



SUSTAINABILITY SUMMARY 2019

Incitec Pivot Limited



INNOVATION ON THE GROUND



IPL is committed to operating in a manner which acknowledges and proactively manages those issues which are most material to the long term sustainability of our business, the environment and the communities in which we operate. This commitment is driven by our Company Values which are core to our business, and built into our Strategic Drivers. IPL defines Sustainability as ‘the creation of long term economic value whilst caring for our people, our communities and our environment’.

PURPOSE STATEMENT

“Our purpose is to make people’s lives better by unlocking the world’s natural resources through innovation on the ground. We believe that we can fulfill our purpose through collaboration with the people that are most important to us, our Customers, our Employees and our Shareholders.”

OUR VALUES

Our Values define who we are and what we do every day. These are what guide our actions:



Read about what we have been working on and our plans for the future across the areas that contribute to our environmental, social and economic sustainability: workplace health & safety, environmental impacts and resource efficiency, community impact & engagement, managing climate change, our workforce and our products & services.

For more information, see our online 2019 Sustainability Report at www.incitecpivot.com.au

Benchmarking Our Performance

As part of our commitment to transparent reporting, IPL's sustainability performance is assessed against leading indices. This gives us the opportunity to benchmark our performance against other organisations in our sectors, provides insight into areas for improvement, and provides shareholders, investors and other stakeholders with an objective measure of our environmental, social and governance (ESG) risk management and business practices.

As a result, IPL has been included in the Dow Jones Sustainability Index (DJSI) for the past ten years, where we are benchmarked against peers in the global 'Chemicals' sector. In 2019, the FTSE Group confirmed that IPL has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to remain a constituent of the FTSE4Good Index Series for the sixth year running. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria.

Dimension	2015	2016	2017	2018	2019
Economic	67	74	73	71	72
Environmental	51	60	61	64	73
Social	63	65	68	57	60
Total for IPL	60	67	68	65	69
Chemicals sector average	58	56	53	44	47



We also report against CDP, CDWP and other leading sustainability indices. Our reports can be downloaded from www.incitepivot.com.au.

Leveraging our Strategic Drivers to manage the challenges of climate change

During 2019, IPL's Climate Change Policy was developed by the Executive Team and approved by the Board. The policy states IPL's commitment to managing climate related issues and describes how the Group's Strategic Drivers are being leveraged to meet the challenges of climate change.

Download the policy at www.incitepivot.com.au



Exploring renewable hydrogen to make ammonia

New challenges require innovation and new technologies backed by investment.

In line with our commitment to reducing our GHG emissions and driven by our Manufacturing Excellence and Profitable Growth Strategic Drivers, we commenced a \$2.7 million feasibility study, supported by the Australian Renewable Energy Agency, to assess the potential to use renewable hydrogen to increase ammonia production at our manufacturing facility at Moranbah, Queensland. Rather than being made from natural gas, renewable hydrogen can presently be made at very small plants using solar energy to split water into hydrogen and oxygen, allowing ammonia to be produced without the GHG associated with natural gas. The aim of the feasibility study is to determine whether renewable hydrogen can be made at an industrial scale at a commercially competitive price.

If successful, the project will deliver the largest renewable ammonia plant in the world.

Zero Harm

14%

Improvement in Total Recordable Injury Frequency Rate (TRIFR)

82%

of sites recordable injury free

Zero Harm is 'good business.' It is our core company value and is fundamental to everything we do. In 2019, we refreshed the three-year Zero Harm strategy and plan by collaborating across our organisation. It sets out our ambition to integrate our approach in achieving an industry leading performance in personal safety, process safety, occupational health and reducing our impact on the environment. In 2019, IPL achieved a TRIFR¹ of 0.80, representing a 14% year-on-year improvement. However, a tragic double fatality on a public road in the US which involved a Dyno Nobel vehicle is a stark reminder of the vital importance of our relentless drive towards Zero Harm.

Our Zero Harm Ambition

- Sustainable benchmark TRIFR of 0.7 by 2021¹
- Sustainable year-on-year reduction in Potential High Severity Incidents²;
- Year-on-year reduction in Tier 1 & Tier 2 Process Safety Incidents³; and
- Zero Significant Environmental Incidents⁴

1. TRIFR: the number of recordable injuries per 200,000 hours worked and includes contractors. TRIFR results are subject to finalisation of the classification of any pending incidents.
 2. Potential High Severity Incidents (excluding near misses and hazards) with potential consequences of 5 or higher on a 6-level scale.
 3. Tier 1 and Tier 2 Process Safety Incidents as defined by the Centre for Chemical Process Safety.
 4. Significant Environmental Incidents as assessed against IPL's internal risk matrix with potential consequences of 5 or higher on a 6-level scale.

Diversity

22%

female executive managers

30%

Indigenous employment across IPL's Australian businesses

Our People Strategy is focused on developing a diverse and inclusive business with the right people in the right roles, who are inspired and engaged. IPL remains committed to expanding the diversity of its workforce and has a stretch target to increase gender diversity by 10% year-on-year to reach 25% by 2022. Details on our Diversity Strategy can be found on our website.



Bloomberg GEI member for the second year in a row



Environment

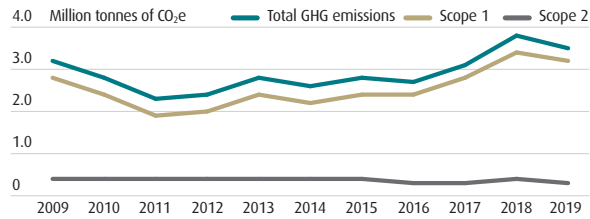
37%

reduction in NOx per tonne of nitric acid produced against a 2015 baseline

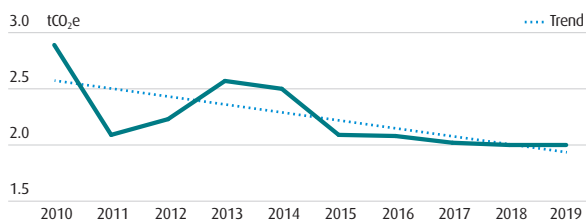
6%

reduction in GHG emissions per tonne of ammonia produced against a 2015 baseline

Total direct and indirect GHG emissions



GHG intensity (tCO₂e) per tonne of ammonia produced



Our fertiliser business, IPF, was awarded the Fertiliser Australia Platypus Award for improved product control and environmental performance across our distribution sites.



We rely on resources such as natural gas and water, and we have the potential to impact the environment through emissions of greenhouse gases (GHG), waste generation and contamination of soil and groundwater. We are committed to our value of Care for the Community & our Environment and we aim to minimise environmental impacts.

Reducing the impacts of blasting: Delta E

DeltaE is a proprietary explosives method which allows blasters to accurately vary the density of chemically gassed emulsion as it is being loaded into the blast hole, allowing the operator to load multiple densities of gassed emulsion into the same hole in order to match the unique geological characteristics present in the ground. Because the explosives energy is precisely targeted to match the rock properties, the amount of energy loaded into the blast hole will match only what is required for an optimal blast, reducing total energy and therefore vertical movement at the surface, air overpressure and noise from the blast event.



The use of Differential Energy continues to result in reduced NOx emissions, reduced energy use and GHG, less dust, noise and ground vibration and increased productivity while reducing overall costs for our mining customers.

Sustainable plant nutrition: Green Urea, ENTEC and eNpower



Entec® is a treatment that retains nitrogen in the stable ammonium form for an extended period. This reduces nitrogen losses to leaching (waterways) and denitrification (GHG losses to the atmosphere) while conserving more nitrogen for plant uptake. Trials and customer use continue to demonstrate the potential for significant reductions in GHG emissions as well as yield increases with the use of Entec. Details can be found in our online Sustainability Report.



Green Urea NV™ is a top-dressing fertiliser, recommended where volatilisation losses of ammonia are likely. Green Urea NV products contain urea treated with the urease inhibitor, N-(n-butyl) thiophosphoric triamide (NBPT) and are aimed at delaying hydrolysis of urea into unstable forms that may be lost to the atmosphere as GHG, thereby reducing emissions related to fertiliser usage.



Developed in IPF's own research laboratories and released in 2019, eNpower™ 18:20 is a new ammonium phosphate enhanced efficiency fertiliser which contains the nitrification inhibitor DMP in IPF's patented DMP-G formulation. DMP works by inhibiting nitrifying bacteria in the soil, slowing down the conversion of ammonium N to nitrate which is more prone to losses to waterways or to air as GHG.

ABOUT OUR BUSINESS



Listed on the Australian Securities Exchange since 2003 (ASX: IPL)



Annual revenue of \$3,918.2 million for the 2019 financial year



Annual EBIT (ex IMIs) of \$303.7 million for the 2019 financial year

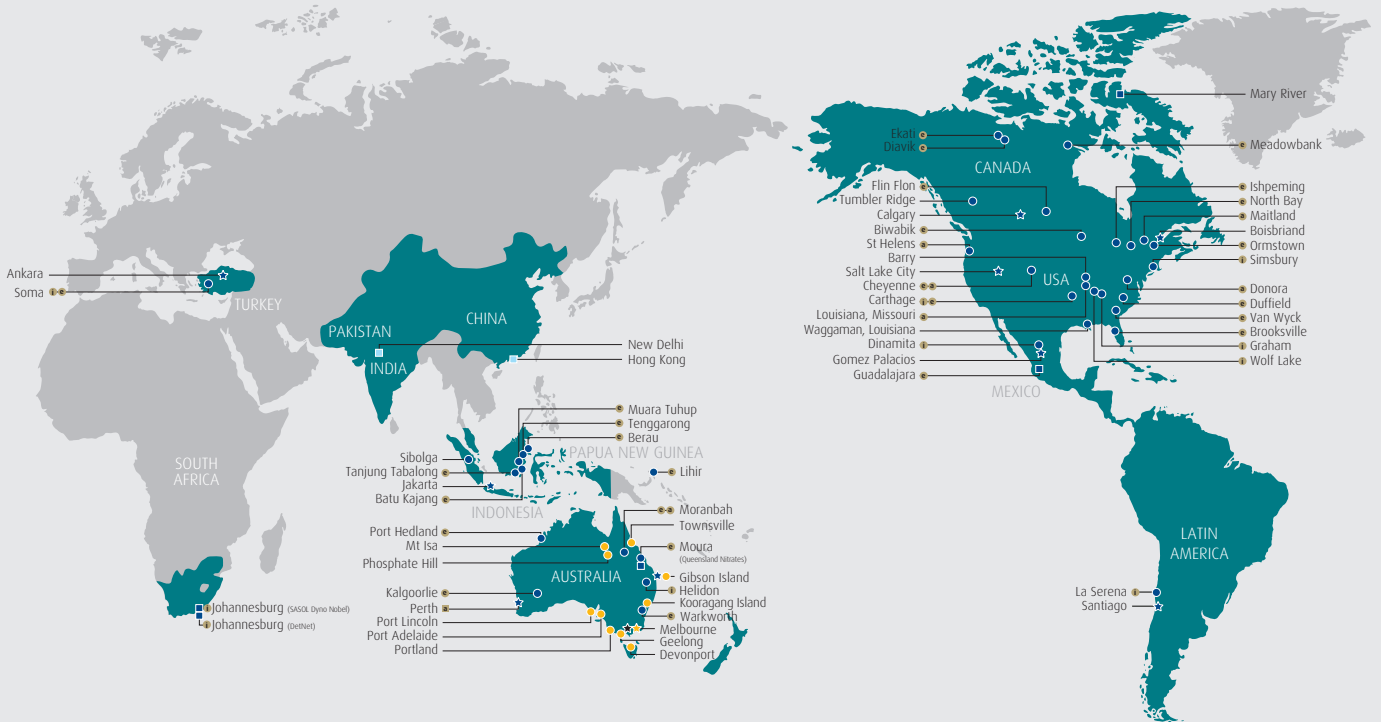


Ownership and operation of manufacturing plants in the US, Canada, Turkey, Australia, Mexico, Chile and Indonesia



Joint venture operations, including in South Africa, Australia, the US and Canada

IPL is a recognised world leader in the resources and agricultural sectors. With 66 manufacturing facilities and joint ventures across five continents, including Australia, North America, Europe, Asia, Latin America and Africa, we manufacture ammonium nitrate-based explosives, nitrogen and phosphorus fertilisers, and nitrogen related industrial and speciality chemicals.



Through our two customer facing businesses, Dyno Nobel in the Americas (DNA) and across Asia Pacific (DNAP) and our fertiliser business – the largest in Australia, Incitec Pivot Fertilisers (IPF), we make people’s lives better by unlocking the world’s natural resources through innovation on the ground.

With its 150-year history of advancing technological developments, Dyno Nobel plays a critical role in releasing the resources necessary to build infrastructure and to generate the energy we need in today’s modern world. And through its 100-year heritage in Australian agriculture, Incitec Pivot Fertilisers maintains an important enabling role in meeting the rapidly rising demand for high quality and sustainable food production.

Our advanced technology, manufacturing excellence and world class services are focussed on the diverse needs and aspirations of our customers, ensuring IPL’s continuing key role in developing the efficiency and sustainability of the world’s resource and agricultural sectors.

Incitec Pivot Limited
 ★ Company Headquarters

Incitec Pivot Fertilisers
 ☆ Corporate Office
 ● Manufacturing/Distribution
 ■ Quantum Fertilisers

Dyno Nobel
 ☆ Corporate Office
 ● Manufacturing/Distribution
 ■ Joint Ventures/Investments

Manufacturing legend
 ● Initiation
 ● Emulsion
 ● AN
 ■ Long term AN supplier



4,820 employees at 30 September 2019



As at 30 September 2019, 22% female executive managers



Supply approximately 2 million tonnes of fertiliser per annum



Supply approximately 3 million tonnes of ammonium nitrate explosive per annum



Provide agronomic services in Australia, completing over 70,000 soil and plant tests