



**MODERN  
SLAVERY  
STATEMENT  
2022**

## Reporting suite

The FY2022 Modern Slavery Statement forms part of our corporate reporting suite for the 2022 financial year, which is available at [orica.com/investors](https://orica.com/investors)

### FY2022 ANNUAL REPORT



Presents a holistic view of our activities, financial and non-financial performance, and strategies in FY2022.

### FY2022 CORPORATE GOVERNANCE STATEMENT



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

### FY2022 CLIMATE ACTION REPORT



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

### FY2022 TAX TRANSPARENCY REPORT



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



# ABOUT THIS STATEMENT

Orica's Modern Slavery Statement (Statement) is for the financial year commencing 1 October 2021 and ending 30 September 2022 (FY2022). This Statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (the Australian Act) and the *Modern Slavery Act 2015* (the UK Act), and has been approved by the Board of Orica Limited and the Board of Orica Mining Services Pilbara Pty Ltd.

Modern slavery describes situations where coercion, threats or deception are used to exploit individuals and undermine or deprive them of their freedom. Modern slavery includes exploitative practices such as human trafficking, forced labour, servitude, slavery, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour.

This is a joint statement comprising the following reporting entities under the Australian Act (Reporting Entities), together referred to as we, us, our or Orica:

**Table 1: List of relevant reporting entities**

Reporting Entity	Type of activities of the reporting entity	Location of reporting entity
Orica Limited (ACN 004 145 868) which is the ultimate holding company in the Orica Group	Corporate and support costs	Australia
Orica Investments Pty Ltd (ACN 009 781 257)	Corporate and support costs	Australia
Orica Australia Pty Ltd (ACN 004 117 828)	Manufacture and supply of commercial explosives and blasting systems	Australia
Orica Mining Services Pilbara Pty Ltd (ACN 158 151 369).	Manufacture and supply of commercial explosives and blasting systems	Australia

A full list of controlled entities in the Orica Group is included in Note 23 *List of Controlled Entities* in our FY2022 Annual Report. Orica Investments Pty Ltd is the holding company of many of our controlled entities (including overseas controlled entities) while Orica Limited is our immediate parent.

This Statement covers assets wholly owned and/or operated by Orica and those assets owned by joint ventures and operated by Orica during the period 1 October 2021 to 30 September 2022. While we also hold interests in assets owned by joint ventures that are not operated by Orica, this Statement applies only to our operated assets, unless stated otherwise.

The table below sets out where the mandatory reporting requirements under the Australian Act and the recommended criterion under the UK Act have been addressed:

**Table 2: Reporting requirements and recommended criteria**

Australian Act mandatory reporting requirements	UK Act recommended reporting criteria	This Statement
Identify the reporting entity and describe its structure, operations and supply chains.	Organisation's structure, its business and its supply chains.	Pages 01, 06–07
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.	Pages 09–13
Describe the actions taken by the reporting entity, and any entities the reporting entity owns or controls, to assess and address these risks, including due diligence and remediation processes.	Organisation's policies in relation to slavery and human trafficking; and due diligence processes in relation to slavery and human trafficking in its business and supply chains.	Pages 08, 09–13, 14
Describe how the reporting entity assesses the effectiveness of these actions being taken to assess and address modern slavery risks.	Organisation's effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.	Pages 16–17
Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement).	Training and capacity building on slavery and human trafficking available to its staff.	Pages 15, 19
Any other relevant information.		Pages 04–05, 18

# A MESSAGE FROM OUR MANAGING DIRECTOR AND CEO

Modern slavery has no place in our business or industry. We are committed to respecting the human rights of those who work across our operations and supply chains, and to continually evolving our approach to managing human rights risks, including modern slavery. As a leader in our industry, it's our responsibility to ensure we are mitigating these risks and leveraging our global influence to reflect this across our entire value chain and broader industry.



**Sanjeev Gandhi**  
Managing Director and  
Chief Executive Officer

Despite challenging market conditions and geopolitical instability this year, we have made progress against our modern slavery commitments. We strengthened our foundations and governance across the business, embedded modern slavery into our revised Code of Business Conduct and updated our Whistleblower Policy to expressly include human rights abuses as an example of reportable conduct. Human rights training (including modern slavery) is now embedded into our global Code of Business Conduct training and is mandatory for all employees, ensuring increased awareness across our business.

We continued to engage with global suppliers and employees, taking their feedback to refine our approach to modern slavery and improve our Supply Chain Risk Management Plan and tools. We are also working closely with our highest-risk suppliers to identify and address potential human rights risks within these supply chains. Our full progress to date and future priorities are addressed in this Statement.

We have made progress but recognise there is always more that can be done. Modern slavery is a complex, systemic issue. Making meaningful strides toward eradicating modern slavery requires constant effort, and we will continue to partner for progress with governments and regulators, non-government organisations, peers, industry bodies and networks.

In a challenging external environment, strong due diligence regarding human rights risks is more important than ever. We are committed to continually improving and evolving our own approach and working alongside our customers, suppliers and stakeholders to mitigate human rights risks in FY2023 and beyond.

A handwritten signature in black ink, appearing to read 'Sanjeev Gandhi', written over a thin horizontal line.

**Sanjeev Gandhi**  
Managing Director and  
Chief Executive Officer



# OUR GLOBAL FOOTPRINT

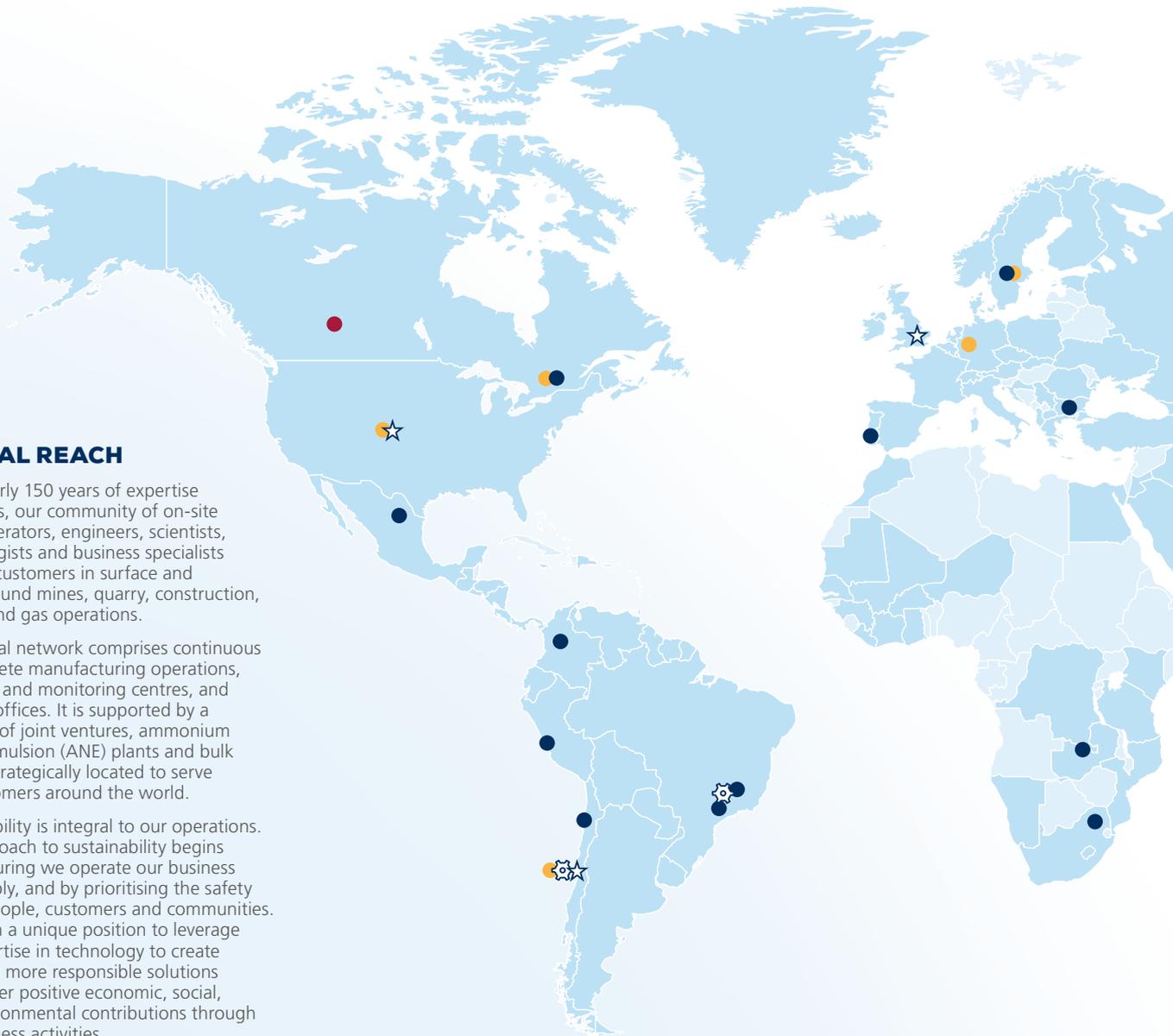
Our story began in 1874, when we first supplied explosives to the Victorian goldfields in Australia. Since then, we have grown to become one of the world's leading mining and infrastructure solutions providers.

## GLOBAL REACH

With nearly 150 years of expertise behind us, our community of on-site crew, operators, engineers, scientists, technologists and business specialists support customers in surface and underground mines, quarry, construction, and oil and gas operations.

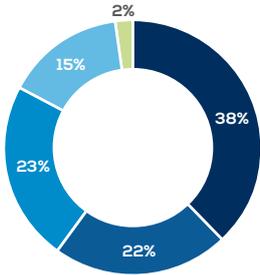
Our global network comprises continuous and discrete manufacturing operations, technical and monitoring centres, and support offices. It is supported by a network of joint ventures, ammonium nitrate emulsion (ANE) plants and bulk depots strategically located to serve our customers around the world.

Sustainability is integral to our operations. Our approach to sustainability begins with ensuring we operate our business responsibly, and by prioritising the safety of our people, customers and communities. We are in a unique position to leverage our expertise in technology to create safer and more responsible solutions and deliver positive economic, social, and environmental contributions through our business activities.



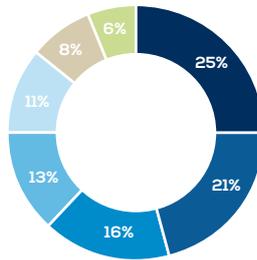
## DIVERSIFIED GLOBAL BUSINESS

Revenue by region<sup>(1)</sup>



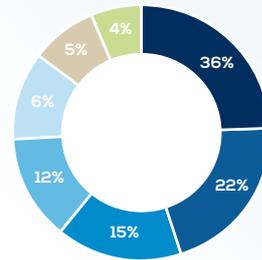
- Australia Pacific and Asia
- North America
- Latin America
- Europe, Middle East and Africa
- Orica Monitor

Revenue by commodity<sup>(1)</sup>



- Copper
- Gold
- Thermal Coal
- Quarry and Construction
- Other<sup>(2)</sup>
- Iron Ore
- Metallurgical Coal

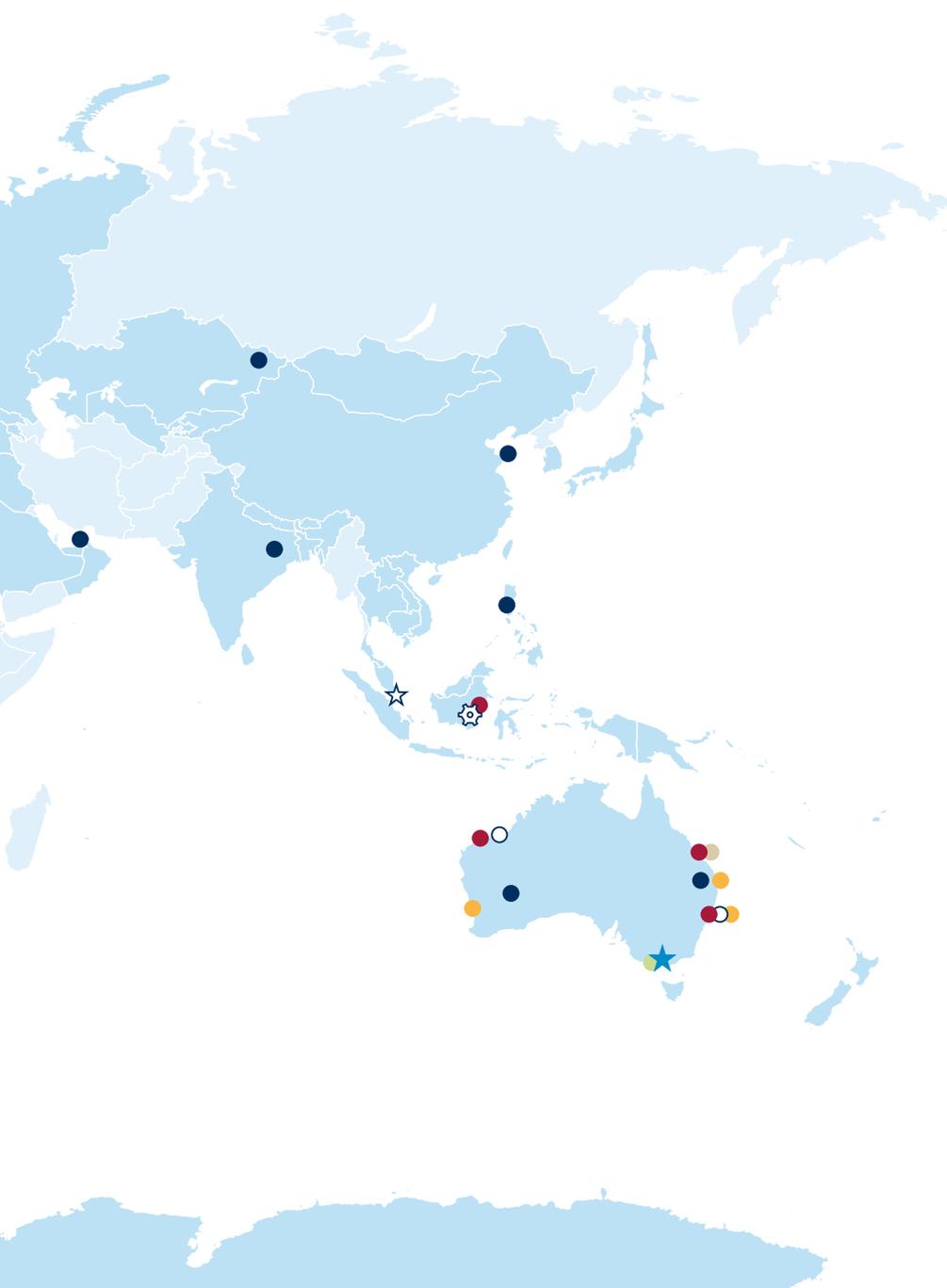
Revenue by product/service type<sup>(1)</sup>



- Bulk Emulsion
- AN/ANFO
- Initiating Systems
- Onsite Services
- Packaged Products
- Mining Chemicals
- Other

(1) Based on external sales, excluding Minova.

(2) Includes Orica Monitor.



**CUSTOMERS  
IN MORE THAN  
100  
COUNTRIES**

**12,000+  
EMPLOYEES**

**\$6.8b<sup>(3)</sup>  
MARKET  
CAPITALISATION**

### MAJOR OPERATIONS

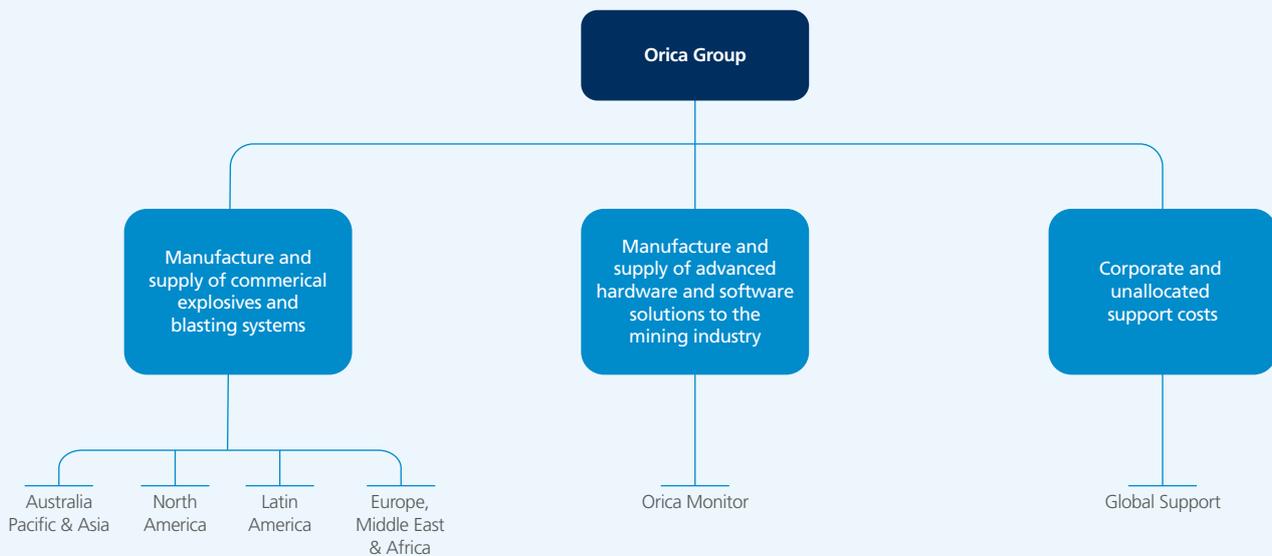
- ★ Head Office
- ☆ Regional Head Office
- ⚙ Monitoring Centre
- Technology Innovation Centre
- Discrete Manufacturing for Initiating Systems and Packaged Explosives
- Continuous Manufacturing Ammonium Nitrate
- Continuous Manufacturing Sodium Cyanide
- Emulsion Plants
- Emulsifiers
- Orica Presence

(3) As at 18 November 2022.

# OUR REPORTING STRUCTURE AND SUPPLY CHAIN

Our business is organised into segments based on the internal management structure as reported to the Group's Chief Operating Decision Maker (the Group's Managing Director and CEO).

 For more detail on our business, including our business and sustainability strategies, operating environment and risk management approach, refer to our FY2022 Annual Report.





Our operations are supported by a dynamic and complex global supply chain which includes procuring goods and services as outlined in Table 3.

**Table 3: Procurement categories**

Category	Description of goods and services
<b>Continuous manufacturing</b>	Bulk materials, primarily ammonium nitrate, ammonia, caustic soda and gas.
<b>Discrete manufacturing</b>	Individual componentry used as raw materials for the production or assembly of blasting systems or procured as products to be used at mine site.
<b>Corporate</b>	Support products and services, including IT software and hardware, travel and consultants.
<b>Indirect</b>	Products and services procured to support operations, including maintenance, repair and operations services.
<b>Logistics</b>	Services and products supporting the movement of products.

In FY2022, our products and services were procured from 13,800<sup>1</sup> suppliers in over 45 countries. Around 85 per cent of our third-party spend originated from Australia, Brazil, Canada, Chile, Indonesia, Mexico, Peru, Russia, Singapore and the United States of America. Of the remaining 15 per cent, the majority originated from 10 countries (Argentina, Ghana, India, Kazakhstan, Norway, the Philippines, Sweden, Tanzania, United Kingdom and Zambia).

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

<sup>(1)</sup> The increase of our supply base from FY2021 (8,500 suppliers) is in part a result of an increase in multi-sourcing targeted at optimising cost and improving supply. Orica will undergo another active review of our strategic sourcing program in the next financial year which may significantly affect the number of our supplier base in FY2023.

# OUR POLICIES AND COMMITMENT

We respect and uphold the human rights of our people and those impacted by our operations and business relationships in the communities in which we operate.

Our approach to human rights is based on internationally recognised standards and codes, including the United Nations (UN) Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work.

Our commitment to human rights, labour rights and decent work is enshrined in our Code of Business Conduct (Our Code), Human Rights at Work Policy and Responsible Sourcing Statement.

As our supply chain activities can give rise to social and environmental impacts, the below policies apply to our suppliers as well as our people. Supplier non-compliance with our policies may result in corrective action and regular reporting on progress through Orica's Supplier Management Plan. Termination of contract may be considered for material breaches. Our policies are publicly available on our website.

## CODE OF BUSINESS CONDUCT (OUR CODE)

Our Code applies to anyone who works for, or on behalf of, Orica, including directors, officers, employees, contractors, suppliers and consultants. It clearly outlines our expectations for individuals to understand and follow the specific requirements of Our Code, demonstrate our values, and comply with relevant laws and regulations and any additional Orica policies, standards or procedures.

Our Code is shaped around our values including our commitment to respect and value all. We expect individuals and entities to which Our Code applies to ensure they:

- prioritise health and safety;
- value others and respect human rights; and
- work with and support communities.

### Strengthening our position on modern slavery

During FY2022, we updated Our Code to further strengthen our position on modern slavery by outlining Orica's expectation for our people (and those who work on behalf of Orica) to avoid causing or contributing to human rights abuses and exploitation, including through business decisions, activities and relationships. Our Code is also underpinned by mandatory training and now includes several example scenarios to assist our people to identify the different forms of modern slavery they may encounter including bonded labour, forced labour and forced child labour.

## HUMAN RIGHTS AT WORK POLICY

Our Human Rights at Work Policy applies to our business and all third parties we deal with, including suppliers, customers, community partners and contractors. The Policy sets out the core principles that apply to work locations in a global context. All employees are made aware of Orica's global policies including our Human Rights at Work Policy. We also request compliance with our policies in the tendering stage of our procurement process and include alignment with our policies as part of our agreements with suppliers.

Our principles include the rights of individuals to:

- a workplace free of discrimination and harassment;
- freedom from child labour, forced labour, indentured labour and any form of human trafficking;
- a healthy and safe workplace;
- appropriate pay and working hours;
- freedom of association;
- collectively or individually bargain, and join, or not join, a legally recognised trade union or third-party representative organisation; and
- choose employment freely.

## SPEAK UP PLATFORM

Our Code and Human Rights at Work Policy provide information on grievance mechanisms available to report a concern or a breach of Our Code or relevant legislation in the countries we operate, including access to an independent, confidential and multilingual 24 x 7 Speak-Up service. We are committed to ensuring everyone can raise concerns anonymously and freely without fear of reprisal or intimidation, and that any complaints are dealt with fairly, thoroughly and in a timely manner.

## RESPONSIBLE SOURCING STATEMENT

In FY2022, we finalised our standalone Responsible Sourcing Statement, outlining our expectations of suppliers regarding ethical behaviour, human and labour rights including forced labour, and the management of social and environmental impacts. It will be introduced to all suppliers and potential suppliers in FY2023.



# ASSESSING AND MANAGING RISK

## Governance and oversight

Orica's Board, through the Board Audit and Risk Committee (BARC), has oversight of our material risks, including ethics and compliance risks which incorporates modern slavery.



### MODERN SLAVERY RISK GOVERNANCE FRAMEWORK

#### Orica's Board

The Board has ultimate oversight of modern slavery risk and compliance with modern slavery legislation for the Orica Group.

#### Board Audit and Risk Committee

The BARC assists with the effective discharge of the Board's responsibilities. This includes taking reasonable steps in its oversight of the effectiveness of processes and systems to manage the risk and ensure legal and regulatory compliance, and for detecting, reporting and preventing inappropriate business conduct.

#### Business Conduct Committee

The Business Conduct Committee enables management to assist the BARC by taking reasonable steps for the:

- effective implementation of policies (including Our Code), and standards and procedures on conduct, ethics and compliance;
- effective performance of the systems that underpin secure and confidential use of the Whistleblower Policy; and
- appropriate investigation processes and responses to reported concerns.

#### Our Whistleblower Protection Advisor:

- provides assistance to whistleblowers or people considering reporting;
- provides advice to investigators on how to protect whistleblowers from detriment; and
- escalates matters to the Business Conduct Committee where appropriate.

#### Our Business Conduct team:

- receives all reports made through the Speak-Up service and all reports raised internally by our employees involving allegations of non-compliance with Our Code;
- assigns responsibility for investigation, maintains oversight of investigations and any resulting actions; and
- provides ongoing reporting to the Business Conduct Committee.

#### Modern Slavery Working Group

Our Modern Slavery Working Group has global, cross-functional representation and comprises senior leaders with accountability for their individual functions. The Working Group includes representatives from Corporate Affairs (Sustainability), Ethics and Compliance, Finance, Global Supply Chain, Human Resources, Legal and Risk and Assurance. Orica's President – SHES, Discrete Manufacturing and Supply is the Executive sponsor of the Modern Slavery Risk Working Group.

The Working Group oversees our approach to managing modern slavery risks across the Group and has responsibility for, and oversight of, day-to-day implementation of our approach within the respective business functions.

## ASSESSING AND MANAGING RISK

### Risk management system

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

The way we manage risk continues to evolve in line with the current strategic and operational challenges we face and the increasing degree of scrutiny by regulators. Our risk management system:

- helps drive alignment between our strategy and business decisions taken, and
- supports the management of risks in accordance with our risk appetite set by the Board.

We embed risk management across all regions and functions. Our risk system provides a framework for the ongoing identification, assessment and mitigation of material risks. The material risks are summarised into the respective profiles which are reviewed and agreed by relevant regional and functional leadership

teams. An aggregated view of these risk profiles, and any progress on key actions to improve the mitigation of individual risks, are reported to the BARC.

Our Risk Appetite Framework has been approved by the Board, together with a suite of risk appetite statements covering our material risk categories. The risk appetite statements include quantitative key risk indicators and risk limits to measure and monitor performance. In FY2022, we drafted a risk appetite statement specifically for human rights which includes modern slavery risk. This aims to support the ongoing monitoring of modern slavery risk and will be finalised and incorporated into our risk management system in FY2023. Modern slavery is currently

incorporated within our Ethics and Compliance risk appetite statement.

As modern slavery risk forms part of our material operational risk, our performance in managing this risk is reviewed by the BARC. While we acknowledge that modern slavery risk is an operational risk, it is fundamentally a significant risk to people. We also understand the broader societal expectations for business to mitigate modern slavery risk in their operations and supply chains. As such, we included modern slavery risk as part of our new 'Societal Expectations' Strategic Risk in FY2022, driving deeper consideration of modern slavery risk in the execution of our business strategy.



We embed risk management across all regions and functions.

## ASSESSING AND MANAGING RISK

# Identifying and managing potential modern slavery risks

### IDENTIFYING POTENTIAL FOR MODERN SLAVERY RISKS IN OUR OPERATIONS

We conduct business activities in countries with a heightened risk of modern slavery and adverse human rights impacts. Our modern slavery risk profile for operations remains largely unchanged from FY2021, but now includes merger and acquisition (M&A) activity.

Activities that may pose a risk across our operations have been broadly identified (described in Table 4).

In FY2022, we began a program of work to refine our risk identification methodology and embed screening processes, and enable high-risk activities requiring further due diligence to be prioritised. These processes will have particular focus on activities that have potential intersections with our salient human rights issues, including modern slavery.

**Table 4: Profile of modern slavery risk across our operations**

Modern slavery risk in operations by type	FY2022 Modern slavery risk profile
Operations and/or offices in countries with heightened human rights risks <sup>2</sup>	We have operations and/or offices located in countries with heightened human rights and modern slavery risks, including China, the Democratic Republic of Congo, Mauritania, Papua New Guinea and the Philippines.
Non-operated joint ventures	We have a number of non-operated joint ventures located in high-risk countries including China.
Equity investments in entities operating in countries with increased human rights risks	We have a number of equity investments globally. Some of these investments are located in high-risk countries.
Merger and acquisition (M&A) activity	We consider various M&A targets operating in high-risk countries and sectors.
Customers operating in countries with increased human rights risks	We are a supplier of products and services to customers located in countries with heightened human rights and modern slavery risks. While downstream risks are not included in the scope of the Australian Act, due to the nature of our product, we have a significant risk assessment and screening process in place for customers as part of our Country Entry procedures.

### MANAGING MODERN SLAVERY RISKS IN OUR OPERATIONS

Our operations are supported by robust systems and prudent practices. Due diligence activities occur prior to new business activity, such as entering a new country or engaging with a new business partner, and mergers and acquisitions.

In FY2022, with the assistance of external human rights and modern slavery experts, we strengthened our ongoing due diligence related to identifying and managing the risk of modern slavery and adverse human rights impacts across operational activities. Key areas of focus include enhanced screening, risk assessment and escalation processes, and associated governance mechanisms. We are also working to formalise and enhance our approach to managing and remediating potential impacts or incidents. This will continue to be a focus in FY2023.

### Country entry procedure

Many of our new growth opportunities are in countries with heightened operational, security, compliance and reputational risks. The primary tool for managing these risks is our country entry procedure. For countries where the risk can be managed within our defined appetite, and we elect to enter and undertake business activities, risks are identified and managed with mitigation controls. The country entry procedure is applied prior to:

- entering into customer relationships, either directly or via a third party, in a country where we have not conducted sales in the prior two-year period;
- establishing a presence in country where we do not currently have a presence, including creating an entity and locating human resources, including contractors; and
- establishing a new capital investment/facility, such as joint ventures, mergers and acquisitions and capital projects, including customer-sponsored capital expenditure.

As part of this procedure, a detailed application must be made to an internal endorsement committee where potential risks, including human rights risks, are considered before final approval by the Chief Executive Officer and other relevant executives.

(2) High risk as identified by Orica's country risk score, developed using data from the Global Slavery Index, International Trade Union Confederation Global Rights Index, US Department of States Trafficking in Persons Report and Unicef's Child Labour data.

## ASSESSING AND MANAGING RISK

### Business partner screenings

Before engaging a business partner, defined as ‘any person or entity which interacts with other parties on behalf of Orica or Orica-controlled entities’, due diligence activities are undertaken internally to identify critical operational, security, compliance and reputational risks. This screening process is done by our Ethics and Compliance team. Any business partners identified as high-risk may be subject to enhanced due diligence, including detailed reviews of records on criminal, regulatory and civil actions and adverse media searches to identify any potential human rights misconduct.

Engaging a high-risk business partner requires approval from the Ethics and Compliance manager of the relevant region. The manager provides advice on any additional measures required to mitigate identified risks, such as including appropriate modern slavery and ethics and compliance clauses in customer and vendor contracts, termination rights in the contract for non-compliance with Orica’s responsible sourcing statement, and other ethics and compliance terms and conditions.

**Our supplier selection process involves qualification procedures to ensure qualified suppliers meet our safety, sustainability, compliance and performance criteria.**

### IDENTIFYING POTENTIAL FOR MODERN SLAVERY RISKS IN OUR SUPPLY CHAIN

To better understand the risk of modern slavery in our supply chain, we identify high-risk suppliers against the following risk factors:

- country of incorporation: we have suppliers located in countries associated with a heightened risk of modern slavery practices (see Figure 1); and
- category of supply: we procure goods and services associated with higher rates of modern slavery being present<sup>3</sup>. These are outlined in Table 5.

**Table 5: Type of modern slavery risk, by category of supply**

Category of supply	Type of heightened modern slavery risk
Bulk (raw materials, including chemicals)	Forced labour and the worst forms of child labour
Electronics	Forced labour and the worst forms of child labour
Personal protective equipment and safety gear	Forced labour and debt bondage
Transport and logistics services (including road and sea freight)	Forced labour, debt bondage and human trafficking
Facilities maintenance services (including cleaning)	Forced labour and debt bondage
Security services	Forced labour and debt bondage

Sub-contracted or third-party labour introduces complexity into our supply chain and may have a higher risk of modern slavery. Our risk assessment model considers the use of sub-contracted labour.

Suppliers are assessed annually and those with higher-risk profiles are prioritised based on spend.

### MANAGING MODERN SLAVERY RISKS IN OUR SUPPLY CHAIN

Our supplier selection process involves qualification procedures to ensure qualified suppliers meet our safety, sustainability, compliance and performance criteria.

In FY2021, we developed and launched our Modern Slavery Risk Management Plan (MS Risk Management Plan). This provides our supply chain team with practical guidance and supporting tools for identifying and managing modern slavery risks through the procurement process. The MS Risk Management Plan and tools were tested in FY2021 for their effectiveness and practicality as part of our pilot program, with 36 high-risk suppliers and prospective suppliers sent a modern slavery self-assessment questionnaire (SAQ) to complete. Following feedback from the pilot program, the questionnaire was streamlined in FY2022, made available online and in multiple languages to improve accessibility. Further work will be undertaken on the SAQ to provide further clarity as analysis has shown some suppliers misinterpreted the intent of some questions, triggering false red flags.

<sup>(3)</sup> Determined by referencing external indices and data published by the International Labour Organisation, OECD, World Vision, UK Home Office, Sedex, EU Mobility Atlas and Global Slavery Index on modern slavery risks for commodity/products/services, vulnerable worker populations and countries of export.

## ASSESSING AND MANAGING RISK

This year, we continued to engage our highest-risk suppliers (existing and prospective), sending the SAQ to an additional 55 suppliers. The questionnaire enables us to better understand specific areas of risk within a supplier’s operations and/or supply chain and provides an understanding of whether a supplier:

- operates in high-risk locations;
- relies on seasonal, contract, foreign or otherwise vulnerable workers;
- has policies and processes in place to address human and labour rights risks through recruitment processes and workplace practices, including having a confidential grievance mechanism through which workers can raise concerns; and
- has policies and processes in place to manage risk in its supply chain.

Suppliers are assigned risk ratings depending on the outcomes of the questionnaire. Suppliers with higher-risk ratings receive a Supplier

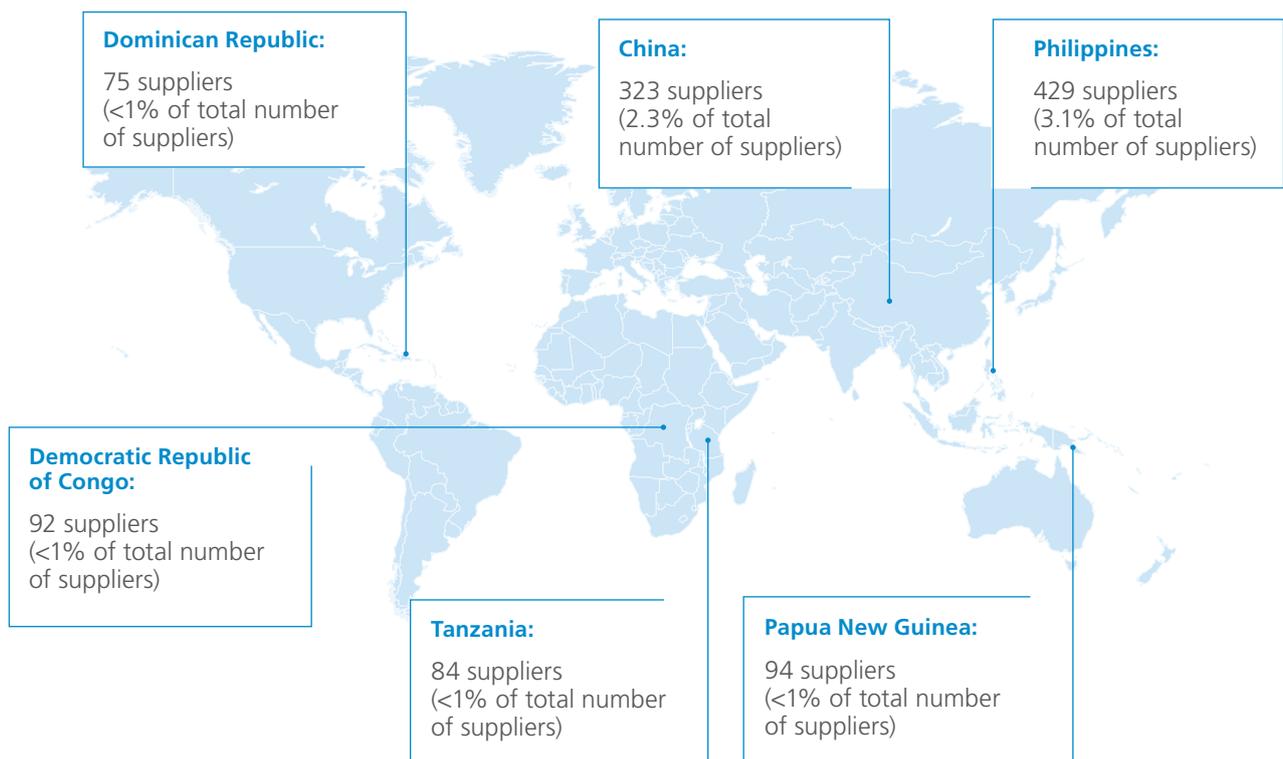
Management Plan, requiring quarterly, biannual or annual engagement, according to the level of risk. They are also required to report on changes to their supply chains and sub-contractors, actions taken to assess and remediate risks, the effectiveness of such actions, and training and capability building. Site visits may be conducted for suppliers with particularly high risk, and may involve interviews with personnel and workers. Where a supplier’s risk is too high or a supplier has failed to deliver on the defined action plan over a specified period of time, we may consider alternatives to working with that supplier.

The FY2022 questionnaire responses were assessed by our supply chain and procurement teams. Of the 36 suppliers who responded to the questionnaire, 66 per cent indicated (and provided evidence) that appropriate policies and processes were in place to manage modern slavery/human rights risks. Orica’s business processes will continue to be strengthened

in FY2023 to reflect supplier management plans. We will continue to improve our ability to close any gaps identified in the supplier SAQ, per our MS Risk Management Plan, and demonstrate our expectations have been met. The analysis of the SAQ in FY2022 broadly showed gaps relating to reporting, training and awareness and capability building. Our supply chain managers will follow up with the remaining 19 suppliers for a response to the questionnaire, after which a supplier management plan will be triggered for non-response.

In FY2023, we will provide an integrated platform for supplier registration and qualification activities linked to SAP data. This will automate the SAQ process from a single tool and enable a global standardised process for SAP integration and flag automation, and allow efficiency to be built into our SAQ processes to track compliance and engage suppliers throughout the year, rather than at a specific dedicated period.

Figure 1: Orica’s high-risk suppliers, by country of incorporation



# REPORTING, INVESTIGATION AND REMEDIATION

## REPORTING CONCERNS AND BREACHES

Incidents, concerns, suspicions or allegations of modern slavery, or a failure to uphold human rights as set out in Our Code, can be reported to a confidential Speak-Up service hosted by an independent third party. The service can be used by all stakeholders including suppliers and workers in the supply chain. Reports can be made at any time and in multiple languages using a hotline or the Speak-Up service website. Reporters also have the option to remain anonymous.

Our Whistleblower Policy plays an important role in maintaining our speak-up culture across all Orica Group entities and operations. The Policy explains how individuals can report potential misconduct and how we will respond when an investigation is conducted. This includes how we will ensure practical protections for reporters (whistleblowers) against detriment including reprisals, and how we will maintain confidentiality, even when the report is not made anonymously.

During the reporting period we received a total of 107 reports, equivalent to 0.9 reports per 100 employees. Based on benchmarking supplied by our Speak-Up service provider Navex, 1.3 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.

Reports received in FY2022 were primarily in relation to bullying and harassment, conflict, and inappropriate behaviours. Quarterly whistleblowing reports are provided to the Board Audit and Risk Committee so executives are aware of whistleblowing themes and areas of concern.

When concerns are raised through available mechanisms, a review process is undertaken, and a response determined according to the framework in our Group procedure. In FY2022, 35 per cent of reports were substantiated. Where allegations were substantiated, appropriate action was taken to remedy and prevent re-occurrence, including termination of contract.

## UPDATING THE WHISTLEBLOWER POLICY

Our Whistleblower Policy was updated in FY2022 to explicitly include human rights abuses as an example of reportable conduct. We clarified that the Policy applies to our operations globally, including our suppliers, and must be considered in conjunction with the laws of any country in which we operate. We also strengthened the Policy's effectiveness to align with the UN Guiding Principles on Business and Human Rights regarding grievance processes. To ensure our processes are equitable, legitimate, predictable, transparent and accessible, the following elements were included in the Policy.

### Equitable

- Investigations will be undertaken by an authorised, impartial investigator who is independent of the business area concerned and any person who is the subject of the reportable conduct.
- Details of the report will be communicated (to the extent permitted by law) with the individual/s who are the subject of the reportable conduct, and they will be provided with an opportunity to respond, to ensure fair treatment.
- We will apply practical measures to protect the confidentiality of a reporter's identity, to protect a reporter from detriment, and to highlight the potential criminal consequences of identifying a reporter or releasing information that is likely to lead to identification (outside a limited set of circumstances).

### Legitimate, predictable and transparent

- We have a clear process for receiving a report, determining whether it requires investigation, the indicative steps of an investigation, and how the findings from the investigation will be documented and reported to relevant stakeholders including the reporter if they can be contacted.
- Where the reporter can be contacted, the reporter will be provided with regular updates on the progress and findings of the investigation.

### Accessible

- The Policy has been translated into 13 languages to make it accessible to as many people as possible.
- The updated Policy was rolled out to all staff globally through a program of communications and targeted training and is publicly available on our website.

## INVESTIGATING POTENTIAL ISSUES AND PROVIDING REMEDY

All reports are taken seriously and acted upon in accordance with the principles and processes outlined in our Whistleblower Policy and the Reporting and Investigations procedure of Our Code. When a concern or incident is reported, either through the Speak-Up service or directly, it is assessed and investigated to determine if there has been wrongdoing, a breach of Our Code, illegal activity, or human rights impacts including modern slavery. Depending on the nature of the report, it may be investigated by an external provider or by an authorised person within Orica.

In all instances, we identify and comply with applicable laws. The following principles are also embedded in our investigation response:

- investigations are thorough and completed in a timely manner;
- we act impartially and with objectivity;
- we respect confidentiality and privacy; and
- people reporting concerns are protected from reprisal.

Where we identify a potential situation of modern slavery, we are committed to acting in the best interest of impacted individuals and providing remedy where we have caused or contributed to the situation. Remedy may be provided with the aim of making good any harms experienced by impacted individuals and taking steps to ensure the situation does not recur. This includes efforts to identify and address the root cause of the exploitation and considering if appropriate changes are required in our systems and processes to strengthen prevention of exploitation.

In FY2023, we are committed to improving our remediation processes with a focus on modern slavery and strengthening our existing systems to align with established good practice.

# TRAINING AND CAPABILITY DEVELOPMENT



Building the awareness and capability of our employees to identify and mitigate modern slavery in our operations and supply chain is vital.

In FY2022, we completed a refresh of Our Code to include specific provisions for modern slavery. In addition, we completed a modern slavery training needs analysis across our business to further refine our training approach. This included considering which key personnel have accountabilities or responsibilities for modern slavery, and mapping the necessary skills and knowledge required. This process also assisted in the prioritisation of staff training generally.

As we strengthen remediation and human rights due diligence approaches in the coming year, this will include appropriate training for key personnel. We also aim to keep key executives and Board members aware of shifts in approaches to modern slavery and broader respect for human rights, including regulatory and reporting requirements.

Mandatory supply chain training on modern slavery was deployed across all global supply chain roles in 2022. The training included modules on tackling forced labour in business and assessing and managing modern slavery risk in the supply chain. The modules were designed to assist our supply chain team members gain an understanding of modern slavery; know where it exists and how to identify it, and develop a deeper comprehension of our supply chain Modern Slavery Risk Management Plan and their role in managing our risk.

At present, we have a 40 per cent completion rate of the training. This remains a focus and we will work to improve completion rates in 2023.

## TRAINING ON OUR CODE OF BUSINESS CONDUCT (OUR CODE)

The way we work is governed by Our Code. All employees and contractors who are subject to the requirements of Our Code, must complete mandatory training on joining Orica and undertake periodic refresher training throughout their employment. The content of the training varies with each refresh, ensuring our people receive training in all aspects of Our Code, in due course. Content about our reporting mechanisms and protection for reporters is constant across our training modules.

The refreshed modern slavery requirements of Our Code have been integrated into the most recent training refresh which was launched in FY2022. This will be followed by ongoing modules aligned to Our Code and company values. In the upcoming reporting period, a module on respect will be released with further information on modern slavery, and what to do if you suspect or find it across our operations or supply chain.

As identified in our training needs analysis, further training will be required for people in identified roles, based on exposure and level of knowledge required. This will be delivered as a priority during the upcoming reporting period.

Training is available online and face-to-face, depending on the degree to which individuals have access to our network systems. For those without access (including some contractors and plant workers in remote locations) training is provided face-to-face by management or other key staff. Records for employee and contractor completions are retained in their learning profiles.

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## INVESTING IN IMPROVING CAPABILITY AND CAPACITY OF NON-GOVERNMENT ORGANISATIONS TO TACKLE MODERN SLAVERY

We recognise that eradicating modern slavery requires collaboration with many different stakeholders, including non-government organisations, to support the critical work they do to tackle modern slavery.

In FY2022, we invested A\$100,000 in two Australian not-for-profit organisations working to recognise, mitigate and address modern slavery impacts: Minderoo Foundation's Walk Free Initiative and Anti-Slavery Australia. The Walk Free initiative has been instrumental in providing deep research and tools to help manage modern slavery risks in operations in supply chains while Anti-Slavery Australia provides critical support to victims of modern slavery. We will investigate opportunities to support other international non-government organisations in FY2023.

# ASSESSING EFFECTIVENESS

Throughout FY2022, we have regularly assessed our approach to modern slavery using an internal framework to track key commitments and goals. Table 6 (right) shows our progress against the commitments made in our FY2021 Statement.

As we look to strengthen our foundations by implementing actions to address our gaps, we will continue to review and assess the effectiveness of our policies, processes and procedures in line with emerging best practice.



## ASSESSING EFFECTIVENESS

Table 6: Progress on FY2022 commitments

COMMITMENT FOR FY2022	PROGRESS	ACTIONS TO DATE
<b>1. STRENGTHENING OUR FOUNDATIONS</b>		
<b>We will address the gaps and opportunities identified through the gap analysis (from an operational perspective)</b>		
(a) Explicitly embed modern slavery into key corporate governance documents such as Our Code		<ul style="list-style-type: none"> <li>– Modern slavery explicitly embedded in the revised Code of Business Conduct, published internally and externally in July 2022.</li> <li>– Explicit inclusion of human rights abuses as an example of reportable conduct in our updated Whistleblower Policy to better align with the UN Guiding Principles on Business and Human Rights’ criteria for effective grievance mechanisms.</li> </ul>
(b) Strengthen our governance structures by better clarifying responsibilities and accountabilities to address modern slavery risk		<ul style="list-style-type: none"> <li>– Developed Risk Appetite Statement (RAS) for Human Rights (including modern slavery). First draft created with responsibilities and accountabilities to be determined once RAS is finalised in FY2023.</li> <li>– Conducted a due diligence workshop where responsibilities and accountabilities gaps for human rights due diligence (including modern slavery due diligence) were explored.</li> </ul>
(c) Better integrate modern slavery risks into existing risk management processes		<p>Modern slavery risk explicitly integrated into:</p> <ul style="list-style-type: none"> <li>– new Strategic Risk #7, Societal Expectations, to spark deeper consideration of modern slavery risk in decision making when executing Orica’s business strategy; and</li> <li>– draft Risk Appetite Statement (RAS) for Human Rights (to be finalised in FY2023).</li> </ul>
<b>We will address the gaps and opportunities identified through the gap analysis (from supply chain perspective)</b>		
(a) Use supplier and staff feedback to refine the Modern Slavery Risk Management Plan for supply chain, including tools and training		<p>In FY2022, we improved our supply chain Risk Management Plan tools by:</p> <ul style="list-style-type: none"> <li>– merging the self-assessment questionnaire (SAQ) and pre-qualification questionnaire into one streamlined questionnaire;</li> <li>– reducing survey length and complexity with 30 per cent less questions; and</li> <li>– moving survey from individual excel sheets to online forms survey, improving efficiency in data collation providing survey in multiple languages.</li> </ul> <p>A more sophisticated system is in development.</p>
(b) Finalise and publish the Responsible Sourcing Statement		<ul style="list-style-type: none"> <li>– Responsible Sourcing Statement drafted, feedback obtained from external SME, Sustainability team and Heads of Supply.</li> <li>– Statement signed-off for publication by President SHES, Discrete Manufacturing and Supply.</li> </ul>
(c) Continue to engage our highest risk suppliers (existing and prospective) to complete a modern slavery questionnaire and to address any issues that arise		<p>SAQs sent to 55 suppliers identified as high risk. Continue to engage with suppliers where opportunities for improvement have been identified.</p>
<b>2. BUILDING TRAINING AND CAPABILITY</b>		
We will conduct a modern slavery training needs analysis across all levels and further refine our training approach and program		<ul style="list-style-type: none"> <li>– Training Needs Analysis completed with training prioritised according to relevant roles and levels.</li> <li>– Refreshed Code of Business Conduct training including ‘Respect’ module, with modern slavery introduced to create awareness across Orica.</li> </ul>
<b>3. COLLABORATING</b>		
We will do our part in eradicating modern slavery by engaging and working collaboratively with industry partners, customers, peers and government and supporting the work of non-government organisations, where possible, as well as leveraging emerging best practice to improve our performance.		<ul style="list-style-type: none"> <li>– Working with customers and suppliers to identify modern slavery risk through self-assessment questionnaire (SAQ).</li> <li>– Investigating support for not-for-profit relationships globally. Invested \$100,000 in donations to Australian-based charities including Minderoo Foundations Walk Free Program and Anti-Slavery Australia.</li> <li>– Participated in externally facilitated workshops and webinars on Modern Slavery.</li> <li>– Investing in SME advice to strengthen our approach to identifying and managing modern slavery risk and embed better practices.</li> </ul>

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# LOOKING AHEAD

Addressing modern slavery requires ongoing, dedicated and collaborative effort from all businesses. We have made progress but recognise there is much more to do.

We are committed to continually improving how we protect the people who work within our operations and across our supply chain and will focus our efforts on three areas: strengthening our foundations, building training and capability, and collaboration.

## 1. STRENGTHENING OUR FOUNDATIONS

From an operational perspective, we will:

- refine our risk identification and assessment methodology for modern slavery in both operations and supply chain;
- embed explicit consideration of modern slavery in due diligence processes for higher-risk business activities as part of a broader enhanced approach to human rights and environmental, social and governance (ESG) due diligence;
- strengthen our remediation processes to align with established good practice in relation to modern slavery and human rights;
- develop clear objectives and indicators for measuring the effectiveness of our actions to assess and address modern slavery;
- strengthen our governance structures by formalising responsibilities and accountabilities to address modern slavery risk; and
- continue to integrate modern slavery risks into existing risk management processes.

From a supply chain perspective this includes:

- engaging a larger number of high-risk suppliers (existing and prospective) to complete a modern slavery SAQ;
- working to enhance our ongoing engagement with suppliers by automating stages of the due diligence process through the integration of the modern slavery SAQ onto the Ariba platform; and
- directly communicating our Responsible Sourcing Statement and updated Whistleblower Policy to suppliers.

## 2. BUILDING TRAINING AND CAPABILITY

We continue to embed awareness through Our Code training program and mandatory training requirements. Building on an analysis of our training needs, we will also develop training for employees identified as having key responsibilities in relation to modern slavery.

## 3. COLLABORATING

We will work collaboratively with our industry partners, customers, peers and government, support the work of non-government organisations, where possible, and leverage emerging best practice to improve our own performance.



# CONSULTATION AND APPROVAL PROCESS

Orica operates and is managed as an integrated group with overarching policies, standards, systems and processes designed to be consistently applied to our controlled entities. In accordance with our operating model, we engaged with:

- our Modern Slavery Working Group which continues to evolve our response to modern slavery. The Working Group includes representatives from Ethics and Compliance, Global Supply Chain, Legal, Risk and Assurance, Finance, Human Resources and Sustainability;
- each of the Reporting Entities covered by this Statement to confirm alignment of due diligence processes across the business (noting that some Reporting Entities are part of the Orica Group and operate as a consolidated group supported by various functional teams such as Global Supply Chain); and
- regional teams, including regional supply chain teams.

Prior to submission to the Board for review and approval, the Statement was reviewed by each member of the Modern Slavery Working Group, Group General Counsel and Chief Compliance Officer, Chief Communications Officer, Vice President Corporate Affairs, Head of Sustainability, Company Secretary and President – SHES, Discrete Manufacturing and Supply.

This Statement has been approved by the following Boards:

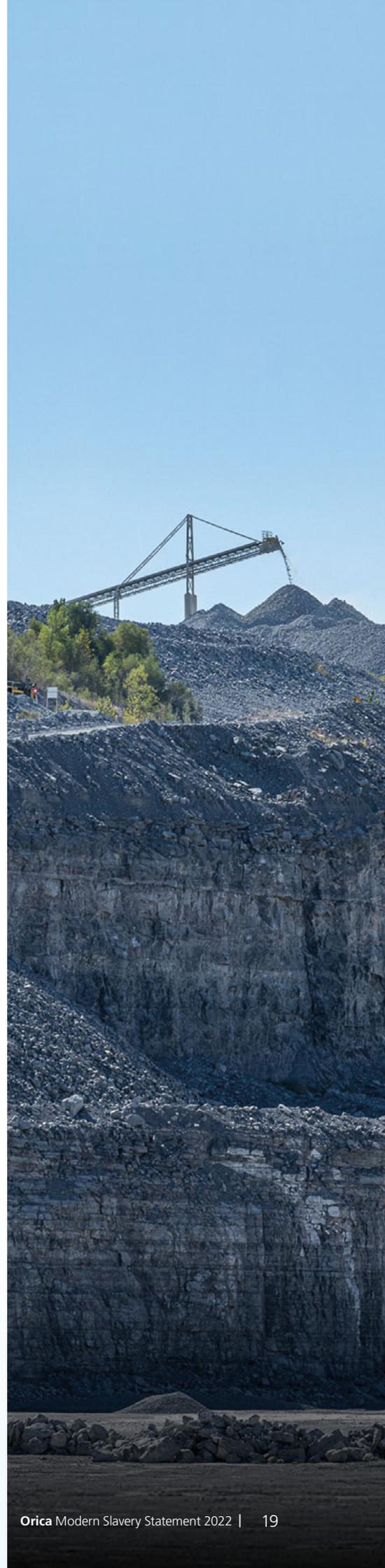
- Orica Limited on behalf of the Reporting Entities other than Orica Mining Services Pilbara Pty Ltd on 8 November 2022; and
- Orica Mining Services Pilbara Pty Ltd on 09 November 2022.



**Sanjeev Gandhi**  
Managing Director and  
Chief Executive Officer Orica Limited



**Germán Morales**  
Chairman of the Board  
Orica Mining Services Pilbara Pty Ltd





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