.0	12.8
Carrying value of net assets of businesses disposed		
Trade and other receivables	76.7	2.4
Inventories	68.7	1.6
Other assets	5.3	7.6
Property, plant and equipment	68.2	2.5
Right of use assets	–	0.6
Intangibles	16.1	0.5
Deferred tax asset	23.3	1.6
Trade and other payables	(76.9)	(1.2)
Interest-bearing liabilities	(10.4)	(0.7)
Provisions	(34.9)	(20.6)
	136.1	(5.7)
Less: Non-controlling interests at date of disposal	(7.8)	–
Profit on sale of businesses before release of foreign currency translation reserve (FCTR)	**10.7**	**18.5**
Release of FCTR	(95.7)	1.0
(Loss)/profit on sale of businesses before tax	**(85.0)**	**19.5**
Income tax expense	(8.7)	–
Net (loss)/profit on sale of businesses	**(93.7)**	**19.5**

As outlined in note 9, Orica disposed of JSC "Orica CIS" on 9 September 2022. The entity was fully impaired and the proceeds have been risk adjusted given the trade sanctions imposed on Russia. As required by Australian Accounting Standards, the foreign currency translation reserve was released to the income statement on disposal. This resulted in a gross loss of $40.6 million ($31.3 million loss after tax).

15. Businesses disposed and discontinued operations (continued)

Discontinued operations – 2022

The Minova business was considered a discontinued operation on 30 September 2021. The results of the business for financial year 2022 until completion date of the sale are presented below.

	Continuing 2022 $m	Discontinued 2022 $m	Consolidated 2022 $m
Sales revenue	7,096.4	231.1	7,327.5
Other income[1]	31.8	(0.8)	31.0
Raw materials and inventories	(3,909.5)	(150.4)	(4,059.9)
Employee benefits expense	(1,223.7)	(41.3)	(1,265.0)
Depreciation and amortisation expense	(385.8)	–	(385.8)
Purchased services and other expenses	(622.0)	(14.9)	(636.9)
Outgoing freight	(307.1)	(5.6)	(312.7)
Repairs and maintenance	(156.1)	(3.4)	(159.5)
Impairment expense	(167.9)	–	(167.9)
Loss on sale of JSC "Orica CIS"	(40.6)	–	(40.6)
Gain on sale of Nitro Consult AB	19.5	–	19.5
Loss on sale of Minova	–	(85.0)	(85.0)
Share of net profit of equity accounted investees	39.8	–	39.8
Total	(6,753.4)	(300.6)	(7,054.0)
Profit/(loss) from operations	374.8	(70.3)	304.5
Net financing costs			
Financial income	2.1	0.1	2.2
Financial expenses	(102.4)	(0.1)	(102.5)
Net financing costs	(100.3)	–	(100.3)
Profit/(loss) before income tax expense	274.5	(70.3)	204.2
Income tax expense	(140.9)	(14.3)	(155.2)
Profit/(loss) after tax	133.6	(84.6)	49.0
Net profit/(loss) for the year attributable to:			
Shareholders of Orica Limited	145.5	(85.4)	60.1
Non-controlling interests	(11.9)	0.8	(11.1)
Net profit/(loss) for the year	133.6	(84.6)	49.0

1. Discontinued operations other income includes foreign exchange loss of $1.1 million.

	Continuing 2022 cents	Discontinued 2022 cents	Consolidated 2022 cents
Earnings per share attributable to ordinary shareholders of Orica Limited:			
Basic earnings per share	35.1	(20.6)	14.5
Diluted earnings per share	35.0	(20.6)	14.4

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Businesses disposed and discontinued operations (continued)

Reconciliation of net profit for the year	Continuing 2022 $m	Discontinued 2022 $m	Consolidated 2022 $m
Before individually significant items			
Profit from operations	563.8	14.7	578.5
Net financing costs	(100.3)	–	(100.3)
Profit before income tax expense	463.5	14.7	478.2
Income tax expense	(148.4)	(5.6)	(154.0)
Profit after tax before non-controlling interests	315.1	9.1	324.2
Non-controlling interests	(6.4)	(0.8)	(7.2)
Profit after tax before individually significant items	308.7	8.3	317.0
Individually significant items			
Loss before income tax expense	(189.0)	(85.0)	(274.0)
Income tax benefit/(expense)	7.5	(8.7)	(1.2)
Loss after tax before non-controlling interests	(181.5)	(93.7)	(275.2)
Non-controlling interests	18.3	–	18.3
Loss after tax from individually significant items	(163.2)	(93.7)	(256.9)
Net profit/(loss) after tax			
Net profit/(loss) before income tax expense	274.5	(70.3)	204.2
Income tax expense	(140.9)	(14.3)	(155.2)
Profit/(loss) after tax before non-controlling interests	133.6	(84.6)	49.0
Non-controlling interests	11.9	(0.8)	11.1
Net profit/(loss) after tax	145.5	(85.4)	60.1
Net profit/(loss) for the year attributable to:			
Shareholders of Orica Limited	145.5	(85.4)	60.1
Non-controlling interests	(11.9)	0.8	(11.1)
Net profit/(loss) for the year	133.6	(84.6)	49.0

	Minova 2022 $m
Cash flows used in discontinued operations	
Net cash used in operating activities	(4.7)
Net cash used in investing activities	(8.2)
Net cash used in financing activities	(3.2)
Net cash flows for the year	(16.1)

15. Businesses disposed and discontinued operations (continued)

Recognition and measurement

A discontinued operation is a component of the Group where the operations and cash flows can be clearly distinguished from the rest of the Group. It represents a separate major line of operations and is part of a single co-ordinated plan to dispose of a separate major line of operation or business.

Classification as a discontinued operation occurs at the earlier of disposal date or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative income statement and statement of comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

Disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

16. Parent Company disclosure – Orica Limited

The Company did not have any contractual commitments for the acquisition of property, plant or equipment in the current or previous years.

	Company	
	2023 $m	**2022 $m**
Total current assets	**2,340.9**	2,384.0
Total assets	**3,902.5**	3,946.2
Total current liabilities	**178.3**	159.0
Total liabilities	**199.9**	168.8
Equity		
Ordinary shares	**3,421.2**	3,389.7
Retained earnings	**281.4**	387.7
Total equity attributable to ordinary shareholders of Orica Limited	**3,702.6**	3,777.4
Net profit and total comprehensive income for the year	**75.0**	2.6

Contingent liabilities and contingent assets

Under the terms of a Deed of Cross Guarantee entered into under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, each wholly owned subsidiary which is a party to the Deed has covenanted with the Trustee of the Deed to guarantee the payment of any debts of the other companies which are party to the Deed which might arise on the winding up of those companies. A consolidated balance sheet and income statement for this closed group is shown in note 17.

Orica Limited guaranteed senior notes issued in the US Private Placement market in 2010, 2013, 2017, 2020 and 2023. The notes have maturities between calendar years 2025 and 2032 (2022: 2022 and 2030). Orica Limited has also provided guarantees for committed bank facilities.

17. Deed of Cross Guarantee

The parent entity, Orica Limited, and certain subsidiaries are subject to a Deed of Cross Guarantee (Deed) under which each company guarantees the debts of the others.

The parties to the Deed are:

- Initiating Explosives Systems Pty Ltd
- Orica Australia Pty Ltd
- Orica Investments Pty Ltd
- Orica Explosives Holdings Pty Ltd
- Orica Explosives Holdings No 2 Pty Ltd
- Orica Explosives Technology Pty Ltd
- Orica IC Assets Pty Ltd

By entering into the Deed, the wholly owned subsidiaries have been relieved from the requirement to prepare a financial report and Directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Deed of Cross Guarantee (continued)

A consolidated income statement and consolidated balance sheet are shown below:

Summarised Balance Sheet	2023 $m	2022 $m
Current assets		
Cash and cash equivalents	**64.4**	9.6
Trade and other receivables	**322.4**	342.7
Inventories	**163.3**	199.4
Other financial assets	**2,799.7**	2,594.6
Other assets[1]	**37.6**	19.7
Total current assets	**3,387.4**	3,166.0
Non-current assets		
Trade and other receivables	**2.5**	2.5
Equity accounted investees	**1.4**	13.3
Other financial assets	**4,806.1**	4,763.2
Property, plant and equipment	**1,347.7**	1,265.8
Intangible assets	**167.2**	174.1
Deferred tax assets	**118.9**	185.5
Total non-current assets	**6,443.8**	6,404.4
Total assets	**9,831.2**	9,570.4
Current liabilities		
Trade and other payables	**702.4**	404.9
Interest bearing liabilities	**19.1**	20.8
Current tax liabilities	**–**	41.0
Provisions	**127.3**	137.8
Total current liabilities	**848.8**	604.5
Non-current liabilities		
Trade and other payables	**37.2**	21.9
Interest bearing liabilities	**4,929.1**	4,659.0
Provisions	**179.0**	207.9
Other liabilities	**2.8**	–
Total non-current liabilities	**5,148.1**	4,888.8
Total liabilities	**5,996.9**	5,493.3
Net assets	**3,834.3**	4,077.1
Equity		
Ordinary shares	**3,421.2**	3,398.1
Reserves	**786.3**	827.0
Retained earnings	**(373.2)**	(148.0)
Total equity	**3,834.3**	4,077.1

Summarised Income Statement and retained profit		
Loss before income tax expense	**(59.7)**	(541.8)
Income tax benefit	**13.8**	19.5
Loss from operations	**(45.9)**	(522.3)
Retained (Loss)/profit at the beginning of the year	**(148.0)**	449.5
Actuarial gains recognised directly in equity	**2.0**	45.1
Ordinary dividends – interim	**(81.7)**	(53.1)
Ordinary dividends – final	**(99.6)**	(67.2)
Retained loss at the end of the year	**(373.2)**	(148.0)

1. Other assets include net tax receivables with Group entities outside the Deed of Cross Guarantee.

Section G. Reward and recognition

Orica operates in more than 45 countries and has more than 12,500 employees. This section provides insights into the reward and recognition of employees, in addition to the employee benefits expense and employee provisions disclosed in the income statement and note 6 respectively.

This section should be read in conjunction with the Remuneration Report, contained within the Directors' Report, which provides specific details on the setting of remuneration for Key Management Personnel.

18. Employee share plans and remuneration

The following plans have options or rights (instruments) over Orica shares outstanding at 30 September 2022 and 30 September 2023:

The Long-Term Incentive Plan (LTIP)

Refer to Remuneration Report.

Sign-on rights

For a select group of senior employees who join Orica post allocation of an LTIP grant (and who generally have forgone at-risk remuneration from their previous employer) rights may be allocated at the discretion of the Orica Board.

Recognition and measurement

The issued instruments are measured at fair value based on valuations prepared by PwC. The fair value is recognised in the income statement over the period that employees become entitled to the instruments.

Key Management Personnel compensation summary

As deemed under AASB 124 *Related Parties Disclosures*, Key Management Personnel (KMP) include each of the Directors, both Executive and Non-Executive, and those members of the Executive Committee who have authority and responsibility for planning, directing and controlling the activities of Orica.

A summary of the KMP compensation is set out in the following table:

	Consolidated	
	2023 $000	**2022 $000**
Short-term employee benefits	**9,251.6**	7,667.6
Other long-term benefits	**21.2**	25.0
Post employment benefits	**272.5**	214.4
Share based payments	**4,038.8**	1,961.7
	13,584.1	9,868.7

Information regarding individual Directors and Executives compensation and equity instrument disclosures as permitted by *Corporation Regulations 2M.3.03* are provided in the Remuneration Report.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Defined benefit obligations

Recognition and Measurement

Contributions to defined contribution superannuation funds are recognised in the income statement in the year in which the expense is incurred.

For each defined benefit scheme, the cost of providing retirement benefits is expensed in the income statement so as to recognise current and past service costs, interest cost on net liabilities, and the effect of any curtailments or settlements. Actuarial gains and losses are recognised in other comprehensive income. The Group's net liabilities in respect of defined benefit pension plans is the present value of the future benefit employees have earned, less the fair value of any plan assets (subject to any restrictions placed).

(a) Defined benefit pension plans

The Group participates in several Australian and overseas defined benefit post-employment plans that provide benefits to employees upon retirement. Plan funding is carried out in accordance with the requirements of trust deeds and the advice of actuaries. Information within these financial statements has been prepared by the local plan external actuaries. Orica were assisted by Willis Towers Watson to consolidate those results globally. During the year, the Group made employer contributions of $24.8 million (2022: $27.0 million) to defined benefit plans. The Group's external actuaries have forecast total employer contributions and benefit payments to defined benefit plans of $19.5 million for the 2024 financial year.

(b) (i) Balance Sheet amounts

The amounts recognised in the balance sheet are determined as follows:

	2023 $m	2022 $m
Present value of the funded defined benefit obligations	**517.7**	527.6
Present value of unfunded defined benefit obligations	**61.4**	65.4
Fair value of defined benefit plan assets	**(507.4)**	(512.8)
Deficit	**71.7**	80.2
Restrictions on assets recognised	**2.6**	3.1
Net liability in the balance sheet	**74.3**	83.3
Amounts comprised of:		
Liabilities	**81.0**	91.0
Assets	**(6.7)**	(7.7)
Net liability recognised in balance sheet at end of the year	**74.3**	83.3

(b) (ii) Amounts recognised in the income statement

The amounts recognised in the income statement are as follows:

	2023 $m	2022 $m
Current service cost	**10.3**	14.1
Interest cost on net defined benefit liabilities	**3.2**	4.5
Loss/(gain) from immediate recognition	**0.2**	(0.4)
Past service cost	**0.1**	0.8
Total included in employee benefits expense	**13.8**	19.0

19. Defined benefit obligations (continued)

(b) (iii) Amounts included in the Statement of Other Comprehensive Income

	2023 $m	2022 $m
Actuarial gain/(loss) on defined benefit obligations:		
Due to changes in demographic assumptions	**0.4**	(6.3)
Due to changes in financial assumptions	**20.6**	186.1
Due to experience adjustments	**(3.5)**	(4.3)
Total	**17.5**	175.5
Return on plan assets lesser than discount rate	**(17.2)**	(82.7)
Change in irrecoverable surplus/(deficit) other than interest	**0.8**	(1.1)
Total gain recognised via the Statement of Other Comprehensive Income	**1.1**	91.7
Tax expense on total gain recognised via the Statement of Other Comprehensive Income	**(0.5)**	(25.8)
Total gain after tax recognised via the Statement of Other Comprehensive Income	**0.6**	65.9

(b) (iv) Reconciliations

	2023 $m	2022 $m
Reconciliation of present value of the defined benefit obligations:		
Balance at the beginning of the year	**593.0**	810.6
Current service cost	**10.3**	14.1
Interest cost	**29.1**	21.6
Actuarial gains	**(17.3)**	(175.9)
Contributions by plan participants	**0.8**	0.8
Benefits paid	**(48.8)**	(55.2)
Settlements/curtailments	**(1.9)**	0.8
Business disposal	**–**	(20.1)
Exchange differences on foreign funds	**13.9**	(3.7)
Balance at the end of the year	**579.1**	593.0

	2023 $m	2022 $m
Reconciliation of the fair value of the plan assets:		
Balance at the beginning of the year	**512.8**	603.4
Interest income on plan asset	**26.0**	17.1
Return on plan assets greater than discount rate	**(17.2)**	(82.7)
Contributions by plan participants	**0.8**	0.8
Contributions by employer	**24.8**	27.0
Benefits paid	**(48.8)**	(55.2)
Settlements/curtailments	**(2.0)**	–
Exchange differences on foreign funds	**11.0**	2.4
Balance at the end of the year	**507.4**	512.8

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Defined benefit obligations (continued)

The fair value of plan assets does not include any amounts relating to the Group's own financial instruments, property occupied by, or other assets used by, the Group.

	2023 $m	2022 $m
Comprising:		
Quoted in active markets:		
Equities	**150.1**	172.4
Debt securities	**238.4**	204.4
Property	**2.8**	3.2
Other quoted securities	**63.3**	69.4
Other:		
Property	**39.9**	34.2
Insurance contracts	**2.1**	4.4
Cash and cash equivalents	**10.8**	24.8
	507.4	512.8

The principal assumptions applied in determining the present value of defined benefit obligations and their bases were as follows:

- Rates of increase in pensionable remuneration, pensions in payment and healthcare costs: historical experience and management's long-term future expectations;
- Discount rates: prevailing long-term high quality bond yields, chosen to match the currency and duration of the relevant obligation; and
- Mortality rates: the local actuaries' designated mortality rates for the individual plans concerned.

The weighted averages for those assumptions and related sensitivity information are presented below. Sensitivity information indicates by how much the defined benefit obligations would increase or decrease if a given assumption were to increase or decrease with no change in other assumptions.

	Weighted average of assumptions used p.a.		Change in assumptions	
	2023	2022	+1% p.a. $m	-1% p.a. $m
Rate of increase in pensionable remuneration	**3.57%**	3.32%	**12.1**	**(10.7)**
Rate of increase in pension payments	**2.71%**	2.80%	**11.2**	**(9.5)**
Discount rate for pension plans	**5.41%**	5.07%	**(59.1)**	**70.3**

The expected age at death for persons aged 65 is 87.8 years for men and 90.1 years for women at 30 September 2023. A change of one year in the expected age of death would result in an $11.9 million movement in the defined benefit obligation at 30 September 2023.

Critical accounting judgements and estimates

The defined benefit obligation costs are assessed in accordance with the advice of independent qualified actuaries but require the exercise of judgement in relation to assumptions for future salary and superannuation increases, long-term price inflation and bond rates. While management believes the assumptions used are appropriate, a change in the assumptions used may impact the earnings and equity of the Group.

Section H. Other

This section includes additional financial information that is required by Australian Accounting Standards and which management considers to be relevant information for shareholders.

20. Contingent liabilities

Contingent liabilities relating to environmental uncertainties are disclosed in note 6 and those relating to taxation in note 11. All others are disclosed below.

(a) Guarantees, indemnities and warranties

- The Group has entered into various long-term supply contracts. For some contracts, minimum charges are payable regardless of the level of operations, but the levels of operations are expected to remain above those that would trigger minimum payments.
- There are guarantees relating to certain leases of property, plant and equipment and other agreements arising in the ordinary course of business.
- Contracts of sale covering companies and assets which were divested during the current and prior years include commercial warranties and indemnities to the purchasers.

(b) Legal, claims and other

There are a number of legal claims and exposures which arise from the ordinary course of business. Where there is significant uncertainty as to whether a future liability will arise in respect of these items, no amounts have been disclosed. Management have concluded that any potential liabilities over and above those already provided for in the financial statements would not have a material effect on the Group's financial performance.

Critical accounting judgements and estimates

Where management are of the view that potential liabilities that arise in the normal course of business have a low probability of crystallising or it is not possible to quantify them reliably, they are not provided for and are disclosed as contingent liabilities.

Legal proceedings

The outcome of currently pending and future legal, judicial, regulatory, administrative and other proceedings of a litigious nature (Proceedings) cannot be predicted with certainty. Proceedings can raise complex legal issues and are subject to many uncertainties including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each Proceeding is brought and differences in applicable law. Thus, an adverse decision in Proceedings could result in additional costs that are not covered, either wholly or partially, under insurance policies and that could significantly impact the business and results of operations of the Group. Therefore, it is possible that the financial position, results of operations or cash flows of the Group could be materially affected by an unfavourable outcome of those Proceedings. Proceedings are evaluated on a case-by-case basis considering the available information, including that from legal counsel, to assess potential outcomes.

Warranties and Indemnities

In the course of acquisitions and disposals of businesses and assets, Orica routinely negotiates warranties and indemnities across a range of commercial issues and risks, including environmental risks associated with real property. Management uses the information available and exercises judgement in the overall context of these transactions, in determining the scope and extent of these warranties and indemnities. In assessing Orica's financial position, management relies on warranties and indemnities received, and considers potential exposures on warranties and indemnities provided. It is possible that the financial position, results of operations and cash flows of the Group could be materially affected if circumstances arise where warranties and indemnities received are not honoured, or for those provided, circumstances change adversely.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Auditor's remuneration

	Consolidated	
	2023 $000	2022 $000
Total remuneration received, or due and receivable, by the auditors for:		
Audit services		
Auditor of the Company – KPMG Australia		
– Audit and review of financial reports	**3,980**	4,220
Auditor of the Company – overseas KPMG firms		
– Audit and review of financial reports[1]	**2,079**	1,776
	6,059	5,996
Other services		
Auditor of the Company – KPMG Australia		
– assurance services in relation to integrated reporting and sustainability	**28**	28
– advisory services in relation to compliance reporting	**33**	29
– other services	**–**	87
	61	144
	6,120	6,140

1. Fees paid or payable for overseas subsidiaries' local statutory requirements.

From time to time, KPMG, the auditor of Orica, provides other services to the Group, which are subject to strict corporate governance procedures adopted by the Company which encompass the selection of service providers and the setting of their remuneration.

22. Events subsequent to balance date

Dividends

On 8 November 2023, the Directors declared a final dividend of 25.0 cents per ordinary share payable on 18 December 2023. The financial effect of this dividend is not included in the financial statements for the year ended 30 September 2023 and will be recognised in the FY2024 financial statements.

The Directors have not become aware of any other significant matter or circumstance that has arisen since 30 September 2023, that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. List of controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities held during financial year 2022 and 2023 (non-controlling interests shareholding disclosed if not 100 per cent owned):

Name of Entity	Place of incorporation if other than Australia
Company	
Orica Limited	
Controlled Entities	
Altona Properties Pty Ltd [(a)] – 37.4%	
Aminova International Limited	Hong Kong
Ammonium Nitrate Development and Production Limited – 9.3%	Thailand
Anbao Insurance Pte Ltd	Singapore
ASA Organizacion Industrial S.A. de C.V.	Mexico
Axis Mining Technology North America Inc.[(d)]	Canada
Axis Mining Technology Pty Ltd [(a)(d)]	
Axis Mining Technology SPA [(d)]	Chile
Barbara Limited [(c)]	UK
Orica (Beijing) Technology Services Co., Ltd. (formerly Beijing Ruichy Minova Synthetic Material Company Limited)	China
BST Manufacturing, Inc.	USA
CJSC (ZAO) Carbo-Zakk [(c)] – 6.25%	Russia
Controladora DNS de RL de CV	Mexico
Dansel Business Corporation	Panama
DV8 Technology Ltd [(d)]	UK
Dyno Nobel VH Company LLC – 49%	USA
Emirates Explosives LLC – 35%	United Arab Emirates
Explosivos de Mexico S.A. de C.V.	Mexico
Explosivos Mexicanos S.A. de C.V.	Mexico
Exsa Chile SpA	Chile
Exsa Colombia S.A.S. [(c)]	Colombia
Exsa S.A.	Peru
Fortune Properties (Alrode) (Pty) Limited [(c)]	South Africa
Frekventia AS (formerly Nitro Consult AS)	Norway
GeoNitro Limited [(e)] – 69.4%	Georgia
GP FinCo Pty Limited [(a)]	
GP HoldCo Pty Limited	
GroundProbe Australasia Pty Ltd [(a)]	
GroundProbe Colombia S.A.S.	Colombia
GroundProbe do Brasil	Brazil
GroundProbe International Pty Ltd [(a)]	
GroundProbe North America LLC	USA
GroundProbe Peru S.A.C.	Peru
GroundProbe Pty Ltd [(a)]	
GroundProbe South Africa (Proprietary) Ltd	South Africa
GroundProbe South America SA	Chile
GroundProbe Technologies Pty Ltd [(a)]	
GroundProbe (Nanjing) Mining Technology Co. Ltd	China
Gruvteknik Investments Pty Ltd [(a)(d)]	
Holding EXSA S.A.C.	Peru
Hopper Industrial Group Pty Ltd [(a)(b)]	
International Blasting Services Inc [(c)] – 0.1%	India
Indian Explosives Private Limited	India
Initiating Explosives Systems Pty Ltd	
JSC "Orica CIS" [(c)]	Russia
Minova Africa (Pty) Ltd [(c)] – 26%	South Africa
Minova Africa Holdings (Pty) Limited [(c)]	South Africa
Minova Arnall Sp. z o.o. [(c)]	Poland
Minova Australia Pty Ltd [(a)(c)]	
Minova Bohemia s.r.o. [(c)]	Czech Republic
Minova CarboTech GmbH [(c)]	Germany
Minova Codiv S.L. [(c)]	Spain
Minova Ekochem S.A. (c)	Poland
Minova Holding GmbH [(c)]	Germany
Minova Holding Inc [(c)]	USA
Minova International Limited [(c)]	UK
Minova Kazakhstan Limited Liability Partnership [(c)]	Kazakhstan
Minova Ksante Sp. z o.o. [(c)]	Poland
Minova MAI GmbH	Austria
Minova Mexico S.A. de C.V.	Mexico
Minova MineTek Private Limited [(c)]	India
Minova Mining Services SA [(c)]	Chile
Minova Nordic AB [(c)]	Sweden
Minova Runaya Private Limited [(c)] – 49%	India
Minova USA Inc [(c)]	USA
Minova Weldgrip Limited	UK
Mintun 1 Limited	UK
Mintun 2 Limited	UK
Mintun 3 Limited	UK
Mintun 4 Limited	UK
Nitro Asia Company Inc. – 41.6%	Philippines
Nitro Consult AB [(c)]	Sweden
Nitroamonia de Mexico S.A de C.V.	Mexico
NMR Services Australia Pty Ltd [(a)(b)]	
Nobel Industrier AS	Norway
Nutnim 1 Limited	UK
Nutnim 2 Limited	UK
OOO Minova [(c)]	Russia
Orica-CCM Energy Systems Sdn Bhd – 45%	Malaysia
Orica-GM Holdings Limited – 49%	UK
Orica Africa Holdings Limited	UK
Orica Africa (Proprietary) Ltd	South Africa
Orica Argentina S.A.I.C.	Argentina
Orica Australia Pty Ltd	
Orica Belgium S.A.	Belgium
Orica Blast & Quarry Surveys Limited – 25%	UK
Orica Brasil Ltda	Brazil
Orica Burkina Faso SARL	Burkina Faso
Orica Canada Inc	Canada
Orica Caribe, S.A.	Panama
Orica Centroamerica S.A.	Costa Rica

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. List of controlled entities (continued)

Name of Entity	Place of incorporation if other than Australia
Orica Chile Distribution S.A.	Chile
Orica Chile S.A.	Chile
Orica Colombia S.A.S.	Colombia
Orica Cote D'Ivoire SARL	Ivory Coast
Orica Denmark A/S	Denmark
Orica Dominicana S.A.	Dominican Republic
Orica DRC SARL	Democratic Republic of Congo
Orica Eesti OU – 35%	Estonia
Orica Europe FT Pty Ltd [(a)]	
Orica Europe GmbH & Co KG	Germany
Orica Europe Verwaltungs GmbH	Germany
Orica Explosives Holdings Pty Ltd	
Orica Explosives Holdings No 2 Pty Ltd	
Orica Explosives Holdings No 3 Pty Ltd [(a)]	
Orica Explosives Research Pty Ltd [(a)]	
Orica Explosives Technology Pty Ltd	
Orica Explosivos Industriales, S.A.	Spain
Orica Finance Limited	
Orica Finance Trust [(a)]	
Orica Finland OY	Finland
Orica General Trading FZCO [(f)]	United Arab Emirates
Orica Ghana Limited	Ghana
Orica Holdings Pty Ltd [(a)]	
Orica Ibéria, S.A.	Portugal
Orica IC Assets Holdings Limited Partnership [(a)]	
Orica IC Assets Pty Ltd	
Orica International Pte Ltd	Singapore
Orica Investments (Indonesia) Pty Limited [(a)]	
Orica Investments (NZ) Limited	NZ
Orica Kazakhstan Joint Stock Company	Kazakhstan
Orica Limited Employee Share Trust [(a)(f)]	
Orica Logistics LLC	Russia
Orica Long Term Equity Incentive Plan Trust [(a)]	
Orica Malaysia Sdn Bhd	Malaysia
Orica Mali SARL	Republic of Mali
Orica Mauritania SARL	Mauritania
Orica Med Bulgaria AD – 40%	Bulgaria
Orica Mining Services (Namibia) (Proprietary) Limited	Namibia
Orica Mining Services (Hong Kong) Ltd	Hong Kong
Orica Mining Services DRC SASU	Democratic Republic of Congo
Orica Mining Services Peru S.A.	Peru
Orica Mining Services Portugal, Lda.	Portugal
Orica Mining Services (Thailand) Limited	Thailand
Orica Mongolia LLC – 51%	Mongolia

Name of Entity	Place of incorporation if other than Australia
Orica Mountain West Inc.	USA
Orica Mozambique Limitada	Mozambique
Orica New Zealand Limited	NZ
Orica New Zealand Superfunds Securities Limited	NZ
Orica Nitrates Philippines Inc – 4%	Philippines
Orica Nitro Patlayici Maddeler Sanayi ve Ticaret Anonim Sirketi [(e)] – 49%	Türkiye
Orica Nominees Pty Ltd [(a)]	
Orica Norway AS	Norway
Orica Panama S.A.	Panama
Orica Philippines Inc – 5.5%	Philippines
Orica Portugal, S.G.P.S., S.A.	Portugal
Orica Securities (UK) Limited	UK
Orica Senegal SARL	Senegal
Orica Share Plan Pty Limited [(a)]	
Orica Singapore Pte Ltd	Singapore
Orica Soluciones de Voladuras S.A.C.	Peru
Orica South Africa (Pty) Ltd – 26.5%	South Africa
Orica St. Petersburg LLC	Russia
Orica Sweden AB	Sweden
Orica Sweden Holdings AB	Sweden
Orica Tanzania Limited	Tanzania
Orica UK Limited	UK
Orica US Holdings General Partnership	USA
Orica USA Inc.	USA
Orica U.S. Services Inc.	USA
Orica Venezuela C.A. [(e)] – 49%	Venezuela
Orica Zambia Limited	Zambia
OriCare Canada Inc.	Canada
Oricorp Comercial S.A. de C.V.	Mexico
Oricorp Mexico S.A. de C.V.	Mexico
Penlon Proprietary Limited [(a)]	
Project Grace	UK
Project Grace Holdings	UK
Promec International Pty Ltd [(a)]	
PT GroundProbe Indonesia	Indonesia
PT Kalimantan Mining Services	Indonesia
PT Kaltim Nitrate Indonesia – 10%	Indonesia
PT Orica Mining Services	Indonesia
Resource Innovation Group Pty Ltd [(a)(b)]	
RIG Technologies International Pty Ltd [(a)(b)]	
Rui Jade International Limited	Hong Kong
Surewell Pty Ltd [(a)(d)]	
Surtech Systems Pty Ltd [(a)(b)]	
White Lightning Holdings, Inc	Philippines

(a) No separate statutory accounts are required to be prepared in Australia.
(b) Acquired in 2022.
(c) Divested in 2022.
(d) Acquired in 2023.
(e) Divested in 2023.
(f) Incorporated in 2023.

24. New accounting policies and accounting standards

Except as described below, the accounting policies applied by the Group in its financial statements are the same as those applied by the Group in its consolidated financial report for the year ended 30 September 2022.

(i) New and amended accounting standards and interpretations adopted

Since 30 September 2022, the Group has adopted the following new and amended accounting standards:

(a) AASB 1 *First-time Adoption of Australian Accounting Standards* to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences

(b) AASB 3 *Business Combinations* to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations

(c) AASB 9 *Financial Instruments* to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability

(d) AASB 116 *Property, Plant and Equipment* to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset

(e) AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* to specify the costs that an entity includes when assessing whether a contract will be loss-making.

The adoption of these standards and related amendments did not have a material impact on the Group.

(ii) New and amended accounting standards and interpretations issued but not yet effective

There are no new standards or interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

DIRECTORS' DECLARATION

We, Malcolm William Broomhead and Sanjeev Gandhi, being Directors of Orica Limited, do hereby state in accordance with a resolution of the Directors that in the opinion of the Directors,

(a) the consolidated financial statements and notes, set out on pages 113 to 172, and the Remuneration Report in the Directors' Report, set out on pages 86 to 110, are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position of the Group as at 30 September 2023 and of its performance for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

There are reasonable grounds to believe that the Company and the controlled entities identified in note 17 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those controlled entities pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer for the financial year ended 30 September 2023.

The Directors draw attention to *Basis of preparation* on page 119 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

M W Broomhead
Chairman

S Gandhi
Managing Director and Chief Executive Officer

Dated at Melbourne 8 November 2023

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the shareholders of Orica Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Orica Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 September 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Balance Sheet as at 30 September 2023
- Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of Orica Limited (the Company) and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Recoverable amount of property, plant and equipment and intangible assets
- Environmental and decommissioning provisions and contingent liability disclosures

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable amount of property, plant and equipment ($3,360.3 million) and intangible assets ($1,406.4 million)

Refer to Notes 7, 8 and 9 of the Financial Report

The key audit matter	How the matter was addressed in our audit
A key audit matter was the Group's testing of property, plant and equipment and intangible assets for impairment given the size of the balances (being 54% of total assets), continued global supply chain disruptions, inflationary pressures and uncertainty around forecast commodity prices. We focused on the significant forward-looking assumptions the Group applied in the value in use models, including: • *Forecast operating cash flows:* the ongoing economic uncertainty caused by geopolitical issues, continued global supply chain disruptions and uncertainty around inflation expectations and forecast commodity prices increases the possibility of property, plant and equipment and intangible assets being impaired and the risk of inaccurate forecasts or a significantly wider range of possible outcomes for us to consider. We focused on both the forecast growth for the Group and the impact of the Group's future business plans when assessing the feasibility of the Group's forecast cashflows. • *Terminal growth rates:* in addition to the uncertainties described above, the Group's models are highly sensitive to changes in terminal growth rates. This drives additional audit effort specific to their feasibility and consistency of application having regard to the Group's strategy. • *Discount rates:* these are complicated in	Our procedures included: • We considered the appropriateness of the value in use method applied by the Group to perform the impairment tests against the requirements of the accounting standards. • We assessed key controls in the Group's impairment process, such as Board approval of budgets and review and approval of the impairment assessments, including cash flow forecasts, by examining the review and approval of information by the Board. • We assessed the integrity of the value in use models used, including the accuracy of the underlying calculation formulas. • We compared the forecast cash flows contained in the value in use models to the future business plans approved by the Board. • We compared the Group's cumulative value in use to the Group's market capitalisation to inform our evaluation of the current forecasts incorporated in the models. • We assessed the accuracy of previous Group cash flow forecasts for the respective CGUs to inform our evaluation of current forecasts incorporated in the models. • We assessed the scope, competence and objectivity of the Group's external expert engaged to assist with the determination of the discount rates for the respective CGUs. • Working with our valuation specialists, we independently developed a discount rate range

nature and vary according to the conditions and environment the specific Cash generating Units (CGUs) are subject to from time to time, and the approach to incorporating risks into the cash flows or discount rates. Orica engaged an external expert to assist with the determination of the discount rates for the respective CGUs. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	for the key countries in each CGU, using publicly available market data for comparable entities, adjusted for risk factors specific to the Group and the industry it operates in. We compared the discount rates applied by the Group to our developed range. • Working with our valuation specialists, we assessed the forecast cash flows by comparing the implicit earnings and asset multiples from the models to corresponding multiples of comparable entities. • We considered the sensitivity of the models by varying key assumptions such as forecast operating cash flows, terminal growth rates and discount rates, within a reasonably possible range, to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • Using our knowledge of the Group's operations, their past performance and our industry experience, we challenged the Group's forecast cash flows, terminal growth rate assumptions and the feasibility of future plans. We also compared forecast growth rates to published sources, including those related to inflationary pressures and forecast commodity prices and considered differences specific to the Group's operations. • We assessed the disclosures in the Financial Report using our understanding of the matters obtained from our testing and against the requirements of the accounting standards.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Environmental and decommissioning provisions ($279.6 million) and contingent liability disclosures

Refer to Note 6 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The estimation of environmental remediation and decommissioning provisions and contingent liability disclosures is considered a key audit matter due to the: • Inherent complexity associated with the Group's estimation of remediation costs, particularly for potential contamination of ground beneath established structures and long term legacy matters impacting the Group, and in gathering persuasive audit evidence thereon. • Internal restructuring activities undertaken by the Group, including the scheduled closure of certain manufacturing sites which give rise to heightened audit focus on the nature, timing and amount of decommissioning costs expected to be incurred by the Group. The complexity in estimating the Group's environmental remediation and decommissioning provisions and reporting of contingent liability disclosures is influenced by: • The inherent challenges experienced by the Group in precisely determining the size and location of potential contamination beneath established structures and associated costs to be included in the provisions and/or reporting of a contingent liability in accordance with accounting standard requirements. • Current and probable environmental and regulatory requirements and the impact on completeness of remediation activities within the provision estimate, including the activities which will be acceptable to regulators. • The expected environmental remediation strategy of the Group and availability of any known techniques to remediate source contamination, in particular for treatment of Dense Non-Aqueous Phase Liquid source areas at Botany, New South Wales. • Historical experience, and its use as a	Our procedures included: • We assessed key controls relating to the completeness, size and location of the Group's identification of areas which contain contamination and the related recognition and measurement of provisions, including the Group's review and authorisation of cost estimates. • We assessed the scope, competence and objectivity of the Group's internal and external experts engaged to assist in the determination of strategies to remediate contamination and the costing of remediation activities. • We tested the accuracy of historical remediation provisions by comparing to actual expenditure. We used this knowledge to challenge the Group's current cost estimates and to inform our further procedures. • We obtained a sample of the Group's quotations for remediation activities, as well as other internal and external underlying documentation for the Group's determination of required future activities, their timing and associated cost estimates. We compared them to the nature, timing and quantum of cost contained in the provision balance. We compared the basis for recognition of the provision with the criteria in the accounting standards. • We made enquiries of various personnel regarding the Group's strategy for remediating certain source contamination and compared these for consistency with our understanding of their strategy and its impact to the provision. • We challenged the Group where provisions were unable to be made for source contamination, in particular for treatment of Dense Non-Aqueous Phase Liquid source areas at Botany, New South Wales, in relation to the existence of information which would enable a reliable estimate of the provision to be made. We compared this to our understanding of the matter and the criteria in the accounting standards for recording a provision or contingent liability.

reasonable predictor when evaluating forecast costs. • The expected timing of the expenditure given the long term nature of these exposures to the Group. The Group uses third party and internal experts to assist in the determination of strategies to remediate contamination and the costing of remediation activities.	• We tested the mathematical accuracy of the Group's provision models. • We assessed the Group's disclosures using our knowledge of the business and the requirements of the accounting standards. In particular, we focused on the disclosure of uncertainties associated with the provision or exposure.

Other Information

Other Information is financial and non-financial information in Orica Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and the Annual Integrated Report Contents Elements Index and our related assurance opinions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Orica Limited for the year ended 30 September 2023 complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 September 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Gordon Sangster
Partner
Melbourne
8 November 2023

Chris Sargent
Partner
Melbourne
8 November 2023

OTHER INFORMATION

FIVE YEAR FINANCIAL STATISTICS

FOR THE YEAR ENDED 30 SEPTEMBER

Orica consolidated ($m)[1]	2023	2022	2021	2020[(2)]	2019[(2)]
Income Statement					
Sales	**7,945.3**	7,327.5	5,682.2	5,611.3	5,878.0
Earnings before depreciation, amortisation, net borrowing costs and tax	**1,090.6**	964.3	796.4	945.8	941.1
Depreciation and amortisation expense	**(392.5)**	(385.8)	(369.8)	(332.1)	(276.4)
Profit before financing costs and income tax	**698.1**	578.5	426.6	613.7	664.7
Net borrowing costs	**(143.7)**	(100.3)	(105.6)	(159.0)	(109.7)
Individually significant items before tax	**(171.2)**	(274.0)	(453.9)	(293.1)	(195.9)
Taxation expense	**(131.8)**	(155.2)	(31.0)	(70.1)	(108.6)
Non-controlling interests	**44.3**	11.1	(9.9)	(9.2)	(5.4)
Profit/(loss) after tax and individually significant items	**295.7**	60.1	(173.8)	82.3	245.1
Individually significant items after tax attributable to members of Orica Limited	**(73.3)**	(256.9)	(382.2)	(216.8)	(126.8)
Profit after tax before individually significant items net of tax	**369.0**	317.0	208.4	299.1	371.9
Dividends/distributions	**181.3**	120.3	97.5	192.6	203.0
Financial Position					
Current assets	**3,095.1**	3,309.5	2,391.6	2,664.0	1,835.8
Property, plant and equipment	**3,360.3**	3,082.3	3,040.2	3,267.0	2,885.2
Equity accounted investees	**326.5**	323.8	290.4	301.6	301.3
Intangibles	**1,406.4**	1,142.9	1,150.4	1,440.3	1,483.0
Other non-current assets	**578.9**	509.3	493.1	530.6	635.1
Total assets	**8,767.2**	8,367.8	7,365.7	8,203.5	7,140.4
Current borrowings and payables	**1,622.2**	2,190.6	1,225.4	1,848.4	1,336.7
Current provisions and other liabilities	**337.6**	289.6	443.4	321.0	297.9
Non-current borrowings and payables	**2,339.4**	1,724.9	2,270.6	2,368.9	1,979.4
Non-current provisions and other liabilities	**416.2**	433.5	633.9	724.8	659.6
Total liabilities	**4,715.4**	4,638.6	4,573.3	5,263.1	4,273.6
Net assets	**4,051.8**	3,729.2	2,792.4	2,940.4	2,866.8
Equity attributable to ordinary shareholders of Orica Limited	**3,988.7**	3,685.8	2,726.3	2,892.6	2,809.6
Equity attributable to non-controlling interests	**63.1**	43.4	66.1	47.8	57.2
Total shareholders' equity	**4,051.8**	3,729.2	2,792.4	2,940.4	2,866.8

1. Results include continuing and discontinued operations for the consolidated Group.
2. The results for 2020 and the closing balance sheet for 2019 have been restated in 2021 Annual Report for the impact of IFRIC Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement.

FIVE YEAR FINANCIAL STATISTICS (CONTINUED)

Orica consolidated[1]	2023	2022	2021	2020[2]	2019[2]
Number of ordinary shares on issue at year end (millions)	**455.5**	452.8	407.5	405.9	380.6
Weighted average number of ordinary shares on issue (millions)	**454.2**	414.8	406.8	395.6	380.0
Basic earnings per ordinary share					
– before individually significant items (cents)	**81.2**	76.4	51.2	75.6	97.9
– including individually significant items (cents)	**65.1**	14.5	(42.7)	20.8	64.5
Dividends per ordinary share (cents)	**43.0**	35.0	24.0	33.0	55.0
Dividend franking (percent)	**–**	–	–	–	9.1
Dividend yield – based on year end share price (percent)	**2.8**	2.6	1.7	2.1	2.4
Closing share price range – High	**$16.70**	$17.22	$17.61	$24.27	$22.97
Low	**$12.83**	$13.08	$11.17	$13.25	$16.31
Year end	**$15.59**	$13.22	$13.79	$15.43	$22.54
Stockmarket capitalisation at year end (millions)	**7,101.1**	5,986.1	5,619.6	6,262.7	8,578.2
Net tangible assets per share ($)	**5.67**	5.62	3.82	3.58	3.49
Ratios					
Profit margin – earnings before net borrowing costs and tax/sales (percent)	**8.8**	7.9	7.5	10.9	11.3
Net debt (excluding lease liabilities) (millions)	**923.3**	912.2	1,479.0	1,820.5	1,620.6
Gearing (net debt/net debt plus equity excluding lease liabilities) (percent)	**18.6**	19.7	34.6	38.2	36.1
Interest cover (EBIT/net borrowing costs excluding lease interest) (times)	**5.4**	6.5	4.6	4.2	6.1
Net capital expenditure on plant and equipment (Cash Flow) (millions)	**(406.7)**	(308.7)	(153.0)	(302.9)	(226.0)
Net cash flow from sale of businesses/controlled/(acquisition) entities (millions)	**(267.2)**	109.7	(25.1)	(153.9)	(14.0)
Return on average shareholders' funds					
– before individually significant items (percent)	**9.6**	9.9	7.4	10.5	13.0
– including individually significant items (percent)	**7.7**	1.9	(6.2)	2.9	8.6

1. Results include continuing and discontinued operations for the consolidated Group.
2. The results for 2020 and the closing balance sheet for 2019 have been restated in 2021 Annual Report for the impact of IFRIC Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement.

SHAREHOLDERS' STATISTICS

AS AT 16 OCTOBER 2023

Distribution of ordinary shareholders and shareholdings

Size of holding	Number of Holders		Number of Shares	
1–1,000	22,339	64.24	8,297,570	1.82
1,001–5,000	10,636	30.59	22,814,680	5.01
5,001–10,000	1,223	3.52	8,397,102	1.84
10,001–100,000	535	1.54	10,277,454	2.26
100,001 and over	41	0.11	405,704,752	89.07
Total		**100.00**		**100.00**

Included in the above total are 652 shareholders holding less than a marketable parcel of 33 shares.

The holdings of the 20 largest holders of fully paid ordinary shares represent 87.79% of that class of shares.

Register of substantial shareholders

The names of substantial shareholders in the company, and the number of fully paid ordinary shares in which each has an interest, as disclosed in substantial shareholder notices to the Company on the respective dates, are as follows:

18 July 2023	Cooper Investors Pty Limited	28,123,715	6.174%
13 July 2023	Vanguard Group	22,858,902	5.019%
4 July 2023	AustralianSuper Pty Ltd	64,265,668	14.15%
31 July 2020	BlackRock Group	25,052,218	6.17%

Voting rights

Voting rights as governed by the Constitution of the Company provide that each ordinary shareholder present in person or by proxy at a meeting shall have:

(a) on a show of hands, one vote only; and

(b) on a poll, one vote for every fully paid ordinary share held.

Twenty largest ordinary fully paid shareholders

	Shares	% of Total
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	157,144,260	34.50
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	135,831,310	29.82
CITICORP NOMINEES PTY LIMITED	55,837,473	12.26
NATIONAL NOMINEES LIMITED	20,235,793	4.44
BNP PARIBAS NOMS PTY LTD <DRP>	8,430,106	1.85
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	4,138,823	0.91
BNP PARIBAS NOMS PTY LTD <AGENCY LENDING DRP A/C>	3,670,383	0.81
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,229,377	0.71
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	2,737,599	0.60
ARGO INVESTMENTS LIMITED	2,555,364	0.56
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,142,454	0.25
BNP PARIBAS NOMS (NZ) LTD <DRP>	713,802	0.16
BROADGATE INVESTMENTS PTY LTD	711,574	0.16
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	685,260	0.15
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	661,233	0.15
CARLTON HOTEL LIMITED	541,764	0.12
UBS HOMINEES PTY LTD	422,260	0.09
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	401,427	0.09
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	379,553	0.08
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	364,668	0.08
Total	**399,834,483**	**87.79**

DEFINITIONS AND GLOSSARY OF TERMS

We endeavour to use simple, clear language in our reporting suite. However, the nature of our operations means we do use a number of technical terms and abbreviations. The main ones are described below, together with an explanation of their meanings. The descriptions are not formal legal definitions.

1.5°C world	According to the Intergovernmental Panel on Climate Change, knowledge-base and assessment approaches used to understand the impacts of 1.5°C global warming above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development and efforts to eradicate poverty.
ACCU	Australian Carbon Credit Unit, the name of carbon credits generated in the Australian carbon market. See 'carbon credit' below for more information.
ASIC	asic.gov.au Australian Securities and Investments Commission.
Assets	Assets are a set of one or more geographically proximate operations (including open-cut mines, underground mines, and onshore and offshore oil and gas production and production facilities). Assets include our operated and non-operated assets.
ASX	asx.com.au Australian Securities Exchange.
Business as usual (BAU)	The projected impact under a baseline scenario in which no additional mitigation policies or measures are implemented beyond those that are already in force, legislated or planned to be adopted.
Carbon	At times used instead of greenhouse gases.
Carbon credit	Carbon credits represent the measurable, verifiable emissions reductions from carbon credit projects – specifically projects that reduce, remove or avoid greenhouse gas emissions. Carbon credit projects create eligible carbon credit units which can be traded between entities in carbon markets. One carbon credit unit represents one tonne of carbon dioxide equivalent (tCO_2-e) sequestered or avoided by a carbon credit project. Often used interchangeably with the term "carbon offsets" or "offset credits".
Cash generation efficiency – continuing operations	Our ability to generate cash from current business operations. Calculated as earnings before interest, tax, depreciation and amortisation (EBITDA) less (average trade working capital movements, income tax paid, net dividends/(earnings) from associates, and sustaining capital expenditure) divided by EBITDA.
CCUS	Carbon capture, utilisation, and storage.
CDP	Formerly the Carbon Disclosure Project, CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. Orica responds to the annual Climate Change Questionnaire.
Community investment	Community investment includes financial contributions made to benefit community activities and organisations made at the local, regional and corporate levels.
CPS	Cents per share.
EBIT	Equivalent to profit / (loss) before financing costs and income tax, as disclosed in Note 1(b) to the financial statements, before individually significant items.
EBITDA	EBIT before individually significant items and depreciation and amortisation expense.
Fatalities	Fatalities are categorised by a review of Orica's degree of control over circumstances of the event leading to the fatality. We record non-work related and third-party fatalities separate to this metric. Third-party fatalities are incidents that occur beyond our Orica-controlled operations and network.
Financial year	For Orica this is an accounting year ending on 30 September. Also known as a fiscal year.
Future-facing commodities (FFC)	Includes copper, nickel, lithium, cobalt and other metals and minerals. As much of the world continues to move towards an energy transition, demand for future-facing commodities will grow. These commodities are crucial to the manufacture of low emissions technologies that enable a transition such as batteries for electric vehicles (e.g., nickel, lithium, cobalt), solar panels (e.g. copper, silicon) and wind turbines (e.g. rare earth materials, copper) for renewable energy. To achieve the goals of the Paris Agreement, production and supply of these commodities will need to scale and increase at pace.
Gearing	Net debt/(net debt + equity), where net debt excludes lease liabilities, as disclosed in Note 3 to the financial statements.
GHG (Greenhouse gases)	Gases which absorb and re-emit infrared radiation, thereby trapping it in Earth's atmosphere. Includes carbon dioxide (CO_2), water vapour, methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). The GHGs applicable to Orica's operations and reporting are CO_2, CH_4 and N_2O.

DEFINITIONS AND GLOSSARY OF TERMS (CONTINUED)

GJ	Gigajoule, a unit of measurement of energy consumption.
Grade or Quality	Any physical or chemical measurement of the characteristics of the material of interest in samples or product.
GHG Protocol	The GHG Protocol establishes comprehensive global standardised frameworks to measure and manage greenhouse gas emissions from private and public sector operations, value chains and mitigation actions, and supplies the world's most widely used greenhouse gas accounting standards. Orica uses the Corporate Accounting and Reporting Standard as well as the Corporate Value Chain (Scope 3) Standard.
Gross GHG emissions	Also referred to as 'absolute' emissions, gross emissions refer to total reported GHG emissions in a reporting period (e.g. Orica financial year), before any eligible units and certificates have been accounted for.
Groundwater	Groundwater is the general term for water in the ground. Underground water bodies are known as aquifers.
Global warming potential (GWP)	Factors describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given greenhouse gases relative to one unit of CO_2. The factors convert values into tCO_2-e, to allow comparison between greenhouse gases inventories.
Hexachlorobenzene (HCB)	A by-product from manufacture of carbon tetrachloride and perchloroethylene at the former Solvents Plant. This waste is stored on BIP in licensed storage depots whilst a destruction solution is identified.
Inclusion index	An index used to measure sense of belonging and inclusion by our people. This data is collected through our employee engagement survey 'Our Say'.
Intergovernmental Panel on Climate Change (IPCC)	The IPCC is an intergovernmental body of the United Nations responsible for advancing knowledge on human-induced climate change. It provides policymakers with regular scientific assessments on climate change, its implications and potential future risks, as well as putting forward adaptation and mitigation options. Through its assessments, the IPCC determines the state of knowledge on climate change.
KL	Kilolitres.
KPI	Key performance indicator.
Kt	Kilotonnes.
$KtCO_2$-e	Kilotonnes of carbon dioxide equivalent.
Loss of containment	The number of incidents where a contained substance escapes from containment and results in a Severity 1 or greater environmental impact on water or soil.
Low-carbon ammonia	Ammonia manufactured using 100% renewable hydrogen or low-carbon hydrogen, or a blend of both.
Low-carbon AN	An internal definition covering ammonium nitrate (AN) products manufactured with nitric acid from plants utilising catalytic abatement technology eliminating at least 95% of nitrous oxide emissions, and/or a low-carbon ammonia feedstock.
Low-carbon hydrogen	Broad grouping for both 'green' and 'blue' hydrogen sources. Renewable (green) hydrogen is made via electrolysis using 100% renewable energy, blue hydrogen is made using fossil fuel feedstock (e.g. gas steam methane reforming or gasification of coal) in addition to using CCS to capture and sequester ~90% of emissions generated.
M^2	Square meter.
Material	In the context of the International Integrated Reporting (IR) Framework, a matter is material if it could substantively affect the organisation's ability to create value in the short, medium and long term. The process of determining materiality is entity specific and based on industry and other factors, as well as multi-stakeholder perspectives.
Mt	Million tonnes.
NAP	Nitric Acid Plant.
Net GHG emissions	Reported GHG emissions in a reporting period (Orica financial year) after applying claimable emissions reductions or surrenders from carbon credit units. Includes generated carbon credits which have not been surrendered but sold on to a third party or banked in a carbon credit registry.
Net zero	Net zero refers to achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere.
NPAT	Net profit/loss after tax attributable to shareholders of Orica Limited.
Paris Agreement	Convened by the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016.

DEFINITIONS AND GLOSSARY OF TERMS (CONTINUED)

Paris Agreement goals	The central objective of the Paris Agreement is to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels. Additionally, the agreement aims to increase the ability of countries to deal with the impacts of climate change, and at making finance flows consistent with a low GHG emissions and climate-resilient pathway.
Paris aligned	Aligned to the Paris Agreement goals.
Power purchase agreement (PPA)	A type of contract that allows a consumer, typically large industrial or commercial entities, to form an agreement with a specific energy generating unit. The contract itself specifies the commercial terms including delivery, price, payment, etc. In many markets, these contracts secure a long-term stream of revenue for an energy project. In order for the consumer to say they are buying the electricity of the specific generator, attributes shall be contractually transferred to the consumer with the electricity.
RONA – continuing operations	RONA is defined as EBIT/Net operating assets. Net operating assets is defined as rolling 12-month average assets including net property, plant and equipment; intangibles at NBV; current and non-current investments in associates at current carrying value; trade working capital; non-trade working capital excluding environmental provisions.
Renewable hydrogen	Hydrogen produced via electrolysis of water, using renewable electricity. Renewable electricity may be sourced directly (e.g. solar generation) or via grid-connected supply supported with the retirement of renewable energy certificates. Also referred within the sector to as green hydrogen.
Safeguard Mechanism	The Safeguard Mechanism is the Australian Government's policy for reducing emissions at Australia's largest industrial facilities. It legislates baselines on the greenhouse gas emissions of these facilities, which will decline on a trajectory consistent with achieving Australia's emission reduction targets of 43% below 2005 levels by 2030 and net zero by 2050.
Scope 1 and 2 GHG emissions	The total amount of net greenhouse gas emissions measured in kilotonnes of carbon dioxide equivalent that can be directly attributed to Orica's business activities (Scope 1, i.e., chemical processes) or indirectly from purchased electricity, heat, steam, or cooling (Scope 2).
Scope 1 greenhouse gas emissions	Scope 1 greenhouse gas emissions are direct emissions from operations that are owned or controlled by the reporting company. For Orica, these are primarily emissions from industrial manufacturing processes and natural gas feedstocks.
Scope 2 greenhouse gas emissions	Scope 2 greenhouse gas emissions are indirect emissions from the generation of purchased or acquired electricity, steam, heat or cooling that is consumed by operations that are owned or controlled by the reporting company.
Scope 3 greenhouse gas emissions	Scope 3 greenhouse gas emissions are all other indirect emissions (not included in Scope 2) that occur in the upstream and downstream value chain.
Serious injury case rate including fatalities (SICR)	The number of serious injuries or illnesses that occur in the workplace for every 200,000 hours worked. Serious injuries are those which result in lost work time, and include fatalities, temporary or permanent disablement, hospitalisations, and less significant injuries where the affected person is unable to attend work for a day or more.
Serious life-changing injury case rate (SLICR)	The number of serious life-changing injuries that occur in the workplace for every 200,000 hours worked.
Surrenders	The surrendering of carbon credit units in a registry (and/or delivery of generated units to government through regulatory schemes) to make claimable emissions reductions in a GHG emissions inventory, leading to a reported net GHG emissions figure.
Target	Refers to a goal Orica is aiming to achieve where we have developed a delivery pathway.
tCO_2-e	Tonne of carbon dioxide equivalent.
TIER	Technology Innovation and Emissions Reduction Regulation (Government of Alberta, Canada)
Women in senior leadership	The percentage of executive positions within the Band D (Senior Manager) level and above (i.e., CEO 2 (Band D+)) that are held by women.

INTEGRATED REPORTING CONTENT ELEMENTS INDEX

KPMG

Independent Limited Assurance Report

To the Directors of Orica Limited

Limited Assurance Report on the Content Elements Index

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Content Elements Index, which has been prepared by Orica, in accordance with the Criteria for the year ended 30 September 2023

Information Subject to Assurance

Orica Limited (Orica) engaged KPMG to perform a limited assurance engagement in relation to the Integrated Reporting Content Elements Index (Content Elements Index), for the year ended 30 September 2023, which is located on page 187 of the Annual Report 2023.

Criteria Used as the Basis of Reporting

The Contents Elements Index is prepared in accordance with the International Financial Reporting Standards (IFRS) Foundation's *Integrated Reporting Framework* ("the Criteria").

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In accordance with the Standard, we have:

- Used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Content Elements Index whether due to fraud or error;
- Considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and

ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Interviews with management responsible for the preparation of the Content Elements Index and Annual Report 2023;
- Assessing the appropriateness and completeness of the disclosures in the Annual Report 2023 that the Contents Elements Index references to;
- Reconciling the sections and page numbers included in the Content Elements Index to the disclosures within the Annual Report 2023, Materiality Supplement 2023 and the Criteria; and
- Review of final draft Annual Report 2023 for consistency.

INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

Limitations of our Review

Our limited assurance engagement focused on whether the Content Elements Index was reflected in the Annual Report 2023 and did not extend to assessing the accuracy or validity of any statements made throughout the Annual Report 2023. KPMG has not been engaged to provide an assurance conclusion on the appropriateness or the operating effectiveness of the Orica strategy or how Orica creates value, including the governance, strategic management and other key business processes.

The Annual Report 2023 includes prospective information. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Annual Report 2023.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Orica Limited.

Use of this Assurance Report

This report has been prepared for the Directors of Orica Limited for the purpose of providing an assurance conclusion on the Content Elements Index and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Orica Limited, or for any other purpose than that for which it was prepared.

Management Responsibility

Management are responsible for:

- determining that the Criteria is appropriate to meet their needs
- preparing and presenting the Content Elements Index in accordance with the Criteria; and
- establishing internal controls that enable the preparation and presentation of the Content Elements Index that is free from material misstatement, whether due to fraud or error.

Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Content Elements Index for the 30 September 2023, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG

KPMG

Sarah Newman

Director, KPMG

Melbourne

8th November 2023

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INDEPENDENT LIMITED ASSURANCE REPORT
SELECTED PERFORMANCE METRICS

Building a better working world

Independent Limited Assurance Report to the Management and Directors of Orica Limited

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by Orica Limited ('Orica') to undertake a limited assurance engagement as defined by International Auditing Standards, hereafter referred to as a 'review', over the selected disclosures ('Selected Performance Disclosures') defined below for the year ended 30 September 2023. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Selected Performance Disclosures have not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed the Selected Performance Disclosures in Orica's Annual Report 2023 and Climate Action Report 2023 (collectively the 'Report') as presented in Table 1 below.

Table 1 – Selected Performance Disclosures

Selected Performance Disclosures	Value
► Gross* Scope 1 and 2 greenhouse gas (GHG) emissions in kilotonnes of carbon dioxide equivalent (ktCO_2-e)	1,704
► Gross* Scope 3 GHG emissions associated with purchased ammonium nitrate (AN) and ammonia (ktCO_2-e)	5,040
► Scope 1, 2 and 3 (Scope 3 purchased volumes of AN and ammonia only) GHG emissions intensity per tonne AN product sold (tCO_2-e/t)	1.59
► Gross* Scope 1 and 2 emissions reduction, from FY2019 levels (%)	22
► Potable water consumption intensity per tonne of AN manufactured for six material sites (kL/t)	1.57
► Women in senior leadership (%)	34.8

* In FY2023 gross and net emissions are equivalent.

Other than as described in the preceding paragraphs, which set out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion or conclusion on this information.

Criteria applied by Orica

In preparing the Selected Performance Disclosures, Orica applied the following Criteria:

- *National Greenhouse and Energy Reporting Act 2007*
- *National Greenhouse and Energy Reporting Regulations 2008*
- *National Greenhouse and Energy Reporting (Measurement) Determination*, as compiled 1 July 2022
- International Greenhouse Account Factors, equivalent to the Australian National Greenhouse Account Factors, February 2023
- Orica's methodology for reporting Scope 3 emissions, progress against emissions reduction targets, potable water consumption intensity and women in senior leadership

Key responsibilities

Orica's responsibility

Orica's management is responsible for selecting the Criteria, and for presenting the Selected Performance Disclosures in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our approach to conducting the review

We conducted this review in accordance with the International Auditing and Assurance Standards Board's *International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE3000') and the terms of reference for this engagement as agreed with Orica on 18 May 2023. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Selected Performance Disclosures and related information and applying analytical and other review procedures.

INDEPENDENT LIMITED ASSURANCE REPORT (CONTINUED)

Building a better working world

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- Conducted interviews with personnel to understand the business and reporting process
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- Conducted site visits to the Yarwun, Kooragang Island and Deer Park facilities
- Assessed that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertook analytical review procedures to support the reasonableness of the data
- Identified and tested assumptions supporting calculations
- Tested, on a sample basis, underlying source information to assess the accuracy of the data
- Checked the presentation of the Subject Matter in the Report

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

Inherent limitations

Procedures performed in a review engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

The greenhouse gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of greenhouse gases. Additionally, greenhouse gas procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

We have not performed assurance procedures in respect of any information relating to prior reporting periods, including those presented in the Selected Performance Disclosures. Our report does not extend to any disclosures or assertions made by Orica relating to future performance plans and/or strategies disclosed in Orica's Annual Report 2023, Climate Action Report 2023 and supporting disclosures online.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Orica, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst & Young

Ernst & Young
Melbourne, Australia
08 November 2023

CORPORATE DIRECTORY

Investor information

Registered and head office

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Australia 3002

Postal address

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P + 61 3 9665 7111

Investor relations

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E investorrelations@orica.com

Stock exchange listings

Orica's shares are listed on the Australian Securities Exchange (ASX: ORI)

Share registry

If you have queries relating to your shareholding or wish to update your personal or payment details, please contact the Share Registrar.

Link Market Services Limited
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Australia 1235

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E orica@linkmarketservices.com.au
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Annual general meeting

The 2023 Annual General Meeting of Orica Limited will be held on Wednesday, 13 December 2023 at 10:30am (Melbourne time).

Website

To view the FY2023 Annual Reporting Suite, shareholder information, news announcements, and further information on Orica visit the company website at www.orica.com

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