

POLICY | AUGUST 2023

CLIMATE CHANGE

Throughout our long history, we have leveraged our expertise in science and technological innovation to improve outcomes for our customers, shareholders and communities.

We accept the international scientific consensus that human activities are influencing global warming, causing further long-term changes to climate patterns resulting in economic and social consequences. We support the global response to keep global temperature rise well below 2° Celsius, and to pursue efforts to limit temperature rise further to 1.5° Celsius relative to pre-industrial levels.

The chemical manufacture and use of commercial explosives in mining and civil blasting is energy-intensive and releases greenhouse gas emissions. We recognise our business faces long-term shifts in commodity demand and customer mix as the world strives to transition towards a net zero emissions economy. Climate change is accordingly a material risk to our business, and we are committed to playing our part in the global transition.

OUR GUIDING PRINCIPLES

We believe that:

- A transition to a net zero emissions economy is required to limit global warming in line with the goals of the Paris Agreement.
- The pathway to a net zero emissions economy must represent a 'just transition' and encourage sustainable development for everyone.
- Energy security, affordability and supply is integral to a fair, equitable and coordinated energy transition.
- Commodities, raw materials, technology and circularity are fundamental to the low-carbon transition.
- Transparency, accountability and disclosure drive individual and collective business performance.

We will take action by:

- Continuing to assess and respond to transition and physical climate risks to our business, including the ongoing strengthening of climate change considerations in our governance, strategy and risk management processes.
- Setting emissions reduction targets informed by science-based methodologies, underpinned by robust implementation plans and delivering them in line with our public commitments.
- Developing remuneration policies to incentivise progress against our climate commitments.
- Applying a prudent and disciplined approach toward the assessment and allocation of capital expenditure to deliver our emissions reduction targets and climate solutions.
- Adapting to the potential physical impacts of climate change by improving the resilience of our assets and supply chain.
- Mobilising our people to support our response to climate change.
- Partnering across the value chain with government, industry, customers, and civil society to collaborate on climate action.
- Periodically assessing our trade associations for climate congruence and advocating responsibly on climate policy.
- Transparently reporting on our climate performance in accordance with relevant reporting frameworks.

Approved by
Orica Limited Board
August 2023

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