



Australian Packaging Covenant

Annual Report

July 2010 – June 2011

Executive Summary

Incitec Pivot Fertilisers is the fertiliser business of Incitec Pivot Limited.

On average, Incitec Pivot Fertilisers sells around two million tonnes of solid fertiliser per annum under the Incitec Pivot brand name into Australian agriculture.

80% of this is in bulk, 15% in Flexible Intermediate Bulk Containers (FIBCs), usually of one tonne capacity, and 5% in small packs, most of which weigh 40 kg. These are to be replaced with a 25 kg pack.

A small part of the packaged fertiliser (25 and 40 kg), estimated to be about 2 000 tonnes per annum, is used by home gardeners. The used packaging may potentially be disposed of to landfill.

The packaging used for both FIBCs and small packs is made from Woven Polypropylene (WPP), the standard for fertiliser, seed, stockfeeds and many other materials used on farms, because of its durability and strength. WPP is not recycled in Australia.

Most of the FIBCs are Returnable or Limited Trip. They are used a number of times before being taken out of service. Less than one tonne in twenty is in a Single Trip bag. The Single Trip bags are used in remote areas from which the bags can not readily be returned.

Returnable and Limited Trip FIBCs are not disposed of to landfill after being taken out of service. Some are substituted as Single Trip packs for their final use and are marked accordingly. The remainder are collected and exported to China for recycling. About 80% of the FIBCs used by Incitec Pivot Fertilisers are recovered and disposed of in this way.

Endorsement

Incitec Pivot Limited's Health, Safety, Environment & Community Policy requires us to:

- Conduct our operations in compliance with all relevant environmental licences and regulations.
- Promote the efficient use of resources and energy.
- Strive to minimise our impact on the environment.
- Strive to be a valued corporate citizen in the communities in which we operate.
- Respect our neighbours, their values and cultural heritage, and be considerate to them in carrying out our operations.

Incitec Pivot Fertilisers is committed to the principles of the Australian Packaging Covenant and the sensible use of packaging.

The business promotes the sale and use of fertilisers in bulk and reusable intermediate bulk containers so that the overall use of packaging is minimised.

All packaging for solid fertilisers is presently made from WPP as it provides the necessary strength and durability necessary in agricultural markets. Recycling facilities for WPP fertiliser packs are not presently available in Australia, but are being investigated.

After being taken out of service, Returnable and Limited Trip FIBCs are collected and those that are not being used a final time as a Single Trip Pack are presently being exported overseas so that they can be recycled rather than disposed of locally to landfill.

These actions not only minimise the amount of packaging required but also the amount of used packaging sent to landfill in Australia.

Gary Brinkworth
Chief operating Officer
Incitec Pivot Fertilisers

Date:

Index

1. Incitec Pivot Limited and its Subsidiaries	4
2. Incitec Pivot Fertilisers	4
3. Financial Results	4
4. Goals	5
5. Reporting Period	5
6. Packaging Formats	5
7. Packaging Design	6
8. Fertiliser Sales in FIBCs and Small Packs	6
9. FIBC Acquisition and Disposal Data	8
10. FIBC Utilization Rates and Turnaround Times	9
11. Recycling Rates	9
12. Disposal to Landfill	9
13. Post Consumer Packaging	10
14. Packaging Review (Small Packs)	10
15. Progress against Australian Packaging Covenant Goals and KPIs, and Incitec Pivot Fertilisers' Actions listed in the Action Plan	10

Contact Officer

Garry Kuhn
Product Stewardship Manager
Incitec Pivot Limited
PO Box 3559
Tingalpa
Qld 4173
Phone 07 3867 942
E-Mail garry.kuhn@incitecpivot.com.au

1. Incitec Pivot Limited and its Subsidiaries

Incitec Pivot Limited's core business is the manufacture, marketing and distribution of industrial explosives, fertilisers and related products and services. There are three main businesses:

- **Dyno Nobel**, a leading supplier of industrial explosives and blasting services to the mining, quarrying, seismic and construction industries;
- **Southern Cross International**, which markets products from the Group's manufacturing plants, trades in products made by other fertiliser manufacturers and procures raw materials for the Group's manufacturing operations. Additionally, Southern Cross International sells products such as ammonia, urea, urea solutions, acids, caustic soda and carbon dioxide into industrial markets;
- **Incitec Pivot Fertilisers**, which sells agricultural fertilisers through distributors in the domestic Australian market.

This Action Plan focuses on the packaged products supplied by Incitec Pivot Fertilisers, as these are the only products sold by the Group that are likely to be used in the consumer market.

Most of the fertiliser supplied by the company is used by farmers.

A small part of the total, estimated at around 0.1% or 2 000 tonnes per annum, is purchased from rural outlets and used by home gardeners. The value of the fertiliser sold into consumer markets is currently less than \$5 M per annum.

2. Incitec Pivot Fertilisers

Incitec Pivot Fertilisers typically sells about two million tonne of fertiliser per annum to farmers through its distribution network under the Incitec Pivot brand name. This is mostly through distributors, with a smaller amount of direct sales through the business' own distribution outlets. Demand varies, and is dependent on a number of factors such as seasonal conditions, fertiliser and commodity prices and competition.

In excess of 90% of Incitec Pivot Fertilisers' sales are as solids. The remainder is comprised of anhydrous ammonia (a liquefied pressurized gas) and liquids (aqueous fertiliser solutions).

Solid fertilisers are supplied in bulk, FIBCs and small packs containing between 20 – 50 kg.

3. Financial Results

Incitec Pivot Limited's financial year is from 1 October to September 30.

At the time of preparation and submission of this report, financial results for the 2010-11 financial year were not available. Incitec Pivot's Net Profit after Tax in 2009-10 was \$442.8 M. Revenue was split approximately 50/50 between the explosives business (Dyno Nobel) and the fertiliser business.

The company does not report on the profits of the individual businesses.

4. Goals

Incitec Pivot Fertilisers' goal is to provide products in packages that are safe, protect the product and meet farmers' needs.

While the ultimate choice of packaging format (bulk, FIBCs or small packs) is in the hands of the farmer, Incitec Pivot Fertilisers minimizes the use of packaging by making products available in bulk and intermediate bulk containers.

The number of FIBCs is minimized by using Returnable Bags where practical. Single Trip FIBCs are largely confined to farmers located in remote areas.

Incitec Pivot Fertilisers also strives to recycle used packaging. Rather than dispose of redundant FIBCs to landfill, Incitec Pivot Fertilisers exports spent FIBCs to China so that they can be recycled. Approximately 80% of the FIBC packaging is being recovered and recycled in this way.

In its 2011-15 Action Plan Incitec Pivot Fertilisers undertook to report on its sales of solid agricultural fertilisers and the use of packaging for these products. Specifically, Annual Reports are to cover:

- the breakdown between bulk, FIBCs and small packs, and comparisons with past years;
- the breakdown of FIBCs between Returnable and Single Trip bags, and the outcome of internal investigations and reviews on their use;
- the number of FIBCs purchased each year;
- the number of spent FIBCs recovered and exported to China for recycling; and
- progress with the transition from 40 kg to 25 kg small packs on occupational health and safety grounds.

5. Reporting Period

This will be the last Annual Report that Incitec Pivot Fertilisers will make on a July to June year, with the Australian Packaging Covenant moving to reporting on a calendar year from 2012. This, in fact, will suit Incitec Pivot Fertilisers, as annual comparisons in fertiliser use are best made on a calendar year basis.

The Christmas New Year break is a quiet period for fertiliser use in Australia, with no major activity.

Seasonal conditions and delays due to wet weather can significantly affect use patterns at other times of the year, making annual comparisons less meaningful. For example, autumn pasture topdressing, which is normally complete by June 30 (the end of the National Packaging Covenant's reporting year to date) can be deferred to spring in some years if wet weather disrupts spreading operations.

The Fertilizer Industry Federation of Australia (FIFA) reports on a calendar year basis when preparing its annual EcoEfficiency Report. Much of the data in this report has been extracted from reports prepared for FIFA, and is already presented on a calendar year basis.

6. Packaging Formats

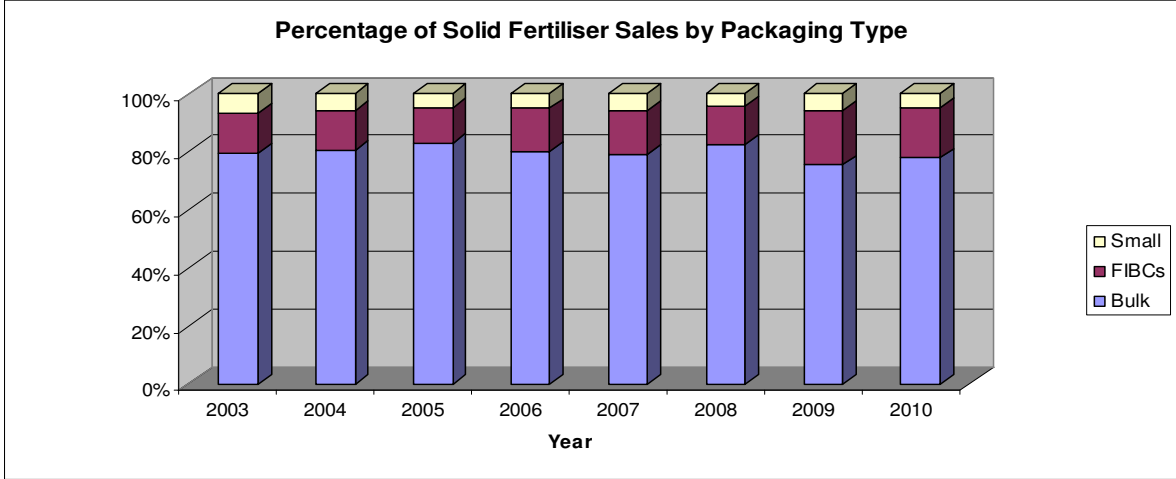
Incitec Pivot Limited was formed as the result of a merger between Pivot Limited and Incitec Fertilizers Limited in 2003. Incitec Pivot Fertilisers sales data by calendar year is therefore only available for the seven calendar years from 2003 to 2010.

Solid fertiliser sales over this period (2003-2010) have ranged from 1 298 kt to 2 797 kt, with an average of 2 090 kt. These sales are comprised of:

- Bulk 80%
- FIBCs 15%
- Small Packs 5%

The proportion of each is relatively constant, as depicted in Figure 1. The fertiliser market is relatively mature, and variations from year to year generally reflect market conditions rather than changes in buying patterns. The weather and seasonal prospects, along with other factors such as fertiliser and commodity prices, all affect the demand for fertiliser.

Figure 1: percentage of Solid Fertiliser Sales (t) by Packaging Format (2003 – 2010)



7. Packaging Design

FIBCs and small packs are made from WPP.

WPP is used because of its robustness and the protection it provides to the product. As well as being the norm in the fertiliser industry, WPP is also common for other products used in the agricultural sector, such as seed and stockfeeds. Recycling schemes are not presently available for spent WPP fertiliser packaging in Australia.

FIBCs are mostly of one tonne capacity, though 0.5 and 1.2 tonne bags are also used.

Most FIBCs are Returnable. They are designed so that the contents can be removed by opening and closing a spout on the bottom of the pack, without damaging the bag, or needing to cut it. This allows repeated use. Returnable FIBCs have a finite life. They are withdrawn from use after three years, or earlier if considered unsafe for further use.

The most commonly used small pack at the present time is 40 kg, though it is intended that these be phased out and replaced with a 25 kg pack. Most small packs have a sewn polyethylene liner, to protect the contents from moisture ingress. Some are laminated. The use of WPP and the composite design means that the packaging cannot presently be recycled in Australia. In urban areas, used fertiliser packages cannot be placed in household recycling bins.

8. Fertiliser Sales in FIBCs and Small Packs

Bulk fertilisers are primarily used in extensive pastures and grain growing areas.

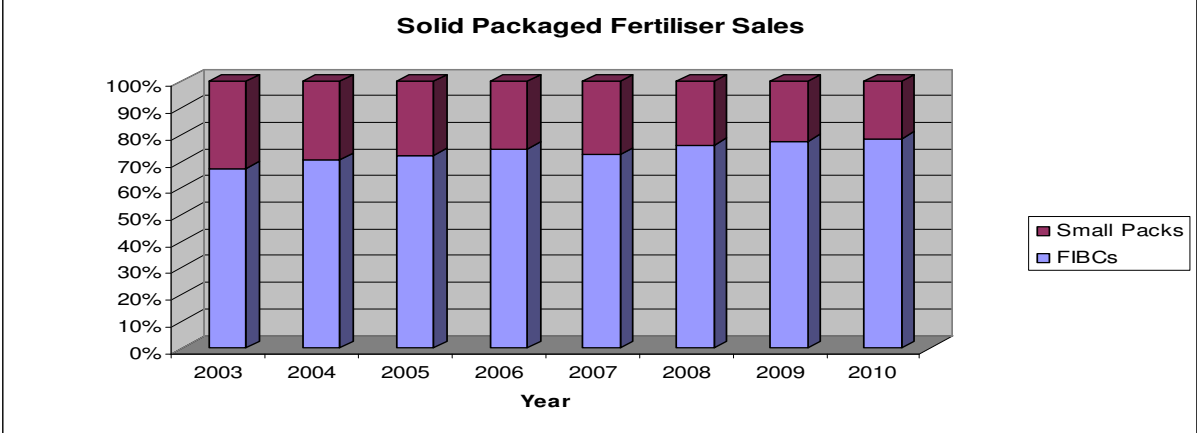
FIBCs are the norm in the sugarcane, horticulture and dairy pastures markets.

Small packs are used on small holdings, and for specialty fertilisers that are used in smaller quantities, e.g. trace elements and soluble solids.

In the years 2003 to 2010, there is evidence of FIBCs being adopted in preference to small packs.

As a percentage of the total amount of fertiliser sold in FIBCs and small packs, the amount of fertiliser sold in small packs has fallen from a third (33%) in 2003 to a under a quarter (20 – 25%) from 2008 to 2010, as depicted in Figure 2.

Figure 2: Percentage of Solid Fertiliser Sales (t) in Bulk Bags and Small Packs (2003 – 2010).



Returnable and Limited Trip packs, both of which can be used several times before being disposed of, account for the majority of the fertiliser sold in FIBCs.

Little use is being made of Single Trip FIBCs with less than one tonne in twenty of the volume of product sold in FIBCs, being despatched in this way.

Single Trip FIBCs are largely restricted to remote markets, such as the supply of fertilisers ex Townsville or Adelaide into the Northern Territory, where bag return is not easily accomplished.

Annual sales of fertiliser in Returnable and Limited Trip FIBCs owned by the business and Single Trip FIBCs owned by the business over the years since Incitec Pivot Limited became a signatory to the NPC are detailed in Table1.

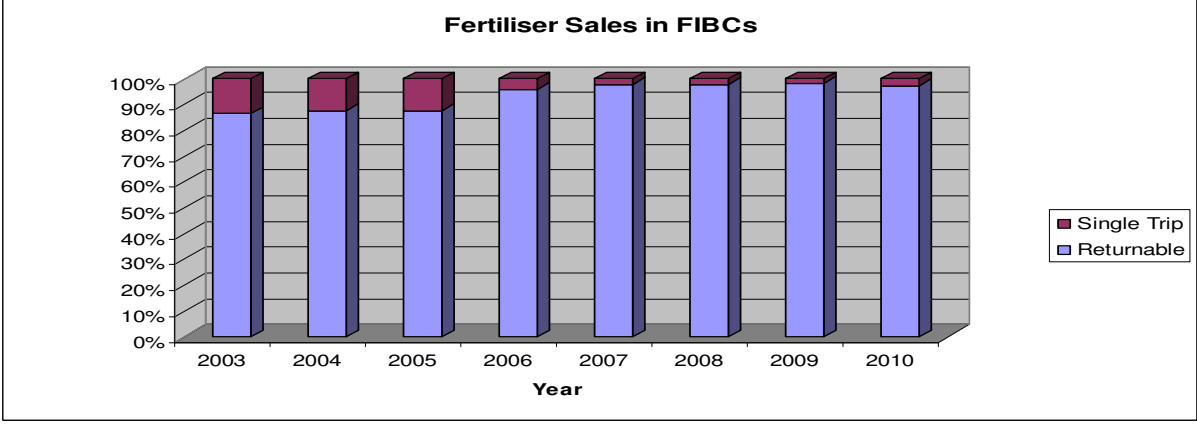
Table 1: Annual (July – June) Fertiliser Sales (Tonnes) in FIBCs*

Year	Returnable/Limited Trip	Single	Total
2006/07	303 120	10 289	313 409
2007/08	270 547	5 935	276 482
2008/09	216 505	4 547	221 052
2009/10	254 586	4 320	258 906
2010/11	229 016	4 740	233 756
Average	254 755	5 966	260 721

* Excludes FIBCs that were owned and supplied by Dealers (other than Grow Force).

The breakdown of FIBC Sales (% of Tonnes Despatched) between Returnable and Single Trip Packs by calendar years from 2003 to 2010 is depicted in graphical form in Figure 3.

Figure 3: Breakdown of FIBC Sales (% of Tonnes Despatched) between Returnable and Single Trip Packs.



9. FIBC Acquisition and Disposal Data

The number of Returnable and Limited Trip FIBCs purchased each year (July to June) for the Incitec Pivot Fertilisers business since Incitec Pivot Limited first became a signatory to the National Packaging Covenant are shown in Table 2.

Table 2: Number of Returnable and Limited Trip FIBCs purchased each year (July to June)

Type	2006/07	2007/08	2008/09	2009/10	2010/11
Returnable					
Half Tonne	3 500	3 810	1 510	3 606	3 900
One Tonne	38 490	32 670	43 580	47 600	48 891
One Tonne Versalift	30 240	26 120	21 700	13 634	18 563
Total - Packs	72 230	62 600	66 790	64 840	71 354
Total – Tonne Equivalent	70 480	60 695	66 035	63 037	69 404
Limited Trip					
Half Tonne	2 050	0	0	0	0
One Tonne	3 100	3 800	0	0	0
1.2 Tonne	3 625	5 750	3 250	4 945	5 538
Total - Packs	8 775	9 550	3 250	4 945	5 538
Total – Tonne Equivalent	8 475	10 700	3 900	5 934	6 646
TOTAL					
Packs	81 005	72 150	70 040	73 785	76 892
Tonne Equivalent	82 580	71 395	69 935	68 971	76 050

Returnable FIBCs are taken out of service after three years or should an inspection reveal the FIBC is damaged and no longer suitable for use.

Limited Trip FIBCs are disposed of after they have been used either five or ten times (depending on the type of bag). The 1.2 tonne Limited Trip FIBC, which is the only kind of Limited Trip bag that continues to be used, may be used up to five times.

Returnable FIBCs that are nearing the end of their working life are sometimes substituted as a Single Trip FIBC.

There are presently no recycling schemes for spent WPP fertiliser packaging in Australia. WPP is not accepted as a recyclable waste through kerb-side recycling schemes.

Rather than dispose of spent FIBCs to landfill, Returnable and Limited Trip FIBCs that have reached the end of their working life are collected and exported overseas to China for recycling.

Not all Returnable and Limited Trip FIBCs are recovered, despite a refundable deposit of \$30 being placed on each FIBC. Some are lost, misplaced, damaged or not returned for other reasons.

Incitec Pivot Fertilisers also accepts the return of Single Trip FIBCs. A financial incentive, by way of a refundable deposit or otherwise, is not provided to encourage their return. The onus is on the customer to return the pack.

The number of FIBCs taken out of service each year and exported to China is detailed in Table 3.

Table 3: Number of Spent FIBCs exported to China each year (July to June)

Year	Number of FIBCs
2006/07	62 933
2007/08	50 531
2008/09	73 657
2009/10	64 126
2010/11	53 607
Average	60 971

10. FIBC Utilization Rates and Turnaround Times

Typically, Incitec Pivot Fertilisers has up to 200 000 Returnable and Limited Trip FIBCs at its disposal.

Sales of fertiliser in Returnable and Limited trip FIBCs in recent years have ranged from 217 – 303 kt (see Table 1 above).

This indicates that Returnable and Limited Trip FIBCs are being used on average up to 1.5 times per annum, and no more than five times during their life.

The poor utilisation is attributed to:

- the seasonal nature of use;
- the distance over which fertiliser is supplied. For example, utilisation tends to be better from northerly distribution points in Queensland such as Mackay, Townsville and Cairns where there is a shorter distance to market, compared to more southerly distribution points such as Brisbane, Newcastle and Geelong.
- A significant proportion of fertiliser being distributed by resellers. Often Incitec Pivot Fertilisers does not transact with the farmer.

11. Recycling Rates

Annual comparisons on FIBC acquisition and disposal can not be made as Returnable and Limited Trip FIBCs remain in use for up to three years before being taken out of service. Recycling rates are therefore best analysed over longer periods of time.

An average of 74 774 Returnable, Limited Trip and Single Trip FIBCs has been purchased annually over the five year period since Incitec Pivot Limited became a signatory to the National Packaging Covenant.

Over this period an average of 60 971 FIBCs has been exported to China annually for recycling (Table 3).

This indicates that an approximate 80% recovery and recycling rate is being achieved.

To date, it has not been practical to collect and recycle small packs (20 – 50 kg) from the farm. These packs are usually of mixed construction. Most have a WPP outer and sewn polyethylene liner. Some are laminated. The use of WPP and the composite design has meant that recycling opportunities have not been available.

12. Disposal to Landfill

Very little of the fertiliser packaging used by Incitec Pivot Fertilisers is disposed of to landfill. Agricultural fertilisers are mostly used in rural areas where kerb-side collection services and access to municipal waste collection, recycling and disposal services are not available.

Incitec Pivot Fertilisers recovers approximately 80% of the FIBC packaging that it uses and exports it to China for recycling.

Used small packs (20 – 50 kg) are generally disposed of on farm, though some of these packs are used for other purposes, e.g. sandbags.

It is estimated that approximately 2 000 tonne per annum of the fertiliser supplied in small packs, a small proportion of the total, is used in the consumer market by home gardeners, rather than in the agricultural market. The packaging from this product could find its way to landfill through urban waste collection services. Nationally, about five tonne of packaging may be disposed of in this way (assuming that all packaging associated with the estimated 2 000 tonne per annum was disposed of to landfill).

13. Post Consumer Packaging

Most of the raw materials for manufacturing and finished products sourced for supply by Incitec Pivot Fertilisers to farmers, are purchased in bulk, e.g. phosphate rock, sulfuric acid, urea, calcium ammonium nitrate, high analysis phosphorus fertilisers, potash and compound fertilisers. No packaging is involved.

Some trace element and speciality fertilisers are sourced in FIBCs and small packs. These may be on-sold, or used internally, e.g. in fertiliser blends.

Any spent FIBC packaging that is generated in the process is disposed of along with other spent FIBCs. It is exported to China for recycling.

There is a small amount of other post consumer packaging waste, e.g. drums, cardboard. This is disposed of along with other wastes generated at Incitec Pivot Limited's major sites, and makes up a small part of the total. Cardboard is collected along with other like wastes, e.g. paper.

14. Packaging Review (Small Packs)

The Fertilizer Industry Federation of Australia (FIFA) has agreed to move towards a maximum package size of 25 kg, on occupational health and safety grounds.

A project team has been formed within Incitec Pivot Fertilisers to oversee this change. The full implementation of a 25 kg pack size across the company is anticipated to occur during calendar year 2012.

15. Progress against Australian Packaging Covenant Goals and KPIs, and Incitec Pivot Fertilisers' Actions listed in the Action Plan

Incitec Pivot Fertilisers has a number of Actions against the Australian Packaging Covenant Goals and Key Performance Indicators.

These are listed and reported on in the following tables.

Goal 1 DESIGN

Optimise packaging to achieve resource efficiency and reduce environmental impact without compromising product quality and safety

KPI 1

Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging

Incitec Pivot Fertilisers does not design its own packaging, which is manufactured overseas.

80% of solid fertilisers are supplied in bulk, 15% in Flexible Intermediate Bulk Containers (FIBCs) and 5% in small packs (40 and 25 kg).

Both the FIBCs and small packs are made from Woven Polypropylene (WPP). This is the standard for fertilisers, and other products sold into agriculture, e.g. seed and stockfeeds.

Packaging materials other than WPP have been investigated, trialled or used and abandoned (e.g. polyethylene, paper) as they do not provide the necessary strength, durability or protection of the contents that are necessary for farm use.

WPP is used as it is "Fit for Purpose". There was an adverse customer reaction to polyethylene and paper packaging when used in the past. These packs were more difficult to handle, tears and spillages were more common, paper packaging in particular did not provide the necessary protection from the elements, and the contents of the package deteriorate if subjected to moisture ingress.

Resource Efficiency is achieved by maximising the use of Returnable FIBCs, which may be reused several times, as opposed to Single Trip FIBCs. This is covered under KPI 3.

Action	Baseline	Responsibility	Target or performance goal/measure	Due date
1/1 Write the APC Sustainable Packaging Guidelines into the Incitec Pivot General Standard for Product Stewardship.	Internal General Standard 11, Guideline 1.	Product Stewardship Manager	Revised Guideline for Product Packaging to be available to company staff on the Intranet.	12/2011
Progress: The internal Incitec Pivot Guideline for Product Packaging for Fertilisers and Industrial Chemicals sold in Australia has been rewritten and is awaiting final authorisations before being added to the corporate General Standard for Product Stewardship.				

Action	Baseline	Responsibility	Target or performance goal/measure	Due date
<p>1/2 Replace 40 kg packs with 25 kg packs.</p> <p>This is an industry requirement and is being done on occupational health and safety grounds.</p>	<p>25 kg packs presently make up 12% of the combined tonnage in small packs (2010 NPC Annual Report).</p>	<p>National Distribution Manager</p> <p>PDC Manager (Gibson Island)</p>	<p>Review packaging requirements and bagging equipment by Dec. 2011.</p> <p>25 kg pack size to be introduced, and 40 kg packs to have been phased out at all distribution points by the end of calendar year 2012.</p>	<p>12/2012</p>
<p>Progress: Work is progressing on determining the new pack dimensions. These vary depending on the specific gravity/bulk density of the fertiliser. Dense fertiliser products require a smaller pack size. This will be done for open mouth 25 kg packs which are used at most Distribution Centres, with the exception of that at Gibson Island, Brisbane, over the coming months. The new 25 kg pack size will be phased in at these centres by early 2012.</p> <p>Work is also proceeding on the valve packs used on the filling line at the Gibson Island facility in Brisbane. These will take longer to replace, with the new 25 kg packs expected to be in use by the end of calendar 2012, as planned.</p>				

Goal 2 RECYCLING

The efficient collection and recycling of packaging

KPI 2

National recycling rate

Covenant goal only, Incitec Pivot Fertilisers not required to act.

KPI 3

Proportion of signatories with on-site recovery systems for recycling used packaging

Action	Baseline	Responsibility	Target or performance goal/measure	Due date
<p>3/1 Continue to collect Returnable FIBCs at the end of their working lives and export them to China for recycling.</p> <p>Note. The company also accepts the return of Single Trip FIBCs, though most of these are destined for remote end users and are not returned.</p>	80% of the FIBC packaging used is currently recovered and recycled	National Distribution Manager	Monitor and report annually on the number on FIBCs that are recovered, and the recycling rate.	07/2011 07/2012 07/2013 07/2014 07/2015
<p>Progress: In 2010/11, 53 607 spent FIBCs were regathered and exported to China so that they could be recycled. The recovery and recycling rate has been around 80% during the five years since Incitec Pivot Fertilisers became a signatory to the National Packaging Covenant.</p>				
3/2 Investigate Australian options for recycling of FIBCs.	Not presently utilised. Spent FIBCs are being sent to China.	Waste Working Group.	Report annually on findings/progress. Recycle all FIBCs within Australia rather than export overseas.	07/2011 07/2012 07/2013 07/2014 07/2015
<p>Progress: Alternative disposal options to the existing export arrangement have been and are continuing to be investigated. To date an Australian recycler for spent woven polypropylene (WPP) FIBCs has not been identified. All potential disposal options involve overseas export of the used bags, even if the first receiving firm is in Australia.</p>				
3/3 Explore opportunities, either at a corporate or industry level (Fertilizer Industry Federation of Australia) for collection of spent small packs from farm for recycling.	Nil. Recycling programs not available at present. Most small packs are of a composite design (WPP outer, with a sewn polythene liner).	Waste Working Group	Report annually on findings/progress. Implement recycling scheme if viable options identified.	07/2011 07/2012 07/2013 07/2014 07/2015
<p>Progress: Investigations were made into running a 12 month 'collection and recycling' trial of fertiliser small packs from farming customers in Victoria, including an application for APC funding for the project. Subsequently, it was determined that most of the fertiliser sold in the target area (Victoria) was in bulk, and the amount of fertiliser supplied in packaging was so small that the expected return of used packaging would be insufficient for the recycling trial to proceed.</p>				

KPI 4

Proportion of signatories with a policy to buy products made from recycled packaging

Action	Baseline	Responsibility	Target or performance goal/measure	Due date
4/1 Adopt a policy to buy packaging with a recycled content where such packaging meets quality and safety requirements and customer expectations.	No current policy. Returnable FIBCs with a recycled component do not have the same strength and life expectancy as those manufactured from new materials. This compromises their safety, and shortens their working life.	Marketing Manager Category Sourcing Manager	Policy approved and implemented, and reflected in Product Packaging Guideline. (See Action 1/1).	12/2011
Progress: The Incitec Pivot Procurement Group has revised its buying procedures so they are aligned with the Covenant Performance Goal. Packaging vendors have been advised of the requirements of and a section included in Tender Package relating to the APC Sustainable Packaging Guidelines.				
4/2 Investigate options for use of Single Trip FIBCs and small packs with a recycled component. Note. All packaging is presently sourced from overseas.	Nil packaging is used with a recycled content.	Waste Working Group Category Sourcing Manager	Report annually on findings/progress. Source Single Trip FIBCs and/or small packs with a recycled component if suitable suppliers identified.	07/2011 07/2012 07/2013 07/2014 07/2015
Progress: No progress to date. None of the packs in current usage have a recycled content.				

KPI 5

Additional tonnes of material reprocessed in primary and secondary markets as a result of covenant-funded projects

Covenant goal only, Incitec Pivot Fertilisers not required to act.

Goal 3 PRODUCT STEWARDSHIP

A demonstrated commitment to product stewardship by the supply chain and other signatories

KPI 6

Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging

Action	Baseline	Responsibility	Target or performance goal/measure	Due date
6/1 Advise packaging suppliers of the requirements detailed in the APC Sustainable Packaging Guidelines Note. All packaging is presently sourced from overseas.	Nil	Category Sourcing Manager	Written communication with bag suppliers.	12/2011
Progress: All existing suppliers of fertiliser packs manufacture overseas. Many however have Australian based representatives and are aware of the APC Guidelines. The Incitec Pivot Procurement Group has revised its buying procedures and issued a written communication to current packaging vendors advising of the requirements stipulated in the APC Sustainable Packaging Guidelines.				
6/2 Review new packaging options against the APC Sustainable Packaging Guidelines as they become available.	Existing packaging meets internal needs and requirements, but contains no recycled component.	Category Sourcing Manager	Review any new recycled packaging against internal needs and requirements Report annually on any changes in packaging.	07/2011 07/2012 07/2013 07/2014 07/2015
Progress: Work this year has focused on the new 25 kg packaging that will replace the larger 40 kg and other pack sizes over the next one to two years. The design of all other packaging is unchanged. None of the packs in current use have a recycled content.				

KPI 7

Proportion of signatories demonstrating other product stewardship outcomes

Action	Baseline	Responsibility	Target or performance goal/measure	Due date
7/1 Review of FIBC packaging requirements, and utilisation and turnaround times for Returnable FIBCs	Returnable and Limited Trip FIBCs are being used on average up to 1.5 times per annum, and no more than five times during their life.	National Distribution Manager Marketing Manager	Recommendations on adequacy of current system, and what improvements, if any, can be made, to improve utilization and thereby reduce the inventory of FIBCs that needs to be carried in order to meet demand.	12/2012
<p>Progress: The monetary cost of FIBCs is such that there is little scope to provide a sufficiently sized incentive to encourage their early return from farm and regional fertiliser suppliers. A trial scheme whereby a local contractor is engaged to pick up used FIBCs on farm and return them to the local supply centre is being considered for part of the market, in an effort to improve FIBC turnaround times, e.g. sugarcane market serviced from the Incitec Pivot fertilisers Primary Distribution Centre at Mackay.</p>				

KPI 8

Reduction in the number of packaging items in litter

Action	Baseline	Responsibility	Target or performance goal/measure	Due date
Investigate and report on the feasibility of fostering, or partnering others in a farm recycling scheme for WPP packaging used for small packs (20 – 50 kg) of fertiliser, and if feasible, seed and stockfeeds. See Action 3.3	Spent small packs (25 and 40 kg) have the propensity to become litter as there is no collection process in place. Incitec Pivot takes spent FIBCs out of service and exports them to China for recycling.	Waste Working Group	See Action 3.3	See Action 3.3
<p>Progress: Work this year has focused on the introduction of the new 25 kg packs that will replace the 40 and 50 kg packs that have been in use for many years. This change is being made on occupational health and safety grounds, and is a fertiliser industry requirement. Preliminary discussions have been held with a potential recycler of farm plastics, but no formal program is in place, nor has there been any discussion with other fertiliser suppliers, or the seed and stockfeed industries. Investigations were made into running a 12 month 'collection and recycling' trial of fertiliser small packs from farming customers in Victoria, including an application for APC funding for the project. Subsequently, it was determined that most of the fertiliser sold in the target area (Victoria) was in bulk, and the amount of fertiliser supplied in packaging was so small that the expected return of used packaging would be insufficient for the recycling trial to proceed.</p>				