

The Directors
Incitec Pivot Limited
Level 8, 23 Freshwater Place
Southbank VIC 3006

31 October 2024

Dear Directors

Re: Limited assurance engagement report on Incitec Pivot Limited's energy and emissions report (the 'NGER Report') in accordance with Section 19 of the National Greenhouse and Energy Reporting Act 2007 (the 'NGER Act') for the reporting period ended 30 June 2024.

Please find herewith our limited assurance report and detailed findings in respect of Incitec Pivot Limited's ('IPL') NGER Report in accordance with the Standard on Assurance Engagements ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* ('ASAE 3410') issued by the Auditing and Assurance Standards Board, and the National Greenhouse and Energy Reporting (Audit) Determination 2009 ('NGER Audit Determination').

Audited Body

Name of audited body	Incitec Pivot Limited
Name of contact person for audited body	Karen Durand
Contact person phone number	+61 2 4923 5420
Contact person email address	Karen.durand@incitecpivot.com.au

Reporting Requirements

Total scope 1 emissions for audited body	900,402 tonnes CO ₂ -e
Total scope 2 emissions for audited body	50,998 tonnes CO ₂ -e
Total energy consumption for audited body	17,776,694 GJ
Total energy production for audited body	1,052,112 GJ

Audit Description

Kind of audit	Limited assurance
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Objective of the assurance engagement	Assurance on scope 1 emissions, scope 2 emissions, energy production and energy consumption in IPL's energy and emissions report under Section 19 of the NGER Act.
Reporting period covered by audit	1 July 2023 to 30 June 2024
Audit fee	\$40,000 (excluding GST)
Total hours spent on the audit by audit team	177
Non-audit fees paid to the audit team leader and audit firm for services and activities excluding this audit over the past 12 months	\$3,715,210 (inclusive of GST)
Why did the provision of non-Part 6 services or activities not result in a conflict of interest situation?	The services provided, which predominately related to external financial audit services, did not result in a conflict of interest situation as they relate to other services that were unrelated to the 2024 NGER assurance.
Date terms of engagement signed	12 July 2024
Date audit report signed	31 October 2024

Auditor Details

Name of auditor	Chi Mun Woo
GEA registration number	0166/2012
Organisation	Deloitte Touche Tohmatsu
Phone number	(02) 9322 5875
Address	Quay Quarter Tower, 50 Bridge Street Sydney NSW 2000
Names and contact details of other audit team members	Yasmin Ellman-Brown (03) 8486 1389 Harrison Choi (03) 9671 8752 Keran Li (02) 9840 6683 Cameron Thannhauser (03) 96715864

Details and evidence of exemptions under section 6.71 of the *National Greenhouse and Energy Reporting Regulations 2008* ('NGER Regulations') for the audit team leader or professional member of the audit team.

This includes:

- conflict of interest and details of the procedures for managing conflict of interest;
- relevant relationships; and
- exemptions for an audit team leader to carry out more than five consecutive greenhouse and energy audits in relation to the audited body.

Should you have any questions with the above please contact me on (02) 9322 5875 or at chimunwoo@deloitte.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C1 / mwo', is positioned below the 'Yours sincerely' text.

Chi Mun Woo
Partner

Part A

Independent Assurance Practitioner's Limited Assurance Report to the Directors of Incitec Pivot Limited

Conclusion

We have undertaken a limited assurance engagement in relation to the accompanying NGER Report of Incitec Pivot Limited ('IPL') for the period 1 July 2023 to 30 June 2024 comprising the following:

- Scope 1 greenhouse gas emissions of 900,402 tonnes of CO₂-e
- Scope 2 greenhouse gas emissions of 50,998 tonnes of CO₂-e
- Energy consumption of 17,776,694 GJ
- Energy production of 1,052,112 GJ

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NGER report is not prepared, in all material respects in accordance with Section 19 of the NGER Act, for the period 1 July 2023 to 30 June 2024, as explained in the Basis of Preparation.

Basis for Opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* ('ASAE 3410'), issued by the Auditing and Assurance Standards Board and the NGER Audit Determination. ASAE 3410 and the NGER Audit Determination require that we plan and perform the engagement to obtain limited assurance about whether the based on the procedures we have performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the NGER report is not prepared, in all material respects in accordance with Section 19 of the NGER Act.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities

Our assurance engagement was conducted on the basis that management acknowledge and understand that they have responsibility for:

- Designing, implementing and maintaining such internal control as the entity determines is necessary to enable the preparation of the NGER Report that is free from material misstatement, whether due to fraud or error
- The preparation of its NGER Report in accordance with section 19 of the NGER Act
- Selecting and applying measurement methodologies in accordance with the NGER Determination, and making estimates that are reasonable in the circumstances
- For referring to or describing in its NGER Report the applicable criteria it has used and, when it is not readily apparent from the engagement circumstances, who developed them

Providing us with:

- o Access to all information of which management is aware that is relevant to IPL's NGER Report's compliance with section 19 of the NGER Act
- o Additional information that we may request from management for the purposes of this assurance engagement
- o Unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

Our Independence and Quality Management

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQM 1 Quality Management for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements in undertaking this assurance engagement. We will also comply with the requirements of the NGER Regulations 2008 regarding the Code of Conduct, independence and quality control.

Assurance Practitioner's Responsibilities

Our responsibility is to express a conclusion on IPL's NGER Report based on the evidence we have obtained.

We conducted our assurance engagement in accordance with Standard on Assurance Engagements ASAE 3410 Assurance Engagements on Greenhouse Gas Statements ('ASAE 3410'), and the guidance contained in the NGER Audit Determination 2009. ASAE 3410 requires that we comply with ethical requirements applicable to assurance engagements and plan and perform procedures to obtain limited assurance about whether the NGER Report of IPL is prepared, in all material respects, in accordance with section 19 of the NGER Act.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with ASAE 3410 in relation to both the risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks. Consequently, this does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, did not express an opinion providing reasonable assurance.

An assurance engagement in accordance with ASAE 3410 involves performing procedures to obtain evidence about the quantification of emissions and related information in the NGER Report to be able to conclude on whether anything has come to our attention that causes us to believe that IPL's NGER Report is not prepared in accordance with section 19 of the NGER Act. We performed procedures to obtain evidence about compliance activities and controls implemented to meet the requirements of section 19 of the NGER Act. The procedures selected depend on the assurance practitioner's professional judgement, including the identification of areas where a material misstatement is likely to arise in IPL's NGER Report, including but not limited to:

- Making enquiries, primarily of persons responsible for the preparation of the NGER Report
- Assessing the appropriateness of IPL's facility boundary determination and reporting structure, including consideration of project activities and presence of contractors at each facility, and the associated operational control determinations
- Applying analytical and other review procedures including assessing relationships between energy and emissions data and other financial and non-financial data
- Analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of the information included in the NGER Report.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control there is an unavoidable risk that fraud, error and some deficiencies in the compliance framework or misstatements in IPL's NGER Report may not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

For example, as assurance engagements are based on selective testing of the information being examined, it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all instances of non-compliance with section 19 of the NGER Act and NGER Regulations, as the

procedures performed in respect of compliance with section 19 of the NGER Act and NGER Regulations are undertaken on a test basis.

Emissions quantification is subject to inherent uncertainty because incomplete scientific knowledge has been used to determine emissions factors and the values needed to combine emissions due to different gases. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

We specifically note that IPL has used estimates or extrapolated underlying information to calculate certain amounts included within the greenhouse and energy information.

Other information

We read other information included within IPL's NGER Report and considered whether it was consistent with the knowledge obtained through our procedures. We considered the implications for our report if we became aware of any apparent material inconsistencies with the NGER Report. Our responsibilities did not extend to any other information.

Restriction in the use of the Report

This report has been prepared for the management of IPL and for the purpose described in this letter and otherwise, in the manner described in the Terms and may not be suitable for any other purpose. We disclaim any assumption of responsibility for any reliance on our report to any person other than management of IPL, or for any purpose other than that for which it was prepared.

However, we understand that a copy of the report has been requested by the CER for the purpose of assessing IPL's compliance with section 19 of the NGER Act. We agree that a copy of the report may be provided to the CER for their information in connection with this purpose but, as will be made clear in the report, only on the basis that we accept no duty, liability or responsibility to the CER in relation to the report. We accept no duty, responsibility or liability to any party, other than you, in connection with the report or this engagement.

You have also asked us to provide access to the Report to readers of the 2024 IPL Sustainability Report and in responses to voluntary sustainability reporting benchmarks, such as the Carbon Disclosure Project and the Dow Jones Sustainability Index (referred to collectively as 'other third parties'). The scope of the work undertaken by Deloitte and the Report we prepare will be subject to the terms and conditions of our Engagement Letter with you. You acknowledge that the Report relates to the work which was undertaken by us for the purpose specified in the Engagement letter. Accordingly, the Report may not be sufficient or appropriate for the purposes for which other third parties have requested access. You agree that you will not make any claim or demand or bring any proceedings against us in connection with our release of the Report to these other third parties. To the maximum extent permitted by law we are not responsible to you or any other party for any loss you or any other party may suffer in connection with the access to or use of the Report by other third parties.

Details of audited body

Name of audited body	Incitec Pivot Limited
Address	Level 8, 28 Freshwater Place Southbank, VIC 3006
ABN	42 004 080 261



As audit team leader, in accordance with the per NGER Audit Determination, I attest that the assurance engagement was carried out in accordance with the assurance engagement terms, the requirements of the NGER Regulations and the NGER Audit Determination.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "C1 / mww", written over a faint, light-colored signature line.

Chi Mun Woo
Partner
Registered Greenhouse and Energy Auditor

Sydney
31 October 2024

Part B – Detailed Findings

In accordance with the NGER Audit Determination we report our findings from our limited assurance engagement over IPL’s NGER Report.

Issues requiring particular attention

None noted.

Aspects impacting on assurance engagement

None noted.

Contraventions of the NGER legislation

None noted.

Matters corrected during the course of the audit

- In prior years IPL calculated its emissions associated with natural gas consumption at its Moranbah, and Phosphate Hill facilities using the Method 2 CO₂ Emission Factor approach outlined in the NGER Measurement Determination. However this was done only on an annual basis and not in line with monthly fuel consumption purchases. During the course of the engagement IPL has opted to calculate their emissions associated with gas consumption on a monthly basis, determining the monthly emission factor and applying the factor to the volume of gas delivered in the given month per Section 2.23(5). We note this was not a material difference to the emissions as a result of the change in approach, with the change resulting in an immaterial difference.
- Due to a manual entry error IPL incorrectly entered LPG into their NGER extract, as such LPG was incorrectly overstated emissions by 14,39kL and 22,415 tCO₂-e. This was subsequently corrected during the course of the engagement.

Other matters

None note.

Findings and Conclusions Table

The results that are provided in the table below should not be construed as providing an opinion on the NGER Report as a whole; instead, they should be read in the context of providing evidence to support the conclusion. These findings, conclusions and recommendations are designed to inform IPL and the CER of any compliance issues and will be used, in part, to better inform regulatory decisions and broader advice to the regulated community.

Issue/Risk area investigated	Testing conducted	Findings	Conclusion	Recommendations
<i>Corporate boundary, facility identification and operational control</i>	We performed the following: – Confirmed IPL’s approach to assessing its corporate	No material issues noted.	Risk area has been appropriately addressed as	None noted.

Issue/Risk area investigated	Testing conducted	Findings	Conclusion	Recommendations
<p>IPL have three business divisions, namely Dyno Nobel Asia Pacific ('DNAP'), Incitec Pivot Fertilisers ('IPF') and Southern Cross International ('SCI'), and across these divisions a large number of sites, as well as joint ventures and contractors.</p> <p>In addition, for each facility, IPL must identify all relevant sources of emissions, energy consumption and energy production at operations under its operational control, including contractors.</p> <p>Key risks are:</p> <ul style="list-style-type: none"> - Material emission and energy sources are not identified - Sites under IPL's operational control are incorrectly excluded from the NGER Report - Large contractors performing work are not 	<p>boundary, identification of facilities and assessment of operational control across its operations remained consistent with prior year.</p> <ul style="list-style-type: none"> - Confirmed whether there had been any changes from prior year to IPL's operational control scorecards and the conclusions made in accordance with the NGER legislation. - Confirmed IPL's approach to assessing operational control with respect to contractors and joint venture partners remained consistent with prior year. - Reviewed IPL's approach for reporting smaller facilities in accordance with the NGER thresholds for facility aggregates. Reviewed on a sample basis, referencing publicly available sources to assess completeness of facility listings. - Conducted year on year analytical reviews on minor emission sources across aggregate facilities to assess completeness. 		<p>part of our NGER limited assurance engagement.</p>	

Issue/Risk area investigated	Testing conducted	Findings	Conclusion	Recommendations
<p>included in the NGER report.</p>				
<p><i>Natural gas combustion at Phosphate Hill, and Moranbah</i></p> <p>Natural gas combustion at Phosphate Hill, and Moranbah is the most material source of Scope 1 & 2 emissions, representing approximately 80% of IPL's scope 1 & 2 emissions in the reporting period ended 30 June 2024. It is therefore critical that the quantities of natural gas are accurately measured and the calculation method appropriate to each site is in accordance with the NGER requirements.</p> <p>There is a risk that reporting of natural gas is incomplete or not accurately recorded.</p>	<p>We performed the following:</p> <ul style="list-style-type: none"> - Performed analytical reviews over the natural gas reported, as well as comparing this to associated production data on a monthly basis across the reporting period and compared data to the prior year to identify any anomalies. - Performed testing on Phosphate Hill, and Moranbah's and Method2 calculations, including: <ul style="list-style-type: none"> - reviewed the approaches and calculations used across all relevant facilities, including any key changes from the prior year - reconfirming the sampling and analysis procedures employed for natural gas consumed against the requirements of the NGER Determination remained consistent with prior year. - assessed IPL's adherence to the NGER requirements for the measurement and reporting of natural gas volumes and composition data 	<p>'Refer to Matters Corrected during the course of the Audit'.</p> <p>No material issues noted.</p>	<p>Risk area has been appropriately addressed as part of our NGER limited assurance engagement.</p>	<p>IPL should ensure that it continues to report in line with NGER Method 2 on a monthly basis.</p>

Issue/Risk area investigated	Testing conducted	Findings	Conclusion	Recommendations
	<ul style="list-style-type: none"> - reviewed the maintenance regime for primary natural gas measurement instrumentation, including calibration certificates, for a sample of measurement points - Re-performed emissions and energy estimation calculations for natural gas combustion at Moranbah and Phosphate Hill for the reporting period ended 30 June 2024, including the adjustment made for gas consumed within the tertiary abatement reactor within the nitric acid plant. 			
<p><i>Nitric Acid Production – Nitrous Oxide (N₂O) emissions</i></p> <p>Nitric acid is manufactured at Moranbah and associated emissions of N₂O are calculated using Method 4 (direct measurement of emissions), accounting for ~12% of IPL’s total scope 1 emissions for the period ended 30 June 2024.</p> <p>There is a risk that the calculation built</p>	<p>We performed the following:</p> <ul style="list-style-type: none"> - Held discussion with IPL personnel to understand whether any changes to the emissions measurement and reporting process had occurred in this reporting period, including understanding how the installation of its tertiary abatement facility impacts N₂O emissions reporting. - Performed analytical reviews over the nitric acid production data, both on a monthly basis across the reporting period and compared to prior year to identify any anomalies. 	<p>No material issues noted.</p>	<p>Risk area has been appropriately addressed as part of our NGER limited assurance engagement.</p>	<p>None noted</p>

Issue/Risk area investigated	Testing conducted	Findings	Conclusion	Recommendations
<p>into the Distributed Control System (DCS) software at the nitric acid plant is not being performed correctly.</p>	<ul style="list-style-type: none"> - Assessed instrumentation availability (downtime) across the Method 4 calculations, reconciling any outages to IPL’s trip logs to assess any instrumentation outages are driven by plant outages, rather than instrumentation availability. - Obtained evidence of calibration over key metering points where relevant, or other supporting evidence to confirm instrumentation is recording appropriately. - Reconciled monthly emissions calculations from underlying source data to IPL’s NGER extract. Also, understood the calculation approach against the NGER Determination, section 1.21 Method 4 (CEM) – estimation of emissions. 			
<p><i>Energy consumption and energy production</i></p> <p>As part of their S19 NGER reporting, IPL is required to report all energy consumption and energy production data across of its facilities.</p> <p>Natural gas consumption is the most material energy consumption data stream, while</p>	<p>We performed the following:</p> <ul style="list-style-type: none"> - Performed analytical reviews over material energy consumption and production data streams. - Reconciled to underlying historian extracts. - Obtained calibrations, or Quality control checks for selected emissions sources. - Re-performed energy consumption and energy production calculations in line with the requirements stipulated by the NGER Measurement Determination. 	<p>No material issues noted.</p> <p>‘Refer to matters corrected during the course of the Audit’</p>	<p>Risk area has been appropriately addressed as part of our NGER limited assurance engagement.</p>	<p>IPL should ensure it conducts a detailed review of its NGER extract prior to finalization. It should also, consider conducting detailed YOY reviews on an emission sources basis to identify any anomalies.</p>

Issue/Risk area investigated	Testing conducted	Findings	Conclusion	Recommendations
<p>electricity produced on-site use represents the most material energy production data stream.</p> <p>There is a risk that energy consumption and production data may be incomplete or not accurately recorded.</p>				
<p><i>Completeness of other minor activity sources</i></p> <p>IPL must report emissions and energy data across a number of small sites and aggregated facilities as well as for minor emission sources, e.g. minor fuels and phosphate rock acidulation.</p> <p>There is a risk that management has not reported all activity sources correctly for the s19 NGER report submissions, and/or the report is incomplete or inaccurate.</p>	<p>We performed the following:</p> <ul style="list-style-type: none"> - Reviewed IPL's process for identifying and collecting data across minor sites and aggregated facilities - Performed an analytical review of minor data to identify any anomalies. - Re-performed emissions and energy calculations in line with the requirements stipulated by the NGER Measurement Determination. 	<p>No material issues noted.</p> <p>'Refer to matters corrected during the audit'.</p>	<p>Risk area has been appropriately addressed as part of our NGER limited assurance engagement.</p>	<p>None noted.</p>

Other matters to be reported

None noted.

Peer reviewer conclusion

Name of the peer reviewer	Paul Dobson
Peer reviewer credentials	Partner and Registered Greenhouse and Energy Auditor
Peer reviewer contact details	(02) 9322 5422
Outcome of the evaluation undertaken by the peer reviewer	Quay Quarter Tower, 50 Bridge Street Sydney NSW 2000

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chi Mun Woo

Chi Mun Woo
Partner
Registered Greenhouse and Energy Auditor
Sydney
31 October 2024