



TASK FORCE ON CLIMATE-RELATED  
FINANCIAL DISCLOSURES 2023

# Delivering a more sustainable world



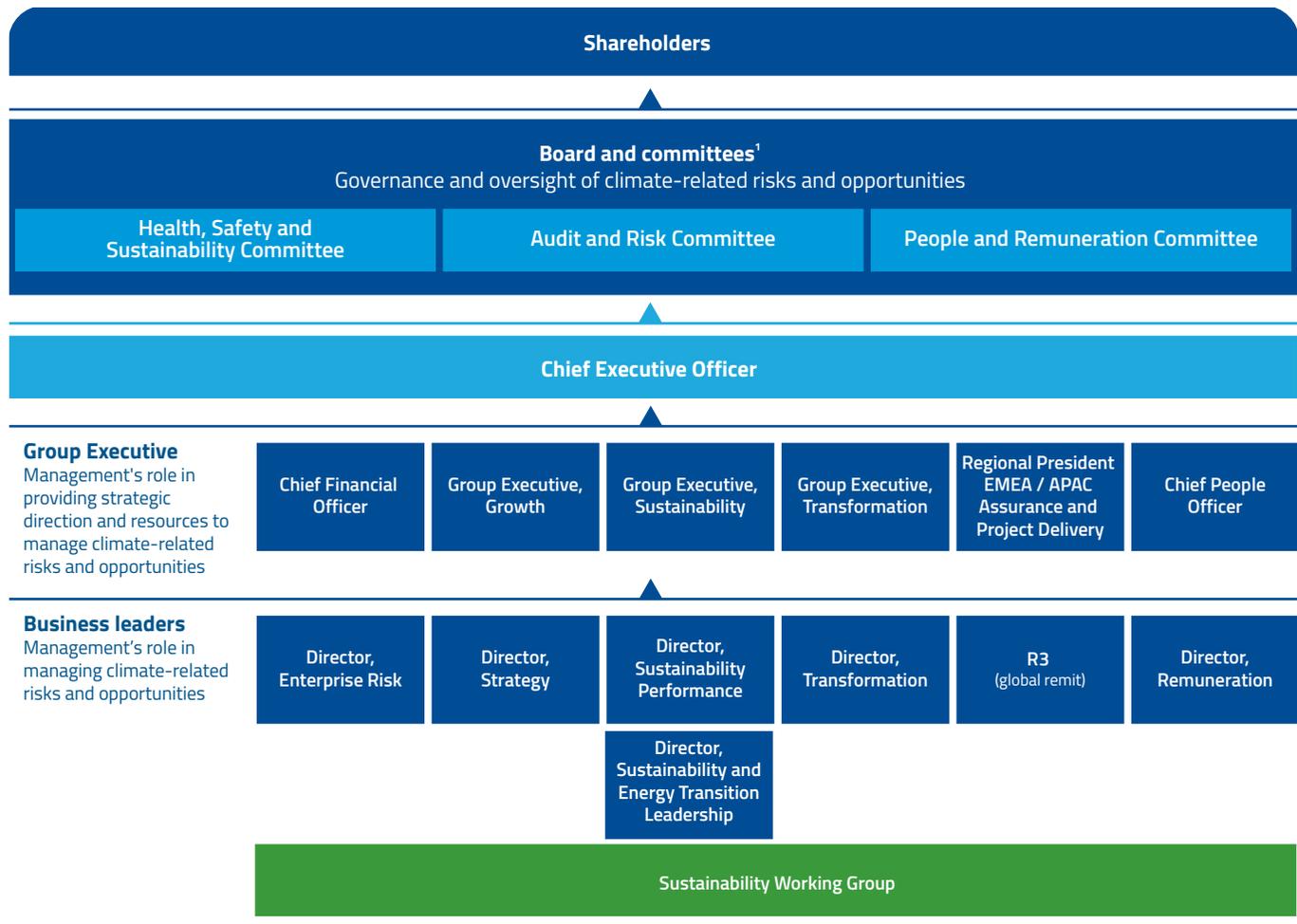
## Governance

We have a strong governance structure to oversee our approach, which includes climate-related risks and opportunities. This involves the Board and management, who oversee our climate change response.

Board standing committees relevant to climate-related risks and opportunities include the Health, Safety and Sustainability Committee (HSSC), the Audit and Risk Committee (ARC) and the People and Remuneration Committee (PRC). The HSSC and ARC monitor our climate-related risks and opportunities. The PRC is responsible for incorporating climate-related performance indicators into the Group’s remuneration policy and framework.

Each Committee has its own charter, which sets out roles, responsibilities and functions. Our Group Executive reports directly to the CEO. It delivers the strategic direction and goals as determined by the Board. This includes climate-related strategy, risk management and disclosure.

### Our governance approach to climate-related matters



For detailed disclosures on our approach to governance, please see our [Annual Report: ESG performance summary](#) (page 54) and the [Directors’ Report](#) (page 96).

1. The Nominations Committee is also a standing committee of the Worley Board. See our [Corporate Governance Site](#) for more information.

## Board oversight

The Worley Board defines our purpose and strategic direction and has ultimate responsibility for the control of the Group. We've outlined the various standing committees the Board delegates certain duties to below.

### Health, Safety and Sustainability Committee (HSSC)

The Board HSSC has company-wide oversight of health, safety and sustainability. This includes our climate change approach and associated disclosures. The HSSC reviews climate-related topics bimonthly. This year, key topics included progress towards net-zero commitments, updates to disclosures and detailed climate-related risks and opportunities. The HSSC makes recommendations to the Board regarding our climate-related risks and opportunities. The HSSC keeps the Board Chair informed on our progress towards reducing our emissions.

### Audit and Risk Committee (ARC)

The Board ARC oversees the integrity of our financial reporting, risk management framework and internal controls. As part of this, the ARC is responsible for monitoring climate-related risks and opportunities in conjunction with other enterprise risks. The ARC makes recommendations to the Board regarding the internal controls and procedures for managing non-financial risk, including climate-related risk.

### People and Remuneration Committee (PRC)

The Board PRC reviews and makes recommendations to the Board on the Group's remuneration policy and framework. This is inclusive of climate-related performance indicators, see page 120 of our [Annual Report](#). The PRC also reviews and approves health, safety and sustainability performance targets for select Senior Leaders.

### Board competency

For information on the Board's skills and competencies, see our [Corporate Governance Statement](#).

## Our Climate Change Position Statement (CCPS) sets out our response to climate change

We embed climate into our governance framework. Our management incentives help us to achieve our CCPS.

[See our CCPS here.](#)

## The role of management

### Sustainability

The Executive Group Director, Sustainability manages and allocates resources to execute our climate-related strategy. This includes fulfilling the commitments in our Climate Change Position Statement (CCPS). Reporting to this role are:

- **Director, Sustainability Performance** – delivering our CCPS actions, embedding our climate change response into policies and procedures, and designing and delivering programs to engage our people
- **Director, Sustainability and Energy Transition Leadership** – forging and coordinating our involvement in industry partnerships and collaborations. Fostering and leading sustainability / energy transition thought leadership and supporting engagement with customers on these issues.

### Chief Financial Officer (CFO)

The CFO oversees our approach to our risk management framework and process which is managed by our Director of Enterprise Risk. Our enterprise risk and company-wide risk processes incorporate climate-related risks and opportunities.

### Growth

The Executive Group Director, Growth is responsible for developing our business strategy, sales, sector leadership and Advisian. The Director, Strategy sits within the Growth team and supports lower-carbon-transition opportunities in our sectors.

### Transformation

The Executive Group Director, Transformation manages how we fulfill our purpose and ambition. The Director, Transformation delivers the program of change within Worley, including our climate change response.

### Project delivery and assurance

Our Ready, Response, Recovery (R3) team is part of our Project Delivery and Assurance team and manages the safety of our people and communities during extreme climate weather events.

### Chief People Officer

The Chief People Officer implements our remuneration policy and framework. This is inclusive of climate-related performance indicators.

### Sustainability Working Group

The Sustainability Working Group (SWG) includes representatives across all areas of the business, including, operations, growth, people, and information and digital delivery. The SWG meets bimonthly to discuss and develop responses to sustainability risks and opportunities, including climate change and the energy transition.

## Strategy

Our ambition is to be recognized globally as a leader in sustainability solutions and fulfill our purpose of delivering a more sustainable world. Our strategic focus on sustainability-related work across the energy, chemicals and resources sectors presents us with a range of climate-related risks and opportunities. See page 26 of our [Annual Report](#) for how we define sustainability-related work.

We're also transitioning our business to be net zero and resilient to the physical impacts of climate change. Each year, we identify and seek to manage these risks and opportunities over the short, medium and long term.

<b>Short term</b> (1 to 2 years)	<b>S</b>	Our short-term horizon is focused on the immediate financial planning period.
<b>Medium term</b> (2 to 5 years)	<b>M</b>	Our medium-term horizon is focused on our strategic business plan in line with our ambition.
<b>Long term</b> (5 to 10 years)	<b>L</b>	Our long-term horizon is focused on global trends and our net-zero aspirations.

## Our climate-related risks

**Current risk rating:** high. **Likelihood:** likely. **Time horizon:** **S** = short term **M** = medium term **L** = long term

Transition risks	
<b>Policy and legal</b>	<b>S M</b>
<p><b>Description</b></p> <p>Rapidly changing policy settings, resulting in the expansion or contraction of investment in fossil fuels and lower-carbon markets. This may impact demand for our services and solutions.</p>	<p><b>Risk management</b></p> <p>We monitor emerging policy settings and incentives in the regions we operate in. We're:</p> <ul style="list-style-type: none"> <li>reviewing and incorporating annual market trends in our strategy planning, see page 24 of our <a href="#">Annual Report</a></li> <li>engaging with research institutions and industry bodies on policy changes.</li> </ul>
<b>Technology</b>	<b>S M L</b>
<p><b>Description</b></p> <p>Rapid technology development and innovation due to our sectors responding to climate-related impacts. This may lead to increased investment, upskilling and resourcing being necessary for new technologies that support the transition.</p>	<p><b>Risk management</b></p> <p>We keep abreast of technology changes through:</p> <ul style="list-style-type: none"> <li>our strategic partnerships, see page 78 of our <a href="#">Annual Report</a></li> <li>internal programs on culture and upskilling, see page 75 of our <a href="#">Annual Report</a></li> <li>our Technology Solutions function, led by Executive Group Director, Technology Solutions, see page 62 of our <a href="#">Annual Report</a>.</li> </ul>
<b>Reputation</b>	<b>S M L</b>
<p><b>Description</b></p> <p>Potential adverse reputation impact due to involvement in high-carbon intensity projects. This may lead to legal action and reputational damage from loss of confidence in our strategy.</p>	<p><b>Risk management</b></p> <p>We monitor our involvement in high-carbon intensity projects closely as part of our Responsible Business Assessment Standard, see page 79 of our <a href="#">Annual Report</a>.</p> <p>We have a strategic communications program with our stakeholders. We also provide comprehensive financial and ESG disclosures.</p>

---

## Physical risks

---

### Acute



#### Description

Business continuity interruptions due to the increased frequency of extreme weather conditions. This may reduce business productivity, cause project delays and cancellations and impede providing protection and recovery to normal operations.

#### Risk management

We support our business and our people as we encounter increased frequency of extreme weather conditions:

- our global R3 team continues to support and drive necessary action, see page 50 of our [Annual Report](#)
- our team updates our operating standards to plan for extreme weather conditions.

### Chronic



#### Description

Longer-term changes in climate patterns. This may lead to interruptions in securing key supplies for our contracted services.

#### Risk management

We continue to explore different ways of working with our supply chains and customers to reduce any potential delays to project delivery. We use:

- supply chain management processes
- lessons learned from past supply chain disruptions to forecast potential impacts.

---

## Our climate-related opportunities

**Current opportunity rating:** high. **Likelihood:** likely. **Time horizon:** = short term = medium term = long term

---

## Opportunities

### Products and services



#### Description

Business growth through capitalizing on demand for lower-carbon products and services, and climate-resilient design. This may lead to an industry-leading position, with increased financial returns.

#### Opportunity management

Our transformation strategy enables us to address this opportunity. We're:

- upskilling our people, see page 75 of our [Annual Report](#)
- continuing our efforts to grow our portfolio of sustainability-related work, see page 26 of our [Annual Report](#)
- implementing sustainable design into our engineering design standards, see page 68 of our [Annual Report](#).

### Markets



#### Description

Business growth through focusing our resources on emerging markets in the energy transition. This may lead to increased partnerships and project opportunities.

#### Opportunity management

We seek sustainability-related opportunities that align with our strategy. We're:

- capitalizing on strategic sustainability-related partnerships, including our Princeton partnership
- engaging with our customers, communities and governments to support sustainable development, see page 78 of our [Annual Report](#).

### Energy source



#### Description

Reduced operational carbon footprint through transitioning our business to lower-carbon energy sources. This may lead to savings on annual energy costs.

#### Opportunity management

We have climate change commitments which are embedded in our overall strategy. They are also embedded in our remuneration framework for our Senior Leaders, see page 67 of our [Annual Report](#).

### Strategy resilience and scenario planning

When developing our business strategy, we assessed its resilience across a range of scenarios, detailed below. These scenarios consider:

- scenarios from the Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report (AR6)
- scenarios from the International Energy Agency (IEA).

We develop adaptation and mitigation strategies based on each possible scenario, considering both risks and opportunities. By integrating these scenarios into our decision-making, we ground our investments, including investments into new markets and technology, in an understanding of these future climate scenarios.

Scenario	Outputs
<p><b>Racing green (1.5°C)</b></p> <p>Climate scenarios considered:</p> <ul style="list-style-type: none"> <li>• IEA Net-Zero Emissions by 2050 Scenario</li> <li>• IPCC AR6 C1</li> </ul> <p><b>Pace of transition</b></p> <p>Accelerated adoption of lower-carbon technology with a government-led, globally coordinated response.</p> <p><b>Physical climate impacts</b></p> <p>Eventual trajectory of climate events trending down, but with physical effects of climate change still prevalent.</p>	<p><b>Potential impact to our sectors</b></p> <ul style="list-style-type: none"> <li>• Conventional energy: oil supply peaks in this decade and then rapidly declines.</li> <li>• Low-carbon energy: gas supply peaks in this decade and then declines. Renewable and green hydrogen investment accelerates.</li> <li>• Chemicals and fuels: chemicals demand continues to rise. Transportation fuels are rapidly replaced by electrification and lower-carbon fuels.</li> <li>• Resources: demand for energy transition materials is retained or increases.</li> </ul> <p><b>Potential impact to our business</b></p> <ul style="list-style-type: none"> <li>• Operations: higher investment in new energy may accelerate our ambition, placing increased stress on the pace of our transformation. Achieving racing green may require new delivery and commercial models.</li> <li>• People: extreme weather conditions across some of our operations may impact our people's health and well-being. Additionally, the demand for sustainability-related talent may increase.</li> </ul>
<p><b>Burnt orange (2°C)</b></p> <p>Climate scenarios considered:</p> <ul style="list-style-type: none"> <li>• IEA Announced Pledges Scenario</li> <li>• IPCC AR6 C3</li> </ul> <p><b>Pace of transition</b></p> <p>Gradual transition away from fossil fuel with pockets of global regionalization.</p> <p><b>Physical climate impacts</b></p> <p>Static trend of extreme climate events.</p>	<p><b>Potential impact to our sectors</b></p> <ul style="list-style-type: none"> <li>• Conventional energy: oil supply peaks around 2030 and then gradually declines.</li> <li>• Low-carbon energy: gas supply peaks around 2030 and then gradually declines. Renewable and green hydrogen projects are still deployed at scale but increasingly restricted by a non-optimized supply chain.</li> <li>• Chemicals and fuels: chemicals demand continues to grow. Slower replacement of oil-based transportation fuels leads to less investment in lower-carbon fuels.</li> <li>• Resources: governments and private sector take steps to make sure we secure supply of both critical minerals and energy transition materials.</li> </ul> <p><b>Potential impact to our business</b></p> <ul style="list-style-type: none"> <li>• Operations: increased pressure to gradually transition may impact our ability to execute our strategy and project delivery.</li> <li>• People: extreme weather events may be more likely to impact our people's health and well-being.</li> </ul>
<p><b>Red alert (3°C)</b></p> <p>Climate scenarios considered:</p> <ul style="list-style-type: none"> <li>• IEA Stated Policies Scenario</li> <li>• IPCC AR6 C6</li> </ul> <p><b>Pace of transition</b></p> <p>Slow with minimal change from current policies.</p> <p><b>Physical climate impacts</b></p> <p>Continued escalation in intensity of extreme climate events.</p>	<p><b>Potential impact to our sectors</b></p> <ul style="list-style-type: none"> <li>• Conventional energy: oil supply peaks after 2030 and then plateaus.</li> <li>• Low-carbon energy: gas supply continues to grow past 2030. Strong growth in the gas value chain as governments prioritize energy security needs and delay the required policy changes to deploy renewables and green hydrogen at scale.</li> <li>• Chemicals and fuels: chemicals demand continues to grow. Transportation fuel demand peaks in next decade and low-carbon fuels investment is limited.</li> <li>• Resources: increased need for energy transition materials above current levels.</li> </ul> <p><b>Potential impact to our business</b></p> <ul style="list-style-type: none"> <li>• Operations: we may experience delays or an inability to deliver projects to customers due to supply chain disruption. An increased demand to design operations and assets for climate resilience may impact our reputation and exposure to litigation if we do not update our designs accordingly.</li> <li>• People: the risk to our people's health and well-being becomes more likely as the frequency and severity of extreme weather events increases across all our operations. We may experience difficulties attracting and retaining talent to work on residual fossil fuel business.</li> </ul>

See page 24 of our [Annual Report](#) for more information on our strategy and sector outlooks.

## Risk management

We manage climate risks and opportunities consistent with our risk management framework. For details of how we manage all risks and opportunities across our business, see page 86 of our [Annual Report](#).

We consider climate-related risks and opportunities through the lens of current and emerging risks<sup>1</sup>. We've disclosed principal risks for climate change in page 93 of our [Annual Report](#). We use a risk matrix approach with relevant likelihood and consequence criteria that cover a range of risk types, including climate change. Our risk management framework sets our overarching approach and applies to all areas of our business, such as product delivery and corporate functions.

### Identifying climate-related risks and opportunities

We use our business risk processes and tools to identify climate-related risks and opportunities.

#### Transition and physical risk workshops

We engage with key stakeholders to identify our climate risks and opportunities through workshops.

This year, the workshops used an updated risk taxonomy. The workshops considered the climate-related scenarios from the IEA and IPCC listed in page 6 of this report.

#### Risk taxonomy

We've embedded a risk taxonomy into our risk management processes to capture climate-related risks and opportunities and to help us understand our exposure and likelihood. At a group level, we monitor this exposure across all of our geographies.

#### Responsible Business Assessment (RBA) Standard

Our RBA Standard enables us to identify ESG (including carbon intensity) risks and opportunities. See page 79 of our [Annual Report](#).

High risks from our RBA Standard inform our Special Risks Standard to ensure the escalation of high risk opportunities for Senior Leader approval.

### Managing climate-related risks and opportunities

Various groups and processes within the business contribute to managing our climate-related risks and realizing the opportunities.

#### Risk governance

As described in the governance section (see page 2), we work across functions to manage our climate-related risks and opportunities and embed climate risk management throughout the business.

#### Strategy

As described in the governance section (see page 2), our Growth team incorporates consideration of climate-related risks and opportunities as part of strategy development and execution.

#### Project delivery

Our project delivery and internal audit and assurance teams consider climate-related risks and opportunities in our projects. See page 68 of our [Annual Report](#).

#### Security and resilience

Our global R3 team and system respond to extreme weather events across our locations.

#### People

Our People Strategy helps us capitalize on our existing experience and to continue building knowledge. We help our people grow their capability to deliver lower-carbon infrastructure through project delivery and training.

#### Supply chain

Our supply chain management teams apply our Supply Chain Code of Conduct to outline our expectations for our suppliers. This includes climate-related topics. See page 80 of our [Annual Report](#).

1. We define current risks as risks that can be identified, assessed and managed. Emerging risks are potentially new, growing or changing risks that are difficult to assess. Emerging risks are monitored as they develop, and potentially transition to become a current risk.



## Metrics and targets

We use a range of metrics to measure our progress in addressing climate-related risks and opportunities. Through our ambition, we have the following targets.

Metric	Target	FY2022 result	FY2023 result	Change
<b>Supporting our customers</b>				
Sustainability-related work (% of aggregated revenue)	Ambition to derive 75% of our revenue from sustainability-related work by FY2026. See page 26 of our <a href="#">Annual Report</a> for how we define this.	35%	41%	+6pp
<b>Our own performance</b>				
Scope 1, Scope 2 and Scope 3 GHG emissions (tCO <sub>2</sub> e)	Net-zero Scope 1 and Scope 2 emissions by 2030. Reduce net Scope 1 and Scope 2 emissions by 65% by FY2025 from a FY2020 baseline.	48,211	41,422	-14%
	Net-zero Scope 3 emissions by 2050.	585,850	792,007	+35%
Energy productivity (\$ million revenue / GWh)	Improve our energy productivity by 25% by 2030 from our baseline energy productivity in 2020 of \$30.4 million revenue / GWh.	42.7	51.6	+21%

In FY2023 our Scope 3 emissions increased due to increased business activity (primarily in procurement) and updates to emissions factors. We have had third-party auditors provide limited assurance on our Scope 1 and Scope 2 greenhouse gas emissions and total energy use. See page 54 of our [Annual Report](#) for more information.

### Incentivizing our leadership

The Short-Term Incentive (STI) Plan applies to ~1,100 Senior Leaders. As part of its framework, the STI Plan includes metrics we use to track climate-related performance. See page 122 of our [Annual Report](#) for more information.

The Deferred Equity Plan (DEP) also includes climate-related performance metrics for the Group Executive. See page 124 of our [Annual Report](#) for more information.

### Other indicators of performance

We also focus on climate change mitigation and adaptation through the work we do for our customers (e.g., SEAL Framework). See page 68 of our [Annual Report](#).

## Corporate information

Worley Limited  
ACN 096 090 158

### DIRECTORS

John Grill, AO (Chair)  
Andrew Liveris, AO (Deputy Chair and Lead Independent Director)  
Wang Xiao Bin  
Juan Suárez Coppel  
Joseph Geagea, appointed 1 July 2023  
Thomas Gorman  
Roger Higgins  
Anne Templeman-Jones  
Christopher Haynes, OBE, resigned 30 June 2023  
Martin Parkinson, AC  
Emma Stein  
Sharon Warburton  
Chris Ashton (Chief Executive Officer and Managing Director)

### GROUP COMPANY SECRETARY

Nuala O'Leary

### REGISTERED OFFICE

Level 17  
141 Walker Street  
North Sydney NSW 2060  
+61 2 8923 6866

### AUDITORS

PricewaterhouseCoopers ('PwC')

### BANKERS

Arab Banking Corporation  
Banco Bilbao Vizcaya Argentaria, S.A.  
Bank of America, N.A.  
Bank of China  
Barclays Bank PLC  
BNP Paribas  
Commonwealth Bank of Australia  
Deutsche Bank AG.  
First Abu Dhabi Bank  
HSBC Bank  
ING Bank N.V.  
Mizuho Bank, Ltd  
Royal Bank of Canada  
Standard Chartered Bank  
The Saudi British Bank  
U.S. Bank National Association  
UBS AG  
Wells Fargo Bank, N.A.  
Westpac Banking Corporation

### LAWYERS

Herbert Smith Freehills

### SHARE REGISTRY

Computershare Investor Services Pty Limited  
Level 3, 60 Carrington Street  
Sydney NSW 2000  
Australia  
Phone: 1300 850 505

### Disclaimer

This Report contains forward-looking statements, including statements regarding climate change and other environmental and energy transition scenarios. While these forward-looking statements reflect the Group's expectations at the date of this Report, they are not guarantees or predictions of future performance or outcomes. They involve known and unknown risks and uncertainties, which may cause actual outcomes and developments to differ materially from those expressed in the statements contained in this Report.

There are also limitations with respect to the scenario analysis which is discussed in this Report, and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis is not an indication of probable outcomes and relies on assumptions that may or may not prove to be correct or eventuate.

The Group cautions readers against reliance on any forward-looking statements or guidance, particularly in light on the long time horizon which this Report discusses and the inherent uncertainty in policy, market and technological developments in the future. The Group makes no representation, assurance or guarantee as to the accuracy, completeness or likelihood of fulfilment of any forward-looking statement, any outcomes expressed or implied in any forward-looking statement or any assumptions on which a forward-looking statement is based.

Except as required by applicable laws or regulations, the Group does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events.

