

Delivering a more sustainable world

ANNUAL REPORT 2022



Worley: A global company, headquartered in Australia

We are a **leading global provider** of professional project and asset services in the energy, chemicals and resources sectors.

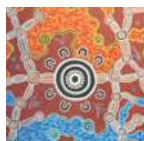
We are driven by a common purpose...
...delivering a more sustainable world.

We are Australia's largest exporter of knowledge-based services. We use this position to support our customers with solutions to the challenges they face. This is how we can best support sustainable development and is a consistent theme throughout our Annual Report.

We are also delivering on our own sustainability commitments and strengthening our own ESG performance. Our commitments are detailed in the ESG disclosures section.

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Worley acknowledges and pays respect to the past, present and future Traditional Custodians of Country throughout Australia and extends this acknowledgement and respect to First Peoples in all countries in which we operate. In Australia, it is Aboriginal and Torres Strait Islander Peoples who have cared for and sustained this land, its animals, plants and waters for more than 60,000 years. We recognize the continuation and importance of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander Peoples.

Artwork by Baard Baniol artist Marlie Albert from Broome, Western Australia, for Worley.

Our business value drivers

This year, we've integrated our sustainability content throughout the Annual Report.

Sustainability includes the work we do for our customers as well as our own commitments. As part of this year's change, we have included an ESG disclosures section within the Operating and Financial Review, detailing our own commitments. This is represented by a green tab and can be found from page 74. The sustainability work we do for our customers is defined and showcased throughout all other sections. This is part of a shift towards reporting in alignment with the International Integrated Reporting (<IR>) Framework which describes various forms of capital that organizations commonly depend upon to create value. We have grouped and defined these capitals into business value drivers to structure our disclosures, outlined below.



Finance (Financial capital)

Active capital management from diverse and competitive sources, driving business growth and value for our investors.



Knowledge, technology and data (Intellectual capital)

What we know – our brand, execution methodologies, intellectual property, data, technology, knowledge and insights – together driving efficiency and productivity.



Equipment and fabrication (Manufactured capital)

Manufactured equipment and modules for the Energy, Chemicals and Resources sectors, supporting delivery of critical infrastructure.



Environment (Natural capital)

How we consider the environment with all stakeholders, stewarding environmental sustainability.



People (Human capital)

How we support and include our global team to safeguard and enhance their well-being, helping them to drive sustainable impact.



Communities (Social and relationship capital)

Strong relationships within our sectors - with our people, customers, investors, communities and governments - building trust and license to operate.

Our material issues for FY2022

In this report, you'll find disclosures about our material sustainability issues in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

Our assessment also identified other issues that are important to our stakeholders and to our business. You'll see our action on these UN Sustainable Development Goals (SDGs) as they apply to the work we do for our customers, noted throughout this report. We also describe these in relation to how we run our business in the ESG disclosures section.

See our Materiality assessment (see page 56) and [ESG data center](https://www.worley.com/sustainability/esg-data-center)¹ for more information.

Progressing sustainable development

Our assessment identified the following four UN SDGs that are material to Worley and our stakeholders.



Refer to disclaimer on the inside back cover.

¹ <https://www.worley.com/sustainability/esg-data-center>.

Sustainability

We've come a long way on our journey to delivering a more sustainable world

We are supporting our customers on their sustainability journeys and operating consistent with our purpose.

2011

Released our Corporate Responsibility policy

2013

Included sustainability content in our Annual Report

Launched our WorleyParsons Foundation (renamed Worley Foundation in 2019)

2015

Conducted third-party limited assurance of ESG metrics

2017

Commenced reporting to GRI Standards

Adopted UN SDGs



Commenced voluntary reporting of our tax activities and contributions globally

2012

Became a signatory to the UN Global Compact



2016

Set our first corporate energy-reduction target

2010¹

Launched EcoNomics™ to support sustainability in project decision-making and design

Commenced our first year of CDP reporting



2014

Launched our group-wide energy efficiency program

¹ All years for our sustainability journey are presented as calendar year.

2019

Established our Waste Warriors employee network

Supported climate change research through the Worley Foundation

2018

Released our Climate Change Position Statement

Launched our Responsible Business Assessment Standard (including carbon emissions)

Commenced reporting under the Taskforce on Climate-related Financial Disclosures (TCFD)

2021

Established our Company ambition to realize our purpose (see page 21)

Commenced reporting on revenue from sustainability related work (see page 27)

Joined the Business Ambition for 1.5°C

Became an industry partner of Princeton Andlinger Center for Energy and the Environment (see page 96)

Set a net-zero by 2050 target for our Scope 3 emissions

Issued the first ASX sustainability-linked bond

Published our first Group Modern Slavery Statement

Committed to \$100m strategic investment in organic growth (see page 28)

2020

Released our new Company purpose

Revised our Climate Change Position Statement

Set our net-zero Scope 1 and Scope 2 emissions targets for 2030

Launched our Sustainable Solutions process

Launched our *Reflect* Reconciliation Action Plan in Australia

Commenced work towards Progressive Aboriginal Relations (PAR) certification in Canada

2022

Updated engineering design specifications to embed sustainability thinking (see page 102)

Expanded our Scope 3 Emissions disclosures (see page 77)

Took action from the findings of our inclusion survey (see page 93)

Strengthened ESG in our remuneration framework (see page 130)

Achieved above 10,000 staff-learning accreditations in sustainability-related topics

Launched our updated Climate Change Position Statement (see page 75)

Piloted our Appreciate program, our peer-to-peer values recognition program (see page 92)

3,300+
project experiences in energy transition to date

Group highlights

Delivering our ambition



Our people

We energize and empower our people to drive sustainable impact

Achievements

- Over 33,000+ digital and sustainability-related learning accreditations issued
- Well managed voluntary turnover, slightly under the industry average
- Piloted two inclusion programs with over 460 of our leaders
- 85% of our people trained on data privacy and cyber security

Key performance indicators

47%

Graduates recruited were women up from 46% in FY2021

0.06

Serious case frequency rate (SCFR) down by 0.01 since in FY2021



Our portfolio

We are our customers' most trusted partner, providing best-in-class solutions

Achievements

- Underlying EBITA margin of 6.0%, up from 5.3% in June 2021
- \$3.2b sustainability aggregated revenue (35% of total), up from \$2.8b at 30 June 2021
- Backlog at \$15.4b, up from \$14.3b at 30 June 2021
- 56% of global factored sales pipeline in sustainability, up from 47% at June 2021

Key performance indicators

80%

Of our top 20 customers by revenue have net-zero commitments

14%

Growth in gross margin delivered in sustainability projects from FY2020



Our planet

We partner with customers as stewards of a more sustainable world

Achievements

- Strengthened our ESG disclosures in line with leading practice
- Launched our updated Climate Change Position Statement
- On track to meet our 2030 Scope 1 and Scope 2 net-zero commitment
- Developed second thought leadership paper with Princeton to be released in early September 2022

Key performance indicators

29%

Scope 1 and Scope 2 emissions reduction from FY2021

11 out of 13

Applicable Scope 3 Categories of the Greenhouse Gas Protocol we are now reporting on

Expanded our Scope 3 reporting from FY2021

We use select ESG key performance indicators as part of our remuneration framework. Read more on page 130.

Our ESG recognition

AAA

Rated by MSCI
Sixth consecutive year

B

CDP score
"Management" grade,
up from C in FY2021, now
exceed global average

Sustainability leader

Sustainability Leaders
List for 2022

Recognized 'category innovator'
in Australian Financial Review

ISO 27001

Certified and aligned
to ACSC
Essential 8 Maturity Model

Financial performance at a glance⁵

\$9,065m

Aggregated revenue

\$449m

EBITA

\$243m

NPATA

\$316m

Cash flow from operations

\$m	2018	2019	2020 ⁴	2021 ⁴	2022	% change
Aggregated revenue ¹	4,749	6,439	11,249	8,774	9,065	3%
EBITA	278	308	481	319	449	41%
EBITA margin	5.9%	4.8%	4.3%	3.6%	5.0%	1.4pp
NPATA	73	173	239	157	243	55%
Net profit margin	1.5%	2.7%	2.1%	1.8%	2.7%	0.9pp
Cash flow from operations ²	260	236	829	533	316	(41%)
Return on equity	6.8%	5.1%	5.1%	3.1%	3.9%	0.8pp
Basic EPS normalized (cents) ³	27.1	41.3	45.9	30.1	46.4	54%
Basic EPS (cents)	22.6	36.4	30.3	15.7	32.8	109%
Dividends (cents per share)	25	27.5	50	50	50	-

¹ Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, pass-through revenue at nil margin and interest income. The directors believe the disclosure of revenue attributable to associates provides additional information in relation to the financial performance of the Group.

² FY2020 cash flow excludes lease liability payments (\$147 million) in accordance with AASB 16 Leases, adopted on 1 July 2019.

³ Before amortization of intangibles, including tax effect of amortization expense.

⁴ FY2020 and FY2021 prior periods have been restated. Refer to note 2E in the financial statements.

⁵ All figures are statutory.

Operational priorities



Operational excellence

- Quality of earnings improvement
- Utilization targets
- Resource management
- Working capital management

Achievements

- Utilization above target (87%+)
- 73% growth in GID hours; GID utilization at 12.2%, up from 7.1% at 30 June 2021
- DSO is 63 days, a reduction of 5 days from 30 June 2021
- ~80% of aggregated revenue from reimbursable contract types



Capital management

- Focus on cash realization
- Capital management strategy supports growth plans

Achievements

- Gearing is at levels supportive of future growth
- We have good liquidity and access to flexible, competitively priced debt capital sources
- Our operating cash result delivered in the second half is in line with our earnings



Transformation

- \$100m organic investment in our growth

Achievements

- Leadership appointments complete across all priority initiatives
- Repeatable automation solutions progressing
- Strategic collaboration with IBM and ABB
- Digitally enabled solution helping energy companies build and operate green hydrogen facilities more efficiently and at scale
- Capability building and internal training programs under development



Cost base

- Maintain cost discipline
- Operational leverage through growth

Achievements

- Maintained our cost base at the low levels achieved at FY2021
- We have operational leverage
- Delivered annualized operational savings of \$361m by 30 June 2022



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We hold a leadership position in stewarding towards a more sustainable world. Our biggest role is in supporting our existing and emerging customers to reach and operate at net zero. "

Chair's letter

Our transformation has positioned us as a leader in sustainability solutions across the markets we serve



John Grill AO
Chair and Non-Executive Director

This year, we've consolidated our position as a leading provider of sustainability solutions in the markets we serve and established a scalable business that facilitates value growth in the future.

We've also delivered a result consistent with market improvement and made significant progress towards achieving our own ESG commitments, and our investments to accelerate our strategy in key growth areas are already delivering benefits.

This year, we faced into a continued period of volatility across our industries. The COVID-19 pandemic, geopolitical tensions and extreme weather events have had a profound impact on all of us and our markets. In March of this year, we announced our planned withdrawal of our services from Russia and will not enter into new contracts with Russian-controlled entities. Consistent with our purpose and values, we're supporting our people who have been affected, including through the inbound provision of medical, clothing and other life-sustaining supplies.

Concerns around energy security, climate change and our customers supply chain constraints are driving the need for new infrastructure in the energy, chemicals and resources sectors. We have a critical role to play in providing the solutions for our customers as they invest in their traditional businesses whilst moving towards a low-carbon future.

Our success is a result of the extraordinary efforts of our people

We want to express our deep gratitude to our people for their ongoing commitment, flexibility and courage: for the way they've supported each other, shown respect for our communities and delivered remarkable solutions for our customers. Our people are our most important asset, and our highest priority is to keep them safe and well and feeling included and respected. Our teams have industry leading safety performance – this year, our Total Recordable Case Frequency Rate was 0.16 across the Group¹.

By recognizing and investing in our people's talents, experience and potential, we foster a diverse and inclusive workplace. Almost half of the graduates we hired during the year are women. We actively support the communities we work in. Examples include:

- our partnerships with First Nations groups in Canada, the US, Papua New Guinea and Australia
- our "Unlock your genius" educational series for school students, encouraging the children of today to engage in STEM
- our Worley Foundation, creating shared value and connecting the diverse skill sets of our people to support communities
- our Life Matters program, raising awareness about mental, social and physical well-being. This year, we've grown our network of mental health champions.

¹ TRCFR – Total Recordable Case Frequency Rate, based on the number of cases per 200,000 hours worked.

Chair's letter

We've delivered improved earnings

In FY2022, our underlying EBITA grew by 18%, compared with FY2021. We delivered an aggregated revenue of \$9,065m (up 3% from FY2021) and at an increased margin of 6%. This was in line with our expectations. We distributed a dividend of 50 cents per share to our shareholders.

We delivered ongoing benefits through our cost savings programs. In aggregate, we've achieved our operational cost savings target six months ahead of schedule, delivering \$361m of annualized savings by the end of June 2022. We're on track to deliver on our increased target of \$375m by June 2023, based on completing our shared services program. Our cost savings initiatives involve permanent structural changes. These will allow us to scale the business and continue to realize operational leverage as we grow.

We maintained our sound financial capital management position. Gearing is at levels supportive of future growth. We have good liquidity and access to flexible, competitively priced debt capital sources. This financial year, we invested \$30m to accelerate our sustainability competencies.



80% of our top 20 customers by revenue have net-zero commitments, and they are turning to us to provide the expertise, agility and scale to bring efficiency and commercial viability to their decarbonization projects.

We've made significant progress towards realizing our own ESG goals

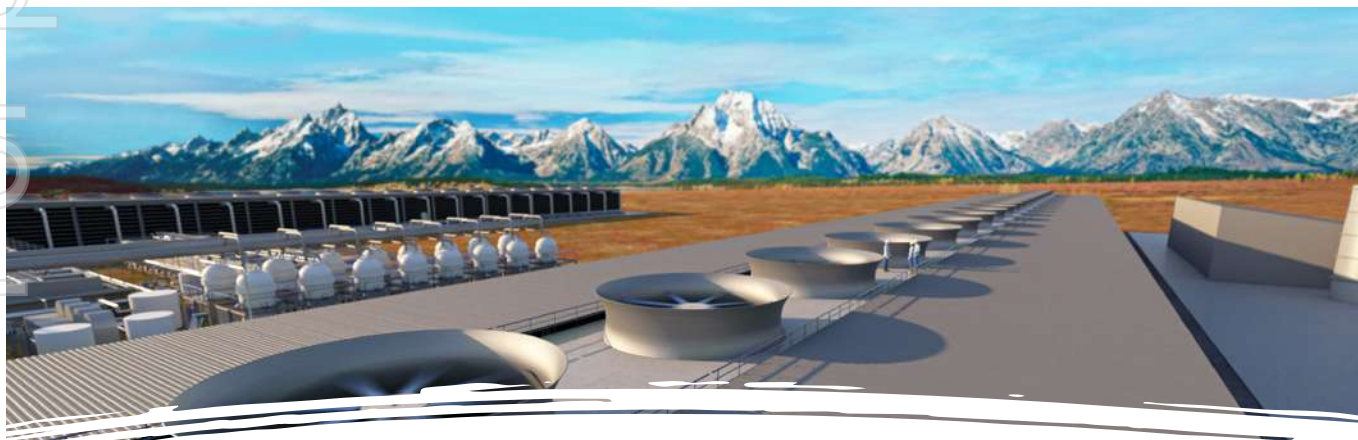
We evolved our environmental, social and governance practices to elevate our performance. The following examples highlight how our commitments are embedded in our culture:

- we now have a 20% weighting for ESG metrics in our senior leaders' short-term incentives business scorecard
- our Scope 1 and Scope 2 emissions reductions remain on target
- we're developing and delivering on our inclusive workplace, including developing training modules on unconscious bias and respect in the workplace
- we've taken a stand on sexual harassment, completing a pilot project in Australia. We're poised to take these actions globally.

We're poised for further growth

This year, we've seen activity levels return as the markets we serve continued to adapt to the impacts of the COVID-19 pandemic. Increased customer confidence is driving capital expenditure, albeit at different rates, across our regions. And we're starting to see our business scale up in line with increasing investment across all our sectors. The traditional work we do continues to be an important part of our future, with our sustainability related work providing opportunities for a higher rate of growth.

As we move forward, we recognise that attracting and retaining talent in the current market is a key challenge, and we're actively taking steps to address this. We're taking a holistic approach, ensuring we have an appropriate remuneration framework and that we offer development opportunities, challenging projects to work on and a values-based culture.



Direct air capture to fuels project with Oxy Low Carbon Ventures and Squamish Huron Clean Energy Corporation.

ALLY Energy GRIT awards

Our People Network Groups, representing our Black employees and women, were recognized in the team awards

First Nations of Canada

We've reached the 'Committed' Level in our Progressive Aboriginal Relations (PAR) certification

'Learning At Worley'

Over 233,000 visits to our internal learning platform during FY2022

Chair's letter

We operate responsibly

We're always strengthening the governance and operational controls we have in place to reinforce a culture of acting lawfully, ethically and responsibly.

- our Responsible Business Assessment process ensures that all customers and projects meet our criteria for responsible business practice
- later this year, we'll issue our second Group Modern Slavery Statement which shows our commitment to combatting human rights abuses
- our Data Protection Office governs compliance of our cyber security program with global data protection requirements, as specified in Australia, Europe, the US and other jurisdictions in which we work.

Maintaining and enhancing our reputation for integrity, honesty and ethical practices is important to the Board and underpins our future success. We comply with all applicable laws and conduct our business to the highest standard. We engage with partners and agents that apply the same high standard. We take action when we become aware of non-compliance to these practices.

We made changes to the Board and Management

In November 2021, Thomas Gorman stepped down as Chair of the People and Remuneration Committee. He remains a member of the People and Remuneration Committee, the Health, Safety and Sustainability Committee and the Nominations Committee.

Emma Stein has assumed responsibilities as Chair of the People and Remuneration Committee. Emma is now also a member of the Health, Safety and Sustainability Committee.

In February 2022, Andrew Liveris retired as a member of the Health, Safety and Sustainability Committee. He remains Deputy Chair of the Board, a member of the People and Remuneration Committee and a member of the Nominations Committee.

On 29 November 2021, we welcomed Tiernan O'Rourke as Chief Financial Officer of the Group. Tiernan brings with him 30 years' experience in financial, commercial and planning roles across a range of industries, sectors and regions.

We thank Charmaine Hopkins for her time as Interim Chief Financial Officer of the Group. Charmaine has now been appointed to the role of Deputy Chief Financial Officer of the Group.

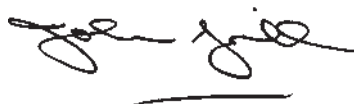
We have a strong governance program

The Group recognizes its responsibilities to its shareholders, customers, employees and suppliers as well as to the communities in which it operates. The Board ensures the Group meets all safety, performance and governance standards. It has ultimate authority over the Group and sees corporate governance as critical to meeting its objectives. For these reasons, the Board has adopted appropriate charters, codes and policies and established various committees to discharge its duties.

Finally, thank you

Thank you, shareholders, for your continued support. Thank you to our directors, leadership team and, most importantly, to our people. We have a business that is diversified across end markets and geographies and places us as a global industry leader in new and emerging sustainability markets. We're delivering on our commitments in line with our expectations and continue to see momentum building in line with our strategic transformation.

I look forward to working with you to create an exciting future for our Company.



John Grill AO

Chair and Non-Executive Director

Board of Directors



John Grill AO
Chair and Non-Executive Director

John is Chair of the Board and Chair of the Nominations Committee. He is a member of the Health, Safety and Sustainability Committee and the People and Remuneration Committee.



Andrew Liveris AO
Deputy Chair, Lead Independent Director and Non-Executive Director

Andrew is Deputy Chair and Lead Independent Director of the Board and a member of the People and Remuneration Committee and the Nominations Committee.



Thomas Gorman
Non-Executive Director

Thomas is a member of the People and Remuneration Committee, the Health, Safety and Sustainability Committee and the Nominations Committee.



Anne Templeman-Jones
Non-Executive Director

Anne is Chair of the Audit and Risk Committee and a member of the Nominations Committee.



Roger Higgins
Non-Executive Director

Roger is Chair of the Health, Safety and Sustainability Committee and a member of the Nominations Committee.



Wang Xiao Bin
Non-Executive Director

Xiao Bin is a member of the Audit and Risk Committee and the Nominations Committee.



Sharon Warburton
Non-Executive Director

Sharon is a member of the Audit and Risk Committee and the Nominations Committee.



Christopher Haynes OBE
Non-Executive Director

Christopher is a member of the Health, Safety and Sustainability Committee, People and Remuneration Committee and Nominations Committee.



Juan Suárez Coppel
Non-Executive Director

Juan is a member of the Audit and Risk Committee and the Nominations Committee.



Emma Stein
Non-Executive Director

Emma is Chair of the People and Remuneration Committee and the Health, Safety and Sustainability Committee and a member of the Nominations Committee and the Health, Safety and Sustainability Committee.



Martin Parkinson AC
Non-Executive Director

Martin is a member of the Audit and Risk Committee and the Nominations Committee.



Nuala O'Leary
Group Company Secretary



Chris Ashton
Chief Executive Officer and Managing Director

For detailed information on Directors and the Group Company Secretary, see pages 121 to 125.

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Our strategy is well progressed as the world's imperative to meet net zero continues to build momentum."



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CEO's letter

This is the decade of action, and we're leading the way in delivering smarter, bolder solutions for our customers as well as delivering on our own sustainability commitments



Chris Ashton
Chief Executive Officer and Managing Director

The world is moving towards net zero and addressing global energy security and sustainability challenges. The complexity, scale and rate of change we're facing into will be unlike anything we've seen in our lifetimes.

Solving these multi-generational challenges is what inspires us. This year, we've been at the forefront of delivering first-of-a-kind commercial-scale solutions in engineering, logistics, technology and project delivery as we support our customers on their own journey.

Our people are our most important asset

We have more than 51,000 of the brightest minds in our industry. We're united and motivated by our purpose, and by our role in tackling our existing and emerging customers' complex challenges. The ways we've transformed our business have uniquely positioned us for success – both now and in the future. And with knowledge, data and technology, we're giving our customers solutions to challenges they've never faced before.

None of our past or future achievements would be possible without our exceptional people, who inspire me every day. It's the collaborative creativity and agility they show that sets us apart and exemplifies the spirit of Worley.

We believe in the safety, health and well-being of our people, communities and environment. Without this, nothing else matters.

I'm deeply saddened by the events in Ukraine – at times like these, our values of Life and being Stronger Together are so important. We prioritized taking care of our people who were affected, including those in Ukraine and Russia, as we lived our values. We've started safely withdrawing our services from Russia. We're still supporting all our people and the communities we work in, and showing the respect and courage that reflects our Worley culture.

The current global context provides a background of challenge and opportunity for our business

We continue to witness emerging events that impact the industries and communities we serve. We've seen the impacts of the Russia/Ukraine conflict on energy markets as regions grapple to secure energy independence. We expect to see an acceleration in the development of diverse energy supplies, including energy from low-carbon sources, and an increase in near-to-medium term gas investment to reduce reliance on Russian supply.

There's no doubt that we're seeing workforce movement across society and businesses. Delivering in this environment is underpinned by our people. We're committed to an inclusive and respectful culture and developing our people as we transform and build the critical skills and capabilities to strengthen our business resilience and accelerate growth.

CEO's letter

I'm proud of the results we've delivered this year

We've executed our strategy and delivered results in line with our expectations. We're benefiting from our early-mover positions in growing sustainability areas.

These results are indicative of continued market expansion in both our traditional and sustainability related work.

We have delivered an improved result against a backdrop of geopolitical and economic challenges. This is a direct result of the changes we've made to our business. We've set up a scalable business, and we're delivering ongoing benefits from our cost-saving programs.

We improved the quality of our earnings. Key factors contributing to this result are a continuing improvement in rate, particularly in sustainability-related professional services, and the retention of benefits from our costs savings program which is increasing our operating leverage. Our traditional revenue has remained steady and our revenue from sustainability related work has grown by 13%. Sustainability related work now accounts for over 35% of our total revenue¹.

We've seen momentum growing in the second half. Aggregated revenue and underlying EBITA are up 8% and 18% respectively in H2 FY2022, compared with H1 FY2022.

The strategic progress on our transformation is well advanced. We have continued to see growth in our backlog and factored sales pipeline across both our traditional and sustainability related work. With sustainability related work now greater than 50% of our factored sales pipeline, we expect the contribution from sustainability related work to continue to grow which should translate to higher quality of earnings.

We're uniquely positioned across high-growth markets

As a global leader in the sectors we serve, we have an important role to play in high-growth markets.

Our customers are straddling two worlds. They're investing in their traditional businesses as well as in the sustainability projects. We're helping our customers to electrify, improve efficiency, abate emissions and decarbonize power generation and supply chains.

A wave of sustainability spend is coming, and we are in a leadership position

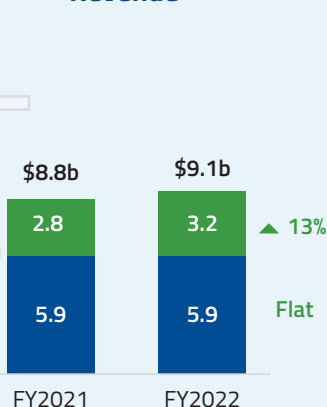
In order for the world to meet net zero by 2050, it's anticipated that a fourfold increase in global energy investment will be required over the next 30 years², compared to the past 30. The types of projects required to achieve a more circular economy, net-zero emissions and better results for our societies are complex, require deep knowledge and need the ability to scale-up globally.

\$131 trillion

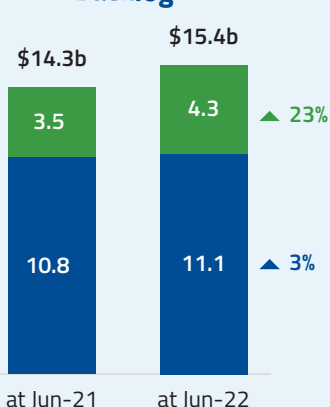
Total capex investment requirement for net zero by 2050²

We have strong capability in areas like hydrogen, battery materials, low-carbon fuels and carbon capture, use and storage. And we deliver projects at scale and in new and innovative ways, including through digital solutions.

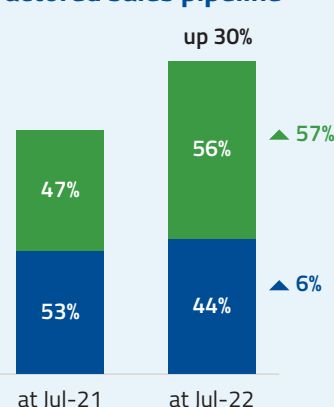
Revenue¹



Backlog³



Factored sales pipeline⁴



■ Traditional ■ Sustainability

¹ See page 27 for how we define traditional and sustainability related work.

² The State of the Global Energy Transition in 2021, Aurora Energy Research, September 2021.

³ Backlog definition provided on page 213. Backlog is not in constant currency, based on exchange rates as at 30-June.

⁴ Factored for likelihood of project proceeding and being awarded to Worley.

We're accelerating our growth in targeted areas

We're making a strategic investment of \$100m in organic growth over three years to accelerate our sustainability solutions, digital enablement and process technology. We're now one year in, and we've made good progress in building our capabilities. We've done this through strategic hires, attaching established senior leaders to each of our initiatives and recruiting subject-matter experts. We are already seeing the early benefits. Demand projections and our traction to date suggest many of these markets will become material businesses for us. For example, in FY2022 compared with FY2021, the following increases were achieved:

- Copper: 185% increase in sales pipeline
- Low-carbon hydrogen: 70% increase in number of project wins
- Low-carbon fuels: 75% increase in sales pipeline.

We've built numerous strategic partnerships that differentiate us in key markets

- We're collaborating with IBM and ABB on a digital system to help energy companies build and operate low-carbon hydrogen facilities more efficiently and at scale.
- We've reached the construction phase of our partnership with Avantium for a world-first commercial-scale bioplastics facility. We have an equity investment in this project and a technology partnership agreement for future developments.

We're leveraging our strengths

In FY2022, we announced our ambition to be recognized globally as a leader in sustainability solutions within five years. There are three pillars to this ambition: our People, our Portfolio and our Planet. Each pillar has measurable objectives, which we use to inform and guide our decisions.

We're investing in our People

We're facing a very buoyant talent market. It's one of the most challenging talent markets we've faced into for some time. We've sharpened our people strategy to focus on two very clear areas.

The first area is strengthening the Worley experience. Our Worley culture is what we're most proud of and sets us apart. We're continuing to evolve our culture in an inclusive way such as our Diversity and Inclusion (D&I) leadership development program.

The second area of focus is building the right environment to both attract and retain critical capabilities at scale. Our digital learning platforms are enabling re-skilling of our people and mobilizing talent in new and agile ways.



Breaking ground at the Avantium bioplastics facility in the Netherlands.



People-based initiatives

Development and re-skilling

- Over 33,000 digital and sustainability-related learning accreditations issued in FY2022
- Competitive flexible working practices

Values and behaviors

- Piloting Appreciate, our peer-to-peer values recognition program, in five countries

Safety and well-being

- 300 passionate mental health champions across 30+ countries
- 11,000+ virtual participants in safety week

Remuneration

- Competitive framework with regular benchmarking
- Attractive terms and conditions

Attraction and retention

- New tools to acquire and develop the right skills
- Development opportunities and challenging work

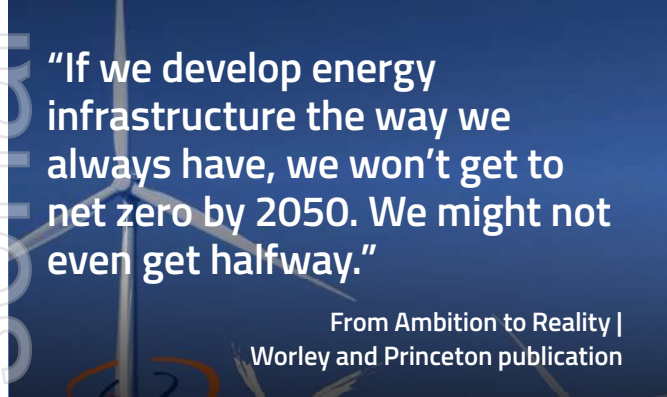
CEO's letter

Our Portfolio shows the kind of business we aspire to be

We aspire to be our customers' most trusted partner, providing best-in-class solutions.

This year, I created two new business functions on my executive team: Information and Digital Delivery (I&DD) and Technology Solutions. This will help us fast track the development of our capabilities in these areas – and deliver increasingly more innovative solutions across our strategic priorities.

Our customers say our digital capabilities are a key differentiator when combined with our project-management experience, domain expertise and global scale. For example, we've partnered with 1PointFive on the first commercial-scale Direct Air Capture (DAC) development for removing CO₂ from the atmosphere. Through this partnership, we're exploring next-generation technology, materials and manufacturing approaches, based on a circular economy. This will help with the DAC facility's sustainability and capital efficiency.



"If we develop energy infrastructure the way we always have, we won't get to net zero by 2050. We might not even get halfway."

From Ambition to Reality |
Worley and Princeton publication

Our Planet reflects our own commitments and how we support those of our customers

We're making good progress towards achieving our own commitments.

We updated our Climate Change Position Statement, and it now better reflects our role in:

- decarbonizing the energy, chemicals and resources sectors
- supporting asset resilience
- protecting biodiversity
- supporting an inclusive transition.

We're also keeping up our commitment to the initiatives and principles of the UN Global Compact and achieving the UN SDGs.

We've reduced our Scope 1 and Scope 2 emissions by 29% from FY2021 to FY2022

We've done this mainly by switching offices and fabrication yards to renewable energy and by converting some of our fleet to hybrid vehicles and biofuels. Our success with remote

working means that we expect that our level of travel will remain well below pre-COVID-19 pandemic levels. We'll seek to keep reducing our carbon footprint with fundamental changes to the ways we use energy.

We're at the forefront of thinking around sustainability

We brought industry leaders and government representatives together at a round-table discussion at the 26th UN Conference of the Parties (COP26). This event reminded us that collaboration is vital for the pathway to net zero.

I met with leaders at the World Economic Forum in Davos, Switzerland. The mood was one of hope and of collaboration towards an inclusive transition and momentum on climate change commitments.

We're using our real-world project expertise to help our industry overcome the challenges that come with a mid-century net-zero target – and to understand the mix of technologies and the scale of infrastructure we'll need. We'll be releasing part two of our 'From Ambition to Reality' series with the Princeton Andlinger Center for Energy and the Environment. In part two, we develop indicators to measure the shifts needed to deliver net zero at the required pace and scale.

We're a cornerstone supporter of the Net Zero Australia project. This project delivered interim findings this year on possible roadmaps to net zero.

Momentum is building, and we're making good progress towards achieving our ambition

This year, we've delivered growth in revenue and earnings, and we have a scalable business that is benefiting from operating leverage. We've delivered this despite the challenges stemming from the geopolitical instability in Europe and the COVID-19 pandemic. Our transformation has positioned us as a leader in high-growth markets. We have trusted relationships with our existing and emerging customers, and we celebrate and respect the diverse thinking of our people and our unique culture. Our commitment to sustainability and social well-being is what, I hope, makes our people come to work every day feeling empowered to make a difference. I want to acknowledge our remarkable people and thank each and every one of them for their dedication.

To our shareholders, I want to say thank you for your support and for the confidence you have in your Company. We have an exciting future, aligned with our purpose; delivering a more sustainable world.



Chris Ashton
Chief Executive Officer

Group Executive

The Group Executive is our senior leadership team. It comprises the leaders of our regions and functions. The Group Executive advises the Chief Executive Officer with regard to the planning, development and efficient functioning of our global business¹.



Chris Ashton
Chief Executive Officer



Tiernan O'Rourke
Chief Financial Officer



Karen Sobel
Group President
Americas



Mark Brantley
Group President
EMEA and APAC



Mark Trueman
Executive Group Director
Growth



Sue Brown
Executive Group Director
Sustainability



Geeta Thakorlal
Executive Group Director
Information and Digital Delivery



Andrew Berryman
Executive Group Director
Technology Solutions



Vikki Pink
Chief People Officer



Nuala O'Leary
Group Company Secretary



Larry Kalban
Group General Counsel
Legal



Francis McNiff
Executive Group Director
Transformation

¹ As at end of FY2022.

Context and strategy

The world we operate in

The context and strategy section describes the external environment that is changing our business and the sectors that we serve and how we're responding to this.

Our world is changing, and we're taking action

Over the past year, we've seen continuing and new events shape our environment, society and economy. These events are changing the markets we serve.

They're driving sustainability investment across sectors – giving us more opportunities to grow our sustainability related work. We're in a strong position to solve our customers' challenges in adapting to a more sustainable low-carbon future.

Below, we outline five macro trends of specific importance to our business.

1. This is the decade of climate action

We're supporting our customers on their journey to low-carbon business models. The recent Intergovernmental Panel on Climate Change (IPCC) reports say that the next eight years are critical for the future of our climate. We saw increased commitments at COP26, in November 2021, including the Glasgow Financial Alliance for Net Zero (GFANZ) – further growing the investment opportunity.

With our customers increasing their investments in this space, we're focused on a new paradigm to address the delivery challenge (see page 96).

In delivering net-zero emissions, we're supportive of an inclusive transition. And we must base our work on sustainable development principles. We play an important role in the delivery of low-carbon infrastructure. Our strategy is to bring our stakeholders on the journey and to make sure all of society benefits from our work (see page 25).

2. We must protect nature

Preserving and restoring the natural world is a key global issue. The world is expected to agree on a Global Biodiversity Framework as part of the Convention on Biological Diversity later this calendar year.

The connection between climate and nature provides us a significant opportunity: we can progress climate action while also working towards solutions to other environmental issues. We're now developing a plan to support biodiversity and nature positivity in our project work (see page 75).

3. Digitization is unlocking new opportunities

To deliver low-carbon infrastructure at an unprecedented scale, we'll need new ways of working.

Data and digital technologies are key accelerators for the energy transition and sustainability. The energy sector, in particular, is focused on making the most of existing assets and using new technologies, at scale, to ramp up decarbonization.

Our customers value the solutions we deliver through our digital capability (see page 68).

Image (left) taken by Bobby Weatherford, Construction Manager, as part of our Earth Day photo competition.

Image (middle) taken by Yinghao Ling, Vice President - Operations (China), as part of our Earth Day photo competition.



4. The tightening talent market

Over the past year, we've experienced significant change in the talent market and the ways society and business have responded. Worldwide we've seen workforce movement across industries and sectors, increased labor shortages and demand, along with expected wage growth.

Our people are central to achieving net zero and other sustainability challenges, and they are at the heart of our transformation. Optimizing the hire-to-retire journey for our people is a priority of ours. This is needed for us to achieve our ambition.

We're making sure our people are safe, healthy, respected and productive in their jobs. And we're investing in our people through development so they can develop the necessary skills to take on roles in sustainable projects (see page 91).

5. An increasingly unstable world

The world is changing at an ever-increasing pace. Emerging events continue to have an impact on our environment, society, and economy. These events provide a background of challenge and opportunity for our business. At the World Economic Forum in Davos, Switzerland, there was discussion around the mounting challenges from supply chain disruptions, shifts in labour markets, the impacts of inflation as well as the different speeds of adoption of the energy transition.

Russia's invasion of Ukraine is elevating the need for energy independence and security. Before the conflict began, approximately 40% of gas, 30% of oil and 50% of coal were being supplied by Russia to the European Union¹. The European Union is actively seeking to reduce its dependency on Russian gas. This opens up opportunities for gas importation to Europe, along with other energy sources.

We expect to see an acceleration in the development of diverse energy supplies, including low-carbon energy, in the near-to-medium term to reduce reliance on Russian supply.

We are well positioned to support our customers in all of these areas.

¹ Reference: European Commission, REPowerEU: Joint European action for more affordable, secure and sustainable energy, 2022

Our purpose, ambition and values

The industries we operate in are evolving in line with macro trends. And our customers are evolving their businesses to match their sustainability commitments. This gives us a leading role in supporting our customers with the solutions they need.

Our purpose - delivering a more sustainable world - is central to our transformation.

We're now ready for the next chapter. This year, we announced our ambition to become the global leader in sustainability solutions. Our values underpin both our purpose and ambition.

Purpose

Delivering a more sustainable world

Ambition

We will be recognized as the global leader in sustainability solutions

Values

We value Life

We believe in the safety, health and well-being of our people, communities and the environment. Without it, nothing else matters.

We Rise to the challenge

We love a challenge. We go the extra mile, delivering new and better solutions to complex problems.

We are Stronger together

We thrive in real relationships and partnerships. We nurture networks and collaboration. We recognize our differences make us stronger.

We Unlock brilliance

We are passionate about innovating and learning. We value, share and grow our expertise.

Our ambition is based on three measurable pillars: our People, our Portfolio and our Planet.



Our People

We energize and empower our people to drive sustainable impact

- We foster a safe, inclusive and innovative work environment that inspires our people
- We provide outstanding opportunities to learn, develop and drive sustainability
- We attract and retain top talent with diverse backgrounds



Our Portfolio

We are our customers' most trusted partner, providing best-in-class solutions

- We accelerate our growth and aspire to derive 75% of our revenue from sustainability-related business
- We implement new solution-based models, enabled by data, technology and automation
- We expand the value we bring to our customers, share in that value and ensure a higher return on investment



Our Planet

We partner with customers as stewards of a more sustainable world

- We commit to our own sustainability – reaching net-zero Scope 1 and Scope 2 emissions by 2030¹ and Scope 3 by 2050
- We partner with customers committed to driving sustainability – together we decarbonize value chains and steward resources
- We seek to be recognized globally for our leadership in sustainability

We're investing in line with these pillars as we build on our transformation. Every step we take is aligned with our purpose and underpinned by our values. And our ambition guides our strategy.

¹ We have an interim target of 50% reduction in FY2020 total Scope 1 and Scope 2 emissions by 2025.

How we create value

This year, we've included a value map to show how we create value for our stakeholders.

This is communicated through our business value drivers.

Our value map shows the range of resources and relationships we rely on to create value today and tomorrow.

The use of business value drivers is part of our shift towards alignment with the International Integrated Reporting <IR> Framework. They represent the forms of capital that we commonly depend upon to create value.

Inputs



Finance

(Financial capital)

Active capital management from diverse and competitive sources, driving business growth and value for our investors.



Knowledge, technology and data

(Intellectual capital)

What we know – our brand, execution methodologies, intellectual property, data, technology, knowledge and insights – together driving efficiency and productivity.



Equipment and fabrication

(Manufactured capital)

Manufactured equipment and modules for the Energy, Chemicals and Resources sectors, supporting delivery of critical infrastructure.



Environment

(Natural capital)

How we consider the environment with all stakeholders, stewarding environmental sustainability.



People

(Human capital)

How we support and include our global team to safeguard and enhance their well-being, helping them to drive sustainable impact.



Communities

(Social and relationship capital)

Strong relationships within our sectors – with our people, customers, investors, communities and governments – building trust and license to operate.

For personal use only

Purpose

Delivering a more sustainable world

Ambition

Our People

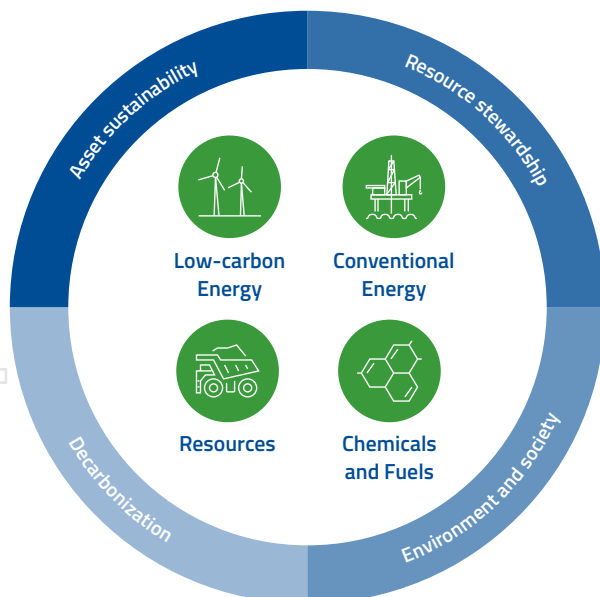
Our Portfolio

Our Planet

We support our current and emerging customers as they invest in their traditional businesses and move towards a low-carbon future

Our sustainability solutions drive economic, environmental and social impact across our sectors

Read more on page 27 for how we define our sustainability and traditional work.



Values



We value Life



We Rise to the challenge



We are Stronger together



We Unlock brilliance

Outcomes

We provide our customers with solutions to meet their business needs, including their sustainability commitments



Finance

Value creation and return to our investors

Read more on page 58.



Knowledge, technology and data

Well-executed, integrated and differentiated solutions for our customers

Read more on page 63.



Equipment and fabrication

Delivery of Energy, Chemicals and Resources infrastructure

Read more on page 71.

We're also delivering on our own sustainability commitments and strengthening our ESG performance



Environment

Stewardship of natural systems

Read more on page 74.



People

Empowered and energized to drive sustainable impact

Read more on page 88.



Communities

Stakeholder trust and social license to operate

Read more on page 95.

Context and strategy

Our current business

We're maintaining and growing our business profitability while pivoting and investing to address the demand for sustainability solutions.

We are Australia's largest exporter of knowledge-based services. We use this position to support our customers with solutions to the challenges they face. Business activities associated with professional services constitute more than 60% of revenue and more than 85% of earnings¹. This includes Advisian, our advisory and front-end consulting business.

Our global operations are now diversified across several end markets. Approximately 30% of revenue comes from each of the following markets: sustainability; traditional energy; and traditional chemicals. The balance is in traditional resources.

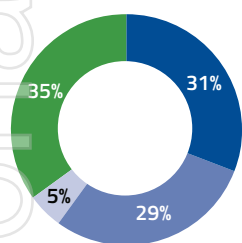
We hold leading positions in the sectors we serve, and we have balanced exposure to our customers' capital and operating spend. We operate under low-risk commercial models.

~80% of our work is reimbursable as at 30 June 2022. We don't have a material amount of competitively tendered lump sum turn key projects, and it is not in our strategy to increase exposure to such projects in the future.

Revenue from sustainability related work is 35% of total revenue. As one of the few global-scale services companies with capabilities in both traditional and sustainable technologies, we're already well positioned to benefit from increasing customer investment because of the current energy, chemicals and resources supply gaps across both traditional and sustainability related work.

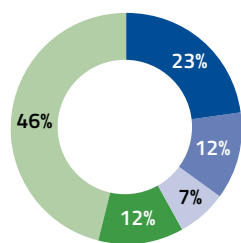
And we have a balance sheet that supports the strategic investments needed to accelerate our growth.

Traditional/sustainability aggregated revenue (%)



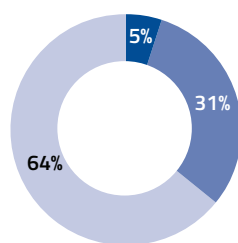
- Traditional energy
- Traditional chemicals
- Traditional resources
- Total sustainability

Regional aggregated revenue (%)



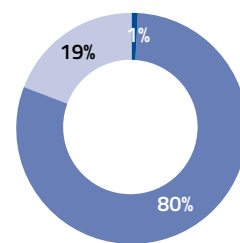
- Europe
- Middle East & Africa
- Asia
- Australia & New Zealand
- Americas

Type of services (%)



- Procurement²
- Construction & Fabrication
- Professional services

Contract type aggregated revenue (%)



- Lump Sum Turn Key (LSTK)
- Reimbursable
- Fixed price (excluding LSTK)



Team members from our JESA joint venture.

¹ Earnings refer to underlying EBITA.

² Nil-margin procurement is excluded.

Our strategy

As a leading service provider to the energy, chemicals and resources sectors, we have a key role in shaping and supporting the future of our addressable markets in the energy transition. We're building on a strong foundation and our ambition will be realized across the sectors we serve.

We recognize that this is the largest economic and societal transformation in history. We're accelerating sustainability-focused growth in traditional hard-to-abate sectors as well as in emerging markets.

The energy transition is a journey, and we are bridging two worlds. While we are moving towards more sustainable energy sources, we are also helping our customers in their traditional businesses to become cleaner, more efficient and digitally enabled.

Hard-to-abate sectors represent 81% of the global economy's carbon footprint¹, and we cannot deliver on our ambition without helping existing markets reduce emissions.

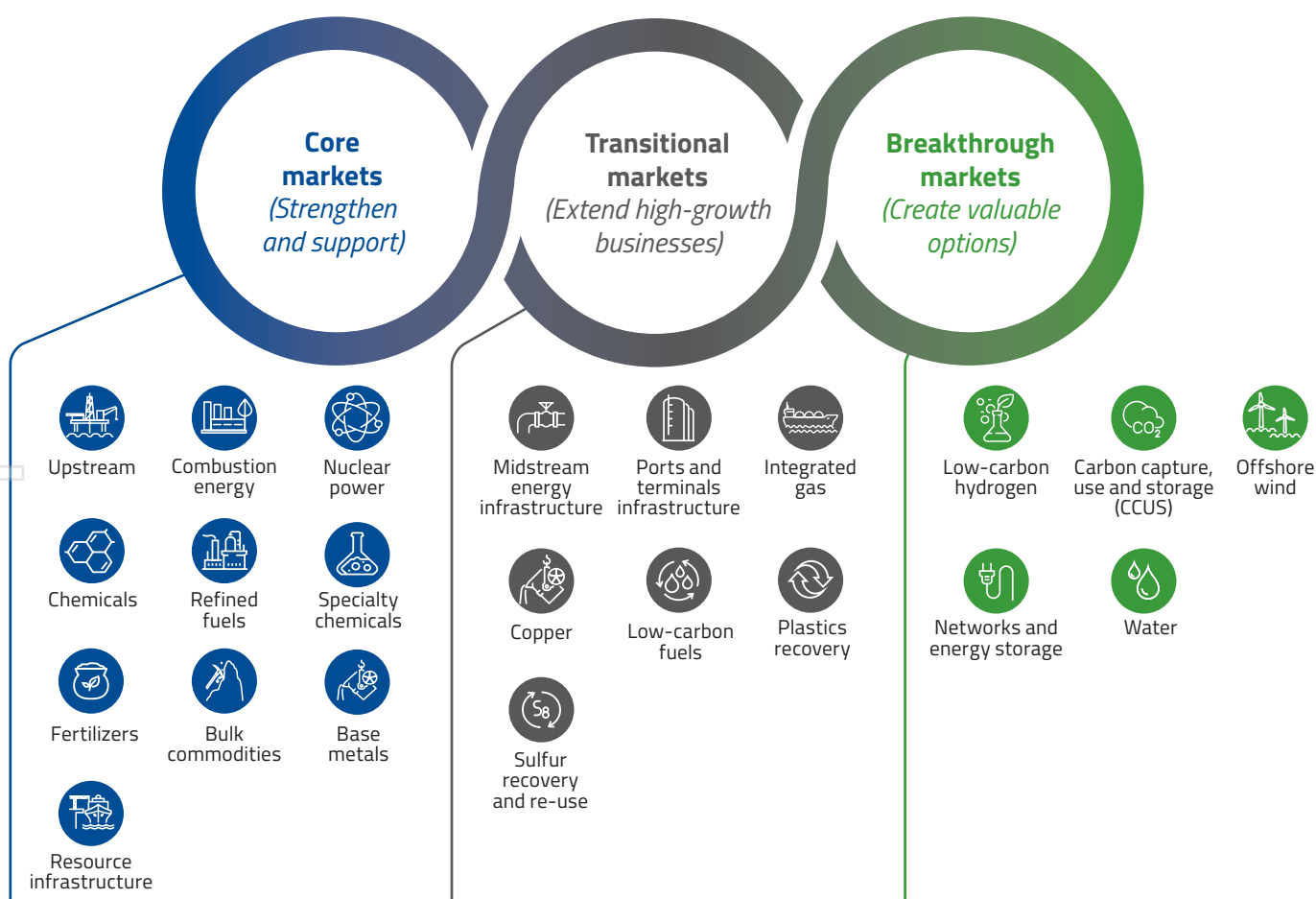
Our approach to growing new business opportunities is designed to bring focus and adaptability and to harness the strengths of our current business while building critical new capabilities.

Our strategy is to be a one-stop solutions provider for the energy, chemicals and resources sectors

Given the breadth and depth of our sectors, delivering our strategy will require us to take different approaches across our addressable markets. Our strategy recognizes that we play across three integrated markets: core, transitional and breakthrough.

We see our core markets evolving as we help our customers with the energy transition. We conduct both traditional and sustainability related work in our core markets. At the same time, we're building and extending high-growth businesses in our transitional markets. And we're creating valuable options in our breakthrough markets, where we're targeting rapid growth. We'll continue to grow our business across each of these markets.

Our markets span multiple sub-sectors across Energy, Chemicals and Resources



¹ Source: McKinsey & Company

How we help our customers

The energy transition is changing our existing and emerging customers' notion of value

Our customers are tackling critical business challenges as they navigate the energy transition – responding to technological, market, regulatory and societal change. Not only must our customers maximize the value of their assets, they must also do so with efficiency and in ways that achieve their net-zero ambitions while navigating complex stakeholder expectations.



Our customers trust us

We use our expertise and experience to address complex sustainability challenges. With our depth of industry knowledge and market leadership, we can deliver the best technical and advisory solutions across the entire value chain. As our customers' trusted partner, we deliver more than just projects – we deliver impactful solutions for their greatest business challenges.

We are a one-stop sustainability solutions provider

Our sustainability solutions cut across all our sectors (energy, chemicals and resources) and all our strategic markets (core, transitional and breakthrough).

Our four sustainability solutions are:

- **Decarbonization:** Reducing carbon dependence in our industrial systems. The goal is to address climate change, while keeping businesses sustainable and improving everyone's quality of life.
- **Resource stewardship:** Systems designed to replace the linear, end-of-life concept of waste and pollution. Resource stewardship is about sustainably keeping products and materials in use and regenerating natural systems.
- **Asset sustainability:** Lowering the asset risks that come from the impact of climate change. The goal is to improve (or extend the lifespan of) infrastructure, promote re-use of existing assets rather than building new ones, and encourage sustainable design in upgrades and new builds.
- **Environment and society:** Finding practical ways to develop new infrastructure, while safeguarding the environment and benefiting society and the economy.

Our solutions are underpinned by our distinctive capabilities in Digital and Analytics, Technology and Advisory

Within Digital and Analytics, we're investing in developing autonomous sites, digital asset models and repeatable service designs. We're finding ways to accelerate the development of capital projects and programs as well as developing essential process technologies that support our sustainability solutions. Through our advisory services, we're creating and monetizing value from knowledge gained across our global teams while building data-backed insights across the full asset lifecycle.

How we define our sustainability related work

We define our sustainability related work through four pathways: Decarbonization, Resource stewardship, Environment & Society, and Asset sustainability. These are calculated based on two measures:

1. The work we conduct in relation to the following markets:

Decarbonization	Resource stewardship
<ul style="list-style-type: none"> • Energy transition materials • Renewable energy • Nuclear energy • Low-carbon fuels (including integrated gas¹) 	<ul style="list-style-type: none"> • Bio-based materials • Metals recovery • Plastics recovery • Sulfur recovery

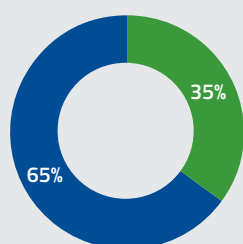
2. The work we conduct in relation to our sustainability solutions, which can be applied across all markets:

 <p>Decarbonization</p> <ul style="list-style-type: none"> • Carbon management • Decarbonization infrastructure • Energy efficiency • Electrification 	 <p>Resource stewardship</p> <ul style="list-style-type: none"> • Recycling • Process efficiency • Waste management • Water stewardship
 <p>Environment & Society</p> <ul style="list-style-type: none"> • Environmental management • Social performance • Policy & regulatory • Remediation & liability management 	 <p>Asset sustainability</p> <ul style="list-style-type: none"> • Sustainable design • Development and commercialization • Performance optimization • Decommissioning & restoration

We refer to all business falling outside of sustainability related work as traditional work.

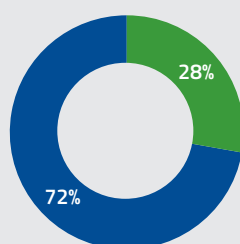
Our sustainability related work today makes up a significant proportion of our revenue, backlog and pipeline

Aggregated revenue



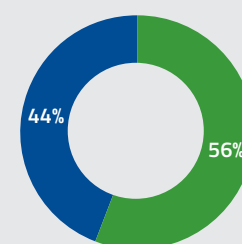
■ Sustainability
■ Traditional

Backlog



■ Sustainability
■ Traditional

Factored sales pipeline



■ Sustainability
■ Traditional

¹ We consider integrated gas as a necessary path on the way to achieving net-zero emissions.

Context and strategy

We're investing in strategic initiatives to support our growth and ambition

To bring even more focus on how we'll achieve our ambition, we've identified priority initiatives across the strategic portfolio for targeted investment. We've had conversations with our customers to help us understand their priorities and investments. We then overlaid this information with what we see as the market opportunity and where we have a good platform for growth.

We're making a strategic investment of \$100m in organic growth over three years to accelerate our sustainability solutions, digital enablement and process technology. We'll harness the strengths of our current business and build strategic partnerships, focusing on accelerating growth in sustainability related work. Our strategic investment will target breakthrough and transitional sustainability markets and capabilities, which have been identified as areas where we hold a competitive advantage.

Investments in breakthrough markets



Low-carbon hydrogen – establish Worley as the leading partner in low-carbon hydrogen by developing repeatable, scalable and digitally enabled advisory and project services solutions.



Carbon capture, use and storage – position Worley as the leader in providing solutions for our customers' CO₂-emitting assets that sustainably and economically capture, utilize and store emissions.



Networks and energy storage – become the key integrator providing power networks and energy storage solutions for energy system optimization, long-duration energy storage, demand-response technology and transmission and distribution networks across the asset lifecycle.



Water – become an integrated water solutions provider, with solutions across multiple parts of the water envelope and project lifecycle.



Battery materials – build on Worley's leading market share in Battery Active Materials by expanding the customer base, increasing delivery capacity and developing repeatable, scalable and digitally enabled capital deployment and asset management solutions.

Investments in capabilities



Industrial hubs – leverage Worley's global synergies to develop scalable, integrated solutions around the key challenges anticipated in delivering the shared decarbonization goal within industrial hubs.



Adapting existing assets – provide a full-service offering to evaluate and adapt, repurpose or decommission the existing assets base to address the challenge of sustainability.



Sustainability and decarbonization advisory – provide transformative sustainability consulting services, drawing on wider Worley capabilities to advise and support customers in meeting net zero and ESG commitments.

We're targeting the right areas and making progress towards our ambition, evident through increases in factored sales pipeline in these areas¹

▲ 80%

Low-carbon hydrogen

▲ 80%

CCUS

▲ 115%

Water

▲ 95%

Battery materials

▲ 185%

Copper

▲ 75%

Low-carbon fuels

¹ Increase in factored sales pipeline from July 2021 to July 2022 for selected growth areas, factored for likelihood of project proceeding and being awarded to Worley. Ability to record pipeline in growth areas was not introduced until September 2021 and was retrospectively applied.



Context and strategy

Market outlook and case studies

Energy

We report on the energy sector with respect to both conventional energy and low-carbon energy. We support our existing and emerging customers to achieve their energy transition goals. Refer to page 50 for the explanation of how we define our sectors.

Conventional energy

During FY2022, we saw growth in global oil markets. As the economic impacts from the restrictions due to the COVID-19 pandemic began to ease, markets rebalanced and global stockpiles which had peaked in 2020, declined back to within their five-year average range.

Russia's invasion of Ukraine subsequently disrupted energy markets. It caused a spike in commodity prices and kickstarted a process to reduce Europe's dependency on Russian oil and gas. Where the COVID-19 pandemic lowered demand, the crisis in Ukraine has seriously affected supply. A renewed push for energy security by Western nations is leading to increased oil and gas investment.

The push for energy security needs to co-exist with the energy transition

In the short term, other producers can make up for the loss of Russian oil and gas. Organization of the Petroleum Exporting Countries (OPEC), Western International Oil Corporations and United States shale producers are the most likely to respond.

In the medium term, Western governments have encouraged more investment in traditional upstream projects in domestic markets. This is to act as a bridge for energy security while new low-carbon alternatives are developed. This will include the need for significant new upstream supply and midstream energy infrastructure.

There's been increased interest in climate-financing mechanisms. This will help developing countries especially in their transition from thermal coal to clean power. There are a range of technical solutions that will aid existing power generation sites to achieve a successful energy transition. These include conversion to biomass, implementation of CCUS or conversion to new-energy hubs.

Delivering a more sustainable world in conventional energy

The oil and gas industry is on the cusp of a major transformation towards sustainability. The consequences of Russia's invasion have shown just how important this pivot to sustainability is.

Oil and gas operators have been benefiting from strong, free cash flows, generating cash to fund low-carbon investments. This is a result of resurgent demand, higher prices and lower costs. Capex is expected to follow suit. Projections say upstream oil and gas spending should grow more than 15% year on year¹.

We're helping our customers de-bottleneck to address their short-term challenges. We're also helping them deal with near to medium-term expansion to overcome the global supply constraints. At the same time, there's a lot of work still needed to achieve society's low-carbon objectives. We're well positioned to support our customers in this rapidly changing market.

¹ Rystad Energy, Press release - Global energy spending set to reach record high of over \$2 trillion in 2022, led by oil and gas, 2022.





Case study | Traditional | Onshore

Advisian

Worley Group

Assessing net-zero technologies for decarbonization of a provincial oil and gas sector

Worley/Advisian supported a Canadian Provincial Ministry in assessing net-zero technologies for greenhouse gas abatement in the province's oil and gas sector. The study addressed the pathways required to meet the province's 2030, 2040 and 2050 climate objectives.

Our team of experts systematically identified the most relevant and highest potential emission reduction opportunities for producers in the province. A long list of opportunities and technologies were initially developed. Abatement opportunities were then screened and categorized into broad types of reduction (e.g. carbon capture and storage, energy efficiency, electrification, methane recovery) while considering the full scope of production stages, emission sources and energy inputs. The relative cost effectiveness of the opportunities was presented through marginal abatement cost curves.

Additionally, we facilitated a survey on behalf of the customer to gather industry feedback on sector emission reduction opportunities. The survey was critical in capturing the experience and outlook of the sector on capital projects, aimed at reducing greenhouse gas emissions, as well as insights on challenges and successes from an industry perspective.

Through our extensive knowledge of the energy sector, coupled with our in-house decarbonization expertise, we developed a comprehensive roadmap to assist the Ministry in focusing their collective efforts in terms of the support required to incentivize the adoption of abatement technologies. The study will act as a foundation and provide guidance to the Ministry in development of future climate policy for the province's oil and gas sector.

UN SDGs:



Business Value Drivers:



Humber Region



Case study | Decarbonization | Carbon capture, use and storage (CCUS)

Carbon capture project award for Humber Zero at VPI Immingham's power plant

We've been awarded a front-end engineering and design (FEED) contract by VPI Immingham LLP for a post-combustion carbon capture facility, part of the Humber Zero project located in the UK.

The Humber region currently represents more than 40% of the UK's industrial emissions. The Humber Zero program aims to remove up to 8 million tonnes of carbon dioxide annually from the Immingham industrial area by 2030, using CCUS technology.

This project includes a post-combustion carbon capture retrofit. The carbon captured from the plant will be compressed and exported by pipeline to secure storage, deep under the bed of the North Sea. The project has the potential to abate around 3 million tonnes of CO₂ emissions every year.

“Worley has extensive expertise and experience in delivering the critical phases of major projects, and their appointment as FEED contractors for our part of Humber Zero demonstrates rapid progress in the development of this project. Decarbonization will be a critical element of the UK Government's commitment to reducing greenhouse gas emissions, and carbon capture and storage (CCS) will be central to achieving those targets,” said Jonathan Briggs, VPI Project Director for Humber Zero.

UN SDGs:



Business Value Drivers:





Case study | Traditional¹ | Offshore

Supporting Shell's low-carbon journey in the Gulf of Mexico

We've been awarded a three-year contract by Shell to provide engineering and procurement services for five of its assets in the Gulf of Mexico (GOM).

We're providing professional services in digital enablement, engineering, procurement and support fabrication and construction. We'll support the transition to a digitized and more efficient project delivery model for Shell's offshore assets. This aligns with Shell's continued work to lower the carbon intensity of its GOM portfolio.

The work is being delivered by our offices in Metairie and Houston, in America, and supported by our engineering teams in India.

Our partnership is a real opportunity to create a positive impact on the offshore operations and the communities in the GOM at a time when making sustainable transformation a reality is more important than ever. This project is a great example of how we help our customers optimize their asset efficiency, on the one hand, while supporting decarbonization initiatives on the other.

UN SDGs:



Business Value Drivers:



¹Portfolio will include projects across traditional and sustainability solutions



Case study | Asset sustainability
| Decommissioning and restoration

Advisian
Worley Group

Guiding New Zealand's first major decommissioning project

We completed a technical review of the decommissioning application of the Umuroa and associated subsea oil fields for the New Zealand Environmental Protection Agency.

We also suggested pathways to realize environmental benefits. These included reducing impacts on the local seabed and water column and using the latest approaches to restore marine habitats with reefing.

We formed a multi-office team to complete a technical review of the decommissioning plan for the floating production storage and offloading facilities.



This is a multimillion-dollar offshore decommissioning and restoration project, and it's also a first for New Zealand," said John Cox, Global Decommissioning Director, Advisian.

UN SDGs:



Business Value Drivers:



Case study | Environment & Society
| Biodiversity compensation

Advisian
Worley Group

Maintaining zero net-loss of habitat

Our customer required engineering design for a fish habitat compensation lake to fulfil government regulatory requirements to maintain a zero net-loss of habitat across the project footprint. The lake will provide over 2.5 million habitat units that will compensate for impacts to watercourses that are being removed or damaged due to project development. The lake will eventually support 10 target fish species that are native to the region.

Throughout, Indigenous-owned partnership, Mikisew Advisian Environmental (MAE), completed a full detailed design, including hydrologic analysis, civil engineering, habitat feature, lake physiography and hydraulic structures. MAE also developed a dynamic water balance to support long-term sustainability of the lake's hydrological cycle. A key component of the project included detailed Indigenous consultation with all seven Indigenous communities that hold the project footprint within their traditional territory. A blessing ceremony was held at the project site and attended by all nations prior to construction on the lake commencing.

UN SDGs:



Business Value Drivers:



Context and strategy

Market outlook and case studies

Low-carbon energy

More than 40 countries have set a net-zero target in the last 12 months. And almost 90% of the world's carbon dioxide emitters now have a net-zero target in force or under discussion¹. It's widely agreed that electrification and low-carbon hydrogen will be vital for meeting these goals.

More and more countries are supporting the production of low-carbon electricity. They're doing it through renewable resources like offshore wind and solar, and also through nuclear and biomass (including CCUS). For example:

- the EU Commission has declared nuclear and gas as suitable transition fuels, (under certain conditions)
- nuclear, offshore wind and low-carbon hydrogen are at the center of the UK's energy security strategy.

Global gas demand is still growing. This has caused the need for increased investment across the integrated gas value chain.

The crisis in Ukraine has highlighted a need for energy security and diversification of supply. This is expected to incentivize a new wave of LNG export, re-gasification and pipeline infrastructure buildout. It is expected to accelerate the energy transition in the EU to achieve energy security.

An increasing number of countries are taking the first steps to develop the infrastructure needed. They're doing this through offtake agreements for renewable energy, low-carbon hydrogen and e-fuels. This includes players from all industry sectors, for example: mining, oil and gas, chemicals, steel, aviation and shipping.

Delivering a more sustainable world in low-carbon energy

Offshore wind has seen a major boost in the last 12 months. Several countries have increased their offshore wind targets to support their decarbonization targets. These countries include Germany, the US and the UK².

As of June 2022, a hydrogen strategy is available for 31 countries with an additional 18 countries preparing their respective strategy³. The production cost of green hydrogen is mainly driven by the availability of low-cost renewable electricity. As a consequence, this will allow new geographies to benefit from the global energy market because participation will no longer depend on the availability of oil and gas reserves.

The power networks market is forecast to reach a similar investment level as power generation technology⁴. This will be needed to connect new generation resources. It'll also help to reconfigure the grid – allowing for future demands and a more distributed generation.

BloombergNEF has been forecasting the investment that'll be needed for the world to be on track for net zero by 2050⁵. They say energy transition investment will need to:

- double in the next three years, compared to 2021
- double again before 2030.

We've identified priority initiatives in the low-carbon sector to accelerate our solution development and growth, including:

- low-carbon hydrogen
- networks and energy storage
- CCUS and integrated gas.

We've made significant progress in all these markets over the last 6-12 months, and key project wins have supported the initiatives.

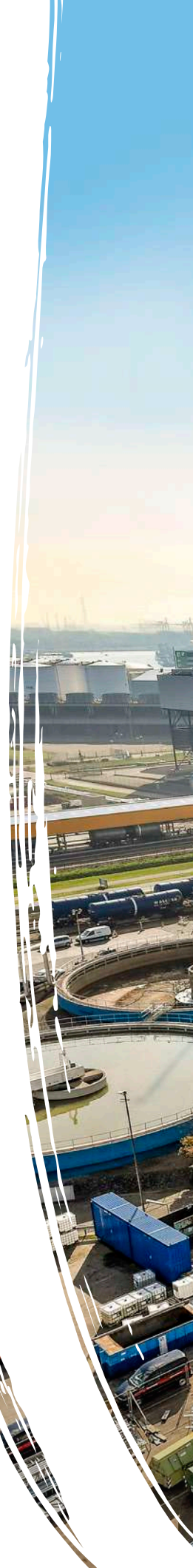
¹ BNEF, G-20 zero carbon policy scoreboard, 2022.

² BNEF, 1H2022 Offshore wind market outlook, 2022.

³ BNEF, hydrogen strategy tracker, 2022.

⁴ BNEF, energy outlook economic transition scenario, 2021.

⁵ BNEF, Energy transition investment trends, 2022.





Case study | Decarbonization | Low-carbon hydrogen

Creating Shell's green hydrogen factory in the Netherlands

We're providing overall project integration services for Shell's new 200-megawatt electrolysis-based hydrogen plant, located at the Port of Rotterdam, the Netherlands.

Once complete, the project will be one of the world's largest commercial green hydrogen production facilities. Operations are scheduled to start by 2023 and will aim to produce ~50,000–60,000 kilograms of hydrogen per day. Renewable energy will preferably be provided by the Hollandse Kust (noord) offshore wind farm.

The green hydrogen produced will initially be used at the Shell refinery in Pernis, the Netherlands, to partially decarbonize the production of fossil fuels and support the industrial use of hydrogen in the heavy-transportation industry.

We completed the pre-FEED and FEED services for the project in 2022. Assuming a positive financial investment decision, our future scope will cover engineering, procurement and construction management (EPCM) support for the hydrogen production facility, and overall project integration services for the offplot, including offshore wind, pipelines, grid and the refinery.

The project is being led from our offices in The Hague while also leveraging our global hydrogen subject-matter experts and capabilities.

“We are very pleased to be supported by Worley for the engineering on Shell's Holland Hydrogen I plant. We look forward to a collaborative working relationship with the Worley team,” said Lijs Groenendaal, Business Opportunity Manager, Renewables and Energy Solutions, Shell.

UN SDGs:



Business Value Drivers:





Case study | Decarbonization | Nuclear

Advancing Argentina's nuclear SMR journey

We're working with the Comisión Nacional de Energía Atómica to complete the detailed engineering for its CAREM 25 nuclear small modular reactor (SMR) project in Argentina.

We'll develop the detailed design of its four auxiliary process systems for the CAREM 25 nuclear power plant. It's a prototype of a small nuclear reactor with a nominal power of 32 megawatt (MW).

CAREM 25 is the first nuclear power reactor, both designed and built in Argentina. It's an indirect-cycle reactor with simplified features to increase safety. It will be used for electricity generation, as a research reactor, and to power seawater desalination plants.

SMRs have great potential for supplying electricity to remote locations and industrial hubs with high energy consumption. The 32-MW prototype will have the capacity to supply electricity to over 120,000 people.

UN SDGs:



Business Value Drivers:





Case study | Decarbonization | Integrated gas

Maintaining long-term gas supply for Chevron's LNG plant

We were awarded a contract to provide engineering and construction management (EPCM) services to Chevron Australia Pty Ltd (Chevron) for its Jansz-lo compression project.

The project will use subsea compression technology to maintain long-term gas supply from the Jansz-lo field, located around 200 km offshore from the north-western coast of Australia. The field will supply three existing LNG trains and a domestic gas plant on Barrow Island.

The project involves the construction and installation of a 27,000-tonne normally unattended floating field control station, around 6,500 tonnes of subsea compression infrastructure and a 135-km submarine power cable linked to Barrow Island. The project is expected to take approximately five years to complete.

UN SDGs:



Business Value Drivers:



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Case study | Decarbonization | Low-carbon hydrogen

Supporting Oman's journey to low-carbon fuel production

We're providing concept-feasibility study services to develop Green Energy Oman's (GEO) defined green hydrogen energy project. This includes optimizing around 25 gigawatts (GW) of wind and solar generation, transforming this renewable energy through electrolysis into green hydrogen, as well as the production, storage, and export of green ammonia.

In addition to defining the project components, our study will identify opportunities to enhance the in-country value delivered from the expected 10-year project implementation period. This includes employment and development for Omani nationals and value adds through local manufacturing and supply by Omani companies across the supply chain.

The overall project aims to produce above 1.8 million tonnes of low-carbon green hydrogen, which can produce up to 10 million tonnes of green ammonia per annum, supporting the local economy and global market by exporting green ammonia to help other countries decarbonize their economies.

We'll lead the work from our office in Muscat, Oman, with support from our Centers of Excellence in Europe.

“The GEO team, together with our technical specialists, are at the vanguard of mega-scale green fuels project development. The work being undertaken will place Oman at the forefront of such projects, maximizing the utilization of Oman's natural resources of wind and solar to produce green fuels and building the country's associated industry,” said Najla Zuhair Al Jamali, CEO, Alternative Energy at OQ.

UN SDGs:



Business Value Drivers:





Case study | Decarbonisation | Low-carbon hydrogen

Advisian
Worley Group

Australian hydrogen market study

We completed an analysis of the competitiveness of green hydrogen across 25 Australian industry sectors for the Clean Energy Finance Corporation (CEFC), an initiative backed by the Australian Government. The CEFC is responsible for the \$300 million Advancing Hydrogen Fund, with the aim of supporting the growth of a clean, innovative, safe and competitive Australian hydrogen industry. Our report provides insights into the commercial viability of green hydrogen over three timeframes and includes detailed analysis of the economic, technological and infrastructure factors that will underpin the green hydrogen economy. It was commissioned to help identify investment opportunities for hydrogen producers, large-scale energy users and potential investors.

Our mission is to accelerate investment in Australia's transition to net zero emissions." CEFC



UN SDGs:



Business Value Drivers:



Case study | Environment & Society | Community engagement

Advisian
Worley Group

Building stakeholder trust for green hydrogen production

Gladstone city is an industrial center which has experienced significant waves of development in the past. This has contributed to a boom-and-bust cycle that has impacted the community and resulted in some stakeholder groups being cautious of new major industry developments.

Stanwell Corporation, together with its project partners, are working to develop a commercial world-scale project to produce and export hydrogen in Gladstone. The development of a new major industrial facility requires community engagement and acceptance. We're supporting Stanwell through this process to understand community and stakeholder perceptions and interests and to engage stakeholders in the project. This also involves educating the community and stakeholders about renewable hydrogen and the benefits associated with hydrogen development.

We're working to identify how the project can manage potential social impacts and enhance project benefits. We're seeking to foster productive community relationships and partnerships and maintain community acceptance for major industry in the region.

UN SDGs:



Business Value Drivers:



Context and strategy

Market outlook and case studies

Chemicals and fuels

Chemicals

Industry fundamentals were strong throughout the year. Chemical demand and profitability were above pre-COVID-19 pandemic levels in most markets. As a result, we're still seeing growing investment linked both to overall gross domestic product (GDP) growth and increased focus on regional supply resilience.

We benefited during the year from our leading global position and strong customer relationships. Our customers have noticeably increased their sustainability investments.

Fuels

Refinery utilization rates gradually improved across the year. This is mostly because economies recovered from the COVID-19 pandemic and transportation activity increased.

Another factor was the continued trend in the developed world of decommissioning and converting old plants. Conversion projects have changed plants into storage terminals or to biomass-based low-carbon fuel production facilities.

Again, we've benefited from these improved market conditions. Much of this was due to our customer positions and our ability to pivot with the changing market.

Delivering a more sustainable world in chemicals and fuels

Decarbonization was the leading theme across the year in chemicals and fuels. We've seen this in both end products and processes, with most customers committing to 2030 and 2050 emissions-reduction targets. This led to investment commitments for existing and new facilities.

These are the areas we're working in, as part of our strategy:

- **Decarbonization** The chemical industry has a relatively low carbon emissions footprint. Some of the changes needed involve technologies that won't be available without large capital investments. So, we're emphasizing converting power and steam generation to renewable energy and replacing grey hydrogen production with low-carbon hydrogen (blue or green).
- **Plastics recovery** This has also become a mainstream effort for the chemical industry. There are global investments underway across an array of different technologies. These new technologies aim to reuse end-of-life plastics as feedstock for new plastics, chemicals and fuels.
- **Low-carbon fuels** The fuels industry has a large carbon footprint as its products are designed to be combusted. As a result, the focus here has been on developing low-carbon fuels, based on non-oil feedstock. Right now, we're seeing refineries converting to biomass-feedstock-producing renewable diesel and sustainable aviation fuels. We're also in the early stages of more advanced low-carbon fuels that use biomass and municipal wastes. And we're progressing to synthetic fuels, based on captured carbon dioxide and green hydrogen.
- **Recovering and reusing sulfur** Regulations are tightening on the sulfur emissions from transportation fuels and from smelters and power plants. We're focused on lowering these emissions, and then converting the recovered sulfur into sulfuric acid. Sulfuric acid has many value-adding uses in areas like mining and fertilizer production. Our Comprimo® and Chemetics® businesses are global leaders in this important resource stewardship role.

We're excited to be working with our customers in developing these solutions. We're helping to deliver chemicals and fuels that meet essential needs in ever-improving ways.



Case study | Resource stewardship | Plastics recovery

Working on Trinseo's chemical recycling plant

We're working on the FEED services for Trinseo's chemical recycling plant in Belgium, Europe. The plant will use gasification technology to depolymerize post-consumer polystyrene waste into pure styrene. This project is the first of its kind on an industrial scale.

Trinseo's plant will process 15 kilotonnes of recycled polystyrene flakes every year. These will be transformed into high-quality recycled styrene and used for the production of new polystyrene and/or styrene derivatives, including acrylonitrile butadiene styrene (ABS) and styrene acrylonitrile (SAN).

We completed the pre-FEED services for the project in 2021, and we have continued to the next phase of the work.

“Trinseo chose Worley to move forward with because of its recognized leadership in the industry. Worley's strong commitment to sustainability is critical for us as we continue our journey and goal of delivering sustainable material solutions while maintaining high quality and performance,” said Francesca Reverberi, SVP and Chief Sustainability Officer at Trinseo.

UN SDGs:



Business Value Drivers:



ii The new hydroprocessed esters and fatty acids (HEFA) plant we are building is a major investment, vital to Shell Energy and Chemicals Park Rotterdam's path to net zero. We can only make Shell's transformation and the energy transition successful when we work together with strong partners. We are therefore proud to collaborate with Worley, helping to engineer a more sustainable world," said Jos van Winsen, General Manager, Shell Energy and Chemicals Park Rotterdam.



Case study | Decarbonization | Low-carbon fuels

Supporting Shell on a major low-carbon fuels project in the Netherlands

We're providing detailed design and procurement services to support the development of a low-carbon fuels facility at the Shell Energy and Chemicals Park Rotterdam in the Netherlands.

The facility is expected to be one of the largest of its kind in Europe and will aim to produce 820,000 tonnes of sustainable aviation fuel (SAF) and renewable diesel every year. These fuels will help to meet growing demand from the transport sector, including hard-to-decarbonize sectors such as heavy road transport and aviation. The renewable diesel alone could avoid 2.8 million tonnes of CO₂ emissions a year. This is the equivalent of taking more than one million European cars off the roads.

The renewable diesel and SAF will be produced from waste, including used cooking oil, certified sustainable vegetable oils, waste animal fat and other industrial and agricultural

residue, using advanced technology developed by Shell. The fuels will be used for blending, which will support the EU legislation and commitments under the Paris Agreement.

The award follows the collaboration between Shell and Worley over the last 18 months to define the project as an integrated team, using new ways of working.

UN SDGs:



Business Value Drivers:





Case study | Decarbonization | CCUS

Advancing a carbon capture project at the Phillips 66 Humber Refinery

We're working alongside Phillips 66 on the early front-end engineering services for a carbon capture facility at its Humber Refinery in the UK. The refinery is on track to become the first in the world to reduce its carbon emissions using a technology pioneered by Shell, called CANSOLV.

CANSOLV will be deployed to capture carbon produced in the refinery's fluid catalytic cracking (FCC) process. The technology has the potential to capture at least 95% of the CO₂ in the FCC flue gas, compressing it before the gas is transported to safe storage under the North Sea.

Our role is to integrate the carbon capture technology into the refinery. And we're also responsible for the design of the infrastructure required to export the CO₂ for transport and storage safely under the North Sea.

This is another project supporting the Humber Zero initiative.

UN SDGs:



Business Value Drivers:



Case study | Traditional | Chemicals

Supporting INEOS Styrolution on a world-scale ABS plant

We're providing the detailed design and engineering, procurement and construction management (EPCM) services to support INEOS Styrolution's investment in building a world-scale acrylonitrile butadiene styrene (ABS) plant in Ningbo, Zhejiang Province, China.

The development of the new site is part of INEOS Styrolution's larger expansion plans into China. Its annual capacity is planned to be 600,000 tonnes of ABS. The facility stands as INEOS Styrolution's largest investment in the region and the largest single-train ABS process plant in the industry.

Before detailed design and EPCM, we delivered the front-end engineering and design (FEED) and cost estimation services for the project. Construction commenced in December 2020 and completion and start-up is expected in 2023.

“I am excited to see us building a world-class ABS manufacturing plant here in Ningbo. ABS is a versatile high-performance styrenic resin. Its properties make it the material of choice for many everyday products across industries, including automotive, electronics, household, healthcare and toys/sports/leisure. This investment affirms our commitment to support the growth of our customers in Asia,” said Rob Buntinx, President, Asia Pacific, at INEOS Styrolution.

The services are being delivered by our offices in China with support from our global offices in Australia, Belgium, Singapore, Malaysia, and the US.

UN SDGs:



Business Value Drivers:



Context and strategy

Market outlook and case studies

Resources

The resources sector has seen growth and strategic transformation. Since 2020, capital spend in mining has increased significantly, year on year, across all commodities. Across our top 15 global resources customers by revenue, we saw a 100% increase in wins in FY2022, with some large greenfield projects returning to the pipeline.

We're working on early stage assignments for projects with a capital value of over \$30 billion. Over 80% of this spend relates to future-facing minerals to feed the energy transition and to create advanced fertilizer products. We're providing holistic solutions and proactively partnering for capability and capacity.

Delivering a more sustainable world in resources

We've seen exponential growth in the fast-moving sub-sector of active materials, which are key to large-scale battery manufacturing. This is the result of a global supply shortage. We've taken a market-leading position in European cathode and anode production plants, and we're working with our customers to help secure a supply chain of both raw and active materials.

We'll need new sources of materials as manufacturers deal with disrupted supply chains.

We're delivering creative solutions for sustainable and socially responsible mining

We're using our regulatory, environmental and water capability to help our customers:

- decarbonize operations
- provide greater water stewardship
- invest in areas associated with their social license.

This leads to mutual value creation, as well as respect among stakeholders. We're active corporate citizens in the communities where our delivery teams are based. We have several community-based programs underway to create positive legacies from our project work.

We're involved in key emerging areas, presenting growth opportunities

We're seeing a clear trend across copper and broader energy transition metals. Customers are investigating the economic and financial viability of several large underground resources. This is a result of surface deposits becoming depleted or scarce.

We have a leading position in supporting the development of large-scale underground mining operations. This industry has been accelerated by the US and Canada's new government incentives for the critical minerals industry. And we're strongly positioned in the largest markets.

Miners are seeking innovation advantages to accelerate carbon management plans or provide safer or less intrusive environmental solutions. Our investment in groundbreaking ore-sorting technology through NextOre™ is one example where we seek to work together with scientists and business partners to accelerate the adoption of enabling technology to make mining operations more sustainable.





Case study | Decarbonization | Energy transition materials

Supporting the production of battery-grade lithium carbonate

Battery demand is increasing as a result of our global commitment to the energy transition, where electron mobility and storage are critical.

We've been supporting Galaxy's Sal de Vida project for the last three years, providing EPCM services for their tier 1 lithium brine project. The Sal de Vida deposit lies within the "lithium triangle", an area encompassing Chile, Bolivia and

Argentina that contains a significant portion of the world's estimated lithium resources. Catamarca, in Argentina, is a proven mining jurisdiction, home to several successful mining operations and development projects.

UN SDGs:



Business Value Drivers:





Case study | Decarbonization | Energy transition materials

Stewarding the journey from pit to precursor

We're providing construction management services for Syrah's initial expansion of its active anode material AAM facility in Vidalia, United States.

Syrah's vision is to be the world's leading supplier of superior quality graphite products and the first major integrated ex-China producer of natural graphite AAM that is battery-ready for electric vehicles.

Syrah owns and operates the Balama graphite mine and processing facility in Mozambique, which is one of the largest in the country and around the world. Processed graphite material from the mine will supply their future AAM facility under construction in Vidalia.

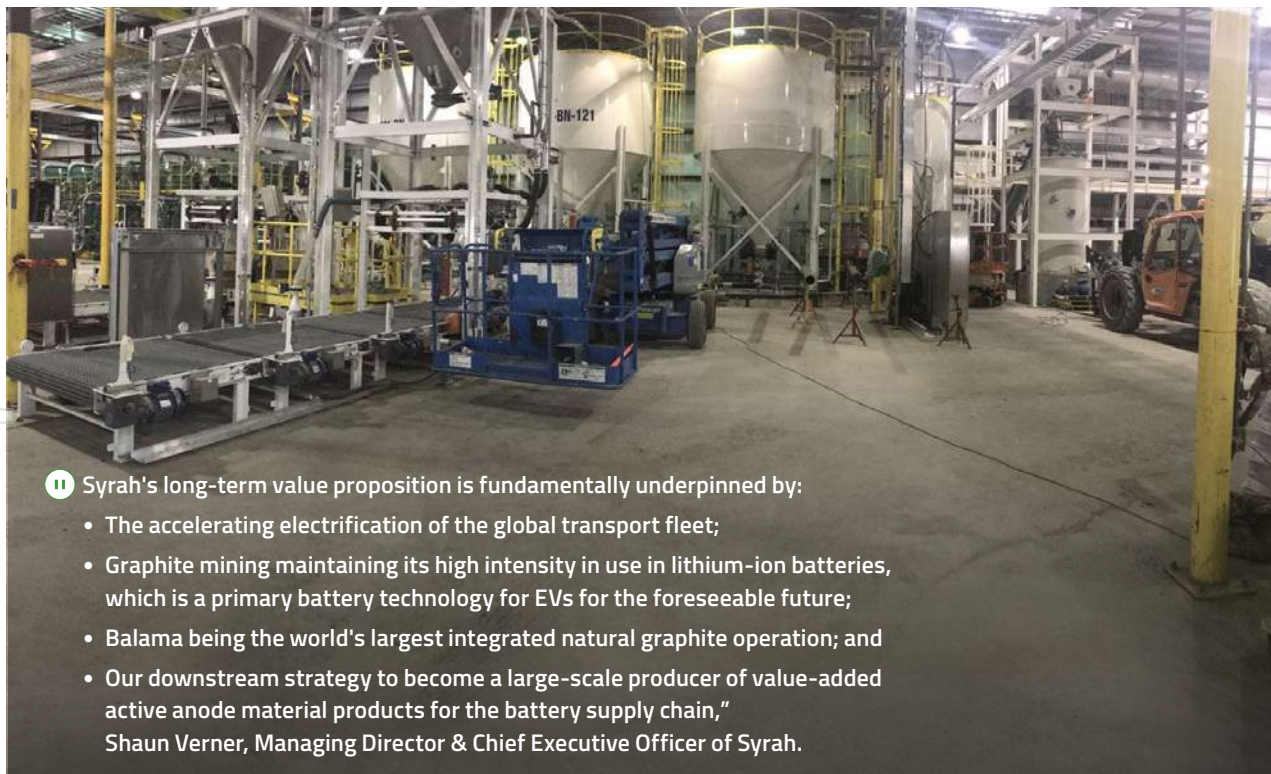
Our journey with Syrah began with designing its Balama natural graphite mine and processing plant from our offices in Melbourne, Australia.

Having worked closely with Syrah through the previous phases of the project – including the bankable feasibility study, front-end engineering and design, and detailed engineering and procurement – our significant knowledge of the proposed processing technologies, key equipment packages, and integration with Syrah's project team were key to us securing this extended role.

UN SDGs:



Business Value Drivers:



- Syrah's long-term value proposition is fundamentally underpinned by:
- The accelerating electrification of the global transport fleet;
 - Graphite mining maintaining its high intensity in use in lithium-ion batteries, which is a primary battery technology for EVs for the foreseeable future;
 - Balama being the world's largest integrated natural graphite operation; and
 - Our downstream strategy to become a large-scale producer of value-added active anode material products for the battery supply chain,"
- Shaun Verner, Managing Director & Chief Executive Officer of Syrah.



Case study | Resource stewardship | Water

Advisian
Worley Group

Supporting groundwater remediation

Local groundwater is a key source of water that the city of Los Angeles relies upon, with the primary source of local groundwater being the San Fernando Basin. The basin underlies most of the San Fernando Valley and is home to one of the largest contamination sites in the United States.

As a result of groundwater contamination issues, over half of the water production wells in the basin have been removed from service. Our customer, LADWP, wants to restore groundwater through remediation to remove contamination from the basin. Together with the owner's agent team of Hazen & Sawyer, we're providing expertise through remediation feasibility, groundwater modelling and risk assessment to evaluate and support the design of groundwater remediation facilities. Cleaning up the San Fernando Basin is a massive undertaking that will transform one of the city's key water sources to ensure that this basin remains a consistent, stable and reliable resource for years to come.

UN SDGs:



Business Value Drivers:



Case study | Traditional | Iron ore

Building a "Mine of the Future"

Rio Tinto's Gudai-Darri Phase 1 encompasses a full suite of EPCM services where we participated through the entire project lifecycle, starting with early phase studies through to project delivery. This greenfields mine facility also includes a digital twin delivery, using the SmartPlant software suite. Our scope of facilities includes primary crushers, coarse ore stockpile, secondary crushing and screening, surge bins, stockyard components (including conveyors, stackers and reclaimers), transfer stations, dust collection towers and train load out and rail loop.

This project features an unprecedented deployment of technology innovations, including autonomous trucks, trains and drills, as well as the world's first autonomous water trucks, to make Gudai-Darri Rio Tinto's most technologically advanced iron ore mine. The extensive digital delivery has led to improved HSE outcomes, due to identifying and resolving a large number of site safety issues during 3D model review sessions.

UN SDGs:



Business Value Drivers:



Operating and Financial Review

1.1 Operations

1.1.1 Overview

We're a global high-value solutions provider for a diverse range of end markets in energy, chemicals and resources. We bring our customers data-driven and technology-driven solutions at every stage of the project lifecycle, from initial concepts to sustaining and enhancing their assets.

We hold leadership positions across the industries we serve. We support our customers as they transition to achieve their commitments across both their traditional businesses and their sustainability investments.

We provide traditional and sustainability-related services across all of our sectors (energy, chemicals and resources) and our markets (core, transitional and breakthrough). Our sustainability solutions provide the structural framework for growth as we focus on high-value propositions in areas of accelerating investment spend. These support all of the markets we serve.

Our sectors are:

1. Energy – producing energy from conventional (e.g. coal, oil) and low-carbon energy sources (e.g. gas, wind, solar, hydrogen) as well as undertaking projects related to power generation, transmission and distribution;
2. Chemicals – manufacturing, processing and refining chemicals and fuels (for example, renewable fuels, petrochemicals, polymers and specialty chemicals); and
3. Resources – processing mineral and metal resources (for example, resources that are central to the energy transition and resource projects related to water use and re-use, the environment, transport, ports and site remediation and decommissioning).

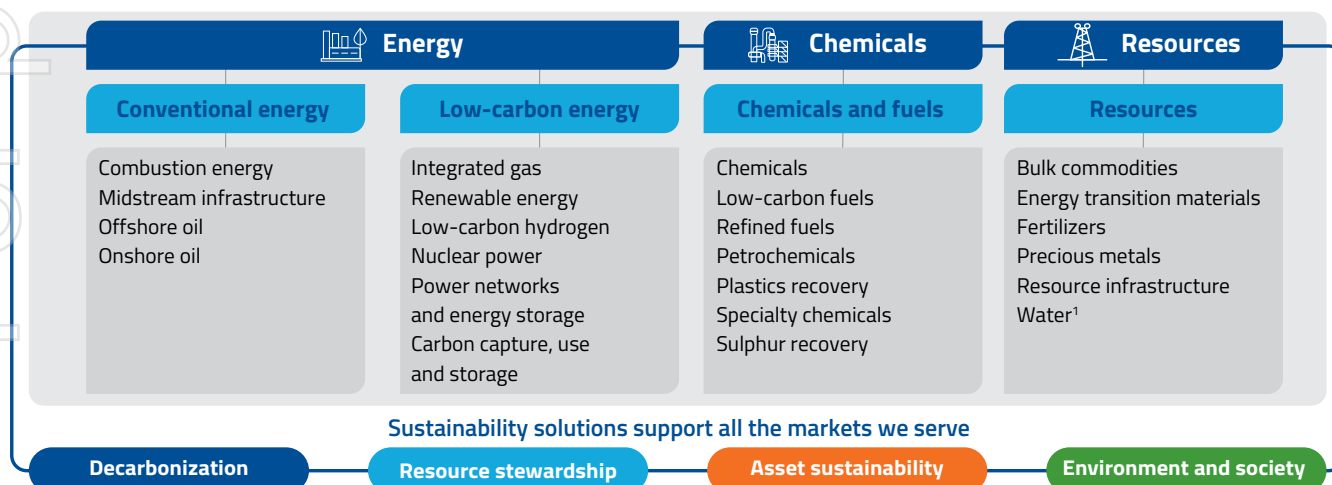
Our existing and emerging customers include multinational energy, chemicals and resources companies. We serve regionally and locally focused companies, national oil companies and government-owned utilities. Our ten largest customers account for 38% of our aggregated revenue. Of our 20 largest customers, 80% have net-zero Scope 1 and Scope 2 targets by at least 2050. This supports our ambition for 75% of our revenue to come from sustainability-related business. It also highlights that our continued involvement in traditional work presents us with an opportunity to lower the carbon impact of the remaining carbon-intensive assets.

1.1.2 Business model

Our project delivery and technical specialists work across the globe. We generate earnings by charging for the time we spend performing professional and field-based services. We offer a suite of digital products and proprietary technologies. We engage via alternative low-risk commercial models which reward us for the value we bring.

Our contract types include:

- Reimbursable contracts (~80% of our revenue):
 - Contracts based on reimbursement of reasonable and allowable actual costs plus profits. In addition to the base profits generated from these contracts, further incentives may also be earned from the creation of enhanced value for the customer, depending on individual contract terms and conditions. In negotiation with our customers, we are typically able to adjust our contracts in accordance with inflation and wage increases.



¹ In FY2021, water is reported under energy. All other energy, chemicals and resources sub-sectors remain the same in FY2022.

- Fixed-price contracts (~20% of our revenue):
 - Lump sum services contracts, where we can control the outcomes. These typically have a short duration (on average, under 6 months) and would generally take into consideration inflationary expectations.
 - Lump sum engineering, procurement and construction (EPC), typically where we've completed the preceding phases and are confident of the scope. We could see an increase in these types of contracts in the future if they present the opportunity for higher margins while minimizing risk.
 - Construction lump sum contracts, for example, some of our construction projects are lump sum.
 - Lump Sum Turn Key (LSTK), where we take on some of the risk for the plant start-up and achieving normal operations. We do not competitively bid for LSTK, and it constitutes a very minor portion of our revenue (significantly less than 1%). We only take on LSTK contracts when we are involved in the project from the start and so have a deep understanding of what risks we need to manage and have the confidence we can manage them.

We have minimal direct exposure to supply chain risk as we typically purchase materials on behalf of our customers.

We use a controlled framework to guide and determine the type of projects we bid and work on. This includes our Responsible Business Assessment Standard, used to manage reputational risk.

Aggregated revenue and profit: We generate our sources of revenue and profit from many customers. As a result, we don't depend on any one of our customers for a significant portion of our revenue or profit. Aggregated revenue doesn't include revenue that has nil margin (this typically relates to procurement revenue where we undertake procurement on our customers' behalf with no exposure to financing costs or warranty obligations).

We include revenue attributable to associates within aggregated revenue. We believe disclosing this revenue provides more information about the financial results of the Group.

Costs: Our largest costs are staff, technology, reimbursable expenses and administration, which includes office leases.

Assets and liabilities: The significant items on our balance sheet are mainly project related, such as trade receivables, unbilled contract revenue and provisions and borrowings.

We hold several intangible assets, generated from previous acquisitions. Our working capital is not capital intensive. Our customers pay us at longer intervals than we pay some of our expenses (for example, staff salaries). This time difference, including the time from incurring the costs to invoicing the customer, makes up the majority of our working capital requirements.

How we drive long-term shareholder value

We drive shareholder value through our industry-leading capabilities, our diversification across end markets, customer spend and geographies, and through our balance sheet.

We have the financial strength to support our growth initiatives and shareholder returns.

1

Global leader, delivering knowledge-based project and asset services

- Leading market position to deliver clean and affordable energy, address climate change and further economic development
- Innovative solutions to solve complex challenges through our flexible workforce and technology

2

Global earnings base and broad end markets provide diversification

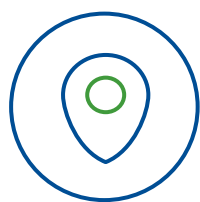
- Balanced exposure to customer spend (Opex/Capex)
- Low-risk commercial models

3

Balance sheet to support growth initiatives and shareholder returns

- Strategic growth investment to accelerate market capture
- Gearing at levels supportive of future growth

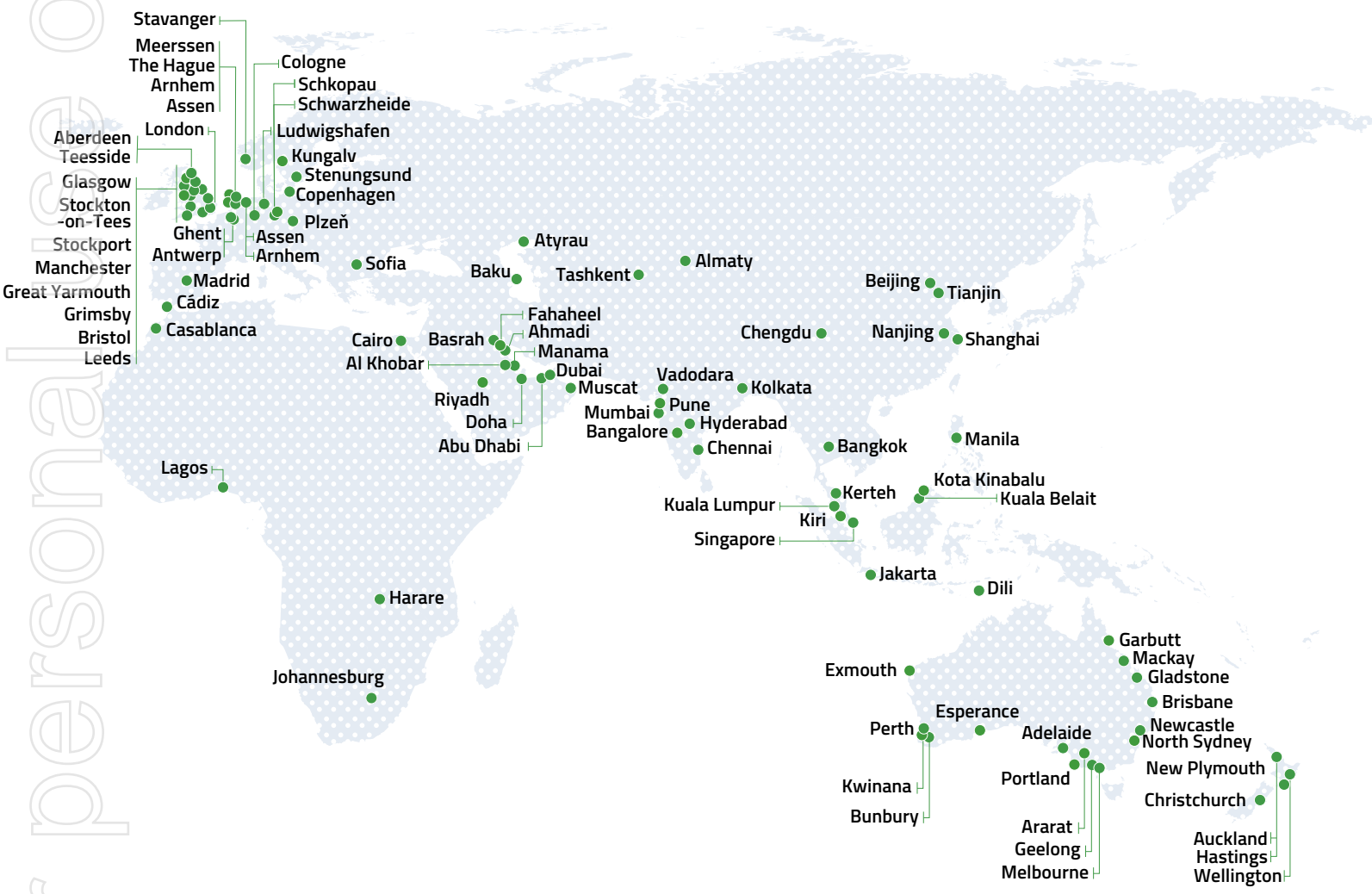
Global operations



46
countries



51,000+
people



Our Moscow and Sakhalin offices were removed in FY2022, given our planned withdrawal from Russia.

Operating and Financial Review

1.1.3 Review of operations

We manage operations in two regions; the Americas as one region and the combination of Europe, Middle East and Africa (EMEA) and Asia Pacific, Australia and China (APAC) as the other. This structure simplifies how we engage with our customers. It allows us to collaborate across the business and bring the best of our capability to help our customers solve their challenges. When reporting the two operating regions, we disclose these activities in three parts: the Americas, EMEA and APAC, and by three sectors: energy, chemicals and resources.

This year, we've seen activity levels return as customers across all our sectors have increased their capital investments. We've seen projects that were deferred during the COVID-19 pandemic recommence. Site access has opened again, and we are managing COVID-19 risks on a site by site basis, working in collaboration with our customers. While, on balance, activity levels are increasing, global challenges such as inflation and supply chain disruptions are causing some customers to rethink the timing of certain projects.

This year, we made the decision to make a planned withdrawal of our services from Russia. Consistent with our purpose and values, we have prioritized the safety, health and well-being of our people, including those in Russia.

We're focused on providing a safe work environment, both physical and psychological, for our office and field-based teams. Our focus on safety and well-being was evident during our safety week where we connected our office-based people with our site teams around the world. We had more than 10,000 people participating.

We're investing in our people to strengthen the Worley experience and to build the right environment to attract and retain critical capabilities. Meanwhile, the transferable skills of our people and their flexible skill base are enabling our transition into new markets.

We're well positioned as a scalable business and continue to benefit from our cost-savings initiatives. We're now well into the new way of working as we benefit from this restructure along with programs targeting discretionary spend and property rationalization. We continue to provide flexible working arrangements for our people and digitize our business, allowing us to save on property costs and billable travel savings into the future.

In aggregate, we've achieved our operational cost-savings target six months ahead of schedule and delivered \$361 million of annualized savings by the end of June 2022. We increased our target to \$375 million of annualized savings by the end of June 2023. FY2022 costs in relation to this program have been less than half of FY2021.

The result for FY2022 was a net profit after tax, excluding the post-tax impact of amortization on intangible assets acquired through business combinations, NPATA, of \$243 million, compared with \$157 million in FY2021. Underlying NPATA was \$329 million for FY2022, up 19% or \$52 million on the previous corresponding period¹. Aggregated revenue increased by 3%, compared to FY2021.

We delivered an improved second half FY2022. Our second half underlying EBITA of \$296 million was up 18% on the first half of FY2022. The main factors contributing to this result were rate improvements, particularly in sustainability related professional services, and the retention of benefits from our costs savings program which is increasing our operating leverage.

Our Global Integrated Delivery (GID) supported our margin improvements, which grew by 28% in FY2022. Our GID team in India work on projects all over the world and seamlessly transition between projects, allowing us to achieve high rates of utilization and consistently high quality of work.

Our rate improvements were partially offset by our investment spend of \$30 million. This is part of a \$100m commitment to accelerate our transformation which will deliver future growth in our strategic priority areas.



¹ FY2021 prior period has been restated. Refer to note 2E in the financial statements.

All our core markets are experiencing investment growth, with increases in both our backlog and factored sales pipeline. Backlog is \$15.4 billion, compared to \$14.3 billion at 30 June 2021. Our backlog is up 8% with activity levels on long-term projects returning. Sustainability backlog has increased by 23% from FY2021. We have seen key project wins and we continue to win work in line with our expectations. Our factored sales pipeline (factored for likelihood of project proceeding and award to Worley) is up 30% in FY2022.

Our headcount is 51,000+ people, and we have a presence in 46 countries, compared with 47,700 people across 49 countries at 30 June 2021.

The statutory operating cash flow is \$316m versus the FY2021 operating cash flow of \$533m. Underlying operating cash, excluding tax and interest, is \$376m, and cash conversion is 88%. The days sales outstanding (DSO) fell by 5 to 63 days over FY2022.

There is an improvement in cash conversion compared to the first half. Cash conversion was down in the first half because of movements in working capital, particularly from the reversal of

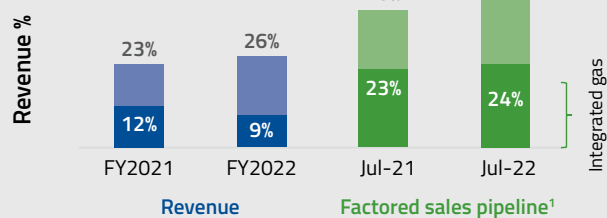
higher than our average days payable outstanding (DPO) levels and trade payable balances at 30 June 2021. These were temporary in nature and increased the cash payments made in the first half. This was partly due to the implementation of a new financial accounting system in FY2021 which created a backlog of accrued payments by year end. We cleared the backlog in the first half of FY2022. Our net operating cash flow for the second half of the year returned to track earnings more closely.

We've maintained our strong financial position through our long-term debt maturity profile. Our steady gearing ratio (22.6% at 30 June 2022) is at levels supportive of future growth.

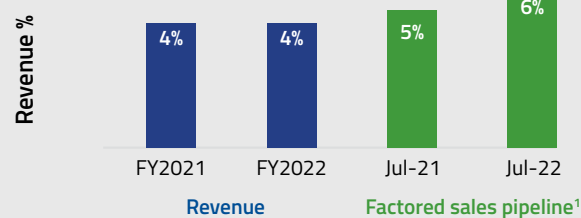
Sustainability work has been a key driver of our growth. In FY2022, sustainability related work represented 35% of our aggregated revenue. \$3.2 billion of aggregated revenue was from sustainability related work, up from \$2.8 billion in FY2021, and at more favorable margins. Sustainability opportunities at 56% of our factored sales pipeline (factored for likelihood of project proceeding and award to Worley). See page 27 for how we define our sustainability related work.

Our sustainability related work breakdown

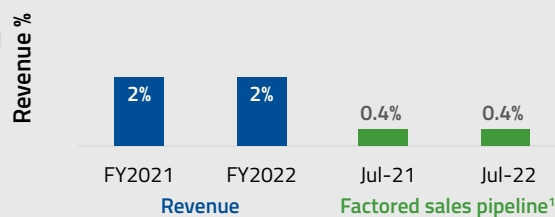
Decarbonization



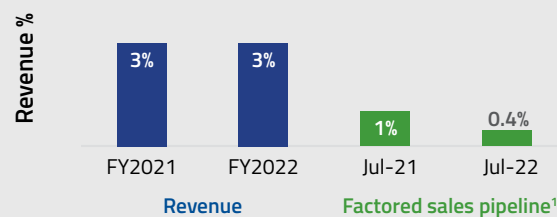
Resource stewardship



Environment and society



Asset sustainability



1.1.4 Significant changes in operations

The final element of our current cost-saving initiative is our shared services program. This is already bringing added efficiency to our IT, people and finance departments through centralization and common data platforms. Our cost-savings initiatives involve permanent structural changes which will allow the business to scale as we grow, providing operational leverage.

We've begun the safe withdrawal of our services provided in and into Russia, and will not enter into new contracts. The loss of Russian income is being replaced by higher activity in Europe as the EU seeks to secure energy supply sovereignty for the future.

¹ Factored for likelihood of project proceeding and being awarded to Worley.

Operating and Financial Review

1.1.5 Materiality

We focus on what is important for our business and the world around us

We continually engage with our stakeholders and make the material sustainability issues for our business a priority.

This year, we:

- surveyed nearly 1,000 of our people to understand what is important to them
- engaged with investors to understand their concerns
- monitored the issues that others in our sectors feel are important
- reviewed the sentiment toward ESG issues from a range of other stakeholders, including our supply chain and communities.



Albany Grasmere Wind Farm, for which Worley has been providing operations and maintenance services since 2018.

















We see sustainability issues through the lens of the UN SDGs

In our annual assessment process, we consider two different kinds of issues:

- those that have a significant impact on our business; how we run our business
- those of importance in society that our business can have an impact on; our role in the world.


This is what drives our sustainability strategy and what we report on. Our biggest role is supporting our customers on their sustainability journeys. We're also delivering on our own sustainability commitments and strengthening our ESG performance.


This year, our assessment identified the following four UN SDGs that are material to Worley

Material issues	Summary of progress in FY2022	Value drivers
 <p>We support healthy lives and promote well-being</p>	<ul style="list-style-type: none"> • Acted on over 80 improvement suggestions to enhance HSE outcomes • Updated our assurance standards to improve the psychological safety of our people • Acted on our Inclusion Survey findings, building a culture of inclusion, belonging and respect • Provided inclusion training for over 460 of our leaders 	 Page 88  Page 95
 <p>We provide access to sustainable and modern energy</p>	<ul style="list-style-type: none"> • Increased our delivery experience to more than 3,300+ Energy Transition Projects • Empowered communities with clean energy through Worley Foundation sponsorship of Energy for All and the Pollinate Foundation • Provided insights to the energy transition through our involvement in industry coalitions including the Energy Transitions Commission • Released our ambition to be a leader in sustainability solutions and grow our involvement in decarbonization 	 Page 63  Page 71  Page 88  Page 95  Page 74
 <p>We deliver the infrastructure essential for sustainable development</p>	<ul style="list-style-type: none"> • Published groundbreaking research on the delivery of the complex industrial infrastructure required to achieve net-zero by 2050, in partnership with Princeton's Andlinger Center for Energy and the Environment • Updated our engineering design practices, further embedding sustainability in the way we deliver projects • Distributed \$9,814m of economic value into our economies and communities 	 Page 95  Page 63  Page 71
 <p>We provide the solutions critical to climate action</p>	<ul style="list-style-type: none"> • Revised our Climate Change Position Statement, raising our ambition on climate action • Reduced our Scope 1 and Scope 2 emissions by 29% • Advanced our disclosure of Scope 3 emissions • Furthered implementation of our Sustainable Solutions process into the way we deliver projects • Convened a leaders' roundtable at COP26, forging new partnerships to deliver net zero 	 Page 74  Page 95  Page 71  Page 63

1.2 Performance

In this section, we provide a review of performance against the business value drivers shown below:

 **1.2.1 Finance**
(page 58)

 **1.2.2 Knowledge, technology
and data** (page 63)

 **1.2.3 Equipment and fabrication**
(page 71)

1.2.1 Finance

Our finance business value driver refers to our active capital management from diverse and competitive sources, driving business growth and value for our investors.

In the following table, we show the reconciliation of the underlying earnings before interest, tax and amortization on intangible assets we've acquired through business combinations (EBITA) and underlying NPATA results to the EBITA as well as NPATA attributable to members of Worley Limited.



These three measures are the key to understanding our results:

1. Aggregated revenue
2. EBITA (earnings before interest, tax and amortization) and
3. NPATA (net profit after tax and amortization) attributable to members of Worley Limited.

	FY2022 \$'M	FY2021 ¹ \$'M
EBITA	449	319
Costs in relation to cost saving programs	67	199
<i>Impact of transformation and restructuring:</i>		
Shared services transformation	53	–
Payroll and other restructuring costs	15	84
Property leased assets (impairment reversals)/impairment	(4)	60
Transition costs	3	55
International government subsidies, net of direct costs	(2)	(70)
Net impact of historical legal matters	16	–
Impact of withdrawal from Russia	14	–
Impairment of other assets	2	12
Gain on disposal of subsidiary/investment	–	(7)
Impairment of investments including equity accounted associates	1	11
Certain other one off items	–	(1)
<i>Total of underlying adjustments to EBITA</i>	<i>98</i>	<i>144</i>
Underlying EBITA	547	463
Net finance costs	(60)	(77)
One off costs of refinancing debt with Euro Medium Term Note (EMTN) issuance	–	4
Income tax expense	(117)	(61)
Net tax expense on items excluded from underlying earnings	(12)	(39)
Tax on acquired intangibles	(24)	(25)
Underlying tax adjustments	–	11
Non-controlling interests	(5)	1
Underlying NPATA attributable to members of Worley Limited	329	277
Total of underlying adjustments to EBITA	(98)	(144)
One off costs of refinancing debt with EMTN issuance	–	(4)
Net tax expense on the items excluded from underlying earnings	12	39
Underlying tax adjustments	–	(11)
Amortization of acquired intangible assets	(95)	(100)
Tax on acquired amortization	24	25
NPAT attributable to members of Worley Limited	172	82

¹ FY2021 prior period has been restated. Refer to note 2E in the financial statements.

Operating and Financial Review

	FY2022 \$'M	FY2021 ¹ \$'M	COMMENTS	MOVEMENT
1. Aggregated revenue	9,065	8,774	We define aggregated revenue as: <ul style="list-style-type: none"> our revenue and income calculated in accordance with relevant accounting standards; plus our share of revenue earned by our associates; less procurement revenue at nil margin, pass-through revenue at nil margin and interest income. 	Our aggregated revenue increased by 3% in FY2022 when compared with that for FY2021, driven by growth in demand.
2. EBITA (statutory)	449	319	EBITA means earnings before interest, tax and amortization on intangible assets acquired through business combinations.	Our statutory EBITA increased by 41% in FY2022 when compared with that for FY2021. The statutory result was impacted by non-recurring charges such as transformation and restructuring costs.
(underlying)	547	463		Our underlying EBITA increased by 18% in FY2022 when compared with that for FY2021, driven by a continuing improvement in rate, particularly in sustainability related professional services, and the retention of benefits from our costs savings program. Underlying EBITA margin has increased from 5.3% in FY2021 to 6.0% in FY2022.
3. NPATA (statutory)	243	157	NPATA means net profit after tax excluding the post-tax impact of amortization on intangible assets acquired through business combinations.	Statutory NPATA increased by 55% in FY2022 when compared with that for FY2021.
(underlying)	329	277		Underlying NPATA increased by 19% in FY2022.



Kuwait Environmental Remediation Program

¹ FY2021 prior period has been restated. Refer to note 2E in the financial statements.

Operating performance

Americas

The Americas region, comprising the United States, Canada and Latin America, reported aggregated revenue of \$4,187 million and segment EBITA of \$271 million (FY2021: aggregated revenue of \$3,769 million and segment EBITA of \$258 million). Americas EBITA was driven by a strong H2 with a ramp up of key projects and improved margins in the construction and fabrication business from H1. The segment margin decreased to 6.5% from 6.8%. The Americas margin was impacted by business mix and a one-off project impact in FY2022.

	AGGREGATED REVENUE		CONTRIBUTION TO GROUP AGGREGATED REVENUE	SEGMENT EBITA		SEGMENT MARGIN
	\$'M	VARIANCE %	%	\$'M	VARIANCE %	%
FY2022	4,187	11	46	271	5	6.5
FY2021 ¹	3,769	(31)	43	258	(48)	6.8

EMEA

Europe, Middle East and Africa (EMEA) reported aggregated revenue of \$3,168 million and segment EBITA of \$283 million (FY2021: aggregated revenue of \$3,333 million and segment EBITA of \$202 million). EMEA EBITA was up, based on rate improvements in professional services work through an increase in sustainability projects while maintaining cost base. The segment margin increased to 8.9% from 6.1%. The EMEA margin was supported by higher margin projects in FY2022.

	AGGREGATED REVENUE		CONTRIBUTION TO GROUP AGGREGATED REVENUE	SEGMENT EBITA		SEGMENT MARGIN
	\$'M	VARIANCE %	%	\$'M	VARIANCE %	%
FY2022	3,168	(5)	35	283	40	8.9
FY2021	3,333	(13)	38	202	(19)	6.1

APAC

Australia, Pacific, Asia and China (APAC) reported aggregated revenue of \$1,710 million and segment EBITA of \$181 million, (FY2021: aggregated revenue of \$1,672 million and segment EBITA of \$152 million). APAC EBITA increase was driven by volume increases and improved GID utilization. The segment margin increased to 10.6% from 9.1%. The APAC margin continues to grow through greater percentage of professional services work and higher Group utilization of GID.

	AGGREGATED REVENUE		CONTRIBUTION TO GROUP AGGREGATED REVENUE	SEGMENT EBITA		SEGMENT MARGIN
	\$'M	VARIANCE %	%	\$'M	VARIANCE %	%
FY2022	1,710	2	19	181	19	10.6
FY2021	1,672	(14)	19	152	(15)	9.1

¹ FY2021 prior period has been restated. Refer to note 2E in the financial statements.

Operating and Financial Review

Sector performance

Energy

The energy sector reported aggregated revenue of \$4,477 million and segment EBITA of \$327 million (FY2021: aggregated revenue of \$4,394 million and segment EBITA of \$299 million¹). The segment margin increased to 7.3% from 6.8%. The energy sector has shown resilience through increased margins while navigating the global political climate.

	AGGREGATED REVENUE			CONTRIBUTION TO GROUP AGGREGATED REVENUE		SEGMENT EBITA		SEGMENT MARGIN
	\$'M	VARIANCE %	%	\$'M	VARIANCE %	\$'M	VARIANCE %	%
FY2022	4,477	2	49	327	9	327	9	7.3
FY2021 ¹	4,394	(17)	50	299	(24)	299	(24)	6.8

Chemicals

The chemicals sector reported aggregated revenue of \$3,308 million and segment EBITA of \$302 million (FY2021: aggregated revenue of \$3,250 million and segment EBITA of \$238 million). The segment margin increased to 9.1% from 7.3%. The chemicals sector's strong performance is a result of returned demand, increased investment across all regions and consistent growth in sustainability.

	AGGREGATED REVENUE			CONTRIBUTION TO GROUP AGGREGATED REVENUE		SEGMENT EBITA		SEGMENT MARGIN
	\$'M	VARIANCE %	%	\$'M	VARIANCE %	\$'M	VARIANCE %	%
FY2022	3,308	2	37	302	27	302	27	9.1
FY2021 ¹	3,250	(28)	37	238	(47)	238	(47)	7.3

Resources

The resources sector reported aggregated revenue of \$1,280 million and segment EBITA of \$106 million (FY2021: aggregated revenue of \$1,130 million and segment EBITA of \$75 million). The segment margin increased to 8.3% from 6.6%. The resources EBITA improved based on strong project performance in EMEA and an increase in sustainability projects during the year.

	AGGREGATED REVENUE			CONTRIBUTION TO GROUP AGGREGATED REVENUE		SEGMENT EBITA		SEGMENT MARGIN
	\$'M	VARIANCE %	%	\$'M	VARIANCE %	\$'M	VARIANCE %	%
FY2022	1,280	13	14	106	41	106	41	8.3
FY2021	1,130	(21)	13	75	(11)	75	(11)	6.6

¹ FY2021 prior period has been restated. Refer to note 2E in the financial statements.



1.2.2 Knowledge, technology and data

Our knowledge, technology and data business value driver refers to what we know – our brand, execution methodologies, intellectual property, data, technology, knowledge and insights – together driving efficiency and productivity.

Our people provide expert solutions globally by leveraging knowledge, technology and data

Supported by our standards and integrated processes, we provide consistent and expert solutions. We have over 51,000 people to develop, analyze and deliver this.

Our distinctive capabilities



Knowledge and advisory

We're providing expert solutions focused on solving complex challenges

- we create value from knowledge gained across thousands of engagements and projects each year
- we provide insights across asset lifecycle from market and technology analysis to early-stage project development, asset optimization and repurposing/remediation
- our knowledge is delivered as software, studies and reports to drive project delivery



Technology

We're expanding our process technology intellectual property (IP) portfolio in growth sectors to support overall business growth

- our Comprimo® business brings more than 65 years of proven experience and expertise in the development, application and management of sulfur removal technology
- through Chemetics® we offer technology and solutions for sulfuric acid and other specialty chemicals facilities
- we build, scale, invest and partner with others in new ventures that have the potential to transform the way we work today



Digital and data analytics

We're accelerating our digital technology to create high-value solutions and drive margin improvement

- we provide integrated data-centric delivery platforms
- our digital products help our customers improve their project and operational performance and reduce their safety and environmental risk
- we're increasing productivity through robotic process automation
- our artificial intelligence tools drive smart and repeatable engineering solutions

We leverage our global knowledge, technology and data to bring value for our customers anywhere in the world.

Operating and Financial Review

Knowledge and advisory

We create value for our customers through our collective knowledge, gained from thousands of engagements and projects each year.

Advisian

Our Advisian business comprises advisors, strategists, scientists, planners and market analysts. We leverage this knowledge anywhere in the world through our global talent pool and integrated data platforms.

Advisian brings differentiation through:

- breadth and depth of specialist capabilities
- global scale and seamless integration across our operations
- end to end solutions across the asset lifecycle from project development through delivery and beyond
- credibility and incumbency in growth markets.

Through our advisory capability, we inform communities, companies, governments and investment houses of practical steps towards regionally specific transformation to a low-carbon future. This year, we've supported our customers on:

- decarbonization roadmaps, developed for customers in both the private and public sector to help visualize, plan and optimize decision making to reach their sustainability goals
- first-of-a-kind technology development projects such as 1PointFive, our barrier-breaking Direct Air Capture (DAC) collaboration with Oxy Low Carbon Ventures
- early-stage design of over 50 renewable diesel facilities globally to enable refiners to repurpose aging refineries to produce low-carbon fuels to meet regulatory demands, market pressures and corporate sustainability targets
- adapting existing infrastructure to meet the growing demand for the generation and distribution of low-carbon fuels.



Advisian team, Perth Australia



We help our customers create community value

We support our customers to make a lasting positive social impact. We're committed to supporting sustainable communities and maximizing opportunities for local participation and benefit sharing.

We're supporting our customers in reconciliation

We enable our customers to increase local and First Nations employment and supply chain participation. Our Environment and Society team is working with our customers, across government and industry, to facilitate this. In the last year, we've made two key appointments to help us deliver on this:



Kyra Galante is Worley Australia's First Nations Participation Director. As a proud Indigenous woman with over 20 years' business experience, Kyra is facilitating partnerships between Worley Australia and Indigenous businesses to create positive socio-economic impact. As well as this, Kyra's work involves providing guidance to Worley and our customers to facilitate the energy transition's alignment with Indigenous cultural values to protect land, water and heritage.



Maxine Trennert is Worley Canada's Indigenous Relations Director and is taking action on our commitment to Truth and Reconciliation with Indigenous Peoples (First Nations, Métis and Inuit). Maxine is a "connector of people and interests" with lived experience and passion for preserving Indigenous culture. Her drive for developing sustainable Indigenous partnerships and protecting traditional knowledge will be central to our reconciliation journey.

Global Integrated Delivery

Our GID team, based in India, is a central place where teams of talented engineers help to complete hundreds of projects around the world. Our GID teams are extensions of the 'home office' teams who usually oversee the project. We use a number of tools to stay connected and offer seamless delivery between the two locations. Our GID can also improve overall productivity and utilization with engineers quickly moving from project to project.

Our GID operations in India are now in their 23rd year. In FY2022, GID comprised over 4,100 people, supporting over 60 global offices on basic engineering, FEED, detailed engineering, overseas assignments, and enhanced work share, delivering projects for 32 of our customers from core and growth markets. 25% of the projects came from sustainability-related work. This model has helped deliver 52 million work hours so far and is expected to grow. Our total headcount in India exceeds 5,900. The rest of the team work on local delivery however the entire team are capable of delivering GID.

~73%

Increase in GID hours, in FY2022, up from FY2021

4,100+

people in our GID across 3 different offices, representing a 28% increase from FY2021



Joint force to drive growth and transformation

GID's long-standing relationship with Germany and the Netherlands has been an incredible source of growth and transformation for us. These offices were one of the earliest across the globe to embrace GID and recognize the exceptional talent and potential of our offices in India. And for nearly two decades, they joined hands to work on some path-breaking projects.

So, it should come as no surprise that we had an incredible milestone to celebrate this year. Our 750-plus team, working on Germany and the Netherlands projects in India, achieved 1.1 million work hours in FY2022 – a tremendous feat by any measure. And to make this even more of a resounding success – **over 50% of this came from energy transition projects.**

A large part of this was also delivered using digital tools and applications.



The leadership team from Germany and The Netherlands (GeNe) during a visit to Gigaplex, Navi Mumbai in India to meet the 750-plus GID team working on GeNe projects and celebrate a remarkable milestone - 1.1 million work hours in FY2022 through GID.

Operating and Financial Review

Technology

In a world of change, our need for technology is a constant. Energy systems are evolving. Options are increasing. And consumer demands are changing. Technology is how we stay at the forefront – it's integral to everything we do.

Our technology businesses, ventures and products help our customers turn industry challenges into solutions. We advise from beginning to end. And we turn ideas into reality, diversifying operations so our customers can work more efficiently and adapt better to change.

As part of our technology solutions, we deliver proprietary technology solutions through our Chemetics® and Comprimo® businesses. These service multiple industry sectors with a global reach via lump sum price contracts. These businesses support customers throughout all parts of the sulfur value chain.

We deliver value to our customers by identifying industry challenges, conceiving and developing new technology and delivering tangible solutions in the form of proprietary processes, equipment and plants, which we then support for decades afterwards to maintain optimum performance.



Chemetics®

Our Chemetics® business is the leading provider of technology and solutions for sulfuric acid and other specialty chemical facilities. We have a custom-built fabrication facility, a research lab and centers of excellence in Vancouver and Toronto.

At Chemetics®, we have developed, patented and delivered sustainability supporting technologies, such as:

- sulfate removal systems, which reduce liquid effluents by more than 95% at chlorine plants worldwide
- our Core-SO₂™ technology, which enables decarbonization of fertilizer production via water electrolysis
- our CORE-FGD™ process, which reduces stack sulfur-dioxide emissions by more than 99%, creating a saleable product
- our CORE-DSW™, which recovers waste heat to produce high-quality water through low-cost seawater desalination.



250¹+

specialists in the design, supply and operation of sulfuric acid and chlorine chemical plants



250+

Chemetics® sulfuric acid and chlorine chemical plants installed



#1¹

largest global fabricator, supplier and designer of proprietary equipment for sulfuric acid and sodium chlorate plants (1,000+ installations)

¹ As at 30 June 2022.



Comprimo®

Through our Comprimo® business, we develop technology that removes sulfur from fossil fuels and recovers it as elemental sulfur. As the largest sulfur recovery and gas-treating technology provider, we work with refineries, gas plants, power and chemical plants around the world to clean up emissions. We also collaborate with industry and environmental regulators to improve designs that enhance energy-efficiency and reduce emissions.

At Comprimo®, we have patents, technology and know-how to support sustainable value creation, such as:

- the largest technology portfolio that helps to reduce sulphur emissions globally
- our CO₂ know-how that supports customers into dealing with their carbon footprint.



100¹+

global licensor in sulfur technology with 100+ dedicated gas-treating and sulfur specialists in five countries



1,200¹+

designed and licensed gas-treating and sulfur recovery units worldwide



>60%¹

of the global existing sulfur recovery units carry a Worley Comprimo® design and license



Sulfur export for international markets, Vancouver Canada.

¹ As at 30 June 2022.

Operating and Financial Review

Digital and data analytics

Value creation through technology, data and digital

Strategic objectives to drive transformation include:

- **elevating cyber security and data protection** to strengthen our operating model, reduce overall vulnerability and protect our intellectual capital
- **enabling data-centric delivery** by leveraging information and digital technologies to create efficiencies across the asset lifecycle
- **enhancing digital literacy and establishing digital capability** across the organization to improve the project team and customer experience as well as Worley's competitive position.

In FY2022, we've achieved:

- reduced operations cost with technology platform standardization
- increased efficiency and reduction of manual data entry duplication through introduction of over 90 automation bots
- increases in our information security and lower cyber risk through world-class technology.



We continue to enhance our privacy and data security metrics:

- the percentage of our people trained in Data Privacy exceeds 85% of our workforce (including craft)
- SecurityScorecard rating: 92%
- Information Security Management System (ISMS) meets the requirements of ISO27001 Information Security Standard
- third-party independent maturity assessment against NIST Cyber Security framework: Mature rating with a score of 850/1000
- our Test Phishing Cyber-attack campaigns and training reach greater than 85% of our people.



Examples of our digital capabilities developed in FY2022 include:

- **Blockchain pilot with customers:** We're piloting blockchain technology with our customers for smart contracts and material tracking use cases. This is an internet-based technology that enables transparent and instantaneous transactions that are verified and stored on permanent public ledgers. It's been estimated that the market for blockchain technology in the energy industry will grow from US\$220 million in 2018 to US\$3 billion by 2025.¹
- **Leading green hydrogen partnership:** We signed a memorandum of understanding with ABB and IBM to help energy companies build and operate green hydrogen facilities at scale. The partnership aims to reduce the levelized cost of sustainable technology by developing an integrated, digitally enabled solution for green hydrogen.
- **Offshore wind holistic design:** We've designed a customer-centric platform with our customers that streamlines the "Concept to Operation" lifecycle of wind assets. It does so by ensuring that all the contributing factors to an offshore wind farm design are considered at the same time and performs simulations to achieve levelized cost of energy for the customer.



Members of Information & Digital Delivery spent some time with 'Spot', the robot dog, during a technology display in the Houston DXLab.

¹ Global Market Insights (GMI), Blockchain in energy market, 2019.

Digital-enabled asset solutions

We help our customers design their “asset of the future” enabled with digital infrastructure in a way that we get insights into the operation and make it safer and cheaper.

To reduce energy costs, we’re making autonomous uncrewed operations possible by providing our customers with five key capabilities:

1. Advisory services and service design
2. End-to-end digital twins
3. Productization of services and breakthrough analytics solutions
4. Sustainability technology solutions, such as WaterRide for flood modelling
5. Autonomous solutions design and implementation.

We’ve developed subscription-based B2B (business to business) products and services that are applicable to the entire asset lifecycle.

We are supporting our customers within all our markets to electrify their assets with low-carbon energy. To do that, we have created a B2B service called “Power to Products”.

Another of the B2B services we provide is the maintenance of digital assets. This is an example of how we productize our IP and scale it through digital technology. We’re helping our customers maintain digital models throughout the asset lifecycle to enable improved decision making.



Customer Solutions team.



Leading innovation across industries

This year, we again facilitated the Industry Leadership Forum, a cross-industry sharing of best practice across Worley's customers. The forum celebrated its 20th year milestone and, over those years, has tackled the issues of the day, starting with a focus on safety and project delivery, through to today where the issues of diversity and inclusion, energy transition and decarbonization, and digitalization are the topics of interest. This year's theme, "A tipping point for industry: Confronting accelerating demands for change," stimulated discussion and collaboration across this industry network. We had over 120 customer companies and 400 customer representatives participated in the forum, virtually and in person, across Perth, Brisbane and Singapore.

“The continued success of this event is because of the leadership and commitment demonstrated by cross-industry business, seeking opportunities to innovate, share and learn for the benefit of the industries in which we work. It is something we can all be proud of.” Chris Ashton, Chief Executive Officer, Worley.



Portfolio Management

Worley's brownfield portfolio supports the development of deep connections with many of our global customers' operations. The establishment and operation of global Portfolio Management networks across regions and global customers is creating a strong culture of best-practice sharing, connection and community, enhancing the value being delivered to our customers.

200+

brownfield portfolios globally

20+

years of continued portfolio management for over 10 customers, including, for example, Woodside, bp Kwinana Refinery, Syncrude Canada, Rio Tinto Iron Ore and various Shell Alliances



1.2.3 Equipment and fabrication

Our equipment and fabrication business value driver refers to our manufactured equipment and modules for the energy, chemicals and resources sectors, supporting delivery of critical infrastructure.

We deliver services across the entire project lifecycle. Our integrated approach to maintenance, modifications and operations reduces risk and costs. Our construction approaches help customers to meet their objectives by including modularization, stick-built and pre-fabrication methodologies. We manufacture bespoke pipework, metalwork, joinery and control and electrical panels through our fabrication yards in the UK, Europe and the Americas.



Fabricating critical equipment for green fertilizer production

Chemetics® has developed a patent-pending new process, CORE-SO₂™, that facilitates existing phosphate production processes, using green hydrogen.

This process is attracting strong interest from the fertilizer industry and will be developed in cooperation with one of the world's leading fertilizer producers.

Our fabrication shop in Pickering, Canada, will play a critical role in developing and fabricating the specialized proprietary equipment. We're now expanding our capacity to ensure we meet future market needs.

Operating and Financial Review

Delivering solutions for our customers in the field

Our Field Services organization delivers a full suite of solutions for our customers in a variety of complex facilities in greenfield and brownfield assets globally. Our services include maintenance, modification, operations, fabrication, construction, management, start up and commissioning. As an integrated offering with our engineering operations or standalone, we deliver these services to meet our customers' needs.

Our customers' needs at their existing facilities may span a range from ongoing routine maintenance of a plant to large-scale plant turnarounds, supported by nearly one thousand of our people. When building new or expanding existing facilities, we're able to deliver fabrication and construction crews of just a few people or a full in-house engineering, procurement and construction (EPC) team of hundreds.

Our Field Services team is currently supporting our customers as they enter and progress through the energy transition. The skills and experience we possess are well suited to energy transition projects and help our customers to deliver these projects safely and cost-effectively.

Increasing the diversity of our workforce

Our team has formed a partnership with Women Building Futures to run a four-week express training program which will focus on training women for careers as pipefitters. The first express program will train 12 women with the intention of hiring these program graduates as first-year apprentices. If the program goes well, we hope to expand to other disciplines in the future – opening even more opportunities for women to work as craft professionals in the field.



Our safety performance at the ExxonMobil Baytown Refinery

In February 2022, one of our largest and most diverse operations within our Maintenance and Turnaround portfolio for an integrated downstream customer in Baytown, Texas, achieved 4 years with 4.7 million safely executed work hours.

This outstanding achievement demonstrates our commitment to the safekeeping of our people and our customer facilities by "Walking the Walk and Talking the Talk" when it comes to safe work practices.



ExxonMobil Baytown Refinery in Texas, USA.



A spotlight on Rosenberg

Rosenberg Worley AS operates in a fully integrated engineering, fabrication and construction environment. Designing and building assets for offshore industries, Rosenberg has a strong focus on new markets, including offshore floating wind, electrification, hydrogen and sea farming.

The capacity of Rosenberg is growing, and we're upskilling our people with new knowledge that supports the energy transition. Seventeen of our engineers are now completing a master's course in marine technology to prepare for growing investment in offshore wind.

We've also taken steps to improve the environmental impact of this site. We've purchased Renewable Energy Certificates for Rosenberg, reducing our market-based emissions by 15,200 tCO₂e. We've also introduced *Shore Power*, enabling docked vessels to connect to the hydro-power generated electricity instead of relying on diesel generators.



72

years with an apprentice program



60+

nationalities



25

new apprentices per year



2,000+

certificates of apprenticeship since 1990



4,300

people working at Rosenberg

The Prime Minister of Norway and the Minister of Industry and his Minister of Trade, Industry and Fisheries held a press conference at Rosenberg in June to launch their Green Industry initiative. In their plan, they listed 100 ways they will help Norway's industries become greener.



(Above photo) Prime Minister of Norway, Jonas Gahr Støre (on the left) and Norwegian Minister of Trade, Industry and Fisheries, Jan Christian Vestre (on the right).

(Below photo) Naerings- og fiskeridepartementet (Norwegian Ministry of Trade, Industry and Fisheries).



Iseline Nybø, former Minister of Industry (Norway), at the ribbon cutting ceremony to launch Shore Power at Rosenberg in June 2022.

Operating and Financial Review

1.3 ESG disclosures

In this section, we provide a review of our ESG performance through the lens of the following business value drivers¹

Environment	Social	Governance
 1.3.1 Environment (page 74) 1.3.2 Taskforce on Climate-related Financial Disclosures (page 80)	 1.3.3 People (page 88)  1.3.4 Communities (page 95)	1.3.5 Sustainability governance (page 100) For comprehensive disclosures on corporate governance, please refer to the Directors' Report (page 116) and our Corporate Governance Statement.



Image taken by Anna Huff, Project Manager, as part of our Earth Day photo competition.

¹ Our reporting boundary for our ESG disclosures extends to our owned and managed sites. We use the operational control approach to define this.



1.3.1 Environment

Our environment business value driver refers to how we consider the environment with all stakeholders, stewarding environmental sustainability. See page 25 for how we're supporting our customers to meet their own sustainability commitments.

Our updated climate change position statement

This year, we updated our climate change position statement to reflect our increasing ambition on sustainability.

Climate Change Position Statement

As the world seeks to urgently reduce greenhouse gas emissions to net zero, our role is clear. We're increasing our focus on the decarbonization of the Energy, Chemicals and Resources sectors.

We're also making assets more resilient to climate change. Supporting the protection of biodiversity. Accelerating the deployment of technology. And transforming the way we design, build and operate assets to ensure we're delivering a more sustainable world.

There's a lot of work to be done this decade. But we're not doing it alone. Collaboration is central to our approach.

We're working with our customers and creating partnerships to find solutions that enable sustainable growth. And we're supporting our people and communities to ensure an inclusive transition.



Reduce our emissions to net zero:

- By 2030 for Scope 1 and Scope 2
- By 2050 for Scope 3

We will set 1.5°C science-aligned targets.



Forge industry-leading partnerships. We aspire to derive **75% of our revenue from sustainability-related business by 2026.**



Invest **A\$100 million** over three years to build our sustainability competencies.



Transform our culture by providing our people with opportunities to **learn, develop and drive sustainable solutions** with our customers and suppliers.



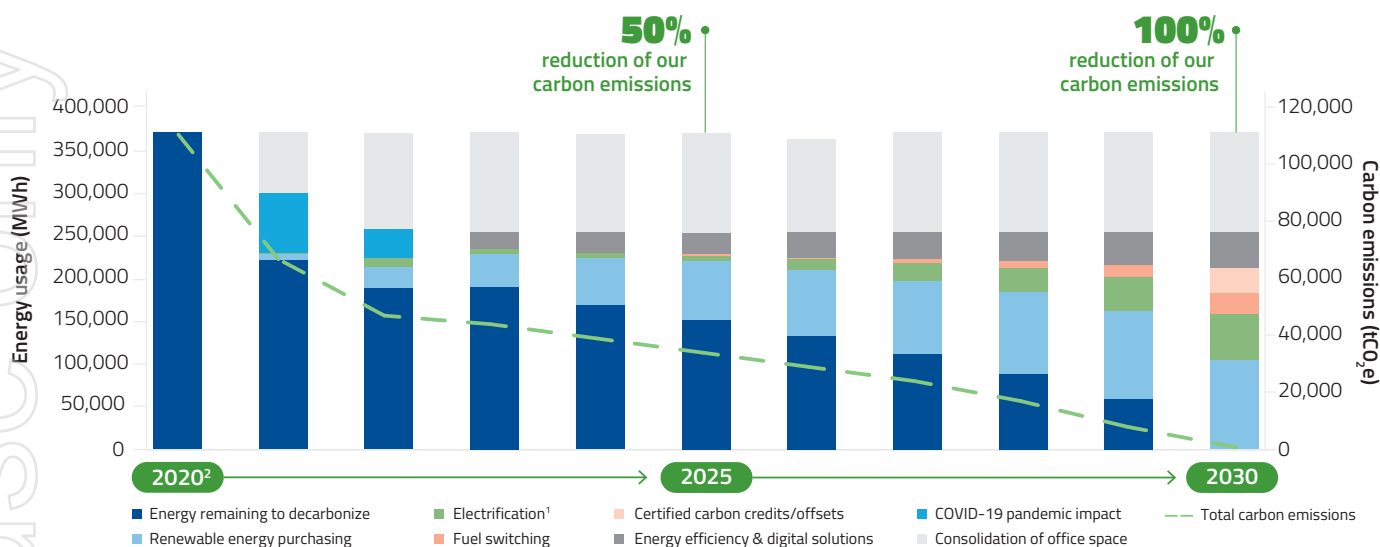
Develop a plan to **support biodiversity and nature positivity** in our project work.

The actions behind our words

What we're doing to support our climate change position statement

Operating and Financial Review

Our net-zero roadmap for Scope 1 and Scope 2 emissions



This year, our Scope 1 and Scope 2 emissions are 48,211 tCO₂e; 29% lower than FY2021 levels.

Our FY2022 target has, in part, been achieved through lower office occupancy rates than expected. But it is largely due to renewable energy switching and energy efficiency measures. We purchased certified renewable energy for our offices in India, the United Kingdom, Malaysia and Canada, and for our Rosenberg fabrication yard in Norway. This reduced our Scope 2 emissions by 17,200 tCO₂e. We also improved the efficiency of our lights and generators across Asia and Africa, which reduced our emissions by 360 tCO₂e.

In the short term (2022-2025), we are progressing towards our net-zero target, using widespread renewable energy procurement, office consolidation and energy efficiency initiatives. We are also electrifying our vehicle fleet where viable. In the longer term (2025-2030), we will focus on the decarbonization of our vehicle fleet globally and phasing out natural gas for heating where possible.

Achieving our net-zero Scope 1 and Scope 2 target has several uncertainties, including:

- ability to procure renewable energy in the jurisdictions we operate in
- accessibility of zero-emission vehicles and charging/fueling stations
- ability to source zero-emission heating in very cold climates.

We are managing these uncertainties by closely monitoring and choosing fully renewable energy procurement options, fully electrified buildings and electric vehicles in the countries we operate in. Where available, we work closely with local teams to implement these initiatives. We expect that sourcing these options will become more accessible as we get closer to 2030, however, it is likely we will not be able to remove all of our Scope 1 and Scope 2 emissions. For these residual emissions, we will compensate by using high-quality carbon credits to achieve net zero.

	FY2022	FY2021	% reduction
Scope 1 emissions (tCO ₂ e)	22,238	25,555	13%
Scope 2 emissions (tCO ₂ e)	25,973	42,268	39%
Total Scope 1 + Scope 2 emissions (tCO ₂ e)	48,211	67,823	29%

A detailed breakdown of our Scope 1 and Scope 2 emissions is disclosed in our ESG data center.

¹ Combined with renewable energy.

² Our FY2020 energy and emissions were also impacted by the COVID-19 pandemic, but this has not been quantified as this was our baseline emissions year.

Our energy use

In FY2021, we joined the Climate Group and committed to:

- improve our energy productivity by 25% by 2030 from a 2020 baseline (\$30.4 million/GWh)
- implement an energy management system across our business by 2022.

	FY2022	FY2021	% change
Energy productivity (\$ million/GWh)	42.7	38.1	12% increase
Total energy use (MWh)	212,345	230,029	8% decrease

Assurance of our energy and emissions

We have implemented an energy management system, covering all our offices, fabrication yards and vehicles. This has given us better visibility of multiple environmental metrics including energy, greenhouse gas emissions, water and waste. We've been able to better assess which locations have high-impact opportunities and more effectively implement initiatives to reduce emissions.

This meant that in FY2021, we were able to achieve limited assurance of our Scope 1 and Scope 2 emissions for the first time.



New Zealand electric vehicle.

Our Scope 3 emissions

In FY2021, we committed to reach net-zero Scope 3 emissions by 2050. We have previously reported Scope 3 emissions from air travel and selected categories of Purchased Goods & Services only. This year we have expanded our Scope 3 reporting to include 11 out of the 13 applicable Scope 3 categories to Worley, as defined in the Greenhouse Gas Protocol.

Our FY2022 Scope 3 emissions are estimated to be 585,850 tCO₂e. A detailed breakdown of our Scope 3 emissions is disclosed in our ESG data center.

The majority of these emissions are in Category 1: Purchased Goods & Services. We recognise the challenge and complexity of quantifying and reducing Scope 3 emissions. We will continue to improve the quality of our Scope 3 data, and we are developing a plan to reach our 2050 net-zero target.

Evolving toward nature-positivity

Our relationship with nature is complex. We depend on a range of ecosystem services to function, as do our customers. At the same time, our actions have both positive and negative impacts on the state of the environment. Traditionally, the environmental impact of a project has focused on compliance rather than on the value of the ecosystem services it depends upon.

In our revised Climate Change Position Statement, we introduced a strategic action to develop a plan to support biodiversity and nature-positivity in our project work. This is in response to growing global concern about the state of nature and society's ongoing impacts.



Defining 'nature positive'

There is much work happening internationally to define what 'nature positive' means and how it is measured.

We expect greater clarity over the coming year via the Global Biodiversity Framework agreement at the 15th Conference of the Parties to the Convention on Biological Diversity (COP15) and through the ongoing development of the TNFD (Taskforce on Nature-related Financial Disclosures).

Our health, safety and well-being management system helps us manage environmental-related risks in the way we deliver projects. Parts of our business hold ISO 14001 certification and we conduct third-party audits of our management system and metrics. We do not hold certification within all jurisdictions due to customer, contractual and operational needs.

The management system includes our SEAL process; our framework for driving sustainability in engineering design.

We have had no incidents of non-compliance with environmental permits, standards and regulations.

Operating and Financial Review

Our water and waste

The way we use water and produce waste is one of our material impacts on nature. Our fabrication yards in Canada, Norway, USA and UK are our most significant locations when it comes to water use and waste generation. This is because these are industrial facilities, and we control operations there.

Last year, we disclosed the water and waste from our fabrication yards. This year, we're expanding our disclosures to include all locations, including offices¹.

	Waste generated (tonnes)			Water usage (m³)
	Landfill	Waste-to-energy	Recycling	
Fabrication yards	5,419	1,511	4,645	162,149
Hazardous waste	–	652	–	
Non-hazardous waste	5,419	859	4,645	
Offices	3,051	344	759	429,829

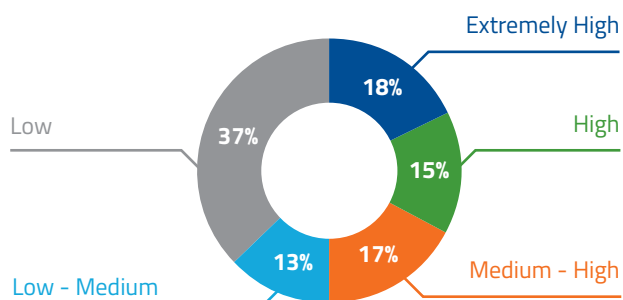
We've been working to reduce the waste from our Rosenberg fabrication facility by strengthening segregation of waste streams so they may be recycled. We now recycle eight different types of waste.

We've also been reducing our waste in our offices and showing our people how to recycle correctly.

Understanding and managing our impact on water availability

How we manage our water varies across our operations and locations. Considering this complexity, it's important that we prioritize and manage our water use, based on material impact. We mapped our locations using World Resource Institute's Aqueduct global water risk tool to understand our impact on water stress. In FY2022, we consumed 134 ML of fresh water in regions with high or extremely high baseline water stress¹.

Worley baseline water stress profile (% of operations)



We're now using this analysis to target specific locations and make our water use more efficient.



Rosenberg fabrication yards.

¹ For sites where data has not been available, waste generated and water usage has been estimated using the World Bank database and our occupancy data. A significant proportion of our water usage is estimated based on headcount. This means that our reported figures are quite conservative as, during FY2022, many of our people continued to work from home. See our ESG data center for more information.

“We commit to phase out the use of single-use plastics at our owned and managed sites by the end of FY2025”.¹

This year, we’ve reviewed our use of single-use plastics and will seek to phase out the use of single-use plastics by the end of FY2025. We will start by building awareness of alternatives to plastics and measure our impact.

Being accountable for our emissions at COP26

Our participation in COP26 resulted in greenhouse gas emissions from business travel and the energy used at our leaders’ roundtable event.

We’ve partnered with South Pole to compensate for these emissions by supporting climate action projects through their EcoAustralia offering. We combined emissions reductions from international Gold Standard renewable energy projects with biodiversity conservation from the Mount Sandy Conservation project, located in South Australia. Mount Sandy is located on the traditional lands of the Ngarrindjeri people, Traditional Custodians of the Coorong, and is a rare pocket of intact native vegetation in the region. Our investment contributes to the protection of this biodiversity-rich land in partnership with its Traditional Owners. The project also provides employment for the local community in the form of vegetation monitoring, fencing and pest and weed control.

From FY2023, we will be offsetting all corporate travel emissions.



EcoAustralia: Mount Sandy Conservation Project (image provided by South Pole).

¹ Locations where single-use plastic bottles are necessary for the consumption of safe drinking water are excluded.

1.3.2 Taskforce on climate-related financial disclosures

Governance

We embed climate-related risk and opportunity within our governance and management processes. We have roles within the Board and senior management that are responsible for our response to climate change.

Board oversight

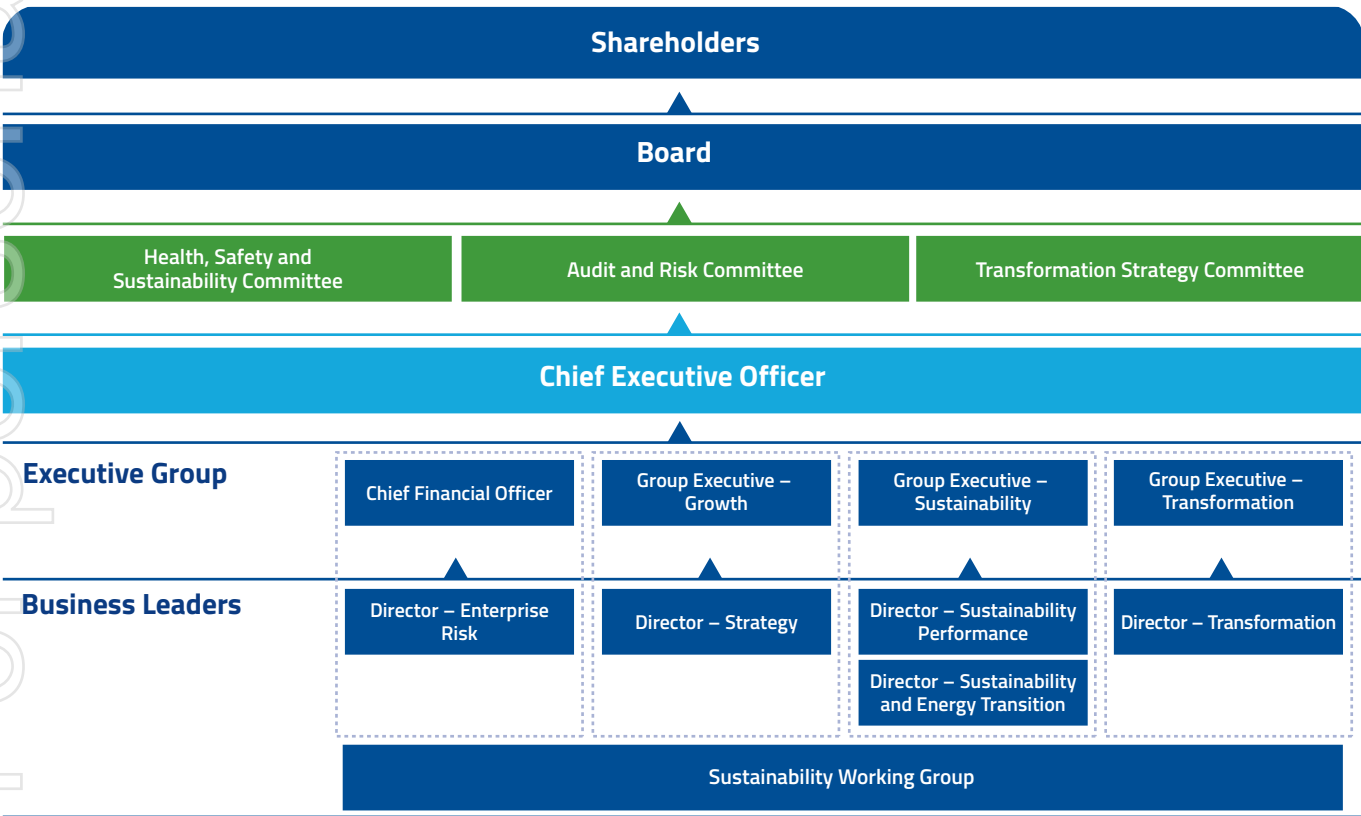
The Board’s oversight of company-wide climate-related risks and opportunities is held by the Health, Safety and Sustainability Committee (HSSC). This includes governance of our Climate Change Position Statement (CCPS). We table climate-related agenda items at the Board HSSC meetings every two months. These include progress towards our net-zero commitments, updates to disclosures and the management of risks and opportunities.

The Board Audit and Risk Committee (ARC) and Transformation Committee also monitor climate-related risks and opportunities. The ARC makes recommendations on the overarching strategy because physical and transition climate-related risks relate to the broader spectrum of enterprise risk. The Board Transformation Committee has oversight of the overall business transformation in response to managing transition risk.

The Chair of the Board is a member of the HSSC and the ARC. They are well informed of our progress toward reducing our emissions in accordance with our objective as a member of the Business Ambition for 1.5°C.

The role of management

The Executive Group Director Sustainability, reporting directly to the CEO, is responsible for climate-related strategy and disclosures. This includes fulfilling the commitments of our CCPS, including our net-zero commitments, and supporting our purpose of delivering a more sustainable world. Also reporting to the CEO is the Executive Group Director Transformation, who is responsible for the program of change within the Worley business to fulfill our purpose and ambition.



Reporting to the Executive Group Director Sustainability is the Director – Sustainability Performance. This role is responsible for delivering the strategic actions under the CCPS, embedding our climate change response into our policies and procedures and designing and delivering programs of work to drive the engagement of our people.

Also reporting to the Executive Group Director Sustainability is the Director Sustainability and Energy Transition Leadership. This role is responsible for forging and coordinating our involvement in industry partnerships and collaborations and fostering and leading sustainability/energy transition thought leadership and supports our engagement with customers on these issues.

The Sustainability Working Group (SWG) develops responses to climate change, energy transition and other sustainability issues. The group meets monthly and includes representatives from across all areas of the business including Operations, Growth, People and Information & Digital Delivery.

Our Director of Strategy sits within our Growth team and is focused on opportunities in our sectors associated with the low-carbon transition. Working together, these teams grow the business opportunities in decarbonization and energy transition. Our Director of Enterprise Risk plays a key role in overseeing the incorporation of climate-related risk and opportunity into our enterprise risk and company-wide risk processes.

Our Assurance team, which includes our R3 team, works with the business to manage the physical risks (and opportunities where relevant) of climate change. This includes managing the safety of our people and communities during extreme weather events. They also plan for physical climate change scenarios.

Strategy

We assess climate-related risks and opportunities and embed these in our Company strategy. Mitigating the effects of climate change and transitioning to a low-carbon economy is key to our Company purpose: delivering a more sustainable world. So is building climate-resilient industrial infrastructure.

Short Term (0 to 2 years)	Our short-term horizon is focused on the immediate budgeting period.
Medium Term (2 to 5 years)	Our medium-term horizon is focused on our strategic business plan in line with our ambition.
Long Term (5 to 10 years)	Our long-term horizon is focused on global trends and our net-zero aspirations



Operating and Financial Review

Our risks and opportunities

We identify and manage climate-related risks and opportunities over the short, medium and long term.

Key: **(S)** = Short term **(M)** = Medium term **(L)** = Long term

Transition

We classify our climate-related transition risks and opportunities as they relate to:

Policy and Regulation (S) (M)	While global governments made significant additional net-zero commitments in the lead-up to COP26, the uncertainty in policy and regulation remains high. We operate in regions of the world where regulation exists, such as the UK and Europe. This regulation is well-matched with our Company strategy, the assistance we're providing to our customers and our own net-zero commitments. We monitor emerging regulation around the world closely. Our global presence and experience in regions with more-progressive climate-related policies allows us to prepare for changes in other parts of the world.
Technology (M) (L)	<p>The shift to a low carbon energy system is going to require deployment of new and different technologies than those that dominate the current energy system.</p> <p>Worley is a deliverer of energy infrastructure with a heritage in legacy fossil-fuel based generation systems, and therefore there is a risk that we don't develop the necessary skills and culture to deliver the technologies of the future. However, we also have considerable experience delivering low carbon energy projects such as hydrogen, renewable energy generation, and energy storage, and have delivered more than 3,300 such projects.</p> <p>Worley is managing the risk and opportunity of shifting technology by creating focused teams that are targeting the new market opportunities, as well as elevating focus on organizational culture and skills development programs.</p>
Market (S) (M) (L)	<p>The energy, chemicals and resources sectors we serve are responsible for over 75% of the world's annual greenhouse gas emissions. We are focused on supporting our customers in the decarbonization of these sectors. We continually assess the markets we serve and the impact on our strategy in the short, medium and long term.</p> <p>Global energy supply and demand continues to fluctuate. While sustained high oil prices are tempering demand growth in advanced economies, the end of broad COVID-19 lockdowns in China is expected to more than offset this. The situation in Ukraine has added near-term challenge to energy markets with shortages in energy supply having the potential to cause a short-term increase in the carbon intensity of energy use.</p>
Reputation (S) (M)	We manage reputational risk through our RBA Standard. This includes assessing the carbon intensity of project opportunities.

Physical

We class our climate-related transition risks and opportunities as Acute and Chronic.

Acute



We are beginning to witness the direct impact of acute climate change on our business and our people. The 2022 Australian floods across the states of Queensland and New South Wales resulted in the temporary closure of our Brisbane office, and a number of our people were affected by personal property damage. Similarly, in 2021, our people in Canada experienced historic temperatures, as high as 45°C, which caused school closures and wildfires in surrounding areas.

We continue to support our business and our people during extreme weather events through our global R3 Group. We are planning for more extreme weather events and the support that will be required.

Chronic



As the world continues to warm, the importance of climate-resilient design intensifies. We see the opportunity, now, to incorporate climate resilience into the ways we design and construct. We are continuously evolving our central design process, SEAL, to establish sustainable thinking in all that we do. Asset sustainability forms a part of our definition for sustainability related work (see page 27).

There's also risk associated with supply chain disruption caused by weather pattern changes and the increasing frequency of extreme weather events. Supply chain disruption has the potential to delay delivery of much-needed infrastructure. We are exploring new ways to work with our supply chains to reduce this risk.



Solar panels installed on our office in Johannesburg, South Africa.

Impacts on our business

Climate-related risks and opportunities have impacted our role in the world and the way we run our business. These include reducing the carbon intensity of the portfolio of projects we deliver for our customers over time as well as the carbon intensity of our own business.

Over the past two years, we’ve transformed our business to align with our purpose. Our response to climate change has been fundamental in informing our strategy. Our ambition, by 2026, is to be recognized globally as the leader in sustainability solutions. This includes partnering with our customers to decarbonize the energy, chemicals and resources sectors. But we also recognize that, with the world already at 1.1°C of warming¹, climate-resilient development will be critical. We’re embedding sustainability thinking into our engineering and construction systems.

We’re also transitioning our business to be net zero for our Scope 1 and Scope 2 emissions by 2030 and our Scope 3 emissions by 2050. This year, we’ve made progress in reducing our Scope 1 and Scope 2 emissions through switching our offices to renewable energy and updating a portion of our vehicle fleet to hybrid vehicles and biofuels. We’ve reduced our emissions by 29% against our FY2021 baseline.

We’re seeing the positive impact of our purpose on our people’s engagement. We’re providing them with opportunities on energy transition projects alongside development through learning passports and e-learning platforms.

Our strategy and scenario planning

We use climate-related scenarios as key inputs to our strategy planning. We use these scenarios to approximate the speed of the energy transition and the degree of adaptation required to make existing and future infrastructure resilient to climatic changes.

Global Temperature Rise	Input Scenarios	Outputs
3°C	International Energy Agency (IEA)	Scenario Definition STEPS is a scenario which reflects current policy settings, based on a sector-by-sector assessment of the specific policies that are in place as well as those that have been announced by governments around the world.
	Stated Policies Scenario (STEPS)	Conventional Energy Oil demand will eventually level off in mid-2030 and then plateau towards 2050.
	IPCC AR6 C6	Low-carbon Energy <ul style="list-style-type: none">Gas demand grows rapidly through to 2030, and growth tempers slightly through to 2050.Renewable energy supply continues to grow, just not at a rate sufficient to remain below 2°C.
		Chemicals and Fuels <ul style="list-style-type: none">Chemicals: Oil use in petrochemicals increases moderately, and plastic recovery continues to grow at an increasing rate through 2030.Fuels: Renewable fuel supply increases, however, it is only at about half the rate of the Announced Pledges Scenario (APS) and a third of the rate of the Net-Zero Emissions scenario (NZE).
		Resources Overall requirements for critical minerals needed for clean energy technologies grows through to 2050, however, it is still only about one third of NZE requirements.

¹ Reference: IPCC Sixth Assessment Report.

Global Temperature Rise	Input Scenarios	Outputs
2°C	IEA Announced Pledges Scenario (APS) IPCC AR6 C3	<p>Scenario Definition APS is a scenario which assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term net-zero targets, will be met in full and on time.</p> <p>Conventional Energy Oil demand is expected to peak near 2030 and gradually decline by 2050.</p> <p>Low-carbon Energy</p> <ul style="list-style-type: none"> Gas demand reaches a peak near 2030 and then declines slightly towards 2050. Renewable energy supply continues to grow, just not at a rate sufficient to attain 1.5°C. <p>Chemicals and Fuels</p> <ul style="list-style-type: none"> Chemicals: Demand rises substantially by 2030. Fuels: Renewable fuel demand increases towards 2030 at about half the rate of NZE. <p>Resources Overall requirements for critical minerals needed for clean energy technologies grows significantly through to 2050 (faster growth than STEPS).</p>
1.5°C	IEA Net-Zero Emissions by 2050 (NZE) IPCC AR6 C1	<p>Scenario Definition NZE is a scenario which sets out a narrow but achievable pathway for the global energy sector to achieve net-zero CO₂ emissions by 2050. It doesn't rely on emissions reductions from outside the energy sector to achieve its goals.</p> <p>Conventional Energy Oil demand is expected to decline during this decade with accelerated decline between 2030 and 2050.</p> <p>Low-carbon Energy</p> <ul style="list-style-type: none"> Gas: Supply drop doesn't occur until around 2030. By 2050, more than half of natural gas consumed is used to produce low-carbon hydrogen, and a higher percentage of gas use is in facilities equipped with CCUS. Renewable energy supply continues to grow and significantly exceeds APS and STEPS growth. <p>Chemicals and Fuels</p> <ul style="list-style-type: none"> Chemicals: Demand continues strongly in this scenario, underscoring the need for measures to reduce the energy and CO₂ emissions intensity of production. Fuels: Biofuel demand is expected to expand significantly to align with this scenario. Liquid biofuels expand in this scenario primarily to reduce emissions in road transport and to a lesser extent for planes and ships. <p>Resources Achieving net-zero emissions globally by 2050 means record levels of clean energy deployment and requires up to six times more mineral inputs in 2050 than today.</p>

Risk and opportunity management process

For details of how we manage all risks and opportunities, refer to page 104. Our risk management process includes a range of assessments, surveillance and reporting. Our Risk Management Standard sets our overarching approach across all processes within the Company. The Standard applies to all of our activities including opportunity pursuit during project delivery and corporate functions, such as legal and treasury.

We use a risk matrix approach with likelihood and consequence criteria that's relevant to our business and covers a range of risk types. Our risk matrix helps us to assess environmental impacts including climate change.

Identifying climate-related risks and opportunities

We've embedded identifying climate-related risks into our business risk processes and tools.

Responsible Business Assessment (RBA) Standard	Within our RBA Standard, we identify the carbon intensity of opportunities and flag high-carbon emissions as a special risk for Senior Leadership approval via the Special Risks Standard.
Special Risks Standard	Provides the level of approval required for high risks that could damage our reputation or financial profile. High risks from our RBA Standard, including carbon intensity, are detailed in the Special Risks Standard.
Annual transition and physical risk workshops	We complete annual assessments to identify the risks and opportunities associated with climate change. We use IEA (STEPS, APS and NZE) and IPCC (SSP 5-8.5) scenarios as the basis of these workshops. Our Sustainability Performance team, in collaboration with key stakeholders across the Worley business, manage the outcomes of these workshops.

Managing climate-related risks and opportunities

We manage identified climate-related risks and opportunities through various groups and processes within the business.

Sustainability performance, strategy and enterprise risk	<p>Our Sustainability Performance team, in conjunction with our Strategy and Enterprise Risk team, oversee climate-related risks and opportunities. These teams work together to embed change throughout the organization.</p> <p>Our business strategy is informed by being a leader in designing and building the low-carbon infrastructure critical to reducing global emissions.</p>
Project delivery and assurance	Our Project Delivery team have oversight of risk management across all of our projects, which include climate-related risks and opportunities. Our Internal Audit and Assurance team is responsible for ensuring our project risk management processes are upheld.
R3	R3 manages our security and resilience management processes including response plans for climate-related changes to weather patterns and increased frequency of extreme weather events.
People	Our people strategy is informed by the risk of an experience shortage. We give our people opportunities to build on their experience to design and deliver low-carbon infrastructure through project delivery and training.
Supply chain	<p>Through our commitment to be net zero on our Scope 3 emissions by 2050, we're turning our minds to the emissions in our supply chain. This year, we've disclosed additional Scope 3 data for 11 categories of the GHG Protocol. Through our Supply Chain Code of Conduct, we are committed to partnering with suppliers aligned with our values.</p> <p>We also consider the physical risk of climate change in our supply chain planning and the impacts of extreme weather events on project schedules.</p>

Metrics and targets

We use a range of metrics to measure our progress on addressing climate-related risks and opportunities.

Through our ambition, we have the following targets. These are centered around our role in the world and the way we run our business.

- We will accelerate our growth and aspire to derive 75% of our revenue from sustainability related work (see page 21).
- We will partner with customers who are committed to driving sustainability; together we will decarbonize value chains and steward resources (see page 21).
- We are committed to our own sustainability – reaching net-zero Scope 1 and Scope 2 emissions by 2030 and Scope 3 by 2050 (see page 21).
- We are committed to improving our energy productivity¹ by 25% by 2030 from our baseline energy productivity in 2020 of \$30.4 million/GWh (see page 77).

This year, our revenue from sustainability related work has increased to 35% and the factored sales pipeline for sustainability related work is 56%. See page 27 for how we define this.

Our own Scope 1, 2 and 3 emissions

We're committed to net-zero and are making progress against our net-zero roadmap. See page 76 for more information.

We have had limited third-party assurance completed over our Scope 1 and Scope 2 emissions and energy usage data.

Scope 3

We have increased our Scope 3 disclosures from two categories in FY2021 to 11 out of the 13 applicable Scope 3 categories to Worley, as defined in the Greenhouse Gas Protocol.

See our ESG data center for more information.

Incentivizing our leadership

The Short-Term Incentive (STI) plan now has a greater focus on ESG priorities as part of its framework. The plan applies to approximately 1,000 Senior Leaders across Worley, and now includes a measure to reduce Scope 1 and Scope 2 carbon emissions in line with our Scope 1 and Scope 2 net-zero roadmap.



¹ Our energy productivity is measured by: Aggregated revenue (\$m)/Total energy usage (GWh).

Operating and Financial Review



1.3.3 People

Our people business value driver refers to how we support and include our global team to safeguard and enhance their well-being, helping them to drive sustainable impact.

Life is one of our values and we provide programs and management systems to support and embed it. Life is underpinned by human performance. This is about understanding and improving how we interact with plant, processes and each other to create a safe environment.

These building blocks help us respond to our ever-changing professional environment and make 'learning' the focus. We do this to make sure we're working in a safe manner in our day-to-day operations.

We're strengthening our networks to build an inclusive and psychosocially safe workplace.

“Our people are at the core of Worley. Their safety, health and well-being are paramount.” Chris Ashton, CEO, Worley

This is why over the past year we've:

- further embedded our Life matters program, raising awareness of the importance of mental, social and physical well-being
- shifted to a global Employee Assistance Program (EAP) provider to give better support to our people and their families
- established Safe Start to kick-off 2022 after the holiday break to reinforce various behaviors and programs that support Life
- acted on over 80 suggestions from our people, directly strengthening HSE and quality outcomes.

In May, we held Safety Week, where we addressed themes of psychological safety, human performance and safety in design. We also prioritized the importance of connecting with our people in the field, providing them with the tools and equipment they need to operate safely. We placed a strong focus on psychosocial health during this week.

Recognizing our value, Life, in our project delivery

Many of the projects we execute for our customers involve significant risks, with the potential for personnel illness and injury, environmental impact and property damage.

We implement controls and lessons learned from previous projects to mitigate major hazards. These include stop-work authority, safety timeouts, daily safety briefs and weekly management meetings to discuss hazards, events and controls. This helps us establish a 'culture of care', enabling strong safety performance.



Human performance is gaining traction in industry

We've seen an increasing number of customers and industry partners, such as the International Association of Oil & Gas Producers, explore human performance.

In October 2021, we presented on this topic at the Chevron, ExxonMobil and bp project supplier safety leadership forum. The discussion focused on the importance and value of empowering our people, building trust and the benefits of sharing learnings for improvement.

There was great conversation about the role leadership plays in fostering human performance and how to create a 'learn and improve' organizational culture. Our leadership principles have been key in unlocking this culture (see page 92).



Image taken by Anna Huff, Project Manager, as part of our Earth Day photo competition.

Our Life approach includes a comprehensive safety, health and well-being management system

Our people do their work in a variety of different environments. These include:

- our managed sites, including offices
- customer and joint-venture managed sites
- remote working
- working from home
- virtual operations
- global delivery.

This means that our people often operate under different management systems.

The Worley management system is certified to ISO 9001. In addition, parts of our business hold ISO 45001 and ISO 14001 certification. We conduct third-party audits of our management systems and metrics.



We have a set of minimum standards that all management systems must meet

Our people

Individual / wellness

- HSS communication and consultation
- HSS competency and training
- HSS observation and conversation
- HSS excellence recognition program
- Fitness to work
- Fatigue management
- Alcohol and drugs misuse
- Lone and remote workers
- First aid and medical facilities
- Injury-illness management and rehabilitation
- Mental health
- Bullying and harassment

Our partnerships

Contractors /suppliers / customers / joint ventures

- Prequalification and bid evaluation
- HSS alignment and planning
- HSS readiness
- Contractor and supplier management

- Management of change
- Visitors to company and non-company sites
- Supplier Code of Conduct

Our workplace activities

- Life-saving rules
- Take5 for safety
- Safe driving for Life essentials
- Life matters well-being
- Life conversations
- HSS field readiness and construction
- Job hazard analysis
- Process and design safety
- Quality control
- Abrasive blasting, spray painting and powder coating
- Confined space
- Control of work and permitting
- Cutting, welding and hot work
- Dangerous and hazardous substances
- Demolition and decommission
- Electrical
- Excavation and earthworks

- Field site establishment and preparation
- Hand and power tools
- Lifting and rigging
- Mobile plant and equipment
- Piling and drilling
- Pipelines and pressurized equipment
- Transport
- Site and office facilities
- Water working in and over
- Working at heights

Our workplace environment and society

- Stakeholder engagement and consultation
- Community volunteering via Worley Foundation
- Ergonomics (field and office)
- Health risk and impact assessment
- Health workplace exposure
- Life programs extend to home safety practices
- Emergency management and security
- Health, communicable disease including malaria control and blood-borne pathogens

Governance and culture

- HSS committees
- Delegations, roles and responsibilities
- Policies and standards
- Strategy and improvement
- Digital tools and technology
- HSS regulatory and other requirements
- HSS event reporting and investigation
- HSS alerts
- Lessons learned
- Business continuity
- Management and knowledge system
- Assurance system

Operating and Financial Review

We've maintained strong physical safety performance in FY2022

We align our reporting with the US Occupational Safety and Health Administration. This includes:

- Total Recordable Case Frequency Rate (TRCFR)
- Lost Workday Case Frequency Rate (LWCFR)
- Serious Case Frequency Rate (SCFR)

INDICATORS	FY2022	FY2021
TRCFR	0.16	0.16
LWCFR	0.04	0.02
SCFR	0.06	0.07

We have had no work-related fatalities in the past year. This year an acid release occurred at a customer site. This resulted in 11 of our people receiving medical treatment due to chemical exposure. Worley did not have direct control of safety measures at the site.

We're broadening the metrics that we measure and report on, not just looking at lagging metrics but a combination of both leading and lagging indicators. This is part of a conversation to look at what other data is available that will help us improve our safety, health and well-being and be more proactive about managing risks.

This year, we've increased focus on how our leaders respond. When leaders listen and learn, people tend to be more open. This, in turn, builds a foundation of trust. Our remuneration framework encourages our leaders to behave in line with Worley's values (see page 20).

Leadership activities are mutually beneficial to our leaders and our people, strengthening our safety culture. Leadership activities include site visits (virtual and in person). These provide the opportunity for connection and inclusion. They help us learn from what goes right and explore what we could do differently. And, as a result, we can celebrate brilliant work and enhance our ability to deliver in a safe and sustainable way.

We're 'walking the talk' on well-being

Our Life matters program has been a key focus in the field and the office this year. We've embedded our well-being priorities in the work we do every day. For example, we have:

- modified our toolbox talks to include prompts that consider human factors
- embedded our Health, Risk and Impact Assessment Standard to help us identify psychosocial risks and hazards in the workplace
- updated our Flexible Work Standard to promote an inclusive workplace
- expanded our Injury and Rehabilitation Standard to consider psychological events.

In addition:

- Our Mental Health Network continues to flourish. This is a global network of over 300 mental health champions that connect regularly to support our people
- With remote working putting increased pressure on our managers, we've offered mental health resources plus a training series to all our managers globally.

Business resilience and continuity

We continue to support our people through uncertainty and business disruption.

Our business continues to face a range of external disruptors, including the COVID-19 pandemic, extreme climate events and geopolitical conflict. These have the potential to impact the well-being of our people and stop us from meeting our strategic objectives. Our R3 (Ready, Response and Recovery) system helps us to maintain business continuity in the face of disruption. Over the past year, we've faced up to challenging events and put our people first, including:

- the Russian invasion of Ukraine and associated impacts on our people and business
- the continuing impacts, both medical and business-related, of the COVID-19 pandemic
- civil unrest in Kazakhstan during early 2022.

We're continually building our response capacity to external disruption. This year, we established a dedicated intelligence function to enhance our geopolitical insight and enhanced our risk management focus in cyber security. We provide crises exercises and incident management training for our response and recovery teams to ensure we are prepared to address any incidents arising.

People development

Our purpose and ambition are at the heart of transforming our Company

Our workforce is transforming too. The way we work, our capabilities and skills, the problems we need to solve, the way we learn, the way we work together and the way we lead.

Our People pillar comes first in the ambition, and this is for a good reason. Our people are key to delivering our transformation and achieving our purpose, and we're investing in them to realize this.

Attraction and retention remain strong and are a continuous focus areas for management in this environment. The diversification of our approach to talent acquisition is proving effective in securing the capabilities needed across the majority of the business. Our purpose and ambition are attractive in the market, resulting in some strong talent joining Worley. Management remain focused on specific populations, however, particularly those that drive growth in sustainability and areas most at risk from labor shortages and wages growth.

We remain guided by our key principles and focus areas of strengthening our story, leadership capability, effective talent acquisition, competitive reward and people experience. The context remains dynamic, and this market volatility presents both challenge and significant opportunity. Our response, therefore, varies by location and skill area, and we remain very focused on areas of most challenge.

We've sharpened our strategy in two key areas to energize and encourage people to make a sustainable impact: making sure we have the right people and ensuring we are building the right experience for our people.

The right people

We want to build the right environment to both attract and retain critical capabilities at scale.

Our purpose and ambition are encouraging more people to choose to build their careers with Worley. We are re-skilling to make sure we bring our people with us as we transition. And we're mobilising our talent in new ways to strengthen retention, unlock innovation and scale our business.

Diversifying our approach and focusing on capabilities that drive sustainability are proving effective ways to secure the right talent. Increased use of technology and virtual tools, like digital career fairs, help us to secure talent in a timely manner and broaden our reach into the market.



Our planned withdrawal from Russia

We responded quickly and decisively to the Russia invasion of Ukraine.

Consistent with our purpose and values, we continue to prioritise the safety, health and well-being of our people, including approximately 300 of our people in Russia. We've been successful in supporting our eight people in Ukraine and their families, including support to exit the country when appropriate, legal and safe. We've also provided support through the inbound provisions of medical, clothing and other life sustaining supplies, thanks to both corporate support and the tireless efforts of our volunteering employees.

We're currently executing the safe withdrawal of our services from Russia and will not enter into new contracts with Russia controlled entities. We remain diligent as we comply with all applicable sanctions regimes in relation to Russia. We're constantly refreshing our due diligence on entities and individuals we are dealing with, including in our supply chain. The situation for our people, projects and business interests impacted by this event remains volatile and uncertain.

Our response has been facilitated through our global R3 (Ready, Response and Recovery) crisis response team and system. The R3 team continues to monitor, analyse and drive necessary action across multiple business and stakeholder streams including: people; legal and sanctions; finance and banking; projects and operations; customers and strategy; and communications.

The right experience

Giving our people the right experience is critical to our strategy. And it enhances our people's contribution by making them feel safe, included, active and empowered.

At the heart of this are our values and behaviors. They act as a guide for how to create the right environment. We embed them into our processes, and they form part of the performance and reward considerations for our leaders. Our values and behaviors are also anchored in leadership programs and development opportunities. They reflect the culture we're building through inclusive leadership and talent practices.

We're also building a culture of recognition and celebrating the achievements of our people. We are trialling a digital platform that coaches our leaders and people through 'nudges'. These nudges are micro moments that trigger action and build habits that align with our values and behaviors.

In FY2022, we took our first step by piloting Appreciate, our peer-to-peer values recognition program, in five countries. Our people and leaders really engaged with the program, with one in five people nominated for an award. Based on the learnings from our pilot, we'll launch Appreciate globally in FY2023. We'll support it with a best-in-class digital solution to help our people create meaningful recognition moments that matter. Appreciate will be one program, accessible to all, letting them unlock brilliance and share stories that motivate performance.

Attraction and retention

We've identified three levers to help attract and develop the right people and retain them:

1. Authentic leadership
2. Everyday learning
3. Holistic well-being.

Authentic leadership - to create meaning, embrace possibility and deliver what matters

Our leaders' relationship with our people is paramount to achieving our purpose. It's what keeps our people engaged and connected. It helps them understand how they add value, and it's a key aspect of retaining our talent.

Accelerating leadership at Worley starts with a clear definition of what we mean by leadership itself. This year, we've introduced our Leadership Principles; three principles that create a common language and outline the expectations of our leaders. These are:

- **Create meaning:** Build a vision for the future and inspire others to get there
- **Embrace possibility:** Build a culture that's curious, inclusive and captures possibility
- **Deliver what matters:** Build confidence and capacity to deliver what matters.

Our shared habits of inclusion and coaching underpin these three principles. Our next steps and the foundational tools and programs will start with these two habits.

Everyday learning which is flexible and accessible, fostering innovation to keep us future fit

The Growth Faculty helps organisations build more effective workplaces by connecting established and aspiring business leaders to the world's brightest minds, business-critical topics and proven frameworks and tools. During 2022, over 250 leaders took part in the Growth Faculty.

They were inspired by prominent thought leaders on topics such as Building High Performance Teams, Smart Growth and Why Simple Wins.

Our Learning Passports strengthen our people's awareness of our key business priorities. This year, we've introduced new passports, including our Energy Transition passport, with 7,000+ people taking part. Our ambition learning program was also launched, upskilling our people in key growth areas such as low-carbon hydrogen, offshore wind and CCUS.

'Learning At Worley' continues to be one of our most visited internal sites, with over 233,000 visits during FY2022. Our people have an appetite for learning. And, during the early part of FY2023, we'll implement our new eLearning platform to provide flexible and targeted learning for all of our people. This platform will put learning in the hands of our people and offer thousands of modules for personal and professional development.

Holistic well-being – healthy people, relationships and environment

Our Life value shows our genuine commitment to well-being. During the year, our focus was on mental well-being. We implemented a single provider for our Employee Assistance Program (EAP) to make sure everyone receives the right level of support wherever they are in the world. We leveraged our global EAP partnership to deliver a series of 59 global learning sessions on a range of well-being topics.

With the uncertain external environment continuing to place increasing pressure on our managers, we provided 'simple talk' mental health resources. These were supported by a mental health fundamentals training series which we delivered to over 650 managers globally. We again engaged the business on the importance of mental health during our mental health month over September and October.

Diversity and inclusion

This year, we confirmed our global action areas and continued to build a culture of inclusion and belonging.



Leadership
vision and
capability



Fairness



Supporting our
underrepresented
people

We acted on our Inclusion Survey results

Our inclusion survey told us we need to support and develop our leaders' capability in inclusion and belonging. So, we set out to improve the importance we place on diversity of thought and experience by engaging with differences and making sure everyone's voice is heard.

We worked with an external partner to pilot two programs with over 460 of our leaders in the second half of FY2022.

Inclusion for Performance: Senior Leaders' program

Learning was focused on the links between diversity of thought, developing a culture of inclusion and the business case for driving performance and innovation. 78 Senior Leaders, including some of our Group Executive, participated in an immersive, inclusive leadership experience, supported by content sessions, 360° leadership assessment and structured conversations to understand different lived experiences.

We will continue to develop the capability of our Senior Leaders into FY2023 to lead inclusively.

Inclusion foundations – Operational leaders' program

This program was delivered online as a social sprint-based program with four modules over eight weeks with three regional cohorts (APAC, EMEA and the Americas). Over 380 participants enjoyed working at their own pace, the functionality of the platform, online interactions, hearing different viewpoints and being able to discuss concepts with diverse people from across our business.

The method of delivery was a great way to distribute learning across geographies and will allow us to scale learning across our business. In FY2023, we will consider an expanded delivery of this program.

We're making our people processes fairer

Making fair decisions about our people emerged as a strong theme in our inclusion survey results. Based on this, we reviewed some of our key global policies and processes with external partners.

We focused on refining our processes to ensure we're:

- providing equitable reward for all our people
- reviewing for bias in our talent acquisition processes
- examining access to internal development and career opportunities
- improving access to parental leave across our global operations.

We're committed to a strong focus on equitable pay to create the right experience for our people. This means ensuring our policies and practices reflect and encourage this. Across the broader business, we took steps to close the gender pay review during our annual salary review process. We are supporting our leaders to understand how to mitigate bias when making pay decisions.



Taking a stand on sexual harassment

Sexual harassment in the workplace dominated conversations across corporate Australia and with our customers in FY2022. These conversations created opportunities to review and rethink how we approach workplace harassment.

As members of the Champions of Change Coalition, we undertook a review of harassment and bullying. Using the Champions of Change Disrupting the System framework, we:

- analysed our policies, procedures and systems
- conducted interviews with people from different levels of the business, locations and roles for their insights and experiences

- considered the recommendations made by the Australian Human Rights Commission Respect@Work report.

As a result, we prioritized a number of actions and launched a pilot project in Australia. Working groups were established in the following areas: data collection, metrics and internal reporting; health, safety and environment; inclusion; physical and digital environment; response and support; and education, training and communication.

In 2023, we plan to use learnings from the Australian pilot to support more ambitious initiatives.

Operating and Financial Review

Social

We are committed to finding additional tools to identify gender pay difference that is not justified, so that we can take action. See our [Corporate Governance Site](#) for our annual gender pay gap reporting for Australia and the United Kingdom.

The review of our policies in the areas of talent acquisition and career opportunities showed we clearly express our ambition in achieving fair and equitable outcomes for our people and promote and support our D&I objectives. In FY2023, we will be undertaking further investigation to understand how the practical application of these policies are impacting on how perceptions of unfairness arise.

Our review of parental leave policies focused on five key markets and identified opportunities to refine our commitment to inclusion in our policies. We'll look to update our policies to ensure we have inclusive language and definitions and alignment to global principles.

We're supporting our underrepresented groups

We've set out a plan to support our People Network Groups. These act for our underrepresented groups including women, Black and Latinx people, LGBTIQ+ people, people with disabilities and more.

We've started and will continue our work into FY2023. This work will include supporting our People Network Groups to strengthen their effectiveness and contribute to our business and to our diversity and inclusion goals.

Setting race and ethnicity goals

Our Group-wide aspiration is to represent and reflect the communities in which we operate.

We continue to work towards this by identifying location-relevant goals and actions. Given our geographic spread and the fact that race and ethnicity issues vary by location, this approach is both relevant to our business and reflective of more recent practice.

- We're driving our journey in truth and reconciliation with First Nations of Canada through our Progressive Aboriginal Relations (PAR) certification. We've reached the 'Committed' level and are working towards becoming a PAR Bronze level company. This requires us to develop goals and action plans that allow us to share in business opportunities, offer direct employment and work closely with First Nations groups.
- In Australia, we're completing the actions we committed to in our 'Reflect' Reconciliation Action Plan (RAP). We're also developing our next level 'Innovate' RAP, which will require us to set public targets and commitments. Our focus this year has been on cultural awareness training across the Australian business. We're working toward targets for the participation of Aboriginal and Torres Strait Islander Peoples in our business, and procurement of goods and services from Indigenous enterprises.

Given our large footprint in the US, we're now focusing on ensuring our workforce reflects the ethnic diversity in the communities in which we operate. We're working with external partners to set goals and actions and will use this work as a template for other locations.

We will continue the implementation of this work and anticipate expanding this process in additional markets through FY2023 and beyond.

We've won accolades

In October 2021, we again were represented in the ALLY Energy GRIT awards. Our People Network Groups, representing our Black employees and women, were recognized in the team awards. And in the professional category, Jennifer Lee, Senior Director Strategy, and Tiffany Titone, Project Engineer, received awards.

We were finalists in the Large Employer category at the Engineering Construction Industry Training Board UK awards for supporting equality, diversity and inclusion.

Our gender equality progress update on our FY2025 targets

Role	Target for FY2025	FY2021 Result	FY2022 Result
Board composition	Have a Board composition of at least 30% women	Achieved	33% 4/12 women
Group Executive	Retain gender diversity of Group Executive	Achieved	45% 5/11 women
Senior Leaders	Increase the proportion of women in our Senior Leaders to 20%	16%	16%
Collective annual global graduate intake	Minimum of 50% women hires to support gender diversity in the general workplace	46%	47%

Gender diversity is defined as 40% women, 40% men and 20% either women or men or other.

We're pleased to have maintained our goals for women on the Board and within our Group Executive. We've been challenged to increase the number of women in Senior Leader roles.

Out of 178 Senior Leaders hired, 18% were women. We've held our percentage of women in Senior Leader positions at 16%, and 47% of our graduate hires were women. 18.6% of our total workforce are women.



1.3.4 Communities

Our communities business value driver refers to our strong relationships within our sectors, with our people, customers, investors, communities and governments, building trust and license to operate.

Providing thought leadership across our sectors

There is no single solution to sustainable development. It takes collaboration and partnerships to progress towards a more sustainable world. We deliver this by understanding and combining unique perspectives and creating opportunities for breakthrough thinking.

As an integrator of decarbonization solutions across the energy, chemicals and resources sectors, we provide thought leadership to help our customers reach net zero. This creates value by providing useable insights to governments, industry and our customers. We're focused on creating solutions that directly respond to the United Nations' Sustainable Development Goals.

Partnering across industry to reduce methane emissions

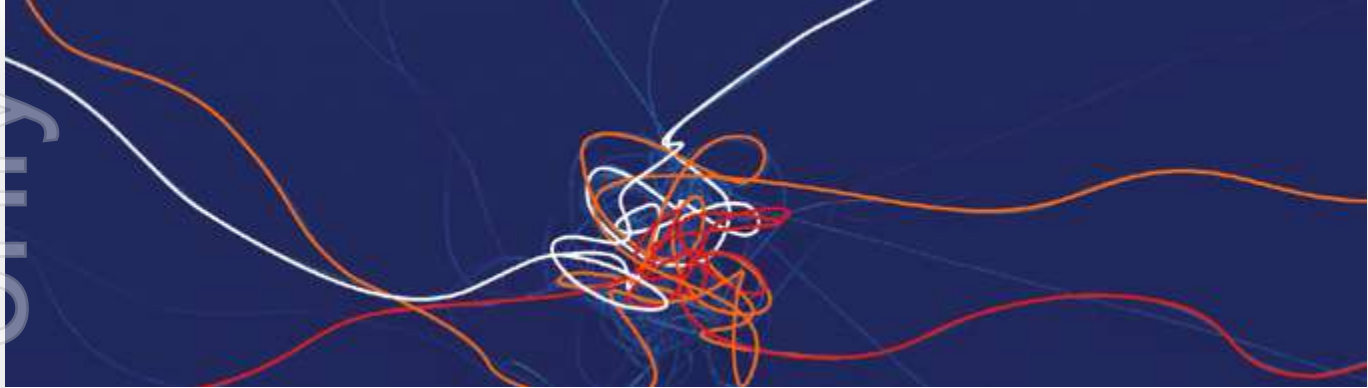
We've joined Aiming for Zero, a global initiative focused on eliminating methane emissions from the energy sector by 2030. Its signatories and supporters include some of the largest oil and gas producers in the world. Methane emissions from the energy sector are preventable with readily available technologies. Facilities can then undergo methane abatement actions, such as replacing natural-gas-driven equipment and repairing leaks in pipelines.

- ② Eliminating virtually all methane emissions by 2030 is possible, which is why we're pleased to join the OGCI's Aiming for Zero initiative to support our customers as they strive to reach near zero methane emissions from their oil and gas assets," says Tom Foster, Senior Vice President of Upstream Hydrocarbons at Worley.

We're involved in a range of partnerships and coalitions that support our purpose of delivering a more sustainable world.

These are across our industry and within our sectors.



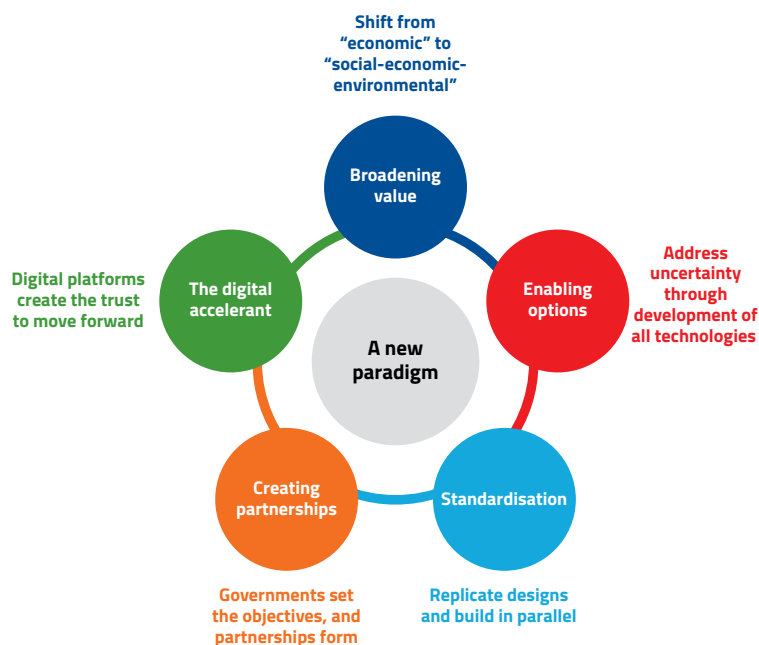


From Ambition to Reality

To limit the worst impacts of climate change, global greenhouse gas emissions must be driven to net zero by mid-century. Worley and Princeton University's Andlinger Center for Energy and the Environment have been examining the infrastructure that will be required to meet this enormous challenge.

In our first paper of the net-zero 'Ambition to Reality' series, released in August 2021, we concluded that we will simply fail to build at the necessary scale and pace unless we completely rethink the way we design and deliver. We outlined a new delivery paradigm with five key shifts essential for transformation.

In our second paper to be released in early September 2022, we use the five shifts to convert thinking into action, throughout this critical decade for climate action and onwards to 2030. We demonstrate that these shifts are already used by some in industry, but also remind the readers of the scale of the challenge by considering new net-zero numbers for another economy. We consider and define which leading indicators of change will be needed to help correct the world's infrastructure path, how they will be measured and just what success will look like to move the world's net-zero ambition to reality.



Creating shared value where we operate

Through the Worley Foundation and our networks and programs, we connect the diverse skill sets and passions of our people to help support sustainable communities and ecosystems.

Building the STEM active generation of tomorrow

Through *Unlock your genius* and other activities, we encourage the youth of today to engage with STEM fields, creating a range of opportunities for their futures. Not only is this critical for our industries but also to the sustainability challenges our world faces. As technology providers, we have a wealth of technical knowledge to contribute to support STEM engagement.

We're working on this with organizations that share this common goal. Whether it's through skilled engineering outreach or projects funded by the Worley Foundation, our people are passionate about making a difference.

Dollar matching for Ukraine

This year, we held a dollar-match fundraiser with the Red Cross to support humanitarian aid in Ukraine. Together we raised \$82,764.

Promoting reconciliation and First Nations economic development in the work we do

As a global business headquartered in Australia, reconciliation is an important issue which demands a strong response. We respect First Nations heritage and livelihoods where we operate and are taking steps towards meaningful reconciliation in Australia and Canada. See page 94 for more detail.

This year, we also participated in the Indigenous Employment Index, sponsored by the Minderoo Foundation. This is a comprehensive snapshot of Indigenous workplace representation, practices and people experiences. We participated as part of our own reconciliation journey. An important part of our commitment is using opportunities to learn. The Index provides us with our own benchmark to build from as well as recommendations from industry and community leaders for increasing employment outcomes for Indigenous Australians.



This piece represents Worley's values and connection to the land. On each side of the painting the connected web of circles and lines represent the network of each person that works for Worley, these connections create a stronger and better workplace for all and promote our people to rise to the challenge as a collective. This as a foundational value, Worley is able to unlock brilliance in what they aim to achieve and to better work with Indigenous Communities collaboratively and respectfully, this is represented in the middle with the large circle and people around it. Just outside the web and the large circle are the Indigenous Communities represented in blue and orange, the colours of Worley. These colours also represent the differing Aboriginal Communities, blue for saltwater people and orange for inland or desert people. In the background I have used an ochre red colour to represent the soil of Australia that gives life to everything around us especially the native flora and fauna which is represented in leaves, gum nuts, honey ants and animals that travel this Country. By Marlie Albert, proud Baard Baniol woman from Broome, WA.



Through our three-year partnership with Girls Inc. of Greater Houston, Worley hosts girls from the greater Houston area. Through panel discussions and networking, we aimed to inspire high school success and realize their potential.



The Worley Foundation

The Worley Foundation promotes positive environmental and social impact where we operate. It's governed by a Council that's representative of a diverse group of Senior Leaders across the business.

We've structured the Foundation around three key pillars:

- **Creating shared value:** The Foundation funds projects that are high impact and create shared value for communities and for Worley.
- **Contributing to the communities in which we operate:** Projects are in locations where we have a presence, encouraging our people to make a positive contribution to delivering a more sustainable world where they live and work.
- **Targeting key themes of sustainable development:** Projects focus on either STEM education, skilled volunteering or environmental and community benefit.

We disclose our corporate financial donations transparently.



Through our sponsorship of the Big Umbrella, Worley volunteers cook and serve food to Victorians experiencing food insecurity in Melbourne.

\$2,029,455

Non-legislated contribution

\$855,406

Legislated contribution

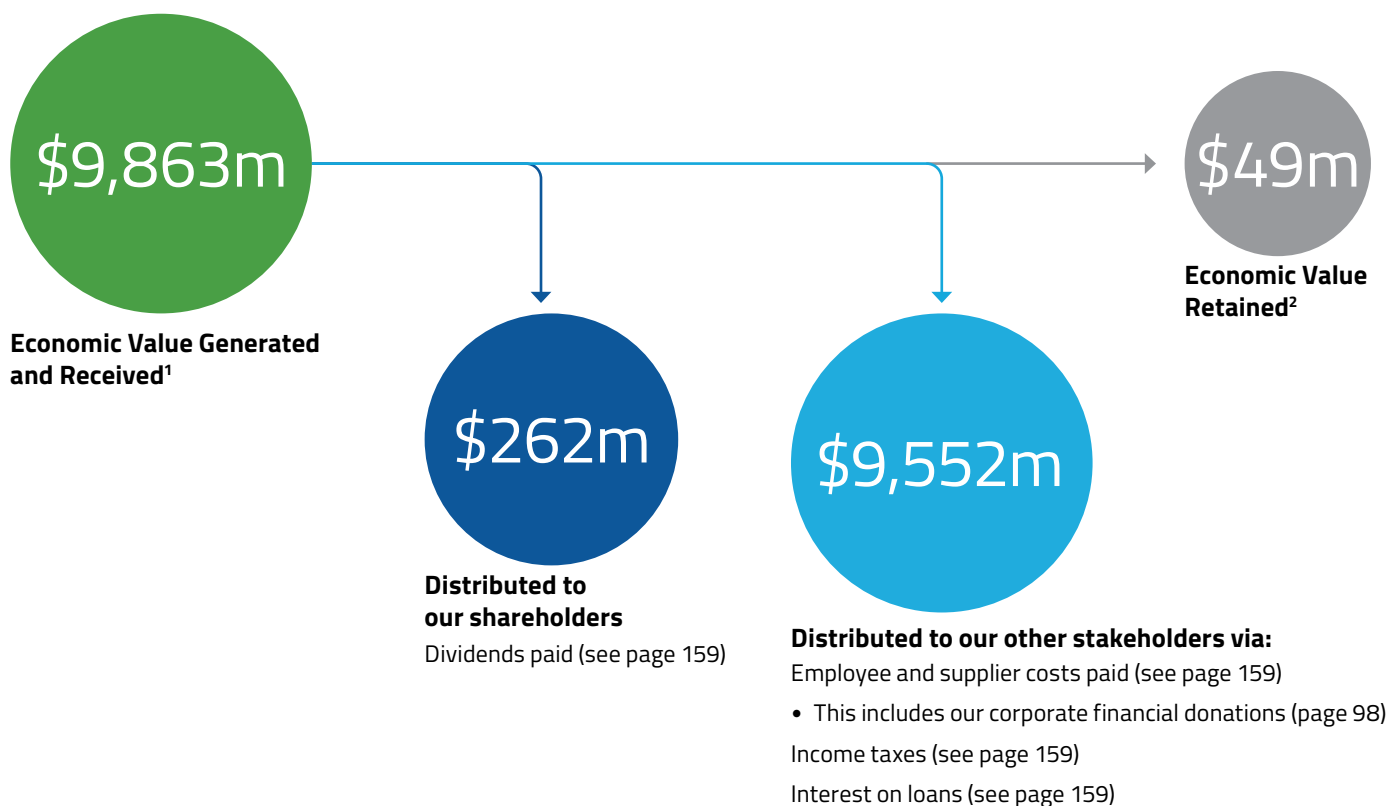
\$2,884,861

Total contribution

Supporting economic development

Direct economic value generated and distributed

This year we distributed \$9,814 million in payments that flow into our economy and communities. How this economic value is distributed is shown below.



Indirect economic impacts

We support projects in the energy, chemicals and resources sectors internationally. These include projects that enable communities to develop economically via productive use of natural resources and skills development, thereby lifting communities out of energy poverty.

We also make a wider economic contribution across a range of countries through various activities such as the Worley Foundation and other corporate social-responsibility programs, such as those in India and South Africa, and local content procurement programs.

Our people spend their wages locally on diverse goods and services, providing a further indirect economic contribution. We do not measure this indirect economic benefit globally, however, it is an important component of our contribution in the 46 countries in which we operate.

We contribute our global technical and project delivery expertise as well as our experience of different industry standards and regulatory approaches to relevant governments and industry groups internationally. This input is provided for consideration in the development of industry standards and government policy.

We're doing this, for example, through our partnership with IBM and ABB (see page 15).

¹ Receipts from customers (see page 159).

² Economic value generated less economic value distributed.

Operating and Financial Review

1.3.5 Sustainability governance

In this section, we provide an overview of our governance as it relates to ESG. For comprehensive disclosures on corporate governance, please refer to the Directors' Report (page 116) and our Corporate Governance Statement.

We provide strengthened ESG business governance through our framework

The Worley Board has ultimate responsibility for governance of ESG matters.



We have a strong system of governance and operational controls in place to ensure we operate lawfully, ethically and responsibly. The ESG performance of the Worley Group is governed at the Board level, with all standing committees having oversight of various issues. The Health, Safety and Sustainability Committee, in particular, governs the Group's and Management's respective performance in relation to health, safety and sustainability.

We've updated our Code of Conduct

This applies to all of our people, Board members and anyone who represents Worley. So far, we've trained over 40,000 people as part of this year's update, which requires written confirmation that they have read and understood the code. This includes adhering to our strict protocol for registering gifts and entertainment. We have zero tolerance for bribery, fraud and corruption.

We expect ethical behavior from our suppliers and customers

In the past year, our team of due diligence analysts have increased our supply chain and customer due diligence checks by 25% to a total of 10,995. Our team uses third-party research tools and external due diligence analysts as required.

We have a centralized communication process between our sales and due diligence teams to make sure we identify red flags early. Where we find red flags, we escalate to Senior Management and get specific approvals before submitting a bid.

We're working to address Modern Slavery

We plan to publish our second Group-wide Modern Slavery statement at the end of 2022, in keeping with our global regulatory obligations including the Australian Modern Slavery Act 2018 and the UK Modern Slavery Act 2015. We are continuing to improve the way we manage Modern Slavery risks and are expanding our actions.

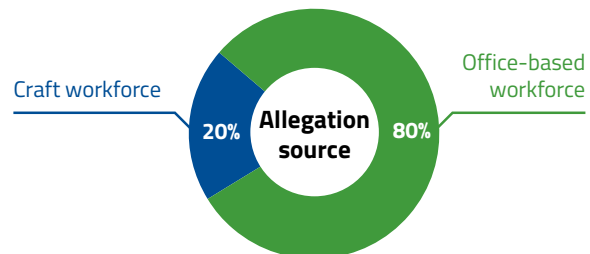
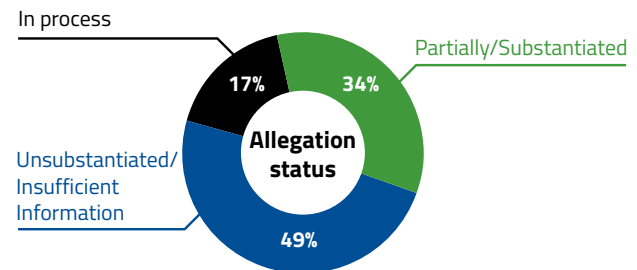
We continue to be an active member of Building Responsibly and have committed to operating in line with its Worker Welfare Principles.

Over the last year, we conducted a review of our policies and procedures against the UN Global Compact and the Building Responsibly Worker Welfare principles. As a result, we've updated several policies and business documents (our Modern Slavery Policy, Human Rights Policy and Talent Acquisition and Promotion Standard) and have passed training requirements onto our training teams. Additionally, we continue to work with Building Responsibly and its partners on training options and information on the topic of worker welfare.

Our Whistleblower Policy and Ethics Helpline

Our Whistleblower Policy encourages whistleblowers to come forward with information relating to breaches and potential breaches of our Code of Conduct.

Our Ethics Helpline is open 24 hours a day, 7 days a week, to provide a platform for our people to report any issues related to unethical behavior. The Helpline is also open to former employees, their families, suppliers, partners and customers. Over the last 12 months, our team responded to 180 reports, and 38 were substantiated. We have had no monetary losses as a result of legal proceedings associated with bribery, corruption or anti-competitive behavior in the past year. Further, we have no active projects or backlog in countries with the 20 lowest rankings in Transparency International's Corruption Perception Index.



Focusing on sustainability in our supply chains

Our procurement teams follow our Supply Chain Code of Conduct, which sets our expectations of suppliers. These are the same standards we expect of ourselves and cover:

- governance and ethics
- human rights and fair employment
- health and safety
- the environment
- supply chain
- community engagement.

This year, we've completed 6,660 due diligence checks to ensure we're responsibly managing our supply chain. Our compliance teams review these for any risks of bribery, corruption, modern slavery, human rights and sanctions. All negative findings are reported to the procurement teams, who then work with the supplier to mitigate the risk appropriately.

Cyber security and data protection

We ensure the confidentiality, integrity and availability of both our own and our customers' information and provide protection against unauthorized information access and information loss or destruction through our cyber security program.

Led by the Chief Information Security Officer (CISO), we have a dedicated information security organization to protect our intellectual property, IT systems and digital services. We partner with Manage Security Service Providers for 24/7/365 monitoring, alerting and response. Furthermore, we've developed strategic partnerships with top-tier cyber security corporations to support and augment our internal intelligence and threat hunting program.

Our information security strategy and decision-making is overseen by our Information Security Council (ISC). Its members include our CISO, Data Privacy Officer and key business, HR, Digital and IT leaders. Our Information Security Management System has been certified to meet the requirements of ISO 27001. Additionally, our information security strategy is aligned to the industry-recognized NIST Cyber Security Framework. Furthermore, we continue to evolve our program to stay ahead of the curve in the ever dynamic cyber-threat landscape.

Our Data Protection Office governs compliance of our cyber security program with global data protection requirements as specified in Australia, Europe, the US and elsewhere. Laws and regulations governing data privacy and the unauthorized disclosure of confidential information, including the European Union General Data Protection Regulation and the Australian Privacy Act, pose increased monitoring and compliance requirements. Any failure to comply with these laws and regulations could result in penalties, legal liability and reputational harm. The Data Protection Office also contributes to strengthening our systems, processes and user education.

Responsible Business Assessment Standard

We assess our bid opportunities using our RBA Standard. This informs which projects we bid for and execute. The RBA's decision-making principles are embedded into our sales and risk management processes, enabling us to better understand and escalate projects of high ESG risk to our senior business leaders and CEO.

Our RBA Standard is aligned to our purpose of delivering a more sustainable world. This includes assessment of our involvement in carbon-intensive projects.

Joint Venture Governance Standard

Through our Joint Venture Governance Standard, we extend our commitment to high standards of governance to our joint ventures, outlining our requirements to be met. These include due diligence, consultation and approval requirements, policies and procedures and the ongoing requirements for governance during the operating phase of the joint venture. All of our joint ventures are required to complete a risk and compliance checklist annually.

Assurance

This year, we've had independent third-party auditors provide limited assurance on our select ESG performance metrics (shown below). The assurance has been done in accordance with the International Standard on Assurance Engagements ISAE 3000.

- Diversity (women employees, women Senior Leaders, women Board members)
- Safety (TRCFR, LWCFR, SCFR)¹
- Environmental (energy use, greenhouse gas emissions)

We conduct limited assurance on these metrics on an annual basis.



We aim to embed sustainability thinking in the way that we do business

To deliver a more sustainable world, we aim to embed sustainability in the way we design, construct and determine the types of projects we execute.

We drive safety and sustainability in engineering design through our Safe and Sustainable Engineering for Asset Lifecycle (SEAL) process. This year, alongside our Safety in Design manuals, we've created Sustainability in Design manuals across all of the major engineering disciplines.

Our engineers will use these to make sure they optimize their designs for sustainability. This links with our Sustainable Solutions process where we quantify the impact of sustainability thinking in design and construction, such as reductions in carbon emissions.

¹ Refer to Glossary.

1.4 Outlook

1.4.1 Outlook

We are well positioned to meet the opportunities and challenges of the current market. The geopolitical environment is elevating the need for energy independence and security of supply.

We're seeing opportunities in areas such as early phase work in integrated gas and renewable energy sources. We continue to manage inflationary impacts and we remain optimistic that without further deterioration in conditions the outlook will not be materially affected. We continue to attract and retain talent while building capability in support of our strategic transformation journey.

Customer investment in both traditional and sustainability work continues to increase, with sustainability investment growing at a higher rate. We are seeing increasing activity levels and investments by our customers across all the sectors we operate in, although each region is experiencing different rates of growth.

We expect our average FY2022 underlying EBITA margin (excluding the impact of procurement) to be sustained into FY2023.

We are seeing positive indicators that support our expectations for improved revenue (excluding procurement) in line with customer investment growth across our sectors. This is further supported through our increased backlog and the growth in the factored sales pipeline. Our cost saving program is continuing to deliver operating leverage. As part of this outlook, procurement revenue is expected to be higher in FY2023 compared with FY2022.

1.4.2 Unreasonable prejudice and forward-looking statements

We've omitted information about our internal budgets and internal forecasts from this review. We've also omitted details of our business strategy. This is on the basis that doing so would have been likely to result in unreasonable prejudice towards us.

This review contains forward-looking statements. These include statements of our current intentions, opinions and expectations about our present and future operations, events and financial prospects. While these statements reflect our expectations on the date we published this review, they're not certain and are susceptible to change. We make no representation, assurance or guarantee as to the accuracy or likelihood of fulfilling any such forward-looking statements (whether express or implied) except as required by applicable law or the ASX Listing Rules. We disclaim any obligation or undertaking to publicly update such forward-looking statements.



Image taken by Lars Christopher Nottaasen, Management of Change Lead – Jotun, Rosenburg, as part of our Earth Day photo competition.

1.5 Risk management

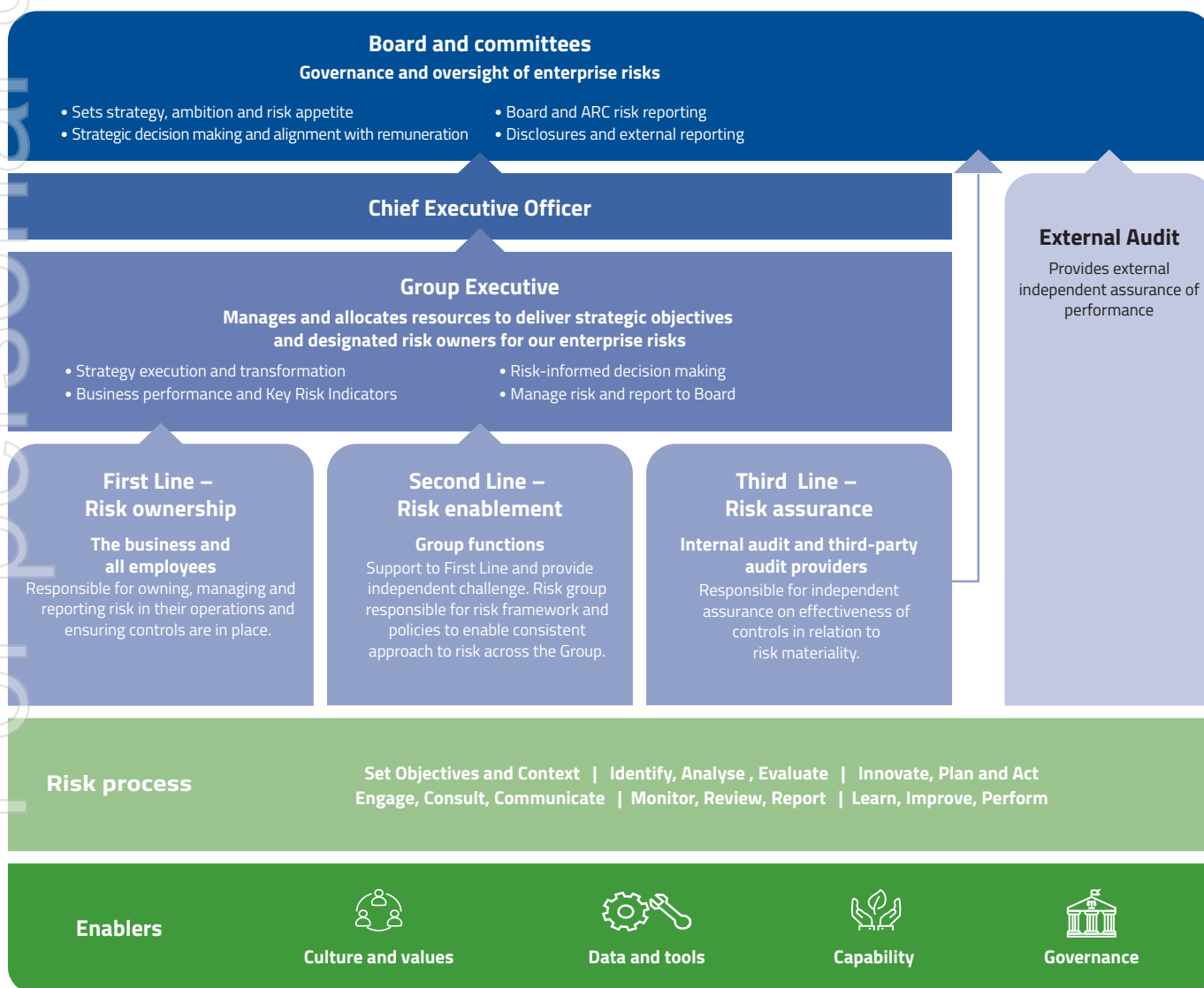
1.5.1 Our approach to risk management

Our approach to risk management and our strong culture helps us to create and protect our value. We encourage open and transparent communications across the Group. This involves visible leadership, identifying the material risks we face, and informed decisions that align to our Company ambition and values.

Our Board sets the risk appetite for the Group. It considers the amount and type of risk the Group is prepared to take. This is operationalized within the Group's processes and procedures to support our project pursuit and execution work.

We take a coordinated, systematic and tailored approach to risk in combination with our risk management processes. The Board requires us to monitor, review and report on our risk management throughout Worley. Risk is a standing agenda item with the Board and routinely addressed within the Board committees. The Chair of the Audit and Risk Committee may be invited to attend meetings with the People and Remuneration Committee or where considered appropriate provide feedback, including with respect to risk-adjusted remuneration outcomes and the alignment of remuneration with the risk management framework.

Risk Management Framework



1.5.2 Our risk management framework

Our risk management framework provides the foundation for creating and protecting value. We align with the principles and framework of *ISO 31000 Risk management guidelines*. The Institute of Internal Auditors' Three Line model frames our organizational structure's risk management roles and responsibilities. Combined, they provide a platform for strong governance and risk management.

1.5.3 Our risk management process

The International Integrated Reporting Framework guides our principal (material) risk reporting. We aim to disclose matters (risks) that may substantively affect our ability to create value over the short, medium and long term. The Board Audit and Risk Committee and Group Executive meet regularly to review our principal risks, the effectiveness of our controls and our performance. They also monitor risk indicators to assess that the operations are working within our risk appetite.

Risk identification

We identify risks that have – or may have – an effect on our ability to create value from the top down and bottom up. We view this from the perspective of the risk's effect on the Group's objectives and its ability to deliver and realize them.

To help us identify risks, we research and engage with external and internal stakeholders to understand issues that might stop us achieving our objectives. This includes but isn't limited to:

- existing and prospective customer engagements

- hearing from our people through townhall sessions and surveys
- investor presentations and roadshows
- business partner and joint venture meetings
- industry, regulator and policy maker interactions.

Risk evaluation and prioritization

We do risk assessments and workshops to evaluate and prioritize risks. These include emerging risks which may present us with medium to long-term risk exposure. We use qualitative and quantitative methods to define risk consequences. We view consequences across a spectrum of possible financial and non-financial impacts, such as occupational health and safety, operational, strategic, reputational and regulatory. To prioritize risks, we use our Group risk matrix and consider the risk's consequences as well as its likelihood. This helps us to identify risks that have the potential to be the most significant.

We document risks in a risk register to support ongoing communication and management. We perform these activities at all levels within the Group, from the Board to business operations. Our risk management framework enables us to share and talk about risks to make sure we have the right level of management and Board oversight.

Risk disclosure and reporting

We review our risks to determine which ones are current and most significant – or have the potential to impact our ability to create and preserve value. We consider the following risks to be our principal enterprise risks, and these are summarized via our business value drivers.



1.5.4 Our principal risks

Key: (S) = Short term (M) = Medium term (L) = Long term



Finance

Project delivery

(S) (M)

Risk Description

Our ability to execute projects successfully (quality, on time, to budget), meet contractual obligations and customer expectations and maintain core operations, while growing our strategic sustainability portfolio.

We have a diverse skill set. This enables us to deliver specialist consultancy advice through to large complex projects. We use our global capability to deliver value to our customers across all major energy sectors.

If we fail to manage our contracts well or deliver poor-quality work, we could find ourselves in disputes with our customers around fees, costs or delays. This could lead to liability claims or legal action and reputational damage, and it could reduce future significant project wins.

How we are managing this risk

We support our consultants, engineers, construction workers and other project delivery specialists with:

- Project risk exposure assessments. These determine the level of management seniority we need to take part in the bidding decision-making process.
- Project Delivery framework. This supports execution through knowledge and management systems, standardized delivery applications and global specialist capability networks.
- Project Delivery Group. This team provides support during project initiation for our key projects and embeds lessons learnt into execution strategy.
- Commercial management framework. This makes sure our contracts are fit for market conditions, including inflation pressures, supply shortages and other potentially disruptive events. It also makes sure our contracts are compliant, and that we manage and approve scope and contract variations effectively.
- Project governance structure. This supports monthly project performance reviews and identifies projects that will need more support.
- Employee learning and development and competency programs.
- We do not engage in material LSTK EPC projects.





Finance

Liquidity



Risk Description

Our ability to maintain sufficient liquidity through cash and/or borrowing facilities to enable us to meet our payment obligations as and when they fall due.

We take a diversified approach when establishing and managing Group facilities.

We source debt capital from different markets in order to diversify the portfolio. Our global operations focus on customer engagement to support timely issuance of invoices and cash collection.

If we are unable to generate and maintain sufficient liquidity, we may not be able to fund some or all of our operations and/or achieve our ambition partially or in full. This may also impact our ability to service debt and may lead to challenges in meeting the terms of our banking covenants.

How we are managing this risk

Our Finance, Treasury, project and operational teams manage cash flow.

They are helped by the following:

- Our Treasury function manages group liquidity through funding and investments. It also manages financial risks, such as foreign exchange, inflation, interest and financial counterparty credit.
- Treasury Framework and Risk Standards and processes support working capital management, cash flow and monitoring.
- Treasury has a set of authority limits that have been approved by the Board.
- Diversified debt facilities ensure we aren't reliant on one type of debt facility or debt provider. Our debt facilities include a sustainability-linked bond that was established in 2021 via a Euro Medium Term Note (EMTN) program. With this, we were able to access debt beyond traditional banking groups.
- Project and business operation procedures to support timely and effective cash collection.

ESG performance and access to capital



Risk Description

Our ability to raise capital effectively through demonstration of our ESG performance.

Our purpose is to deliver a more sustainable world. The biggest contribution we can make to this is through the work we do for our customers. As they and the rest of the world invest in decarbonization, our portfolio is shifting towards a larger component of sustainability related work – 32% of aggregated revenue for FY2021 and 35% for FY2022. This allows us to access capital markets and investors who are focused on ESG credentials, and where the cost of capital is reduced for companies with strong ESG credentials.

If we don't deliver our ESG commitments in line with our purpose and ambition, we won't be able to grow and deliver superior earnings for stakeholders.

How we are managing this risk

Sustainability is core to our business, and our purpose is at the heart of all we do. This supports the following:

- Our strong ESG performance has allowed us to issue a sustainability-linked bond and loan offerings.
- We focus on continuous improvement in our ESG performance. Our external ESG ratings include AAA rating with MSCI, B rating with CDP, 24.4 with Sustainalytics and 36 with S&P Global's Corporate Sustainability Assessment.
- Our Responsible Business Assessments (RBAs) evaluate unacceptable referred reputation risk. This could stem from unethical business practices, carbon emissions intensity works and social license issues. All our pursuits complete this assessment.
- Retention of investment-grade ratings with credit agencies, showing our strong credit value proposition.
- Debt and equity investor relationship engagement with existing and prospective investors and banks. We showcase our ESG performance via our online ESG data center.



Knowledge, technology and data (Intellectual capital)

Energy transition and emerging technology



Risk Description

Our ability to navigate the Group's portfolio through the energy transition and to use new and developing technologies to help us realize our purpose and ambition.

As the world transitions towards and operates in a low-carbon economy, the most influential economies and companies have pledged decarbonization and electrification targets across all sectors. This is accelerating the energy transition and leading to growth opportunities for us.

We will focus on entering new markets and new technologies to progress our purpose, deliver our sustainability commitments, diversify our services and realize our sustainability solutions.

An untimely or slow transition could lose Group value and reduce the share price.

How we are managing this risk

Our risk and strategy processes and governance challenge and guide us. We'll continue to help our customers deliver sustainable economic, social and environmental progress through their projects, operations and supply chains. We continue to:

- Complete analysis on both broad market opportunities and our key strategic focus areas to continuously inform our strategy. This also helps us to prioritize growth-market opportunities which we channel through our transformation program.
- Define key energy transition opportunities through annual strategic works (market data analysis, macro trends, scenario analysis and multi-dimensional deep dives).
- Understand best and worst cases and sensitivities through financial scenario planning.
- Work with research institutions and industry bodies and attend conferences and seminars to keep abreast of technological, market and policy changes related to energy transition.
- Pursue strategic partnerships, aligned with our sustainability goals. This includes our Princeton partnership, where we created our first joint thought leadership piece on delivering net zero by 2050.
- Develop new contracting models, including solution-based models, that will help us to achieve our FY2026 target of 75% revenue from sustainability-related business.
- Improve work efficiencies and incorporate new technology through our digital strategy.





Knowledge, technology and data (Intellectual capital)

Cyber security and information technology



Risk Description

Our ability to ensure the confidentiality, integrity and availability of Worley and customer data, and to use IT systems and networks.

The external landscape is dynamic and continuously evolving. It presents us with both risks and opportunities.

Unauthorized access, cyber-attacks or internal unintentional human error could all compromise our operational reliability and security. This could lead to business disruption, loss of critical, sensitive or personal data and related fines or penalties.

How we are managing this risk

Our Information & Digital Delivery team is dedicated to helping the business work effectively and securely.

Team responsibilities include:

- Information security policies and standards in line with international Standard ISO 27001.
- Cyber security framework of process controls, which include automated surveillance, system, network and end-point protection, detect and respond capability and 24/7 monitoring.
- Employee security education programs, including phishing awareness and testing campaigns.
- Employee and third-party, including our customers' data security via the Data Protection Office.
- Business continuity and incident response plus operational response exercise drills.
- Preparation to meet the Australian Security Legislation Amendment (Critical Infrastructure) Act 2021 as it applies to Worley.
- Innovation Hub, where new ideas are generated, worked on and commercialized.

Delivery of strategy and ambition



Risk Description

Our ability to effectively execute and manage transformational change.

It includes investment and divestment at the pace and quality required to deliver our strategic intent and ambition, within an increasingly complex environment.

If we fail to adapt and evolve, it may lead to loss of market share and/or negatively impact our financial performance.

How we are managing this risk

Our operating model, control structures, collaboration frameworks and partnering models help us to deliver our ambition. We continue to focus on:

- A dedicated Group Executive member who leads the Transformation program. Accountabilities include planning, performance monitoring and governance for the transformation program as a whole.
- Establishing growth units and strategic priorities. We are investing in accelerating our growth into key sustainability-related markets.
- Enterprise-wide change management, including developing an ambition learning program. This will enable all employees to take part in and learn ways they can support our strategy.
- The program will provide reporting. This is to track the delivery of the strategy, escalate risks and issues as they arise, provide insights and support decision making.
- The program and the Board will assess acquisition, partnerships and divestment activities that support our transformation.



Equipment and fabrication

Fabrication and licensing



Risk Description

Our ability to fabricate and deliver structures, equipment or licensed technology to specifications and design requirements.

As well as broader design and consultancy work, parts of our business manufacture equipment and modules for the energy, chemicals and resources sectors at our fabrication yards. They also work as technology providers for licensed technologies, such as Chemetics® or Comprimo®.

We could find ourselves in disputes with our customers around fees, costs, changes or delays if the equipment, modules or technologies don't meet specification. Or if we deliver poor quality work. This could lead to claims against our mechanical warranties, liability claims or legal action and reputational damage. It could also reduce future project wins. Poor-quality work could compromise the safety or environmental outcomes for installation and operation.

How we are managing this risk

We support our team of fabrication experts and technology specialists to manage this risk by:

- Enhancing our local capabilities with support from our global centers of excellence. And via our global network of consultants, engineers, construction workers and other project delivery specialists.
- Having a defined process for reviewing technology-related process guarantees, back-to-back agreements with technology partners and proprietary key equipment and chemicals. This ensures the process guarantees are met.
- Obligatory verification of key design documents, prepared by the detailed engineering contractor. These need to be approved before being manufactured. Our technology experts also need to be on site during commissioning and start-up. This is so they can guide the operation, train the operators and perform the final test run and plant acceptance.





People

Safety, health and well-being



Risk Description

Our ability to ensure the safety, health and well-being of our people when they're working.

We sometimes work in high-risk geographies, travel long distances by road and engage in construction and operating activities. These all bring with them the risk of injury, illness, and loss of life. The workplace has the potential to have an impact on the mental, emotional and social well-being of our people.

Our work may also positively or adversely impact the safety, health and well-being of the communities in which we operate.

How we are managing this risk

The safety, health and well-being of our people is our main priority. Without this, nothing else matters. We continue our:

- Health and safety framework. This includes expectations of our people and the people we manage. These are supported through core Life programs, training and champions, our mental health networks and our business processes.
- Security, crisis response and business continuity planning via our R3 (Ready, Response, Recovery) processes and subject-matter experts.
- Diversity and inclusion programs to support a culture of psychological safety.
- Dedicated working groups, exploring and learning what more we can do to prevent and respond to workplace sexual harassment.
- Commitment to safe and responsible presence in the communities in which we operate. We outline more details in the Ethical and business practices and Social value risks.

Talent



Risk Description

Our ability to retain, attract and engage talent and build capability and skills for the future.

As the pandemic shifts to endemic and economies recover, we're facing a very buoyant talent market. It's one of the most challenging talent markets we've faced into for some time.

If we fail to build the new capabilities and attract and retain talent, it could impact our ability to win new work, deliver our contractual requirements and achieve our objectives.

How we are managing this risk

Our people enable our success. Our purpose resonates with them and makes them want to be part of a business that's delivering a more sustainable world. We have put in place:

- Streamlined recruitment processes to speed up the hiring process.
- Competitive remuneration frameworks.
- Recognition, reward sponsorship and succession programs.
- Hybrid working arrangements involving a mix of working from home, office and/or site. This lets our people work flexibly, be productive and collaborative and supports their well-being.
- Commitment to invest within the business to deliver strategy through growth of specialist capability. This includes employee training programs. Many of our people's skills are transferable, and training supports a rapid shift.
- Diversity and inclusion programs, targets and regular employee-engagement surveys.

People

Ethics and business practices



Risk Description

Our ability to comply with the law and do our business to the highest standards.

This includes working with customers, partners and suppliers, aligned with our values and ensuring we manage the supply chain ethically. This includes complying with legislation to do with anti-bribery and corruption, export controls, sanctions and data privacy regulations.

Our behavior is defined through our words and actions. Sometimes we can find ourselves in situations where our values are challenged, and it's not always clear how we should act. Our Code of Conduct sets out standards of professional behavior, our responsibilities and the ethical standards we uphold.

We operate globally and need to meet local legislative and regulatory requirements. If we fail to work ethically or within laws and regulations, it could lead to a non-compliance or regulatory breach. This might result in an investigation, reputational damage, fines and penalties.

How we are managing this risk

We work closely with our customers, third-party suppliers and partners to enable respectful and responsible business practices. And to ensure that we align the impacts of our work with our purpose and ambition. The following supports us in this:

- Compliance management framework with due diligence procedures and independent internal audit processes. Our legal and compliance functions help the business to operate within the law for all relevant jurisdictions.
- Supply chain and due diligence processes. These include supplier codes of conduct, strict procurement processes, monitoring agents and third-party recruitment providers.
- Annual Code of Conduct training for all employees.
- Gifts, Entertainment and Hospitality Standard, including gift registers.
- An anonymous and confidential ethics helpline that's operated by an external service provider, 24-hours, 7 days a week.
- During the pursuit stage, we perform Responsible Business Assessments. These evaluate the risks associated with trade sanctions, ethical business practices and the social license of a project.
- Modern Slavery statement. We recognize we need to manage Modern Slavery risks as an organization which operates in geographically diverse locations and in high-risk sectors. These include construction, fabrication and mining, minerals and metals. We have governance processes in place to ensure we take action when we become aware of non-compliance.
- We have a Human Rights policy, and we align our operating procedures with the United Nations' Building Responsibly Worker Welfare Principles. We are also a signing member.
- Our Data Protection Office to lead our data privacy compliance program. We outline further mitigations in Cyber security and information technology risk.



Image taken by Lizeth Urena, Electrical Technical Specialist, as part of our Earth Day photo competition.



Communities

Social value



Risk Description

Our ability to maintain stakeholder (shareholder, customer, community, employees, partners) trust by acting in line with our purpose and values and/or the expectations of stakeholders and the community.

We rely on our reputation to win and retain work, attract and retain employees and secure lines of credit and access to capital. By building trust among our stakeholders, we can form strong partnerships and together contribute towards delivering a more sustainable world.

If we fail to maintain trust among stakeholders, it could lead to negative media attention. It might damage our reputation or social value, reduce our influence in industry groups or ultimately lose our investors.

How we are managing this risk

We have a strong history of partnerships and relationships. The following underpin our ongoing performance:

- Strong operational governance framework. The tone comes from the top and is aligned to our values.
- Responsible Business Assessment Standard to strengthen customer and project due diligence activities.
- Engaging with investors transparently and disclosing ESG data. This includes the new release of our online ESG data center.
- Internal programs and support networks (Pride@Worley, Women of Worley, Kuumba, Sustainability Champions networks). These ensure we align our activities with employee and community expectations.
- Diversity and inclusion improvement plans and public targets. We met our Board and Group Executive female FY2025 commitment target ahead of time.
- Work with Indigenous and First Nations communities. For example, Indigenous partnerships in Canada and our Reconciliation Action Plan in Australia.
- Our Worley/Princeton partnership capitalizes on our combined experience. Together, we delivered a thought leadership paper that explored the shifts required to deliver the energy infrastructure that will enable us to achieve mid-century net-zero targets.

Major business disruption and resilience



Risk Description

Our ability to manage our global operations through a major business disruptive event.

This might be due to external factors such as geopolitical events, conflict, supply chain disruption or global health crises.

We are a global company. Our people and customers span the continents. Our ability to navigate business impacts away from external disruptions ensures that we keep our people safe, deliver our projects and thrive as a business. Some events lead to opportunities. Others, such as economic and geopolitical uncertainty, present us with risks. These could result in us not meeting forecasts indicated to the market.

Failure to maintain business continuity could result in diminished financial returns and loss of company value.

How we are managing this risk

Lessons learnt from the COVID-19 pandemic have strengthened our business continuity capabilities. And they've helped us respond with greater agility to the Ukraine crisis. We continue to focus on the following:

- Our crisis response and business continuity framework is led by our R3 (Ready, Response, Recovery) function. It enables us to escalate up to the Board to support our response to a crisis.
- Scenario planning (strategic and financial modelling) and strategic geopolitical analysis. These help us review current business activities or plan new ones.
- Our framework includes processes and procedures relating to physical, personnel and cyber risks.
- We maintain business continuity plans for our locations and perform checks on key controls that support continuity.

Environment

Climate change

(S) (M) (L)

Risk Description

Our ability to manage the physical and transitional risk implications of climate change for our business and the industries we serve.

For example, extreme weather events could impact our operations and employees as well as our customers.

Through our people's collective experience and knowledge, we'll seek to help our customers on their energy transition journey to reduce the carbon intensity of their assets. We're committed to playing our part and commit to reduce Scope 1 and Scope 2 emissions by 50% by 2025.

Navigating the energy transition provides our business with opportunities to guide and support our customers and industry. We discuss these further under the Energy transition and emerging technology risk.

We report how we're managing our climate-related risk and opportunity in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). We provide this in the ESG disclosures section and in our ESG data center.

How we are managing this risk

We've embedded climate change considerations within core risk and strategy processes. We also assess climate-related risks and opportunities. We seek to continue with the following:

- Our net-zero roadmap has carbon reduction initiatives. It's keeping us on track with an emissions reduction of 29% in FY2022.
- Risk identification and treatment plans for physical and transitional risks to do with climate change.
- Incorporating scenario planning for extreme weather events into our R3 and resilience.
- We'll also reduce emissions in our value chain. We're working to set a science-aligned target to reach net-zero Scope 3 emissions by 2050. We're part of the Business Ambition for 1.5°C campaign.

Nature

(S) (M) (L)

Risk Description

Our ability to manage the physical, transitional and systemic risks posed by nature to our business and in the industries we serve.

Issues of biodiversity loss, pollution (waste) and resource over-extraction (e.g., water) are combining, threatening the natural systems and ecosystem services that they provide.

This poses risks to our business. It could lead to acute and chronic events that impact our people, operations and supply chains. These include restricted site access and the inability to conduct day-to-day business. Our reputation could be compromised due to our involvement in certain projects that might significantly degrade natural capital.

How we are managing this risk

Our risk management system helps us to identify and act on nature-related risk and opportunity. The following supports our efforts:

- This year, we've strengthened our revenue from sustainability related work. This includes resource stewardship and environment.
- We perform nature-related risk workshops. This year, we reviewed the water scarcity risk for our operations, using the World Resources Institute Aqueduct Tool.
- We disclose our water and waste use at our fabrication yards and offices that we own.
- We'll continue to review developments and will align our reporting with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

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Notes to the Financial Statements

The notes include information that you'll need to understand the financial statements. This information is material and relevant to the operations, financial position and performance of the Group. We consider information material and relevant if, for example:

- the amount is significant because of its size or nature; or
- it's important for understanding our results.

We've organized the notes into the following sections:

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Key Numbers

Here we break down the most relevant individual line items in the financial statements. We also summarize the accounting policies you'll need to be familiar with to understand these line items.

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Risk

This section discloses our exposure to various financial risks. It also covers their potential impact on our financial position and performance, and how we manage these risks.

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Directors' Report

The directors present their report on Worley Limited (Company) and the entities it controlled (Group or consolidated entity) at the end of, or during, the year ended 30 June 2022.

Directors' Message

Principal activities

We've set out details of our operations and activities in the Operating and Financial Review from page 50.

Significant changes in the state of affairs

On 29 November 2021, Tiernan O'Rourke commenced as Chief Financial Officer and Charmaine Hopkins stepped down as Interim Chief Financial Officer.

On 1 December 2021, we announced our ambition to be recognized globally as the leader in sustainability solutions within five years. There are three pillars to this ambition: our People, our Portfolio and our Planet. Each pillar has measurable objectives, which we use to inform and guide our decisions. See Group Highlights section of our Annual Report page 4.

On 10 March 2022, we announced the withdrawal of our services provided in and into Russia.

On 14 March 2022, we announced that the Full Court of the Federal Court of Australia allowed an appeal by the applicant of the first instance judgment in the class action. On 11 April 2022, we served an application in the High Court for special leave to appeal the Full Court's decision.

Our defense of the class action is funded by Worley's insurers, except for the previously paid initial deductible amount.

Matters subsequent to the end of the financial year

Since the end of the financial year, the directors have resolved to pay a final dividend of 25 cents per fully paid ordinary share. This includes exchangeable shares, unfranked (2021: 25 cents per share). In accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the aggregate amount of the proposed final dividend of \$131 million isn't recognized as a liability as at 30 June 2022.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

- the consolidated entity's operations in future financial years;
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

Earnings per share

	2022 CENTS	2021 RESTATED CENTS
Basic earnings per share	32.8	15.7
Diluted earnings per share	32.6	15.6

Underlying basic earnings per share was 62.8 cents. This is an increase of 18% from last year's financial year result of 53.0 cents.

We determine underlying basic earnings per share by dividing the underlying profit attributable to members of Worley Limited (as set out on page 117) by the weighted average number of ordinary shares outstanding during the financial year (as set out in note 17 to the financial statements).

Dividends – Worley Limited

Details of dividends in respect of the current and previous financial years are as follows:

	2022 \$'M	2021 \$'M
Final dividend for the full year 2022 of 25 cents per ordinary share, to be paid on 28 September 2022 (unfranked)	131	–
Interim ordinary dividend for the half year – of 25 cents per ordinary share, paid on 30 March 2022 (unfranked)	131	–
Final dividend for the full year 2021 of 25 cents per ordinary share, paid on 29 September 2021 (unfranked)	–	131
Interim ordinary dividend for the half year 2021 of 25 cents per ordinary share, paid on 31 March 2021 (unfranked)	–	131
Total dividends paid/to be paid	262	262

Financial Performance Summary

Review of operations

You'll find a detailed review of our operations and the results of those operations in the Operating and Financial Review on page 50.

A summary of the consolidated revenue and results for the current and previous financial years are as follows:

	CONSOLIDATED	
	2022 \$'M	2021 RESTATED \$'M
Revenue and other income	9,705	9,526
Depreciation	(54)	(55)
Amortization	(113)	(127)
Earnings before interest, tax and amortization (EBITA)	449	319
Net interest expense	(60)	(77)
Amortization of acquired intangible assets	(95)	(100)
Profit before income tax expense	294	142
Income tax expense	(117)	(61)
Statutory profit after income tax expense	177	81
Non controlling interests	(5)	1
Statutory profit after income tax expense attributable to members of Worley Limited	172	82
Costs in relation to cost saving programs	67	199
<i>Impact of transformation and restructuring:</i>		
Shared services transformation	53	-
Payroll and other restructuring costs	15	84
Property leased asset (reversals)/impairments ¹	(4)	60
Transition costs ²	3	55
International government subsidies, net of direct costs	(2)	(70)
Impairment of other assets	2	12
Net impact of historical legal matters	16	-
Impact of withdrawal from Russia	14	-
Gain on disposal of subsidiary/investment	-	(7)
Impairment of investments including equity accounted associates	1	11
One off costs of refinancing debt with Euro Medium-Term Note (EMTN) issuance	-	4
Net tax expense on items excluded from underlying earnings	(12)	(39)
Underlying tax adjustments	-	11
Certain one off other items	-	(1)
Underlying profit after income tax expense attributable to members of Worley Limited	258	202
Amortization of intangible assets acquired through business combinations	95	100
Tax effect on amortization of intangible assets acquired through business combinations	(24)	(25)
Underlying profit after income tax expense and before amortization of acquired intangible assets ³ attributable to members of Worley Limited	329	277

¹ Includes impairment of right of use assets and the related onerous property maintenance contract component.

² Costs in relation to ECR integration.

³ The directors consider underlying profit information is important to understand the sustainable performance of the Company by excluding selected significant items and amortization on acquired intangible assets.

Directors' Report

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
Revenue and other income	9,705	9,526
Less: Procurement revenue at nil margin (including share of revenue from associates)	(946)	(949)
Add: Share of revenue from associates	310	210
Less: Interest income	(4)	(6)
Less: Gain on disposal of subsidiary/investment	-	(7)
Aggregated revenue¹	9,065	8,774

	AGGREGATED REVENUE ¹		SEGMENT EBITA		SEGMENT EBITA MARGIN	
	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M	2022 %	2021 %
APAC	1,710	1,672	181	152	10.6	9.1
EMEA	3,168	3,333	283	202	8.9	6.1
Americas	4,187	3,769	271	258	6.5	6.8
	9,065	8,774	735	612	8.1	7.0
Global support costs ²			(154)	(146)		
Strategic costs ³			(30)	-		
Interest and tax for associates			(4)	(3)		
Underlying EBITA			547	463	6.0	5.3

Aggregated revenue was \$9,065 million. This is an increase of 3% on the previous financial year. Underlying EBITA of \$547 million was up 18% from the last financial year result of \$463 million.

The underlying EBITA margin on aggregated revenue for the Group, increased to 6.0% compared with 5.3% in 2021. After tax, the members of Worley Limited earned an underlying profit⁴ margin on aggregated revenue of 3.6%, compared to a margin of 3.2% in 2021.

The underlying effective tax rate rose to 32.9%, compared with 30.3% in 2021. The key driver of this increase is an increase in certain non-deductible costs under US tax law.

The Group increased its cash position to \$519 million (2021: \$493 million) with gearing (net debt/net debt plus total equity) at financial year end of 22.6% (2021: 21.7%).

Operating cash inflow for the period was \$316 million, compared to \$533 million in 2021. Cash outflow from investing activities was \$62 million (2021: \$92 million).

Likely developments and expected results of operations

We've set out the likely developments in our operations in future financial years, and the expected outlook of those operations in the Context and Strategy on page 18.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, we've rounded off amounts to the nearest million dollars, unless we state otherwise. We've represented amounts under \$500,000 that we've rounded down, with a 0.0.

¹ Aggregated revenue is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, pass-through revenue at nil margin, and interest income. The Directors of Worley Limited believe the disclosure of the relevant share of revenue from associates provides additional information in relation to the financial performance of Worley Limited Group.

² Excluding global support related restructuring costs (refer to note 3(E) to the financial statements).

³ Strategic costs comprise of costs for strategic hires and agile team development in targeted sustainability growth areas, digital enablement, internal training and development, and creating and building strategic partnerships to deliver sustainable solutions at scale.

⁴ The directors consider underlying profit information is important to understand the sustainable performance of the Company by excluding selected significant items and amortization on acquired intangible assets.

Board Governance

Corporate Governance statement

You can access the Company's Corporate Governance Statement for the year ended 30 June 2022 on the Corporate Governance page in the Investor Relations section, on our website.

Non audit services

Ernst & Young, our auditor, performed non-audit services in addition to its statutory audit duties. The total fees for these non audit services amounted to \$1,072,985.

The Board has a policy governing the provision of non audit services by the auditor. The Audit and Risk Committee has reviewed the total non-audit services provided by Ernst & Young. The Board has accepted the recommendation from the Audit and Risk Committee that the total non-audit services was compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Act). The directors are satisfied that the provision of non audit services by the auditor did not compromise the auditor independence requirements of the Act for the following reasons:

- the Audit and Risk Committee reviewed all non audit services to make sure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence in APES 110 *Code of Ethics for Professional Accountants*.

This includes:

- not reviewing and auditing the auditor's own work
- not acting in a management or decision-making capacity for the Group
- not acting as advocate for the Group, and
- not jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration, as required under section 307C of the Act, is as follows:



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2040 Sydney NSW 2001


Tel: +61 2 9246 5555
Fax: +61 2 9246 5555
ey.com.au

Auditor's independence declaration to the directors of Worley Limited

As lead auditor for the audit of the financial report of Worley Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- No contraventions of any applicable code of professional conduct in relation to the audit; and
- No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Worley Limited and the entities it controlled during the financial year.


Ernst & Young

Scott Jarrett
Partner
24 August 2022

Indemnities and insurance

Under the Company's Constitution, we indemnify each current and former officer of the Group against certain liabilities and costs incurred by them as an officer of the Group.

We also indemnify each current and former officer of the Group against certain liabilities and costs incurred when the officer acts as an officer of another body corporate at the Company's request and the liability or cost is incurred in that capacity.

This indemnity does not cover any liabilities or costs that we're prohibited from indemnifying under the Act.

We've also entered into Deeds of Access, Indemnity and Insurance with certain officers of the Group. Under those deeds, we agree (among other things) to:

- indemnify the officer to the extent permitted by law and the Company's Constitution;
- maintain a directors' and officers' insurance policy; and
- give officers access to Board papers.

We maintain a directors' and officers' insurance policy that, subject to certain exemptions, covers former and current officers of the Group. During the financial year, we paid insurance premiums to insure those officers. The contracts of insurance prohibit us from disclosing the amounts of the premiums we paid and the nature of the liability covered.

Environmental regulation

The majority of our customers are responsible for obtaining environmental licenses for their projects and assets. We typically help customers, who own or operate plant and equipment or have obligations over natural resources, to manage their environmental licenses and responsibilities

We do have environmental responsibilities, which relate to complying with environmental controls and exercising reasonable care and skill in our design, construction management, operation and supervising activities. We manage the risks associated with environmental issues through our risk management and assurance systems.

We comply with all environmental regulations that apply to us and our work. The Company confirms, for the purposes of section 299(1)(f) of the Act, that it is not aware of any environmental regulations under the laws of the Commonwealth of Australia, or of a State or Territory of Australia that the Group has breached.

Directors' Report

Directors

Our Board of directors is listed below:

- John Grill (Chair)
- Andrew Liveris (Deputy Chair and Lead Independent Director)
- Thomas Gorman
- Christopher Haynes
- Roger Higgins
- Martin Parkinson
- Emma Stein
- Juan Suárez Coppel
- Anne Templeman-Jones
- Wang Xiao Bin
- Sharon Warburton
- Chris Ashton (Chief Executive Officer and Managing Director)

Directors' shares and rights

As at the date of this report, the relevant interests of the directors in the shares and rights of the Company were:

DIRECTORS	NUMBER OF SHARES	NUMBER OF RIGHTS
John Grill	34,336,128	–
Andrew Liveris	17,870	–
Thomas Gorman	29,000	–
Christopher Haynes	18,922	–
Roger Higgins	34,000	–
Martin Parkinson	16,000	–
Emma Stein	20,840	–
Juan Suárez Coppel	18,032	–
Anne Templeman-Jones	17,382	–
Wang Xiao Bin	11,000	–
Sharon Warburton	22,500	–
Chris Ashton	144,296	586,714

You'll find more details about the rights issued by the Company in the Remuneration Report and notes 15 and 16 to the financial statements.

The number of Board and standing Board Committee meetings held during the financial year, and the number of meetings each director attended is below:

	BOARD		AUDIT AND RISK COMMITTEE		NOMINATIONS COMMITTEE		PEOPLE AND REMUNERATION COMMITTEE		HEALTH, SAFETY AND SUSTAINABILITY COMMITTEE	
	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED
John Grill	6	6			6	6	7	6	6	5
Andrew Liveris ¹	6	6			6	6	7	7	4	4
Thomas Gorman	6	6			6	6	7	7	6	6
Christopher Haynes	6	6			6	6	7	7	6	6
Roger Higgins	6	6			6	6			6	6
Martin Parkinson	6	6	6	6	6	6				
Emma Stein ²	6	6			6	6	7	7	1	1
Juan Suárez Coppel	6	6	6	6	6	6				
Anne Templeman-Jones	6	6	6	6	6	6				
Wang Xiao Bin	6	6	6	6	6	6				
Sharon Warburton	6	6	6	6	6	6				
Chris Ashton	6	6								

We held special purpose Board Committee meetings and briefings during the financial year. The Board also attended regular Board briefings. Due to COVID-19, most meetings convened virtually except for the June 2022 Board meeting which convened in-person. All Non Executive Directors are invited to and have access to the papers for the standing Board Committee meetings. During the financial year, the independent Non Executive Directors met on six occasions and the meetings were chaired by the Lead Independent Director.

¹ Andrew Liveris retired as a member of the Health, Safety and Sustainability Committee in February 2022.

² Emma Stein was appointed as a member of the Health, Safety and Sustainability Committee in April 2022.

Information on Directors and Group Company Secretary



John Grill

AO, BSc, BEng (Hons), Hon DEng (Sydney),
Hon DEng (UNSW)

*CHAIR AND NON EXECUTIVE DIRECTOR SINCE MARCH 2013
PREVIOUSLY CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR
FROM LISTING IN NOVEMBER 2002 UNTIL OCTOBER 2012.
DIRECTOR OF THE COMPANY BEFORE LISTING AND DIRECTOR
OF ITS PREDECESSOR ENTITIES FROM 1971.
COUNTRY OF RESIDENCE – AUSTRALIA*

John was appointed to the Board effective 1 March 2013. He is Chair of the Board and Chair of the Nominations Committee, a member of the People and Remuneration Committee and a member of the Health, Safety and Sustainability Committee.

John has over 40 years' experience in the resources and energy industry, starting his career with Esso Australia. In 1971, he became Chief Executive of Wholohan Grill and Partners, the entity that ultimately became owned by Worley Limited. John has expertise in every aspect of project delivery in the resources and energy industry. He maintains strong relationships with the Group's major customers and was closely involved with the Group's joint ventures at Board level.

John was awarded an honorary doctorate by the University of Sydney in 2010 in recognition of his contribution to the engineering profession.

He was appointed an Officer of the Order of Australia in 2014 for distinguished service to engineering and business in the minerals, energy and power supply industries, and as a supporter of advanced education and training. In 2019, John was awarded an honorary doctorate from the University of New South Wales.

John is also Chairman of the Mindgardens Alliance - a partnership between the Black Dog Institute, Neuroscience Research Australia (NeuRA), South Eastern Sydney Local Health District (SESLHD) and the University of New South Wales.



Andrew Liveris

AO, BEng (Hons), PhD

*DEPUTY CHAIR, LEAD INDEPENDENT DIRECTOR AND
NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE SEPTEMBER 2018
COUNTRIES OF RESIDENCE – AUSTRALIA AND UNITED STATES
OF AMERICA*

Andrew was appointed to the Board effective 5 September 2018. He is the Deputy Chair, Lead Independent Director and a

member of the People and Remuneration Committee and the Nominations Committee.

Andrew is the former Chairman and Chief Executive Officer of The Dow Chemical Company and the former Executive Chairman of DowDuPont.

He had over 40 years' global leadership experience with The Dow Chemical Company with roles in manufacturing, engineering, sales, marketing, business and general management around the world.

Andrew is a director of IBM, Saudi Aramco, The Minderoo Foundation Pty Ltd - a modern philanthropic organization that affects social change, and NOVONIX Limited - a company supporting lithium-ion battery technologies. Andrew is the President of Brisbane 2032 Organising Committee for the Olympic Games (OCOG).

Andrew was formerly the Vice Chair of the Business Roundtable and was the Chairman of the United States Business Council. He has held previous Australian Government roles as Chair of the National COVID-19 Coordination Commission (NCCC) Manufacturing Taskforce and Co-Chair of the Territory Economic Reconstruction Commission.

In 2012, Andrew co-founded The Hellenic Initiative (THI) to support economic renewal in Greece through entrepreneurship, business development and investment.

Andrew is a Chartered Engineer, a Fellow of the Institution of Chemical Engineers and a Fellow of the Australian Academy of Technological Sciences and Engineering (now Australian Academy of Technology and Engineering). He earned a Bachelor's degree (first class honors) in Chemical Engineering from the University of Queensland and was awarded the University Medal. In 2005, he was awarded an Honorary Doctorate in Science by his alma mater and was named Alumnus of the Year. He was appointed an Officer of the Order of Australia in 2014 for his services to international business and was awarded an Honorary Doctorate in Engineering from Michigan State University in 2015.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
NOVONIX Limited	Non-Executive Director	1 July 2018	n/a

Directors' Report



Thomas Gorman

BA, MBA, MA

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE DECEMBER 2017

COUNTRY OF RESIDENCE – UNITED STATES OF AMERICA

Thomas was appointed to the Board effective 18 December 2017. He is a member of the Health, Safety and Sustainability Committee, the People and Remuneration Committee and the Nominations Committee.

Thomas' appointment follows his 30-year career in executive positions at Ford Motor Company and Brambles Limited. He retired as Chief Executive Officer of Brambles in February 2017. He has worked in multiple functions including finance, operations, logistics, marketing and business development across the United States, England, France and Australia.

Thomas is a director of Orora Limited, Sims Limited and Alcoa Corporation.

Thomas graduated cum laude from Tufts University with degrees in Economics and International Relations. He obtained an MBA with distinction from Harvard Business School and an MA in International Relations from The Fletcher School of Law and Diplomacy at Tufts University.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Orora Limited	Non-Executive Director	2 September 2019	n/a
Sims Limited	Non-Executive Director	15 June 2020	n/a



Christopher Haynes

OBE, FREng, BSc (Hons), DPhil, CEng, FIMechE, FIEAust

NON EXECUTIVE DIRECTOR – DIRECTOR SINCE JANUARY 2012

COUNTRY OF RESIDENCE – UNITED KINGDOM

Christopher was appointed to the Board effective 1 January 2012. He is a member of the Health, Safety and Sustainability Committee, the People and Remuneration Committee and the Nominations Committee.

Christopher is a non-executive director of Woodside Petroleum Limited.

Christopher had a 39-year career with the Shell Group of Companies and their affiliates. He has lived in many countries,

working in oil and gas, LNG and chemicals businesses, primarily in project development, delivery and operations. Christopher was seconded to Woodside from 1999 to 2002 where he was General Manager of the North West Shelf Venture. He then became Managing Director of Shell's operations in Syria and of Nigeria LNG Limited. In 2008, Christopher assumed responsibility for delivering Shell's major upstream projects worldwide. He retired from Shell in August 2011.

Christopher graduated from the University of Manchester with a Bachelor of Science with honors in Mechanical Engineering. He obtained a Doctor of Philosophy in Applied Sciences from the University of Sussex. He is a Chartered Engineer and Fellow of the Institution of Mechanical Engineers in the United Kingdom and, in 2015, was elected a Fellow of the Royal Academy of Engineering in the United Kingdom. He is a Fellow of the Institution of Engineers, Australia.

Christopher was appointed to the Order of the British Empire in June 2009 for his services to the British oil and gas industry in Nigeria.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Woodside Energy Group Ltd	Non-Executive Director	1 June 2011	n/a



Roger Higgins

BE (Hons), MSc, PhD, FIEAust, FAusIMM

NON EXECUTIVE DIRECTOR – DIRECTOR SINCE FEBRUARY 2019

COUNTRY OF RESIDENCE – AUSTRALIA

Roger was appointed to the Board effective 20 February 2019. He is Chair of the Health, Safety and Sustainability Committee and a member of the Nominations Committee.

Roger's experience is in mining and operations. He has previously held senior executive positions with Teck Resources Limited, BHP Billiton and Ok Tedi Mining Limited.

Roger is a non-executive director of Newcrest Mining Limited and the Chair of Ok Tedi Mining Limited and Demetallica Limited. He is an adjunct professor with the Sustainable Minerals Institute at the University of Queensland.

Roger holds a Bachelor of Civil Engineering with honors from The University of Queensland, a Master of Science in hydraulics from the University of Aberdeen and a PhD in Water Resources from the University of New South Wales. He is a Fellow of the Institution of Engineers Australia and the Australasian Institute of Mining and Metallurgy.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Newcrest Mining Limited	Non-Executive Director	1 October 2015	n/a
Metminco Limited	Non-Executive Director	8 October 2013	16 August 2019
Minotaur Exploration Limited	Non-Executive Director Chairman	1 July 2016 31 January 2017	25 February 2022 25 February 2022 (acquired by Andromeda Metals Limited and delisted)
Demetallica Limited	Non-Executive Director and Chairman	16 December 2021 (ASX listed on 26 May 2022)	n/a



Martin Parkinson
AC, BEc, MEc, MA, PhD

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE FEBRUARY 2020
COUNTRY OF RESIDENCE – AUSTRALIA

Martin was appointed to the Board effective 24 February 2020. He is a member of the Audit and Risk Committee and the Nominations Committee.

Martin is a director of O'Connell Street Associates, North Queensland Airports and Champions of Change Coalition – a group of executive leaders committed to achieving gender equality and advancing women into leadership positions. Martin is also the Chancellor of Macquarie University and Deputy Chair of the Great Barrier Reef Foundation.

Martin previously served as Secretary for the Australian Government's Department of the Prime Minister and Cabinet, Australian Treasury and Department of Climate Change. Martin is a former director of Orica, the Cranlana Program for Ethical Leadership and the German-Australian Chamber of Industry and Commerce. He has been a member of the Board of the Reserve Bank of Australia, Infrastructure Australia, the Council of Financial Regulators, the Board of Taxation and the Territory Economic Reconstruction Commission. He was previously Chair of the Australian Office of Financial Management.

Martin holds a PhD and an MA from Princeton University, an MEc from the Australian National University and a BEc (first class honors) from the University of Adelaide. Martin was awarded the degree of Doctor of the University (honoris causa) by the University of Adelaide.

Martin was awarded a Companion of the Order of Australia and has a Public Service Medal. He is a Fellow of the Academy of Social Sciences in Australia, the Institute of Public Administration Australia and the Australian National Institute of Public Policy. He is a life member of the Australian Business Economists.



Emma Stein
BSc (Hons), MBA, FAICD

NON EXECUTIVE DIRECTOR – DIRECTOR SINCE DECEMBER 2020
COUNTRY OF RESIDENCE – AUSTRALIA

Emma was appointed to the Board effective 10 December 2020. She is Chair of the People and Remuneration Committee and a member of the Health, Safety and Sustainability Committee and Nominations Committee.

Emma currently serves as a non-executive director of Adbri Limited.

Emma is a former non-executive director of Alumina Limited, Cleanaway Waste Management Limited, Programmed Maintenance Services Limited, Transfield Services Infrastructure Fund, Clough Limited, the Diversified Utilities Energy Trust (DUET) Group and Iberdrola Australia Limited.

Before moving to Australia in 2003, Emma gained international experience in management and leadership, and strategy development and implementation in global industrial, energy and utilities markets. Her career included roles in strategic planning, operational management in the fuels sectors and, specifically, as UK Managing Director at Gaz de France Energy and UK Gas Divisional Managing Director at British Fuels.

Emma holds tertiary qualifications in Science from the University of Manchester and a Master of Business Administration (MBA) from Manchester Business School. Emma is an Honorary Fellow of the University of Western Sydney and a Fellow of the Australian Institute of Company Directors.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Adbri Limited	Non-Executive Director	4 October 2019	n/a
Cleanaway Waste Management Limited	Non-Executive Director	1 August 2011	31 December 2020
Alumina Limited	Non-Executive Director	3 February 2011	25 May 2021
Infigen Energy Limited	Non-Executive Director	21 September 2017	21 October 2020 (acquired by Iberdrola and delisted)

Directors' Report



Juan Suárez Coppel

BE, PhD

NON EXECUTIVE DIRECTOR – DIRECTOR SINCE MAY 2019

COUNTRY OF RESIDENCE – MEXICO

Juan was appointed to the Board effective 27 May 2019. He is a member of the Audit and Risk Committee and the Nominations Committee.

Juan has extensive experience in energy and resources in the Americas. He was previously Chief Financial Officer and then Chief Executive Officer of Petróleos Mexicanos (PEMEX). He was also a senior executive with Grupo Modelo and an independent non-executive director of Jacobs Engineering Group Inc.

During the 1990s, Juan was Chief of Staff to the Minister of Finance, Mexico, a senior executive with Banamex (now Citi) and Head of Corporate Finance and then Treasurer of Grupo Televisa, Mexico.

Juan has a PhD in Economics from the University of Chicago. During the 1980s, he held various academic roles. These include as a full-time professor in the ITAM Department of Economics, visiting professor at the Universidad Autónoma de Barcelona Department of Economics and assistant professor at Brown University in Rhode Island.



Anne Templeman-Jones

BCom, MRM, EMBA, CA, FAICD

NON EXECUTIVE DIRECTOR – DIRECTOR SINCE NOVEMBER 2017

COUNTRY OF RESIDENCE – AUSTRALIA

Anne was appointed to the Board effective 1 November 2017. She is Chair of the Audit and Risk Committee and a member of the Nominations Committee.

Anne is Chair of Blackmores Limited and non-executive director of Commonwealth Bank of Australia and Cyber Security Cooperative Research Centre.

Anne is a former non-executive director of GUD Holdings Limited, The Citadel Group Limited, HT&E Limited, Cuscal Limited, HBF Health Limited, Pioneer Credit Limited, TAL Superannuation Fund, Notre Dame University and the McCusker Foundation for Alzheimer's Research.

Anne has executive experience in institutional and commercial banking, wealth management, insurance, strategy and risk. She previously held several senior executive roles in Switzerland and Australia with PricewaterhouseCoopers, the Bank of Singapore (OCBC Bank), ANZ and Westpac.

Anne has a Master of Risk Management from the University of New South Wales, an Executive MBA from the AGSM at the University of New South Wales and a Bachelor of Commerce from The University of Western Australia. She is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Commonwealth Bank of Australia	Non-Executive Director	5 March 2018	n/a
Blackmores Limited	Non-Executive Director and Chair	28 October 2020	n/a
GUD Holdings Limited	Non-Executive Director	1 August 2015	31 August 2021
The Citadel Group Limited	Non-Executive Director	8 September 2017	28 May 2020



Wang Xiao Bin

BCom, CPA, GDip

NON-EXECUTIVE DIRECTOR – DIRECTOR SINCE DECEMBER 2011

COUNTRY OF RESIDENCE – HONG KONG, CHINA

Xiao Bin was appointed to the Board effective 1 December 2011. She is a member of the Audit and Risk Committee and the Nominations Committee.

Xiao Bin is an executive director and Senior Vice President of China Resources Power Holdings Company Limited and non-executive director of Hang Seng Bank Limited. Xiao Bin was previously a director of Corporate Finance (Asia Pacific) at ING Investment Banking, responsible for execution of capital markets and merger and acquisition transactions in the region. She formerly worked at PricewaterhouseCoopers in Australia in the Audit and Business Advisory division.

Xiao Bin has over 18 years' experience in the power industry including its major shift towards a low-carbon future and meeting industrial and consumer demand for clean, reliable and affordable energy.

Xiao Bin qualified as a Chartered Accountant and Certified Practising Accountant (CPA) in Australia. She holds a Bachelor of Commerce from Murdoch University, Australia, and a graduate diploma in Applied Finance and Investment from the Securities Institute of Australia (now FINSIA).



Sharon Warburton

BBus, FCA, FAICD

NON EXECUTIVE DIRECTOR – DIRECTOR SINCE FEBRUARY 2019

COUNTRY OF RESIDENCE – AUSTRALIA

Sharon was appointed to the Board effective 20 February 2019. She is a member of the Audit and Risk Committee and the Nominations Committee.

Sharon has predominantly worked in the construction, mining and infrastructure sectors. She is a Chartered Accountant with experience in strategy and accounting, holding senior executive positions at Rio Tinto, Brookfield Multiplex, Aldar Properties PJSC, Multiplex and Citigroup.

Sharon is a non-executive director of Wesfarmers Limited, Blackmores Limited and Northern Star Resources Limited and a part-time member of the Takeovers Panel. She is an Independent Director of Karla Niyaparli Aboriginal Corporation RNTBC and is also on the board of not-for-profit organization Perth Children's Hospital Foundation.

She was formerly the Co-Deputy Chairman of Fortescue Metals Group Limited, Chairman of the Australian Government's Northern Australia Infrastructure Facility and a non-executive director of NEXTDC Limited.

Sharon holds a Bachelor of Business (Accounting and Business Law) from Curtin University. She is a Fellow of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors.

Sharon was awarded the Telstra Business Woman of the Year (Western Australia) in 2014 and was a finalist for The Australian Financial Review's Westpac 100 Women of Influence in 2015.

Australian listed company directorships

LISTED COMPANY NAME	NATURE OF DIRECTORSHIP	DATE OF COMMENCEMENT	DATE OF CESSATION
Wesfarmers Limited	Non-Executive Director	1 August 2019	n/a
Blackmores Limited	Non-Executive Director	28 April 2021	n/a
Northern Star Resources Limited	Non-Executive Director	1 September 2021	n/a
Gold Road Resources Limited	Non-Executive Director	9 May 2016	30 September 2021
Fortescue Metals Group Limited	Non-Executive Director	13 November 2013	31 March 2020
	Co-Deputy Chairman	8 November 2017	31 March 2020
NEXTDC Limited	Non-Executive Director	1 April 2017	31 March 2020



Chris Ashton

BEng (Hons), MBA, MAICD

CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

SINCE FEBRUARY 2020

COUNTRY OF RESIDENCE – UNITED STATES OF AMERICA

Chris was appointed Chief Executive Officer and Managing Director on 24 February 2020.

Chris joined Worley in 1998 and has held many leadership roles across the Company as it evolved through acquisition and organic growth. Before becoming CEO, Chris was Chief Operating Officer responsible for the integration of the ECR business and setting the strategy for Worley's transformation. Prior to this, he was Group Managing Director for Major Projects and Integrated Solutions with accountability for growth and performance.

This included Worley's fabrication businesses, WorleyCord and Rosenberg Worley, and the Global Delivery Center. He has also held executive roles with responsibility for operations in Europe, the Middle East and Africa and the power sector globally.

Chris holds a degree in Electrical and Electronic Engineering with honors from the University of Sunderland and a Master of Business Administration degree from Cranfield School of Management. He has completed the Executive Management Program at Harvard Business School and the Company Directors Course at the Australian Institute of Directors.



Nuala O'leary

LLB, BA

GROUP COMPANY SECRETARY – APPOINTED AUGUST 2016

COUNTRY OF RESIDENCE – AUSTRALIA

Nuala was appointed Group Company Secretary in August 2016. She is responsible for corporate governance for the Board and the Group Executive.

Nuala is also responsible for the legal and governance matters relevant to Worley Limited. These include the capital structure and regulatory obligations, with Group accountabilities for continuous disclosure. Nuala has a background in private legal practice, specializing in corporate litigation and corporate governance. Nuala holds degrees in Law and Arts from the University of Sydney and a graduate diploma of Applied Corporate Governance. Nuala is a Solicitor of the Supreme Court of New South Wales.

Remuneration Report

Audited



"We're pleased with our performance outcomes and focus on supporting our people and customers, while progressing our journey to delivering a more sustainable world."

Key messages from the Chair of the People and Remuneration Committee

Dear Shareholders,

On behalf of the Worley Board of Directors, I'm pleased to present our Remuneration Report for the financial year ended 30 June 2022.

Our people are rising to the challenge

We've emerged from a period of unprecedented and challenging market conditions. Customers and markets are evolving rapidly as they continue to face new challenges, with complex problems to solve. Our people are adapting, learning and innovating quickly. Through FY2022, they have worked collaboratively to deliver some inspiring customer projects and sustainability outcomes.

Changes to our Group Executive have further strengthened our leadership to deliver our strategy. Our executives have the deep industry experience, drive, and behaviors to lead our transformation. Along with our CEO, they're elevating our people and sustainability agendas – and sharpening our focus on creating value for all our stakeholders.

Energized people are at the heart of our ambition

People that are energized and empowered to drive sustainable impact are core to our strategy. We're evolving our people strategies to build our competitive advantage and accelerate growth. We need best-in-class capabilities for our customers and to support our growth in sustainability. We're investing in skills of the future and technical capabilities.

We're building greater clarity on the cultural attributes that underpin our transformation. Our values are the foundation, and we are integrating these into everything we do. We are also developing leaders who create meaning, embrace possibility and deliver what matters.

Our highest priority is to keep our people safe, healthy and feeling included. We are proud of our industry-leading safety performance. During FY2022, we elevated our focus on well-being and mental health. We continue to build a diverse and inclusive workplace. We listen to feedback from our people on inclusion and take actions to improve. Our people network groups, such as Pride and KUUMBA, are strong. We are actively leaning into important social issues, such as sexual harassment and modern slavery.

We are navigating dynamic global markets for talent

We have a large global footprint. We have 51,300 people working across more than 46 countries, who deliver for customers across thousands of projects. The majority of our executives are located outside of Australia, with a large number in the Americas.

The world is facing into unprecedented talent challenges presented by skills shortages and wage pressures. Combined with business growth, we need to be proactive to attract and retain the right people. We see buoyant talent markets as an opportunity. Our authentic focus on sustainability and the innovative opportunities we provide to work on sustainable solutions are attractive. We're engaging our existing people with new learning and development opportunities and initiatives to improve their experience.

We need competitive remuneration to attract, retain and engage the talent needed to deliver our strategy in the markets in which we operate. We're particularly focused on having the right remuneration strategy in the United States and other high-growth sectors to be competitive and help us grow. We use local industry benchmarking and trend information to understand our different markets and anticipate actions needed to compete.

Through COVID-19, we have managed our cost base, and been restrained when increasing remuneration. With growing talent risks, we are elevating our attention on competitive and equitable fixed and variable pay. Navigating wages growth, inflation and currency volatility across many different country scenarios requires us to be agile, leverage insights and partner with our customers.

Our executive remuneration strategy supports our ambition

Remuneration strategy is aligned to what matters most. It's strongly linked to our strategy and purpose. It drives sustainable outperformance and aligns with the interests of our shareholders. Our executives have significant equity components in their remuneration – to encourage them to behave like owners, focus on building long-term shareholder value, and stay with us through business cycles. We've also used equity grants proactively during FY2022 to recognize, engage and retain critical people – and we see this as an ongoing part of our remuneration strategy.

We've continued to strengthen our focus on Environment Social and Governance (ESG) through our remuneration framework and measures. We've made changes to our Short-Term Incentive (STI) plan, including a greater weighting to ESG measures and formally incorporating behaviors in line with our values. Our Deferred Equity Plan (DEP) is linked to the growth of sustainability projects.

We've changed the remuneration mix of our executives, increasing the equity components to strengthen alignment with shareholders and market practice. For our CEO, we've reduced the STI maximum from 200% to 150% of fixed salary and increased equity by a commensurate amount (i.e. 50% of fixed salary). We increased deferred equity from 50% to 70% of fixed salary and Long Term Incentive (LTI) from 85% to 115% of fixed salary.

Remuneration outcomes reflect our performance

We've delivered improved performance in FY2022. We highlight the following results for the Key Performance Indicators (KPIs) the Board set in the STI business scorecard.

- We delivered an underlying Net Profit After Tax and excluding Amortization (NPATA) result of \$329m, which is 19% growth on FY2021. This is the result of the significant achievements of the team: managing costs, delivering projects well and winning new business.
- Our Days Sales Outstanding (DSO), which measures the time it takes to collect cash from customers, met expectations.
- Our Safety outcomes continued to be strong, and our executives demonstrated leadership in Health, Safety and Sustainability (HSS).
- We delivered significant reductions in Scope 1 and Scope 2 carbon emissions – greater than the stretch target set.
- We made progress in diversity and inclusion.
- Our sales in sustainability projects, measured through gross margin sold, are in line with our target.

To make decisions about FY2022 remuneration, we carefully reviewed the performance results, compared to the stretch targets we set at the beginning of the year. The Board reviews underlying earnings measures for remuneration purposes to make sure executives are:

- Being appropriately held to account for their actions and delivering the annual target; and
- Considering investment and transformational opportunities without bias.

For FY2022, we used underlying NPATA for remuneration purposes in line with the statutory accounts (refer to page 215). This excludes:

- Transformation and restructuring costs;
- Impairment of investments;
- The impact of our withdrawal from Russia; and
- The net impact of historical legal matters.

We have assessed individual performance, including both 'what' has been achieved and 'how' it was achieved. Our executives have demonstrated strong leadership in line with our values to deliver improved outcomes, inspire our people and create value for our customers.

We also considered several factors to determine remuneration outcomes for executives and the extent to which we would apply any general Board discretion. This covered broader measures of performance and outcomes for all our stakeholders. The Board believed that, in considering the company wide achievements in 2022, the increased STI business scorecard assessment, compared with 2021, was justified and well deserved. The Board decided not to exercise discretion to the STI business scorecard outcomes. We've used discretion to make adjustments to individuals relating to the management of risk and conduct.

As a result of the business and individual performance assessments, the CEO will receive an STI payout of 96% of target. Other executive KMP STI payouts will range from 67% of target to 102% of target. The Board considers the overall STI outcomes are a fair reflection of FY2022 performance.

Executives have successfully implemented our strategy over the past two years. We are clear on our priorities and accelerating progress in sustainability. This is demonstrated through the rapid growth in business, generated through working on sustainable solutions with our customers. We have grown our gross margin delivered, from sustainability projects over the last two years. As a result, the Board has determined that the FY2021 DEP will vest in full.

Our overall performance is improving, after two challenging years of navigating business impacts of the COVID-19 pandemic, economic conditions and geopolitical issues. Total Shareholder Return (TSR) is 27.3% over the last 12 months. It is positive over the three years to June 2022, at 17.5%. However, TSR relative to Worley peers was 35th percentile over the same period. Earnings per Share (EPS) growth was 0.3% per annum over three years, which was below threshold. In line with the performance conditions, the Board has determined that no LTI equity rights will vest. Full details of the outcomes are in section 3 below.

Looking ahead to FY2023

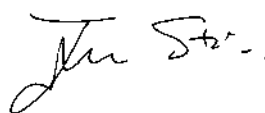
We won't make structural changes to the executive remuneration framework in FY2023. However, we'll review how we can better align to our ambition – our People, our Portfolio and our Planet – through how we assess executive performance and design our equity plans. We want to make sure executive remuneration is motivating and focused on the right levers to deliver value over the longer term.

We also need to make sure executive remuneration is competitive in the key markets in which we compete for talent. We will review executive remuneration levels in FY2023. This will include for the CEO, whose fixed salary has remained the same since his appointment in February 2020. The Board's decision-making process will consider his demonstrated capability to lead a unique and complex global business and his performance over the last few years. We will also continue to review the value of our equity grants.

This is an exciting period for Worley. Our performance is improving, and we are seeing strong signs of accelerating in the right areas. We have a clear business strategy and significant opportunities to solve some of the world's most critical sustainability challenges for our customers and broader stakeholders. We have a clear people strategy which is focused on ensuring we have the right capabilities and creating the right experience for our people. And we are confident that our purpose – delivering a more sustainable world – our values and our leadership will shape the right culture to deliver our strategy.

Finally, I want to thank you, our shareholders, for your support over the year. I am pleased to engage with you all about the matters set out in this report.

Warm regards,



Emma Stein
Chair, People and Remuneration Committee

Remuneration Report

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1. Key Management Personnel and leadership changes

1.1 Key Management Personnel

We've prepared this report in accordance with section 300A of the Corporations Act 2001 (Cth) (Act) and Accounting Standards. It outlines our remuneration strategy for the financial year ended 30 June 2022 and gives detailed information on the remuneration arrangements for Key Management Personnel (KMP). KMP are those who have authority and responsibility for planning, directing and controlling the Group's activities, either directly or indirectly.

The table below shows the KMP covered by the FY2022 Remuneration Report.

NAME	POSITION	TERM	COUNTRY OF RESIDENCE
Non-Executive Directors			
Current			
John Grill	Chair	Full year	Australia
Andrew Liveris	Non-Executive Director and Deputy Chair	Full year	Australia and United States of America
Juan Suárez Coppel	Non-Executive Director	Full year	Mexico
Thomas Gorman	Non-Executive Director	Full year	United States of America
Christopher Haynes	Non-Executive Director	Full Year	United Kingdom
Roger Higgins	Non-Executive Director	Full year	Australia
Martin Parkinson	Non-Executive Director	Full year	Australia
Emma Stein	Non-Executive Director	Full year	Australia
Anne Templeman-Jones	Non-Executive Director	Full year	Australia
Sharon Warburton	Non-Executive Director	Full year	Australia
Wang Xiao Bin	Non-Executive Director	Full year	Hong Kong, China
Other executive KMP			
Current			
Chris Ashton	Chief Executive Officer	Full year	United States of America
Mark Brantley	Group President – EMEA and APAC	From 1 November 2021	Netherlands
Tiernan O'Rourke	Chief Financial Officer	From 29 November 2021	Australia
Karen Sobel	Group President – Americas	Full year	Canada
Former			
Vinayak Pai	Group President – EMEA and APAC	Until 31 October 2021	Netherlands

1.2 FY2022 leadership changes

The operating model we announced in May 2020 has continued to serve us well. It's simplified how we engage with customers and delivered work more effectively across the full asset lifecycle. It positions us for growth in new sectors and increases our focus on transformative trends, such as digitalization and the energy transition.

We appointed Mark Brantley to lead Europe, Middle East, Africa and Asia Pacific regions following the resignation of Vinayak Pai.

Following the retirement of Tom Honan, who stepped down at the end of FY2021, Tiernan O'Rourke joined Worley in the role of Chief Financial Officer (CFO). We appointed Charmaine Hopkins to the CFO role on an interim basis from 22 June 2021 to 28 November 2021. Charmaine joined Worley in 2019 as Executive Group Director, Corporate Finance. We do not consider her a KMP for FY2022.

Karen Sobel led the Americas region over the last three years and throughout FY2022. After nearly 10 years with Worley, she announced her intention to retire, with an expected retirement date in FY2023.

Karen moved into a new short-term role on 1 July 2022. She is fully eligible for STI and equity vesting in FY2022. She retains her unvested equity rights and will be treated as a 'good leaver' when her retirement date is confirmed.

Karen will be replaced by Mark Trueman on 1 July 2022. Mark was previously Executive Group Director – Growth, responsible for driving strategy development and sector leadership. Mark joined Worley in 1994 and has led operations in numerous locations over his career including Singapore and Latin America. Mark is an exceptional leader, and we're pleased that he will lead the growth of the Americas business.

Vinayak Pai separation arrangements

Vinayak Pai resigned from Worley on 7 October 2021 and started garden leave on 13 November 2021. His separation date was 31 December 2021. As part of his separation agreement, he received statutory entitlements and benefits to support his repatriation from the Netherlands. All unvested equity lapsed as at the date of separation, and he is not eligible for FY2022 STI.

Remuneration Report

2. Remuneration Report snapshot

Our remuneration framework principles



Be globally competitive

A globally competitive and consistent framework to attract, motivate, retain and mobilize diverse executives across different countries.



Be clearly aligned to our ambition

Clearly aligned to Worley's strategy, purpose, values and risk appetite, with a transparent link between performance and reward. Assures external stakeholders and engages executives to drive the right behaviors and outcomes.



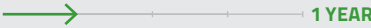

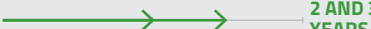

Create strong shareholder alignment

Incorporate significant equity components to encourage executives to behave like owners, focus on building long-term shareholder value and stay with Worley through business cycles.



Drive sustainable outperformance

Provide meaningful incentives to exceed stretch target performance. Focus on both short and long-term performance to deliver sustainable value for our people, customers, shareholders, communities and planet.

	STRUCTURE AND OPPORTUNITY	PURPOSE AND LINK TO STRATEGY	CHANGES IN FY2022
FIXED COMPONENT	Fixed salary (cash) and benefits  <p>Fixed salary reflects the accountabilities and expectations of the role and the executives' experience, skills and contribution. Benefits include retirement contributions (such as superannuation) and items to support international assignments.</p>	<p>Be market competitive to attract, motivate, retain and mobilize executives.</p> <p>Benchmarked against:</p> <ul style="list-style-type: none"> Global industry peer companies; and Australian companies with global operations of similar size, complexity and industry-relevant peers. 	<p>We haven't changed our fixed salary structure.</p> <p>We have been restrained with executive fixed salary increases. The CEO has not received a salary increase since his appointment in February 2020.</p>
	Short-term incentive (STI)  <p>Cash award paid for annual performance.</p>	<p>Focus executives on delivering business and individual performance. The business scorecard comprises Key Performance Indicators (KPIs) focused on financial, ESG and strategic priorities. Individual performance recognizes leadership in executing our strategy and role-modelling behaviours in line with our values.</p> <p>We set stretch targets which are over and above day-job expectations to motivate and reward strong performance. Maximum STI is only payable for outstanding performance above and beyond already stretched targets.</p>	<p>We changed our STI plan in FY2022 as follows:</p> <ol style="list-style-type: none"> 1. A business scorecard comprising KPIs that apply to all executives. 2. A consistent focus on financial KPIs at 60%. Greater focus on ESG at 20% (previously 10%). 3. Individual scorecards, comprising the 'what' (outcomes) and 'how' (HSS leadership and behaviors). 4. Rewards differentiated for individual performance.
VARIABLE COMPONENT	Deferred equity plan (DEP)  <p>Equity rights with performance tested over 2 years, and vesting in equal tranches at years 2 and 3.</p>	<p>Create strong shareholder alignment and reward executives for strategy execution achievements over the medium term.</p> <p>Be globally competitive to attract, motivate, retain and mobilize executives.</p>	<p>We haven't changed our DEP structure in FY2022. We've kept the performance hurdle, introduced from FY2021.</p>
	Long-term incentive (LTI)  <p>Performance rights with performance tested over 4 years, and vesting at 4 years.</p>	<p>Reward sustainable long-term growth in shareholder value, measured through relative TSR and EPS growth.</p>	<p>We removed the additional Australian CPI hurdle on the EPS performance condition for the FY2022 grant and future grants as it did not align to the global nature of our business. This simplifies and clarifies the performance hurdle.</p> <p>We introduced a new second TSR comparator group, comprising companies that are more aligned to our ambition strategy.</p>

MINIMUM SHAREHOLDING REQUIREMENT (MSR)

Worley has robust shareholding requirements for both executives and Non-Executive Directors (NEDs).
 CEO: 400% of fixed salary, Other executives: 200% of fixed salary, NEDs: 100% of annual base fee

Maximum variable remuneration and total remuneration

In FY2022, we changed the executive variable remuneration mix by reducing the maximum STI to 150% of target and increasing the DEP and LTI by a commensurate amount. This improved the competitiveness of our equity and alignment to our comparator groups. This strengthens the alignment between our executives and shareholders. Refer to section 4.2 for remuneration mix.

						Total maximum remuneration (\$'000)
CEO	Chris Ashton	FY2022	150%	70%	115%	7,395
		FY2021	200%	50%	85%	7,395
CFO	Tiernan O'Rourke	FY2022	120%	55%	85%	3,780
		FY2021	160%	40%	60%	3,911
Group President, EMEA and APAC	Mark Brantley	FY2022	120%	55%	85%	2,112
		FY2021	160%	40%	60%	3,222
Group President, Americas	Karen Sobel ¹	FY2022	120%	55%	85%	2,730
		FY2021	160%	40%	60%	2,481

■ STI ■ DEP ■ LTI
(as a % of fixed salary)

¹ Karen Sobel received an increase in fixed salary, effective 1 August 2021.

FY2022 STI outcomes

We've summarized STI outcomes below. You can find a detailed breakdown of outcomes in section 3.3.

Business scorecard



² Maximum payout occurs at 100% of target for ESG and Strategic measures.

NPATA \$329M
(\$277M in FY2021, 19% growth)

DSO 63 days
(68 days in FY2021)

48,211tCO₂e Scope 1 and Scope 2 carbon emissions
(29% reduction since FY2021)

47% women graduates
(46% in FY2021)
16.3% women Senior Leaders
(16% in FY2021)

0.06 SCFR
(0.07 in FY2021)

Progressed inclusion actions

Gross margin sold in sustainability projects was in line with target

Overall business scorecard outcome 89%

Individual scorecard and STIs

We assessed individual performance (what has been achieved and how it has been achieved). STI payouts are calculated as the business scorecard outcome multiplied by individual outcomes.

Board discretion

We reviewed all outcomes and considered the quality of our overall performance. As a result, we did not apply discretion to STI business scorecard outcomes. We've used discretion to make adjustments to individuals relating to the management of risk and conduct.

CEO STI: 96% of target **Other Executive KMP STI: between 67% and 102% of target**

FY2022 Equity vesting outcomes

We've summarized equity vesting outcomes below. You can find a detailed breakdown of outcomes in section 3.4.

DEP

GRANT NAME	PERFORMANCE	VESTING OUTCOME
FY2020 Tranche 3 (Granted October 2019)	Time-based only	100%
FY2021 Tranche 1 (Granted October 2020)	14% growth in gross margin delivered in sustainability projects over two years which is above target. (70% weighting) Delivered enhanced capabilities and solutions (30% weighting)	100%

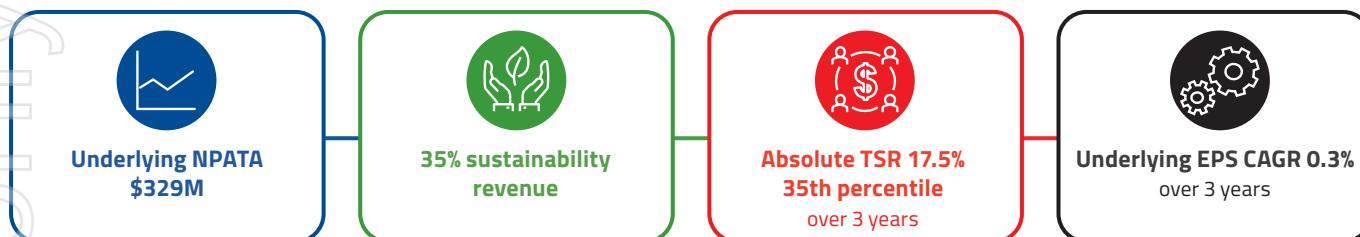
LTI

PERFORMANCE	VESTING OUTCOME
Absolute TSR of 17.5%. 35th %ile rank against peer group (Below threshold of 50th %ile)	0%
Underlying EPS Compound Annual Growth Rate (CAGR) of 0.3% (Below threshold of 4% p.a. plus CPI)	0%
FY2020 LTI granted Oct 2019, performance measured July 2019 to June 2022.	

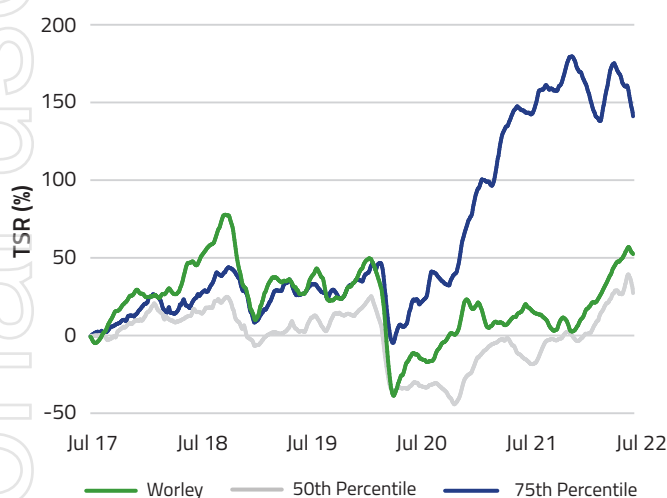
Remuneration Report

3. Company performance and remuneration outcomes

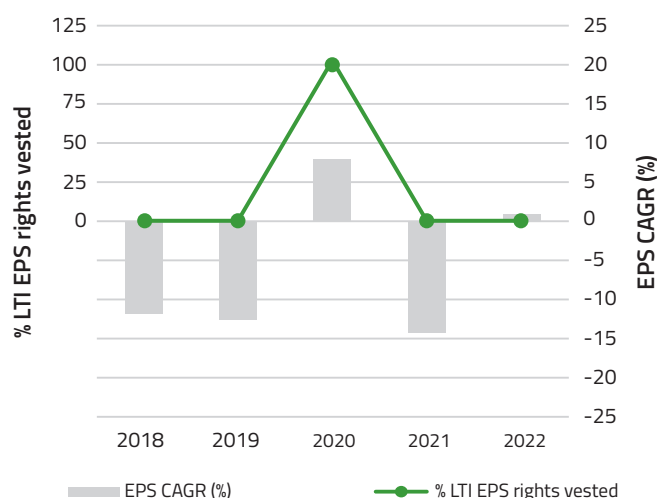
3.1 Overview of performance and remuneration outcomes



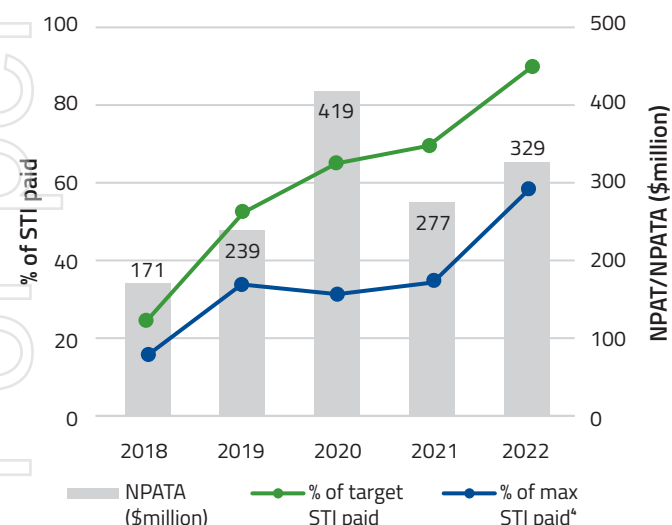
TSR trend over the last 5 years against the 50th and 75th percentiles of the peer comparator group¹



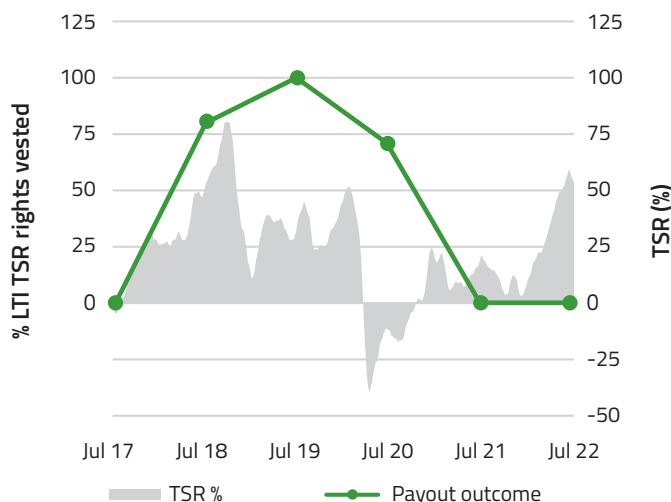
Underlying EPS² v LTI vesting outcomes over the last 5 years



Underlying NPATA³ v STI outcomes over the last 5 years



TSR v LTI vesting over the last 5 years



¹ We've used the comparator group for the FY2020 LTI grant.

² EPS CAGR is calculated, based on underlying NPATA for grants made from FY2020, and underlying NPAT prior to FY2020. This excludes the additional CPI hurdle, required to determine vesting.

³ For STI purposes, we measured earnings for FY2018 and FY2019 using underlying NPAT. From FY2020, we use underlying NPATA for remuneration purposes. The FY2020 NPAT result was \$338 million. The FY2021 NPAT result was \$202 million. The FY2022 NPAT result was \$258 million.

⁴ Maximum STI payout was 150% of fixed salary for FY2017, FY2018 and FY2019. In FY2020 and FY2021, it was 200%. From FY2022, we have reverted to 150%.

The tables below summarize the Group's performance for FY2022 and the previous four years in respect of the key financial indicators the Board identified to assess our performance and determine variable remuneration outcomes.

Financial performance

Table 3.1.1

CATEGORY	MEASURE	FY ENDING 30 JUNE					ANNUALIZED GROWTH OVER FIVE YEARS
		2018 ²	2019 ²	2020 ³	2021 ³	2022	
Earnings	Underlying NPAT (\$million) ¹	171	239	338	202	258	10.76%
	Underlying NPATA (\$million) ¹	182	260	419	277	329	15.95%
	Underlying NPAT EPS (cents)	62.4	57.3	64.9	38.6	49.2	(5.77%)
	Underlying NPATA EPS (cents)	66.2	62.2	80.4	53.0	62.8	(1.31%)
Shareholder value	Share price (\$) ²	17.63	14.71	8.77	11.90	14.16	(5.3%)
	Dividends paid (cents)	25	27.5	50	50	50	18.9%

¹ From FY2020, financial measures for earnings are based on underlying NPATA for remuneration purposes. The measure changed from NPAT to NPATA, following the acquisition of ECR, to make sure remuneration continues to focus on operational performance.

² The closing share price is shown for FY2018 and FY2019. From FY2020 onwards we show the 5 Day Volume Weighted Average Price (VWAP) to 30 June. The closing price in FY2017 was \$11.22.

³ For FY2020 and FY2021 we have restated Underlying NPAT and NPATA results. For details refer to Note 2E of the Financial Report.

Variable remuneration outcomes

Table 3.1.2

CATEGORY	MEASURE	TESTED FY ENDING 30 JUNE				
		2018	2019	2020	2021	2022
STI	Average % of target STI paid to executive KMP	24.8%	53%	65%	71%	88.4%
	Average % of maximum STI paid to executive KMP ¹	16.5%	35%	33%	35.5%	59.0%
DEP²	Performance period (years)	n/a	n/a	n/a	n/a	2
	Payout outcome	n/a	n/a	n/a	n/a	100%
LTI EPS³	Performance period (years)	4	4	3	3	3
	EPS % achieved ⁴	(11.9%)	(12.6%)	9.7%	(14.8%)	0.3%
	Payout outcome ⁵	nil	nil	100%	nil	nil
LTI Relative TSR³	Performance period (years)	4	4	4	3	3
	TSR % achieved	13.0%	47.6%	40.0%	(11.4%)	(18.7%)
	Relative TSR percentile achieved ⁶	65.0	76.2	71.4	50.0	46.2
	Payout outcome	80%	100%	92.9%	50%	nil

¹ Maximum STI payout was 150% of fixed salary for FY2018 and FY2019 and 200% for FY2020 and FY2021, and 150% for FY2022.

² Commencing with the FY2021 DEP grant, we've included a performance hurdle that is assessed after two years. Equity rights vest 50% at year two and 50% at year three. Refer to section 3.4.2 for more detail.

³ Performance period changed from 3 years to 4 years from the FY2021 LTI grant (tested in June 2024).

⁴ For FY2020 and FY2021, we have recalculated the EPS percentage achieved based on the earnings restatement for those years. For details refer to Note 2E of the Financial Report. Note also, in prior years we have reported the EPS % achieved above CPI. From FY2022, we are reporting EPS % achieved, excluding CPI, for all years.

⁵ The payout outcome for FY2020 was calculated on the EPS outcome at the time, prior to the restatement. The payout outcome following the restatement would have been 99.1%.

⁶ Worley's TSR performance is measured relative to Worley's peer group for each grant.

Remuneration Report

3.2 FY2022 fixed and total remuneration changes

The Board reviews the total remuneration levels of executives every year. This makes sure pay reflects competitive benchmarking and the experience and capability of individuals – and that there's an appropriate balance between fixed and variable remuneration. Refer to section 4 for more information.

At the beginning of COVID-19, we addressed all aspects of our cost base and have been restrained with increasing remuneration levels. The remuneration of our CEO was no exception, and his fixed salary has not changed since his appointment in February 2020. However, we increased Karen Sobel's fixed salary by 10% on 1 August 2021 to improve the competitiveness of her total remuneration, compared to local and global benchmark data.

Through our benchmarking, we identified that cash incentive opportunities were higher than market, and equity was lower. Equity targets were not competitive against global peer companies. We therefore decided to:

- reduce the maximum STI from 200% to 150% of target. There's no change to the STI target opportunity. This is more aligned to Australian market practice and shareholder expectations.
- increase the DEP and LTI opportunity levels by a commensurate amount with the majority weighted towards increasing the LTI. This change enhances the focus on creating shareholder value over the medium and long term. It also recognizes that adding the DEP performance condition and longer timeframes, introduced in FY2021, make it tougher for executives to realize value.

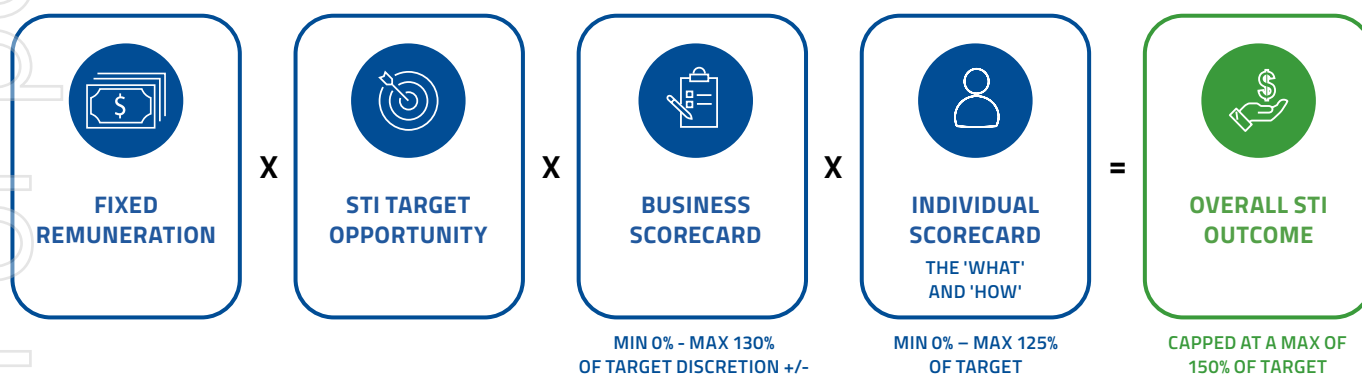
The shift from cash (STI) to equity (DEP and LTI) strengthens the alignment of our remuneration mix to both the Australian and global comparator groups, and between executives and shareholders. In rebalancing the remuneration mix, there was no change to total incentive opportunity levels at maximum. This is despite a greater portion of remuneration being geared towards longer deferral periods. The pay mix retains the overall proportion of pay 'at risk'.

3.3 STI outcomes

In FY2022, we implemented an STI framework which has:

- a shared business scorecard of annual financial, ESG and strategic KPIs, aligning executives to key priorities in transforming and growing Worley.
- greater focus on ESG priorities, which builds on our commitment to HSS.
- an individual scorecard comprising the 'what' – personal KPIs – and the 'how' – personal HSS leadership and demonstrating behaviors aligned to Worley values. This is critical to our culture and transformation.
- differentiated rewards for individual performance. These recognize when our executives outperform, or when they don't meet expectations. This incentivizes executives to go beyond targets and role-model the behaviors we expect.

The individual scorecard outcomes can modify the business scorecard outcome to determine the individual STI payout. Refer to section 4.1 for more on how the STI works.



3.3.1 Business scorecard

We assess performance for each business scorecard KPI based on actual outcomes compared to performance levels defined below. Our KPIs are our priorities and our targets are stretch. Refer to section 4.4.1 for further information on how we assess STI outcomes.

PERFORMANCE LEVEL	MINIMUM	TARGET	MAXIMUM
Definition	This is a threshold level of performance. Performance at this level typically requires sustained effort.	This is a stretch level of performance. Performance at this level is challenging yet achievable with effort.	This an outstanding level of performance. Performance at this level is very challenging.
Payout	0%	100%	150% Financial KPIs 100% ESG and strategic KPIs

For FY2022, ESG KPIs focused on reducing carbon emissions, safety performance and progressing our diversity and inclusion objectives. Our strategic KPI focused on growing new business in sustainability projects. The table below shows the results.

Table 3.3.1.1

			FY2022 PERFORMANCE			WEIGHTED PAYOUT OUTCOME
MEASURE	TARGET DESCRIPTION	WEIGHTING	MIN	TARGET	MAX	
Financial ¹						
Underlying NPATA	Deliver budget	50%				41.4%
DSO	65 days	10%				11.2%
Environment, Social and Governance ²						
Scope 1 and Scope 2 carbon emissions	Reduce tonnes of carbon emitted	20%				18.0%
Safety	Serious case frequency rate (SCFR) within range					
Diversity and inclusion	17% of women Senior Leaders					
	50% of women hires in total global graduate intake target					
	Progress against agreed inclusion actions					
Strategic ²						
New business (gross margin sold) in sustainability projects	Deliver sales plan to grow new business	20%				18.4%
The Board did not apply discretion to business scorecard outcomes.						
FY2022 Business Scorecard Outcome: (% of target)						89.0%
						(% of max) 59.4%

¹ The maximum STI payout on financial measures is capped at 150% of target. We would typically award this for performance of 120% or greater of target.

² The maximum STI payout on ESG and Strategic KPIs is 100% of target.

Remuneration Report

Business scorecard explanatory notes

Table 3.3.1.2

MEASURE	DEFINITION AND ADJUSTMENTS	PERFORMANCE COMMENTS
Underlying NPATA	<p>Net Profit After Tax excluding the post-tax impact of amortization of intangible assets acquired through business combinations. Underlying means the profit result after adjusting for significant/non-operational items that are not considered part of our sustainable performance. We included all project and operational related provisions. We used underlying NPATA for remuneration purposes in line with the statutory accounts (refer to page 215). This includes strategic investment costs, and excludes:</p> <ul style="list-style-type: none"> Transformation and restructuring costs; Impairment of investments; The impact of our withdrawal from Russia; and The net impact of historical legal matters. <p>We reviewed the volatility and impact of actual currency movements compared to budget. We factored this into underlying earnings for remuneration purposes.</p>	Underlying NPATA was below our stretch target, at \$329m. However, it represents a growth of 19% on FY2021. This is the result of significant achievements: managing costs, delivering projects well and winning new business.
DSO	Days Sales Outstanding is a measure of the time taken to collect cash from customers.	DSO was 63 days across the Group. This met expectations and is an improvement, compared to FY2021.
Carbon emissions	Measured as reduction of Scope 1 and Scope 2 tonnes of carbon emitted. For further information, refer to page 216.	Carbon emissions were measured at 48,211tCO ₂ e which is above the stretch target we set. This is largely due to significant renewable energy switching of our operations.
Safety	Measured as a Serious Case Frequency Rate (SCFR). A serious case is a fatality or permanent disabling injury/illness, or event with the potential to result in a fatality or a permanent disabling injury or illness. The frequency rate is based on the number of cases per 200,000 hours worked and is a 12-month rolling average.	Safety (SCFR) was 0.06. This is within the range set. Our leaders were proactive to create the right environment for good safety outcomes.
% of women Senior Leaders	We use our Organizational Role Framework (typically tiers one to three) to define senior leader roles. This includes our Group Executive and any managers below them who have leadership accountabilities for business units (profit and loss) and functions.	We've been challenged to increase the number of women in senior leader roles. The percentage has held steady against FY2021 at 16%.
% of women hired in total global graduates	Target a minimum of 50% women hires to support gender diversity in the general workforce.	47% of our graduate hires were women. This is below the stretch target.
Inclusion action plan	<p>Progress in global action areas following inclusion survey results:</p> <ul style="list-style-type: none"> Building leadership capability in inclusion and belonging. Review of fairness of people policies and practices. Supporting our people network groups, who act for our under-represented people, including women, Black and Latinx, our LGBTIQ+ community, people with disabilities, and more. 	<p>Progress made across all areas. Highlights are:</p> <ul style="list-style-type: none"> Inclusion training delivered for leaders. Areas identified to improve fair decision-making about our people. Strengthened effectiveness of people network groups.
New business in sustainability	Measured as Gross Margin Sold in defined sustainability pathways (decarbonization, resource stewardship, asset sustainability, environment and society).	New business (Gross Margin Sold) in sustainability was materially in line with the target we set. This was a stretch target, incorporating significant growth.

3.3.2 Discretion

We will apply discretion and adjust the business scorecard outcomes if the Board believes they do not appropriately reflect performance. To determine the impact of any discretion, the Board considers the quality of our financial performance and other significant Company performance outcomes and risks. This covers finance, operations and ESG (including safety), as well as outcomes for our stakeholders (people, customers, shareholders, suppliers and communities). Refer to section 4.4.1 for further information. We believe that, in considering the achievements in 2022, the increased business scorecard assessment, compared with 2021, was justified and well deserved. We decided not to exercise discretion to the business scorecard outcomes.

3.3.3 Individual scorecards and STI outcomes

The individual scorecard comprises financial, ESG and/or strategic KPIs. These are aligned with the individual's area of accountability, personal leadership and the behaviors we expect. The KPIs include quantitative and qualitative measures and indicators.

We differentiate these from the targets in the business scorecard to make sure we don't reward executives twice against the same outcomes.

We have clear behavioral expectations, aligned to our values of Life, Rise to the challenge, Unlock brilliance and Stronger together. The Board assess executive performance and determine individual scorecard modifiers considering the outcomes and evidence of behaviors demonstrated. In FY2022, we've used discretion to make adjustments to individuals relating to the management of risk and conduct.

Provided below is a summary of the individual scorecard assessment for the CEO.

NAME	KEY PERFORMANCE COMMENTS	INDIVIDUAL SCORECARD %
Chris Ashton	<p>FY2022 was a key year for Worley to emerge from the pandemic in a healthy position; where Worley is rising to the challenges of the energy transition to create value for all stakeholders. Chris's leadership and performance has been strong in positioning Worley to reap the benefits. Key highlights are:</p> <ul style="list-style-type: none"> • He has created a bold and compelling ambition that has galvanised our people, and successfully led the development of a clear strategy around our moves in sustainability and portfolio rationalization. • There is demonstrable progress and momentum in delivering on our strategy as we enter FY2023. Worley is viewed as a market leader in the sustainability domain, and Chris's engagement with our customers and broad stakeholder groups has created and supported this progress. • He has progressed the development of our culture to deliver our strategy. This includes embedding our purpose and values; as well as setting clear leadership expectations. He has elevated the diversity and inclusion agenda throughout Worley to unlock performance and innovation. • He is bringing greater focus and discipline to how we manage risks, and instigated the risk uplift program. He has also improved our information technology landscape and the management and protection of data, and he has strengthened security in our digital environment. 	107.5%

The table below shows the individual scorecard outcomes and actual STI amounts we'll pay the CEO and other executive KMP for FY2022.

Table 3.3.3.1

NAME	STI OUTCOMES				MAXIMUM POTENTIALSTI \$000	STIPAID AS A % OF MAXIMUM	STI FORFEITED AS A % OF MAXIMUM
	BUSINESS SCORECARD% (A)	INDIVIDUAL SCORECARD %¹ (B)	TOTAL AS A % OF TARGET (AXB = C)	ACTUALSTI AWARDED \$000²			
CHIEF EXECUTIVE OFFICER							
Chris Ashton	89.0%	107.5%	95.7%	1,626	2,550	63.8%	36.2%
OTHER EXECUTIVE KMP							
Tiernan O'Rourke³	89.0%	115.0%	102.4%	504	739	68.2%	31.8%
Mark Brantley³	89.0%	100.0%	89.0%	483	815	59.3%	40.7%
Karen Sobel	89.0%	75.0%	66.8%	405	910	44.5%	55.5%

¹ Individual scorecard % can range between 0% - 125%.

² This refers to the FY2022 STI plan which is typically paid to executives in October 2022.

³ Mark Brantley's and Tiernan O'Rourke's STI outcomes are pro-rated for the period they were KMP in FY2022.

Remuneration Report

3.4 FY2022 equity outcomes

We make all equity grants in the form of performance rights under the Worley performance rights plan rules. Performance rights are sometimes called equity rights. They're rights to Worley shares which we deliver to participants if they achieve vesting conditions, such as time and performance requirements. Details of individual vesting outcomes can be found in sections 8.3 and 8.4.

3.4.1 FY2020 Deferred Equity Plan (DEP) outcomes (Tranche 3)

The FY2020 DEP is a grant of restricted equity rights which vest and convert to shares in equal tranches over one, two and three years. Vesting is subject to clawback and malus conditions and continued satisfactory individual performance.

Following the vesting of the first two tranches in September 2020 and 2021, the third and final tranche will vest on 30 September 2022. The share price used for the grant was \$12.50, and the share price on 30 June 2022 was \$14.16. This reflects a 13% increase in the share price since grant.

3.4.2 FY2021 DEP

The FY2021 DEP is a grant of restricted equity rights which vest and convert to shares in two equal tranches over two and three years. Vesting is subject to a performance hurdle which we measure at the end of two years. Vesting is also subject to continued service and individual performance.

WEIGHT	KPI	PERFORMANCE MEASURE	RESULT	WEIGHTED OUTCOME
70%	Growth in value from customer sustainability projects.	Growth in gross margin delivered in sustainability projects, measured from June 2020 to June 2022.	14% growth, which is greater than the target.	70%
30%	Deliver enhanced capabilities and solutions.	Action 1: Complete strategy development by June 2021 and deliver outcomes by June 2022 in line with Board expectations. Action 2: Embed Sustainable Solutions process with customers. Apply on large and mega projects, and new projects with moderate or high-risk levels for operational carbon emissions in FY2022.	Significant progress in executing our strategy. We are focusing on the right growth areas and gaining traction with our customers. We are embedding sustainable solutions with our customers.	30%

The Board reviewed performance outcomes against KPIs set and determined that 100% of the grant will vest. This is the maximum vesting outcome.

50% of the grant (the first tranche) will vest on 30 September 2022. The share price used for the grant was \$9.66, and the share price on 30 June 2022 was \$14.16. This reflects a 47% increase in the share price since grant. The remaining 50% of the grant (the second tranche) is scheduled to vest in 2023, subject to all other vesting conditions being met.

3.4.3 FY2020 Long-Term Incentive (LTI) outcomes

We measured performance over a three-year period, ending 30 June 2022, and tested against two equally weighted performance hurdles:

1. Relative TSR: The percentile ranking of our absolute TSR, relative to a global group of peer companies (as outlined in the FY2019 Notice of Meeting): AECOM, Aker Solutions, Arcadis, Bilfinger, EMCOR Group Inc, Flour Corporation, Fugro, Jacobs Engineering Group, JGC, KBR, McDermott International Inc, Petrofac, Quanta Services Inc, Saipem, SNC Lavalin, Stantec, Technip, Tetra Tech, Wood Group and WSP Global; and

2. Earnings per share: The CAGR of our underlying NPATA EPS, compared to a performance target inclusive of the Australian Consumer Price Index (CPI).

We have set out the vesting outcomes under each of these measures below.

Table 3.4.3.1

PLAN	PERFORMANCE MEASURE	RESULT	PROPORTION OF GRANT VESTED	COMMENT
FY2020 LTI	EPS ¹	0.3% p.a.	nil	Our underlying EPS CAGR over three years was 0.3%, compared to a threshold of 4% p.a. EPS growth plus CPI CAGR over the same period of 3.2%. This results in nil vesting.
	Relative TSR	35th percentile	nil	Our absolute TSR was positive at 17.5%, however we ranked in the 35th percentile, compared to our peer group. This results in nil vesting.

¹ For remuneration purposes, we calculate EPS using underlying NPATA as this focuses executives on growth in operating profit. For grants prior to FY2020, we used underlying NPAT.

3.5 Remuneration received by executive KMP during FY2022

The table below gives a summary of the remuneration received by executive KMP during the performance periods ended 30 June 2021 and 30 June 2022. We believe that presenting this information to shareholders gives them greater clarity and transparency. This table also differs from the statutory remuneration table on page 150 which presents remuneration in accordance with accounting standards.

We've explained the remuneration executives received relating to their performance for FY2022 below.

A. Fixed salary	Comprises base salary plus superannuation or retirement contributions, paid for FY2022.
B. Cash STI	Comprises accrued cash STI for FY2022.
C. Equity grants	We include the value of all equity grants vesting on 30 September 2022. For FY2022, this includes the third tranche of the FY2020 DEP grant and the first tranche of the FY2021 DEP grant. Executives must remain employed to the vesting date or be a good leaver to be eligible for them. The actual value will depend on the share price at exercise.
D. Benefits	Local benefits provided in line with market practice, including annual leave accruals, and items to support international assignments, such as medical insurance, tax equalization and housing allowances.
E. Termination benefits	Includes any statutory entitlements and paid garden leave where applicable.

Table 3.5.1

NAME	YEAR	FIXED SALARY \$000 (A)	CASH STI \$000 (B)	EQUITY GRANTS ^{1,2} \$000 (C)	BENEFITS \$000 (D)	TERMINATION BENEFITS \$000 (E)	TOTAL REMUNERATION RECEIVED \$000 = A + B + C + D + E	PERFORMANCE RELATED REMUNERATION \$000 = B + C
EXECUTIVE DIRECTORS								
Chris Ashton	FY2022	1,707	1,626	754	71	–	4,158	2,320
	FY2021	1,707	1,206	110	32	–	3,055	1,316
OTHER EXECUTIVE KMP								
Tiernan O'Rourke ³	FY2022	588	504	–	46	–	1,138	504
	FY2021	–	–	–	–	–	–	–
Mark Brantley ⁴	FY2022	524	483	240	128	–	1,375	723
	FY2021	–	–	–	–	–	–	–
Karen Sobel ⁵	FY2022	768	405	302	20	–	1,495	707
	FY2021	676	375	81	22	–	1,154	456
Vinayak Pai (former) ⁶	FY2022	355	–	–	127	151	633	–
	FY2021	918	463	328	170	–	1,879	791
Total remuneration	FY2022	3,942	3,018	1,296	392	151	8,799	4,314
	FY2021	3,301	2,044	519	224	–	6,088	2,563

¹ We valued the FY2021 equity grants using the 5 Day VWAP up to and including 30 June 2021, \$11.90.

² We valued the FY2022 equity grants using the 5 Day VWAP up to and including 30 June 2022, \$14.16

³ Tiernan O'Rourke commenced with Worley on 29 November 2021. He was granted FY2022 equity on a pro-rata basis. He did not receive any equity grants or cash awards to replace remuneration forfeited by his prior employer.

⁴ Mark Brantley commenced in the role of Group President – Europe, Middle East, Africa and APAC on 1 November 2021. His remuneration is shown only for this period.

⁵ Karen Sobel received a 10% increase in fixed salary effective 1 August 2021.

⁶ Vinayak Pai ceased to be a KMP on 31 October 2021 and terminated employment on 31 December 2021. He received benefits to support his international assignment to the Netherlands from August 2019 and his return to India at the end of his employment with Worley, as well as pay out of accrued leave benefits. He received a gratuity payment of \$41,800 upon termination in line with statutory requirements in India. Salary paid during the period of his garden leave is also shown as part of his termination benefit. He isn't eligible for an STI payment for FY2022 and forfeited all unvested equity rights as of his last day of employment.

Remuneration Report

4. Executive remuneration structure

We've developed the remuneration framework to support our strategy and drive sustainable outperformance. It supports our purpose, values, strategic objectives and risk appetite.

Our remuneration framework must be globally competitive to attract, motivate, retain and mobilize top talent across countries. It creates strong shareholder alignment by incorporating significant equity components. These encourage executives to behave like owners, focus on building long-term value and stay with us through business cycles.

We're on a journey to transform both what we deliver for our customers and how we do it. We're focused on growing our business with our customers in sustainability, building on our capabilities and technology solutions. We're also committed to creating a more sustainable organization through care for our planet, care for our people and communities, and operating responsibly.

These considerations are reflected in the actions we took to evolve elements of our executive remuneration framework in FY2022. We've provided more information below.

4.1 Benchmarking

The Board reviews the total remuneration levels of executives every year. This makes sure that pay levels reflect competitive benchmarking and the experience and capability of individuals, and that there is an appropriate balance between fixed and variable remuneration.

Our benchmarking approach considers the size and nature of our business and the global talent markets we operate in. We consider individual role benchmarks, location of the executive, economic and wages environment and trends in executive remuneration.

Benchmarking data and trend information provides insights that help us remain competitive in setting fixed and variable remuneration for our executives. We'll continue to review these annually as our global peer companies evolve.

We've outlined our current benchmark comparator groups below.



Our global comparator groups are:

- 1. Specific peer companies in our TSR comparator group under our LTI (see table 4.4.3); and/or
- 2. Companies of similar size in the energy, chemicals and resources sector in the key markets in which we operate (as relevant for each executive) notably North America, the UK and Europe.



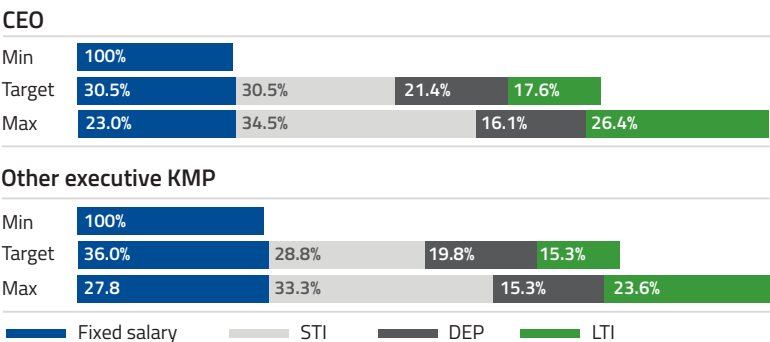
Our Australian comparator groups are:

ASX companies that operate in the energy, materials or industrial sector with a market capitalization between 50% to 200% of our market capitalization, and those with similar global operations and complexity to our business.

4.2 Remuneration mix

This graph shows the mix of pay opportunity at minimum, target and maximum performance. Most executive reward is variable and at risk. We incorporate high levels of equity-based remuneration to create strong shareholder alignment.

Maximum values for equity are the face value of equity rights at 100% vesting. Target values for equity are the face value of equity rights at 100% vesting for DEP and 50% vesting for LTI.



4.3 Fixed remuneration

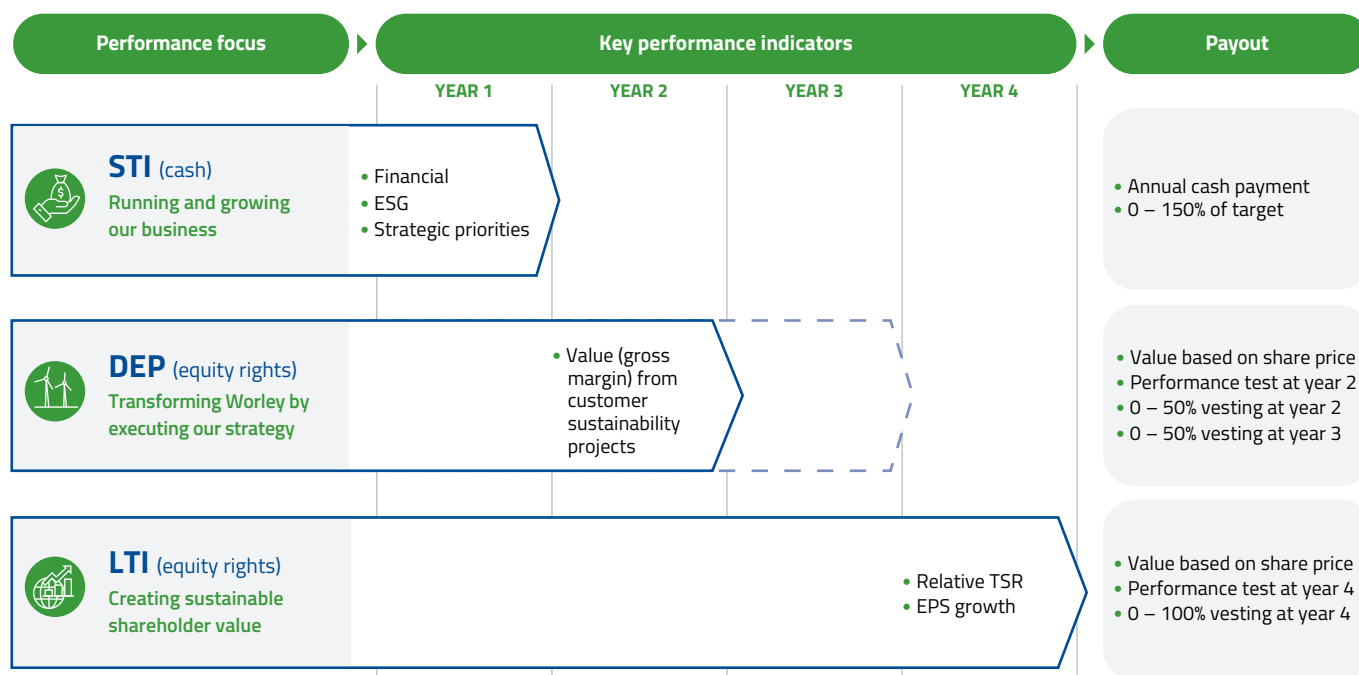
Fixed remuneration gives our executives a competitive fixed salary (cash) and benefits. Fixed salary reflects the accountabilities and expectations of the role. We set fixed salary in relation to market conditions and relevant benchmarks. It also reflects individual factors such as the executive's experience, capability, performance and potential.

We give fixed salary in the form of cash base salary or allowances, retirement contributions and any salary-sacrificed components.

Executives are eligible for certain benefits in line with the policies of their local Worley employer. Our benefits comply with local legislation. They are locally competitive to attract and retain executives and support their well-being. Typically these include retirement contributions (such as statutory superannuation) and basic insurances (such as disability, life and medical) where it is local market practice. We may also provide benefits to support the global mobilization of executive talent. We aim to have competitive global mobility policies and support the safety and well-being of our people and their families.

4.4 Variable remuneration

Our executive remuneration framework has three variable components (STI, DEP and LTI). This clearly distinguishes the performance focus of each component, as outlined in the diagram below.



Remuneration Report

4.4.1 Short-Term Incentive – STI

In FY2022, we evolved the STI framework to strengthen our sustainability focus and enable our transformation. We've outlined the STI plan we implemented in the table below.

FEATURE	DESCRIPTION
Purpose and link to strategy	The STI plan focuses the CEO's and other executives' efforts to deliver financial, ESG and strategic priorities relevant to the financial year. The plan motivates executives to achieve stretch targets and rewards them for outperformance.
Opportunity	Annual STI targets are set at 100% of fixed salary for the CEO and 80% of fixed salary for other executive KMP. To receive a target STI payout, executives must fully achieve the stretch KPI targets. The maximum STI payable is 150% of target. This can only be achieved through exceptional financial performance and Board discretion.
Eligibility	All executives are eligible to participate in the STI plan. To be eligible for a payment, executives generally need to have been employed for at least three months of the financial year and be employed at the date of payment.
Delivery	Cash.
Performance period	1 year.
Setting performance conditions and targets	The Board sets the annual KPIs and performance levels (minimum, target and maximum) at the start of the financial year. The Board has oversight of the KPIs to ensure they are robust. Executives need to achieve a high minimum (threshold) level of performance before we pay any STI. KPI targets represent a stretch level of performance over and above day-job performance. The Board sets a maximum level of performance for financial targets to pay up to 150%. Performance must be outstanding at this level.
Performance conditions	<p>We measure performance through a business scorecard which applies to all executives, and an individual scorecard with specific individual measures:</p> <p>In the business scorecard, we measure performance through a mix of financial, ESG and strategic KPIs. This makes sure we select measures that are fundamental to the long-term sustainability and transformation of the business.</p> <ul style="list-style-type: none"> Financial KPIs (60% weighting): comprising of underlying NPATA (50%) and DSO (10%). These KPIs focus executives on annual operating profit and cash collection. ESG KPIs (20% weighting): aligned to areas such as climate actions, sustainability, safety, diversity and inclusion and risk management. Strategic KPIs (20% weighting): priorities that will have the most impact on our transformation. We may measure performance by quantitative outcomes or qualitative indicators which need more judgement. <p>The business scorecard has a formulaic approach with defined metrics and targets for performance levels. Weighting exists for all KPIs except ESG KPIs. The Board will determine an outcome for the entire ESG component, considering the performance of each KPI against the targets set.</p> <p>The individual scorecard may comprise financial, ESG and/or strategic KPIs, aligned with the individual's area of accountability. They include clear quantitative and qualitative measures and indicators. They're differentiated from the targets in the business scorecard to make sure we don't reward executives twice against the same outcomes.</p> <p>The individual scorecard also includes expectations for:</p> <ul style="list-style-type: none"> HSS leadership; and Behaviors in line with our values: Life, Rise to the challenge, Unlock brilliance and Stronger together.

FEATURE	DESCRIPTION																
Performance assessment and payout	<p>At the end of the financial year, the People and Remuneration Committee and the Board assess achievement against each KPI and compare the results to the performance targets set at the beginning of the year. To do this, they receive guidance and input from other Board Committees.</p> <p>The Board reviews underlying NPATA for remuneration purposes to make sure executives are:</p> <ul style="list-style-type: none">• being held to account for their actions and delivering the annual target; and• considering potential acquisitions or investment and transformational opportunities for their strategic importance to Worley and not the impact on their remuneration outcomes. <p>For the NPATA KPI, the minimum performance is 80% of budget or target. For performance between minimum and target, for each 1% performance above 80%, the payout is an additional 5%. Above target, the payout is an additional 2.5% until the cap of 150% (which is for the maximum of 120% achievement against budget or target).</p> <p>For the DSO KPI, the minimum performance is 110% of the target number of days outstanding. For performance above minimum, a sliding scale applies to determine the payout.</p> <p>The ESG and strategic KPIs, which are typically non-financial measures, have a maximum payout of 100% of target.</p> <p>The executives' individual scorecard outcome can modify the business scorecard outcome by 0% to 125%. We cap the final STI outcomes at a maximum of 150%. The People and Remuneration Committee and the Board assess individual scorecard outcomes, compared to the KPIs set at the beginning of the year, and evidence of behaviors demonstrated to determine the individual scorecard modifier. The Board may determine an adjustment to the individual scorecard outcome relating to risk or conduct.</p> <p>Board discretion</p> <p>The People and Remuneration Committee and the Board assess the funding available for the STI plan, and the extent to which they apply discretion to the STI outcomes. They consider significant factors, such as those below, which are over and above performance measured in the business scorecard.</p>																
	<table><tr><th>CATEGORY</th><th>EXAMPLE CONSIDERATIONS</th></tr><tr><td>Finance</td><td>Quality of earnings and forecasting, strength of balance sheet and cashflow management.</td></tr><tr><td>Operations</td><td>Performance of internal controls, digital security and risk management.</td></tr><tr><td>Health and Safety</td><td>Any adverse health and safety outcomes over and above the SCFR outcomes</td></tr><tr><td>People</td><td>Voluntary attrition, experience of our people, Code of Conduct breaches.</td></tr><tr><td>Planet</td><td>Supporting our customers in reducing their CO₂ intensity, environmental and community responsibility.</td></tr><tr><td>Customers</td><td>Customer satisfaction, including any undesired loss of major accounts/projects.</td></tr><tr><td>Shareholders</td><td>Dividend payouts, reputational damage negatively impacting share price.</td></tr></table>	CATEGORY	EXAMPLE CONSIDERATIONS	Finance	Quality of earnings and forecasting, strength of balance sheet and cashflow management.	Operations	Performance of internal controls, digital security and risk management.	Health and Safety	Any adverse health and safety outcomes over and above the SCFR outcomes	People	Voluntary attrition, experience of our people, Code of Conduct breaches.	Planet	Supporting our customers in reducing their CO ₂ intensity, environmental and community responsibility.	Customers	Customer satisfaction, including any undesired loss of major accounts/projects.	Shareholders	Dividend payouts, reputational damage negatively impacting share price.
	CATEGORY	EXAMPLE CONSIDERATIONS															
	Finance	Quality of earnings and forecasting, strength of balance sheet and cashflow management.															
	Operations	Performance of internal controls, digital security and risk management.															
	Health and Safety	Any adverse health and safety outcomes over and above the SCFR outcomes															
	People	Voluntary attrition, experience of our people, Code of Conduct breaches.															
	Planet	Supporting our customers in reducing their CO ₂ intensity, environmental and community responsibility.															
	Customers	Customer satisfaction, including any undesired loss of major accounts/projects.															
	Shareholders	Dividend payouts, reputational damage negatively impacting share price.															
<p>In reviewing our performance, the People and Remuneration Committee and the Board consider:</p> <ul style="list-style-type: none">• Guidance and recommendations from external stakeholders, including proxy advisors such as ASIC, Australian Institute of Company Directors (AICD) and legislative bodies in the markets we operate in.• Feedback from our people, customers, suppliers, shareholders and communities we operate in.• Consultation with independent external advisors as necessary. <p>This approach makes sure STI outcomes are appropriate and reflect performance and mitigates against unintended outcomes. The Board believes this approach is rigorous, objective and comprehensive.</p> <p>Our STI framework applies to all eligible executives. We set ambitious stretch targets and work to make sure our performance and reward assessment is fair and transparent.</p>																	

Remuneration Report

4.4.2 Deferred Equity Plan - DEP

The following table summarizes the DEP granted in FY2022:

FEATURE	DESCRIPTION				
Purpose and link to strategy	The DEP attracts, motivates and retains executives across multiple countries. Using deferred equity rights is globally competitive, particularly in the United States where we have nearly half of our executives and business. The DEP aligns executives with shareholder interest and focuses them on the long term. It also helps executives to achieve the above Australian market standard MSR.				
Opportunity	We set annual DEP targets at 70% of fixed salary for the CEO and 55% of fixed salary for other executives.				
Eligibility	All executives are eligible to participate in the DEP. To be eligible for a grant, they generally must have been employed at the beginning of the performance period, i.e. 1 July, prior to the grant.				
Delivery	Deferred equity rights. Each deferred equity right that vests entitles executives to one Worley share.				
Performance period	2 years. The deferred equity rights vest in two equal tranches at two and three years. For the FY2022 grant, the rights will vest in September 2023 and September 2024.				
Number of deferred equity rights	We determine the number of equity rights by dividing the executives' target DEP value, as at 1 July 2021, by the VWAP of shares over the 10 trading days immediately following the day we released our FY2021 financial results. For the FY2022 grant, this was \$10.55.				
Summary of performance condition	<p>We assess the DEP against one or more strategic execution KPIs. These measure progress in increasing contribution to delivering a sustainable world. This is fundamental to Worley's strategy to deliver growth and shareholder value and help our customers to achieve their sustainability goals.</p> <p>The Board will determine the outcome of the strategic execution condition at the end of the performance period, having regard to the results against the KPI(s). The Board considers the quality of the result to make sure the outcome is appropriate and reflects performance. We believe this mitigates against unintended outcomes. The Board determines a nil, partial or full vesting. Any rights that don't vest aren't retested and lapse immediately.</p> <p>We've summarized the KPI for the FY2022 grant below:</p> <table> <tr> <th>WEIGHT</th><th>KEY PERFORMANCE INDICATOR</th></tr> <tr> <td>100%</td><td>Growth in gross margin delivered from customer projects in the defined sustainability pathways.</td></tr> </table> <p>The KPI is a quantifiable and measurable target. Performance against the KPI, including the rationale for the vesting percentage, will be disclosed in the Remuneration Report following the end of the performance period. The vesting of equity rights is also subject to individual malus and clawback provisions. Refer to section 7.6.</p>	WEIGHT	KEY PERFORMANCE INDICATOR	100%	Growth in gross margin delivered from customer projects in the defined sustainability pathways.
WEIGHT	KEY PERFORMANCE INDICATOR				
100%	Growth in gross margin delivered from customer projects in the defined sustainability pathways.				
Leaver provisions	Equity rights vest subject to the executive remaining an employee of the Group on the vesting date and their satisfactory performance up until that time. In certain circumstances, the Board may exercise its discretion and allow a good leaver to retain their unvested equity rights. We've outlined this further in section 7.7.				

4.4.3 Long-Term Incentive (LTI)

The following table summarizes the LTI granted in FY2022.

FEATURE	DESCRIPTION																				
Purpose and link to strategy	The LTI focuses the CEO and other executive KMPs efforts to create sustainable long-term value. It rewards executives for creating sustained shareholder wealth above that of peer companies in our industry, and absolute long-term earnings performance above a minimum threshold. It also encourages executives to stay with Worley and promotes alignment with shareholders' interests.																				
Opportunity	We set an annual LTI grant value of 115% of fixed salary for the CEO and 85% for other executive KMP. This represents the current face value of equity should they fully achieve their stretch performance targets. The value ultimately received by executives will depend on the Worley share price at the time of vesting.																				
Eligibility	All executives are eligible to participate in the LTI. To be eligible for a grant, they generally must have been employed at the beginning of the performance period, i.e. 1 July before the grant.																				
Delivery	Performance rights. Each performance right that vests entitles executives to one Worley share.																				
Performance period	4 years.																				
Number of performance rights	We determine the number of rights granted by dividing a percentage of an executive's fixed salary, as at 1 July 2022, by the VWAP of shares over the 10 trading days immediately following the day we released our financial results for FY2021. For the FY2022 grant, this was \$10.55.																				
Summary of performance conditions	<p>We assess the LTI against two equally weighted, independent performance targets: relative TSR and EPS.</p> <p>Relative TSR performance hurdle – 50% weighting</p> <p>The TSR measure represents change in the value of our share price over a period including reinvested dividends. This is expressed as a percentage of the opening value of the shares. We chose relative TSR because we believe this provides the most direct measure of shareholder return. It also reflects an investor's choice to invest in Worley or our direct competitors. Executives will only derive value from the TSR component of the LTI plan if our TSR performance is at least at the 50th percentile of companies in the peer comparator group over a four-year period.</p> <p>There is no retesting opportunity for the long-term equity under the relative TSR measure. The vesting schedule of the rights subject to the relative TSR hurdle is as follows:</p> <table> <tr> <th>RELATIVE TSR PERCENTILE RANKING</th><th>PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE RELATIVE TSR HURDLE IS MET</th></tr> <tr> <td>Less than 50th percentile</td><td>0%</td></tr> <tr> <td>At 50th percentile</td><td>50%</td></tr> <tr> <td>Greater than the 50th percentile but less than the 75th percentile</td><td>Pro-rated vesting between 50% and 100%</td></tr> <tr> <td>At 75th percentile or greater</td><td>100% (i.e. maximum available under the plan)</td></tr> </table> <p>For FY2022, relative TSR is measured against two separate peer groups with an 80%/20% weighting:</p> <ul style="list-style-type: none"> a select peer group of companies that compete against Worley for customers, people and projects today (80% weighting). The peer group for FY2022 includes Aker Solutions, Fluor Corp, KBR, Petrofac, SNC Lavalin, Technip Energies and Wood; and a second peer group comprising companies aligned to our strategy of delivering value to customers in sustainability pathways by leveraging knowledge, technology and digital solutions (20% weighting). The peer group for FY2022 is AECOM, Arcadis, Jacobs, Parsons, Stantec, Sweco, Tetra Tech and WSP Global. <p>We have an independent external consultant calculate the TSR result. This provides assurance that the outcome is free from influence of participants. The Board can adjust the peer comparator group to take into account events that happen during the performance period, for example, takeovers, mergers or demergers.</p> <p>EPS growth performance hurdle – 50% weighting</p> <p>To measure EPS, we divide the Group underlying NPATA by the weighted average number of Worley's ordinary shares on issue during the financial year. To measure growth in EPS, we compare the EPS in the financial year immediately preceding the grant with the EPS in the measurement year. The Board chose EPS growth because it provides a clear line of sight between executive performance and Worley's financial performance. It's also a well-recognized and understood measure within and outside the organization. The Board may adjust the Group underlying NPATA used for remuneration purposes, where appropriate, to better reflect operating performance.</p> <p>From FY2022, we removed the additional Australian Consumer Price Index (CPI) hurdle to simplify measurement and stay relevant to the global nature of our business. Executives will only derive value from the EPS growth component of the grant made during FY2022 if Worley achieves compound annual growth in EPS of at least 4% per annum over the four-year performance period. The vesting schedule of the rights subject to the EPS growth hurdle is as follows:</p> <table> <tr> <th>EPS ANNUAL COMPOUND GROWTH</th><th>PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE EPS HURDLE IS MET</th></tr> <tr> <td>Less than 4% p.a.</td><td>0%</td></tr> <tr> <td>4% p.a.</td><td>50%</td></tr> <tr> <td>More than 4% p.a. but less than 8% p.a.</td><td>Pro-rated vesting between 50% and 100%</td></tr> <tr> <td>8% p.a. or greater</td><td>100% (i.e. maximum available under the plan)</td></tr> </table> <p>The Board retains full discretion to determine and calculate the vesting outcomes. The vesting of equity rights is also subject to individual malus and clawback provisions. Refer to section 7.6.</p>	RELATIVE TSR PERCENTILE RANKING	PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE RELATIVE TSR HURDLE IS MET	Less than 50th percentile	0%	At 50th percentile	50%	Greater than the 50th percentile but less than the 75th percentile	Pro-rated vesting between 50% and 100%	At 75th percentile or greater	100% (i.e. maximum available under the plan)	EPS ANNUAL COMPOUND GROWTH	PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE EPS HURDLE IS MET	Less than 4% p.a.	0%	4% p.a.	50%	More than 4% p.a. but less than 8% p.a.	Pro-rated vesting between 50% and 100%	8% p.a. or greater	100% (i.e. maximum available under the plan)
RELATIVE TSR PERCENTILE RANKING	PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE RELATIVE TSR HURDLE IS MET																				
Less than 50th percentile	0%																				
At 50th percentile	50%																				
Greater than the 50th percentile but less than the 75th percentile	Pro-rated vesting between 50% and 100%																				
At 75th percentile or greater	100% (i.e. maximum available under the plan)																				
EPS ANNUAL COMPOUND GROWTH	PERCENTAGE OF RIGHTS THAT MAY BE EXERCISED IF THE EPS HURDLE IS MET																				
Less than 4% p.a.	0%																				
4% p.a.	50%																				
More than 4% p.a. but less than 8% p.a.	Pro-rated vesting between 50% and 100%																				
8% p.a. or greater	100% (i.e. maximum available under the plan)																				
Leaver provisions	Performance rights vest subject to the executive remaining an employee of the Group on the vesting date and their satisfactory performance up until that time. In certain circumstances, the Board may exercise its discretion and allow a good leaver to retain their unvested performance rights. We've outlined this further in section 7.7.																				

Remuneration Report

5. Executive KMP employment agreements

We have outlined the key aspects of executive contracts below:

	CONTRACT DURATION	NON-COMPETE CLAUSES	NOTICE PERIODS
EXECUTIVE DIRECTOR			
Chris Ashton	Unlimited	6 months	6 months
OTHER EXECUTIVE KMP			
Tiernan O'Rourke	Unlimited	6 months	6 months
Mark Brantley	Unlimited	6 months	6 months
Karen Sobel	Unlimited	12 months	6 months
Vinayak Pai (former)	Unlimited	6 months	6 months

The executive KMP contracts include the components of remuneration which we pay. The contract includes an annual review but doesn't prescribe how we'll modify remuneration levels from year to year.

If we terminate a KMP executive's contract, they're generally entitled to their statutory leave entitlements. If a KMP executive resigns, we only pay their variable pay if they're employed on the date of payment or vesting (which is after the performance year).

In certain circumstances, the Board may decide to allow a good leaver to retain eligibility to variable pay. We've outlined this further in section 7.7.

6. Non-Executive Director remuneration

We set NED fees at a market competitive level to attract and retain the high caliber of directors we need to address the strategic and operational challenges our business faces. The Board reviews NED fees each year to compare them to fees paid by other ASX listed companies of similar size, industry and global scope. It also considers the number of NEDs we need for the business. During FY2022 no changes were made to the NED fee policy. Fees have remained the same since 1 July 2019.

There's a cap on the fee amount we can pay to NEDs in any year (these include Board and Committee fees). Our shareholders approve this cap. The current maximum aggregate amount is \$3.25 million per annum, set at the 2012 AGM. We paid 90% (\$2.91 million) of the aggregate fee pool during FY2022, compared to 85% (\$2.76 million) in FY2021. This includes FY2022 travel expenses of \$45,000.

In FY2022, there were no changes to Board membership overall. However, during the 2021 AGM (effective date 4 November 2021) Thomas Gorman retired as People and Remuneration Committee Chair. He was replaced by Emma Stein. In February 2022 Andrew Liveris retired as a member of the HSSC, and Emma Stein was appointed as a member of the HSSC in April 2022.

Table 6.1

COMPONENT	EXPLANATION AND DETAIL																
Board fees	We pay competitive Board fees to attract and retain high-caliber directors and provide appropriate remuneration for roles. There were no changes to NED fees in FY2022. Board fees (inclusive of superannuation where relevant) are:																
	<table><tr><th>ROLE</th><th>FEE P.A.</th></tr><tr><td>Chair</td><td>\$520,000</td></tr><tr><td>Lead Independent Director</td><td>\$269,000</td></tr><tr><td>Other NED base fee</td><td>\$194,000</td></tr></table>	ROLE	FEE P.A.	Chair	\$520,000	Lead Independent Director	\$269,000	Other NED base fee	\$194,000								
	ROLE	FEE P.A.															
	Chair	\$520,000															
	Lead Independent Director	\$269,000															
Other NED base fee	\$194,000																
The Chair and Lead Independent Director roles have fixed fees. They don't receive additional fees for being a member of any committees.																	
Committee fees	Committee fees recognize the additional responsibilities, time and commitment required. The annual committee fees are:																
	<table><tr><th>ROLE</th><th>FEE P.A.</th></tr><tr><td>Chair of Audit and Risk Committee</td><td>\$47,000</td></tr><tr><td>Member of Audit and Risk Committee</td><td>\$26,000</td></tr><tr><td>Chair of People and Remuneration Committee</td><td>\$40,000</td></tr><tr><td>Member of People and Remuneration Committee</td><td>\$21,000</td></tr><tr><td>Chair of Health, Safety and Sustainability Committee</td><td>\$40,400</td></tr><tr><td>Member of Health, Safety and Sustainability Committee</td><td>\$21,000</td></tr><tr><td>Chair/Member of Nominations Committee</td><td>nil</td></tr></table>	ROLE	FEE P.A.	Chair of Audit and Risk Committee	\$47,000	Member of Audit and Risk Committee	\$26,000	Chair of People and Remuneration Committee	\$40,000	Member of People and Remuneration Committee	\$21,000	Chair of Health, Safety and Sustainability Committee	\$40,400	Member of Health, Safety and Sustainability Committee	\$21,000	Chair/Member of Nominations Committee	nil
	ROLE	FEE P.A.															
	Chair of Audit and Risk Committee	\$47,000															
	Member of Audit and Risk Committee	\$26,000															
	Chair of People and Remuneration Committee	\$40,000															
	Member of People and Remuneration Committee	\$21,000															
	Chair of Health, Safety and Sustainability Committee	\$40,400															
Member of Health, Safety and Sustainability Committee	\$21,000																
Chair/Member of Nominations Committee	nil																
Other benefits	NEDs are eligible for allowances of \$5,000 per trip for additional time incurred on overseas business travel. This includes attending Board meetings and site visits. We make these payments from the NED fee pool. NEDs are also entitled to a reimbursement for all business expenses, including travel, they incur while working. We don't pay retirement benefits to NEDs unless required to by legislation. NEDs do not receive any performance-related incentive, such as equity rights. From time to time, the Board may determine special fees for additional duties directors undertake.																

We've set out the remuneration outcomes of the NEDs for FY2022 and FY2021 in section 8.5 on page 154. We've detailed the NED beneficial interests in Worley shares, as at 30 June 2022, in section 8.6 on page 155.

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7. Remuneration governance

The diagram below shows the process we follow to make remuneration decisions and explains the roles various stakeholders play:



During FY2022, KPMG and Pearl Meyer gave market practice information and advice. This did not include remuneration recommendations. The People and Remuneration Committee is satisfied that the information KPMG and Pearl Meyer provided was free from undue influence by any executive.

7.1 Minimum shareholding requirement (MSR)

Executives are required to meet an MSR to:

- reinforce our objective of aligning executives to shareholders and encouraging them to behave like owners; and
- increase focus on building long-term shareholder value.

To satisfy the requirement, executives must retain equity they received through incentive plans until their holding is equivalent in value to two times their fixed salary (or four times fixed salary for the CEO). They must maintain that multiple. The value of their holding includes all Worley shares held plus 50% of the value of unvested rights. Table 8.2.1 on page 151 shows a summary of the position of each executive on 30 June 2022.

We require NEDs to hold an MSR to align NED and shareholder interests. Each NED must build a holding of the Company's ordinary shares that's equivalent to the annual NED base fee. NEDs are expected to comply with this within their first full term of three years as a director. Table 8.6.1 on page 155 shows a summary of the position of each NED on 30 June 2022. For the purposes of this test, we've calculated the value of shares using the number of shares held at 30 June 2022 multiplied by the five-day VWAP of the Company's shares, up to and including 30 June 2022 (\$14.16), or purchase price if higher.

7.2 Other equity provisions

Equity rights we grant to executives under our equity plans carry:

- no voting or dividend entitlements; and
- no entitlement to participate in new share issues made by the Company other than bonus issues and capital reorganizations (when the Board may adjust the number of rights in accordance with the ASX Listing Rules, to make sure there's no advantage or disadvantage to the executive).

7.3 Exercise of equity rights and allocation of shares

Once an executive has satisfied their performance hurdles, their equity rights are automatically exercised and they acquire shares at a nil exercise price. Where an executive has a tax withholding obligation on vesting, we may withhold shares equal to the value of the tax and social security obligations. We then pay the value directly to the relevant tax authority on the executive's behalf.

Shares allocated to an executive upon exercise of rights rank equally with all other ordinary shares on issue. Where the shares are subject to further vesting conditions or restriction periods (i.e. they are restricted shares), they can't be sold before the vesting date or end of the restriction period (as applicable). They may still be forfeited in certain circumstances. After vesting, participants have unencumbered ownership of the shares, subject to complying with the Company's Securities Dealing Policy and MSR.

7.4 Dilution limit

The Board has determined that the number of securities we issue under our equity plans should be capped at 5% of the issued share capital of the Company over a five-year period. Currently, the number of securities issued and held in accordance with the equity plans represents 2.77% of the Company's issued share capital (FY2021: 2.36%).

7.5 Hedging

Under our Securities Dealing Policy, directors and executives are not permitted to hedge unvested performance rights or shares that count towards their MSR. This makes sure executives:

- can't limit the risk associated with these instruments; and
- are subject to the same fluctuations in share price as all other shareholders.

7.6 Clawback and malus provisions

These provisions within the variable pay plans enable the Board to claw back or lapse an employee's unvested equity rights (or their vested but unexercised equity rights) if they believe the employee:

- has acted fraudulently or dishonestly,
- is in breach of their obligations to the Company or another Group Company, including those outlined in Worley's Code of Conduct,
- received grants based on financial accounts which were later restated; or
- is responsible, through negligence or intentional disregard for procedures and policy, for a serious event that resulted in, or had the potential to result in, significant harm to people or our environment.

7.7 Cessation of employment

Our policy for termination benefits and entitlements treats leaving executives fairly and in accordance with the law and market practice. The policy covers discretions that the Board may exercise, which we've summarized below. At the 2019 AGM, shareholders approved this policy to continue this approach, keeping us globally competitive.

Where an executive leaves, the Board may exercise its discretion to determine the executive's eligibility to retain some or all of a cash incentive or unvested equity rights. The Board will also decide the basis (that is the conditions, timing and so on) on which any payment or vesting occurs. The Board will consider relevant factors including an assessment of the executive's contribution and performance. The Board generally exercises this discretion only in circumstances such as permanent disability, retirement and redundancy. This is known as being a good leaver.

Remuneration Report

The Board may allow the executive to retain a portion of any cash incentive and outstanding unvested equity rights. We typically determine the portion on a pro-rata basis and consider the time the executive was employed during the performance period. Any cash incentive paid is subject to Worley's performance and the executives' performance. Retained unvested equity rights are subject to the applicable performance and time vesting requirements. The Board believes this discretion is in our best interests.

7.8 Change of control

The Board will exercise its discretion to determine whether to vest any or all unvested equity rights in the event of a change of control of the Company (where a third party unconditionally acquires more than 50% of the issued share capital of the Company).

Pro-rata performance against applicable performance hurdles, up to the date of the change of control, would be considered.

8. Remuneration tables (Statutory disclosures)

We have presented all remuneration in Australian dollars in the following statutory tables.

8.1 Statutory remuneration outcomes

We've detailed executive KMP remuneration in the following table in accordance with accounting standards. Accounting standards require us to amortize the accounting value of equity granted over the relevant performance or vesting period. The table below includes the annual accounting values. We determine the target annual value of equity, as a percentage of fixed salary, that Worley aims to deliver. We've outlined the current targets in section 4. We've outlined the face value of equity grants vesting to executive KMP, for performance to 30 June 2022, in table 3.5.1.

Table 8.1.1

NAME	YEAR	CASH SALARY \$000	CASH INCENTIVE/ CASH STI ¹ \$000	OTHER BENEFITS ² \$000	TOTAL SHORT TERM CASH AND BENEFITS \$000	SUPER- ANNUATION BENEFITS \$000	LONG SERVICE LEAVE \$000	TERMI- NATION BENEFITS \$000	EQUITY INCENTIVE ³ \$000	LTI EQUITY SETTLED ⁴ \$000	TOTAL REMUNER- ATION IN ACCORDANCE WITH ACCOUNTING STANDARDS \$000	VARIABLE PAY % OF TOTAL REMUNER- ATION %
EXECUTIVE DIRECTOR												
Chris Ashton⁴	FY2022	1,692	1,626	71	3,389	15	–	–	735	669	4,808	63.0%
	FY2021	1,707	1,206	32	2,945	–	–	–	410	448	3,803	54.3%
OTHER EXECUTIVE KMP												
Tiernan O'Rourke⁵	FY2022	576	504	36	1,116	12	10	–	117	86	1,341	52.7%
Tom Honan (former)⁵	FY2021	1,069	616	9	1,694	22	18	–	310	434	2,478	54.9%
Mark Brantley⁶	FY2022	515	483	128	1,126	9	–	–	253	133	1,521	57.1%
	FY2021	–	–	–	–	–	–	–	–	–	–	–
Karen Sobel⁷	FY2022	753	405	20	1,178	15	–	–	270	249	1,712	54.0%
	FY2021	662	375	22	1,059	14	–	–	174	166	1,413	50.6%
Vinayak Pai (former)⁸	FY2022	326	–	127	453	29	–	151	(159)	(306)	168	(276.8%)
	FY2021	855	463	170	1,488	63	–	–	442	198	2,191	50.3%
Total remuneration	FY2022	3,862	3,018	382	7,262	80	10	151	1,216	831	9,550	
	FY2021	4,293	2,660	233	7,816	99	18	–	1,336	1,246	9,885	

¹ The amount relates to the FY2022 STI plan, typically paid to executives in October 2022.

² This includes expatriate benefits (such as housing, home leave and tax advisory services) and local benefits (such as health insurance, car parking, company cars or car allowances, fringe benefits tax, and life insurance). In some cases, these are at the election of the executives, i.e. they are salary sacrificed. From FY2021, we have included the net movement in annual leave accrual.

³ This remuneration includes a proportion of the fair value of equity remuneration granted or outstanding during the year. The fair value of equity is based on the fair value at grant date. It is expensed progressively over the vesting period. The amount included as remuneration isn't indicative of the benefit (if any) that individual executives may ultimately realize should the performance rights vest. Equity incentive includes grants made under the DEP and any other special performance grants made from time to time.

⁴ Chris Ashton was granted 112,796 DEP and 185,308 LTI rights as part of his FY2022 remuneration package under the Performance Rights Plan. This was approved at the 2021 Annual General Meeting, under ASX Listing Rule 10.14.

⁵ Tom Honan retired on 21 June 2021. Tiernan O'Rourke commenced with Worley on 29 November 2021. He was granted FY2022 equity on a pro-rata basis. He did not receive any equity grants or cash awards to replace remuneration forfeited by his prior employer.

⁶ Mark Brantley commenced in the role of Group President - EMEA and APAC on 1 November 2021. His remuneration is shown only for this period.

⁷ Karen Sobel received a 10% increase in fixed salary effective 1 August 2021.

⁸ Vinayak Pai ceased to be a KMP on 31 October 2021 and terminated employment with Worley on 31 December 2021. He forfeited all unvested equity rights. For all equity forfeited upon his termination, we have reversed the full equity expense accrued over the lifetime of each grant. Vinayak received some expatriate benefits to support the end of his assignment and return to his home country of India (flights, tax support, shipping). He also received a statutory gratuity entitlement of \$41,800. Salary paid during his period of garden leave is included as a termination benefit. Other benefits includes payment for accrued leave, paid out on termination.

8.2 Executive KMP minimum shareholding requirement

We assess compliance with our MSR following 30 June each year. The table below gives a summary of the position of each executive KMP as at 30 June 2022.

Table 8.2.1

NAME	WEIGHTED NUMBER OF SHARES ¹	VALUE OF SHARES HELD (AUD) ²	ANNUAL FIXED SALARY (AUD)	PERCENTAGE OF MINIMUM SHAREHOLDING REQUIREMENT ACHIEVED % ³
EXECUTIVE DIRECTOR				
Chris Ashton	437,655	\$6,486,515	\$1,700,000	95.4%
OTHER EXECUTIVE KMP				
Tiernan O'Rourke	40,880	\$578,861	\$1,050,000	27.6%
Mark Brantley	104,213	\$1,475,656	\$736,986	>100%
Karen Sobel	124,737	\$1,766,276	\$756,270	>100%

¹ Includes Worley shares held plus 50% of unvested performance rights provided in table 8.3.1 below.

² Calculated as the weighted number of shares held at 30 June 2022 multiplied by the higher of the VWAP over the five trading days to 30 June 2022 (\$14.16) or the price at which the performance rights or shares were acquired.

³ To satisfy the requirement, executives must retain equity granted to them by Worley until their holding is equivalent in value to two times their fixed salary (or four times fixed salary for the CEO).

8.3 Executives' interests in shares and performance rights

We've detailed beneficial interests in shares and performance rights as at 30 June 2022 in the table below. We discuss the service and performance criteria for the equity grants vesting in FY2022 in section 4 from page 140.

Table 8.3.1

NAME	TYPE	BALANCE AT 1 JULY 2021	PERFORMANCE RIGHTS GRANTED	PERFORMANCE RIGHTS EXERCISED ⁴	OTHER TRANSACTIONS ⁵	BALANCE AT 30 JUNE 2022 ⁶
EXECUTIVE DIRECTOR						
Chris Ashton	SHARES	138,669	–	9,279	(3,652)	144,296
	RIGHTS	315,321	298,104	(9,279)	(17,432)	586,714
OTHER EXECUTIVE KMP						
Tiernan O'Rourke	SHARES	–	–	–	–	–
	RIGHTS	–	81,760	–	–	81,760
Mark Brantley	SHARES	24,616	–	12,311	(4,320)	32,607
	RIGHTS	58,423	97,094	(12,311)	–	143,206
Karen Sobel	SHARES	15,495	–	6,811	(2,672)	19,634
	RIGHTS	121,598	99,848	(6,811)	(4,435)	210,200
Vinayak Pai (Former)⁷	SHARES	78,035	–	27,522	(105,557)	–
	RIGHTS	179,868	–	(27,522)	(152,346)	–
Total	SHARES	256,815	–	55,923	(116,201)	196,537
	RIGHTS	675,210	576,806	(55,923)	(174,213)	1,021,880

⁴ This includes shares received as a result of performance rights exercised.

⁵ These may include:

- rights lapsed due to cessation of employment or because of performance tests;
- shares foregone by the executive at vesting equal to the value of any withholding tax paid by Worley on their behalf; or
- shares sold or otherwise disposed of.

⁶ No executives have nominally held shares.

⁷ Vinayak Pai ceased to be a KMP on 31 October 2021 and terminated employment with Worley on 31 December 2021. He forfeited all performance rights.

Remuneration Report

8.4 Details of vested, exercised, lapsed and outstanding rights

We've set out full details of previous equity grants in the Remuneration Report for the relevant year. Each grant has an expiry date seven years following the grant date.

Table 8.4.1

					FAIR VALUE	FAIR VALUE				
NAME	PLAN	GRANT DATE	VEST DATE	GRANTED ¹	PER RIGHT ²	OF GRANT	RIGHTS	RIGHTS	RIGHTS	RIGHTS
						\$000 ³	VESTED	EXERCISED	LAPSED ⁴	LAPSED
EXECUTIVE DIRECTOR										
Chris Ashton	DEP	31-Oct-21	30-Sep-24	56,398	9.37	528	—	—	—	—
		31-Oct-21	30-Sep-23	56,398	9.89	558	—	—	—	—
		31-Oct-20	30-Sep-23	43,996	8.08	355	—	—	—	—
		31-Oct-20	30-Sep-22	43,996	8.58	377	—	—	—	—
		31-Oct-19	30-Sep-22	9,278	12.1	112	—	—	—	—
		31-Oct-19	30-Sep-21	9,279	12.7	118	(9,279)	(9,279)	—	—
	LTI ⁵	31-Oct-21	30-Sep-25	92,654	8.92	826	—	—	—	—
		31-Oct-21	30-Sep-25	92,654	5.86	543	—	—	—	—
		31-Oct-20	30-Sep-24	74,793	7.67	574	—	—	—	—
		31-Oct-20	30-Sep-24	74,793	5.6	419	—	—	—	—
		31-Oct-19	30-Sep-23	20,877	12.1	253	—	—	—	—
		31-Oct-19	30-Sep-23	20,877	7.78	162	—	—	—	—
		31-Oct-18	30-Sep-22	8,716	6.62	58	—	—	(8,716)	100%
		31-Oct-18	30-Sep-22	8,716	13.19	115	—	—	(8,716)	100%
		OTHER EXECUTIVE KMP								
Tiernan O'Rourke ⁶	DEP	31-Oct-21	30-Sep-24	16,060	9.37	150	—	—	—	—
		31-Oct-21	30-Sep-23	16,060	9.89	159	—	—	—	—
	LTI	31-Oct-21	30-Sep-25	24,820	8.92	221	—	—	—	—
		31-Oct-21	30-Sep-25	24,820	5.86	145	—	—	—	—
Mark Brantley ⁷	DEP	31-Oct-21	30-Sep-24	19,072	9.37	179	—	—	—	—
		31-Oct-21	30-Sep-23	19,072	9.89	189	—	—	—	—
		31-Oct-20	30-Sep-23	9,705	8.08	78	—	—	—	—
		31-Oct-20	30-Sep-22	9,705	8.58	83	—	—	—	—
		31-Oct-19	30-Sep-22	7,292	12.1	88	—	—	—	—
		31-Oct-19	30-Sep-21	7,293	12.7	93	(7,293)	(7,293)	—	—
	ECR	29-Apr-19	30-Sep-21	5,018	13.26	67	(5,018)	(5,018)	—	—
	LTI	31-Oct-21	30-Sep-25	29,475	8.92	263	—	—	—	—
		31-Oct-21	30-Sep-25	29,475	5.86	173	—	—	—	—
		31-Oct-20	30-Sep-24	9,705	7.67	74	—	—	—	—
		31-Oct-20	30-Sep-24	9,705	5.6	54	—	—	—	—

Continued overleaf

Table 8.4.1 (continued)

NAME	PLAN	GRANT DATE	VEST DATE	GRANTED ¹	FAIR VALUE PER RIGHT ²	FAIR VALUE OF GRANT \$000 ³	RIGHTS VESTED	RIGHTS EXERCISED	RIGHTS LAPSED ⁴	RIGHTS LAPSED %
Karen Sobel	DEP	31-Oct-21	30-Sep-24	19,613	9.37	184	–	–	–	–
		31-Oct-21	30-Sep-23	19,613	9.89	194	–	–	–	–
		31-Oct-20	30-Sep-23	14,577	8.08	118	–	–	–	–
		31-Oct-20	30-Sep-22	14,578	8.58	125	–	–	–	–
		31-Oct-19	30-Sep-22	6,812	12.1	82	–	–	–	–
		31-Oct-19	30-Sep-21	6,811	12.7	86	(6,811)	(6,811)	–	–
		LTI ⁵	31-Oct-21	30-Sep-25	30,311	8.92	270	–	–	–
			31-Oct-21	30-Sep-25	30,311	5.86	178	–	–	–
			31-Oct-20	30-Sep-24	21,866	7.67	168	–	–	–
			31-Oct-20	30-Sep-24	21,867	5.6	122	–	–	–
			31-Oct-19	30-Sep-23	15,326	12.1	185	–	–	–
			31-Oct-19	30-Sep-23	15,326	7.78	119	–	–	–
			31-Oct-18	30-Sep-22	2,218	6.62	15	–	–	(2,218) 100%
			31-Oct-18	30-Sep-22	2,217	13.19	29	–	–	(2,217) 100%
Vinayak Pai (Former) ⁸	DEP	31-Oct-20	30-Sep-23	19,169	8.08	155	–	–	(19,169)	100%
		31-Oct-20	30-Sep-22	19,170	8.58	164	–	–	(19,170)	100%
		31-Oct-19	30-Sep-22	10,273	12.1	124	–	–	(10,273)	100%
		31-Oct-19	30-Sep-21	10,272	12.7	130	(10,272)	(10,272)	–	–
	ECR ⁹	29-Apr-19	30-Sep-21	17,250	13.26	229	(17,250)	(17,250)	–	–
	LTI	31-Oct-20	30-Sep-24	28,754	7.67	221	–	–	(28,754)	100%
		31-Oct-20	30-Sep-24	28,754	5.6	161	–	–	(28,754)	100%
		31-Oct-19	30-Sep-23	23,113	12.1	280	–	–	(23,113)	100%
		31-Oct-19	30-Sep-23	23,113	7.78	180	–	–	(23,113)	100%

¹ We discuss the service and performance criteria for the rights in the executive remuneration structure section from page 141. Each right entitles the holder to one fully paid ordinary share in the Company at a nil exercise price (i.e. a zero exercise price option). The rights granted may include those granted before the executive became a KMP.

² An independent valuer determines the fair value per right at grant date, using an option-pricing model in accordance with AASB 2 Share Based Payments. This model takes into account the:

- exercise price;
- term of the right;
- vesting and performance criteria;
- impact of dilution;
- non-tradeable nature of the right;
- share price at grant date;
- expected price volatility of the underlying share;
- expected dividend yield; and
- risk-free interest rate for the term of the right.

This amount represents the actual cost to the Company. We've used a Monte Carlo simulation model to value the relative TSR. We've used a Black-Scholes model to value the EPS growth rights, DEP rights and other equity-settled rights.

³ We've calculated the total fair value of grant by multiplying the fair value per right by the number of rights granted. This doesn't represent the actual value the executives will receive from the grant. This depends on them achieving their performance hurdles over the vesting period and the face value (share price) at the time of vesting. We've estimated the maximum value of the rights granted, based on the fair value per right. If the executive doesn't meet the applicable performance hurdles, the minimum total value of the rights granted is nil.

⁴ The number of rights lapsed represents rights lapsed due to executives not meeting performance hurdles and/or rights lapsed on cessation of employment.

⁵ Neither tranche of the FY2020 LTI grant (due to vest 30-Sep-2022) met the minimum performance requirements for vesting. These rights will lapse in full on the vesting date.

⁶ Tiernan O'Rourke started as a KMP on 29 November 2021. He was granted rights under the FY2022 DEP and LTI plans on a pro-rata basis, given his start date part way through the financial year.

⁷ Mark Brantley started as a KMP on 1 November 2021. His rights include equity granted to him prior to becoming a KMP.

⁸ Vinayak Pai ceased to be a KMP on 31 October 2021 and terminated employment with Worley on 31 December 2021. He forfeited all performance rights.

⁹ ECR rights relate to equity granted to Vinayak Pai to replace forgone ECR equity.

Remuneration Report

8.5 Non-Executive Director remuneration outcomes

We've set out NED remuneration for FY2022 and FY2021 below.

Table 8.5.1

NAME	YEAR	SHORT TERM EMPLOYEE BENEFITS		POST-EMPLOYMENT BENEFITS	
		FEES \$000	TRAVEL ALLOWANCES \$000	SUPERANNUATION ¹ \$000	TOTAL \$000
John Grill	FY2022	500	5	22	527
	FY2021	500	–	22	522
Andrew Liveris ²	FY2022	247	5	23	275
	FY2021	238	–	22	260
Juan Suárez Coppel	FY2022	221	5	–	226
	FY2021	221	–	–	221
Thomas Gorman ³	FY2022	243	–	–	243
	FY2021	256	–	–	256
Christopher Haynes	FY2022	237	5	–	242
	FY2021	247	–	–	247
Roger Higgins	FY2022	235	5	–	240
	FY2021	215	–	14	229
Martin Parkinson	FY2022	201	5	20	226
	FY2021	202	–	19	221
Emma Stein ⁴	FY2022	211	5	21	237
	FY2021	110	–	10	120
Anne Templeman-Jones	FY2022	242	5	–	247
	FY2021	242	–	–	242
Sharon Warburton	FY2022	221	5	–	226
	FY2021	211	–	10	221
Wang Xiao Bin	FY2022	221	–	–	221
	FY2021	213	–	8	221
Total remuneration	FY2022	2,779	45	86	2,910
	FY2021	2,655	–	105	2,760

¹ Superannuation contributions are made on behalf of NEDs in accordance with the Company's statutory superannuation obligations.

² Andrew Liveris retired as a member of the Health, Safety and Sustainability Committee on 18 February 2022. However there was no change to his remuneration as he holds the role of Lead Independent Director and does not receive additional fees for being a member of a Committee.

³ Thomas Gorman stepped down as Chair of the People and Remuneration Committee on 4 November 2021.

⁴ Emma Stein was appointed Chair of the People and Remuneration Committee on 4 November 2021 and a member of the Health, Safety and Sustainability Committee on 28 April 2022.

8.6 Non-Executive Director interests in shares

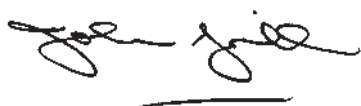
We have detailed NED beneficial interests in shares of the Company as at 30 June 2022 below. This includes shares held outright, either solely in the Directors' name, jointly with another person, in a self-managed superannuation plan or where the Directors are able to establish they have a beneficial entitlement.

Table 8.6.1

NAME	TYPE	BALANCE AT 30 JUNE 2021	OTHER TRANSACTIONS	BALANCE AT 30 JUNE 2022	% OF NED MINIMUM SHAREHOLDING TARGET ACHIEVED ¹
John Grill	Shares	34,336,128	–	34,336,128	>100%
Andrew Liveris	Shares	17,870	–	17,870	>100%
Juan Suárez Coppel	Shares	12,782	5,250	18,032	>100%
Thomas Gorman	Shares	29,000	–	29,000	>100%
Christopher Haynes	Shares	18,922	–	18,922	>100%
Roger Higgins	Shares	34,000	–	34,000	>100%
Martin Parkinson	Shares	16,000	–	16,000	>100%
Emma Stein	Shares	20,840	–	20,840	>100%
Anne Templeman-Jones	Shares	11,047	6,335	17,382	>100%
Sharon Warburton	Shares	22,500	–	22,500	>100%
Wang Xiao Bin	Shares	11,000	–	11,000	>100%

¹ The NED MSR requires NEDs hold the equivalent of 100% of the annual NED base fee in Worley shares. We calculate this by multiplying the number of shares held by the higher of the purchase price or the VWAP over the five trading days to 30 June 2022 (\$14.16). NEDs have 3 years from the date of election to meet the MSR.

This Directors' Report (including the Remuneration Report) is made in accordance with a resolution of the directors.



John Grill AO
Chair

Statement of financial performance and other comprehensive income

For the financial year ended 30 June 2022

		CONSOLIDATED	
	NOTES	2022 \$'M	2021 RESTATED \$'M
REVENUE AND OTHER INCOME			
Professional services revenue		5,444	5,420
Construction and fabrication revenue		2,806	2,679
Procurement revenue		1,445	1,411
Interest income		4	6
Other income		6	10
Total revenue and other income	4	9,705	9,526
EXPENSES			
Professional services costs		(4,954)	(5,084)
Construction and fabrication costs		(2,693)	(2,539)
Procurement costs		(1,429)	(1,396)
Global support costs	3(E)	(154)	(146)
Transition, transformation and restructuring costs	5	(65)	(129)
Strategic costs	5	(30)	-
Other costs	5	(30)	-
Finance costs		(64)	(83)
Total expenses		(9,419)	(9,377)
Share of net profit/(loss) of associates accounted for using the equity method	22	8	(7)
Profit before income tax expense		294	142
Income tax expense	6(A)	(117)	(61)
Profit after income tax expense		177	81
Profit after income tax expense attributable to:			
Members of Worley Limited		172	82
Non-controlling interests		5	(1)
Other comprehensive income			
Items that may be reclassified in future periods to the Statement of Financial Performance, net of tax			
Net movement in foreign currency translation reserve		209	(171)
Net movement in hedge reserve		(5)	(3)
Items that will not be reclassified in future periods to the Statement of Financial Performance, net of tax			
Net movement in defined benefit reserve		14	9
Total comprehensive income/(loss), net of tax		395	(84)
Total comprehensive income/(loss), net of tax, attributable to:			
Members of Worley Limited		390	(80)
Non-controlling interests		5	(4)
Basic earnings per share (cents)	17	32.8	15.7
Diluted earnings per share (cents)	17	32.6	15.6

The above Statement of Financial Performance and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2022

		CONSOLIDATED	
	NOTES	2022 \$'M	2021 RESTATED \$'M
ASSETS			
Current assets			
Cash and cash equivalents	7	507	522
Trade receivables and contract assets	8	1,952	1,682
Procurement assets	27	164	223
Other current assets	8	215	256
Prepayments		99	100
Income tax receivable		107	80
Derivatives	19(B)	3	4
Total current assets		3,047	2,867
Non-current assets			
Trade receivables and contract assets	8	128	169
Intangible assets	10	6,155	6,056
Property, plant and equipment and right of use (ROU) assets	28	617	618
Deferred tax assets	29(A)	192	213
Equity accounted associates	22(B)	189	172
Other non-current assets		68	60
Total non-current assets		7,349	7,288
TOTAL ASSETS		10,396	10,155
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,350	1,284
Procurement payables	27	199	228
Provisions	11	610	666
Interest bearing loans and borrowings and lease liabilities	13	564	246
Income tax payable		38	32
Derivatives	19(C)	32	10
Total current liabilities		2,793	2,466
Non-current liabilities			
Trade and other payables	9	53	44
Interest bearing loans and borrowings and lease liabilities	13	1,605	1,813
Defined benefit obligations	30	51	51
Deferred tax liabilities	29(B)	90	60
Provisions	11	121	137
Total non-current liabilities		1,920	2,105
TOTAL LIABILITIES		4,713	4,571
NET ASSETS		5,683	5,584
EQUITY			
Issued capital	15	5,341	5,321
Reserves	16	(302)	(505)
Retained profits		640	730
Members of Worley Limited		5,679	5,546
Non-controlling interests		4	38
TOTAL EQUITY		5,683	5,584

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the financial year ended 30 June 2022

CONSOLIDATED

	ISSUED CAPITAL \$'M	RETAINED PROFITS \$'M	FOREIGN CURRENCY TRANSLATION RESERVE \$'M	HEDGE RESERVE \$'M	PERFORMANCE RIGHTS RESERVE \$'M	DEFINED BENEFITS RESERVE \$'M	ACQUISITION RESERVE \$'M	MEMBERS OF WORLEY LIMITED \$'M	NON- CONTROLLING INTERESTS \$'M	TOTAL \$'M
As at 1 July 2021, restated	5,321	730	(510)	2	67	-	(64)	5,546	38	5,584
Profit after income tax expense	-	172	-	-	-	-	-	172	5	177
Foreign exchange movement on translation of foreign controlled entities and associates	-	-	209	-	-	-	-	209	-	209
Fair value loss on mark to market of forward exchange contracts, net of tax	-	-	-	(5)	-	-	-	(5)	-	(5)
Remeasurement gain on defined benefit plans, net of tax	-	-	-	-	-	14	-	14	-	14
Total comprehensive income/(loss), net of tax	-	172	209	(5)	-	14	-	390	5	395
<i>Transactions with owners</i>										
Share based payments expense	-	-	-	-	20	-	-	20	-	20
Transfer to issued capital on issuance of shares to satisfy performance rights	20	-	-	-	(27)	-	-	(7)	-	(7)
Increase in ownership of controlled entities	-	-	-	-	-	-	(8)	(8)	(36)	(44)
Dividends paid	-	(262)	-	-	-	-	-	(262)	(3)	(265)
As at 30 June 2022	5,341	640	(301)	(3)	60	14	(72)	5,679	4	5,683
As at 1 July 2020, restated¹	5,301	909	(342)	5	68	(9)	(64)	5,868	59	5,927
Profit after income tax expense, restated	-	82	-	-	-	-	-	82	(1)	81
Foreign exchange movement on translation of foreign controlled entities and associates	-	-	(168)	-	-	-	-	(168)	(3)	(171)
Fair value loss on mark to market of cross currency hedge, net of tax	-	-	-	(3)	-	-	-	(3)	-	(3)
Remeasurement gain on defined benefit plans, net of tax	-	-	-	-	-	9	-	9	-	9
Total comprehensive income/(loss), net of tax	-	82	(168)	(3)	-	9	-	(80)	(4)	(84)
<i>Transactions with owners</i>										
Share based payments expense	-	-	-	-	24	-	-	24	-	24
Transfer to issued capital on issuance of shares to satisfy performance rights	20	-	-	-	(25)	-	-	(5)	-	(5)
Dividends paid	-	(261)	-	-	-	-	-	(261)	(17)	(278)
As at 30 June 2021, restated	5,321	730	(510)	2	67	-	(64)	5,546	38	5,584

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

¹ Refer to note 2(E) in the accompanying notes.

Statement of cash flows

For the financial year ended 30 June 2022

		CONSOLIDATED	
	NOTES	2022 \$'M	2021 \$'M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		9,863	10,087
Payments to suppliers and employees		(9,443)	(9,446)
		420	641
Dividends received from associates		1	3
Interest received		4	4
Finance costs (including leases) paid		(51)	(63)
Income taxes paid		(58)	(52)
Net cash inflow from operating activities	7	316	533
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of controlled entities and other investments, net of cash acquired		(23)	(53)
Payments for purchase of property, plant and equipment and computer software		(53)	(80)
Proceeds from disposals of investments		12	40
Proceeds from sale of property, plant and equipment		2	1
Net cash outflow from investing activities		(62)	(92)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of loans and borrowings		(5,047)	(4,363)
Proceeds from loans and borrowings		5,184	4,368
Lease liability payments		(110)	(136)
Costs of bank facilities		(6)	(11)
Net loans (to)/from related parties		(6)	6
Dividends paid to members of Worley Limited	18(B)	(262)	(261)
Dividends paid to non-controlling interests		(3)	(17)
Net cash outflow from financing activities		(250)	(414)
Net increase in cash		4	27
Cash and cash equivalents at the beginning of the financial year		493	490
Effects of foreign exchange rate changes on cash		22	(24)
Cash and cash equivalents at the end of the financial year	7	519	493

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the financial year ended 30 June 2022

1. CORPORATE INFORMATION

The financial report of Worley Limited (the "Company" or "Parent Entity") for the financial year ended 30 June 2022 was authorized for issue in accordance with a resolution of the directors on 24 August 2022. The financial report is for the Group consisting of Worley Limited and its subsidiaries.

Worley Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX: WOR). Worley Limited is a for-profit entity for the purposes of preparing these financial statements.

The nature of the operations and principal activities of the Company are described in notes 3 and 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF ACCOUNTING

(i) Basis of preparation

This general purpose financial report has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports) issued by the Australian Securities and Investments Commission which relates to the "rounding off" of amounts in the Directors' Report and financial statements. Unless otherwise expressly stated, amounts have been rounded off to the nearest one million dollars in accordance with that Instrument. Amounts shown as 0 represent amounts less than AUD \$500,000 which have been rounded to the nearest one million.

(ii) Statement of compliance

The consolidated financial report complies with International Financial Reporting Standards and interpretations as issued by the Australian Accounting Standards Board (AASB).

(iii) Historical cost convention

The financial report has been prepared on a historical cost basis, except for derivative financial instruments, unlisted equity instruments, and assets held for sale, where applicable, that have been measured at fair value. The carrying values of recognized assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(iv) Critical accounting estimates

In the application of AAS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made:

- revenue recognition, refer note 4;
- expected credit loss allowance, refer note 8;
- goodwill and intangible assets with identifiable useful lives, refer note 10;
- project, warranty and other provisions, refer note 11;
- inclusion and classification of contingent liabilities, refer note 25; and
- recovery and valuation of deferred tax assets and liabilities, refer note 29.

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

(v) Adoption of new and amended accounting standards and interpretations

There have been no new and revised standards, amendments or AASB interpretations adopted by the Group during the current period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(vi) New accounting standards that are not yet applicable

The Group has not early adopted any standards or interpretations which are not yet applicable. The potential impacts of standards and interpretations that are not yet applicable are disclosed below.

Applicable 1 July 2022

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to specify which costs an entity needs to include when assessing whether a contract is onerous or loss making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are not expected to have a material impact on the Group.

Applicable 1 July 2023

AASB 17 Insurance Contracts (AASB 17)

The overall objective of AASB 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in AASB 4 *Insurance Contracts* which are largely based on grandfathering previous local accounting policies, AASB 17 provides a comprehensive model for insurance contracts, covering all relevant accounting concepts.

Although the Group has not fully assessed the impact of the amendments, they are unlikely to have a material impact on the Group.

Classification of liabilities as current or non-current (Amendments to AASB 101 Presentation of Financial Statements)

In January 2020, the AASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

Although the Group has not fully assessed the impact of the amendments, they are unlikely to have a material impact on the Group.

Disclosure of Accounting Policies (Amendments to AASB 101 and AASB Practice Statement 2)

In the process of preparing financial statements, judgments are regularly made around what is considered to be sufficiently material to include in the notes to the financial statements. This amendment has been implemented to clarify the definition of what is "material" and to make this definition consistent across all IFRS standards and within the Conceptual Framework. The key amendments include:

- Requiring companies to disclose material policies, rather than significant policies;
- Clarifying that accounting policies related to immaterial transactions are themselves immaterial and therefore need not be disclosed; and
- Clarifying that not all accounting policies that relate to material transactions are themselves material to a company's financial statements and therefore may not need to be disclosed.

When the amendment becomes applicable, this will have an impact on the Group in that it will inform the conclusions around what is included in the consolidated financial statements.

Deferred Tax relating to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112)

In May 2021, the AASB issued amendments to AASB 112, which narrow the scope of the initial recognition under AASB 112, so that it no longer applies to transactions that give rise to equal, taxable and deductible temporary differences. Although the Group has not fully assessed the impact of the amendments, they are unlikely to have a material impact on the Group.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Worley Limited as at 30 June 2022 and the results of all controlled entities for the financial year then ended. Worley Limited and its controlled entities together are referred to in this financial report as the consolidated entity or Group. Investments in associates are equity accounted and are not part of the consolidated entity (refer note 22).

The impact of all transactions between entities in the consolidated entity is eliminated. Non-controlling interests in the results and equity of controlled entities are shown separately in the Statement of Financial Performance and Other Comprehensive Income and Statement of Financial Position.

Non-controlling interests not held by the Company are allocated their share of net profit after tax and total comprehensive income net of tax in the Statement of Financial Performance and Other Comprehensive Income and are presented within equity in the Statement of Financial Position separately from the equity of members of Worley Limited.

(C) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the Group's presentation currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*(ii) Translation of foreign currency transactions*

Transactions denominated in a foreign currency are converted at the foreign exchange rate at the date of the transaction. Foreign currency denominated receivables and payables at balance date are translated at foreign exchange rates at balance date. Foreign exchange gains and losses are brought to account in determining the profit and loss for the financial year.

(D) OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarize the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the notes to the financial statements.

(E) RESTATEMENT OF COMPARATIVES

During the current period the Group identified that employee expenses were understated by \$17 million and \$5 million in FY2020 and FY2021 respectively (pre-tax impact). Respective payroll liabilities were understated by \$17 million and \$22 million in FY2020 and FY2021 respectively. The impact to profit after income tax is \$13 million and \$4 million for FY2020 and FY2021 respectively. Income tax receivable is understated stated by \$4 million in FY2020 and \$5 million in FY2021.

This represented an isolated incident in relation to a payroll accrual in the Americas Region which occurred during the integration of ECR into the Worley Group as part of its acquisition from Jacobs in FY2019. The financial statements have been adjusted for this impact by restating each of the affected financial statement line items for the prior period presented in the current Annual Financial Report. The following tables summarise the impacts on the Group's consolidated financial statements, including the impact on earnings per share:

(i) Statement of financial performance and other comprehensive income

	CONSOLIDATED		
	2021 \$'M	RESTATEMENT \$'M	2021 RESTATED \$'M
EXPENSES			
Professional services costs	(5,079)	(5)	(5,084)
Total expenses	(9,372)	(5)	(9,377)
Profit before income tax	147	(5)	142
Income tax expense	(62)	1	(61)
Profit after income tax	85	(4)	81
Profit after tax attributable to members of Worley Limited	86	(4)	82
Basic earnings per share (cents)	16.5		15.7
Diluted earnings per share (cents)	16.3		15.6

(ii) Statement of financial position as at 30 June 2021

	CONSOLIDATED		
	2021 \$'M	RESTATEMENT \$'M	2021 RESTATED \$'M
ASSETS			
<i>Current assets</i>			
Income tax receivable	75	5	80
Total current assets	2,862	5	2,867
Total assets	10,150	5	10,155
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	1,262	22	1,284
Total current liabilities	2,444	22	2,466
Total liabilities	4,549	22	4,571
Net assets	5,601	(17)	5,584
EQUITY			
Retained profits - opening 1 July 2020	922	(13)	909
Retained profits after tax attributable to Members of Worley Limited year ended 30 June 2021	86	(4)	82
Total equity	5,601	(17)	5,584

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Statement of financial position as at 30 June 2020

	CONSOLIDATED		
	2020 \$'M	RESTATEMENT \$'M	2020 RESTATED \$'M
ASSETS			
<i>Current assets</i>			
Income tax receivable	64	4	68
Total current assets	3,213	4	3,217
Total assets	11,081	4	11,085
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	1,470	17	1,487
Total current liabilities	3,127	17	3,144
Total liabilities	5,141	17	5,158
Net assets	5,940	(13)	5,927
EQUITY			
Retained profits - opening 1 July 2019	959	-	959
Retained profits after tax attributable to Members of Worley Limited year ended 30 June 2020	171	(13)	158
Total equity	5,940	(13)	5,927

There is no impact to the total operating, investing or financing cash flows for the years ended 30 June 2021 and 30 June 2020.

In addition to the primary financial statements, the FY2021 balances in the following notes to the financial statements have been restated in accordance with the accounting standards:

- Note 3 Segment information
- Note 5 Expenses and losses/(gains)
- Note 6 Income tax
- Note 7 Cash and cash equivalents (reconciliation of operating cash only)
- Note 9 Trade and other payables
- Note 12 Capital management
- Note 17 Earnings per share

3. SEGMENT INFORMATION

(A) IDENTIFICATION OF OPERATING SEGMENTS

The Group's operating segments are reported on a regional basis as follows:

- Americas;
- EMEA; and
- APAC.

The Group has also included additional information segmented according to its market sector groups. These segments are consistent with those reported in 30 June 2021.

3. SEGMENT INFORMATION (CONTINUED)

(B) OPERATING SEGMENTS, FINANCIAL YEAR 2021 DATA RESTATED

	AMERICAS		EMEA		APAC		TOTAL	
	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Professional services revenue	1,860	1,758	2,300	2,297	1,594	1,575	5,754	5,630
Construction and fabrication revenue	2,198	1,792	608	887	-	-	2,806	2,679
Procurement revenue at margin	129	219	260	149	110	94	499	462
Other income	-	-	-	-	6	3	6	3
Total aggregated revenue¹	4,187	3,769	3,168	3,333	1,710	1,672	9,065	8,774
Segment EBITA ²	271	258	283	202	181	152	735	612
Segment margin	6.5%	6.8%	8.9%	6.1%	10.6%	9.1%	8.1%	7.0%
<i>Other segment information</i>								
Depreciation and amortization expense ³	47	61	80	84	40	37	167	182
Share of net profits/(losses) of associates accounted for using the equity method	(1)	(1)	8	11	1	2	8	12
Carrying value of equity accounted associates	29	16	145	142	15	14	189	172
Purchase of non-current assets	11	35	22	30	20	15	53	80

(C) MARKET SECTOR GROUPS, FINANCIAL YEAR 2021 DATA RESTATED

	ENERGY		CHEMICALS		RESOURCES		TOTAL	
	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M	2022 \$'M	2021 \$'M
Professional services revenue	2,523	2,272	2,157	2,309	1,074	1,049	5,754	5,630
Construction and fabrication revenue	1,719	1,861	1,032	818	55	-	2,806	2,679
Procurement revenue at margin	229	258	119	123	151	81	499	462
Other income	6	3	-	-	-	-	6	3
Total aggregated revenue	4,477	4,394	3,308	3,250	1,280	1,130	9,065	8,774
Segment EBITA	327	299	302	238	106	75	735	612
Segment margin	7.3%	6.8%	9.1%	7.3%	8.3%	6.6%	8.1%	7.0%

(D) RECONCILIATION OF AGGREGATED REVENUE TO TOTAL REVENUE AND OTHER INCOME PER THE STATEMENT OF FINANCIAL PERFORMANCE

	TOTAL	
	2022 \$'M	2021 \$'M
Aggregated revenue	9,065	8,774
Gain on disposal of subsidiary/investment	-	7
Procurement revenue at nil margin (including share of revenue from associates)	946	949
Share of revenue from associates ⁴	(310)	(210)
Interest income	4	6
Total revenue and other income per the Statement of Financial Performance	9,705	9,526

¹ Aggregated revenue represents segment revenue, which is defined as statutory revenue and other income plus share of revenue from associates, less procurement revenue at nil margin, pass-through revenue at nil margin and interest income. The directors believe the disclosure of revenue attributable to associates as part of aggregated revenue provides additional information in relation to the financial performance of the Group.

² Segment earnings before interest, tax and amortization of acquired intangible assets (EBITA) is aggregated revenue less segment expenses and excludes the items listed in note 3(G). It is the key financial measure that is presented to the chief operating decision maker.

³ Excludes amortization on acquired intangible assets and impairments, but includes amortization of leased right of use assets.

⁴ Calculated on an aggregate revenue basis.

3. SEGMENT INFORMATION (CONTINUED)

(E) RECONCILIATION OF SEGMENT EBITA TO PROFIT AFTER INCOME TAX EXPENSE PER THE STATEMENT OF FINANCIAL PERFORMANCE

	TOTAL	
	2022 \$'M	2021 RESTATED \$'M
Segment EBITA	735	612
Global support costs	(154)	(146)
Strategic costs ¹	(30)	-
Interest and tax for associates	(4)	(3)
Total underlying EBITA	547	463
Total underlying EBITA margin on aggregated revenue for the Group	6.0%	5.3%
Costs in relation to cost saving programs	(67)	(199)
Impact of transformation and restructuring:		
Shared services transformation	(53)	-
Payroll and other restructuring costs	(15)	(84)
Property leased asset impairment reversals/(impairments) ²	4	(60)
Transition costs ³	(3)	(55)
International government subsidies, net of direct costs	2	70
Net impact of historical legal matters	(16)	-
Impact of withdrawal from Russia	(14)	-
Impairment of assets	(2)	(12)
Impairment of investments including equity accounted associates	(1)	(11)
Gain on disposal of subsidiary / investment	-	7
Certain one off other items	-	1
Total EBITA	449	319
Total EBITA margin on aggregated revenue for the Group	5.0%	3.6%
Amortization of acquired intangible assets	(95)	(100)
Net finance costs	(60)	(77)
Income tax expense	(117)	(61)
Profit after income tax expense per the Statement of Financial Performance	177	81

¹ Strategic costs comprise of costs for strategic hires and agile team development in targeted sustainability growth areas, digital enablement, internal training and development, and creating and building strategic partnerships to deliver sustainable solutions at scale.

² Includes impairment of right of use assets and the related onerous property maintenance contract component.

³ Costs in relation to ECR integration.

3. SEGMENT INFORMATION (CONTINUED)

(F) GEOGRAPHIC SEGMENTS¹Revenue from external customers²

	AGGREGATED REVENUE \$'M	ADD: PROCUREMENT REVENUE AT NIL MARGIN \$'M	ADD: PASS-THROUGH REVENUE AT NIL MARGIN \$'M	LESS: SHARE OF REVENUE FROM ASSOCIATES \$'M	LESS: OTHER INCOME \$'M	TOTAL REVENUE FROM EXTERNAL CUSTOMERS \$'M
2022						
Europe, Middle East and Africa	3,168	478	-	(250)	-	3,396
United States of America	1,956	341	-	(26)	-	2,271
Other Americas	2,231	115	-	(6)	-	2,340
Australia, Pacific, Asia and China	1,710	12	-	(28)	(6)	1,688
Total	9,065	946	-	(310)	(6)	9,695
Other income per Segment						6
Interest income						4
Total revenue and other income per the Statement of Financial Performance						9,705

	AGGREGATED REVENUE \$'M	ADD: PROCUREMENT REVENUE AT NIL MARGIN \$'M	ADD: PASS-THROUGH REVENUE AT NIL MARGIN \$'M	LESS: SHARE OF REVENUE FROM ASSOCIATES \$'M	LESS: OTHER INCOME \$'M	TOTAL REVENUE FROM EXTERNAL CUSTOMERS \$'M
2021						
Europe, Middle East and Africa	3,334	193	-	(156)	-	3,371
United States of America	1,881	637	-	(6)	-	2,512
Other Americas	1,888	77	-	(17)	-	1,948
Australia, Pacific, Asia and China	1,671	42	-	(31)	(3)	1,679
Total	8,774	949	-	(210)	(3)	9,510
Other income per Segment						3
Adjustments excluded from the underlying results						7
Interest income						6
Total revenue and other income per the Statement of Financial Performance						9,526

	2022 \$'M	2021 \$'M
Non-current assets by geographical location: ³		
Europe, Middle East and Africa	227	273
United States of America	1,343	1,382
Other Americas	83	88
Australia, Pacific, Asia and China	100	112
Non-current assets by geographical location	1,753	1,855

¹ Geographic locations are presented across all business lines. This is different to the internal reports presented to the chief operating decision makers.

² Revenue is attributed to the geographic location based on the entity providing the services.

³ Excludes goodwill, deferred tax assets and derivative financial instruments.

3. SEGMENT INFORMATION (CONTINUED)

(G) ACCOUNTING POLICIES AND INTER-SEGMENT TRANSACTIONS

Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion can be allocated to the segment on a reasonable basis.

Segment revenues, expenses and results include transactions between segments incurred in the ordinary course of business. These transactions are priced on an arm's length basis and are eliminated on consolidation.

The accounting policies used by the Group in reporting segments internally are the same as those contained in these financial statements and are consistent with those in the prior period.

The segment EBITA includes the allocation of overhead that can be directly attributed to an individual business segment. The following items and associated assets and liabilities are not allocated to segments as they are not considered part of the core operations of any segment:

- global support costs;
- strategic costs;
- interest and tax for associates;
- amortization of acquired intangible assets;
- costs in relation to cost saving programs;
- other non-recurring gains and losses as described in note 3(E); and
- income tax expense.

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
4. REVENUE AND OTHER INCOME		
Professional services revenue	5,444	5,420
Construction and fabrication revenue	2,806	2,679
Procurement revenue	1,445	1,411
Interest income	4	6
Revenue	9,699	9,516
Other income	6	10
Total revenue and other income	9,705	9,526

The amount of revenue recognized in the financial year 2022 from performance obligations satisfied (or partially satisfied) in previous periods is \$6 million (2021: \$19 million) and is mainly due to the changes in the estimate of the stage of completion.

In addition to billings in advance balances, which represent amounts billed for which the relevant performance obligation has yet to be satisfied, a further \$605 million (2021: \$350 million) of revenue (lump sum projects with an expected duration of one year or more) is expected to be recognized in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

4. REVENUE AND OTHER INCOME (CONTINUED)

RECOGNITION AND MEASUREMENT

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized and disclosed net of trade allowances, duties and taxes paid.

The Group utilizes a five-step approach to revenue recognition which requires the Group to identify contracts and performance obligations, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied.

The Group exercises judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with its customers.

The Group's main revenue streams are as follows:

Professional services revenue

- The Group performs engineering design and project delivery services. These activities are usually highly integrated and accordingly, where appropriate, are accounted for as a single performance obligation. Performance obligations are fulfilled over time as the services are delivered, as the Group has a right of payment for services delivered to date together with the highly customized nature of the services provided. Consequently, the Group recognizes revenue for these service contracts over time. Payment terms depend on the contracts specifics and usually are within 30 to 60 days.

Construction and fabrication revenue

- The Group performs construction and fabrication services. These activities are highly integrated and accordingly, where appropriate, are accounted for as a single performance obligation. Performance obligations are fulfilled over time as the services are delivered, as the Group has a right of payment for services delivered to date together with the highly customized nature of the services provided. Consequently, the Group recognizes revenue for these construction contracts over time. Payment terms are usually based on milestones achieved and are within 30 to 60 days from the date of the invoice.

Procurement revenue

- Procurement revenue represents services from contracts entered into with customers to acquire, on their behalf, equipment produced by various suppliers and/or services provided by different subcontractors. The Group executes procurement services as a principal and as an agent. Where the Group controls the promised goods or services before transferring them to the customer, the Group is a principal and records revenue and costs on a gross basis. If the Group does not control the promised goods and services before transferring to the customer, i.e. the Group's role is to arrange for another entity to provide the goods or services, then the Group is an agent and records revenue and costs at the net amount that it retains for its agency services (margin). The performance obligation is satisfied over time and payment is usually due upon receipt of the equipment by the customer or as subcontractor services are performed, depending on the terms of the contract. Payment terms are usually within 30 to 60 days.

The Group measures revenue on the basis of the effort expended relative to the total expected effort to complete the service. Revenue on reimbursable contracts is recognized in the same period as the associated costs based on agreed rates in accordance with the timing of work performed as it reflects the expected effort to fulfil the performance obligation. For lump sum contracts, the Group considers the terms of the contract, internal models and other sources when estimating the projected total cost and stage of completion. The percentage of completion is estimated by qualified professionals within the project teams. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change.

Variable consideration, including performance incentives, is recognized from the outset of the contract but only to the extent that it is highly probable that a significant revenue reversal will not occur. This estimate takes into account the facts and circumstances of each individual contract and historical experience and is reassessed throughout the life of the contract.

The Group provides assurance warranties for general rework which are accounted for in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money.

Government grants

Government grants are recognized under the requirements of AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

Government grants are only recognized where there is reasonable assurance that the conditions attached will be complied with, and the grant will be received. Government grants are recognized in profit and loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Government grants are recognized immediately in profit and loss if they are a receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no further related costs. Government grants are recorded against the related expense in the Statement of Financial Performance and Other Comprehensive Income.

Interest

Interest income is recognized as it accrues using the effective interest rate method including interest income on subleases that are classified as finance leases under AASB 16 *Leases*.

Dividends

Revenue is recognized when the Group's right to receive the payment is established.

Contract costs

Costs to obtain or fulfil a contract (contract costs) include all costs directly related to specific contracts that are specifically chargeable to the customer under the terms of the contract, and an allocation of overhead expenses incurred in connection with the Group's activities in general. The Group's contract costs are expensed as incurred, unless they are allowed for capitalization under accounting standards.

5. EXPENSES AND LOSSES/(GAINS)

Profit before income tax expense includes the following specific expenses and losses/(gains):

	CONSOLIDATED	
	2022 \$'M	2021 RESTATED \$'M
EXPENSES AND LOSSES/(GAINS)		
Short term employee benefits	5,401	5,321
Post-employment benefits	108	102
Share based payments	20	24
Total staff costs	5,529	5,447
Costs in relation to cost saving programs	67	199
<i>Impact of transformation and restructuring:</i>		
Shared services transformation	53	-
Payroll and other restructuring costs	15	84
Property leased asset (impairment reversals)/impairments ¹	(4)	60
Transition costs ²	3	55
International government subsidies, net of direct costs	(2)	(70)
Transition, transformation and restructuring costs	65	129
Strategic costs	30	-
Net impact of historical legal matters	16	-
Impact of withdrawal from Russia	14	-
Other costs	30	-
Short term, low-value and variable leases expense	23	35
Amortization of intangible assets, right of use (ROU) assets and leasehold improvements	208	227
Depreciation	54	55
MOVEMENTS IN PROVISIONS³		
Employee benefits	355	219
Insurance	4	2
Onerous contracts	(3)	22
Warranty	13	8
Project losses and other	(14)	29

Transition costs comprise of integration costs, restructuring and redundancy payments and research, development and implementation costs of integrated finance, expense, sales, and HR systems.

Shared services transformation and payroll and other transformation and restructuring costs comprise the costs of restructuring and redundancy payments in the planning and execution of transformation.

Strategic costs comprise of costs for strategic hires and agile team development in targeted sustainability growth areas, digital enablement, internal training and development, and creating and building strategic partnerships to deliver sustainable solutions at scale.

Other costs contain the costs of withdrawal from Russia (refer to note 21(D)), and the net impact of historical legal matters including a final resolution for one of the non-current debtors disclosed in note 8.

RECOGNITION AND MEASUREMENT

Employee benefits

Employee benefits expenses are charged against profit on a net basis in their respective categories.

Share based payments – equity and cash settled rights

Equity rights (rights) over the ordinary shares of Worley Limited are granted to executive directors and other executives of the consolidated entity for nil consideration in accordance with performance guidelines approved by the Board. The fair values of the rights are amortized on a straight line basis over their performance period. For share settled rights, the fair value of the rights is the share price at grant date adjusted for the impact of performance hurdles and other vesting or exercise criteria attached to the right. For cash settled rights, the fair value of the rights is recalculated at the end of each reporting period and amortized on a straight line basis over their vesting period. The accounting estimates and assumptions relating to equity settled rights would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

¹ Includes impairment of right of use assets and the related onerous property maintenance contract component.

² Costs in relation to ECR integration.

³ Excludes amounts utilized.

5. EXPENSE AND LOSSES/(GAINS) (CONTINUED)

Fair value per right at grant date is independently determined using an appropriate option pricing model that takes into account the exercise price, the term of the right, the vesting and performance criteria, the impact of dilution, the non-traded nature of the right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the right. This amount represents the actual cost to the Company. A Monte Carlo simulation is applied to fair value the TSR component and the strategic hurdle rights. For the EPS, EBIT and "continuous employment" condition, the Black-Scholes model is utilized. Total fair value at grant date is calculated by multiplying the fair value per right by the number of rights granted. This does not represent the actual value the executive will derive from the grant which will depend on the achievement of performance hurdles measured over the vesting period. The maximum value of the rights granted has been estimated based on the fair value per right. The minimum total value of the rights granted, if the applicable performance hurdles are not met, is nil.

Borrowing costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except when they are included in the costs of qualifying assets.

Borrowing costs include:

- interest on short term and long term loans and borrowings, as well as bank overdrafts;
- amortization of discounts or premiums relating to loans and borrowings and non-current payables; and
- interest on lease liabilities.

Depreciation and amortization***Property, plant and equipment***

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment (excluding land) over its expected useful life to the consolidated entity. The expected useful lives for plant and equipment range from 3 to 10 years and buildings range from 30 to 40 years. The estimated useful lives, residual values and depreciation method are reviewed at least each financial year end.

The cost of improvements to leasehold properties is amortized over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter.

Identifiable intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period for an intangible asset with a finite useful life is reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortization period. The amortization expense on intangible assets with finite lives is recognized in the Statement of Financial Performance and Other Comprehensive Income on a straight line basis over the following periods:

- customer contracts and relationships 3-15 years;
- trade names 5-20 years;
- computer software 2-7 years; and
- other 3-10 years.

Goods and services tax (GST)

Expenses are recognized net of the amount of GST, except where the GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognized as part of the expense.

	CONSOLIDATED	
	2022 \$'M	2021 RESTATED \$'M
6. INCOME TAX		
<i>(A) INCOME TAX EXPENSE</i>		
Current tax	57	99
Deferred tax	67	(28)
Over provision in previous financial periods	(7)	(10)
Income tax expense	117	61
Deferred income tax expense included in income tax expense comprises:		
Increase/(decrease) in deferred tax assets	25	(43)
Decrease in deferred tax liabilities	42	15
Deferred tax	67	(28)

6. INCOME TAX (CONTINUED)

	CONSOLIDATED	
	2022 \$'M	2021 RESTATED \$'M
(B) RECONCILIATION OF PRIMA FACIE TAX PAYABLE TO INCOME TAX EXPENSE		
Profit before income tax expense	294	142
Prima facie tax expense at Worley Limited's statutory income tax rate of 30% (2021: 30%)	88	43
Tax effect of amounts which are non-deductible/(non-taxable) in calculating taxable income:		
Non-deductible items under US tax law	27	15
Certain withholding tax assets write off	15	-
Non-deductible shared based payments expense	6	10
Share of (profits)/losses of associates accounted for using the equity method	(2)	2
Tax losses not previously recognized	(4)	(1)
Over provision in previous financial periods	(7)	(10)
Valuation allowance against certain deferred tax assets	9	-
Change in tax legislation	-	7
Permanent difference due to valuation allowances for brought forward tax losses	-	4
Non-deductible disposal of subsidiary	-	2
Non-deductible impairment of an associate	-	2
Difference in overseas tax rates and other	(15)	(13)
Income tax expense	117	61

(C) AMOUNTS RECOGNIZED DIRECTLY IN EQUITY

Aggregate amount of tax arising in the reporting period and not recognized in profit after income tax expense but directly credited to equity:

Deferred tax - debited/(credited) directly to equity	6	(20)
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(D) TAX LOSSES

The Group has tax losses for which no deferred tax asset is recognized on the Statement of Financial Position:

Unused tax losses for which no deferred tax asset has been recognized	321	321
Potential tax benefit at 30%	96	96

The benefit for tax losses will only be recognized if:

- the relevant tax entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realized; or
- the losses are transferred to an eligible entity in the relevant tax entity; and
- the relevant tax entity continues to comply with conditions for deductibility imposed by tax legislation; and
- no changes in legislation adversely affect the relevant entity in realizing the benefit from the deductions for the losses.

RECOGNITION AND MEASUREMENT

Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities as well as any adjustments required between prior periods' current tax expense and income tax returns and any relevant withholding taxes.

Current and deferred tax amounts relating to items recognized directly in equity are recognized in equity and not in the Statement of Financial Performance.

Tax consolidation

Worley Limited and its wholly owned Australian entities elected to form a tax consolidated group from 1 July 2003. On formation of the tax consolidated group, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Worley Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Worley Limited for any current tax liability assumed and are compensated by Worley Limited for any current tax loss, deferred tax assets and tax credits that are transferred to Worley Limited under the tax consolidation legislation.

		CONSOLIDATED	
	NOTES	2022 \$'M	2021 RESTATED \$'M
7. CASH AND CASH EQUIVALENTS			
Cash and cash equivalents per Statement of Financial Position		507	522
Procurement cash and cash equivalents	27	12	4
Cash at bank and on hand		519	526
Less: bank overdraft	13	-	(33)
Balance per the Statement of Cash Flows		519	493
Reconciliation of profit after income tax expense to net cash inflow from operating activities:			
Profit after income tax expense		177	81
<i>NON-CASH ITEMS</i>			
Amortization		208	227
Depreciation		54	55
(Impairment Reversals)/Impairments		(2)	50
Share based payments expense		20	24
Doubtful debts expense		26	(4)
Share of associates' profits in excess of dividends received		(7)	(4)
Impairment of investments including equity accounted associates		1	11
Gain on disposal of subsidiary/investment		-	(7)
Other		9	(9)
Cash flow adjusted for non-cash items		486	424
<i>CHANGES IN ASSETS AND LIABILITIES</i>			
(Increase)/decrease in trade and other receivables		(202)	376
Decrease in prepayments and other current assets		42	75
Decrease in deferred tax assets		21	36
Increase in income tax receivable		(24)	(13)
Decrease in trade and other payables		(15)	(175)
Increase/(decrease) in billings in advance		47	(80)
Increase/(decrease) in income tax payable		3	(1)
Increase/(decrease) in deferred tax liabilities		30	(51)
Decrease in provisions		(72)	(58)
Net cash inflow from operating activities		316	533

RECOGNITION AND MEASUREMENT

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. Bank overdrafts are included within interest bearing loans and borrowings and lease liabilities in current liabilities in the Statement of Financial Position.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities is classified as an operating cash flow.

Where cash and cash equivalents held by the Group are subject to external restrictions, the nature of the restrictions and value of cash subject to these restrictions are disclosed below.

PROCUREMENT AND RESTRICTED CASH AND CASH EQUIVALENTS

Cash and cash equivalents include restricted cash of \$50 million (2021: \$6 million) that is available for use under certain circumstances by the Group.

Restricted cash is held in relation to guarantees (refer note 25(A)), financing activities, and legal matters, including \$29 million held in accounts which are subject to court ordered restricted access while active legal cases are being resolved (refer to note 25(B)), and \$16 million held in Russian bank accounts that the Group is working to repatriate (refer to note 21(D)).

Procurement cash is held in relation to procurement activities undertaken by the Group on behalf of its customers (refer note 27). Included within procurement assets are cash and cash equivalents of \$12 million (2021: \$4 million).

		CONSOLIDATED	
	NOTES	2022 \$'M	2021 \$'M
8. TRADE RECEIVABLES, CONTRACT ASSETS, AND OTHER ASSETS			
<i>CURRENT TRADE RECEIVABLES AND CONTRACT ASSETS</i>			
Trade receivables		1,261	1,088
Unbilled contract revenue		843	779
Retentions		72	64
Expected credit loss (ECL) allowance on trade receivables		(72)	(30)
Less: procurement trade and other receivables	27	(152)	(219)
		1,952	1,682
Movement in ECL allowance in respect of trade receivables and contract assets during the year was as follows:			
Balance at the beginning of the financial year		30	39
Net remeasurement of ECL allowance		26	(2)
Amounts written off against the opening ECL allowance		(1)	(5)
Transfer from non-current ECL allowance		16	-
Differences arising on translation of foreign operations		1	(2)
Balance at the end of the financial year		72	30
<i>OTHER CURRENT ASSETS</i>			
Other receivables		143	204
Inventory		35	26
Amounts receivable from associates and related parties	31(B)	37	26
		215	256
<i>NON-CURRENT TRADE RECEIVABLES AND CONTRACT ASSETS¹</i>			
Trade receivables		67	123
Unbilled contract revenue		69	69
ECL allowance on trade receivables		(8)	(23)
		128	169

Significant movements in unbilled contract revenue are primarily due to normal trading activity.

RECOGNITION AND MEASUREMENT

A trade receivable is recognized when the goods and services are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Trade receivables are generally on terms of 30 to 60 days. Receivables are stated with the amount of GST included.

Unbilled contract revenue is initially recognized when the Group provides services or procures goods for a customer before the customer pays consideration or before a payment is due. Unbilled contract revenue represents the Group's contract assets at the reporting date. These assets are reclassified to trade receivables when the customer is billed as stipulated in the contract, i.e. when the rights to consideration become unconditional. Unbilled contract revenue is stated at the aggregate of contract costs incurred to date plus recognized profits less recognized losses and progress billings.

Inventory is recorded at the lower of cost and net realizable value. Costs are assigned to individual items of inventory on a weighted average costing basis. When inventories are sold, the carrying value of inventories is recognized as an expense in the period in which the associated revenue is recognized. The amount of any write down of inventory is recognized as an expense in the period the write down occurs.

Trade and other receivables are measured at amortized cost as they are held to collect contractual cash flows that consist solely of payments of principal and interest on the principal amounts outstanding. At initial recognition, the Group measures trade and other receivables at transaction value with subsequent measurement at amortized cost.

For trade receivables and unbilled contract revenue, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes an allowance based on lifetime ECLs experience at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Despite any ECL booked, the Group reserves the right to collect any receivables owed to the Group at 30 June 2022.

¹ Non-current trade receivables and unbilled contract revenue relate to projects where recovery is expected to take greater than twelve months. As at 30 June 2022, \$48 million of non-current payables relate to these non-current trade receivables and unbilled contract revenue (30 June 2021: \$44 million).

		CONSOLIDATED	
	NOTES	2022 \$'M	2021 RESTATED \$'M
9. TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables		627	639
Accruals		301	342
Amounts payable to associates and related parties	31(B)	4	-
Billings in advance		369	322
Accrued staff costs		248	209
Less: procurement trade and other payables	27	(199)	(228)
		1,350	1,284
NON-CURRENT			
Trade payables ¹		53	44
		53	44

Significant movements in billings in advance are primarily due to normal trading activity.

The Group's exposure to currency and interest rate risk for trade and other payables is disclosed in note 19.

RECOGNITION AND MEASUREMENT

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. Payables are stated with the amount of GST included.

Billings in advance or unearned revenue represent the Group's obligation to transfer goods or services to a customer for which the Group has billed the customer or received advance consideration from the customer. Billings in advance are recognized as revenue when the Group performs under the contract and are classified as amortized cost subsequent to their initial recognition at fair value.

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
10. INTANGIBLE ASSETS		
<i>Goodwill</i>		
At cost	5,604	5,420
Accumulated impairment	(200)	(200)
	5,404	5,220
<i>Customer contracts and relationships</i>		
At cost	899	870
Accumulated amortization	(317)	(223)
	582	647
<i>Trade names²</i>		
At cost	-	36
Accumulated amortization	-	(35)
	-	1
<i>Computer software and other</i>		
At cost	661	641
Accumulated amortization	(492)	(453)
	169	188
Total intangible assets	6,155	6,056

¹ Non-current payables of \$48 million (2021: \$44 million) relate to amounts payable in connection with the non-current trade receivables and unbilled contract revenue on projects where recovery is expected to take greater than twelve months as disclosed in note 8.

² Fully amortized intangible assets have been net off during the period.

10. INTANGIBLE ASSETS (CONTINUED)

RECONCILIATIONS

Reconciliations of intangible assets at the beginning and end of the current and previous financial years are set out below:

	CONSOLIDATED				TOTAL \$'M
	GOODWILL \$'M	CUSTOMER CONTRACTS AND RELATIONSHIPS \$'M	TRADE NAMES \$'M	COMPUTER SOFTWARE AND OTHER \$'M	
Balance at 1 July 2021	5,220	647	1	188	6,056
Additions	-	-	-	13	13
Disposals	-	-	-	(1)	(1)
Amortization	-	(86)	(1)	(39)	(126)
Impairment	-	-	-	(2)	(2)
Differences arising on translation of foreign operations	184	21	-	10	215
Balance at 30 June 2022	5,404	582	-	169	6,155
Balance at 1 July 2020	5,422	766	3	211	6,402
Additions through business combinations	24	6	-	-	30
Additions	-	-	-	23	23
Disposals	(42)	-	-	-	(42)
Amortization	-	(89)	(2)	(34)	(125)
Impairment	-	-	-	(5)	(5)
Differences arising on translation of foreign operations	(184)	(36)	-	(7)	(227)
Balance at 30 June 2021	5,220	647	1	188	6,056

RECOGNITION AND MEASUREMENT

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in controlled entities or associates. Goodwill on acquisition of controlled entities is included in intangible assets. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Identifiable intangible assets

Intangible assets acquired separately or in a business combination have finite useful lives and are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are not capitalized, and expenditure is recognized in the profit and loss in the year in which the expenditure is incurred.

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognized only when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the development; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Impairment of assets

Goodwill is not amortized, and is instead carried at cost less accumulated impairment. Goodwill is tested at least annually for impairment; more often where impairment indicators are present.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to groups of cash generating units (CGUs) that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those groups of CGUs.

Impairment is determined by assessing the recoverable amount of the groups of CGUs to which the goodwill relates. The recoverable value of each CGU is estimated based on its value in use, consistent with prior periods. When the recoverable amount of the groups of CGUs is less than the carrying amount, an impairment loss is recognized. Where certain assets cease to be a part of a CGU (including but not limited to right of use assets), they are tested for impairment individually, and where required are written down to their recoverable value.

Impairment losses recognized for goodwill are not subsequently reversed. Impairment losses recognized for right of use assets can be subsequently reversed where it is supported by the recoverable value amount.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Management has assessed that the lowest level at which goodwill is monitored is the three operating regions reporting to the CEO being Americas, EMEA and APAC, unchanged from 30 June 2021.

10. INTANGIBLE ASSETS (CONTINUED)

Value in use calculations used for impairment testing use cash flow projections based on financial forecasts of how the business is expected to perform consistent with current and historical experience and external data. The estimation of future cash flows requires assumptions to be made regarding future uncertain events. Our strategy considers the global transition of the world's energy to renewable fuels and the continued focus on sustainability related activities across our sectors. These trends have been considered in the market data utilized to assess each CGU's growth rate for impairment testing.

KEY ESTIMATES

The goodwill allocated to the material CGUs and the key assumptions used for the value in use impairment testing are as follows:

2022	APAC \$'M	EMEA \$'M	AMERICAS \$'M
Opening balance	1,325	1,433	2,462
Allocated goodwill (closing balance)	1,372	1,482	2,550
Risk-weighted pre-tax discount rate	12.6%	9.5%	9.2%
Risk-adjusted growth rate beyond five years	3.4%	2.3%	2.1%

FORECAST CASH FLOWS

Forecast cash flows have been based on the group's past experience and the assessment of economic and regulatory factors affecting the markets within which the Group operates. The Group's pivot to sustainability provides the structural framework for growth and we are winning work in line with our strategy. The Group is seeing sustainability opportunities accelerate across all of our sectors and is well positioned to capture these opportunities with both new and existing customers. The forecast cashflows consider the current economic environment, including global inflation rates, and geopolitical issues. The compound annual growth rates for the CGUs range from 7% to 9%.

SENSITIVITY ANALYSIS

The combined recoverable values of all CGUs exceed the carrying value by \$2 billion (2021: \$2 billion). Management recognizes that the cash flow projections, discount and growth rates used to calculate the value in use may vary from what has been estimated.

The value in use estimate is particularly sensitive to the achievement of long-term growth rates, discount rates and the forecast performance. The Group has performed detailed sensitivity analysis as part of its impairment testing to ensure that the testing results are reasonable.

Sensitivity analysis on the inputs for all CGUs is as follows:

- terminal growth rates: a 0.5% decrease in the terminal growth rate will result in all the CGUs listed above being free of impairment at reporting date;
- post-tax discount rates: a 0.5% increase in the discount rate will result in all the CGUs listed above being free of impairment at reporting date; and
- forecast cash flows: a 5% decrease in the forecast cash flows will result in all the CGUs listed above being free of impairment at reporting date.

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
11. PROVISIONS		
CURRENT		
Employee benefits	425	405
Project losses	76	126
Insurance	28	27
Onerous contracts	11	19
Warranty	10	5
Other	60	84
	610	666
NON-CURRENT		
Employee benefits	95	83
Onerous contracts	-	2
Warranty	25	20
Other	1	32
	121	137

11. PROVISIONS (CONTINUED)

RECONCILIATIONS

Reconciliations of each class of current and non-current provision at the beginning and end of the current and previous financial years are set out below:

CONSOLIDATED						
CURRENT	EMPLOYEE BENEFITS \$'M	PROJECT LOSSES \$'M	INSURANCE \$'M	ONEROUS CONTRACTS \$'M	WARRANTY \$'M	OTHER \$'M
Balance at 1 July 2021	405	126	27	19	5	84
Additional provisions	364	19	6	-	14	1
Transfers	(13)	-	-	-	-	24
Release of unused provision	(9)	(32)	(2)	(3)	(7)	(22)
Amounts utilized	(328)	(34)	(5)	(6)	(4)	(25)
Differences arising from translation of foreign operations	6	(3)	2	1	2	(2)
Balance at 30 June 2022	425	76	28	11	10	60
Balance at 1 July 2020	469	140	29	16	9	56
Additional provisions	229	29	4	23	1	4
Transfers	-	-	-	6	-	25
Release of unused provision	(16)	-	(2)	(1)	-	-
Amounts utilized	(259)	(41)	(3)	(25)	(4)	(1)
Differences arising from translation of foreign operations	(18)	(2)	(1)	-	(1)	-
Balance at 30 June 2021	405	126	27	19	5	84

CONSOLIDATED				
NON-CURRENT	EMPLOYEE BENEFITS \$'M	ONEROUS CONTRACTS \$'M	WARRANTY \$'M	OTHER \$'M
Balance at 1 July 2021	83	2	20	32
Additional provisions	9	-	8	-
Transfers	13	-	-	(24)
Release of unused provision	(9)	-	(2)	(7)
Amounts utilized	(6)	(1)	-	(1)
Differences arising from translation of foreign operations	5	(1)	(1)	1
Balance at 30 June 2022	95	-	25	1
Balance at 1 July 2020	79	7	14	28
Additional provisions	49	1	7	31
Transfers	-	(6)	-	(25)
Release of unused provision	-	-	-	-
Amounts utilized	(40)	-	(1)	(2)
Differences arising from translation of foreign operations	(5)	-	-	-
Balance at 30 June 2021	83	2	20	32

RECOGNITION AND MEASUREMENT

Provisions are recognized when the consolidated entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required, and a reliable estimate can be made of the amount of the obligation.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave, severance pay, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave, and any other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefits or liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by the employees up to the reporting date. In determining the present value of future cash outflows, the high-quality corporate bond rate with terms to maturity approximating the terms of the related liability is used.

Project losses

Where additional costs are expected to be incurred on a project but where timing and exact magnitude are uncertain, a provision is recognized using management's best estimate based on the project circumstances. Additionally, where the outcome for a services contract is expected to result in an overall loss over the life of the project, this loss is provided for when it first becomes known that a loss will be incurred.

11. PROVISIONS (CONTINUED)*Insurance*

Provision for insurance liabilities is recognized in line with actuarial calculations of unsettled insurance claims, net of insurance recoveries. The provision is based on the aggregate number of individual claims incurred but not reported that are lower in value than the insurance deductible of the consolidated entity. It is based on the estimated cost of settling claims and consideration is given to the ultimate claim size, future inflation as well as the levels of compensation awarded through the courts.

Onerous contracts

Provisions for onerous contracts are recognized when the unavoidable costs of meeting contractual obligations exceed the economic benefits expected to be received under it.

Warranty

The Group provides a general warranty which is accounted for in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets. The provision is estimated having regard to prior warranty experience. In calculating the liability at balance date, amounts were not discounted to their present value as the effect of discounting was not material. It is expected that these costs will be incurred within two years of balance date.

In determining the level of provision required for warranties, the Group has made judgments in respect of the expected performance and the costs of fulfilling the warranty. Historical experience and current knowledge have been used in determining this provision.

Other provisions

Other provisions are recognized when the Group has a present obligation (legal or constructive) other than obligations described above as a result of a past event and where it is probable that resources will be expected to settle the obligation and the amount of such obligations can be reliably estimated.

12. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on equity, which the Group defines as profit after income tax expense divided by the average total shareholders' equity, excluding non-controlling interests. The Board also determines the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board monitors this through the gearing ratio (net debt/net debt plus total equity), the size of available banking facilities and the assessment of the outlook for the Group operations. The target for the Group's gearing ratio is between 25% and 35%. The gearing ratio at 30 June 2022 and 30 June 2021 was as follows:

	CONSOLIDATED	
	2022 \$'M	2021 RESTATED \$'M
Total interest-bearing loans and borrowings excluding lease liabilities ¹	1,914	1,761
Add: Lease liabilities	267	311
Less: cash and cash equivalents ²	(519)	(526)
Net debt	1,662	1,546
Total equity	5,683	5,584
Gearing	22.6%	21.7%

There were no changes in the Group's approach to capital management during the financial year.

The Group and its subsidiaries have complied with all externally imposed capital requirements.

¹ Excluding capitalized borrowing costs.

² Includes procurement and restricted cash.

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
13. INTEREST BEARING LOANS AND BORROWINGS AND LEASE LIABILITIES		
<i>Current</i>		
Notes payable	296	-
Unsecured bank loans	181	102
Bank overdraft	-	33
Lease liabilities	90	112
Capitalized borrowing costs	(3)	(1)
	564	246
<i>Non-current</i>		
Notes payable	758	1,068
Unsecured bank loans	679	558
Lease liabilities	177	199
Capitalized borrowing costs	(9)	(12)
	1,605	1,813

FY2022

There were no significant changes to interest bearing loans or borrowings facilities during the year ended 30 June 2022. Subsequent to 30 June 2022, the Group successfully converted two existing bilateral facilities to sustainability linked loans (\$172m). Both the sustainability linked loans conditions are linked to reduction in Scope 1 and 2 emissions for the Group. These loans are consistent with the Group's ambition.

FY2021

In the second half of FY2021, the group issued a EUR500 million sustainability-linked bond under a Euro medium term note program. The bond has a five year maturity, has a fixed interest rate of 0.875% and was priced at a yield of 0.99%. Proceeds have been used for general corporate purposes and to refinance the group's existing bank facilities.

RECOGNITION AND MEASUREMENT

Interest bearing loans and borrowings

Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Loans and borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Financial Performance over the period of the loan using the effective interest rate method.

Lease liabilities

The Group defines a lease as a contract, or part of a contract, that conveys the right to control the use of an asset (the underlying asset) for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone price.

The vast majority of the Group's leases are properties, with a small portion comprised of leases of construction equipment, vehicles and IT equipment.

As a lessee, the Group uses a single model for all incoming rentals and, at lease commencement date, recognizes a ROU asset representing the Group's right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

At the lease commencement date, the lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that cannot be readily determined, the applicable incremental borrowing rate. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications. It is remeasured when there is a change in future lease payments arising from changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised, and under some other special circumstances. The Group applies judgment to determine the lease term for some leases in which it is a lessee that include renewal options.

Some property leases contain extension options or termination options exercisable by the Group before the end of the non-cancellable contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension or termination option. These are reassessed if there is a significant event or changes in circumstance within its control.

Finance costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except when they are included in the costs of qualifying assets. A qualifying asset is defined as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs include:

- interest on bank overdrafts, and short term and long term loans and borrowings;
- amortization of discounts or premiums relating to loans and borrowings and non-current payables; and
- lease liability interest.

Included in the total finance costs of \$64 million (2021: \$83 million) disclosed in the Statement of Financial Performance and Other Comprehensive Income is \$12 million recognized on lease liabilities (2021: \$16 million).

13. INTEREST BEARING LOANS AND BORROWINGS AND LEASE LIABILITIES (CONTINUED)*TERMS AND CONDITIONS**Notes payable*

Unsecured notes payable on the Group's Statement of Financial Position as at 30 June 2022 were issued in the EURO market and listed on the Singapore exchange and in the United States private debt capital market in June 2021 and September 2012 as follows:

AMOUNT, MILLION	DATE OF ISSUE	DATE OF MATURITY	FIXED COUPON PER ANNUM
EUR 500	June 2021	June 2026	0.88%
USD 205	September 2012	September 2022	4.00%

In FY2021, unsecured notes payable of USD 175 million issued in the United States private debt capital market in March 2011 matured and was repaid in March 2021, and cross currency swaps entered into alongside these notes also expired in March 2021.

Unsecured bank loans

Unsecured bank loans are floating interest rate debt facilities and are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

14. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The movements in financial liabilities and related financial assets are as follows:

	AS AT 1 JULY \$'M	RECLASSIFICATION \$'M	CASH FLOWS \$'M	FOREIGN EXCHANGE MOVEMENTS \$'M	OTHER ¹ \$'M	AS AT 30 JUNE \$'M
2022						
Current interest bearing loans and borrowings	135	293	48	1	-	477
Non-current interest bearing loans and borrowings	1,626	(293)	89	15	-	1,437
Lease liabilities	311	-	(110)	15	51	267
Liabilities	2,072	-	27	31	51	2,181
2021						
Current interest bearing loans and borrowings	477	54	(339)	(57)	-	135
Non-current interest bearing loans and borrowings	1,390	(54)	344	(54)	-	1,626
Lease liabilities	435	-	(136)	(7)	19	311
Liabilities	2,302	-	(131)	(118)	19	2,072

	CONSOLIDATED			
	2022		2021	
	NUMBER OF SHARES	\$'M	NUMBER OF SHARES	\$'M
15. ISSUED CAPITAL				
Ordinary shares, fully paid ²	524,644,041	5,341	523,079,821	5,321
Special voting share	1	-	1	-
	524,644,042	5,341	523,079,822	5,321

(A) MOVEMENTS IN SHARES

	2022		2021	
	NUMBER OF SHARES	\$'M	NUMBER OF SHARES	\$'M
Balance at the beginning of the financial year	523,079,822	5,321	521,477,246	5,301
Ordinary shares issued on redemption of exchangeable shares	80,000	2	-	-
Exchangeable shares exchanged for ordinary shares	(80,000)	(2)	-	-
Transfer from performance rights reserve on issuance of shares	1,564,220	20	1,602,576	20
Balance at the end of the financial year	524,644,042	5,341	523,079,822	5,321

RECOGNITION AND MEASUREMENT

Issued and paid up capital is recognized at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognized directly in equity as a reduction of the share proceeds received.

¹ Represents new leases entered, interest expense not yet paid net of changes in lease term on termination options reasonably certain to be exercised.

² Included in ordinary shares are 926,193 (2021: 1,006,193) exchangeable shares. The issuance of the exchangeable shares and the attached special voting share replicate the economic effect of issuing ordinary shares in the Company. Accordingly, for accounting purposes, exchangeable shares are treated in the same single class of issued capital as ordinary shares. In addition, the Australian Securities Exchange (ASX) treats these exchangeable shares to have been converted into ordinary shares of the Company at the time of their issue for the purposes of the ASX Listing Rules. Ordinary shares have no par value and the Company does not have a limited amount of authorized capital. The Worley Limited Plans Trust holds nil (30 June 2021: nil) shares in the Company, which have been consolidated and eliminated in accordance with the accounting standards.

15. ISSUED CAPITAL (CONTINUED)

(B) TERMS AND CONDITIONS OF ISSUED CAPITAL

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Exchangeable shares

The exchangeable shares were issued by Worley Canada SPV Limited as part of the consideration for the acquisition of the Colt Group. Exchangeable shares may be exchanged into ordinary shares of the Company on a one for one basis (subject to adjustments) at any time by the exchangeable shareholders.

Exchangeable shares have the right to receive the same cash dividends or cash distributions as declared on the ordinary shares into which they are convertible. In the event of the winding up of the Company, the exchangeable shares would convert to ordinary shares, which would participate in the proceeds from the sale of all surplus assets pro-rata with other ordinary shares.

The exchangeable shares, through a voting trust which holds a special voting share in the Company, entitle their holders to vote at the Company's general meetings as though they hold ordinary shares. During the financial year ended 30 June 2022, 80,000 were exchanged (2021: nil).

Special voting share

The special voting share was issued to Computershare Trust Company of Canada Limited (Trustee) as part of the consideration for the acquisition of the Colt Group. The special voting share does not have the right to receive dividends as declared, and in the event of the winding up of the Company is unable to participate in the proceeds from the sale of all surplus assets. The special voting share has a right to vote together as one class of share with the holders of ordinary shares in the circumstances in which shareholders have a right to vote, subject to the Company's Constitution and applicable law. The Trustee must vote in the manner instructed by an exchangeable shareholder in respect of the number of votes that would attach to the ordinary shares to be received by that exchangeable shareholder on exchange of its exchangeable shares. The special voting share has an aggregate number of votes equal to the number of votes attached to ordinary shares into which the exchangeable shares are retracted or redeemed.

(C) PERFORMANCE RIGHTS

The policy in respect of performance rights is outlined in note 5.

	NUMBER OF PERFORMANCE RIGHTS	
	2022	2021
Balance at the beginning of the financial year	6,386,386	5,730,966
Rights granted	3,221,379	3,192,277
Rights exercised	(1,564,220)	(1,602,576)
Rights lapsed or expired	(1,554,738)	(934,281)
Balance at the end of the financial year	6,488,807	6,386,386
Exercisable at the end of the financial year	nil	nil
Weighted average exercise price	\$nil	\$nil

Performance rights

The outstanding balance as at 30 June 2022 is represented by:

- 447,153 performance rights, vesting on 30 Sep 2022 and expiring on 29 Oct 2026
- 1,335,527 performance rights, vesting on 30 Sep 2022 and expiring on 31 Oct 2027
- 68,428 performance rights, vesting on 30 Sep 2022 and expiring on 1 Apr 2028
- 343,598 performance rights, vesting on 30 Sep 2023 and expiring on 29 Oct 2026
- 669,965 performance rights, vesting on 30 Sep 2023 and expiring on 31 Oct 2027
- 8,303 performance rights, vesting on 30 Sep 2023 and expiring on 1 Apr 2028
- 1,656,263 performance rights, vesting on 30 Sep 2023 and expiring on 31 Oct 2028
- 551,505 performance rights, vesting on 30 Sep 2024 and expiring on 31 Oct 2027
- 688,314 performance rights, vesting on 30 Sep 2024 and expiring on 31 Oct 2028
- 719,751 performance rights, vesting on 30 Sep 2025 and expiring on 31 Oct 2028

Weighted average remaining contractual life

The weighted average remaining life for the rights outstanding as at 30 June 2022 is 1.4 years (2021: 1.3 years).

Weighted average fair value

The weighted average fair value of rights granted during the financial year was \$9.42 (2021: \$8.05).

15. ISSUED CAPITAL (CONTINUED)*KEY ESTIMATES**Pricing model*

The following table lists the inputs to the models used for the financial years ended 30 June 2022 and 30 June 2021:

	PERFORMANCE RIGHTS PLAN TSR, EPS AND SPPR	
	2022	2021
Dividend yield (%)	4.79-5.06	4.95-5.37
Expected volatility (%) ¹	42.5	50
Risk-free interest rate (%)	0.00-0.79	0.09-0.28
Expected life of rights (years)	2-4	2-4
Rights exercise price (\$)	nil	nil
Weighted average share price at measurement date (\$)	10.82	9.41

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
16. RESERVES		
Foreign currency translation reserve	(301)	(510)
Hedge reserve	(3)	2
Performance rights reserve	60	67
Defined benefits reserve	14	-
Acquisition reserve	(72)	(64)
	(302)	(505)

(A) FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record foreign exchange differences arising from the translation of the financial statements of foreign controlled entities and associates, and the net investments hedged in their entities.

(B) HEDGE RESERVE

The hedge reserve is used to record gains or losses on hedging instruments used in the cash flow hedges that are recognized directly in equity. Amounts are recognized in the Statement of Financial Performance when the associated hedged transaction affects the profit and loss.

No amount was recognized in the Statement of Financial Performance in relation to hedge ineffectiveness for the year ended 30 June 2022 (2021: nil).

*RECOGNITION AND MEASUREMENT**Specific hedges*

Hedging is undertaken to avoid or minimize potential adverse financial effects of movements in foreign currency exchange rates. Gains or losses arising upon entry into a hedging transaction intended to hedge the purchase or sale of goods or services, together with subsequent foreign exchange gains or losses resulting from those transactions, are deferred up to the date of the purchase or sale and included in the measurement of the purchase or sale.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognized directly in equity in the foreign currency translation reserve.

At each balance date, the Group measures the effectiveness of its cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, while the ineffective portion is recognized in the profit and loss. The following effectiveness criteria are applied:

- An economic relationship exists between the hedged item and hedging instrument;
- The effect of credit risk does not dominate the fair value changes; and
- The hedge ratio applied for hedge accounting purposes should be the same as the hedge ratio used for risk management purposes.

(C) PERFORMANCE RIGHTS RESERVE

The performance rights reserve is used to recognize the fair value of performance rights issued but not vested.

(D) DEFINED BENEFITS RESERVE

The defined benefits reserve is used for remeasurements of the net defined benefit liability, which comprise actual gains and losses, the return on plan assets (if applicable) and any asset ceilings where applicable.

(E) ACQUISITION RESERVE

The acquisition reserve is used to record differences between the carrying value of non-controlling interests before acquisition and the consideration paid upon acquisition of an additional shareholding, where the transaction does not result in a loss of control. The Group increased its share of Jacobs Zamil and Turbag Consulting Engineers Company, and Jacobs DCSA Saudi Arabia Co Ltd to 100% during the year ended 30 June 2022.

¹ The expected volatility was determined based on the historical share price volatility of the Company. The resulting expected volatility therefore reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

17. EARNINGS PER SHARE

	CONSOLIDATED	
	2022 CENTS	2021 RESTATED CENTS
<i>ATTRIBUTABLE TO MEMBERS OF WORLEY LIMITED</i>		
Basic earnings per share	32.8	15.7
Diluted earnings per share	32.6	15.6

The following reflects the income and security data used in the calculation of basic and diluted earnings per share:

(A) RECONCILIATION OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE

	\$'M	\$'M
Earnings used in calculating basic and diluted earnings per share	172	82

(B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	Number	Number
Weighted average number of ordinary securities used in calculating basic earnings per share	524,248,439	522,675,378
Performance rights which are considered potentially dilutive	2,819,755	3,770,681
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per share	527,068,194	526,446,059

Within the total number of performance rights which are considered dilutive, the weighted average number of converted, lapsed or cancelled potential ordinary shares used in calculating diluted earnings per share was 85,491 (2021: 18,093).

MEASUREMENT

Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to members of Worley Limited by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated as profit attributable to members of Worley Limited adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognized as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

	CONSOLIDATED	
	2022 \$'M	2021 \$'M

18. DIVIDENDS

(A) FINAL DIVIDEND PROPOSED

Dividend in respect of the six months to 30 June 2022:

25.0 cents per share	131	-
Dividend in respect of the six months to 30 June 2021:		
25.0 cents per share	-	131

The directors have resolved to pay a final dividend of 25.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2021: 25.0 cents per share). The Company will make total dividend payments of 50.0 cents per share for the financial year ended 30 June 2022 (2021: 50.0 cents per share).

The final dividend will be paid on 28 September 2022 for shareholders on the register at the record date, being 30 August 2022.

In accordance with AASB 110 *Events after the Reporting Period*, the aggregate amount of the proposed final dividend of \$131 million is not recognized as a liability as at 30 June 2022.

(B) DIVIDENDS PAID DURING THE FINANCIAL YEAR

25.0 cents per share (unfranked) dividend in respect of the six months to 31 December 2021	131	n/a
25.0 cents per share (unfranked) dividend in respect of the six months to 30 June 2021	131	n/a
25.0 cents per share (unfranked) dividend in respect of the six months to 31 December 2020	n/a	131
25.0 cents per share (unfranked) dividend in respect of the six months to 30 June 2020	n/a	130
	262	261

19. FINANCIAL RISK MANAGEMENT**(A) OVERVIEW**

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, lease liabilities, cash and short term deposits and derivatives. The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Quantitative disclosures are included throughout this financial report.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Committee assists the Board in overseeing the integrity of the Group's financial reporting risk management framework and internal controls. The Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

Risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(B) CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial assets of the Group comprise cash and cash equivalents, trade and other receivables, derivative financial instruments and guarantees and letters of credit which are presented as contingent liabilities in note 25(A). The Group's maximum exposure to credit risk is equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note. Credit exposure includes derivative instruments in an asset position at balance date.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The profiles of the Group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk. Geographically and on a customer basis, there is no concentration of credit risk.

The Group has a credit policy under which each new customer is analyzed for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references.

The Group has established an allowance for expected credit losses that represents its estimate of expected credit losses in respect of trade and other receivables.

Guarantees

Details of outstanding guarantees are provided in note 25(A). The Group is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance related obligations.

Maximum credit exposure

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	CARRYING AMOUNT CONSOLIDATED	
	2022 \$'M	2021 \$'M
Cash and cash equivalents	519	526
Trade receivables, unbilled contract revenue and retentions, net of ECL allowance	2,232	2,070
Other receivables	143	204
Amounts receivable from associates and related parties	37	26
Derivatives	3	4
	2,934	2,830

The ageing of the Group's trade receivables, unbilled contract revenue and retentions at the reporting date was:

	GROSS 2022 \$'M	ECL ALLOWANCE 2022 \$'M	GROSS 2021 \$'M	ECL ALLOWANCE 2021 \$'M
0-60 days	1,879	-	1,732	-
Past due 61-120 days	95	-	72	-
Gross aged receivables 0-120 days	1,974	(10)	1,804	(13)
Gross receivables more than 121 days	338	(70)	319	(40)
Total	2,312	(80)	2,123	(53)

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group applies the simplified approach in calculating Expected Credit Losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognizes an allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The allowance amounts are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point, the amount is considered irrecoverable and is written off against the financial asset directly.

(C) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The Group has unrestricted access at balance date to the following lines of credit:

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
UNSECURED FACILITIES		
Total facilities available:		
Loan facilities	2,730	2,480
Overdraft facilities	126	235
Lease liabilities	267	311
Bank guarantees and letters of credit	1,923	1,685
	5,046	4,711
Facilities utilized at balance date:		
Loan facilities ¹	1,914	1,719
Overdraft facilities	-	41
Lease liabilities	267	311
Bank guarantees and letters of credit	1,150	931
	3,331	3,002
Facilities available at balance date:		
Loan facilities	816	761
Overdraft facilities	126	194
Lease liabilities	-	-
Bank guarantees and letters of credit	773	754
	1,715	1,709
The maturity profile in respect of the Group's total unsecured loan, overdraft facilities and lease liabilities is set out below:		
Within one year	809	465
Between one and four years	2,289	1,729
After four years	25	832
	3,123	3,026

¹ Excludes capitalized borrowing costs.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period from balance date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, their balances will not necessarily agree with the amounts disclosed in the Statement of Financial Position.

	CONSOLIDATED					TOTAL FINANCIAL LIABILITIES \$'M
	TRADE AND OTHER PAYABLES \$'M	AMOUNTS PAYABLE TO ASSOCIATES AND RELATED PARTIES \$'M	INTEREST BEARING LOANS AND BORROWINGS AND LEASE LIABILITIES \$'M	EXPECTED FUTURE INTEREST PAYMENTS \$'M	DERIVATIVES \$'M	
As at 30 June 2022						
Due within one year	928	4	577	35	32	1,576
Due between one and four years	53	-	1,601	38	-	1,692
Due after four years	-	-	26	1	-	27
	981	4	2,204	74	32	3,295
As at 30 June 2021						
Due within one year	981	-	248	42	10	1,281
Due between one and four years	44	-	993	65	-	1,102
Due after four years	-	-	832	9	-	841
	1,025	-	2,073	116	10	3,224

(D) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group enters into derivatives, and also incurs financial liabilities, in order to manage market risk. Generally, the Group seeks to apply hedge accounting in order to reduce volatility in the profit and loss.

(f) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. In the ordinary course of business, the Group structures its contracts to be in the functional currency of the country where the work is performed and costs incurred.

The Group uses forward exchange contracts and foreign currency options to hedge its currency risk, most with a maturity of less than one year from the reporting date. When necessary, forward exchange contracts are rolled over at maturity.

Interest on loans and borrowings is denominated in currencies that match the cash flows generated by the underlying operations for the Group resulting in an economic hedge. Interest is primarily AUD, CAD, GBP and USD denominated.

A number of the Group controlled entities have a functional currency other than AUD. The exchange gains or losses on the net equity investment of foreign operations are reflected in the foreign currency translation reserve within the equity attributable to members of Worley Limited. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

(1) CROSS CURRENCY SWAPS

The Group has previously used cross currency swaps (CCS) to hedge its foreign currency interest rate risk which have matured during the prior year. This swap was to buy USD and sell CAD, and matured on 24 March 2021.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) FORWARD EXCHANGE CONTRACTS

The Group is exposed to foreign exchange rate transaction risk on foreign currency sales and purchases, and loans to and from related entities. The most significant foreign exchange risk is USD receipts by Australian and other non-US entities. When required, hedging is undertaken through transactions entered into in the foreign exchange markets. Forward exchange contracts have been used for hedging purposes and are generally accounted for as cash flow hedges.

At balance date, the details of significant outstanding contracts were:

	WEIGHTED AVERAGE EXCHANGE RATE		AMOUNT RECEIVABLE/(PAYABLE)		AMOUNT RECEIVABLE/(PAYABLE)	
	2022	2021	2022 \$'M	2022 \$'M	2021 \$'M	2021 \$'M
Maturing in the next 6 months from the reporting date						
BUY AUD and Sell USD	0.73	0.75	AUD 11	USD (7)	AUD 16	USD (12)
Buy AUD and Sell CAD	0.92	-	AUD 25	CAD (23)	-	-
Buy CAD and Sell USD	-	1.28	-	-	CAD 28	USD (23)
Buy NOK and Sell USD	8.93	8.76	NOK 1,070	USD (116)	NOK 563	USD (68)
Buy NOK and Sell AUD	6.48	6.54	NOK 260	AUD (40)	NOK 240	AUD (37)
Buy EUR and Sell USD	0.89	0.84	EUR 35	USD (41)	EUR 35	USD (42)
Buy GBP and Sell AUD	0.54	0.55	GBP 12	AUD (22)	GBP 18	AUD (32)
Buy GBP and Sell RUB	-	0.01	-	-	GBP 5	RUB (565)
Buy GBP and Sell USD	0.75	0.74	GBP 6	USD (7)	GBP 6	USD (8)
Buy RUB and Sell GBP	-	0.01	-	-	RUB 565	GBP (5)

As these contracts are hedging anticipated future receipts and sales, to the extent that they satisfy hedge accounting criteria, any unrealized gains and losses on the contracts, together with the cost of the contracts, are deferred and will be recognized in the measurement of the underlying transaction provided the underlying transaction is still expected to occur as originally designated. Included in the amounts deferred are any gains and losses on hedging contracts terminated prior to maturity where the related hedged transaction is still expected to occur as designated.

The timescale (future cash flow timings) of the foreign exchange forward contracts is in line with future detailed forecast cash flows in foreign currencies. Start dates and completion dates are tracked and the transactions are based on won projects and are highly probable to occur, resulting in ineffectiveness which is insignificant. The change in fair values between the hedging instrument and item are materially the same, with the proportion of the risk that is hedged being at or near 100%.

The gains and losses deferred in the Statement of Financial Position were as follows:

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
Effective hedge – unrealized gains	3	-
Effective hedge – unrealized losses	(8)	-
Net unrealized losses	(5)	-

(3) FOREIGN CURRENCY RISK EXPOSURE

The following are financial assets and liabilities (unhedged amounts) in currencies other than the functional currencies of the entity in which they are recorded:

	CONSOLIDATED				
	CAD \$'M	GBP \$'M	USD \$'M	EUR \$'M	OTHER \$'M
As at 30 June 2022					
Cash and cash equivalents	25	5	79	4	37
Trade receivables	-	-	43	6	6
Trade payables	-	(2)	(38)	(9)	(4)
	25	3	84	1	39
As at 30 June 2021					
Cash and cash equivalents	1	6	91	6	44
Trade receivables	8	4	64	30	42
Trade payables	(1)	(10)	(96)	(54)	(12)
	8	-	59	(18)	74

19. FINANCIAL RISK MANAGEMENT (CONTINUED)**(4) CURRENCY SENSITIVITY ANALYSIS**

A 10% weakening of the Australian dollar against the following currencies at 30 June 2022 in relation to the preceding foreign currency exposures would have impacted equity and profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

EFFECTS IN MILLIONS OF AUD	CONSOLIDATED			
	2022		2021	
	EQUITY	PROFIT	EQUITY	PROFIT
CAD	-	2	-	1
GBP	-	-	-	-
USD	-	9	-	6
EUR	-	-	-	(2)
Other	-	3	-	5

A 10% strengthening of the Australian dollar against the above currencies at 30 June 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The following significant exchange rates against the AUD applied during the financial year:

	AVERAGE EXCHANGE RATE		REPORTING DATE SPOT EXCHANGE RATE	
	2022		2022	
	2022	2021	2022	2021
CAD	0.9183	0.9575	0.8909	0.9290
GBP	0.5449	0.5547	0.5686	0.5426
USD	0.7256	0.7470	0.6919	0.7468
EUR	0.6436	0.6261	0.6600	0.6302

(iii) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Group's income or the value of its holdings of financial instruments.

(1) INTEREST RATE RISK EXPOSURES

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods are set out in the following table:

	WEIGHTED AVERAGE INTEREST RATE % PA	FLOATING INTEREST RATE \$'M	1 YEAR OR LESS \$'M	1 TO 2 YEARS \$'M	2 TO 3 YEARS \$'M	3 TO 4 YEARS \$'M	4 TO 5 YEARS \$'M	MORE THAN 5 YEARS \$'M	NON-INTEREST BEARING \$'M	TOTAL \$'M
As at 30 June 2022										
Cash and cash equivalents	2.9	519	-	-	-	-	-	-	-	519
Bank loans ¹	3.1	-	181	679	-	-	-	-	-	860
Notes payable	1.8	-	296	-	-	758	-	-	-	1,054
Lease liabilities	4.3	-	90	69	49	34	21	4	-	267
As at 30 June 2021										
Cash and cash equivalents	1.5	526	-	-	-	-	-	-	-	526
Bank loans	2.1	-	102	54	347	157	-	-	-	660
Notes payable	1.7	-	-	275	-	-	793	-	-	1,068
Lease liabilities	5.3	-	112	74	52	34	22	17	-	311

Only bank loans and cash and cash equivalents in the table above are at floating interest rates with the effect of changes in interest rates of 1% changing net finance costs by 4%. Notes payable are at fixed interest rates. Lease liabilities are recognized at the incremental borrowing rates at inception of the lease that do not change unless there are certain modifications or remeasurements to the lease.

¹ Excludes capitalized borrowing costs.

20. FAIR VALUES

DETERMINATION OF FAIR VALUES

The Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions used in determining fair values is disclosed in the notes specific to that asset or liability.

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated cash flows based on the terms and maturity of each contract and using market interest rates for similar instruments at the measurement date.

Non-derivative financial liabilities

Fair value which is determined for disclosure purposes is the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. For lease liabilities, the market rate of interest is determined by reference to similar lease agreements.

FAIR VALUES COMPARED TO CARRYING AMOUNTS

The fair values of financial assets and liabilities approximate their carrying values with the exception of interest bearing loans and borrowings and lease liabilities which have a fair value of \$2,145 million (2021: \$2,075 million) and a carrying value of \$2,169 million (2021: \$2,059 million).

The Group uses the following hierarchy for determining the fair value of a financial asset or liability:

- Level 1 – the fair value is calculated using quoted prices in active markets.
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The Group's interest bearing loans and borrowings and derivative instruments including forward exchange contracts fall within Level 2 of the hierarchy.
- Level 3 – if one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity instruments.

Derivative instruments including interest rate swaps and forward exchange contracts are restated to fair values at each reporting date based on market observable inputs such as foreign exchange spot and forward rates, interest rate curves and forward rate curves.

Fair values of the Group's interest bearing loans and borrowings are determined by discounting future cash flows using period-end borrowing rates on loans and borrowings with similar terms and maturity.

There were no transfers between Level 1, 2 and 3 for the periods presented in this report.

21. INVESTMENTS IN CONTROLLED ENTITIES

		BENEFICIAL INTEREST HELD BY CONSOLIDATED ENTITY	
ENTITY	COUNTRY OF INCORPORATION	2022 %	2021 %
(A) SIGNIFICANT ENTITIES			
Worley No 2 Pty Limited ¹	Australia	100	100
Worley Canada Services Ltd	Canada	100	100
Worley Cord Limited	Canada	100	100
Worley Engineering Pty Limited ¹	Australia	100	100
Worley Financial Services Pty Limited ¹	Australia	100	100
Worley Group Inc	USA	100	100
Rosenberg Worley AS	Norway	100	100
Worley US Holding Corporation	USA	100	100
Worley US Finance Sub Limited	USA	100	100
Worley Corporation	USA	100	100
Worley SPV1 Pty Ltd ¹	Australia	100	100
Worley ECR Services Inc	USA	100	100
Worley Field Services Incorporated	USA	100	100
Worley Nederland BV	Netherlands	100	100
Worley Equipment Incorporated	USA	100	100
Worley India Private Limited	India	100	100

In accordance with accounting standards, the Group discloses only significant entities identified on the basis of materiality.

(B) ACQUISITION OF CONTROLLED ENTITIES**FY2022**

On 9 May 2022, the Group increased its share in Jacobs Zamil and Turbag Consulting Engineers Company to 100% for cash consideration of \$26 million, of which \$13 million was paid at 30 June 2022. On the same date, the Group increased its share in Jacobs DCSA Saudi Arabia Co Ltd to 100% for cash consideration of \$19 million, of which \$10 million was paid at 30 June 2022.

FY2021

On 9 July 2020, Worley acquired 50% of the shares in TW Power Services Pty Ltd ('TWPS') it did not previously own for cash consideration of \$10.5 million. TWPS is an operations and maintenance (O&M) business providing services to support critical power infrastructures across Australia, New Zealand and South Asia.

(C) DISPOSAL OF CONTROLLED ENTITIES**FY2022**

No significant disposals of controlled entities have occurred during FY2022.

FY2021

On 26 March 2021, Worley finalized the sale of the Capital Projects Advisory - Australia and New Zealand ('CPA ANZ') businesses for consideration of \$48 million. CPA ANZ is a small part of Worley's Advisian consulting business specialising in capital project delivery within the public infrastructure sector. \$36 million of the consideration was received during FY2021 with the remaining funds received during FY2022. In the prior year, a gain on sale of \$7 million was recognized within the other income line of the Statement of Financial Performance, and was treated as an underlying adjustment.

(D) WITHDRAWAL FROM RUSSIA

As announced on 10 March 2022 to the ASX, Worley is continuing to safely withdraw its services provided in and into Russia and will not enter into new contracts.

At 30 June 2022, the net assets of Russian entities is \$17 million, \$16 million of which is cash in bank. This cash is classified as restricted cash (refer to note 7) due to the sanctions imposed by the Russian Federation on certain countries which includes Australia. At 30 June 2022, a \$14 million provision has been recognized due to the Group's plan to withdraw from Russia (refer to note 3). This provision comprises of severance payments and write offs of certain unbilled revenues and other assets to their recoverable values. We are continuing to take all necessary steps to ensure the Group recovers the remaining investments in Russia.

¹ Entities subject to ASIC Corporations Instrument 2016/785.

21. INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

RECOGNITION AND MEASUREMENT

Controlled entities

Where control of an entity is obtained during a financial year, its results are included in the Statement of Financial Performance and Other Comprehensive Income from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Acquisition of assets and business combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken or assumed at the date of acquisition. Transaction costs directly attributable to the acquisition are expensed as incurred. Where equity instruments are issued in a business combination, the value of the instruments is their market price as determined by market valuation at the acquisition date. Transaction costs arising on the issue of equity instruments are recognized directly in equity.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the profit and loss.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognized as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognized as a gain in the Statement of Financial Performance and Other Comprehensive Income but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

22. EQUITY ACCOUNTED ASSOCIATES

(A) DETAILS OF EQUITY ACCOUNTED ASSOCIATES

The Group's largest equity accounted investments are listed below.

			OWNERSHIP INTEREST CONSOLIDATED		CARRYING AMOUNT CONSOLIDATED	
ENTITY	PRINCIPAL PLACE OF BUSINESS	PRINCIPAL ACTIVITY	2022 %	2021 %	2022 \$'M	2021 \$'M
Significant investments						
Jacobs Engineering SA Joint Ventures	Morocco	Chemicals	50	50	127	122
DeltaAfrik Engineering Limited	Nigeria	Energy	50	50	13	16
Other investments					49	34
					189	172

(B) CARRYING AMOUNT OF EQUITY ACCOUNTED ASSOCIATES

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
Balance at the beginning of the financial year	172	198
Acquisition of previously held equity associate	-	(18)
Share of net profit of investments accounted for using the equity method, excluding impairments	8	-
Dividends declared by equity accounted associates	(1)	(3)
Change in nature of investment and investment acquired	16	3
Impairment of investments in equity accounted associates	-	(7)
Disposal of investments	-	-
Movement in foreign currency translation reserve of equity accounted associates	(6)	(1)
Balance at the end of the financial year	189	172

22. EQUITY ACCOUNTED ASSOCIATES (CONTINUED)

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
<i>(C) NET PROFIT ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES</i>		
Net profit of equity accounted associates	8	-
<i>(D) REVENUE ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES</i>		
Share of revenue from equity accounted associates ¹	310	210
<i>(E) RESERVES ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES</i>		
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance at the beginning of the financial year	(16)	(15)
Movement in reserve	(6)	(1)
Balance at the end of the financial year	(22)	(16)
<i>(F) RETAINED PROFITS ATTRIBUTABLE TO EQUITY ACCOUNTED ASSOCIATES</i>		
Balance at the beginning of the financial year	51	79
Acquisition of previous equity accounted associates	-	(18)
Share of net profits of investments accounted for using the equity method	8	-
Impairment of investments in equity accounted associates	-	(7)
Dividends declared by equity accounted associates	(1)	(3)
Balance at the end of the financial year	58	51
<i>(G) SHARE OF EQUITY ACCOUNTED ASSOCIATES' CONTINGENT LIABILITIES</i>		
Performance related guarantees issued	4	4
<i>(H) SHARE OF EQUITY ACCOUNTED ASSOCIATES' EXPENDITURE COMMITMENTS</i>		
Expenditure commitments	-	-
<i>(I) SUMMARY OF FINANCIAL POSITION OF EQUITY ACCOUNTED ASSOCIATES</i>		
The consolidated entity's share of aggregate assets and liabilities of equity accounted associates is as follows:		
Current assets	409	313
Non-current assets	70	73
Current liabilities	(290)	(214)
Non-current liabilities	-	-
Net assets	189	172
Balance at the end of the financial year	189	172

RECOGNITION AND MEASUREMENT

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under this method, the consolidated entity's share of the post-acquisition profits or losses after tax of associates is recognized in the Statement of Financial Performance and Other Comprehensive Income, and its share of post-acquisition movements in reserves is recognized in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the consolidated entity exercises significant influence, but not control. Joint arrangements are those entities over which joint control is present with at least one other party. Joint ventures are joint arrangements where the Group is only exposed to the net assets of the investee.

¹ Revenue as defined in note 3, Operating Segments.

23. INTERESTS IN JOINT OPERATIONS

The Group's largest joint operation is listed below. It is not individually material to the Group.

JOINT OPERATION	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST CONSOLIDATED	
		2022 %	2021 %
Kazakh Projects Joint Venture	Energy	50	50

The consolidated entity's interests in the assets and liabilities employed in all joint operations are included in the Statement of Financial Position under the following classifications:

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	10	7
Trade and other receivables	46	37
Total current assets	56	44
TOTAL ASSETS	56	44
LIABILITIES		
<i>Current liabilities</i>		
Trade and other payables	47	39
Total current liabilities	47	39
TOTAL LIABILITIES	47	39
NET ASSETS	9	5

RECOGNITION AND MEASUREMENT

The Group recognizes its proportionate interest in the assets, liabilities, revenues and expenses of any joint operations. These balances are incorporated in the financial statements under the appropriate headings.

24. COMMITMENTS FOR EXPENDITURE

(A) CAPITAL EXPENDITURE COMMITMENTS

Commitments for the minimum amount payable for the acquisition of intangible assets or property, plant and equipment are payable as follows:

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
Within one year	37	24
Later than one year and not later than five years	31	-
Later than five years	-	-
Commitments not recognized in the financial statements	68	24

(B) OPERATING EXPENDITURE COMMITMENTS AND LEASE COMMITMENTS

Estimated commitments for operating expenditure (primarily in relation to software and information technology) and lease commitments are payable as follows:

Within one year	45	104
Later than one year and not later than five years	43	83
Later than five years	-	-
Commitments not recognized in the financial statements	88	187

25. CONTINGENT LIABILITIES

The Company and some of its subsidiaries have commitments and contingencies arising in the ordinary course of business. These includes performance guarantees and letters of credit in respect of contractual performance obligations, litigations and claims in relation to projects, taxation and environmental matters. These types of matters could result in various forms of cash outflows, including compensation of damages, cost reimbursements, taxation expense, fines, penalties, and other forms of cash outflows. The directors consider that it is not probable that the outcome of any individual matter, including the items listed below, will have a material adverse effect on the net earnings or cash flows in any particular reporting period. In performing this assessment, the directors considered the nature of existing litigations or claims, the progress of matters, existing law and precedent, the opinions and views of legal counsel and other advisors, the Group's experience in similar cases (where applicable), the experience of other companies, and other facts available to the Group at the time of assessment. The director's assessment of these factors may change over time as individual litigations or claims progress.

Where it is considered disclosure could prejudice the Groups position in a dispute, as per the accounting standards only the general nature of the dispute has been disclosed below.

Other than specifically mentioned, none of the financial implications of the matters mentioned below have been provided for in the financial statements.

(A) GUARANTEES

The Company is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance related obligations.

These guarantees and letters of credit only give rise to a liability where the entity concerned fails to perform its contractual obligation.

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
Bank guarantees outstanding at balance date in respect of contractual performance	1,150	931
Commitments not recognized in the financial statements	1,150	931

(B) ACTUAL AND PENDING CLAIMS

In the ordinary course of business, the Company and its subsidiaries are subject to various actual and pending legal and project contract claims. In one such case, the Group is defending a claim for the amount of \$40 million in relation to a project, completed prior to 2010 with a contract value of less than \$1 million, which we believe to be without legal or factual merit. In FY2022, local courts ruled against Worley on this matter and with the support of legal advice, the Group is proactively appealing this matter to higher level courts. The earlier unfavourable ruling has been enforced by the court, with cash in a subsidiary bank account being subject to court ordered restricted access whilst active legal cases are being resolved. While the directors believe there is no legal basis for this action, these cash balances have been classified as restricted cash in the financial statements (refer to Note 7) until the matter is resolved. Based on all the facts, the Directors believe that the defence against the action is more likely than not to be successful.

(C) TAXATION COMPLIANCE REVIEWS

The Group is defending its position and is continuing to provide the tax authorities, in various tax jurisdictions, with the requested evidence to support our positions. We believe that the tax positions have been appropriately taken in line with tax legislation, accounting guidance and external tax advice.

(D) ENVIRONMENTAL

The Group is subject to various environmental regulation requirements in relation to the Group's global operations. We continue to monitor and abide by these laws. Existing or pending claims in relation to environmental matters, including asbestos related matters are not expected to have a material effect on the Group's operations and performance, however, climate change legislation could have a direct effect on the Group's customers and suppliers, which could in turn impact the Group's operations. We continue to monitor the developments in this area.

The Company has regular reviews of its litigations, claims and other contingent matters, including updates from corporate and outside legal counsel, to assess the need for accounting recognition or disclosure of these contingencies. The directors are currently of the view that the Group has adequately considered these matters for recognition in accordance with the Group's accounting policy.

26. SUBSEQUENT EVENTS

Since the end of the financial year, the directors have resolved to pay a final dividend of 25.0 cents per fully paid ordinary share, including exchangeable shares, unfranked (2021: 25.0 cents per share).

In accordance with AASB 110 Events after the Reporting Period, the aggregate amount of the proposed final dividend of \$131 million is not recognized as a liability as at 30 June 2022.

Unless disclosed elsewhere in the financial statements, no other material matter or circumstance has arisen since 30 June 2022 that has significantly affected or may significantly affect:

- the consolidated entity's operations in future financial years;
- the results of those operations in future financial years; or
- the consolidated entity's state of affairs in future financial years.

27. PROCUREMENT

In certain situations, the Group enters into contracts with its customers which require the Group to procure goods and services on behalf of the customer. Where the risks and rewards associated with the procurement activities are assumed by the Group, the revenues and expenses as well as the assets and liabilities are recognized on a gross basis in the Statement of Financial Performance and Statement of Financial Position respectively, and are set out in the following table:

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
<i>REVENUE AND EXPENSES¹</i>		
Procurement revenue at margin	499	462
Procurement costs at margin	(483)	(447)
Procurement revenue at nil margin	946	949
Procurement costs at nil margin	(946)	(949)
<i>ASSETS AND LIABILITIES</i>		
Cash and cash equivalents	12	4
Trade and other receivables	152	219
Trade and other payables	199	228

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
28. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE (ROU) ASSETS		
<i>Land and buildings</i>		
At cost	334	314
Accumulated depreciation	(57)	(47)
	277	267
<i>Property ROU assets</i>		
At cost	534	500
Accumulated depreciation	(335)	(301)
	199	199
<i>Leasehold improvements</i>		
At cost	243	230
Accumulated amortization	(213)	(198)
	30	32
<i>Plant and equipment and ROU assets</i>		
At cost	401	377
Accumulated depreciation	(324)	(295)
	77	82
<i>IT equipment</i>		
At cost	208	199
Accumulated depreciation	(174)	(161)
	34	38
Total property, plant and equipment and ROU assets	617	618

¹ Revenue and expenses exclude procurement revenue and expenses from associates.

28. PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE (ROU) ASSETS (CONTINUED)**RECONCILIATIONS**

Reconciliations of the carrying amounts of each class of property, plant and equipment and ROU assets at the beginning and end of the current and previous financial years are set out below:

	CONSOLIDATED					
	LAND AND BUILDINGS \$'M	PROPERTY ROU ASSETS \$'M	LEASEHOLD IMPROVEMENTS \$'M	PLANT AND EQUIPMENT AND ROU ASSETS \$'M	IT EQUIPMENT \$'M	TOTAL \$'M
Balance at 1 July 2021	267	199	32	82	38	618
Additions	-	60	9	25	12	106
Transfer	-	-	-	-	-	-
Disposals and Remeasurements	-	-	-	(2)	-	(2)
Impairment Reversals	-	4	-	-	-	4
Depreciation	(8)	-	(11)	(19)	(16)	(54)
Amortization	-	(70)	-	(12)	-	(82)
Differences arising on translation of foreign operations	18	6	-	3	-	27
Balance at 30 June 2022	277	199	30	77	34	617
Balance at 1 July 2020	296	305	47	109	26	783
Additions	-	21	4	17	30	72
Transfer	-	-	(3)	6	(3)	-
Disposal and Remeasurements	-	(1)	(5)	-	(1)	(7)
Impairments	-	(30)	(3)	(12)	-	(45)
Depreciation	(7)	-	(7)	(27)	(14)	(55)
Amortization	-	(91)	-	(11)	-	(102)
Differences arising on translation of foreign operations	(22)	(5)	(1)	-	-	(28)
Balance at 30 June 2021	267	199	32	82	38	618

RECOGNITION AND MEASUREMENT

Property, plant and equipment and right of use assets are stated at cost less accumulated depreciation, amortization and impairment, if any.

The Group underwent a property rationalization program in the prior year by reducing the number of offices required and increasing utilization of office space. As a result, the Group recognized an impairment of certain ROUs and related property, plant and equipment as at 30 June 2021 for \$30 million and \$8 million respectively. The property transformation and restructuring program also resulted in provisions for onerous property maintenance contract components recognized as at 30 June 2021 of \$24 million relating to the property maintenance component (non-lease component) of leases considered onerous in line with AASB 137 Provisions, Contingent Liabilities and Contingent Assets. In the current year, there has been a net \$4 million reversal of impairment recognized, and no additional provision for onerous property contracts recognized as a result of a change in assumptions used in previously impaired properties. These costs are included in the transformation and restructuring costs in note 5.

The aforementioned assets were impaired on an individual basis where they could be distinguished as a stand-alone asset (generate largely independent cash flows). Where assets could not be individually distinguished they are grouped and tested within the appropriate CGU as described further in note 10.

The ROU impairments represent the difference between the pre-impairment carrying value at assessment date less the recoverable amount. The recoverable amounts include an assessment of potential sub-lease income which requires an element of judgment and are based on Management's best estimate.

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
29. DEFERRED TAX		
<i>(A) DEFERRED TAX ASSETS</i>		
The balance comprises temporary differences attributable to:		
Amounts recognized in the Statement of Financial Performance:		
ECL allowance on trade receivables	5	9
Employee benefits provisions	80	74
Warranty provisions	14	11
Project provisions	32	42
Other provisions	101	100
Property, plant and equipment and right of use assets	61	63
Sundry accruals	12	14
Recognized tax losses	113	113
Unused foreign tax credits	3	3
Unrealized foreign exchange losses	14	7
Other	(20)	(22)
Total deferred tax assets	415	414
Deferred tax asset and liabilities right to offset ¹	(209)	(194)
Net deferred tax assets	206	220
Amounts recognized directly in equity:		
Foreign exchange losses	(14)	(7)
Deferred tax assets	192	213
Balance at the beginning of the financial year	213	249
Credited to the Statement of Financial Performance	(25)	43
Charged to equity	(7)	(20)
Deferred tax offset movement	(15)	(61)
Differences arising on translation of foreign operations	26	2
Balance at the end of the financial year	192	213
<i>(B) DEFERRED TAX LIABILITIES</i>		
The balance comprises temporary differences attributable to:		
Amounts recognized in the Statement of Financial Performance:		
Identifiable intangible assets and goodwill	233	194
Unbilled contract revenue	53	46
Property, plant and equipment and right of use assets	23	25
Unrealized foreign exchange gains	13	5
Prepayments	1	-
Other	(23)	(16)
Total deferred tax liabilities	300	254
Deferred tax asset and liabilities right to offset ¹	(209)	(194)
Net deferred tax liabilities	91	60
Amounts recognized directly in equity:		
Cash flow hedges	(1)	-
Deferred tax liabilities	90	60
Balance at the beginning of the financial year	60	111
Charged to the Statement of Financial Performance	42	15
Charged to equity	(1)	(1)
Deferred tax offset movement	(15)	(61)
Differences arising on translation of foreign operations	4	(4)
Balance at the end of the financial year	90	60

¹ In accordance with AASB 112 *Income Taxes*

29. DEFERRED TAX (CONTINUED)**RECOGNITION AND MEASUREMENT**

Deferred tax assets and liabilities are recognized for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognized in relation to these temporary differences if they arose in a transaction, other than a business combination that at the time did not affect either accounting profit or taxable profit and loss within the Statement of Financial Performance.

Deferred tax assets and liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax amounts relating to items recognized directly in equity are also recognized in equity and not in the Statement of Financial Performance.

KEY ESTIMATES

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences. The Group assesses the recoverability of recognized and unrecognized deferred taxes on a consistent basis, using estimates and assumptions relating to projected earnings and cash flows as applied in the Group impairment process.

30. DEFINED BENEFIT PLANS

The Group operates defined benefit pension plans which require contributions to be made to a separately administered fund. The Group also provides certain post-employment healthcare benefits to employees (unfunded). Except for plans in Saudi Arabia, all plans are closed to new participants.

The balances in relation to defined benefit plans are as follows:

	CONSOLIDATED	
	2022 \$'M	2021 \$'M
Amounts recognized in the Statement of Financial Position:		
Net defined benefits liability	41	51
Reclassification from employee entitlement provisions	10	-
Net defined benefits liability	51	51

RECOGNITION AND MEASUREMENT

Defined benefit obligation calculation is performed by qualified actuaries using the projected credit method.

The Group's net obligation in respect of defined benefits plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned, discounted with the fair value of the plan assets deducted.

Remeasurements of the net defined benefit liability which comprise actual gains and losses, the return on plan assets and any asset ceilings where applicable are recognized in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest expense and other expenses relating to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized in profit and loss. Gains and losses on settlement of a defined benefit plan are recognized when settlement occurs.

31. RELATED PARTIES**(A) DIRECTORS**

The names of persons who were directors of the Company at any time during the financial year were as follows:

John Grill, AO (Chair)

Andrew Liveris, AO (Deputy Chair and Lead Independent Director)

Christopher Haynes, OBE

Thomas Gorman

Roger Higgins

Martin Parkinson, AC

Emma Stein

Juan Suárez Coppel

Anne Templeman-Jones

Wang Xiao Bin

Sharon Warburton

Chris Ashton (Chief Executive Officer and Managing Director)

31. RELATED PARTIES (CONTINUED)

(B) OTHER RELATED PARTIES

	CONSOLIDATED	
	2022 \$'000	2021 \$'000
Aggregate amounts brought to account in relation to other transactions with each class of other related parties were as follows:		
<i>Net loan repayments to/(from):</i>		
Associates and related parties	6,000	(6,000)
<i>Dividends received from:</i>		
Dividend revenue from associates	1,000	3,000
Aggregate amounts, receivable from, and payable to, each class of other related parties at balance date were as follows:		
<i>Current receivables</i>		
Associates and related parties	37,000	26,000
<i>Current payables</i>		
Associates and related parties	4,000	-

Related entities provide specific advisory services to controlled entities in the normal course of business. These transactions are made on normal terms and conditions and at market rates.

(C) CONTROLLING ENTITIES

Worley Limited is the ultimate Australian parent company.

	CONSOLIDATED	
	2022 \$	2021 \$

32. REMUNERATION OF AUDITORS

Remuneration for audit or review of the financial reports of the Parent Entity or any other entity in the Group:

Fees for auditing the statutory financial reports of the Parent and any controlled entities covering the Group	2,433,965	2,621,893
Fees for non-audit services:		
- Tax related services	3,282	1,309
- Assurance services	70,000	-
- Other non-audit services	-	486,000
Total fees to Ernst & Young (Australia)	2,507,247	3,109,202

(A) REMUNERATION OF OVERSEAS MEMBER FIRMS OF ERNST & YOUNG

Fees for auditing the statutory financial reports of the Parent and any controlled entities covering the Group	2,762,358	2,822,427
Fees for auditing the statutory financial reports of any controlled entities excluded from the Group audit	2,214,571	2,441,825
Fees for non-audit services:		
- Tax related services	998,331	1,044,625
- Other non-audit services	1,372	-
Total fees to overseas member firms of Ernst & Young	5,976,632	6,308,877
Total remuneration of Ernst & Young	8,483,879	9,418,079
Other auditors of controlled entities	129,912	62,398
Total Audit remuneration	8,613,791	9,480,477

	CONSOLIDATED	
	2022 \$	2021 \$

33. KEY MANAGEMENT PERSONNEL

Short term employee benefits	10,086,000	9,841,000
Post-employment benefits	166,000	204,000
Termination benefits	151,000	-
Other long term benefits	10,000	18,000
Share based payments	2,047,000	2,582,000
Total compensation	12,460,000	12,645,000

34. PARENT ENTITY DISCLOSURES**(A) PARENT ENTITY**

Worley Limited Parent Entity financial statements include investments in the following entities:

ENTITY	COUNTRY OF INCORPORATION	2022 \$'M	2021 \$'M
Worley SPV1 Pty Limited	Australia	2,977	2,977
Worley Financial Services Pty Limited	Australia	440	440
Worley Canada Holdings Pty Limited	Australia	198	198
Worley Canada Callco Ltd	Canada	121	121
Worley Engineering Pty Limited	Australia	100	100
Engineering Securities Pty Limited atf The Worley Limited Trust	Australia	94	94
		3,930	3,930

The Parent Entity's summary financial information as required by the *Corporations Act 2001* is as follows:

	2022 \$'M	2021 \$'M
STATEMENT OF FINANCIAL PERFORMANCE		
Profit before income tax expense	305	213
Income tax expense	6	(5)
Profit/(loss) after income tax	311	208
Profit attributable to members of Worley Limited	311	208
Retained profits at the beginning of the financial year	61	114
Net dividends paid	(262)	(261)
Retained profits at the end of the financial year	110	61
STATEMENT OF COMPREHENSIVE INCOME		
Profit after income tax expense	311	208
Total comprehensive income, net of tax	311	208
STATEMENT OF FINANCIAL POSITION		
Current assets	2,043	1,701
Total assets	5,962	5,620
Current liabilities	440	171
Total liabilities	447	171
Net assets	5,515	5,449
Issued capital	5,341	5,321
Performance rights reserve	60	67
Other reserves	4	-
Retained profits	110	61
Total equity	5,515	5,449

The Parent Entity has bank guarantees in respect of contractual performance outstanding at 30 June 2022 for the amount of nil (2021: \$nil). These commitments have not been recognized in the financial statements.

The Parent Entity has no commitments for expenditure.

34. PARENT ENTITY DISCLOSURES (CONTINUED)

(B) CLOSED GROUP

Worley Limited together with Worley No 2 Pty Limited, Worley Engineering Pty Limited, Worley Financial Services Pty Limited, Worley Services Pty Limited, Engineering Securities Pty Limited, Advisian Group Pty Limited, Advisian Pty Ltd, Worley SPV1 Pty Limited, Worley EA Holdings Pty Limited, Worley Infrastructure Holdings Pty Limited, Worley SEA Pty Limited, Worley South America Holdings Pty Limited, Worley Africa Holdings Pty Limited, Energy Resourcing Australia Pty Limited, INTECSEA Pty Ltd, Worley ECR Pty Ltd, Worley Group Pty Ltd, and TW Power Services Pty Limited entered into a Deed of Cross Guarantee. The effect of the deed is that Worley Limited has guaranteed to pay any deficiency in the event of the winding up of the abovementioned controlled entities. The controlled entities have also given a similar guarantee in the event that Worley Limited is wound up. As a result, ASIC Corporations Instrument 2016/785 relieves certain of the controlled entities from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports.

The Statement of Financial Performance and Statement of Financial Position of the entities which are parties to the Deed of Cross Guarantee and The Worley Limited Trust (Closed Group) are as follows:

	CLOSED GROUP	
	2022 \$'M	2021 \$'M
STATEMENT OF FINANCIAL PERFORMANCE		
Profit before income tax expense	82	123
Income tax expense	(17)	(12)
Profit after income tax expense	65	111
Profit attributable to members of Worley Limited	65	111
Retained profits at the beginning of the financial year	550	709
Retained profits of entities that became party to the deed during the financial year	2	(9)
Dividends paid	(262)	(261)
Retained profits at the end of the financial year	355	550
STATEMENT OF FINANCIAL POSITION		
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	40	6
Trade and other receivables	2,888	2,149
Other current assets	69	73
Total current assets	2,997	2,228
<i>Non-current assets</i>		
Deferred tax assets	46	47
Intangible assets	216	249
Property, plant and equipment	47	54
Other non-current assets	5,658	5,600
Total non-current assets	5,967	5,950
TOTAL ASSETS	8,964	8,178
LIABILITIES		
<i>Current liabilities</i>		
Trade and other payables	2,685	1,884
Interest bearing loans and borrowings and lease liabilities	11	50
Provisions	85	109
Derivatives	11	6
Total current liabilities	2,792	2,049
<i>Non-current liabilities</i>		
Trade and other payables	9	10
Interest bearing loans and borrowings and lease liabilities	413	200
Deferred tax liabilities	17	14
Total non-current liabilities	439	224
TOTAL LIABILITIES	3,231	2,273
NET ASSETS	5,733	5,905
EQUITY		
Issued capital	5,341	5,321
Reserves	37	34
Retained profits	355	550
TOTAL EQUITY	5,733	5,905

Directors' declaration

In accordance with a resolution of the directors of Worley Limited, I state that:

1. In the opinion of the directors:
 - (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
 - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(A);
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
 - (d) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 34(B) will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.
2. This declaration has been made after receiving the declarations required to be made to the directors from the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

On behalf of the Board



JOHN GRILL, AO

Chair

Sydney, 24 August 2022

Independent auditor's report to the members of Worley Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Worley Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of financial performance and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Revenue Recognition and Measurement

Why significant

The Group recognises revenue from contracts with customers as performance obligations are fulfilled over time. This occurs when services are performed or goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the revenue is recognised, estimates can be required due to the nature and extent of varying contract conditions, which are unique and can be complex.

The accurate recording of revenue is highly dependent upon the following factors:

- ▶ Appropriate knowledge of individual contract characteristics and status of work - key characteristics would be the industry and/or geography of the project and length and type of contract (lump sum basis or time and materials basis);
- ▶ Determination of variable consideration, including performance incentives, which are recognised from the outset of the contract but only to the extent that it is highly probable that a significant revenue reversal will not occur; and

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ We assessed whether the policies and methodology used by the Group to recognise revenue met the requirements of Australian Accounting Standards.
- ▶ We assessed the effectiveness of the Group's controls in the following areas:
 - initiation, processing and approval of new customers and/or contracts;
 - review and approval of project costs incurred;
 - authorisation of monthly project variations;
 - review and assessment of significant changes in work in progress balances; and
 - review of unapproved variations and claims.
- ▶ Performed data analytical procedures to corroborate the expected correlation between revenue and related accounts during the year.
- ▶ We selected a sample of contracts based on qualitative and quantitative factors and performed the following procedures:
 - reviewed contract terms and conditions and assessed whether the individual characteristics of each contract were appropriately accounted for;
 - assessed the Group's ability to deliver budgeted contract margins by analysing the historical accuracy of forecasting margins and the relationship of contract cost versus billing status;
 - agreed material contract revenue and cost variations and claims to information provided by third parties;
 - assessed any variable consideration and the basis for recognition and measurement;

- ▶ Determination of claims received from customers, including an assessment of the probability that such claims will result in an outflow of economic resources.

This was considered a key audit matter given the complexity of the contracts and the level of judgement required to estimate the amount of revenue recognised.

The Group's disclosures are included in Note 4 of the financial report.

- assessed related contract provisions and the probability of a reversal of revenue with reference to contract terms and customer claims; and
 - for contracts accounted for using the percentage of completion method, we assessed the forecast cost to complete calculations.
- ▶ We evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgements and estimates.

2. Impairment of trade receivables

Why significant

An allowance for impairment is made by the Group for the expected credit losses associated with its trade receivables and unbilled contract revenue. The Group has \$338 million of trade receivables and unbilled contract revenue as at 30 June 2022 that are more than 121 days past due with an associated impairment allowance of \$70 million, as disclosed in Note 19(B).

The Group applies a lifetime expected loss model to measure expected credit losses. The Group uses judgement in making the assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking assumptions.

For certain trade receivables more than 121 days past due, the impairment allowance also considers the process to achieve recovery which may include litigation.

This was a key audit matter due to the judgement involved in making the assumptions and estimating the inputs to the impairment calculation.

The Group's disclosures are included in Notes 8 and 19(B) of the financial report.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ We assessed whether the process for recognising impairment of trade receivables met the requirements of Australian Accounting Standards.
- ▶ We assessed the Group's estimates of the expected credit losses, with reference to historical losses and the ageing of trade receivables and unbilled contract revenue.
- ▶ We selected a sample of trade receivables and unbilled contract revenue based on qualitative and quantitative factors and performed the following procedures:
 - We analysed the ageing of trade receivables, past payment and credit history of the customers;
 - We assessed the economic environment applicable to these customers;
 - We considered the historical accuracy of forecasting expected credit losses;
 - Where applicable we evaluated evidence from legal and external experts; and
 - We evaluated the Group's assessment of collectability considering the process to achieve recovery, the likely timing of these processes and events that could delay or impact the collectability.
- ▶ We evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgements and estimates.

3. Impairment of Goodwill

Why significant

In accordance with the requirements of Australian Accounting Standards, the Group performed an annual impairment test of goodwill after allocating goodwill to groups of cash-generating units (CGUs).

A value in use model based on discounted cash flow forecasts is used to calculate the recoverable amount of each group of CGUs. The cash flow forecasts and growth rates include consideration of forecast economic conditions and the focus on sustainability on the business.

This was considered to be a Key Audit Matter due to the level of judgement required to forecast cash flows and discount rates used to calculate the recoverable amount of each Group of CGUs.

The Group's disclosures are included in Note 10 of the financial report.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ We assessed whether the methodology used by the Group met the requirements of Australian Accounting Standards, including the allocation of goodwill to groups of CGUs.
- ▶ We involved our valuation specialists in performing the following procedures relating to the value in use models of the Group's CGUs:
 - We assessed the basis of preparing cash flow forecasts considering the impact of forecast economic conditions, the company's strategic move to sustainability, historical accuracy of previous forecasts and board approved budgets and current trading performance;
 - We assessed the appropriateness of other key assumptions such as the discount rates and growth rates with reference to publicly available information on comparable companies in the industry and markets in which the Group operates;
 - We tested the mathematical accuracy of the cash flow models; and
 - We performed sensitivity analyses and evaluated whether a reasonably possible change in assumptions could cause the carrying amount of the cash generating unit to exceed its recoverable amount.
- ▶ We evaluated the adequacy of the related disclosures in the financial report including those made with respect to judgements and estimates.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

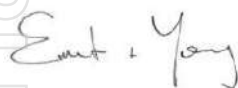
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 126 to 155 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Worley Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Scott Jarrett
Partner
Sydney
24 August 2022



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Independent Limited Assurance Statement in relation to Worley Limited's 2022 Sustainability Reporting

Our Conclusion:

EY was engaged by Worley Services Pty Ltd to undertake 'limited assurance' as defined by International Auditing Standards, hereafter referred to as a 'review', over selected sustainability metrics and associated performance disclosures included in Worley Limited's ('Worley') Annual Report for the year ended 30 June 2022. Based on our review, nothing has come to our attention that causes us to believe that the selected sustainability metrics and associated performance disclosures have not been prepared and presented fairly, in all material respects, in accordance with the criteria defined below.

What our review covered

We reviewed the selected sustainability metrics and associated performance disclosures, as disclosed in Worley's 2022 Annual Report ('the Report') for the year ended 30 June 2022, as shown in the table below.

Category	Sustainability metrics and associated performance disclosures	Assured Figure	Annual Report page
People	▶ Women Board Members	33%	94
	▶ Women Group Executives	45%	
	▶ Women Senior Leaders	16%	
	▶ Women Employees	18.6%	
Safety	▶ Total Recordable Case Frequency Rate (TRCFR)	0.16	90
	▶ Lost Workday Case Frequency Rate (LWCFR)	0.04	
	▶ Serious Case Frequency Rate (SCFR)	0.06	
Environment	▶ Total energy use (MWh)	212,345	77
	▶ Scope 1 Emissions (tCO ₂ e)	22,238	76
	▶ Scope 2 Emissions (tCO ₂ e)	25,973	
	▶ Total (tCO ₂ e)	48,211	

Criteria applied by Worley

In preparing the selected sustainability metrics and associated performance disclosures, Worley has applied the following criteria:

- ▶ Worley's reported criteria detailed in its Sustainability Definitions & Clarifications available at:
<https://www.worley.com/sustainability/reports-library>

Key responsibilities

EY's responsibility and independence

Our responsibility was to express a limited assurance conclusion on the selected sustainability metrics.

We were also responsible for maintaining our independence and confirm that we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants and have the required competencies and experience to conduct this assurance engagement.

Worley's responsibility

Worley's management was responsible for selecting the Criteria and preparing and fairly presenting the selected sustainability metrics and associated performance disclosures in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

Our approach to conducting the review

We conducted this review in accordance with the *International Standard on Assurance Engagements ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and the terms of reference for this engagement as agreed with Worley in our letter of engagement dated 11 April 2022.

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Summary of review procedures performed

Our procedures included, but were not limited to:

- ▶ Conducting interviews with personnel to understand the business and process for collecting, collating and reporting the selected sustainability metrics and associated performance disclosures
- ▶ Reviewing evidence to check the Criteria has been correctly applied in Worley's preparation of the selected sustainability metrics
- ▶ Undertaking data analytics to check the reasonableness of the data supporting performance disclosures
- ▶ Conducting detailed testing of underlying source information on a sample basis to check completeness and accuracy of data
- ▶ Identifying and testing assumptions supporting performance disclosures
- ▶ Performing recalculations of selected sustainability metrics to determine accuracy of quantities
- ▶ Reviewing the appropriateness of presentation of performance disclosures.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Worley, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst & Young
Melbourne, Australia
24 August 2022

Terence Jeyaretnam
Partner

Shareholder information

TOP 20 HOLDINGS OF FULLY PAID ORDINARY SHARES AS AT 1 AUGUST 2022

NAME	SHARES	% OF ISSUED CAPITAL	RANK
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	212,002,997	40.41	1
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	91,862,696	17.51	2
CITICORP NOMINEES PTY LIMITED	52,475,065	10.00	3
NATIONAL NOMINEES LIMITED	25,086,587	4.78	4
WILACI PTY LTD ATF THE SERPENTINE TRUST	22,390,562	4.27	5
BNP PARIBAS NOMS PTY LTD <DRP>	14,783,396	2.82	6
SERPENTINE FOUNDATION PTY LIMITED <SERPENTINE FOUNDATION A/C>	5,400,000	1.03	7
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	5,218,991	1.00	8
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	4,051,662	0.77	9
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,062,175	0.58	10
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	3,013,235	0.58	11
MR JOHN MICHAEL GRILL	2,826,277	0.54	12
MUTUAL TRUST PTY LTD	2,051,569	0.39	13
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	1,854,872	0.35	14
HAJU PTY LIMITED <HAJU A/C>	1,715,000	0.33	15
JUHA PTY LIMITED <JUHA A/C>	1,704,289	0.33	16
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,696,483	0.32	17
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,657,799	0.32	18
TAYLOR SQUARE DESIGNS PTY LTD	1,423,641	0.27	19
BNP PARIBAS NOMS (NZ) LTD <DRP>	1,193,975	0.23	20
Total	455,471,271	86.83	

Total number of current holders for all named classes is 27,814.

The table above includes exchangeable shares. The ASX treats these shares as having been converted into ordinary shares of the Company at the time of their issue for the purposes of the ASX Listing Rules.

SUBSTANTIAL HOLDERS OF 5% OR MORE OF FULLY PAID ORDINARY SHARES AS AT 1 AUGUST 2022*

NAME	NOTICE DATE	SHARES**
Dar Al-Handasah Consultants Shair and Partners Holdings Ltd (Dar)	14 November 2019	118,544,857
T. Rowe Price Associates, Inc	16 September 2021	40,805,674
John Grill & associated companies	16 November 2018	34,336,128

* As disclosed in substantial shareholder notices received by the Company.

** Represents the total number of votes attached to all the voting shares in the Company that the substantial holder or their associates have a relevant interest in.

RANGE OF FULLY PAID ORDINARY SHARES AS AT 1 AUGUST 2022

	HOLDERS	SHARES	% OF ISSUED CAPITAL
1 – 1,000	16,828	6,779,162	1.29
1,001 – 5,000	9,055	20,475,528	3.90
5,001 – 10,000	1,158	8,347,931	1.59
10,001 – 100,000	697	15,994,915	3.05
100,001 and over	76	473,046,506	90.17
Total	27,814	524,644,042	100.00

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	SHARES
Minimum \$500 parcel at \$14.65 per unit	35	763	9,117

The table above includes exchangeable shares. The ASX treats these exchangeable shares to have been converted into ordinary shares of the Company at the time of their issue for the purposes of the ASX Listing Rules. In addition to the shares set out in the table, there is one special voting share issued to Computershare Trust Company of Canada Limited as part of the consideration for the acquisition of the Colt Group.

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction. In the case of the exchangeable shares, voting rights are provided through the special voting share which carries an aggregate number of votes equal to the number of votes attached to the ordinary shares into which the exchangeable shares are exchangeable.

Glossary

\$, \$m, \$b Australian dollars unless otherwise stated, Australian millions of dollars, Australian billions of dollars.

Americas Services business line region encompassing sub-regions of North America and Latin America.

APAC Services business line region encompassing Australia, Pacific, Asia and China.

ASIC Australian Securities and Investments Commission.

ASX Australian Securities Exchange.

Backlog The total dollar value of the amount of revenues expected to be recorded as a result of work performed under contracts or purchase/work orders already awarded to the Group. With respect to discrete projects an amount is included for the work expected to be received in the future. For multi-year contracts (i.e. framework agreements and master services agreements) and O&M contracts we include an amount of revenue we expect to receive for 36 months, regardless of the remaining life of the contract.

Due to the variation in the nature, size, expected duration, funding commitments and the scope of services required by our contracts and projects, the timing of when the backlog will be recognized as revenue can vary significantly between individual contracts and projects.

Board The Board of directors of the Company. This includes non-executive directors and the Chief Executive Officer. The Group Company Secretary is not included as a member of the Board.

Business Ambition for 1.5°C A campaign led by the Science Based Targets initiative in partnership with the UN Global Compact and the We Mean Business Coalition. This campaign calls on companies to set science-based emissions reduction targets in line with the most ambitious goals of the Paris Agreement.

CAPEX Capital expenditure.

Carbon dioxide emissions equivalent (CO₂e) The universal unit of measurement used to express and compare emissions from various greenhouse gases based on their global warming potential, converted to the equivalent amount of carbon dioxide. The six key greenhouse gases recognized by the Kyoto Protocol and adopted by Worley are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), and sulphur hexafluoride (SF₆).

CEO Chief Executive Officer.

Chair The Chair of the Board of Worley Limited.

Champions of Change Coalition A globally recognized, innovative strategy for achieving gender equality, advancing more and diverse women in leadership, and building respectful and inclusive workforces.

Climate Leaders Coalition A cross-sectoral group of Australian corporate CEOs supporting the Paris Agreement commitments and setting public decarbonization targets.

CO₂e emission factors Worley's approach to greenhouse gas emissions reporting is consistent with the reporting requirements set out in the Greenhouse Gas Protocol Corporate Standard. The CO₂e emissions factors are sourced from the latest International Energy Agency (IEA) emissions factors and government sources such as the EIA (US Energy Information Agreement).

As per accepted practice, we do not restate previous year emissions based on emission factor updates.

Company or Worley Worley Limited ACN 096 090 158.

Corporate financial donations (to sustainability and corporate responsibility related activities) Comprise all community investment made by Worley corporate entities and refers to actual expenditures, not commitments.

Community investments include voluntary donations plus investment of funds in the broader community where the target beneficiaries are external to Worley. Voluntary donations and investment of funds in the broader community where the target beneficiaries are external to Worley can include:

- Contributions to charities, NGOs and research institutes (unrelated to the organization's commercial research and development);
- Funds to support community infrastructure, such as recreational facilities; or
- Direct costs of social programs, including arts and educational events.

When reporting infrastructure investments, Worley includes the costs of goods and labor, in addition to capital costs, as well as the operating costs for support of ongoing facilities or programs. We exclude legal and commercial activities or community investments where the purpose of the investment is exclusively commercial as part of this calculation.

Corporate financial donations include donations made by Worley's corporate center via the Worley Foundation, amounts invested in local communities as required by law in South Africa under the Broad-Based Black Economic Empowerment legislation requirements, and India under section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules 2014, as well as contributions by our regional operations as required by local legislation.

Memberships, some scholarships and marketing spend are generally not included within this definition. Monetary and time contributions by our people, from payroll deductions or direct giving, volunteering, and value of paid hours are not included within this definition.

The contributions (donations) are captured in the company's finance systems at the time of payment, using the following codes / category, or equivalent:

- Expenditure category = contributions
- Resource type = charitable donations

Total contributions are measured in Australian Dollars for the reporting period in which the financial transaction is made. Contributions by offices outside of Australia are converted to Australian Dollars using the average exchange rate during the month that the community initiative was undertaken.

Decarbonization The reduction of carbon dioxide or other carbon compounds emitted into the atmosphere by the activities of industries, countries or individuals.

Deferred equity plan (DEP) Deferred equity plan is a grant of equity rights which vests over the medium term.

Diversity & Inclusion (D&I) At Worley, the diversity of our people includes factors such as race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, language, skill levels, family status, religious, political and other beliefs and work styles. We value and harness diversity to build an environment where people are connected and belong. Inclusion is defined as the outcome to ensure that those that are different and underrepresented feel welcome and valued.

Downstream The refining of petroleum crude oil and the processing and purifying of raw natural gas, as well as the marketing and distribution of products derived from crude oil and natural gas.

Days Sales Outstanding (DSO) The time it takes to collect cash from customers.

EBIT Earnings before interest and tax.

EBITA Earnings before interest and tax and amortization on acquired intangibles.

EMEA Services business line region encompassing Europe, Middle East and Africa.

Energy intensity per dollar of revenue Average ratio of energy consumption relative to the aggregated revenue generated by the Company over the reporting period. This is expressed as a ratio of energy consumption per \$ million of aggregated revenue raised (MWh/\$ million).

Employee This includes both the Group's employees and contractors. For headcount purposes, this includes the following Person-type categories, as they relate to Worley Group; employees, direct contractors, agency contractors, fixed term employees, project hires, expatriate home employees, and FTS job shopper employees.

Employment contract There are two employment contract categories at Worley:

- Permanent contract: Permanent employee contract for full-time or part-time work for an indeterminate period.
- Fixed term or temporary contract: Fixed term employment contract that ends when a specific time period expires.

Employment types There are two employment types at Worley:

- Full time: A 'full-time employee' is defined according to local legislation and practice regarding working time (e.g. minimum of 30 hours per week).
- Part time: A 'part-time employee' is defined as an employee whose working hours per week, month or year is less than a 'full-time employee'.

EMTN Europe Medium Term Note Program.

Energy intensity per person Average ratio of energy consumption relative to number of personnel as at the end of the reporting period. This is expressed as a ratio of energy consumption per person (MWh/person).

EPC Engineering, Procurement and Construction.

EPC contract Under an EPC contract, we will generally be responsible for the design of, the procurement of equipment and materials for, and the construction and commissioning of an asset, such as a power station. This will generally require us to ensure that the completed asset meets certain specified performance targets. To do so, we will generally procure the necessary equipment and materials and engage various sub-contractors ourselves.

EPCM Engineering, Procurement and Construction Management.

EPCM contract Under an EPCM contract, we will generally be responsible for providing our professional services, but unlike an EPC contract, will not be responsible for delivering a completed asset to our customer. Instead, we will provide engineering and design services to our customer, procure equipment but only as agent for our customer and manage our customer's other suppliers as the customer's representative. We will generally be paid an hourly rate for the services we provide.

EPS Earnings per share. Determined by dividing the Group NPAT, or Group NPATA, by the weighted average number of the Company's ordinary shares on issue during the financial year.

ESG Environmental, social and governance.

Executive Executives include both executive directors and group executives and have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Factored Sales Pipeline Factored for likelihood of projects proceeding and award to Worley, as at June 2022.

Front-end engineering design (FEED) Basic engineering design providing owners and their financiers with information enabling them to determine whether or not and, if so, how to commit resources to a proposed project to maximize its projected returns.

FY2021 and FY2022 Financial year 2021 and financial year 2022.

Gender diverse Defined as 40% women, 40% men and 20% either women or men or other.

GID Global Integrated Delivery. Our GID team in India work on projects anywhere in the world and seamlessly transition between projects, allowing us to achieve high rates of utilization and consistently high quality of work.

Graduate Anyone who is on a formal Worley Group graduate program or hired direct from university.

Greenhouse gas emissions Aggregate total greenhouse gas emissions (Scope 1 and 2) generated by Worley activities, expressed in carbon dioxide emissions equivalent (CO₂e).

Greenhouse gas emissions intensity per dollar of revenue Average ratio of greenhouse gas emissions relative to the aggregated revenue generated by the Company for the reporting period. This is expressed as a ratio of tonnes of carbon dioxide equivalent per \$ million of aggregated revenue raised (tCO₂e / \$ million).

Greenhouse gas emissions intensity per person Average ratio of greenhouse gas emissions per person member (tCO₂e / person). This is calculated using our Scope 1 and 2 emissions.

Greenhouse gas emissions intensity per unit of energy Average ratio of greenhouse gas emissions per unit energy used (t CO₂e /MWh) during the reporting period.

GRIT GRIT awards - Growth, Resilience, Innovation and Transition awards issued by ALLY, a community of energy industry professionals.

Group Worley Limited and the entities it controls.

Group Executive Direct reports to the Chief Executive Officer who have executive accountabilities for managing major regional business units (P&L) and significant functions, as well as developing and executing Group strategy. The Group Company Secretary is a member of the Group Executive.

Gross Margin Sold Gross margin on projects that have been identified as 'Closed, Won' in our customer sales platform over the reporting period.

Gross Margin Delivered Gross margin on projects that have been executed and recognized in the Group's earnings over the reporting period.

HSE Health, Safety and Environment.

HSS Health, Safety and Sustainability.

Integrated gas Our subsector Integrated Gas includes all upstream and midstream elements of the natural gas value chain from extraction, production through gas processing, storage, liquefaction and regasification. It also includes the emerging renewable natural gas.

Key Management Personnel (KMP) Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. KMP comprise Executives and Non-Executive Directors.

KPI Key Performance Indicator.

Lantinx People who are of or relate to Latin American origin or descent.

Long-term incentive (LTI) Long-term incentive is a grant of performance rights which vest over the long-term, subject to performance conditions.

Lost Workday Case (LWC) A recordable injury / illness that results in one or more days away from work at the direction of a medical professional. Worley shall begin counting days away on the day after the injury occurred or the illness began and each calendar day until released to return to work in some capacity by a medical professional as defined in OSHA 1904.7(b)(3)(ii). A Lost Workday Case is a Recordable Case.

Lost Workday Case Frequency Rate (LWCFR) Lost Workday Case Frequency Rate (LWCFR) is calculated by: The number of LWC multiplied by 200,000 and divided by the hours worked; i.e. Frequency rates are a normalized measure of performance; they are a Worley reporting requirement.

Low-carbon energy This includes energy derived from renewable sources, low-carbon hydrogen, nuclear, integrated gas, power networks & storage and combustion with carbon capture.

Low-carbon hydrogen In absence of a global definition, this includes all forms of hydrogen except those derived from fossil fuels without carbon capture and storage (e.g. grey, black and brown hydrogen).

Low-carbon infrastructure Infrastructure supportive of global net-zero commitments, such as transmission networks required to integrate renewables, port infrastructure supporting export of low-carbon fuels/offshore wind etc.

Medical Treatment Case (MTC) The management and care of a patient to combat disease or disorder as defined in OSHA CFR 1904.7 (b) (5). Treatment beyond first aid is Medical Treatment. A Medical Treatment Case is a Recordable Case.

Non-Executive Director (NED) Non-executive directors of the entity have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Non-profit organization Organizations that are not operating for the profit or gain of its individual members. Surplus revenue, direct or indirect goes back into the operation of the organization to carry out its community objectives and goals. Non-profit organizations are often established by and for the community with minimal or no intervention from local or federal government.

NPAT (net profit after tax) The net profit earned by the Group after deducting all expenses including interest, depreciation and tax. From time to time, for remuneration purposes, the Board may use its discretion to apply the underlying NPAT which in the Board's opinion reflects the Company's operating results.

NPATA (net profit after tax before amortization of acquired intangibles) The net profit after tax excluding the post-tax impact of amortization on intangible assets acquired through business combinations. From time to time, for remuneration purposes, the Board may use its discretion to apply the underlying NPATA which in the Board's opinion reflects the Company's operating results.

Operational control The boundary for reporting our environmental performance information. Worley reports its energy use and greenhouse gas emissions with respect to the operational control model as set out by the Greenhouse Gas Protocol, i.e. our sites where we have full authority to introduce and implement our operating policies.

OPEX Operational expenditure.

Paris Agreement An agreement within the United Nations Framework Convention on Climate Change. The aim of the Paris Agreement is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2°C above pre-industrial levels, and to pursue efforts to limit the temperature increase further to 1.5°C.

People network groups Our People network groups bring employees with shared characteristics or life experiences, such as gender, race, cultural heritage, sexual orientation and/or gender identity, disability, together in a safe space and offer varying opportunities for members. We also have People network groups which bring employees with shared passions, such as sustainability or mental health, together. These include social and development opportunities, mentoring, volunteering, sharing best practice and a chance to gain skills and experience in areas they may not get the opportunity to do in their 'day job'.

R3 Ready, Response and Recovery. Our program for business security and continuity.

Reporting period Reporting period highlights our efforts from 1 July 2021 to 30 June 2022, unless otherwise stated.

Restricted Workday Case (RWC) Restricted work occurs when, as the result of a work-related injury or illness:

- You keep the employee from performing one or more of the routine functions of his or her job, or from working the full workday that he or she would otherwise have been scheduled to work OSHA 1904.7(b)(4)(i)(A); or
- A physician or other licensed health care professional recommends that the employee not perform one or more of the routine functions of his or her job, or not work the full workday that he or she would otherwise have been scheduled to work. OSHA 1904.7(b)(4)(i)(B).

Worley shall begin counting restricted workdays on the day after the injury occurred or the illness began and each calendar day until released to return to full routine duties. A Restricted Workday Case is a Recordable Case.

Scope 1 emissions Direct greenhouse gas emissions from sources that the Group owns or controls. Our Scope 1 emissions come from burning liquefied petroleum gas (LPG), natural gas and liquid fuels in heaters and generators, particularly at our fabrication yards.

Scope 2 emissions Indirect greenhouse gas emissions that come from purchased energy – including heat and steam, by the Group. Our Scope 2 emissions come from the energy used to power our fabrication yards and office buildings.

Scope 3 emissions All upstream & downstream indirect emissions in the value chain of the Group. In previous years we have disclosed Scope 3 emissions only from Business Travel and partially from Purchased Goods & Services. This year, we are disclosing Scope 3 emissions from:

- Purchased Goods & Services
- Capital Goods
- Fuel and Energy-Related Activities
- Upstream Transportation & Distribution
- Waste Generated in Operations
- Business Travel
- Employee Commuting
- Upstream Leased Assets
- Downstream Transportation & Distribution
- Downstream Leased Assets
- Investments

As a result, our reported Scope 3 emissions increased significantly from FY2021.

Senior Leaders Defined using our Organizational Role Framework (typically tiers one to three). This includes our Group Executive and managers below the Group Executive who have leadership accountabilities for business units (profit and loss) and functions (and sub-functions).

Serious Case Any fatality or permanent disabling injury / illness or any HSE Event with a potential consequence to result in a fatality or a permanent disabling injury / illness.

Serious Case Frequency Rate (SCFR) The sum of; Fatalities + Disabilities + High Potential Events multiplied by 200,000 and divided by the hours worked; i.e. Frequency rates are a normalized measure of performance; they are a Worley reporting requirement.

Skilled volunteering At Worley, the term skilled volunteering is used when our people provide skilled services to community-based organizations in their time outside of paid working hours on a no fee basis.

STEM Science, Technology, Engineering and Mathematics.

Short-term incentive (STI) Cash award paid for annual performance.

Sustainability Encompasses those elements of our environmental, social and governance (ESG) performance. It also refers to our activities supporting our customers to meet sustainability objectives on their projects. As part of our Ambition, we provide disclosures on sustainability-related business. How this is defined is provided on page 27.

Sustainability-linked bond A type of bond instrument for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined sustainability or ESG objectives. It is a forward-looking performance-based instrument with a flexible structure.

Sustainable Solutions Our approach to incorporating sustainable thinking into project delivery and design. Sustainable Solutions enables our people to identify and quantify sustainability ideas and savings related to carbon and energy use.

Total recordable cases The sum of; Fatalities + Disability/Permanent Illness + LWC + RWC + MTC.

Total recordable case frequency rate (TRCFR) The sum of; Fatalities + Disability/Permanent Illness + LWC + RWC + MTC multiplied by 200,000 and divided by the number of hours worked; i.e. Frequency rates are a normalized measure of performance; they are a Worley reporting requirement.

Our definitions of Fatalities, Disability / Permanent Illness, LWC, RWC and MTC are aligned to the U.S. Occupational Safety and Health Administration (OSHA) guidance on work-related injuries and illnesses.

For this reason, TRCFR follows the same definition as Total Recordable Injury Rate (TRIR) and is an equivalent disclosure.

Total shareholder return (TSR) Provides a measure of the change in the value of the Company's share price over a period, including reinvested dividends, expressed as a percentage of the opening value of the shares.

Unlock your genius A STEM engagement program stewarded by Worley. It presents complex topics in a digestible format, making them easy to understand.

Upstream The searching for potential underground or underwater crude oil and natural gas fields, drilling of exploratory wells and the subsequent drilling and operation of the wells that recover and bring the crude oil and/or raw natural gas to the surface.

Women employees This includes both the Group's employees and contractors. There can be difficulties in the quality of gender data due to voluntary self-reporting in some jurisdictions (notably the United States where we have a sizable footprint). The percentage women employees metric is provided on this basis.

Worley Foundation The Worley Foundation was established in 2013 with objectives to support the execution of high impact strategic community projects; become a vehicle for direct corporate investment, fundraising and volunteering; and expand opportunities for our people to be directly or indirectly involved in foundation activities.

Corporate information

Worley Limited
ACN 096 090 158

DIRECTORS

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

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Bank of China
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BMO Harris Bank
BNP Paribas
China Merchants Bank
Commonwealth Bank of Australia
Credit Agricole Corporation and Investment Bank
First Abu Dhabi Bank
HSBC Bank
ING Bank
Intesa Sanpaolo Bank
Macquarie Bank
Mizuho Bank
Royal Bank of Canada
SABB
Standard Chartered Bank
State Bank of India
UBS AG
U.S. Bank National
Wells Fargo
Westpac Banking Corporation

LAWYERS

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Disclaimer

This Annual 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 Annual 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 Annual Report.

There are also limitations with respect to the scenario analysis which is discussed in this Annual 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 Annual 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.

