

Energy Policy

Who we are:

Dyno Nobel is a recognised leader in supplying the resource sector. Serving customers across six continents, including Australia, North America, Europe, Asia, South America and Africa, we manufacture ammonium nitrate-based explosives, initiating systems and nitrogen related industrial and specialty chemicals with 60 manufacturing facilities and joint ventures.

Our Commitment:

We are committed to responsible energy management and decarbonisation of our energy use across all of our global operations in line with our Climate Change Strategy.

Our policy is to:

- Actively manage our energy consumption to:
 - increase efficiency and productivity
 - reduce greenhouse gas emissions.
- In line with our Climate Change strategy, our approach is to transition to renewable energy and low carbon processes as soon as practicable. We will do this whilst retaining our commercial objectives and maintaining sustainable manufacturing and business operations.

Our short-term objectives are to:

- Investigate and develop new technologies, such as green hydrogen, at commercial and industrial scale as quickly as possible.
- Continue to install rooftop solar where practicable at operations which handle non-corrosive fertiliser product.
- Secure natural gas at a competitive price to maintain the viability of our domestically located manufacturing facilities until they can be transitioned to new technologies in order to:
 - Maintain domestic supply chain security.
 - Maintain the employment our operations provide, and that our communities depend on, for a Just Transition.
 - Avoid the loss of manufacturing offshore, resulting in carbon leakage.
- Maintain optionality for a range of decarbonisation solutions including hybrid combinations of natural gas and renewables for both electricity and feedstock.

Our long term objectives are to:

- Transition all of our ammonia manufacturing facilities to new technologies. These include renewable hydrogen, which eliminates the use of natural gas as a feedstock for hydrogen.

Our use of energy:

The manufacture of nitrogen-based products is energy intensive as it requires natural gas (CH_4) as both a feedstock for hydrogen and an energy source to drive the chemical conversion to ammonia (NH_3). We are committed to investigating projects and partnerships to accelerate the uptake of green hydrogen at industrial scale.

- Transition our electricity, fleet vehicles and on-site mobile equipment to renewable options.

Management accountabilities

- The IPL management committee accountable for overseeing our energy transition is the Decarbonisation and Energy Transition Steerco, chaired by the IPL CEO and attended by selected Executive Team members and senior management.
- The Executive Team member with responsibility for energy management across our global manufacturing operations is the Chief HSE & Operations Excellence Officer. This role oversees Site Operations Managers, and their Energy Managers.
- The Executive Team members responsible for the energy transition regarding the fleets and distribution centres of our Business Units are the Business Unit Presidents.

Key Enablers for our energy future

The electrolysis of water at industrial scale using renewable electricity will allow the manufacture of ammonia, an essential component of explosives for mineral extraction, and fertilisers, essential to feed a growing population, without the use of natural gas as a feedstock. However, significant investment will be required.

Splitting the water molecule takes three times the energy required to split the methane molecule. While this will produce low carbon explosives as well as a new, exportable high energy fuel (green hydrogen as ammonia) it will require large amounts of cost competitively priced renewable electricity. Even more will be required for electric vehicles, and to power our distribution centres and offices.

For these reasons, the following are key enablers for our energy future:

- Decarbonisation of the grid, with significant investment in large scale renewables and battery storage.
- Government incentives to support an orderly and just transition, and to enable Australia's manufacturing operations to invest, with confidence, in the transition.