



Sustainability Report 2014

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Incitec Pivot defines Sustainability as ‘the creation of long term economic value whilst caring for our people, our communities and our environment’. This commitment to Sustainability is driven by the Company’s Values and is core to the way Incitec Pivot operates its business.

For five years Incitec Pivot has produced a stand-alone Sustainability Report, incrementally improving disclosure each year against the Global Reporting Initiative (GRI) Guidelines. This year, for the first time, sustainability performance data has been included in the [Annual Report](#), providing a full account of Incitec Pivot’s annual economic, environmental, social and governance performance in one document.

This Online Interactive Report contains further information on Incitec Pivot’s 2014 sustainability performance, so that stakeholders can better understand our social, environmental and safety focus and performance. The Report covers the 12 month period from 1 October 2013 to 30 September 2014, the Company’s financial year. Our last sustainability report was a stand alone report published in December 2013 for the 2013 financial year.

This Report covers the performance of IPL and its wholly owned subsidiaries and the activities over which we have operational control for all or part of the financial year ended 30 September 2014. Together, this online Report, the [2014 Sustainability Summary](#) and the [2014 Annual Report](#) provide the full account of IPL’s performance for the period.

Prior year Sustainability Reports can also be found in the Sustainability Section of our website at www.incitecpivot.com.au/sustainability. We recognise the need to report on issues most relevant to our business and our key stakeholders, and we welcome feedback on this Report and our sustainability progress. Please direct any questions or comments regarding this Report or its content to us via sustainability.feedback@incitecpivot.com.au.

This online interactive report has been prepared in accordance with the Global Reporting Initiative’s (GRI) Sustainability Reporting Guidelines, Version 3.1 and is self-declared as a GRI C application level. See our [GRI Index](#) here.

A Message from the Managing Director & CEO

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During our 2014 financial year we continued our progress on Sustainability. Our strategic review and benchmarking concluded that we are on the right track, and our embedding of sustainability across the company has reached a level of maturity where we influence beyond our operations and encourage our suppliers to align with our corporate values. We were also included in the FTSE4Good index for the first time, a pleasing recognition of our commitment to good reporting.

During the year there were a number of achievements that I would like to highlight. Firstly, we saw improvements in our Safety, with 90% of our global sites remaining injury free and reporting no recordable injuries. At the end of the year our TRIFR was 0.97 – ahead of both our internal target and the industry benchmark – a world class result.

Sadly, after the end of the 2014 financial year in May 2015, one of our underground employees was fatally injured and lost his life. Our condolences remain with his family, loved ones, his colleagues and the wider Dyno Nobel family. Our safety foundation is strong and I still believe that Zero Harm is achievable and something we will all continually strive for.

Diversity was a focus in 2014; in particular the company worked to increase indigenous employment across the Australian businesses and progress was made. Key achievements during 2014 were:

- meeting our target of 2% indigenous employee rate of new starters;
- implementing the Cultural Capability program with an 80% participation rate; and
- the development of our Australian indigenous relations policy.

Energy efficiency and reducing waste are key parts of our environmental focus. Energy, particularly gas used as a feedstock for our manufacturing operations, is a major cost in our business and we continue to manage our supply into the future. The continued rollout of BEx, our lean based business improvement program, is helping to build a strong culture of continuous improvement across the IPL Group, including areas which impact on the environment and resource efficiency. The resulting reductions in waste are pleasing from both an environmental and an economic perspective. This progress is being complimented by our simplified Global Environmental Standards, which were rolled out during 2014.

The introduction of an Online Sustainability Report this year, supplementing the first-time inclusion of a short form Sustainability Report in the Annual Report, is a progression in our reporting. Our objective is to meet the needs of our diverse stakeholder group in an efficient and effective manner. I invite you to read it and welcome any feedback you may have.

James Fazzino
Managing Director & CEO

Sustainability Scorecard

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The Sustainability Scorecard shows our performance across a range of economic, social and environmental indicators.

Indicator	Unit of measure	2011/12	2012/13	2013/14
Environment				
Emissions				
Direct GHG emissions (Scope 1)	Million	2.0	2.4	2.2
Indirect GHG emissions (Scope 2)	tonnes CO ₂ e	0.4	0.4	0.4
Total GHG emissions ¹		2.4	2.8	2.6
Proportion of energy derived from fossil fuels ²	%	95% approx	95% approx	95% approx
Energy				
Global direct energy consumption	GJ	36,159,511	42,796,114	41,248,949
Water				
Global water use	GL	43.4	43.2	43.4
Australian water use	GL	11.9	10.7	10.5
Global water discharge	GL	30.4	32.7	32.5
Waste				
Global solid waste	kt	8.3	8.7	13.5
Australian solid waste	kt	3.7	3.7	4.4 ³
Global solid chemical waste	kt	2305.3	1,877.7	1,470.4
Australian solid chemical waste	kt	2305.0	1,877.2	1470.2
Global liquid waste	GL	19.6	18.6	23.5
Australian liquid waste	GL	15.0	12.5	12.9
Environmental compliance				
Environmental licence non-compliance incidents (category 2+) ⁴		13	16	16
Loss of containment (category 2+) ⁴		72	142 ⁴	239
Safety				
Total Recordable Injury Frequency Rate		1.45	1.20 ⁵	0.97
Fatalities		0	2	0
People				
Total workforce (excluding contractors)		5,162	5,247	4,977
Americas		2,786	2,684	2,584
Asia Pacific		2,121	2,293	2,124
Europe		255	270	257
Gender – Diversity (% of women)				
Board ⁶		14.3%	14.3%	25%
Executive		12.5%	12.5%	14.3%
Management		11.8%	13.3%	13.8%
Global		13.6%	15.0%	15.5%

Direct Economic Value Generated and Distributed

A. Direct economic value generated

Revenues	\$Mil	3,533.1	3,439.2	3,400.2
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B. Economic value distributed

		3539.1	3,461.5	3,570.0
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Operating costs, including payments to suppliers, non-strategic investments and royalties		2,694.6	2,490.7	2,670.9
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Employee wages and benefits: total monetary outflows for employees (current payments, not future commitments)		523.4	578.5	583.2
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Payments to providers of capital, including dividends and interest		187.3	203.6	152.0
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Government taxes (TOTAL) (income tax, payroll tax, Australian goods and services, fringe benefits taxes and Australian fuel tax credits)		133.8	188.1	163.6
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Voluntary community investments (including donations of cash, in-kind support and employee time)		0.4	0.6	0.3
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C. Economic value retained (A-B)		(6.0)	(22.3)	(169.8)
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1. Scope 1 + 2.
2. Excluding natural gas used as production raw material.
3. Includes 1.2kt of construction waste sent to onsite landfill at our remote Phosphate Hill site in Queensland, Australia.
4. Categories were redefined in 2012/13.
5. Restated due to finalisation of incident classifications.
6. J Fazzino, Managing Director & CEO is classified as a Board member.

Benchmarking Our Performance

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To create real value for all our stakeholders, we are committed to improving the quality and quantity of data we use to report. This requires benchmarking our performance against other companies in the chemicals sector and sharing our findings.

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM

The DJSI is widely recognised as the leading reference point in the growing field of sustainability investing due to the robustness of the assessment process. Since 2010 IPL has been included in the Dow Jones Sustainability Indices (DJSI) and our performance is benchmarked against peers in the global 'Chemicals' sector.

Dimension	2010	2011	2012	2013	2014
Economic	61	61	59	70	65
Environmental	51	50	51	59	60
Social	37	45	63	68	67
Total for IPL	49	51	58	66	64
Chemicals sector average	55	57	55	52	55

FTSE Group confirms that Incitec Pivot Limited has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalise on the benefits of responsible business practice.



FTSE4Good

EcoVadis assists companies in improving environmental and social practices by leveraging the influence of global supply chains. It operates the first collaborative platform that enables companies to monitor the Sustainability performance of their suppliers, across 150 sectors and 99 countries. Through participation, EcoVadis reliable ratings allow companies to manage risks and drive eco-innovations in their global supply chains. IPL was awarded a Bronze EcoVadis Rating in 2014.



Carbon Disclosure Project For over a decade CDP has worked with companies to catalyse action towards a more sustainable world. This is a world with significant opportunities for business. Companies that measure their environmental risk are better able to manage it strategically. And those that are transparent and disclose this information are providing decision makers with access to a critical source of global data that delivers the evidence and insight required to drive action. Our reports can be downloaded [here](#).



CDP is also working to catalyse action on corporate water stewardship to safeguard water resources and address the global water crisis - one of the most significant challenges facing the global economy. Through participation in [CDP's water questionnaire](#), Incitec Pivot provides investors with access to material data, consistently reported, on assessment and actions that lead to more responsible use of freshwater resources. Importantly, our participation in CDP's water program will help ensure the right to water for current and future generations. As part of this reporting project, we use the World Business Council for Sustainable Development Global Water Tool to assess our global water use and discharge.



Our Approach

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Sustainability Strategy

Incitec Pivot defines Sustainability as ‘the creation of long term economic value whilst caring for our people, our communities and our environment’. This commitment to Sustainability is driven by the Company’s Values and is core to the way Incitec Pivot operates its business.

We recognise that sustainable growth requires us to balance our economic performance with our environmental and social responsibilities.

These responsibilities include being a good corporate citizen and operating ethically. They include ensuring good governance in our day-to-day business activities and behaving with honesty and integrity in our interactions with our stakeholders.

In 2010, IPL’s Board and Executive Team approved a sustainability strategy to use ‘sustainability’ as a tool to think more broadly across all aspects of our business. This enabled us to focus on specific sustainable and value creating actions in line with our business objectives. Our sustainability journey came to life in the form of [five keystone projects](#), developed to deliver specific measurable objectives for the business by September 2013 and kick start our sustainability journey. The projects were selected to progress three initial focus areas that we refer to as our ‘Use Less, Get Close, Be Responsible’ agenda.

During 2013/14 a formal review of the Company’s sustainability performance to date was undertaken. The review included two independent peer benchmarking reviews: one investor focused (Dow Jones) and one customer focused (EcoVadis). As a result of this review, the existing strategy for operational sites was reaffirmed. It was also determined that Incitec Pivot should seek to influence suppliers to promote alignment with the Company’s corporate values and continue the sustainable development of its supply chain.

Content Selection Process

In order to determine the most important topics for sustainability reporting, a materiality review is conducted each year. Initially, important topics are identified through engaging with stakeholders throughout the year and by research of publicly available documents and business communications. These potential aspects are then analysed and prioritised internally by Incitec Pivot to determine which aspects are ‘material’ to report. This aligns to the GRI 4 materiality approach.

In 2013/14 we engaged with investors, customers, suppliers, industry groups, representatives of national and international charities, regulators, Governments and grass-roots community organisations including resident groups, councils, farmers, sporting clubs and environmental groups through a range of channels.

VISION STATEMENT

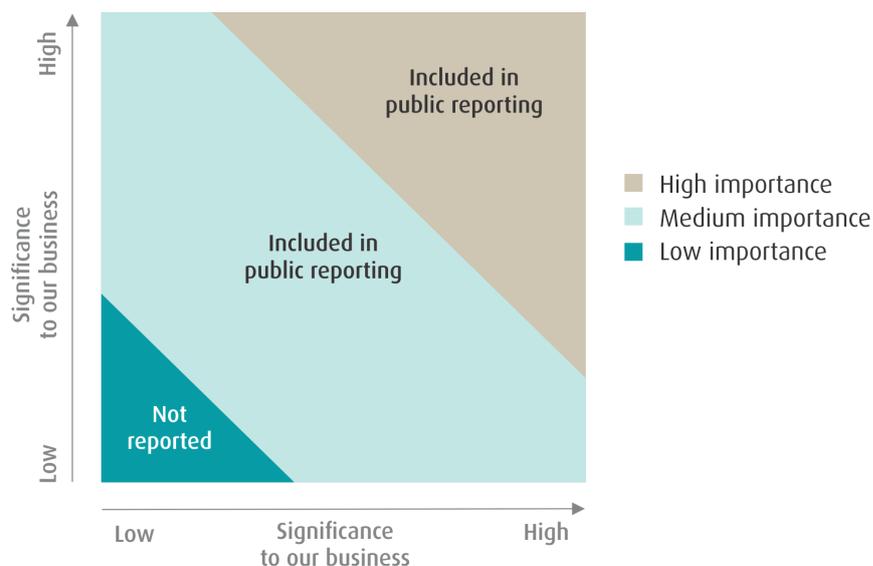
To be the best in our markets, delivering Zero Harm and outstanding business performance through our people, our culture and our customer focus.

VALUES



Our reporting focuses on five areas: workplace health and safety, environmental impacts and resource efficiency, community impacts and engagement, labour practices and our products & services. Within each of these areas we used the content selection process below to determine the topics most important to our stakeholders and our business:

- 1. IDENTIFY** We identified the stakeholders who have a direct relationship with, or are impacted by, our business. These were: customers, joint venture partners, employees & contractors, government & regulators, local communities, suppliers and investors.
- 2. COLLECT** We collected information by researching publicly available information, analysing business communications and engaging with key stakeholders. This year, we held a Sustainability Investor Briefing in March to update key investors on our sustainability strategy and progress, and to gather feedback on our approach. The issues and queries raised through this briefing were incorporated in to this year’s materiality assessment. We also identified topics of significance to our business by utilising established internal processes.
- 3. ANALYSE** The information was analysed to understand the topics important to different stakeholder groups.
- 4. PRIORITISE** The topics were prioritised according to the level of importance to stakeholders and to our business.
- 5. RATIFY** Our Executive Team then reviewed and ratified the identified topics.
- 6. REPORT** This online Report, together with our [Annual Report](#) and our four page [Sustainability Summary](#) (collectively, our public reporting), cover the topics of medium and high relevance to our stakeholders and our business.



Continuous Improvement through BEx

Business Excellence (BEx) is Incitec Pivot’s Business System through which a culture of continuous improvement is being built. BEx is strongly aligned to IPL’s Corporate Values and has lean thinking at its core. Through BEx there is continuous review, measurement of business performance and improvement of the processes and systems that support sustainable practices.



How We Operate

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We are committed to achieving and demonstrating the highest standards of corporate governance. Our governance framework and practices are consistent with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations.

Incitec Pivot's highest governing body, the Board of Directors, is responsible for charting the direction, policies, strategies and financial objectives of the Company. The Board serves the interests of the Company and its shareholders, as well as other stakeholders including employees, creditors, customers and the community, in a manner designed to create and continue to build sustainable value.

The Board operates in accordance with the principles set out in its [Board Charter](#). The Charter sets out the Board's own tasks and activities, as well as the matters it has reserved for its own consideration and decision-making. To assist the Board in meeting its responsibilities, the Board currently has the following four Committees:

- the Audit and Risk Management Committee;
- the Nominations Committee;
- the Remuneration Committee; and
- the Health, Safety, Environment and Community Committee

Day-to-day management of Company affairs and the implementation of the corporate strategy and policy initiatives are formally delegated to the Managing Director & CEO. The Managing Director & CEO and his direct reports form the Executive Team. This team also has a sub-committee called the Zero Harm Council.

Responsibility for sustainability strategy and governance resides with the Executive Team, advised by the Corporate Sustainability Team. The Corporate Sustainability Team is led by the General Manager Global Sustainability & Carbon, who reports to the Chief Financial Officer, thereby providing alignment with the financial performance for the Company and overall risk management.

Key systems and policies

We are committed to operating to the highest standards of ethical behaviour and honesty, with full regard for the health and safety of our employees, customers, the wider community and the environment. As part of our commitment to operating to the highest standards of ethical behaviour, we have codes of conduct that set the ethical standards for directors, senior management and employees. The codes describe core principles designed to ensure ethical conduct is maintained in the interests of shareholders and other stakeholders.

ETHICS & CONDUCT

Our [Code of Ethics](#) is a code of conduct for all employees. In 2014, a review of internal policies against the United Nations Declaration of Human Rights was undertaken. An updated Code of Ethics is currently being developed as a result of this review. The [IPL Code of Conduct](#) for Directors and Senior Management sets out additional ethical standards for directors and senior management reporting to the Managing Director & CEO.

ZERO HARM

[Health, Safety, Environment & Community Policy](#) sets out our commitment to our Values of "Zero Harm for Everyone Everywhere" and "Care for the Community and our Environment". The Policy provides that we establish and maintain health and safety management standards and systems in compliance with relevant industry standards and regulatory requirements, and that we will provide a safe and healthy working environment. The Policy also provides for us to conduct our operations in compliance with all relevant environmental licences and regulations, and to strive to be a valued corporate citizen in the communities in which we operate.

ANTI BRIBERY

The [IPL Anti-Bribery and Improper Payments Policy](#) prohibits the making of unlawful or improper payments to any individual or entity. The policy also outlines the processes for ensuring that appropriate controls are implemented in relation to third parties who are engaged to act on behalf of us. The Anti-Bribery and Improper Payments Policy forms part of, and is supported by, the Fraud and Corruption Control framework.

SANCTIONS

Our [Sanctions Policy](#) outlines the expected standards of conduct relevant to the Group's compliance with Australian and international sanctions laws when engaging in international trade. This includes engagement in appropriate due diligence in relation to third parties, transactions or activities that present a potential risk in relation to sanctions laws compliance.

GROUP RISK

Our [Group Risk Policy](#) and risk management process ensures that risk is managed within a comprehensive risk management process which is consistent with the Australian/New Zealand Standard for Risk Management (AS/NZS ISO 31000:2009). A key element of this risk management process is the Board's assessment of risk, which is based on the level of risk we are able to sustain in achieving the corporate objective of delivering value to shareholders. Risks are identified, analysed and prioritised using common methodologies and risk controls are designed and implemented having regard to the overall corporate strategy.

SUSTAINABLE COMMUNITIES

Our [Sustainable Communities Policy](#) includes our commitment to listen to and work with the community, strive to be a valued corporate citizen in the communities where we operate; and respect our neighbours, their values and cultural heritage and be considerate to them in carrying out our operations. At IPL, we are committed to being an inclusive and accessible organisation through the development of a culture that embraces diversity. Our employees range in age and gender and come from many different cultures, traditions and lifestyles. It is the diversity of our people that makes our company a great place to work. IPL benefits from this variety of perspectives and ideas, experience and capabilities, all of which lead to a greater opportunity for innovation and a better workplace.

DIVERSITY

To assist in building our diverse community, we have established a Diversity Council this year, which reports to the Managing Director & CEO, James Fazzino. The Council provides leadership and support in implementing the company's Diversity Policy and Strategy. Our Board of Directors maintains oversight of the [Diversity Policy](#) and the implementation of the Diversity Strategy.

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Scope

This Report covers wholly owned subsidiaries of Incitec Pivot Limited, ACN 42 004 080 264. The Company is a public company, trading on the Australian Securities Exchange as IPL.

In accordance with Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, our reporting covers all entities that generate significant sustainability impacts (actual and potential) and over which we exercise control or significant influence with regard to financial and operating policies and practices.

The statistics in our reporting are for global sites wholly owned by IPL during that period. Joint ventures are not covered in our reporting, unless indicated, nor are the activities of suppliers, customers or outsourced operations.

The Company participates in many joint ventures with varying levels of ownership interest. A list is provided on page 67 of our [2014 Annual Report](#).

All financial figures in the Report are in Australian dollars, unless otherwise indicated.

The financial year ending 30 September 2014 is indicated as '2013/14' in our reporting.

Data measurement and calculations

Financial data: Financial figures are derived from our audited accounts, which are prepared according to the International Financial Reporting Standards (IFRS).

Greenhouse Gas Emissions data: Scope 1 and 2 greenhouse gas emissions are calculated based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Australian Scope 1 and 2 GHG emissions:

- National Greenhouse and Energy Reporting (Measurement) Determination 2008
- National Greenhouse Accounts (NGA) Factors (2014).

Americas Scope 1 and 2 GHG emissions:

- US Electricity: eGRID2007 Version 1.1 Year 2005 GHG Annual Output Emission Rates
- US Fuels: IPCC, Guidelines for National Greenhouse Gas Inventories (2006)
- Canada Fuels: Default CO2 Emission Factors: Environment Canada, National Inventory Report, 1990–2007: Greenhouse Gas Sources and Sinks in Canada (2009), Annex 12: Emission Factors, Table

A12-5 (1998– 2007 data); Default Heat Content: Statistics Canada, Report on Energy Supply-demand in Canada, 2007 (2009)

- Canada Electricity: Greenhouse Gas Division, Environment Canada (2006 data)
- Mexico Electricity: Emission rates include emissions of CO₂, CH₄, and N₂O. Factors are a national average of all the power plants operating and delivering electricity to the National Electric System and do not include transmission and distribution losses. Source: Asociación de Técnicos y Profesionistas en Aplicación Energética (ATPAE), 2003, Metodologías para calcular el Coeficiente de Emisión Adecuado para Determinar las Reducciones de GEI Atribuibles a Proyectos de EE/ER – Justificación para la selección de la Metodología, versión final 4.1 (junio de 2003), proyecto auspiciado por la Agencia Internacional de Estados Unidos para el Desarrollo Internacional, México, D.F., México.

European Scope 1 and 2 GHG emissions:

- 2011 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting – Produced by AEA for the Department of Energy and Climate Change (DECC) and the Department for Environment, Food and Rural Affairs (DEFRA) in the UK. Version: 1.2

Changes during the period

There were no changes to the organisational structure or size during the reporting period.

Restatements

We have restated our TRIFR for 2012/13 from 1.16 to 1.20 due to finalisation of incident classifications.

Assurance and data integrity

We aim to ensure that the information we publish is accurate, complete and material and therefore contributes to building trust and credibility with stakeholders. To achieve this we have improved our internal processes for verifying non-financial management information and for reviewing and approving the content of our reporting.

We are focusing on increasing external assurance of our non-financial data over time, taking a materiality based approach. This year, an external review of our safety incident data integrity was undertaken and process improvement actions were undertaken.

Our Australian greenhouse gas emissions, energy consumption and production figures for the period 1 July 2013 to 30 June 2014 were assured by a third party.

GRI Index

Key
 ● Full coverage
 ○ Partial coverage
 Not covered

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GRI Item	Description	Coverage
1.1	Statement from the most senior decision-maker of the organisation	●
2.1-2.8	Organisational profile	●
2.9	Significant changes during the reporting period	●
2.10	Awards received	●
3.1-3.4	Report parameters	●
3.5	Process for defining report content	●
3.6	Boundary of the report	●
3.7-3.8	Report parameters (continued)	●
3.10-11	Restatements and significant changes from previous reporting periods	●
3.12	Table identifying the location of the Standard Disclosures (this table)	●
4.1	Governance structure of the organisation: How We Operate and Annual Report page vi	●
4.2	Is the Chair of the highest governance body also an executive officer? No	●
4.3	Independent and/or non-executive members of the board: Annual Report page vi	●
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body: See footnote 1	●
4.7	Process for determining composition, qualifications and expertise of the highest governance body, including considerations of gender & diversity: Annual Report , page 33	●
4.13	Memberships in associations: website	●
4.14	List of stakeholder groups engaged by the organisation:	●
4.15	Basis for identification and selection of stakeholders:	●
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)		
DMA EC	Disclosure on Management Approach EC: Annual Report	●
DMA EN	Disclosure on Management Approach EN: Environment and Products and Services	●
DMA LA	Disclosure on Management Approach LA: People and Culture and Health and Safety	●
DMA HR	Disclosure on Management Approach HR	●
DMA SO	Disclosure on Management Approach SO: Community and Key Systems and Policies	●
DMA PR	Disclosure on Management Approach PR: Products and Services	○
STANDARD DISCLOSURES PART III: Performance Indicators		
Economic		
EC1	Direct economic value generated and distributed	●
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change (CDP Submission)	●
Environmental		
EN03	Direct energy consumption by primary energy source	●
EN04	Indirect energy consumption by primary source	●
EN08	Total water withdrawn by source	●
EN10	Percentage and total volume of water recycled and reused	●
EN16	Total direct and indirect greenhouse gas emissions by weight	●

EN18	Initiatives to reduce GHG emissions and reductions achieved	○
EN20	NOx, SOx and other significant air emissions by type and weight	●
EN21	Total water discharge by quality and destination	●
EN22	Total weight of waste by type and disposal method	●
EN23	Total number and volume of significant spills	○
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact	●
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●
Social: Labour Practices and Decent Work Standards		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	○
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	○
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	○
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	●
LA10	Average hours of training per year per employee by gender and by employee category	○
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●
LA12	Percentage of employees receiving regular performance and career development	●
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other diversity indicators	○
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	○
Social: Society		
S01	Percentage of operations with implemented community impact, development and engagement programs	●
S05	Public policy positions and participation in public policy development and lobbying	○
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	●
Social: Product Responsibility		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	●
PR3	Product labelling required by procedures and % of products complying with requirements	●

1. Shareholders can communicate with the Board at our Annual General Meeting or by writing, care of the Company Secretary at the Registered Office, Incitec Pivot Limited, GPO Box 1322, Melbourne Victoria 3001. Employees can communicate via employee engagement surveys or via their manager. Employees are able to report suspected misconduct via a Whistleblower hotline.

website = www.incitecpivot.com.au

Glossary

BEx	Business Excellence (BEx) is Incitec Pivot's Business System through which a culture of continuous improvement is being built. BEx is strongly aligned to IPL's Corporate Values and has lean thinking at its core. Through BEx there is continuous review, measurement of business performance and improvement of the processes and systems that support sustainable practices
CO2e	Carbon dioxide equivalent: The universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis
GRI	The Global Reporting Initiative (GRI) is a leading organization in the sustainability field. GRI promotes the use of sustainability reporting as a way for organisations to become more sustainable and contribute to sustainable development. GRI has pioneered and developed a comprehensive Sustainability Reporting Framework that is widely used around the world. To see the GRI indicators covered by our sustainability webpages and publications, click here
Group	This is the term for the company, collectively consisting of several business units and its wholly owned subsidiaries
Materiality	In the context of the GRI Reporting Framework, 'material' topics for a reporting organization are those topics that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large
Near miss	An unplanned event that did not result in injury, illness, or damage – but had the potential to do so. The aim of the investigation of each 'near miss' event is to identify and mitigate root causes, providing a focus of improvement
NOx	NOx is a generic term for the mono-nitrogen oxides NO and NO2 (nitric oxide and nitrogen dioxide)
N2O	Nitrous oxide (an oxide of nitrogen), listed as one of six greenhouse gases covered by the Kyoto Protocol and the Greenhouse Gas Protocol
Plant	The equipment used to manufacture a specific product e.g. ammonia. There may be several plants on a single IPL site
Prill	Small aggregates of solid ammonium nitrate formed by allowing drops of liquid AN to congeal or freeze in mid-air after being dripped from the top of a tall prilling tower
Scope 1 emissions	Direct GHG emissions occur from sources that are owned or controlled by the Group, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles etc., emissions from chemical production in owned or controlled process equipment
Scope 2 emissions	Scope 2 emissions are GHG emissions which arise from the generation of purchased electricity consumed by the Group. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organisational boundary of the Group. Scope 2 emissions physically occur at the facility where this electricity is generated
Scope 3 emissions	Scope 3 is a GHG emissions reporting category that allows for the treatment of all indirect emissions (other than Scope 1 and 2 emissions). Scope 3 emissions are a consequence of the activities of the Group, but occur from sources not owned or controlled by the Group. IPL does not currently collect data on Scope 3 emissions
Site	A single geographic location where IPL operations take place
Supply Chain	Our supply chain is a sub-set of our value chain, referring to the companies who supply the inputs to our operations, such as raw materials for manufacturing, service providers and providers of other inputs such as electricity and water
TRIFR	Total Recordable Injury Frequency Rate: the number of recordable injuries per 200,000 hours worked
Value Chain	Our value chain includes our suppliers (and potentially their suppliers), our operations, our distribution channels, and our customers, who are the end users of our products. Our supply chain (described above) is a subset of this



Workplace Health and Safety

Workplace Health and Safety

- > Health and Wellbeing
- > Awards

 Print PDF



[Link: What is BEx?](#)

Our approach to workplace health and safety is implemented via our HSE Strategy which focusses on four key areas referred to as the '4Ps': [Passionate Leadership](#), [People](#), [Procedures](#) and [Plant](#). We believe that safety performance is a result of investment in each of these four areas. Incitec Pivot has in place a fully integrated HSEC Management System which provides the foundation for effective identification and management of health, safety and environmental risks. Based on our HSEC Policy, this foundation is complemented by the corporate commitment to continuous improvement through [BEx](#).



In 2012 Incitec Pivot adopted a five-year Global HSE Strategy to achieve world-class safety performance and an all worker TRIFR of <1 by 2016

Our employees, with all the skills, knowledge and expertise they bring and their capacity to see and manage risks, are a critical factor in achieving Zero Harm. We are working to further develop a culture of passionate leadership, effective procedures, well maintained plants and equipment, and, most of all, engagement from our people.



Passionate Leadership

Leaders take responsibility for the safety of their people and create the safety culture in which Zero Harm is achievable. Passionate Leadership is the most important of the 4Ps. We have a governance structure in place to ensure a safety focus across the organisation. The Board's Health, Safety, Environment and Community (HSEC) Committee assists the Board in its oversight of health, safety and environment matters arising out of our activities as they may affect employees, contractors, and the local communities in which we operate.

The Vice President of Health, Safety and Environment is accountable for advising the Managing Director & CEO and Executive Team on best practice strategies for health, safety and environmental improvement. The role supports the organisation in developing and delivering the health and safety strategy and works with a Group-wide network of safety professionals and operational leaders to achieve our goals and support line management in improving our performance.

Regional safety managers provide advice and support to line management, to enable them to make the most effective use of resources, by sharing best practices, and standardising, streamlining and coordinating health and safety activities across the Group.

The Zero Harm Council (ZHC), chaired by our Managing Director & CEO and consisting of all members of the Executive Team, the Chief Risk Officer and Vice President Health, Safety & Environment, is accountable for reviewing health, safety and environmental performance. A number of Zero Harm sub-committees have been established specifically to target aspects of our HSEC management system where opportunities for improvement have been identified.

To support our safety professionals in their roles a Health, Safety and Environmental (HSE) Functional Capability Framework was developed and a HSE Functional Capability Assessment template was developed and rolled out globally during 2014. The assessment was designed to help to identify the level of competency of our HSE professionals in the four key areas of HSE knowledge, core processes, understanding the business and partnering with the business.

On a day-to-day operational level, our leaders are expected to consistently demonstrate and communicate high standards of behaviour and operating discipline and promotion of our Zero Harm Value. They must take proactive action to continuously improve our safety performance and use both leading and lagging indicators to monitor that performance.



People

[Link:](#)
What is BEx?

Personal responsibility at all levels is integral to promoting continuous health and safety improvement across the Group. We are embedding this culture through [BEx](#) and specific training, and supplementing this with the use of techniques such as safety observations, and incident and near miss investigations to share learnings.

We recognise that personal attitude plays a major role in workplace safety. We use two best-practice tools globally: Take5! and Safe Act Observation

185%
INCREASE IN 'NEAR MISS'
REPORTING & INVESTIGATION

Take5! and SAO are the standard risk analysis tools across the Group. Both processes require employees to take responsibility for their own safety, as well as that of their colleagues. Take5! is the process for conducting a personal rapid hazard assessment before starting work. It ensures that employees are aware of any risks and have put controls in place to make it safe to proceed. This tool is used in conjunction with Job Safety Analyses (JSAs) and existing risk-assessment processes. SAO is a step-by-step process for evaluating safe work behaviours, whereby team members are observed performing routine tasks in their normal work environment. It is collaborative, and provides positive reinforcement and feedback to ensure that all employees work as safely and efficiently as possible.

Our global behavioural safety training program called 'Safety Partners' continued to be rolled out this year. Safety Partners is an innovative program that incorporates a unique blend of IPL's Leadership, [BEx](#) and Sentic's Zero Incident Process (ZIP) training content. The initial program is based on the concept of how people think, which invariably impacts on what they do. By giving attention to individual attitudes and behaviours we are able to influence the results we achieve on and off the job. Ultimately, this approach will help to influence our attitude towards safety, understanding what is truly important to us and creating a personal safety action plan.

Employees also receive safety training as part of their induction process, which is compulsory for all new employees (including contractors whose duration of engagement exceeds 40 hours). The first day of this process includes the provision of site safety information as well as discussion and sign off on our Health, Safety, Environment and Community Charter. Our 'safety non-negotiables' as described in the ['Rules to Live By'](#) are clearly communicated at induction and reinforced by managers. We also use the '5S' approach to workplace efficiency and safety hazard removal. 5S is one of the business improvement training programs associated with [BEx](#).



Procedures

Our HSEC policy and management system is a key tool underpinning safety performance at all levels and across all functions. We have rolled out simplified and streamlined global [HSEC Standards](#) across the Group in 2014, reducing the number of standards from 53 to 18. These are a key component of our Safety Management System.

While our Standards continue to contain our strict requirements for process and personal performance, the review has simplified and clarified our expectations. Our new global HSE standards are aligned to ISO14001, OHSAS 18001, ISO 31000 and AS 4801 international standards, as well as American Chemistry Council Responsible Care and Centre for Chemical Process Safety Risk Based Process Safety standards.

To track and monitor our HSE performance, we use a global HSE reporting system called SHAERS (Safety, Health and Environment Reporting System). Incident reporting and analysis is key to our ability to continuously improve our safety practices. By recording incidents – be they injuries, environmental, process safety, quality or even 'near misses' – we gain valuable insights into the safety hazards faced by our people across all of our sites. Data extracted from SHAERS is reported to the Board and Executive Team on a monthly basis.

Last year our SHAERS system was upgraded to streamline the incident reporting process and make the system interface more user-friendly. As a result, the percentage of 'near miss' incidents recorded was improved by 185 percent in 2014. We continue to encourage 'near miss' reporting as an important means of identifying and avoiding harmful incidents in our workplaces.

[Link:](#)
What is BEx?



Plant

Given the nature of the risks involved, ensuring the safety and integrity of our major chemical manufacturing facilities is paramount. This means making sure our facilities are well designed, safely operated, properly inspected and maintained, and meet regulatory requirements.

We are continuing to strengthen our governance of process safety. Last year we introduced an audit framework and established metrics for monitoring and assessing performance. Our global Process Safety Standard was released, supported by an internal awareness campaign including bulletins, seminars, and toolbox talks, and our major sites participated in an internal benchmarking exercise against the Standard.

This year the Process Safety Management (PSM) was moved under our corporate HSEC function. We also gave the Manufacturing Leadership Team responsibility to determine our new approach to process safety management with a focus on overall risk management standardisation in 2015.

Key Challenges and Opportunities

- Achieving Zero Harm in a risk inherent manufacturing environment
- Embedding our new HSEC Standards and ensuring local procedures are updated to reflect our strengthened requirements
- Refining our internal audit protocol to reflect our updated HSEC standards and move to a risk-based audit approach
- Providing support to our smaller sites to meet Group and regulatory requirements

Strategic Priorities

- Injury Reduction: Safety Leadership and Safety Culture
- Risk Management including Process Safety Management
- Continued TRIFR improvement through behavioural safety training, identifying the root cause of near misses/incidents and management of risk
- Embedding effective change management processes into key HSE initiatives
- Leveraging the learnings from High Potential Incidents across the business
- Integration of 'Safety Partner' (behavioural) principles into HSE systems and tools

Our Performance

- Achievement of a TRIFR of 0.971, a 20% reduction from 2013
- Drive to increase 'near miss' reporting and investigate high potential near miss events. Near miss reporting has increased 185% with 100% of all 'high potentials' investigated
- Release of an updated HSE strategy and standards
- Specific and comprehensive Executive Team member 'Zero Harm' goals including undertaking safety-focused site walks during site visits, and taking part in and reviewing risk assessments and incident investigations
- Executive Team member led management reviews of high potential incidents and group wide communication of the resulting learnings
- Implementation of a risk based approach to Incitec Pivot's internal corporate audit protocol
- Implementation of a global approach to incident investigation and production of incident investigation training materials
- The continued roll out of the 'Safety Partners' training program across our business divisions



20%
REDUCTION
IN TRIFR

10:1
'NEAR MISS'
TO INCIDENT
REPORTING

(1) TRIFR is expressed as the number of recordable injuries per 200,000 hours worked.
(2) Subject to finalisation of the classification of any pending incidents.

Workplace Health and Safety

Health and Wellbeing

Workplace Health and Safety

- > Health and Wellbeing
- > Awards

 Print PDF



[Link:](#)
What is BEx?

The IPL Zero Harm Council has responsibility for health and wellbeing across the Group and each business unit and site offers health and wellbeing programs appropriate for local needs and to suit local regulatory and cultural requirements.

All Australian and US employees have access to an Employee Assistance Program (EAP).

In Australia, this program provides up to five confidential specialist counselling sessions each year, available 24 hours per day. It offers support for work and personal issues either face-to-face, over the telephone, in writing, via the internet or by video conferencing. The counselling can help with managing conflict, coping with change, stress, grief, career transitions, relationship issues, gambling, alcohol and substance abuse, parenting conflict, pain, trauma, anxiety, depression and many types of emotional difficulties.

Across our Australian sites, we promoted R U OK? Day on 12 September 2014, an initiative supported by the Australian Government to equip and encourage work mates to start a conversation whenever they notice that a colleague might need help to seek assistance. Stress management information and/or training is instigated at a site level as needs are identified by the relevant site manager. This may take the form of site wide training, training for specific work groups, or referral for an individual needing assistance in this manner.

First aid courses are open to employees to participate in across the Group and counselling or other support services are also available in response to specific events e.g., a natural disaster or site incident.

How to ask
R U OK?
Learn here

2014 Walking Challenge

This year we formed a Wellness Committee in the USA to further embed the importance of health and wellbeing across our North American business. The Committee piloted an eight week Walking Challenge to encourage employees to build more exercise into their everyday activities. Teams and individuals were encouraged to enter the Challenge, and prizes were awarded for those entrants who walked the most steps each week. While communicating the progress of each individual and team during the Challenge, we featured one site each week in order to build more awareness between our sites, featuring the site's employees and operations. It is planned that these initiatives that will be extended to Mexico and Canada in 2015.

Sleep and driver safety

Our Dyno Nobel Transportation and Distribution business in North America initiated a Sleep Apnoea Program during the year for our truck drivers, which aims to assist in reducing fatigue and help keep them safe on the road. Drivers were tested for sleep disorders and, where required, were assisted to access treatment to improve their sleep. Follow up to monitor progress and ensure treatment is also part of the program. We plan to establish a Walking Challenge specifically for our drivers in 2015, as well as a Transportation Driver's Council to promote weekly wellness activities and increase awareness of the importance of health and wellness.

Occupational health assessments

Across our US and Australian operations, annual occupational health assessments are also offered to employees. For example, we currently offer our US based employees confidential Wellness Screenings on an annual basis. The screenings focus on the early identification of personal modifiable health risk factors. This provides each employee with a picture of their overall health status including blood pressure, cholesterol, glucose, and triglyceride levels, and the effects of smoking. Delivered by a third party professional health provider, this screening information is provided confidentially to employees who are then assisted in partnering with their physician to take corrective action and improve health outcomes where required. Because the screening is conducted annually, a six month check-up is included to track progress and assist in improving their health.

A similar program was offered this year at our Gibson Island site in Brisbane, Australia. Delivered by a health, wellbeing and exercise specialist, the provider conducted blood pressure testing and health advice, and made a six month program of exercise and nutrition available to employees. The program covered 3 main areas of health: nutrition; movement; and wellbeing. Information sessions were held each Tuesday at lunch time, and 3 exercise sessions were scheduled each week to cater for all work groups.

Some of our sites in Australia, such as Phosphate Hill and Moranbah, have access to a range of health and fitness support facilities and services such as a gymnasium, other sport and recreational facilities and lifestyle, nutrition, health and fitness professional support and advice. Many other sites offer a subsidy towards gym membership or other fitness programs.

Giving up smoking

In the US, a tobacco cessation program is also offered in association with the Wellness Screenings program and is conducted by the same third party health provider. We incentivise this program by reimbursing the employee's costs for any approved tobacco cessation products once an employee has successfully completed the program and stopped smoking.

Reducing sprains, strains and manual handling injuries

We also focused on early intervention and prevention of all types of sprains, strains and manual handling injuries during the year through a combination of eliminating manual handling tasks where possible, and encouraging employees to report any signs of strain injuries as soon as they arose. In the USA alone, 161 early reports of possible strains allowed them to be treated with first aid, successfully reducing the severity of work related injuries. Similar reductions in injury rates were reported across our Asia Pacific businesses. Further work will be done in 2015 to identify and eliminate risks associated with manual handling tasks by examining and redesigning them.

Flu prevention

Our sites at Simsbury and Cathage present a wellness topic at their site wide monthly safety meetings. Topics this year have included 'Heart Health' and 'Infection Control', and several flu clinics were also conducted.

Workplace Health and Safety

Awards

Workplace Health and Safety

- > Health and Wellbeing
- > Awards

 Print PDF



[Link:](#)

What is BEx?

Incitec Pivot's commitment to 'Zero Harm for Everyone, Everywhere' was recognised with a number of awards during the 2014 financial year focusing on the Company's practices to keep employees, customers and communities safe.

In particular the following sites were recognised:

- Graham, Kentucky received the Governor's Safety and Health Award in March 2014. The plant achieved over one million hours without a lost time incident
- Donora, Pennsylvania received the 2014 Rear Admiral Richard E Bennis Award for Excellence in Maritime Security, recognising the site's exceptional security program and practices
- In June 2014 the Clermont, Queensland team was awarded the Mine's first General Manager award by the site owners, Glencore, for achieving 1,000 days injury free



Community

St Helens employee, Rob Opperman, far left, shows St Helens High School students our St Helens operation.

Community

- > Community Engagement
- > Community Investment
- > Community Consultation on Major Projects

 Print PDF



> [Link: Communicating Site Safety and Emergency Procedures to our Communities](#)

IPL understands that long term and meaningful relationships with our communities are fundamental to maintaining our social licence to operate and believe we have a responsibility to make a positive social and economic contribution. As an international industrial chemicals company with operations in many countries, we take a grass-roots approach to community engagement.

Community investment and engagement decisions are made locally, where community needs are best understood, and are guided by a Group-wide governance framework.

We are committed to building long term and meaningful relationships with the communities in which we operate in accordance with our Value of *“Care for the Community & our Environment”*. We actively engage with community members and representatives of national and international charities, regulators, Governments and grass-roots community organisations including resident groups, councils, farmers, sporting clubs and environmental groups.

We aim to have a positive impact by working closely with community representatives, providing local employment and selecting local suppliers wherever possible. We empower our people to engage with their local communities and seek to mitigate negative impacts and create positive perceptions and outcomes for our business.

Our [Sustainable Communities Policy](#) defines our approach to community relations, including commitments to:

- Listen to and work with the community;
- Strive to be a valued corporate citizen; and
- Respect our neighbours, their values and cultural heritage, and be considerate of them in carrying out our operations.

Day-to-day responsibility for assessing our community impacts and implementing community engagement programs rests with local management at each of our sites, as our site managers best understand their needs and concerns. Local priorities are informed by our [Community HSEC Standard](#), which sets our minimum requirements for engagement. Governance of our community investment programs is overseen by the Executive Team.

Key Challenges and Opportunities

- Ensuring alignment of our community activities to our Principles for Giving across our global operations
- Maintaining our social licence to operate with the inherent risks associated with chemical manufacture, storage and transport
- Building our reputation as an employer of choice in the community

Strategic Priorities

- We will continue to improve our approach to community engagement, including:
- Continuing to develop a Group-wide approach to community relations and embedding principles of community engagement at business unit and site level
 - Understanding and working to address the impacts we have on our communities
 - Embedding the principles of our Community Investment Framework within the ongoing operations of our businesses and functions

Community

Community Engagement

Community

- > Community Engagement
- > Community Investment
- > Community Consultation on Major Projects

 Print PDF



- > [Link: Communicating Site Safety and Emergency Procedures to our Communities](#)

As an international industrial chemicals company with operations in many countries, we take a grass-roots approach to community engagement.

Many of our operational sites have community engagement programs in place to facilitate two-way communication between the site and the local community. Outcomes associated with these local site community engagement programs during 2014 include:

- Our fertiliser manufacturing site in Portland, Australia, conducts community meetings in August and March each year. Advertised through the local media, Portland residents, local journalists and council representatives attend. During the meetings site representatives present data about the site, such as safety information and 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 when they arise.

- Our manufacturing site in Geelong, Australia conducts similar meetings twice a year. The site also sponsors a local swim held by the North Shore Residents Group, provides an award for the top engineering graduate from Deakin University, and is actively involved in the [Northern Futures Program](#) which provides disadvantaged persons with employment experience.

- Our Pinkenba fertiliser manufacturing site in Australia donated 2000 old product bags for use in the inaugural Clubs Queensland 'Clean up the Bay' event at Moreton Bay. The day was a huge success with around 5 tonnes of rubbish collected around one of the region's most precious natural resources, Moreton Bay.

- Ian Townsend, Area Sales Manager for Incitec Pivot Fertilisers, ran 43.5 kilometres from Devonport to Riana cricket ground in Tasmania, Australia, raising more than A\$20,000. Much of the money raised was from IPL employee sponsorship. Ian was inspired to undertake the run to raise funds for a local family after hearing a safety awareness speech delivered at an IPL Safety Day by a member of the family. The speaker's partner was injured in a workplace accident which has caused a heavy financial burden on her family.

Funds raised by Ian will help alleviate the family's financial constraints and help try to move the injured husband and father closer to his home town. When completing the run, Ian was met by an excited crowd as he reached the Riana Cricket Club where a family day was held including a cricket match.

- For the second year running our Dyno Nobel Explosives manufacturing plant at Moura, Queensland, Australia, sponsored and participated in the 000 Bowls Day, a great day of activity and fun. The event raises funds for the RACQ Capricorn Helicopter Rescue Service which provides rapid deployment of medical or rescue teams to major accidents, incidents or search-and-rescue operations in the local area. IPL donated A\$4000 towards the day and entered two mixed teams of employees from our Dawson and Moura sites in the event. Sponsorship and funds raised on the day totalled A\$8200 for the rescue service.

- Our Explosives site located in Cheyenne Wyoming, US, which produces ammonium nitrate solution, prill, ammonia, UAN (a liquid fertiliser made with urea and ammonium nitrate) and urea, has a long history of supporting the local community. This year employees at our Cheyenne site continued to focus on helping the underprivileged, running community safety events and responding to local emergencies.

- As outlined within [Environment](#) and [Products and Services](#), we have processes and procedures in place to mitigate the risk of an environmental incident at our sites and when transporting and storing our products. Should an incident occur, however, we understand that communicating with neighbours and the local community is an important element in managing the response to any crisis at our sites. Our Reputation and Crisis Management manual assists crisis management teams to effectively manage communication and engagement during an incident. In addition, we publish [IPL Community Safety Reports](#) on our website to provide information and advice for neighbours of our facilities who may be impacted by our activities.

- Sites regularly participate in community forums, working with local representatives to ensure appropriate plans are in place to mitigate the impact of a crisis situation. One example of this is our Big N Fertiliser Depot in Moree, NSW, Australia, which participates in the annual incident planning day with the Moree Shire Plains Council. Emergency action plans are established for the Moree community and surrounding area together with the local Fire Brigade. On completion, our site holds a BBQ and conducts a debrief meeting, with Moree Police and Ambulance services also attending when possible.

Community

Community Investment

Community

- > Community Engagement
- > **Community Investment**
- > Community Consultation on Major Projects

 Print PDF



- > **Link:**
Communicating Site Safety and Emergency Procedures to our Communities

Through our Community Investment Framework we are able to deliver long-term sustainable growth for our businesses and ensure the long-term health and vitality of our local communities. The Framework, implemented during 2013, has been one of the key outcomes of our Sustainability Strategy. It has been established to help us to build meaningful community relationships and has enabled us to further support our people in their endeavours to make a difference within their local communities.

The framework sets minimum standards all businesses and sites within the Group are required to uphold when administering community programs and spend, ensuring funds are issued consistently and fairly across our operations. Importantly, the Framework preferences local approaches, enabling each IPL business and site to respond to the distinct needs of their communities.

IPL's Community Investment Framework directs that all community investments are issued in accordance with our 'Principles for Giving'. These Principles have been endorsed by the Executive Team and ensure we have a strategic and consistent approach to community giving across the Group.

The Principles for Giving ensure that we:

- Support activities that provide solutions to local challenges and opportunities in the communities around our operations and where our employees live.
- Place a strong emphasis on supporting initiatives that help local organisations develop the skills and resources to bring positive and lasting benefits to the community.
- Provide funding to initiatives that are aligned to IPL's Values and business strategy, and are integral to the long-term sustainability of the communities where we operate.

Our areas of focus are:

- Education – providing support for childhood, adult and indigenous specific education activities;
- Health – providing support for activities working towards better physical and mental health;
- Community Development – providing support for activities that enrich community life and enhance the social, environmental and economic sustainability of local communities.

IPL Community Fund

The establishment of the [IPL Community Fund](#) in 2013 provided IPL's operations worldwide with a formal avenue through which to apply for grants of up to A\$10,000 (or local equivalent) in support of local community initiatives. Applicants are asked to demonstrate the value of their initiative to the community as well as the link between the initiative they're hoping to support and their site's broader community engagement efforts. In 2014 this fund was suspended and future funding will be reviewed as part of the annual corporate budget process.

Dollar for Dollar Program

Our [Dollar for Dollar program](#), a key component of our Community Investment Framework, matches employee donations and fundraising efforts that are aligned to our Principles for Giving to a total of A\$2000 per initiative. In 2014 this fund was suspended but has been reinstated in 2015.

Measuring community investment

We measure our community investment using the London Benchmarking Group (LBG) methodology – a global standard for reporting community investment. This year our total community investment was A\$348,714 including cash, time, in-kind support and management costs.

Many donations were made locally, either through the donation of products and services, volunteering, local sponsorships or fundraising efforts. 100 percent of both local and Group donations were made in line with our Principles for Giving, with 40 percent going to health initiatives (including sport), 10 percent going to education and 50 percent to local community development.

Community

Community Consultation on Major Projects

Community

- > Community Engagement
- > Community Investment
- > Community Consultation on Major Projects

 Print PDF



- > [Link: Communicating Site Safety and Emergency Procedures to our Communities](#)

We undertake community consultation activity in support of all major development projects. These construction projects are typically multi-million dollar developments, taking place over months and years.

The local community, understandably, has questions and concerns about how such developments may impact them. We utilise internal expertise and, when required, employ stakeholder and community engagement specialists to support our project teams and local people to ensure timely communications throughout a project’s life cycle.

Louisiana Project, US

During 2014, construction has progressed on our US\$850 million ammonia plant which is being built in Waggaman, Louisiana, USA. This will be IPL’s seventh ammonia plant globally, its 10th nitrogen facility globally and its 10th manufacturing facility in North America, and further establishes IPL as a key participant in the manufacture of ammonia.



Apart from providing 750 peak construction jobs, Louisiana Economic Development estimates the Waggaman project will bring more than 540 new permanent positions to the area, including 65 permanent positions at the ammonia plant. Being constructed on a brownfield site, located on the Cornerstone Chemicals complex, the plant is being built using KBR Purifier™ Ammonia Process plant technology, which has been rated as the most reliable and efficient in the world, setting a new standard in clean ammonia production. In line with our commitment to sustainable development, the project will be completed with zero land clearing and will operate with reduced energy use, low NOx emissions and clean sustainably sourced water. There is also a plan to achieve zero carbon emissions at the site. Download the [Louisiana Project Case Study](#) here.

Throughout each stage of the project, stakeholder and community engagement activities have been undertaken to ensure community questions and concerns are appropriately addressed.

Our project team met with the Cornerstone Community Advisory Panel to provide an update on construction and associated activity in 2014. The project team continues to meet six monthly with Jefferson Parish officials, elected Councillors and key government stakeholders, including officials from Louisiana Economic Development, in relation to construction and operational activities, and to ensure they are informed of progress.

Kooragang Island, New South Wales, Australia

IPL deferred development of an ammonium nitrate plant on 26 September 2014 reflecting the anticipated reduction in demand for ammonium nitrate and the high cost of construction in Australia. The decision on whether to proceed with the development has been deferred for at least two years. As part of the deferral of the project, IPL continued to seek NSW planning approval for the project. NSW Planning approved the project on 16 December 2014. IPL will keep the local community informed of any company decision to proceed in the future, in line with the NSW Planning approval.



Environment

Environment

- > Resource efficiency
- > Energy and greenhouse gases
- > Water
- > Waste
- > Environmental Compliance
- > Remediation

We rely on resources such as natural gas and water, and we have the potential to impact the environment through emissions of greenhouse gases, 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 and leave no legacies.

In line with our Value of "Care for the Community and our Environment", we apply a continuous improvement approach to management of environmental matters, focusing on the efficient use of non-renewable resources, environmental management at our sites and the rehabilitation and remediation of contaminated sites.

Our [Health, Safety, Environment and Community Policy](#) states that we will Conduct our operations in compliance with all relevant environmental licences and regulations; promote the efficient use of resources and energy; and strive to minimise our impact on the environment. Our induction process includes discussion and sign off on our HSEC Policy for all employees.

 Print PDF



CDP

The risks and opportunities associated with climate change have been assessed. These are described in [our 2014 CDP Report](#).

MAJOR PRODUCTS LCA

We have conducted high level Life Cycle Assessments of the energy and carbon emissions associated with our two major manufacturing processes, making [ammonia](#) and [ammonium nitrate](#). The first is based on our Phosphate Hill site, which makes ammonia based fertilisers. The second is based on our Moranbah ammonium nitrate manufacturing site. Each is representative of the scope and activity of our manufacturing operations across the Group.

We have a governance structure in place that oversees the management of our environmental impacts:

- The Board's Health, Safety, Environment and Community (HSEC) Committee assists the Board in its oversight of health, safety, environment and community matters arising from our activities as they may affect employees, contractors, and the local communities in which we operate.
- The Zero Harm Council, chaired by our Managing Director & CEO and consisting of members of the Executive Team is accountable for reviewing health, safety and environmental performance. Since 2013, an Environment Zero Harm sub-committee was also established and charged with identifying environmental issues, risks and opportunities and developing associated action plans.
- The Zero Harm Council is supported by Zero Harm Councils within each business unit, down to site level. These Councils are chaired by the business unit head to provide leadership on health, safety and environment. Business Unit Councils meet monthly and report to the Executive Team. Within each of our business units, operations staff and project teams are responsible for preparing and executing plans to support environmental targets and strategies.
- Site managers are responsible for the operation of their site, including their environmental performance. Environmental managers within the business provide site managers with expertise to support the day-to-day environmental management of sites.

[Link:](#)
What is BEx?

Our sites are also driving environmental improvements using BEx continuous improvement processes.

- Environmental metrics are included on BEx visual management boards, which are reviewed at site daily management meetings
- Environmental training across our Initiating Systems and Ammonium Nitrate Manufacturing divisions in the US, focussing on environmental requirements and compliance; stormwater and universal waste management; protecting endangered species; spill prevention and response procedures; and environmental release reporting
- Environmental team members undertake 'Gemba' walks at our manufacturing and distribution sites. 'Gemba' is a Japanese word which means "at the site". When Gemba is used in conjunction with process improvement methodologies, it refers to the act of making observations of the process in action, then working with employees to recognise and address potential environmental hazards in their work areas
- Environmental goals associated with progressing along the BEx maturity scale are being incorporated in to the short term incentive plans of our US manufacturing environmental team members
- Addressing loss and waste with BEx processes. Click here for a Case Study on [Reducing Loss and Waste at our Wolf Lake site in Illinois, USA](#)

Key highlights during 2014:

7% REDUCTION IN ABSOLUTE GHG GASES WITH STABLE PRODUCTION

\$20 Mil REMEDIATION INVESTMENT

Review and simplification of our Global Environmental Standards

Key Challenges and Opportunities

- Consolidating global resource efficiency targets and implementing a streamlined monthly global reporting process
- Continuing to identify and prioritise resource inefficiencies
- Securing capital to drive resource efficiencies in difficult market conditions
- Responding to changing carbon regulatory conditions globally, particularly in Australia
- Continuing to improve our environmental compliance and management systems, and our environmental performance
- Responding to climate change risks and

Strategic Priorities

- Working with the Australian Federal Government on energy and carbon policy to ensure favourable outcomes for business and the environment
- Driving energy efficiencies, including finalising and implementing North American efficiency targets
- Continued roll out of BEx across all areas of the business, including areas which impact on the environment and resource efficiencies

Environment

Resource Efficiency

Environment

- > Resource efficiency
- > Energy and greenhouse gases
- > Water
- > Waste
- > Environmental Compliance
- > Remediation

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Our consumption of resources, such as fossil fuels (mostly natural gas), electricity and water and the amount of GHG emissions we produce is representative of the scale and capacity of our manufacturing plants, in particular the energy-intensive manufacture of ammonia-derived products, including urea, ammonium sulphate, ammonium phosphate and ammonium nitrate for the fertiliser and explosives markets. All of these products require natural gas as both an energy source and a raw material for production, with carbon dioxide being liberated during the process. Carbon dioxide is also liberated during the acidulation of phosphate rock in the manufacture of phosphate fertilisers.

Each chemical manufacturing process takes place in a different plant within a site. Some sites support multiple plants, for example our site at Phosphate Hill, Queensland, Australia has separate plants which process phosphate rock, produce ammonia, make phosphoric acid, and produce granulated fertiliser (both di-ammonium phosphate (DAP) and mono-ammonium phosphate (MAP)). Sulphuric acid, a further input to the processes at the Phosphate Hill site, is produced at our Mt Isa plant and transported to Phosphate Hill via purpose built rail.

In Australia a central reporting system collects energy use, water use and waste data from all manned sites. The data is obtained from utility bills, except where electricity is generated on site. Electricity generated from natural gas at remote sites is metered on site and this is also entered into the database. Municipal water use is obtained from water bills, whereas volumes for storm water, river water, recycled process water or ground water are typically metered on site. The data is then consolidated and verified for reporting purposes. Progress has been made toward extending this data collection system to North American sites in 2013/14, however implementing a best-practice long-term data collection system has taken longer than anticipated. Energy use, water use and waste data for our sites in North America and Europe were supplied separately this year.

Progress towards our 2015 Australian Targets

In 2012, four working groups were established across our Australian manufacturing operations to research, consult and develop their own three year site targets in relation to the use of energy and water and the creation of greenhouse gas emissions and wastes. More than 75 site specific initiatives were identified and agreed to by our local site managers, which were rolled into national targets. The working groups consisted of the site personnel with direct responsibilities for resource reductions and were:

- Major Energy – this group concentrated on reducing energy use at our large, energy intensive manufacturing sites and set a target to reduce energy and emissions by 3.5 percent per tonne by 2015 at our Gibson Island ammonia manufacturing plant. A 4% reduction was achieved in 2013 and has been maintained in 2014.
- Minor Energy – this group aimed to achieve energy use reductions at our smaller manufacturing sites and set several reduction targets which were achieved early and have been maintained during 2014.
- Water – this group worked to reduce water use and set two reduction targets totalling 10 percent per tonne across our Asia Pacific manufacturing sites. While one is progressing, the other has been delayed indefinitely. At our Phosphate Hill fertiliser manufacturing site, water recovery from waste phosphogypsum stacks and other water saving initiatives has achieved a 3 percent reduction in water per manufactured tonne at the site this year, against a 2011 baseline.
- Waste – this group worked to reduce the impacts and costs associated with all types of solid waste-to-landfill, aiming for a 10% reduction by 2015. Multiple site based targets were set, resulting in a 15% reduction in 2013. This year the reduction has increased to a 21% reduction in Australian waste-to-landfill against the 2011 baseline.



Environment

Energy and Greenhouse Gases

Environment

- > Resource efficiency
- > Energy and greenhouse gases
- > Water
- > Waste
- > Environmental Compliance
- > Remediation

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As discussed in the previous section, the manufacture of ammonia and ammonia-derived products is energy-intensive, requiring natural gas as both a raw material and an energy source. The intensity of energy use and carbon emissions associated with our two main manufacturing processes is shown in the life cycle assessments for [ammonia](#) and [ammonium](#) nitrate. The chemical processes used are further explained in our educational document '[Using Chemistry to Feed the World's Growing Population](#)'. Assurance was obtained over our Australian GHG emissions, energy consumption and production figures for the period 1 July 2013 to 30 June 2014. The third party issued an unqualified opinion over our reported emissions, energy production and energy consumption.

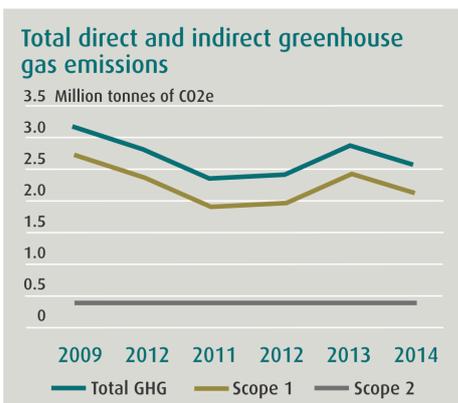
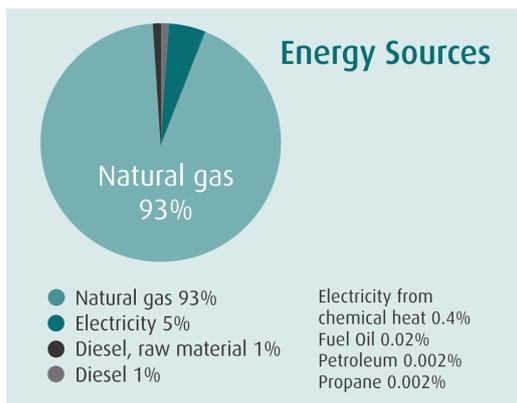
Energy use

Incitec Pivot used 41,248,949 gigajoules (GJ) of energy over the past year, 1,954,653 of which was purchased electricity. Approximately 80 percent of the electricity purchased was generated from non-renewable sources. Approximately 20 percent of the purchased electricity (indirect energy) was generated from renewable resources, mostly hydroelectric. Natural gas and diesel amounts used as raw materials and on-sold in our products have been included in our energy use figure. Approximately 1 percent of our direct energy is from CO2e-free sources, which includes bio-fuel oil and electricity that is generated from the heat emitted by the exothermic chemical reaction used to manufacture

Greenhouse gas emissions

We are a 'large emitter' of GHG, as defined by the Australian National Greenhouse and Energy Reporting System (NGERS). During 2014 our recorded (Scope 1 [direct] and 2 [indirect]) absolute GHG emissions were 2.6 million tonnes of carbon dioxide equivalent (CO2e), which is a decrease of 7 percent from last year.

The total figure comprises 2.2 million tonnes of Scope 1 [direct] emissions and 0.4 million tonnes of Scope 2 [indirect] emissions.



Improving our performance

In line with the sustainability strategy to 'Use Less' and 'Care for the Environment', our manufacturing plants continued to reduce both energy use and carbon dioxide equivalent (CO2e) emissions through initiatives such as lighting reviews, the Cheyenne Plant Energy Optimization Project and continuous improvements made during scheduled shutdowns. In the 2014 financial year, at St Helens, Oregon, modifications to steam header vent valves, waste heat boilers and ammonia reflux piping are expected to reduce annual energy use by over 940,000 GJ, reduce emissions by 48,000 tonnes of carbon dioxide equivalent (tCO2e) and also reduce the risk of future releases of ammonia. Replacement of the catalysts in two of our nitrous oxide (N2O) abatement units contributed significantly to the 7% reduction in our green house gases. Optimising the generation and capture of waste process heat to generate electricity at our Mt Isa, Australia site will reduce our annual Scope 2 emissions by 14,863 tCO2e and save \$2,853,693 in electricity costs each year.

Other emissions to air

Nitrogen oxides (NO2 and NO, referred to collectively as NOx) are released when fuels are burned at high temperatures, and when nitric acid is manufactured. Sulphur oxides (SO, SO2, SO3, referred to collectively as SOx) are emitted when fossil fuels are combusted, and in the making of sulphuric acid. Although not greenhouse gases, NOx and SOx have other environmental impacts, such as air pollution. This year our operations emitted 3,503 tonnes of NOx and 11,953 tonnes of SOx. We continued to invest in NOx reduction technology, replacing both catalysts in the combustors at the Donora, USA site, and commissioning an acid tank scrubber to remove to remove fugitive NOx emissions at our St Helens site in Oregon, USA.

Environment

Water

Environment

- > Resource efficiency
- > Energy and greenhouse gases
- > **Water**
- > Waste
- > Environmental Compliance
- > Remediation

Print PDF



Our Australian sites and those in the South West of the United States operate in regions where water conservation is a critical issue. In other regions, where there is higher rainfall, we recognise that water management is also important.

The risks and opportunities associated with water management as it relates to climate change have been assessed and are described in our [Carbon Disclosure Water Project submission](#), which we submitted in 2013 and 2014. Ammonia is the key component of our explosives and fertiliser products. Within our ammonia plants, the majority of water use is for cooling during the manufacturing process. A small percentage is used for steam to power equipment and as an input for the chemical reaction that makes ammonia.

Water use by source

During the 2014 financial year, we used 43,395 mega-litres (ML), approximately the same as in the 2013 financial year. Our total reported water use includes the categories shown on the right. A large proportion of this water is used more than once within our plants, but most sites do not meter this recycling of water. 512 ML of water was recycled and reused at sites which have meters. This represents 1 percent of our total water use.

- Surface water - 69%
- Groundwater - 20%
- Municipal water - 10%
- Recycled water - 1%
- Storm water - 0.2%
- Desal water - 0.003%
- Rain water - 0.00002%



Water discharge by destination

During the 2014 financial year, we discharged 32,478,251 m3 of water to the environment, approximately the same as last year. This total discharge excludes sewage, discharge of collected rainwater and waste water removed for treatment or disposal as liquid waste (which are included under 'Waste' below). As shown in the graph, cooling water was predominantly discharged to the natural waterways from which it was taken.

We monitor the water quality of such discharges on an ongoing basis to meet local regulatory requirements for trade waste-water, and also seek to improve water quality beyond the standards required by licensing wherever possible.



98%
CLEAN WATER TO SURFACE WATERS

- Surface waters - 98%
- Groundwater - 1%
- Sewers - 0.4%

Improving our performance

- Continuous improvements this year include:
- the refurbishment of the cooling tower at the Donora, Pennsylvania site, which eliminated steam leaks as part of the Cheyenne Plant Energy Optimization Project
 - a mobile reverse osmosis unit reclaimed 53,000 kilolitres (kL) of waste water for reuse in the cooling towers at our Cheyenne, Wyoming, USA site
 - 33,815 kL of water was recovered from waste gypsum stockpiles at our Phosphate Hill, Australia, site, also recovering valuable phosphate for use in our fertiliser products

- Our new Waggaman, Louisiana, US ammonia plant was designed so that cooling water will be drawn from the plentiful supply of the Mississippi River and returned after treatment, ensuring excellent water quality from a sustainable source
- Improved nitrogen recovery at Cheyenne, USA has resulted in greater recapture of nutrients and cleaner discharge to aquifers in the past year
- At Louisiana, Missouri, continued operation of the new Electro-Dialysis Reduction unit reduced nitrate discharge to the Mississippi River by approximately 80% in the past year

Environment

Waste

Environment

- > Resource efficiency
- > Energy and greenhouse gases
- > Water
- > **Waste**
- > Environmental Compliance
- > Remediation

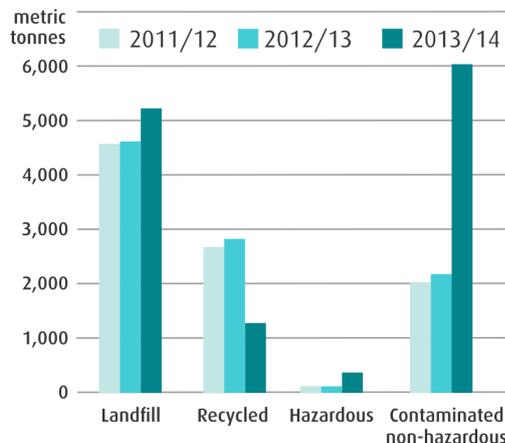
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Solid waste by destination

This year our sites generated 13,493 tonnes of solid waste. Our contaminated non-hazardous waste increased due to the inclusion of 6,700 tonnes of soil and pond settlings removed during capital project work at our Cheyenne site in Wyoming USA. Approximately 2 percent of our solid waste is classified as hazardous and is mostly waste from the manufacture of our explosives products.

In addition, 3,945 tonnes of ammonium nitrate that was unsuitable for use in explosives manufacturing was converted to fertiliser at several of our sites. This was sold to local farmers as either a nitrogen rich liquid fertiliser, or a low grade solid fertiliser.



Solid chemical waste

Our sites generated 1,877,654 tonnes of solid chemical waste this year. Over 99 percent of this was phosphogypsum chemical waste that was stockpiled at our site in Phosphate Hill, Queensland, Australia. This waste is considered hazardous because of its low pH, however water and phosphate are currently being reclaimed from this material and it is planned that these stockpiles will ultimately be capped and re-vegetated. The other 1,215 tonnes (0.1 percent) of hazardous chemical waste was mostly generated by our North American explosives initiation system manufacturing plants.

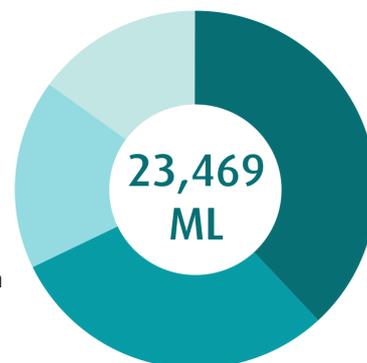
Last year, 28 percent less solid chemical waste was generated. This was directly due to a maintenance shutdown at our Phosphate Hill site last year, which reduced production time, and therefore phosphogypsum waste for last year's reporting period.

Liquid waste by destination

Our sites generated 23,469 kL of liquid waste that was sent offsite for re-use, recycling or disposal this year. This includes 12,308 kL of contaminated water, 10,665 kL of hazardous liquid waste and 496 kL of non-hazardous waste. Approximately 40 percent of this waste is nitrogen-rich water from our fertiliser manufacturing and distribution sites in Australia that is sent offsite to third parties for use as fertiliser and/or woodchip additive.

34 percent of the hazardous waste was septic liquid or sludge (considered a bio-hazard) which was sent offsite for disposal or treatment. The increase in hazardous liquid waste this year is due to an increase in septic waste at one of our manufacturing sites in the USA.

- Off-site reuse (N rich water)
- Off-site disposal (non-hazardous)
- Offsite recycling
- Offsite treatment & disposal (septic)



Waste reduction initiatives

Continuous improvement in reducing all types of waste and increasing recycling has resulted in several new initiatives. Examples include:

- a bailer purchased at the Graham, Kentucky plant will enable 7t per year of solid plastics to be diverted from landfill to reuse
- At Louisiana, Missouri a project is underway to install an Imhoff Ozone-UV sanitary sewer discharge system to eliminate the current septic sewer outfall
- The Research and Development (R&D) team in the USA is currently developing methods to treat different types of wastewater for reuse in product manufacturing and also assisted the explosives business to recycle 2,265 t of chemical waste into making new emulsions.

Environment

Environmental Compliance

 Environment

- > Resource efficiency
- > Energy and greenhouse gases
- > Water
- > Waste
- > **Environmental Compliance**
- > Remediation

 Print PDF



As a “large emitter” under Australian National Greenhouse and Energy Reporting (NGER), IPL is required to report annually on energy and GHG emissions associated with more than 50 sites across Australia. Direct and indirect emissions from our Australian operations are reported to the Government under this national initiative, which began in 2009. Assurance was obtained over our Australian GHG emissions, energy consumption and production figures for the period 1 July 2013 to 30 June 2014. The third party issued an unqualified opinion over our reported emissions, energy production and energy consumption.

We supply data regarding our Australian energy consumption and the emissions to air associated with the manufacture of fertiliser to Fertilizer Australia (www.fifa.asn.au) each year, which is published as part of their annual consolidated Public Environment Report. Details of emissions are also supplied to the International Fertilizer Association (www.fertilizer.org) for consolidated public reporting.

We report environmental release and discharge data to the National Pollutants Inventory in Australia, the Toxic Release Inventory in the United States, the National Pollutant Release Inventory in Canada and the Register of Pollutant Release and Transfer in Mexico. As required in New South Wales (NSW), Australia under the Protection of the Environment Operations Act 1997, holders of Environment Protection Licences who undertake pollution monitoring as a result of a licence condition must publish monitoring data on their corporate website. Of the five Environment Protection Licences which we hold for our NSW sites, there were two which required us to undertake pollution monitoring during 2014 ([Kooragang Island](#) & [Cockle Creek](#)) and we continued to publish this data on our [website](#).

We are subject to environmental regulation under the jurisdiction of the countries in which we operate including, Australia, United States of America, Mexico, Canada, Indonesia, Papua New Guinea and Turkey. These environmental laws and regulations generally address the potential aspects and impacts of our activities in relation to, among other things, air and noise quality, soil, water, biodiversity and wildlife. We operate under a [Global Health, Safety and Environment Management System](#) which sets out guidelines on the Group’s approach to environmental management, including a requirement for sites to undertake Environmental Site Assessments. In certain jurisdictions, the Group holds licences for some of our operations and activities from the relevant environmental regulator. We measure our compliance with such licences and report statutory non-compliances as required.

Continuous improvement in environmental compliance during the 2014 financial year included a review and simplification of IPL’s Global Environmental Standards (as part of a review of all HSE Standards). Developed using BEx methodologies, the focus was to create a management tool that would be used daily by sites to further mitigate potential environmental risks.

Fines

For the 2014 financial year, the aggregate amount of fines for environmental incidents was \$US1,500 which related to a single incident at the Group’s US operations. There was no impact on the environment as a result of this incident.

Environment

Remediation

Environment

- > Resource efficiency
- > Energy and greenhouse gases
- > Water
- > Waste
- > Environmental Compliance
- > Remediation

Print PDF



This year, we have continued to focus on remediation of legacy sites. Remediation works have been completed successfully at Parafield Gardens and Wallaroo in Australia and also at a disused site in Carthage, USA. Progress was also made at the Cockle Creek and Pinkenba sites in Australia. At the Wallaroo site, soil and groundwater remediation has been completed together with heritage works on an area of historical significance, involving a total investment of \$20 million. The area of historical significance on the site was identified and preserved, and heritage works on this area have included fencing around the perimeter, a pedestrian path, observation nodes, seating, informative signage, planting of trees and landscaping to include a grassed area for common use. The heritage site is now complete and we were very pleased to transfer it to the District Council of the Copper Coast on September 11th 2014.

Wallaroo Heritage Site

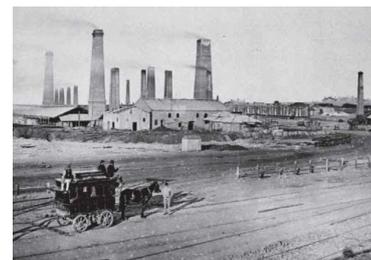
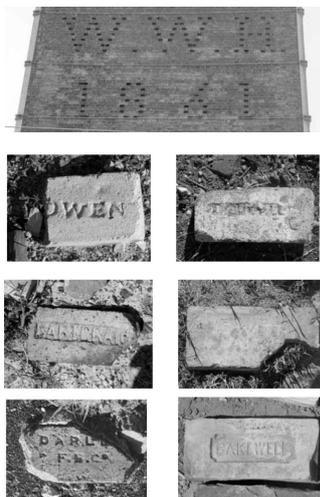
South Australia was the first place in Australia where metal ores were discovered, and the copper mining industry had its early heyday in the 1840s and 50s following ore finds at Kapunda and Burra. As this first generation of mines was beginning to fade, two much larger copper deposits were reported on the Yorke Peninsula of South Australia at Wallaroo (modern Kadina) in 1859 and Moonta in 1861. The district would become one of the world's great copper mining fields.

20\$ Mil
REMEDIA
INVESTMENT

The Wallaroo Mining Company established a smelter to treat its ores on the coast at Port Wallaroo in 1861, which operated for over sixty years. In 1900, the Wallaroo Phosphate Company commenced production alongside the smelter, making use of its sulphuric acid product (which was made from the smelting of copper sulphate ores) to produce phosphate fertilisers. The smelter closed in 1926 but the fertiliser company remained in production for nearly seventy years, purchasing the former smelter site in the 1950s to build larger storage sheds. The site changed hands four times in the next 40 years. While storage and distribution activities continued, the on-site manufacture of fertilisers ceased by the 1990s and in 2003, a merger placed the property in the hands of IPL. The historical significance of the remaining smelter buildings was recognised, and we engaged Historical Research Pty Ltd to undertake an [Assessment of Heritage Values](#) in 2007.

Along with extensive soils and groundwater remediation, the area of historical significance on the site was identified, preserved and transferred to the local council.

Click on the historical photographs of the site to caption and enlarge





Products and Services

Products and Services

- > Raw materials
- > Research and Development
- > Best practise in fertiliser use
- > Minimising the Impacts of blasting
- > Customer Health and Safety
- > Support & education of Customers

 Print PDF



Our fertiliser business, Incitec Pivot Fertilisers, supplies approximately two million tonnes of fertiliser per year across Eastern and Southern Australia. We distribute fertilisers manufactured in our four manufacturing operations in Australia as well as imported fertilisers. Our product range includes products such as urea, ammonium phosphates, ammonium sulphate, single super-phosphates, anhydrous ammonia as well as speciality products such as those treated with urease and nitrification inhibitors. Blending facilities for solid fertilisers are located at strategic centres throughout the market place, offering a range of blends and, for farmers who request them, individual custom blends tailored to specific needs.

In our Fertiliser business, our sustainability focus within the value chain is on ensuring that the health, safety and environmental impact of products and services are considered and managed responsibly throughout the product life cycle, with a particular emphasis on the effective use of fertilisers.

Product Stewardship is the responsibility of the Agronomy function within the Fertiliser business and our approach is defined in our Product Design and Stewardship Standard, included in our Health, Safety and Environment Management System. The Standard requires that “health, safety and environmental impact of products, product packaging and services are considered and managed responsibly and ethically throughout the product life cycle, including: research and development; purchase of raw materials, intermediates and finished products; manufacture; formulation; packaging; labelling; storage; sale; transport; use and the disposal of damaged products, waste and packaging.” Many industry issues concerning agricultural fertilisers are not confined to individual suppliers. These are addressed at the industry level through [Fertilizer Australia](#). As Australia’s largest fertiliser supplier, IPL is a key member of Fertilizer Australia and actively engages in their Product Stewardship activities.

Our Explosives business, Dyno Nobel, operates in the Americas, Europe, Australia and the Asia Pacific. It manufactures, distributes and sells bulk and packaged ammonium nitrate-based explosives and blasting supplies and services to customers in the mining, quarry, construction, pipeline and geophysical exploration industries.

Within our Explosives business, efforts to mitigate the environmental impacts of our products continue to be focused on improving the sustainability of the input materials we use for manufacture, as well as the impacts resulting from its use.

Our focus includes:

- Reducing the greenhouse gas emissions, water use and waste associated with the manufacturing and transport of our products (discussed in the [Environment](#) section).
- Developing and promoting enhanced efficiency fertilisers
- Maintaining product quality
- Adopting and promoting the [Ferticare](#) principles and code of practice for responsible fertiliser use, a joint initiative between Fertilizer Australia Inc. and the Australian Fertiliser Services Association
- Substituting higher impact raw materials such as perchlorate contaminated sodium nitrate with cleaner synthetic explosives materials
- Replacing traditional explosive bulking agents with renewable or recycled materials
- Recycling product that did not meet final specifications, has been returned by customers or was used during experimental work to manufacture new product
- Replacing virgin petrochemicals in explosives with oils from renewable and waste sources
- Researching and developing explosives to minimise post-blast NOx fumes
- Researching blast designs and products to reduce nitrate leaching and other post-blast impacts

Products and Services

Raw materials

Products and Services

- > Raw materials
- > Research and Development
- > Best practise in fertiliser use
- > Minimising the Impacts of blasting
- > Customer Health and Safety
- > Support & education of Customers

Print PDF



Our Global Procurement team has a number of mechanisms in place to assess the sustainability practices of our suppliers.

Incitec Pivot has processes in place to assess potential and current suppliers to ensure sustainability risks are well understood and addressed. Potential suppliers are assessed using a questionnaire that covers environment, social and governance aspects and the Global Procurement team works with suppliers on gap closing action plans where required. Contracts between Incitec Pivot and materials suppliers also contain clauses that outline Company expectations of suppliers' workplace health, safety and environmental performance. The assessment of suppliers and close out of assigned actions is monitored through monthly reporting.

100%
OF MAJOR MATERIALS SUPPLIERS SCREENED

During the past year, Incitec Pivot began a review of its sustainable supply chain model applying **BEx** methodologies. In particular the current processes within the Global Supply Chain and Procurement teams were reviewed and a number of opportunities were identified which will make internal processes more robust and encourage better engagement with current and future suppliers. In the past year, a review of internal policies against the United Nations Declaration of Human Rights, including those relating to supply chain was conducted.

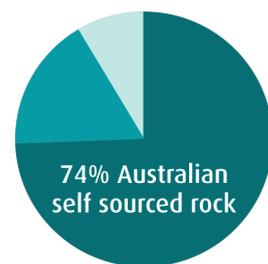
Natural gas accounts for approximately 70–80 percent of the cost of ammonia manufacture.

Energy is an important issue for our business, particularly the supply of natural gas, which is used as both a raw material and an energy source in the **production of ammonia**. Ammonia is then used to make both our nitrogen fertilisers, such as urea and ammonium phosphates, and our major explosives product, ammonium nitrate, using **chemical reactions**. In Australia, access to competitively priced gas is a well-documented challenge for the manufacturing industry. Incitec Pivot believes that it is essential that Australia find a solution that balances the needs of supplying gas to value-adding manufacturing with those of a strong energy export market. We will continue to work with Federal and State governments on this issue.

In the production of both single super-phosphate fertilisers (SSP) and ammonium phosphate fertilisers, we use phosphate rock, a naturally occurring mineral rock.

At our plant at Phosphate Hill in Queensland, Australia we produce ammonium phosphate fertilisers, namely mono-ammonium phosphate (MAP) and di-ammonium phosphate (DAP). This year we sourced 39,778 tonnes of phosphate rock for MAP and DAP from our own phosphate rock mine which is adjacent to the plant. We produced approximately 770,000 tonnes of ammonium phosphates. At our Portland and Geelong plants in Victoria, Australia we manufacture SSP. The composition of phosphate rock used at these plants varies according to place of origin and presents therefore with varying levels of available phosphorus, cadmium, odour and reactivity, that is, the capability of the rock to react with sulphuric acid and release available phosphorus.

Our manufacturing plants are configured to produce SSP using a blend of phosphate rock from different sources thereby balancing the above factors to produce a product that meets Australia's regulations with regard to available phosphorus. This year we produced approximately 334,000 tonnes of SSP using a blend of 14,129 tonnes of phosphate rock from our own IPL mine, Nauru, Christmas Island, and from our supplier, Phosphates de Boucraa SA, (a wholly owned subsidiary of Officè Cherifien des Phosphates), which included rock sourced from the Non Self Governing Territory of Western Sahara, with the latter comprising approximately one third of the rock blend used for SSP, and less than 10 percent of our total rock used.



- Australian IPL phosphate rock
- Naru and Christmas Island rock
- Phosphates de Boucraa, SA, rock

The situation regarding the Kingdom of Morocco and the status of the Non Self Governing Territory of Western Sahara is a complex one, managed under the auspices of the United Nations. We continue to monitor the ongoing developments with regard to the Non Self Governing Territory of Western Sahara. IPL has had regard to the UN Global Compact's ten principles, OECD Guidelines for Multinational Enterprises, as well as relevant provisions of international law and Australian law. We remain satisfied that we are not in breach of either Australian law or International law, as there has been no determination by the UN or any other competent legal authority that the production and use of phosphate from the Non Self Governing Territory of Western Sahara is in violation of any applicable law or the Geneva Convention.

Over many years IPL has engaged in dialogue and enquiry with many parties on this matter. In particular, IPL meets periodically with the Australian Department of Foreign Affairs and Trade, and has had discussions with Office Cherifien des Phosphates, its supplier of phosphate rock from the Non Self Governing Territory of Western Sahara, as well as with Australian ambassadors to the Kingdom of Morocco. IPL will continue to monitor this complex situation.

We use sulphuric acid in the manufacture of single superphosphate, mono-ammonium phosphate, di-ammonium phosphate and granulated ammonium sulphate, and nitric acid in the manufacture of ammonium nitrate.

We produce sulphuric acid at our Mount Isa site in Queensland, Australia. The acid is transferred to our fertiliser manufacturing plant at Phosphate Hill by a purpose built railway and used in the production of DAP and MAP fertilisers. We source additional sulphuric acid, including for our SSP plants in Victoria, Australia, from both domestic and international suppliers. We manufacture the nitric acid we use to make ammonium nitrate explosives at our nitric acid plants in Moranbah, Australia, and Donora, St Helens, Louisiana, and Cheyenne in North America.

Ensuring Product Quality

Fertilisers contain various impurities which are mostly derived from the raw materials used in fertiliser manufacture. We are committed to providing quality products and services that meet customer needs. Our fertiliser [Quality Policy](#) outlines our commitment to providing products and services that meet our customers' needs. We manufacture a wide range of fertilisers in Australia, and source products from other Australian suppliers and overseas to offer a comprehensive product range. In Australia, fertilisers must meet certain standards and be labelled in accordance with relevant statutory requirements and the Fertiliser Australia National Code of Practice for Fertilizer Description and Labelling. We have set specifications for domestically manufactured and imported fertilisers that meet these standards. Routine laboratory analyses are performed to ensure products meet these specifications.

Our fertiliser manufacturing is monitored by our own [Quality Control Laboratories](#). All of our product imports are sourced in compliance with the [Fertiliser Australia Purchasing Code of Practice](#). Product Specifications are set that meet statutory limits and market needs. Certificates of Analysis are sought from suppliers. The delivered products are then analysed through our own Quality Control Laboratories to ensure they are within specification, e.g. maximum limits of heavy metal impurities such as cadmium, lead and mercury. We declare the impurity content of fertilisers on the product label.

Our Dyno Nobel explosives business is renowned as a global provider of innovative explosive products, services and solutions, delivering ground-breaking performance to our customers every day. During 2014 we have made significant investment across our North American emulsions manufacturing sites in quality assurance technologies and capabilities. As a result, product quality is being continuously improved by the detection, analysis and correction of trends during processing which may impact quality and performance.

In Australia we have promoted a closer working partnership between our research and development laboratory and our manufacturing plants to continuously improve operating procedures, particularly where product analysis is required. Continuous improvement to both our formulations and the raw materials sourced have resulted in improved product quality and enhanced performance. In 2014, a new database was introduced called the 'Marketing & Technology Ideas & Work Requests Database'. This database accepts requests from all over the company for research and development assistance and will continue to facilitate improved product quality.



Products and Services

Research and Development

Products and Services

- > Raw materials
- > **Research and Development**
- > Best practise in fertiliser use
- > Minimising the Impacts of blasting
- > Customer Health and Safety
- > Support & education of Customers

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The focus of our fertiliser extension and research programs is on the efficient use of existing fertiliser products and the development of enhanced efficiency fertilisers.

Considerable emphasis is placed on applying these products in the right place and at the right time. Soil and plant tissue analysis are used to better predict the rates at which fertilisers should be applied, and the use of computer based decision support tools to fine tune fertiliser programs is gaining favour within the industry.

Our Nutrient Advantage Laboratory Services is NATA accredited and operates in accordance with the international standard ISO/IEC 17025. The lab also has ASPAC Certification and participates in proficiency studies. Our accreditations are a reliable indicator of the technical competence of a facility to perform specific tests. Nutrient Advantage Laboratory Services delivers consistently high quality analytical results by employing nationally and internationally recognised standardised analytical methods.



We operate one of the largest commercial plant nutrition research and development programs in Australia, with more than 30 replicated research trials per annum, often in conjunction with customers, independent organisations and agronomists.

Our long term experiments aim to produce insights that benefit Australian farmers and allow them to improve fertiliser use efficiency and adopt sustainable fertiliser practices. We are also committed to helping farmers improve productivity and profitability through expanding and developing our range of products and services. The development of new fertilisers is driven by the needs of farmers and is focused on improving nutrient use efficiency, flexibility and environmental performance. One of our sustainability keystone projects is the establishment of a joint research partnership to study nitrogen losses from conventional and enhanced efficiency fertilisers to reduce environmental impacts of fertiliser use. IPL offers two enhanced efficiency fertilisers:



- **Entec®** is a treatment that retains nitrogen in the stable ammonium form for an extended period. While still available to plants as a nitrogen source, ammonium nitrogen is not subject to leaching or denitrification losses. This year we have focussed on delivering Entec training and accreditation for our customers to ensure qualified, appropriately trained advisors are taking the product to market. 340 trained advisors are now in place across our network.

- **Green Urea™** is a top dressing fertiliser, recommended where volatilisation losses of ammonia are likely. Green Urea 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, thereby reducing emissions related to fertiliser usage. This year the sales of our new Green NV enhanced efficiency fertiliser product doubled. A new formula of Green Urea, this product was developed and launched to the market last year to replace Green Urea 7 and Green Urea 14. The new formula can help to protect against volatilisation losses, particularly for:



- intensive dairy and beef pasture production
- irrigated cotton where urea is applied mid-season
- agronomic forestry situations
- field crops where urea is applied to bare soil or soon after crop germination.

Green Urea NV fertiliser contains a new formulation of urease inhibitor, known as **LOCKDOWN**. While LOCKDOWN contains the same active ingredient as the urease inhibitor used in Green Urea 7 and Green Urea 14, it has an improved set of solvents and wetting agents which help to stabilise the product.

This year we continued two three-year joint research projects with the University of Melbourne into:

[Mitigation of indirect greenhouse gases in intensive agricultural production systems with the use of inhibitors](#)

[Reducing nitrous oxide emissions from applied nitrogen with nitrification inhibitors through identification of key drivers of performance.](#)

These projects are jointly funded by the Australian Government's Department of Agriculture, Fisheries and Forestry and continue our long standing association with the University of Melbourne. We are also funding research into enhanced efficiency fertilisers in cereals, grass pastures, sugarcane, potatoes, bananas and vegetable crops. While these projects have already produced key findings that have been incorporated in to product development process, the full results of this research won't be available until the trials are completed in 2015.

New fertiliser projects this year include involvement in the

[Dairy Nitrogen for Greater Profit Project;](#) and

[Mitigation of Nitrous Oxide Emissions in the Vegetable Industry](#)

Within our Explosives business, efforts to mitigate the environmental impacts of our products continue to be focused on using more sustainable input materials and reducing the impacts associated with product use.

Our Explosives business has partnered with the University of Newcastle in New South Wales, Australia to conduct a number of projects aimed at reducing the instance of NOx formation and, if formed, ways to treat the pollution. The projects are:

[Large Scale Removal of NOx from detonation gas](#)

This project is studying ways to remove NOx from the atmosphere after it is formed by the detonation process.

[Modelling of reactions of NOx and biomass molecules during detonation](#)

This project is investigating the use of biomass as a scavenger for NOx molecules, which are formed during the detonation of explosives.

[Effects of different additives in AN prill on NOx formation during thermal decomposition of AN](#) is

addressing the question of whether incorporating different additives in ammonium nitrate prill will reduce the likelihood of NOx fume.

[This year we launched our TITAN 9000 product range](#)

This emulsion is specially formulated for use in areas where fume generation is predicted. The new formulation has produced zero visible fume in two separate trials, significantly reducing NOx emissions.

BIO FUELS

In North America, we have developed technology that allows the use of bio-fuels and bio-fuel by-products as an alternative to petroleum-derived hydrocarbons for the manufacture of blasting agents and bulk emulsion products. Last year this technology was enabled in our product line, though take up has been slow, due to limited product availability and the relative costs associated with using bio-fuels if the mine site is not located close by. We are also working with customers to introduce technologies that use petrochemicals extracted from waste materials as part of the explosive composition. Waste materials such as discarded tyres and waste oil from machinery are ideal candidates for use, particularly at remote mine sites where trucking virgin materials in and waste materials out consumes resources and time.

RECYCLED WASTE OILS

We continue to develop processes that allow the use of waste oil for product manufacture, replacing virgin oils such as diesel. During 2014 we continued to trial this type of formulation at our customer sites in Indonesia, where we have been able to replace a significant amount of the fuel phase with waste or re-used oil. In Australia we have assisted some of our customers to implement this technology by using third party supplied oils treated off-site and by supporting other customers who are choosing to utilise on-site waste oil treatment facilities.

List of research organisations funded

Research Organisation	Project Funded	Expected period of Funding
Victorian Department of Primary Industries, Australia	Dairy Nitrogen for Greater Profit Project	2014
Latrobe Uni, QDAFF & University of Tasmania, Australia	Mitigation of Nitrous Oxide Emissions in the Vegetable Industry	2014 to 2016
University of Melbourne, Australia	Mitigation of indirect greenhouse gases in intensive agricultural systems with the use of inhibitors	2013-2015
University of Melbourne, Australia	Reducing nitrous oxide emissions from applied nitrogen with nitrification inhibitors through identification of key drivers of importance	2013-2015
Farmacist / North Qld Dry Tropics, Australia	The effectiveness of enhanced efficiency fertilisers in improving nitrogen use efficiency in cane	2014 onwards
Various major customers under Partner Program, Australia	Various projects ranging from product evaluations through to farming systems trials to reduce nutrient runoff to waterways	2014 onwards
Canadian Explosives Research Lab, Natural Resources Canada	Pump equipment failure rates testing: Improving failure rates of pumps used in the natural resources industries	2013-2014

Products and Services

Best Practise in Fertiliser Use

Products and Services

- > Raw materials
- > Research and Development
- > **Best practise in fertiliser use**
- > Minimising the Impacts of blasting
- > Customer Health and Safety
- > Support & education of Customers

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To provide the food our growing global population demands, farmers are seeking to increase production on their land while minimising environmental impacts. We support this effort by working with researchers who seek to grow more food using best management soil practices and new technologies such as controlled-release fertilisers.

Fertilisers are essential to productive farming, allowing farmers to grow more food on a decreased area of arable land. High yields are necessary to support the world’s growing population. To optimise food and fibre production per unit of nutrient input and return on investment, attention must be paid to how, when and where fertilisers are applied. It is also important that fertilisers are applied at appropriate rates. Too little, and crop and pasture yields may be sacrificed and produce quality affected. Too much, and the nutrients applied in excess of crop demands may be lost, either to the atmosphere or to waterways. Nutrient enrichment of waterways may stimulate additional weed and algal growth.

To optimise production per unit of nutrient input, it is important that fertilisers are used at appropriate rates and in a responsible manner. To support this, our analytical laboratory (Nutrient Advantage) offers specialist soil, plant and water testing to advisors and farmers. This, together with professional advice from our team of agronomists and our computerised decision-support system, Nutrient Advantage Advice, provides the diagnostic data, best practice information and advice farmers need to choose the right fertilisers and apply them correctly, in order to optimise outcomes from the use of nutrients.



FERTCARE®



Nutrient Advantage®

Knowledge | Productivity | Responsibility

1800 803 453
lab.feedback@incitecpivot.com.au

Our Nutrient Advantage Advice system is audited by Fertilizer Australia every two years to ensure it complies with their fertiliser management best practice recommendations.

This year our fertiliser business ran a series of Agronomy Community Forums across regional Australia. More than 100 agronomists (plant and soil advisers) attended the forums, held in March and July, to update their knowledge, share ideas and consider the truths and myths associated with the use of fertilisers. Guest speakers included leading agronomists, scientists, researchers and fertiliser advisers.



FERTILIZER AUSTRALIA

Our fertilisers business also hosted 11 Agronomy in Practice courses throughout the year across Eastern Australia, training over 80 agronomists.

The Agronomy in Practice course focuses on the practical aspects of making credible fertiliser recommendations to farmers, whether they’re involved in cropping, pasture, summer crops, sugar cane or horticulture. The course is aimed at training the next generation of agronomists as well as current advisers who want to enhance their skills in soil and plant nutrition. This year’s participants include a cross-section of commercial and private agronomists, and government extension agents. Nutrient Advantage Advice is Incitec Pivot Fertilisers’ Fertcare accredited decision support software system. Fertcare is amongst the leading programs addressing the issue of expanding food production to feed and clothe a growing global community through judicious use of fertiliser, while limiting the potential for off-site nutrient impacts such as eutrophication of waterways. We offer [Nutrient Advantage Training](#), which consists of two courses: the *Agronomy in Practice course*, and the *Nutrient Advantage Advice Software Training Course*. The program has been developed to equip people providing fertiliser services and nutrient advice to farmers with quality assurance to a set of national standards. This year 26 representatives from our fertilisers business undertook Fertcare training, with 36 receiving Fertcare A training.

Products and Services

Minimising the Impacts of Blasting

Products and Services

- > Raw materials
- > Research and Development
- > Best practise in fertiliser use
- > **Minimising the Impacts of blasting**
- > Customer Health and Safety
- > Support & education of Customers

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Dyno Nobel's ethos is to work in partnership with our customers, earning us the enviable reputation of being a trusted global partner. We listen to our customers' needs and work with them to tailor an approach in delivering ground breaking solutions.



The use of ammonium nitrate based bulk explosives during blasting activities is well known and widely used throughout the world today. A known risk associated with these products is the generation of excessive nitrogen oxides (NOx). While a number of factors have been identified that can contribute to excessive NOx generation, these contributing factors can change from site to site and blast to blast. As NOx emissions can have significant environmental, health, safety and community impacts, we have been a leader in researching and developing new and improved products and blasting methods to reduce NOx emissions since 2007. This year we launched [Titan 9000xero](#), a new reduced energy, bulk explosive which contains a high performance emulsion, Titan 9000, blended with a specialised bulk additive formulated for reducing NOx fume. The product has been introduced to some of Dyno Nobel's open cut coal customers in NSW, and has performed very well in trials at other sites, consistently reducing fume ratings.

REDUCED
NOx
EMISSIONS

The practical innovation of Titan 9000xero is not only reducing NOx fumes, but also making our communities and environments safer. It is specially designed for use in soft, wet/damp ground conditions, frequently associated with excessive NOx generation. The flexibility to deliver Titan 9000xero in changing ground conditions is critical. This product can be delivered into dry or dewatered blast holes using an auger, or pumped into the bottom of wet blast holes. Titan 9000xero is a water resistant, flexible solution for reducing the risk of excessive NOx generation, solving the challenges many of our clients are facing.

Ground vibration and noise are also impacts that our customers are seeking to reduce, both for the community and for health and safety reasons. We are responding by training our customers in the use of electronic initiation system technology. This technology allows the more accurate detonation of a single blast hole, which in turn allows the use of a computer model to reduce the blast-induced shock waves that are transmitted through the ground. The detonations of each blast hole can be programmed to introduce interference between the shock waves, thus reducing the vibration that is felt. Read our Case Study ['Making Way for Increased Production of Hydroelectric Power in Southern Vermont'](#) as one example of the application of this technology.

REDUCED
GROUND
VIBRATION
AND NOISE

During 2014, our Explosives technology team has continued to test and develop another solution to optimise blast performance and reduce impacts. [Differential Energy](#) 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. This allows 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 in the top portion of the blast hole can be reduced, which reduces vertical movement at the surface, resulting in less air overpressure and noise from the blast event. This year over 109 trial blasts were conducted over six months at a customer site in North America in which air quality, mine productivity, rock fragmentation and dig-ability were measured.



Use of *Differential Energy* resulted in reduced NOx emissions, reduced energy use, less noise and ground vibration and increased productivity while reducing overall costs for our mining customer.

Products and Services

Customer Health and Safety

Products and Services

- > Raw materials
- > Research and Development
- > Best practise in fertiliser use
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- > Customer Health and Safety
- > Support & education of Customers

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Our Fertiliser business complies with Australian state-based product labelling legislation and follows the National Code of Practice for Fertilizer Description and Labelling, developed by Fertilizer Australia.

This code of practice aims to achieve uniform description and labelling of fertilisers across Australia. We provide documentation and advice to our customers about:

- Product nutrient and impurity content, particularly with regard to substances that might produce an environmental or social impact.
- Safe use, storage and handling of the product.
- Disposal of the product and environmental/social impacts, as required by the appropriate laws in the countries in which we supply fertilisers.

This advice is supplied on our website, on the product label, in the Safety Data Sheet (SDS) or directly to the customer. Each SDS complies with the requirements of Safe Work Australia.

Our explosives business is transitioning to the Globally Harmonized System of Classification and Labelling of Chemicals and produces SD Sheets which comply with the requirements of the countries in which we operate.

We provide support to our explosives customers to assist them in choosing the right product and blast plan to minimise environmental impacts. In addition to providing information about the technical aspects of the use of our explosives products, our technical support teams and our Dyno Consult business provide documentation and advice to our customers about:

- Product content, particularly with regard to substances that might produce an environmental or social impact.
- Safe use, storage and handling of the product.
- Disposal of the product as required by applicable law.

This advice is supplied on our websites, on the product label, in the Safety Data Sheet (SD Sheets) or directly to the customer via training sessions. In Australia, our SD Sheets comply with the requirements of Safe Work Australia. SD Sheets for products that are supplied in the United States comply with the Mine Safety and Health Administration (MSHA) for products destined for the mining industry as well as the requirements of the Globally Harmonized System of Classification and Labelling of Chemicals.

Assessments for new explosives products

New or modified explosives products are typically developed by our research and development team in conjunction with specific customers as directed by the Global Product Management teams. As such, the life cycle stages in which health and safety impacts of those products are assessed are dependent upon the customer's requirements. For explosives products, typically this would be focused on the impact of product use, with the assessment included in trials.

Site and distribution security

Many of the explosive products we manufacture, and some of the fertilisers we manufacture and distribute are classified as security-sensitive and/or dangerous goods and as such, their storage, distribution and sale is regulated by Federal, State and sometimes local governments in North America, Europe, Asia Pacific and Australia. We meet our regulatory compliance and licensing obligations surrounding those products, with internal procedures and training in place for our employees. We keep abreast of regulatory developments in this area and are committed to working with government and key stakeholders to ensure ongoing security. This year our Dyno Nobel business in North America worked closely with the Institute of Makers of Explosives (IME) on the [Safety and Security Guidelines for Ammonium Nitrate](#), promoting best industry practices for minimising security and safety risk. In addition our sites are also managed under our own strict health, safety and environmental management system.

Products and Services

Support and Education of Customers

Products and Services

- > Raw materials
- > Research and Development
- > Best practise in fertiliser use
- > Minimising the Impacts of blasting
- > Customer Health and Safety
- > Support & education of Customers

Our Fertiliser business engages with representatives of the agricultural industry online. We operate two online communities for farmers and agronomic advisors which focus on providing resources and support, particularly for those in remote locations.

The Farmer Community provides Australian farmers with valuable agricultural and industry information to assist with agronomic and fertiliser decision making. The Community was developed in response to a growing need for readily accessible information including new product information, agronomic advice and information about global fertiliser dynamics.

The Agronomy Community is a specialist nutrition website, bringing together Australia’s leading agronomists. It is a comprehensive resource for plant nutrition agronomy and a community where members are invited to participate, interact and network with their peers. The site includes a wealth of plant nutrition information including trials data and reports, videos of fertiliser trials and photo galleries, industry journals, advice and articles. Established in 2010, the Agronomy Community online forum now has more than 800 members around Australia who share the common goal of advancing the science of plant nutrition.

In North America, our Dyno Nobel business operates a Quarry Academy training centre for stone quarry operators.

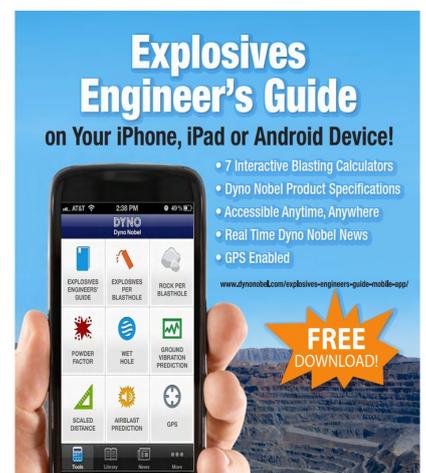


The curriculum includes drilling, loading, crushing and screening training, as well as lectures from industry experts in subjects such as the benefits of the chemical crushing of stone, versus traditional mechanical crushing. These benefits include lower costs, less electricity usage and improved environmental and social impacts e.g. lower dust production. This year 85 operators attended the Academy. In Australia, our teams run NOx forums for customers on-site to educate them about the factors associated with NOx production and how to minimise it. Additionally, courses in optimum blasting techniques for both surface mining and another for underground mining are offered to customers.

Dyno Nobel’s Explosives Engineers’ Mobile App equips users with the full range of blasting tools, with worldwide accessibility - even in remote locations.

Our Explosives Engineers’ Mobile Phone App shares information with our customers about the most sustainable ways to utilise our products. The app equips current and potential customers with a full range of blasting tools that help optimise the blasting experience in the field. It also provides an electronic method to research product information, reducing the amount of documentation printed in the field.

The Explosives Engineers’ Mobile App includes seven critical blasting calculators, access to our technical library and a comprehensive set of Dyno Nobel product information, including product specs and application uses. Users can also receive real-time updates that feature Dyno Nobel news, recent innovations and new videos. Moreover, worldwide remote accessibility to the app caters to the fact that remote mine sites often experience difficulties connecting to mobile services. In its first six months of operation, the App was downloaded by more than 8000 people.



Print PDF





People and Culture

People and Culture

- > Managing Our Talent
- > Learning and Development
- > Diversity
- > Australian Indigenous Employment

Incitec Pivot endeavours to be a business where Company Values guide behaviours in the workplace and where employees have the flexibility, tools and freedom to learn what they need to execute business objectives within a multigeography, multi-cultural organisation.

Attracting, developing and maintaining a highly talented and diverse workforce is key to living our Value of “Value People – Respect, Recognise & Reward” and vital to achieving our business objectives.

Our approach is to align our Human Capital strategy to drive our cultural, social and business goals, using the BEx methodology. The initiatives and case studies described throughout this section show our approach in action. We are committed to engaging and involving our people, from the ‘shop-floor’ to the executive, to improve their skills and achieve continuous improvement in all facets of our operations. We believe that taking an integrated approach will lead to constructive and sustainable outcomes for our people and our stakeholders.

Key highlights during the year were:

- Taking the IPL Talent Management and Succession Planning framework, technology system and key business processes through to front line management
- Meeting a target of 2% Indigenous Employment across the Australian businesses
- Implementation of the Indigenous Cultural Capability Program across the Australian businesses with 80% of Company leadership and management participating in the program
- Development of the Incitec Pivot Australian Indigenous Relations Policy
- Re-Launch of the Flexible Work Policy to include flexible leave options
- Continued training in Behavioural Safety

 Print PDF



What is BEx?

Key Challenges and Opportunities

- Ensuring that we continually have skilled, diverse and ready talent to meet current and future demands
- Being an inclusive and accessible organisation
- Continuing to build the pipeline of talent throughout the organisation, particularly for critical roles, to ensure business continuity

Strategic Priorities

- Sustainably embed new human resources policies and procedures
- Implement and communicate Human Capital metrics for focused improvements
- Embed the IPL talent management framework, technology system and key business processes
- Deepen the Company’s continuous improvement culture and capability

People and Culture

Managing our Talent

People and Culture

- > **Managing Our Talent**
- > Learning and Development
- > Diversity
- > Australian Indigenous Employment

 Print PDF



What is BEx?

We recognise the importance of having a talented and committed workforce at all levels.

Succession planning is conducted annually, identifying short, medium and long term candidates for key roles. During this process, functional heads and leaders within each of our businesses identify employees with high potential. The identification process uses both a set of criteria and data from the annual performance management process. Action plans are implemented, with the aim of developing those capabilities required for future advancement.

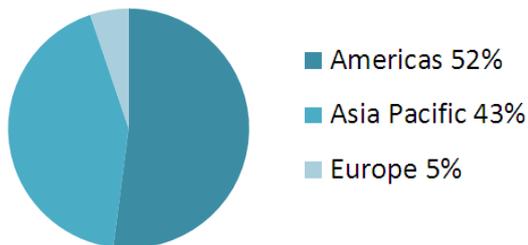
Targeted training programs are also in place to nurture the next generation of talent, including our Australian Manufacturing Graduate Program.

Working and being mentored at an IPL manufacturing site is the ultimate opportunity to gain exposure to both the mining and manufacturing industries as an engineer. During our two-year program, graduates receive hands-on engineering experience through a combination of site-based rotations and a formal development plan. Graduates focus on their technical, professional and personal development and are supported by an experienced manager for the duration of the program. The learning structure is tailored to their discipline and individual needs. In addition, graduates are mentored by leaders in the company.

The graduate program 'Onboarding' week is undertaken by all first year graduates to learn about our business, culture, values, BEx and safety standards and processes. The learning and development component of the graduate program includes sessions on expectations, performance management, development, communication and self-awareness. Currently, one third of our graduates are female and recruitment for the 2015 program has seen an increase in both female and indigenous applications. The success of the program is demonstrated by the employment outcomes: we are pleased to have offered roles within IPL to 100% of the graduates who have completed our program in the last 2 years.

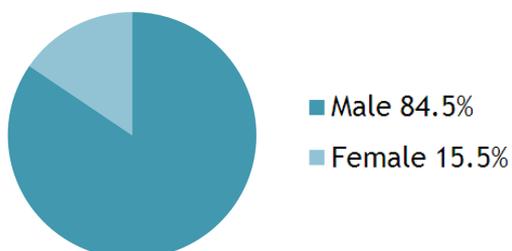
Our Workforce as at 30th September 2014

Total workforce by geographic location (excluding contractors)



4977
EMPLOYEES
(excluding contractors)
GROUP-WIDE

Total workforce by gender (excluding contractors)



Gender Diversity (% of women as at September 30 2014)

Board level	25.0%
Executive	14.3%
Management	13.9%
Global	15.5%

In our US business, the explosives manufacturing plant in Cheyenne, Wyoming, continued a partnership with Laramie County Community College.

The partnership assists the college in their efforts to secure Workforce Development Training Funds to support individuals enrolling in a Process Technology training program at the college. Recognising a need for well-trained individuals in all areas of our industry, most particularly with strong workplace safety knowledge, the team at Cheyenne has guaranteed interviews to program graduates and is assisting the College in the development of the course curriculum.

We also offer scholarships and support to engineering students in several universities in the United States, and at James Cook University and the University of Queensland in Australia. Our Asia Pacific Explosives business is also associated with several industry and related organisations, including the National Industry Skills Council, the Australian Apprenticeship Centre, the Southern Queensland Institute of TAFE, the Queensland Resource Council, Australian Mines and Metals Association and Reconciliation Australia.

Our performance management framework aims for consistency, fairness, equity and reward for performance.

It is a process for establishing a shared understanding of ‘what’ is to be achieved, and ‘how’ it is to be achieved. It is a collaborative process and requires both manager and employee to participate equally. Online tools provide a consistent process and a central repository for performance management information. All employees, except those whose collective bargaining agreement precludes them, are required to set goals for their performance and development each year, and have a formal performance review at six monthly intervals. This year, the percent of employees across the Group who participated in the performance review process increased to 46.9%.

In order to ensure individual goals and performance are linked to the key objectives and performance of the business, our Short Term Incentive (STI) plan now includes safety goals in support of our Zero Harm strategy and explicit links between STI payments and the performance of the business.

Employees are assessed against both their individual goals and either our Values or leadership competencies. The leadership competencies are a set of expected capabilities which our leaders are measured against for development and performance as part of the performance management cycle. They apply to all employees who are people leaders or who hold influential cross-matrix roles, and they incorporate the leadership skills required to deliver BEx, such as holding people accountable, driving improvement and the capacity to influence and develop others.

Percentage of employees receiving regular performance and career development reviews

Total	46.9%
% of males	43.4%
% of females	66.2%

People and Culture

Learning and Development

People and Culture

- > Managing Our Talent
- > Learning and Development
- > Diversity
- > Australian Indigenous Employment

 Print PDF



What is BEx?

We aim to develop leaders with the flexible skills and relevant competencies needed to rapidly adapt to changing financial and market situations and to provide our leaders with the skills and experience needed to run a large, multi-geography, multi-cultural organisation.

This year we continued to focus on:

- Developing leaders with the appropriate skills and competencies to deliver continuous improvement.
- Fostering an environment where employees have the flexibility, tools and freedom to realise our business objectives through continuous learning.
- Delivery of our current suite of learning solutions, aimed at building BEx capability across our entire Value Chain, including technical LEAN capabilities, communications, problem solving, leadership and coaching.

Fostering a learning culture is critical to our ongoing success and as such the curriculum includes a number of short courses focussed on the development of soft skills, with the aim of creating a greater depth of leadership capability. In Australia, these courses, known as our 'Leadership Cogs' series, includes short modules (3-4 hours) on key topics identified through individual development plans:

- Coaching
- Difficult Conversations
- Leading Change
- Communicating with Clarity
- Recruit for fit
- Understand behavioural styles
- Leadership Transition
- Mentoring Guidelines
- Closing the Performance Gap

This year we also continued the roll-out of our Learning Management System, 'My Learning', across our Australian sites. The system provides a central database of the training requirements for each role within our business and allows us to better manage our regulatory requirements and to identify and manage capability gaps. Currently available to Australian employees, the system provides them with the ability to:

- List learning activities that they currently have planned or are in progress, or have been previously completed.
- List their current qualifications, skills, competencies, licences, inductions and certificates.

Total number and rate of new employee hires for the full year	9.06%
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Employee voluntary turnover rates for the full year	(%)
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By age group:	
All employees under 30	8.3%
All employees 30-50	7.2%
All employees 50+	12.4%

By gender:	
Male	9.0%
Female	8.7%

By region:	
Americas (incl US, Canada & Chile)	7.7%
Asia Pacific (incl Australia & Indonesia)	8.3%
Europe (incl Turkey)	24.7%

Engaging Our Employees

With the help of the Corporate Leadership Council we undertake benchmarking of employee turnover rates for the Global Manufacturing and Oil & Gas/Mining/Energy industries, as well as by Executive job level and by total workforce. We use voluntary turnover rates as a key indicator of employee engagement and, along with exit interview data, use this information to inform our talent and engagement practices. Turnover rates within the company are tallied at a Group level, with the exception of our Mexico and Papua New Guinea operations. Statistics from these regions have not been included when determining the average turnover rates provided in the table.

Employee recognition is fostered through activities such as our quarterly MD&CEO Values Award program, introduced in January 2014. The program recognises employees from all parts of our global operations for demonstrating positive cultural behaviours, aligned with our Values and business priorities. Over the year, 115 Value Awards were awarded globally to individual employees and teams through our recognition programs.

Workforce Planning

Despite the downturn in the mining industry, our business continues to compete for the best available talent. Effective workforce planning strategies are a key enabler. A range of strategies are being implemented to ensure we attract the right talent we need to be a high performing organisation, including:

- Providing market competitive remuneration, alongside merit-based performance management
- Implementing a social media strategy to raise our profile amongst prospective new candidates
- Implementing innovative sourcing strategies to identify talent for current and future critical talent groups
- Consistently reviewing our recruitment process to ensure it is best practice, leveraging new forms of assessment and new technology where appropriate
- Building our learning and development capabilities to up-skill our employees
- Implementing our Indigenous Employment Program in Australia
- Implementing proven local hiring strategies in Australia, Papua New Guinea, Indonesia and the United States

An example of the workforce planning practices taking place across the Group is the approach taken by our Asia Pacific explosives business. Workforce Planning was a BEx Human Capital initiative introduced within the business in 2012 to move from reactive to planned control of employee turnover numbers. This process has contributed to a significant reduction in employee turnover last year compared to the previous year, which was achieved by:

- Introducing regular, cross-functional meetings including key stakeholders from across the business unit, providing a forum for open communication and increasing stakeholder understanding of workforce trends
- Developing a rolling six-month labour forecast horizon, which supports a proactive approach to recruitment and employee redeployment
- Increasing focus on key workforce trends such as Diversity and Retention strategies
- Tailoring training of existing staff to meet customer needs for upcoming projects

Our explosives business continued to follow the above approach this year, while incorporating a different focus: due to the downturn in the mining industry, greater emphasis is now placed on the redistribution of resources across the business. Our manufacturing and fertiliser businesses continue to annually assess the likely demand for recruitment through analysing turnover and determining business priorities. This key information is then used by the recruitment function to plan for key sourcing and talent attraction strategies.

People and Culture

Diversity

People and Culture

- > Managing Our Talent
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What is BEx?

At IPL, we are committed to being an inclusive and accessible organisation through the development of a culture that embraces diversity.

Our employees range in age and gender and come from many different cultures, traditions and lifestyles. It is the diversity of our people that makes our company a great place to work. IPL benefits from this variety of perspectives and ideas, experience and capabilities, all of which lead to a greater opportunity for innovation and a better workplace. To assist in building our diverse community, we established a Diversity Council this year, which reports to the Managing Director & CEO, James Fazzino. The Council provides leadership and support in implementing the company's Diversity Policy and Strategy. Our Board of Directors maintains oversight of the Diversity Policy and the implementation of the Diversity Strategy.

The Diversity Strategy recognises that each business unit is at a different stage of maturity in its approach to diversity and faces different challenges depending on where employees are located around the world. As a result, we have developed a phased approach to implementing the Diversity Strategy, starting with Australia, and followed by the US and Canada. We will learn about and understand the challenges through the phases and progress to a Group-wide approach by 2015.

This year, each of the Australian business units and functions have developed and implemented diversity plans based on our Diversity Principles of:

- Respecting our differences
- Shaping our future organisation
- Building a flexible organisation

Respecting our differences is critical to ensuring that our work places will be free of discrimination and harassment and inclusive of all people, regardless of differences. Shaping our future organisation means IPL is continuing to develop a diverse workforce, creating business sustainability and strength. We also offer workplace flexibility by providing opportunities for working arrangements that accommodate the needs of the Company while balancing the diverse needs of its people at different stages in their careers and lives.

In order to progress our Diversity Strategy, this year the following initiatives were undertaken:

- We launched our Australian Indigenous Relations Policy
- Our Workplace Gender Equality Agency Report was endorsed as fully compliant by the WGEA, as in previous years
- We developed and launched the 'My Potential' Program, which was specifically developed to support female employees to progress and thrive in their careers
- We continued to improve our recruitment and selection processes to support our Diversity agenda, including providing tailored recruitment processes to attract Indigenous and female candidates
- We developed a Talent and Succession Planning process to assist in developing an improved reflection of diversity within our Senior Management Roles
- We broadened our Diversity engagement platforms to incorporate contractors and to include criteria on Diversity in our Procurement processes
- We continued to facilitate the Indigenous Cultural Capability training program to raise awareness of Australian Indigenous culture, and set a coverage target of at least 30% of employees during 2015

Organisational Tier	employees %
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Gender diversity at IPL

Male: All	84.5%
Female: All	15.5%
Male: Board level	75.0%
Female: Board level	25.0%
Male: Executive team level	85.7%
Female: Executive team level	14.3%
Male: Management level	86.2%
Female: Management level	13.8%
Male: All other levels	84.5%
Female: All other levels	15.5%

Age diversity at IPL*

All employees under 30	15.9%
All employees 30-50	53.8%
All employees 50+	30.2%

* 8 employees did not disclose their age

Salary Equity at IPL	Male to female ratio
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Executive level	1 0.74
Management level	1 0.96
All other levels	1 0.97

- We developed a module to incorporate the Cultural Capability training program into our on-line induction process
- We continued to facilitate Anti-Harassment and Discrimination training and have completed the review of our Anti-Harassment and Discrimination Policy
- In Australia, in partnership with Seventeenthundred, we achieved a 45% usage rate of our Family Support Program. Seventeenthundred is a 'living solutions' provider offering family support programs and services to assist employees to manage their work and family responsibilities.
- We hosted two 'National Association of Women in Operations' (NAWO) events at our Gibson Island site in Queensland, Australia this year.
- The IPL Diversity and Inclusion Programs Manager was nominated for the role of Queensland NAWO State Chair in 2015, which she accepted

This year the proportion of women employed across the Group increased to 15.5 percent. This increase is partly due to increased female participation in board, executive and management roles. Further details on our Diversity Policy, Strategy and progress are available in our [2014 Annual Report](#) and at www.incitecpivot.com.au.

People and Culture

Australian Indigenous Employment Program

People and Culture

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What is BEx?

In line with our commitment to Value People – Respect, Recognise & Reward, IPL’s Indigenous Employment Program aims to increase the number of opportunities for Indigenous Australians by providing access to employment, education and training as well as focusing on developing cultural understanding and respect within its workforce.

The program is also a key component of IPL’s approach to Diversity. With more than 15 projects operating throughout rural Australia, IPL’s Indigenous Employment Program is continuing to help our business to develop stronger relationships with the community. This year we met a target of 2% Indigenous Employment across the Australian businesses. Initiatives undertaken as part of our Indigenous Employment Strategy are described below.

Welcome to Country Ceremonies

Traditional Aboriginal Welcome to Country ceremonies were held recently at our Gibson Island, Perth, and Melbourne offices. The Welcome to Country ceremony is the Aboriginal way of welcoming others to their country and holds special cultural significance.

Implementation of the Incitec Pivot Australian Indigenous Relations Policy

Developed during 2013, the Australian Indigenous Relations Policy was implemented across Australia this year. The purpose of this Policy is to provide guidance to the organisation as to how to strategically increase engagement opportunities with Indigenous Communities so as to benefit Indigenous Australians as well as IPL. The Policy provides a valuable opportunity for IPL to work in genuine partnership with Indigenous Australians and live the IPL Values of “Care for the Community and our Environment” and “Challenge and Improve the Status Quo”.

IPL is taking a best practice approach to improve Indigenous engagement outcomes. Our approach is based on:

- research into organisations who have been working successfully in the area of Indigenous engagement for many years
- an examination of our organisation’s current cultural capability
- working with Indigenous Communities to clarify expectations of IPL
- recognition that reconciliation and self-determination are integral to improving engagement outcomes

As a product of these learnings and to achieve Policy objectives, IPL has identified five organisational policy investment areas and is committed to changing the culture around diversity, policies and practices of IPL where required. These five areas are:

1. Leadership
2. Community Development and Engagement
3. Education and Training
4. Indigenous Employment Program
5. Business Development (including sub-contract opportunities)

Cultural Capability Training

Last year, IPL engaged the Indigenous Community and Traditional Owners on the development and implementation of a Cultural Capability Program for the leaders, management and staff of our organisation. This year we implemented the Program across the Australian businesses with 80% of Company leadership and management participating. The program encourages participants to recognise that different cultures have different ways of valuing, seeing, doing and believing, and that to work successfully with people from other cultures we need to know which characteristics are critical.

Indigenous Recruitment and Retention

Traditional HR systems and processes can present barriers for Indigenous people seeking to enter the mainstream workforce. We are working on improving Indigenous employment outcomes and have developed a range of systems to assist Indigenous people overcome these barriers. These include:

- Using local Indigenous networks to identify potential Indigenous candidates
- Focusing more on face-to-face communications
- Ensuring recruitment turnaround times are culturally appropriate
- Developing a work readiness program

Indigenous employees also face particular challenges in balancing work, cultural and family commitments and making the transition to a new organisational and cultural environment. For employees of fly-in, fly-out operations, an added pressure is the need to spend extended periods away from home. Strategies for increasing retention include:

- Provision of cultural awareness training for both Indigenous and non-Indigenous employees;
- Provision of ongoing mentoring and support via our 'buddy system' was extended beyond our Mt Isa and Pilbara Operations this year to all Australian sites with Indigenous employees;
- Provision of career development opportunities;
- Provision of family support; and
- Addressing racism in the workforce.



VP Australian Fertiliser Manufacturing Warren Waples, DNAP President Steve Dawson and Traditional Owner Maroochy Baramah with Welcome to Country artwork created by Indigenous artist, Charlie Chambers (seated).