



SUSTAINABILITY SUMMARY 2015



Incitec Pivot is committed to operating in a manner which acknowledges and proactively manages those issues which are most material to the long term sustainability of its business, the environment and the communities in which it operates. This commitment is driven by the Company's Values which are core to its business. Incitec Pivot defines Sustainability as 'the creation of long term economic value whilst caring for our people, our communities and our environment'.

Incitec Pivot's Sustainability Strategy was formally adopted by the Board in September 2010 and reaffirmed following a review in 2014. During this review 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. During 2015 we applied GRI4 principles to conduct a comprehensive process to identify those issues most material to the sustainability of our business.

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

For more information, see our Online 2015 Sustainability Report at www.incitecpivot.com.au

DYNO
Dyno Nobel



Incitec Pivot Limited

Our Company Vision and seven Values guide our approach to sustainability.

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



Underpinning all of our objectives is 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 our Corporate Values and Vision 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 business practices.

Benchmarking our performance

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

As a result IPL has been included in the Dow Jones Sustainability Indices (DJSI) for the past six years, where we are benchmarked against peers in the global 'Chemicals' sector.

In 2015, the FTSE Group confirmed that Incitec Pivot has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to remain a constituent of the FTSE4Good Index Series for the second year running. 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.

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

Dimension	2010	2011	2012	2013	2014	2015
Economic	61	61	59	70	65	67
Environmental	51	50	51	59	60	51
Social	37	45	63	68	67	63
Total for IPL	49	51	58	66	64	60
Chemicals sector average	55	57	55	52	55	58

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



Workplace Health and Safety

30%

reduction in TRIFR from last year

92%

of sites recordable injury free during 2015



Material Issue: Workplace Health and Safety

At IPL, we prioritise our "Zero Harm for Everyone, Everywhere" company value above all others. In 2012 IPL adopted a five year Global HSE Strategy to achieve world class safety performance and an all worker TRIFR of < 1 by 2016. Tragically in May 2015 a fatality occurred in DNAP's underground operations. A global safety stand down for all employees was held.

Our performance

- Achievement of a TRIFR of 0.67, a 30% reduction from 2014
- Near miss reporting increased 175% with investigation and problem solving of 100% of 'high potential' incidents and near misses
- Development and release of global Risk Assessment and Bow Tie Analysis procedures
- Specific and comprehensive Executive Team 'Zero Harm' goals including undertaking safety-focused site walks and taking part in, and reviewing, risk assessments and incident investigations

What's next?

- Risk Implementation of a global 'Permit to Work' process and a global 'Job Step Analysis' process
- Continued focus on risk management and behavioural safety training

Products & Services

92%

Australian self-sourced phosphate rock



The Dyno Nobel business worked with the University of Sydney to complete an Australian Research Council funded Linkage Project into understanding the interaction of ammonium nitrate explosives with reactive ground, a project which will provide advice to the Australian Explosives Industry Safety Group.

Material Issues: Product Quality; Product Sustainability

Using BEx principles, product quality is being continuously improved by the detection, analysis and correction of trends during processing which may impact quality and performance. We aim to assess, and where feasible, improve the environmental and social impacts of all products across their life cycle and work with customers to encourage product use which achieves the best sustainability outcomes.

Our performance

- The continued focus of ongoing fertiliser research and development programs on joint development and extension with customers
- The commercialisation and product roll out of the Australian TITAN 9000 high performance explosives emulsion range, including Titan 9000xero® technology, which is specially formulated to reduce blast fumes
- The testing of third party recycled customer oils and hydrocarbons recovered from non-traditional waste materials to replace virgin oils in explosives manufacture
- Financial and promotional support of a 6 month 'Farm Waste Recovery' trial to collect and recycle the fertiliser bags used by sugarcane farming customers in northern Australia
- Development of the IPL Supplier Code of Conduct and guidelines for the purchasing of goods and services from suppliers local to our sites
- Working with suppliers to see a reduction in the energy use and greenhouse gases of two major transport contractors in the performance of their services for IPL

Sustainability Scorecard

The table below shows our performance across a range of economic, social and environmental indicators for the financial years 2012/13, 2013/14 and 2014/15.

Indicator	Unit of measure	2012/13	2013/14	2014/15
Environment				
Emissions				
Direct GHG emissions (Scope 1)	Million tonnes CO ₂ e	2.4	2.2	2.4
Indirect GHG emissions (Scope 2)	tonnes CO ₂ e	0.4	0.4	0.4
Total GHG emissions ¹		2.8	2.6	2.8
Proportion of energy derived from fossil fuels ²	%	95% approx	95% approx	95% approx
Energy				
Global direct energy consumption	GJ	42,796,114	41,248,949	44,070,102
Water				
Global water use	GL	43.2	43.4	40.2
Australian water use	GL	10.7	10.5	9.3
Global water discharge	GL	32.7	32.5	32.8
Waste				
Global solid waste	kt	8.7	13.5	7.6
Australian solid waste	kt	3.7	4.4 ³	4.1
Global solid chemical waste	kt	1,877.7	1,470.4	2,177.5
Australian solid chemical waste	kt	1,877.2	1470.2	2,177.3
Global liquid waste	GL	18.6	23.5	15.2
Australian liquid waste	GL	12.5	12.9	13.7
Environmental compliance				
Environmental licence non-compliance incidents (category 2+) ⁴		35 ⁴	16 ⁴	51 ⁴
Loss of containment (category 2+) ⁴		142	239	200
Safety				
Total Recordable Injury Frequency Rate		1.21 ⁵	0.97	0.67
Fatalities		2	0	1

¹ Scope 1 + 2. ² Excluding natural gas and diesel 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 Figure includes both environmental non-compliance and internal non-conformance incidents. ⁵ Restated due to finalisation of incident classifications.

Indicator	Unit of measure	2012/13	2013/14	2014/15
People				
Total workforce (excluding contractors)				
Americas		5,247	4,977	4,721
Asia Pacific		2,684	2,584	2,440
Europe		2,293	2,124	2,072
Global		270	257	209
Gender - Diversity (% of women)				
Board		14.3%	25%	28.8%
Executive		12.5%	14.3%	12.5%
Management		13.3%	13.8%	13.9%
Global		15.0%	15.5%	16.2%
Direct Economic Value Generated and Distributed				
A. Direct economic value generated				
Revenues	\$Mil	3,439.2	3,400.2	3,683.9
B. Economic value distributed				
Operating costs, including payments to suppliers, non-strategic investments and royalties		3,461.5	3,570.0	3,630.9
Employee wages and benefits: total monetary outflows for employees (current payments, not future commitments)		2,490.7	2,670.9	2,609.6
Payments to providers of capital, including dividends and interest		578.5	583.2	633.7
Government taxes (income tax, payroll tax, Australian goods and services, fringe benefits taxes and Australian fuel tax credits)		203.6	152.0	194.5
Voluntary community investments (including donations of cash, in-kind support and employee time)		188.1	163.6	192.7
		0.6	0.3	0.4
C. Economic value retained (A-B)				
		(22.3)	(169.8)	53.0

People & Culture

28.8%
of Board seats held by women

3%
Australian Indigenous employment target set



Material Issues: Workforce Diversity; Employee Engagement; Managing our Workforce

We aim 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 multi-geography, multi-cultural organisation. Details on our Diversity Strategy can be found on our website.

Our performance

- Extended coverage of the Global Talent and Succession Planning Framework to include IPL's middle management
- Implementation of online talent management processes
- Maintenance of our 2014 target of 2% Indigenous Employment across IPL's Australian businesses, and the setting of a long term goal to increase this to 3%
- Endorsement of the Incitec Pivot Australian Indigenous Reconciliation Action Plan by Reconciliation Australia
- Design of training and development KPIs
- The development and implementation of 'My Potential', a pilot program specifically designed to assist women to progress into leadership roles
- Increased utilisation of the IPL Flexible Work Policy, which saw 85% of parental leave takers returning to work, with 65% returning to part time roles.

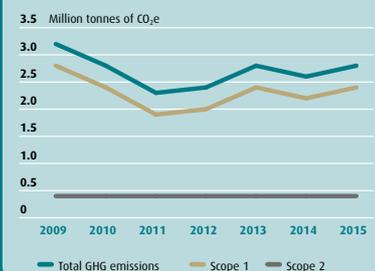
Environment

40,172 megalitres
of water was used

7,630 tonnes
of solid waste

95% *
is the approximate proportion
of energy we use that is
derived from fossil fuels

Total direct and indirect greenhouse gas emissions



* excluding natural gas and diesel used as raw materials

Material Issues: Energy, Water and GHG Emissions; Managing Environmental Impacts

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.

Our performance

- Increase in our Scope 1 & 2 GHG emissions to 2.8 million tonnes due to increased production
- Decrease of 7% in our net global water use
- Successful remediation works completed at Cockle Creek in Australia and progress made at a number of other legacy sites in the USA
- Increased environmental incident reporting across our Australian businesses to include 'near miss' or 'potential impact' incidents to proactively address environmental risks before they occur

What's next?

- Working with the Australian Federal Government on energy and carbon policy to ensure favourable outcomes for business and the environment
- Continuing to identify and implement energy and water efficiencies, including investigating the use of large scale renewable energy
- Continued roll out of BEX across all areas of the business, including areas which impact on the environment and resource efficiencies

ABOUT OUR BUSINESS



S&P/ASX Top 60 Listed (ASX: IPL) Listed on the Australian Securities Exchange since 2003



\$US850m invested in an 800,000 metric tonne per annum ammonia plant in Louisiana, USA to be commissioned in 2016



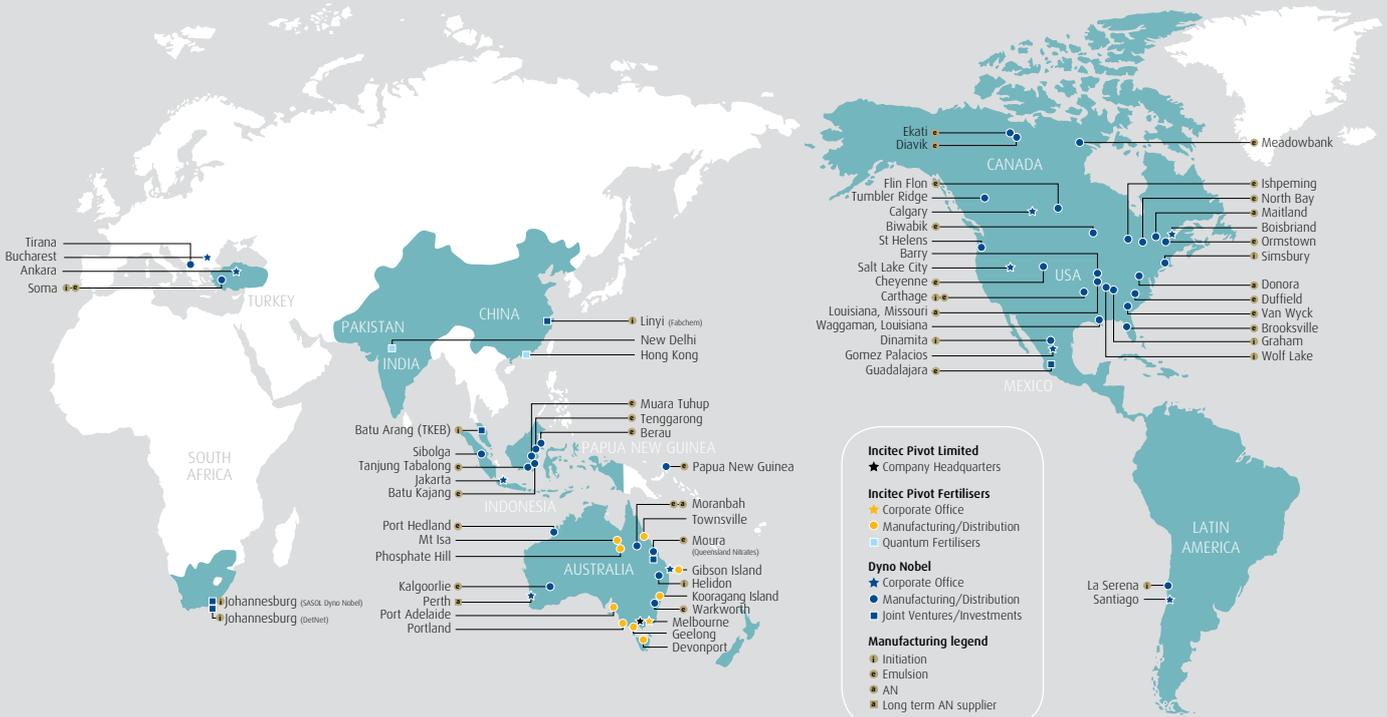
Annual sales revenue of \$3,683.9 million for 2014/15 financial year



IPL owns and operates manufacturing plants in the US, Canada, Turkey, Australia, Mexico, Chile and Indonesia



Joint venture operations, including in South Africa, Malaysia, China and India



Incitec Pivot Limited is an industrial chemicals company that supplies fertilisers and industrial explosives products and services to the agriculture and mining industries. Through Dyno Nobel, Incitec Pivot is a leading supplier of industrial explosives and blasting services to the mining, quarrying, seismic and construction industries in North America and to the mining industry in Asia Pacific, principally Australia. Incitec Pivot Fertilisers is Australia's largest supplier of fertilisers, dispatching around 1.9 million tonnes each year for use in the grain, cotton, pasture, dairy, sugar and horticulture industries.

The Company has operations in Australia, North America, Europe, Asia, Latin America and Africa.



4,721 employees at 30 September 2015



As at 30 September 2015, 13.9% females in management roles



Supply approximately 1.9 million tonnes of fertiliser per annum



Supply approximately 1.4 million tonnes of ammonium nitrate explosive per annum



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

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