

# Incitec Pivot Limited

Office of the Company Secretary

ABN 42 004 080 264

7 March 2013

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ASX Market Announcements Office

## Sustainability Briefing Presentation – 7 March 2013

In accordance with the listing rules, I attach a copy of an ASX Announcement for release to the market regarding a briefing on IPL's approach to Sustainability.

Yours faithfully



**Kerry Gleeson**  
Company Secretary

*Attach.*

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### About Incitec Pivot

Incitec Pivot (ASX: IPL), a S&P/ASX Top 50 company, is a leading global company which manufactures, markets and distributes a range of industrial explosives, fertilisers, related products and services to customers around the world. A leader in its chosen markets, the Company holds a portfolio of recognised and trusted brands and is the No. 1 supplier of fertilisers in Australia and the No 1 supplier of industrial explosives, related products and services in North America. Employing approximately 5,000 people, IPL owns and operates manufacturing plants in Australia, USA, Canada, Turkey, Mexico, Chile and Indonesia and has joint venture operations, including in South Africa, Malaysia and China.



# Sustainability Briefing

Presentation 7 March 2013

**Incitec Pivot Limited**

**DYNO**  
Dyno Nobel



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# Agenda

- Introduction
- IPL Group Sustainability Strategy
- Workplace Health & Safety
- Community
- Products & Services
- People & Culture

*IPL Sustainability Report 2012 was issued in December 2012 and is available on the IPL website ([www.incitecpivot.com](http://www.incitecpivot.com))*

***Sustainability is core to IPL's values***

# Introduction to IPL

- ASX 50 leading global chemicals manufacturing company focused on:

## Industrial Explosives



S&P/ASX Top 50 Company



Annual sales revenue of \$3,500.6 million for 2011/12 financial year



Owns and operates manufacturing plants in Australia, USA, Indonesia, Papua New Guinea, Turkey, Canada, Chile and Mexico



Joint venture operations in South Africa, Malaysia and China

## Fertilisers



Over 5,000 employees as at 30 September 2012



Supply approximately 1.5 million tonnes of ammonium nitrate explosive per annum



Supply approximately 2 million tonnes of fertiliser per annum in Australia. Trade 2.5 million tonnes internationally via Quantum Fertiliser business in Hong Kong



Provide agronomic services in Australia, completing 68,000 soil and plant tests each year

# IPL's approach to Sustainability

- Sustainability is recognised as core to the IPL Group Values and inherent in IPL's vision

## IPL Vision Statement

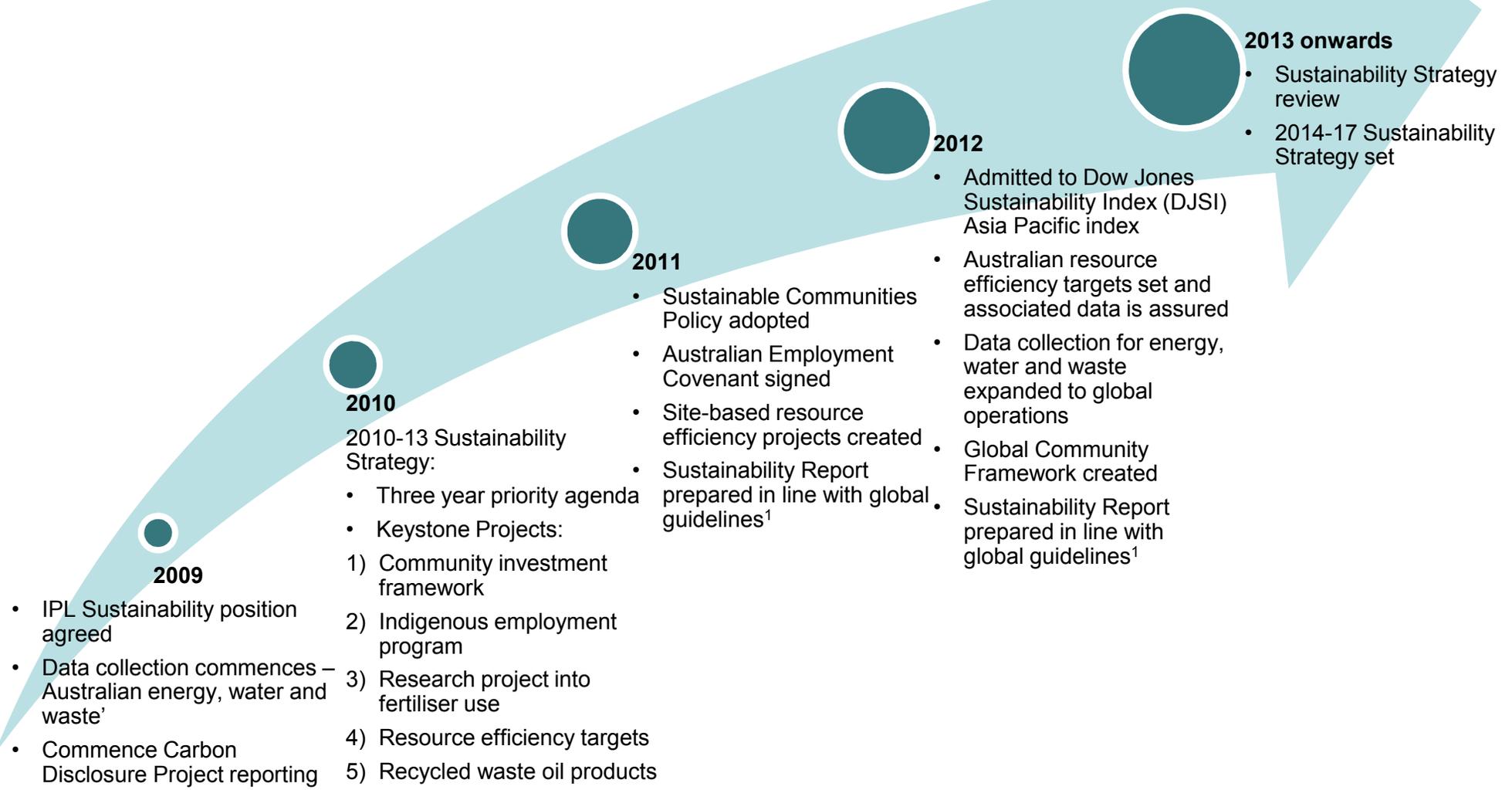
To be the best in our markets, delivering Zero Harm and outstanding business performance through our people, our culture and our customer focus

## IPL Values



# IPL's Sustainability journey

- IPL's Sustainability journey reflects an continued focus on our operations in addition to increased measurement and reporting of our performance



1) Global Reporting Initiative guidelines

# Sustainability within IPL - Governance

Within IPL, Sustainability is today governed at four levels:

- Board and Executive Team oversight
- Within the business the Sustainability Strategy is CEO/CFO led
- Advice, coordination and reporting of the Sustainability Strategy is managed by the Sustainability Team
- Business units each have a responsibility to deliver on Sustainability goals

**Key systems and policies include:**

**Code of Ethics; Code of Conduct**

**Health, Safety, Environment & Community Policy**

**Anti-Bribery and Improper Payments Policy**

**Sanctions Policy**

**Group Risk Policy**

**Sustainable Communities Policy**

# FY2014-17 Sustainability Strategy

- FY2014-17 Sustainability Strategy will cover IPL's priorities for the next three years. Process will involve:



- The Sustainability Strategy will cover five key areas:



# Sustainability within IPL - BEx

- BEx will help drive an integrated approach to Sustainability across IPL
- IPL is progressing the Sustainability Strategy via a 'bottom-up' approach through BEx
- BEx Sustainability module is being implemented across every site
- Site teams are focused on resource efficiency and stakeholder engagement

## Key impact areas for IPL's Sustainability Strategy:

Workplace Health & Safety

Community

Environment

Products & Services

People & Culture

## Business Excellence ('BEx')

- Long-term transformation of the way we do business which embraces continuous improvement
- Employee-led from where value is created – the factory floor, the mine bench and the farm field



## Integration through BEx aims to facilitate:

Workplaces committed to 'Zero Harm'

Closer community engagement in IPL's areas of operation

More efficient use of economically and environmentally costly resources and managing environmental compliance

Product innovation to improve sustainability over their lifecycle

Attracting, engaging and empowering the best talent

# Zero Harm for Everyone Everywhere

*IPL aspires to be one of the best performing companies in the world in workplace health and safety – part of this means achieving ‘Zero Harm for Everyone Everywhere’*

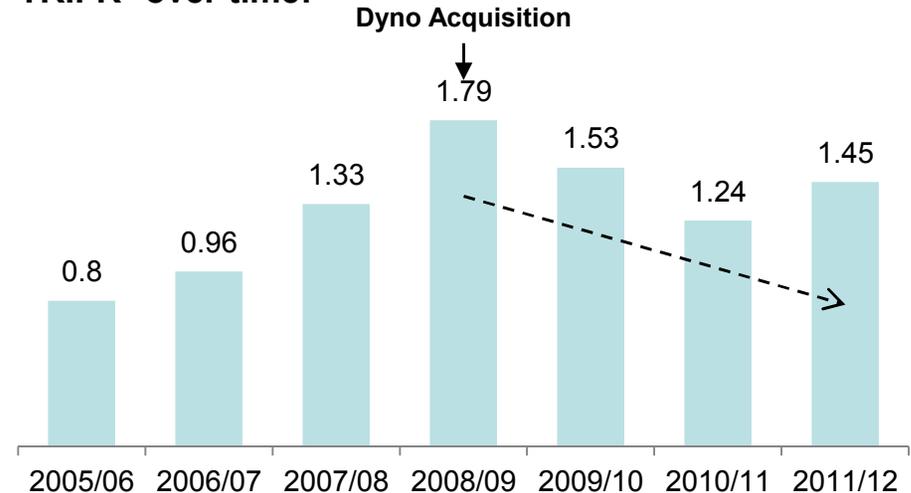
## FY2012 Performance:

- FY2012 TRIFR<sup>1</sup> was 1.45 (up from FY2011 TRIFR of 1.24)
- 72% of sites had zero recordable injuries in 2011/12

## FY2014-17 Targets:

- Implementing a new five year Health, Safety and Environment (HSE) Strategy
- Group target: Achieving a rolling 12 month TRIFR  $\leq$  1.00 by 2016

TRIFR<sup>1</sup> over time:



### Moranbah

*The new ammonium nitrate site in Moranbah, Queensland, Australia, commissioned in June 2012, achieved zero lost time injuries during the four million hours it took to construct the site..*



1) TRIFR stands for Total Recordable Incident Frequency Rate and is calculated as the number of injuries for the year x 200,000 man-hours worked.

# Proactively engaged with our communities

*IPL aims to engage more closely with our local communities and manage our social licence to operate*

## FY2012 Performance:

- Community consultation activity at major development sites
- Launched Global Community Framework:
  - 1) *The Community Fund* – providing money to support existing or new local community projects
  - 2) *Dollar for Dollar* – a company/employee donation matching program

## FY2014-17 Target:

- Continue roll out of Community Investment Framework across global operations and increase total community investment
- Group-wide approach to community relations

### Geelong, Victoria

*The fertiliser manufacturing site in Geelong, Victoria, Australia conducts 3–4 community meetings a year. Local residents and community groups are notified of the meeting via email or letter drop. During the meetings, site representatives present data about the site, such as the results of ongoing environmental monitoring. Community leaders are provided with the telephone numbers of key site employees and are able to notify them of issues, such as dust being emitted from the site, when they arise.*



# Reducing environmental impact

*IPL aims to progressively improve usage efficiency for economically and environmentally costly resources, such as energy, water and waste, as well as reducing emissions*

## FY2012 Performance:

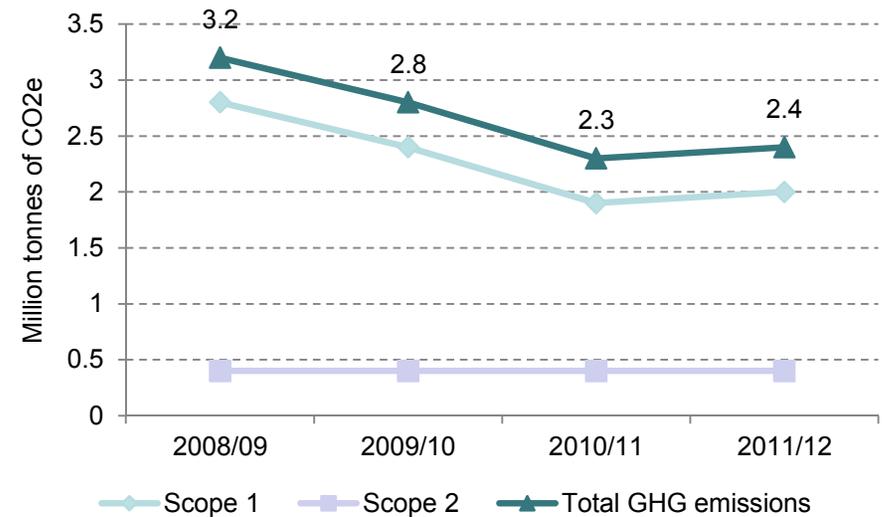
- Carbon dioxide emissions approximately the same as last year
- Globally consumed 36 billion GJ energy
- Used 15,999 ML of water (majority was ground and municipal water)
- 8,341 tonnes of solid waste; 2,305,252 tonnes of solid chemical waste; 19,579 kL of liquid waste
- No major or catastrophic incidents. There were 13 environmental licence non-compliances and 14 losses of containment in Category 2 (Moderate)<sup>1</sup>

## FY2014-17 Targets:

- Monitor three year reduction targets in Australia and implement targets in US and Europe
- Continue to manage environmental compliance

1) A Category 2 environmental licence non-compliance is a moderate excursion outside statutory discharge or emission limits as set out in the relevant licence and as measured in a scheduled test; and a Category 2 loss of containment is an incident where there is an unplanned release or spill on a Company site of material from a vessel, tank, pipe pump, container or package in which it was designed to be contained and such incident causes moderate injury or damage, impacts the environment or causes concern in the surrounding community

## GHG emissions over the last 4 years:



*Carthage site instituted a steam trap monitoring program saving 433 kKwh pa of energy*

*Carthage, Missouri site automated the process of replacing water in the boiler saving 2,082 kL of water and 84,900 kWh of energy*

# Improving sustainability of our products

*Using product innovation, IPL aims to improve the environmental and social impacts of manufacturing and using IPL products*

## FY2012 Performance:

- Keystone Project – developed and promoted the use of fertilisers with improved nitrogen efficiency
- Keystone Project - conducted trials to incorporate waste oil into the fuel phase emulsion
- Investigated use of recycled or renewable materials as bulking agents in explosives

*IPF has been developing and promoting enhanced efficiency fertilisers, such as Green Urea and Entec. Additionally IPF has been providing other agronomy services to Australian farmers to increase on-farm efficiency*



*IPF operate one of the largest commercial plant nutrition research and development programs in Australia in addition to operating the analytical laboratory for specialist soil, plant and water testing, Nutrient Advantage*

## FY2014-17 Targets:

- Continued to promote best practice fertiliser management
- Researching blast designs and products to reduce air particulates, ground vibrations, nitrate leaching and other post-blast impacts

*Dyno Nobel has been substituting higher impact raw materials such as perchlorate contaminated sodium nitrate with cleaner synthetic materials*



*Replaced traditional bulking agents with renewable or recycled materials and replaced virgin petrochemicals with oils from renewable and waste sources*

# Right people, right skills, right time

*Embedded in IPL's Values is the goal to attract, develop and maintain a highly talented and diverse workforce*

## FY2012 Performance:

- Adopted Diversity Policy and Principles
- Relunched Australian graduate program with renewed focus on diversity - percentage of new hires that are female increased from 17% in FY2011 to 21% in FY2012
- Refined leadership competencies to support the cultural transformation of BEx
- Provided more than 1,800 days of leadership training to more than 1,500 employees

## FY2014-17 Targets:

- Global execution of Diversity Strategy by FY2015
- Continued implementation of BEx, empowering employees throughout the organisation to make a difference in their roles

## Total workforce by gender (excluding contractors):

	% of Females
Board	14.3%
Executive	12.5%
Management	11.8%
Global	13.6%



# Summary

- Sustainability is core to IPL's Values
- Admitted to Dow Jones Sustainability Index (DJSI) Asia Pacific Index in 2012
- Next phase: FY2014 to FY2017 Sustainability Strategy
- BEx will drive an integrated approach to Sustainability across IPL
- 'Zero Harm for Everyone Everywhere' remains the number one priority
- Drive for continuous improvement with plans and targets being set across key Sustainability dimensions to improve business performance