

Safety, Health & Environment
Performance Report 2002



Orica's Safety, Health & Environment Performance Policy

SH&E is at the heart of our culture.

We believe there's no better way to ensure our future. We believe 'no injuries to anyone ever' is a realistic and worthwhile goal. All 8000 people who work at Orica across 30 countries around the world are trained to 'value people and the environment', to take care of themselves and others, to meet the needs of our customers and the community in an environmentally sustainable manner.

And to always improve our SH&E performance. In particular, we will:

- Strive to ensure our facilities operate to the highest standards to protect our employees, contractors, neighbours and the environment.
- Continue to seek ways to efficiently use materials and energy.
- Sell only those products that can be produced, transported, stored, used and disposed of safely.
- Provide appropriate information and/or training on the safe use and disposal of our products to our customers and consumers.
- Seek to develop new or improved products and processes to improve the contribution we make to the quality of people's lives and to minimise the impact on the environment.
- Require every employee and contractor working for us to comply with relevant legislation and with this policy and provide them with the necessary training.
- Encourage employee initiatives that contribute to a safer and improved environment at work, at home and in the community.
- Set challenging targets and measure progress to ensure we continuously improve our safety, health and environmental performance.
- Communicate openly about our activities and report progress on our safety, health and environmental performance.

We make this commitment to our employees, contractors, customers, shareholders and the community as we work towards our vision of: **'No Injuries to Anyone, Ever'** and **'Value People and the Environment.'**



challenge
2005

Challenge 2005 Progress Report

Our goal is zero injuries, zero illnesses, zero losses of chemical containment and zero wastes. Because this is a challenging objective we have set performance improvement targets with annual milestones to be passed by the year 2005.

These Challenge 2005 targets and the relevant measures and milestones were first described in our 2000 Annual SH&E Report. We chart our progress every year.

This year we made positive progress towards our goals of becoming safer, healthier and more environmentally responsible.

Strong reductions in employee recordable case rate in every business

The number of injuries and illnesses per 200,000 hours worked (US OSHA System) in:

- Consumer Products was reduced from 2.75 in 2000/01 to 1.66 in 2001/02.
- Incitec was reduced from 1.31 in 2000/01 to 0.68 in 2001/02.
- Explosives was reduced from 0.96 in 2000/01 to 0.86 in 2001/02.
- Chemicals was reduced from 0.82 in 2000/01 to 0.40 in 2001/02.

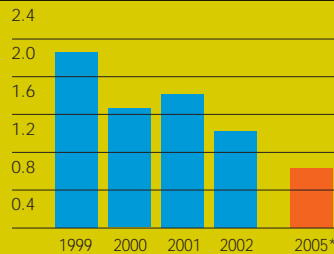
Safety, Health

- Suffered single fatality at Würgendorf explosives site in Germany.
- Reduced workers injured or sick from 137 for previous year to 95, a recordable case rate of 1.02 and 28% lower than previous year.
- Reduced contractors injured or sick from 32 for previous year to 24, a recordable case rate of 1.73 and the same as previous year.
- Recorded strains and sprains from manual handling still account for around half the injuries followed by lacerations, mainly to hands.
- Reduced injuries from moving vehicles from 9% for previous year to 3%.
- Placed greater emphasis on reducing incidents in our operations with additional training to identify critical behaviours and promote job cycle checks and job safety analysis.
- Conducted over 6100 health assessments around the world for continued improvement to 99% compliance towards target of 100% compliance to plan.
- Continued focus on effective targeting of health assessments to both specific tasks/jobs and individuals who may be at increased risk of injury.
- Continued improvement to 97.8% compliance with exposure standards towards target of 100% compliance.
- Compliance with annual hygiene sampling plan declined to 95.9% due to introduction of more structured approach to hygiene monitoring in less developed countries with limited resources.

Charting Challenge 2005

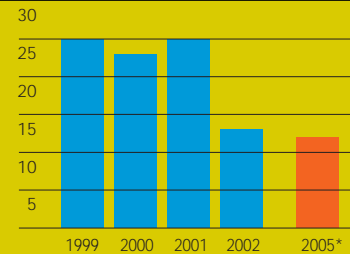
Employee Recordable Case Rate

Recordable case rate is the number of injuries and illnesses per 200,000 hours worked (US OSHA System). Lost workday case rate for 2001/2002 was 0.27 per 200,000 hours.



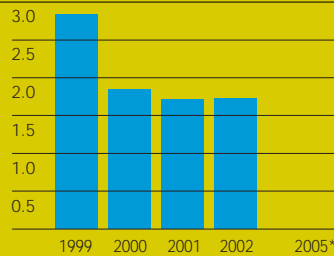
Distribution Incidents

One of the 13 incidents involved Orica owned transport. Most caused by driver error in not driving to road conditions. 12 incidents involved road transport, one rail.



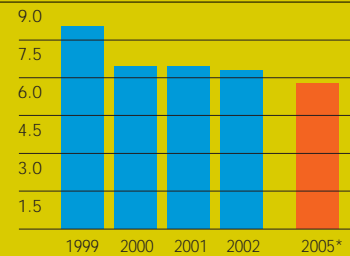
Contractor Recordable Case Rate

Contractors also work at Orica sites but are not under the direct control of Orica. No Challenge 2005 milestone has been set. Lost workday case rate for 2001/2002 was 0.58 per 200,000 hours.



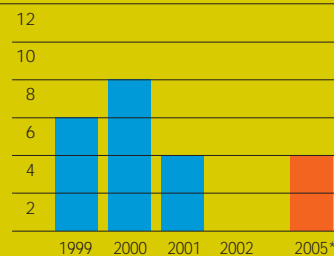
Energy Usage per Tonne of Production (GJ/te)

Energy use increased marginally by 0.76%, production increased by a larger amount to reduce usage rate by 2.4% on previous year.



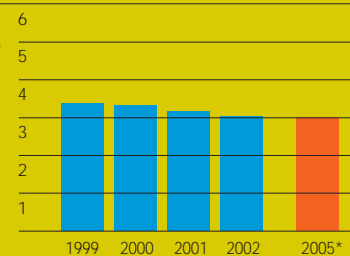
Site Incidents

No serious site losses of containment in 2001/2002. Sites record and investigate minor spills.



Water Consumption per Tonne of Production (kl/te)

Water consumption was 11,574 million litres. Consumption in 2001/2002 decreased by 1.26%.



* Challenge 2005

- Conducted over 3600 workplace hygiene tests around the world.
- Continued extending Basis of Safety across businesses to prevent major incidents for dangerous processes and operations.
- Submitted safety cases for Victorian Major Hazard Facilities, one licence issued and others pending; preparation underway for Queensland and New South Wales facilities.
- Developed and implemented a Job Safety and Risk Analysis manual for Dulux operating sites and 58 Trade Centres in Australia.
- Reinforced international travel, safety and security systems.

Environment

- Reduced category 2 or higher site losses of containment from 4 for previous year to nil.
- Matched reductions in emissions set by Greenhouse Challenge Agreement over five year program in Australia with verification.
- Reduced energy use per tonne of production by 2.4% from previous year.
- Gained significant energy efficiency improvements from Kooragang Island and Gibson Island shutdowns.
- Reduced carbon dioxide emissions per tonne of production by 1.2% from previous year due to general electricity efficiency across all businesses.
- Continued reduction of carbon dioxide emissions with the start-up of two new world's best practice chlorine plants, to replace less efficient plants.
- Reduced water use per tonne of production by 4.4% from previous year due to greater efficiency across all businesses.
- Installed waste water treatment facilities at two paint manufacturing sites.
- Launched 98% renewable coating product from Orica Consumer Products as part of initiative to develop sustainable development.
- Continued remediation work at Villawood, Botany and Yarraville in Australia, Riverview in New Zealand, Gomia in India and initiated evaluation at Shevington in UK.
- Sold remediated properties at Cheltenham, Port Adelaide and Rhodes in Australia.
- Investigated contamination associated with old underground diesel fuel storage tanks at Ascot Vale and Acacia Ridge in Australia and Gibraltar in Canada.
- Continued discussions with South Australian Environmental Agency over soil and groundwater issues at Parafield Gardens.
- Submitted report pending final development consent to Commission of Inquiry for destruction of hexachlorobenzene containing wastes at Botany in Australia.

Awards

- Orica Consumer Products won the 2001 PACIA/TG Crane Health and Safety Award for Dulux Australia 20 litre to 15 litre can size reduction which contributed to halving the number of strain injuries associated with lifting cans and creating a significantly safer working environment.
- Orica Consumer Products won special commendation as one of five high quality finalists nationally in the Blake Dawson Waldron Inside OHS Competition for Dulux 20 litre to 15 litre can size reduction.
- Orica Agricultural Chemicals won the 2001 PACIA Environmental Award for Kooragang Island Works by working with the local community to develop a community charter and calendar.
- Orica Agricultural Chemicals won the Newcastle Environmental Achievement Award jointly with CAKA for the Kooragang Island Works by working with the local community to develop a community charter and calendar.
- Orica Mining Services awarded ISO 14001 certification for Troisdorf and Würgendorf sites in Germany, Lampa site in Chile and Valderas site in Spain.
- Orica Agricultural Chemicals won Wollongong City Council Rise & Shine Award for preserving a colony of endangered Green and Golden Bell Frogs on Port Kembla site.

Cases

- In July 2001 pleaded guilty and fined \$90,000 plus ordered to pay WorkCover costs in relation to an accident at the NSW Dulux Resins plant in 1998.
 - In August 2001 found to be non-compliant in the testing program of dangerous goods drivers for presence of drug and alcohol by US Department of Transport and fined US\$17,000.
 - In March 2002 received NZ\$1000 infringement for exceeding effluent dissolved nitrogen level at the Mt Maunganui site.
 - In January 2002 received \$1500 fine from NSW Environmental Protection Agency for high ammonia levels in discharge to Hunter River from Kooragang Island works.
 - Port Kembla Works received three \$1,500 fines from the NSW Environmental Protection Agency for breaches of licence conditions.
- In each of these cases we immediately undertook a thorough investigation, promptly modified the safety management system and introduced additional training to prevent reoccurrence.

Product Stewardship

- Reduced distribution incidents from 25 for previous year to 13, 48% lower than previous year.
- Gained acceptance of carrier accreditation among majority of dangerous goods transport contractors in Australia and New Zealand.
- Completed hazard assessment of explosives transport with satisfactory external audits of capability by two regulators (Transport Canada and the US Department of Transport) in North America.
- Updated and reissued model procedures from Logistics Council regarding selection and monitoring of warehouses and transport of dangerous goods which incorporates selection and management of transport contractors.
- Reduced Australasian Emergency Response Service from 620 calls for previous year to 412, 33% lower than previous year due to transfer out of Syngenta products and improvement of Selley's Supa Glue packaging information.
- Updated Orica Mining Services' Emergency Response Directory with systems to keep it current and crisis drills undertaken in three regions to test efficacy.
- Completed audit of emergency response contractor in North America to assure resource capability.
- Conducted emergency response exercises for ammonia linehaul tankers to test activation and operation of emergency response plan plus acquaint and train local emergency services with emergency systems and procedures.
- Developed flexible life cycle risk assessment protocol to be applied to major product groups; several businesses are using the tool to detail environmental impact.

Community

- Produced annual reports on safety, health and environmental performance and plans for all major sites. (See back page for more details.)
- Invigorated community consultation processes at several Victorian sites due to Major Hazard Facility requirements, e.g., established Community Consultative Committee at Deer Park to discuss issues which may affect local community.
- Sponsored Habitat for Humanity in New Zealand for past five years, helped build and paint houses in New Zealand as part of World Leaders Build, CEO Build and Woman's Build.
- Provided protective hats for all preschoolers and Year 1 students at Hemmant and Murarie State Schools in Brisbane to acknowledge the importance of sun safety.

Safety First

You can never be too careful.

The unfortunate death of an Orica worker at an explosives plant in Germany is a timely reminder to us all of the critical importance of Safety, Health and Environment in our lives.

We must pursue our SH&E performance the same way we pursue our business performance.

We emphasise individual responsibility for safety, health and environment by everyone at Orica. We expect our people to report potential safety hazards and issues, and be involved in implementing solutions.

Indeed, SH&E is at the cornerstone of our culture. As is the imperative to continually become a safer, healthier and more environmentally positive corporation.

It was reassuring to see we made significant improvements in many areas throughout the year.

We recorded considerably fewer work related injuries and illnesses. Our ammonium nitrate plant at Seneca in the United States enjoyed its 33rd year without a single lost work day.

We reduced environmental impact with a substantial reduction in serious spills and distribution incidents.

We reduced the usage rate of energy and water while increasing production. New energy management programs to minimise the consumption of natural resources and waste generation were initiated at several sites.

We worked closer with communities around our sites with few environmental complaints.

Throughout the year we made steady progress towards our Challenge 2005 goals. They become more achievable every day.

Excellent SH&E performance is not just good for our people and our communities, it's also good for our business and the value we create for our shareholders.

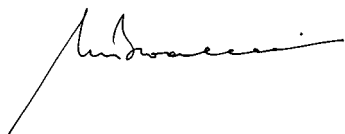
Better plant management means less wasted resources and greater energy savings. Better community dialogue means our operations will play a stronger role wherever they operate.

Conducting our business with an eye to the needs of the future is the essence of sustainable development.

We are among the industry leaders in many areas of safety, health and environment.

We've made good progress, but there's still more room for improvement.

We want to be among the leaders in the world.



Malcolm Broomhead
Managing Director and Chief Executive Officer
Orica Limited



A MESSAGE

Front cover: MlEX® water purification, an Orica innovation

About Orica

Orica is one of Australia's largest publicly owned corporations with around 8000 dedicated people across over 30 countries around the globe. We began in 1874 as a small firm in Melbourne, Australia, providing explosives to the gold fields. Since then we've grown into a multi-billion dollar company where our products and services impact every part of modern life. In 1997 we became an independent Australian corporation when ICI PLC divested its majority shareholding. Today all our shareholders share our increasing profitability.

Learn More At www.órica.com

Visit www.órica.com for our latest Safety, Health and Environment reports and documents. We constantly update our website to provide you quick and easy access to all our information.

Follow the links under Safety, Health and Environment to see our complete Orica SH&E Policy, 19 SH&E Standards, Strategy & Management System and more. Below are documents available for you at our website.

We look forward to your feedback.

Site Community SH&E Reports

AUSTRALIA
Botany, NSW
Cockle Creek*, NSW
Deer Park, Victoria
Gibson Island*, Queensland
Kooragang Island*, NSW
Laverton, Victoria
Port Kembla*, NSW
Rocklea, Queensland
Yarwun, Queensland
*Incitec sites
NEW ZEALAND
Gracefield
Hornby
Mount Maunganui (Chemnet)
Mount Maunganui (Resins)

SE ASIA
Samarinda, Indonesia
Weihai, China
AMERICAS
Brownsburg, Quebec, Canada
Carseland, Alberta, Canada
Monclova, Mexico
Lorena, Brazil
Seneca, Illinois, USA
EUROPE
Troisdorf, Germany
Würgendorf, Germany

Other Documents

SH&E Policy
SH&E Standards
SH&E Management
– Vision
– Strategy
– Due Diligence
Challenge 2005
– Objectives and Milestones
Health and Hygiene
Land and Groundwater Issues
Summary of Chemical Releases
Greenhouse Gas Reduction
Product Stewardship
Emergency Response Service
Responsible Care
Coatings Care
Agsafe
Dow Jones Sustainability Index

Feedback

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