

## **Module: Introduction**

### **Page: Introduction**

#### **0.1**

#### **Introduction**

**Please give a general description and introduction to your organization.**

Incitec Pivot is a leading global chemicals company with nitrogen-based manufacturing at its core providing commercial explosives, fertiliser products and related services. Incitec Pivot has extensive operations throughout the Australia, United States, Canada, Mexico, Turkey and Indonesia, including over 30 manufacturing plants, scores of distribution centres and well-established channels to market. The Company employs over 5,000 staff worldwide, 1,800 staff in Australia.

Incitec Pivot manufactures a range of fertiliser inputs and products including ammonium phosphates, ammonia, urea, sulphuric acid and superphosphates at five manufacturing sites across eastern Australia. Incitec Pivot is the only domestic manufacturer of ammonium phosphates and urea. Incitec Pivot's fertiliser business, Incitec Pivot Fertilisers (IPF) is Australia's largest supplier of fertilisers, dispatching approximately two million tonnes each year for use in the grain, cotton, pasture, dairy, sugar and horticulture industries. It operates through a comprehensive network of distributors who supply the product to Australian farmers. With a long-term commitment to investment into soil nutrition research, IPF is a leading provider of nutrition advice for farmers and customers and is industry accredited, promoting sustainable use of fertilisers and safe handling to customers and farmers.

Incitec Pivot's explosives business Dyno Nobel is a market leader in North America and the second largest supplier in Australia. Dyno Nobel has a complete range of commercial explosives including ammonium nitrate, bulk explosives, packaged emulsions and dynamite as well as a range of initiating systems. The business includes provision of expert technical consulting services to customers that include mining companies and their suppliers, quarries and companies supporting the construction industry.

In addition, Incitec Pivot manufactures various industrial chemical products used in water treatment, process manufacturing and other industrial applications.

Incitec Pivot's sustainability agenda is driven by the Vision and seven Values which all employees live by. Incitec Pivot recognises that sustainable growth requires the balancing of economic performance with environmental and social responsibilities. Those 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 communities, employees, customers, and the environment. Incitec Pivot's approach to sustainability includes the areas of: workplace health and safety, environmental impacts and resource efficiency, community impact and engagement, labour practices and product and services.

**0.2**

### **Reporting Year**

**Please state the start and end date of the year for which you are reporting data.**

**Enter the period that will be disclosed.**

Sat 01 Oct 2011 - Sun 30 Sep 2012

**0.3**

### **Reporting Boundary**

**Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.**

Companies, entities or groups over which operational control is exercised

**0.4**

### **Exclusions**

**Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?**

Yes

**0.4a**

## List of Exclusions

Please describe any exclusion(s) in the following table.

<b>Exclusion</b>	<b>Please explain why you have made the exclusion</b>
Small distribution and emulsion manufacturing sites across North America	Data is not presently available for water use at these sites, and it is expected that withdrawals are not material (each emulsion manufacturing site in Australia currently uses less than 0.5% of IPLs total water withdrawal). Investigations into methods to collect this data for the 2013 financial year are currently being made.
Offices and administration buildings that are not situated at manufacturing sites	Data is not presently available for water use at these sites, and amounts are not expected to be material. Investigations into methods to collect this data for the 2013 financial year are currently being made.

## Module: Water-Governance

### Page: Water-1-ManagementGovernance

#### 1.1

**Does your company have a water policy, strategy or management plan?**

Yes

#### 1.1a

**Please describe your policy, strategy or plan, including the highest level of responsibility for it within your company and its geographical reach.**

<b>Country or region</b>	<b>Description of policy, strategy or plan</b>	<b>Position of responsible person</b>
Company-	Aligned with our Corporate values of 'Care for the Community & Our environment, our global Health, Safety,	Board/executive

<b>Country or region</b>	<b>Description of policy, strategy or plan</b>	<b>Position of responsible person</b>
wide	<p>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 sustainability strategy requires us to act beyond compliance and includes a three point priority agenda of ‘Use less, Get close and Be responsible’. The Use less agenda priority is focuses on reducing our consumption of non-renewable resources, which includes water. Our highest governing body is the Board of Directors. The Board 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 our other stakeholders such as employees, 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. A copy of the Board Charter is available on the corporate governance section of the Company’s website, <a href="http://www.incitecpivot.com.au/Corporate_Governance">www.incitecpivot.com.au/Corporate_Governance</a>. 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 four Committees including 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 &amp; CEO. The Managing Director &amp; CEO and his direct reports form the Executive Team. 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 Vice President Sustainability who reports to the Chief Financial Officer, thereby providing alignment with the financial performance for the Company and overall risk management.</p>	board

**1.1b**

**Does the water policy, strategy or plan specify water-related targets or goals?**

Yes

**1.1c**

**Please describe these water-related targets or goals and the progress your company has made against them.**

Country or region	Category of target or goal type	Description of target or goal	Progress against target or goal
Australia	Direct operations	Our sustainability strategy is underpinned by a three-year priority agenda which requires that targets are set to reduce the water consumed by our operations.	IPL Australia has set targets for reducing potable/municipal water use and managing storm water and discharge in Australian manufacturing, based on site-specific projects. The targets are for the 2015 financial year, based on performance against 2010. In 2012 a baseline for the North American business was created to enable targets to be set for that part of the business during 2013. This will cover the majority of the water consumed by our global operations.

## 1.2

**Do you wish to report any actions outside your water policy, strategy or management plan that your company has taken to manage water resources or engage stakeholders in water-related issues?**

Country or region	Category of action	Description of action and outcome
Company-wide	Direct operations	Monitoring: Where water from our sites was discharged to natural waterways we monitored the water quality of the discharges on an on-going basis to meet local regulatory requirements for trade wastewater.
United States of America	Direct operations	Water saving initiatives 1. A project to automate the process of replacing water in a boiler to reduce the concentration of dissolved solids (which cause a build-up of scale in the boiler and reduced efficiency) was completed at our site in Carthage, Missouri, USA. Instead of continuously replacing water in the boiler, the conductivity of the water is now continuously monitored. When the conductivity reaches a nominated threshold, a volume of the water is automatically replaced. This project saved 2,082 kilolitres (kL) of water per year as well as 84,900 kilowatt hours (kWh) of energy needed to heat that water in the boiler.
United States of America	Direct operations	Water saving initiatives 2. A new electro dialysis reversal unit was installed at our site in Louisiana, Missouri, USA. The unit removes nitrates from wastewater, which is then re-used within the manufacturing process, rather than being discharged from the site. The unit will allow an estimated 15 ML of water to be reused per year.
Australia	Direct operations	Water Recycling A project to recycle both high nutrient process water and storm water was completed at our Warkworth emulsion manufacturing site in Australia. All site surface run-off is captured and, along with high nutrient process water, is treated and recycled as a raw material in the manufacture of a liquid UAN fertiliser product. This also prevents high nutrient rain water from leaving the site, making it a 'zero discharge' site. The project has reduced river drawdown by 30%.
Australia	Direct	Waste water and Phosphate re-use A project at our Phosphate Hill fertiliser manufacturing plant to recover decant water

Country or region	Category of action	Description of action and outcome
	operations	from waste gypsum stockpiles is now operational. This waste water is high in phosphate, which is also recovered during the process. The project will reduce water use and also recover phosphate nutrients which will be used in the manufacture of fertiliser products.

## Module: Water-RisksOpps

### Page: Water-2-indicators-op

#### 2.1

Are any of your operations located in water-stressed regions?

Yes

#### 2.1a

Please specify the method(s) you use to characterize water-stressed regions (you may choose more than one method).

Method used to define water stress

Please add any comments here:

WBCSD Water Tool

WRI water scarcity definition

The WBCSD Global Water Tool was used. Data was entered from our manufacturing sites (excluding administration offices which are not situated at manufacturing sites, and small distribution sites). Sites where the "Annual Renewable Water Supply per Person (1995)" was less than 1700 m3/person/year were designated as operating in 'water stressed regions'.

#### 2.1b

Please list the water-stressed regions where you have operations and the proportion of your total operations in that area.

Country or region	River basin	Proportion of operations located in this region (%)	Further comments
Australia	Other:	1 – 10	This is IPLs SSP fertiliser manufacturing plant at Geelong, VIC. This site's water

<b>Country or region</b>	<b>River basin</b>	<b>Proportion of operations located in this region (%)</b>	<b>Further comments</b>
	GHAASBasin1460		withdrawal makes up 0.4% of total water withdrawal by manufacturing sites.
Australia	Leichhardt	1 – 10	This is IPLs sulphuric acid plant at Mt Isa, QLD. This site's water withdrawal makes up 10.8% of total water withdrawal by manufacturing sites.
Australia	Other: GHAASBasin889	1 – 10	This is IPLs DNAP emulsion manufacturing site at Bajool, QLD. This site's water withdrawal makes up 0.01% of total water withdrawal by manufacturing sites.
Australia	Hunter	1 – 10	This is IPLs DNAP emulsion manufacturing plant at Warkworth, Hunter Valley, NSW. This site's water withdrawal makes up 0.2% of total water withdrawal by manufacturing sites.

## 2.2

**Are there other indicators (besides water stress) which you wish to report that help you to identify which of your operations are located in regions subject to water-related risk?**

No

## 2.2b

**You may explain here why you do not wish to report or why you do not use other indicators to identify which of your operations are located in regions subject to water-related risk.**

## 2.3

**Please specify the total proportion of your operations that are located in the regions at risk which you identified in questions 2.1 and/or 2.2.**

11.4%

## 2.4

**Please specify the basis you use to calculate the proportions used for questions 2.1 and/or 2.2.**

**Basis used to determine proportions**

**Please add any comments here**

Water withdrawals

Water withdrawal by sites in water stressed areas was divided by total water withdrawn by manufacturing sites to obtain a percentage. Small distribution sites and administration buildings not located at manufacturing sites were not included.

**Page: water-indicators-sc**

2.5

**Do any of your key inputs or raw materials (excluding water) come from regions subject to water-related risk?**

Don't know

2.5b

**You may explain here why you are not able to identify if any of your key inputs or raw materials come from regions subject to water-related risk and whether you have plans to explore this issue in the future.**

IPL has not yet analysed the regions from which our raw materials are sourced in order to determine which, if any, are regions subject to water-related risk.

**Page: water-3-riskassess-op**

3.1

**Is your company exposed to water-related risks (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?**

No

3.1b

**Please explain why you do not consider your company to be exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure.**

As a global manufacturer and distributor of fertiliser we have flexibility over the markets we supply and source from.

### 3.2

**What methodology and what geographical scale (e.g. country, region, watershed, business unit, facility) do you use to analyze water-related risk across your operations?**

#### **Risk methodology**

#### **Country or geographical scale**

IPL assesses the availability of appropriate quality water in order to ensure the sustainability of manufacturing at each facility. In addition, risk is managed by ensuring the relevant regulatory controls are in place: because all of our operations are in areas where populations are served with improved water (WBCSD Global Water Tool Source: WHO/UNICEF 2008), both water withdrawals and discharges in these regions are regulated by local authorities in order to prevent significant impacts on water sources.

Facility

**Page: water-riskassess-sc**

### 3.3

**Do you require your key suppliers to report on their water use, risks and management?**

No

### 3.4

**Is your supply chain exposed to water-related risks (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?**

No

### 3.4b

**Please explain why you do not consider your supply chain to be exposed to any water-related risks that have the potential to generate a substantive change in your business operation, revenue or expenditure.**

As a global manufacturer and distributor we have flexibility over the markets we supply and source from.

## **Page: Water-4-Impacts**

### **4.1**

**Has your business experienced any detrimental impacts related to water in the past five years?**

Yes

#### **4.1a**

**Please describe these detrimental impacts including (i) their financial impacts and (ii) whether they have resulted in any changes to company practices.**

<b>Country</b>	<b>Impact indicator</b>	<b>Description of impact</b>	<b>Response strategy</b>
Australia	Flooding	(i) The mining customers of IPL's Australian explosives business (Dyno Nobel Asia Pacific) was affected by flooding associated with Cyclone Yasi. The impact of the adverse weather conditions on customers produced an impact to IPL's DNAP business of \$16.0m in the first half of 2011, and was partially mitigated in the second half of 2011 which meant that the overall impact was \$10.6m.	No changes to company practices were required.

## **Page: Water-5-Opportunities**

### **5.1**

**Do water-related issues present opportunities (current or future) that have the potential to generate a substantive change in your business operation, revenue or expenditure?**

No

#### **5.1b**

**Please explain why you do not consider water-related issues to present opportunities to your company that have the potential to generate a substantive change in your business operation, revenue or expenditure or supply chain.**

As a global manufacturer and distributor we have flexibility over the markets we supply and source from.

## **Page: Water-6-tradeoffs**

### **6.1**

**Has your company identified any linkages or trade-offs between water and carbon emissions in its operations or supply chain?**

Yes

#### **6.1a**

**Please describe the linkages or trade-offs and the related management policy or action.**

<b>Linkage or trade-off</b>	<b>Policy or action</b>
Trade-off	To maximise fertiliser-use efficiency 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 can stimulate weed and algal growth, and change ecosystems. To maximise nutrient-use efficiency, it is important that fertilisers are used at appropriate rates and in a responsible manner.
Trade-off	The installation of a Water Treatment Plant at IPL's Port Hedland emulsion manufacturing plant has ensured water is recycled and therefore available for production. This decreases our demand for water in a water stressed region. However, it also produces a small increase in energy use and related Scope 2 carbon emissions.

## **Module: Water-Accounting**

### **Page: Water-7-Withdrawals**

#### **7.1**

**Are you able to provide data, whether measured or estimated, on water withdrawals within your operations?**

Yes

**7.1a**

**Please report the water withdrawals within your operations for the reporting year.**

<b>Country or region</b>	<b>River basin</b>	<b>Withdrawal type</b>	<b>Quantity (megaliters/year)</b>	<b>Proportion of data that has been verified (%)</b>	<b>Comments</b>
Australia	Hunter	Surface	26	0	This river water withdrawal has been reduced by 30% by the installation of a water treatment and recycling plant during 2012.
Australia	Other: GHAASBasin1850	Groundwater	6515	0	60 percent of this water is transferred from mining areas to allow access to phosphate rock ore. This water is returned to natural surface waterways unused. The remainder is used mostly for cooling purposes.
United States of America	Mississippi	Groundwater	1663496	0	This water is used mostly for cooling purposes
United States of America	Mississippi	Surface	897	0	IPLs Louisiana, Missouri site installed a new electro dialysis reversal unit during the 2012 reporting year. The unit removes nitrates from waste water and returns the concentrate to manufacturing, saving an estimated 15ML of water per year. This process also significantly reduces nitrates in discharged water.
United States of America	Columbia	Groundwater	6	0	St Helens, Oregon
United States of America	Columbia	Surface	27361	0	This water is used for cooling purposes only

Country or region	River basin	Withdrawal type	Quantity (megaliters/year)	Proportion of data that has been verified (%)	Comments
Canada	Saint Lawrence	Surface	144	0	This water is used mostly for cooling purposes

## 7.2

Are you able to provide data, whether measured or estimated, on water recycling/reuse within your operations?

Yes

## 7.2a

Please report the water recycling/reuse within your operations for the reporting year.

Country or region	River basin	Quantity (megaliters/year)	Proportion of data that has been verified (%)	Comments
Australia	Other: North East Coast	166	0	IPL's Gibson Island Plant treats and recycles water using a reverse osmosis filter treatment system
United States of America	Mississippi	191	0	

## 7.3

Please use this space to describe the methodologies used for questions 7.1 and 7.2 or to report withdrawals or recycling/reuse in a different format to that set out above.

Data on water withdrawals and water recycling is collected by from site based meters and water treatment plant meters. All Australian based sites report to a central database on a monthly basis. Sites outside of Australia report to the central data base once a year.

## 7.4

Are any water sources significantly affected by your company's withdrawal of water?

No

#### 7.4b

**You may explain here why your company's withdrawal of water does not significantly affect any water sources.**

100% of our sites are in areas where populations are served with improved water (WBCSD Global Water Tool Source: WHO/UNICEF 2008). Typically, water withdrawals in these regions are regulated by local authorities in order to prevent significant impacts on water sources. IPL operates all sites in accordance with local regulatory licensing.

### **Page: Water-8-Discharges**

#### 8.1

**Are you able to identify discharges of water from your operations by destination, by treatment method and by quantity and quality using standard effluent parameters?**

Yes

#### 8.2

**Did your company pay any penalties or fines for significant breaches of discharge agreements or regulations in the reporting period?**

Yes

#### 8.2a

**Please describe the location and impact of the discharge that was the subject of the significant breach(es), the associated fines and any actions taken to minimise the risk of future non-compliance.**

<b>Country or region</b>	<b>River basin</b>	<b>Impact</b>	<b>Fines and penalties</b>	<b>Company action and outcomes</b>
United States of		At St Helens, two discharges of river water withdrawn for cooling was returned to the river without the required	\$2400	The incidents were investigated and the following cause was found: when the temperature of the Columbia River drops

Country or region	River basin	Impact	Fines and penalties	Company action and outcomes
America		removal of unusually high river silt content. This resulted in the water being returned to the river with a level of total suspended solids which exceeded the licence. The discharge events took place on 18 October 2011 and 3 January 2012. The penalty notice was received on 17 August 2012.		below a particular point at the same time as the river itself is unusually high in suspended solids, the efficiency of the water treatment plant in removing suspended solids using a flocculant is reduced. Although unusual, these conditions could re-occur, particularly from late-Fall into early-Spring. Sampling and analysis demonstrated that in order to obtain a good flocculant and remove the suspended solids, temperature and residence time are critical. In order to remove the solids at these low temperatures, residence times must be increased. Therefore, a tank was installed to provide more residence time for the river water, which enhances treatment and ensures that the suspended solids are removed and licencing requirements are met.

### 8.3

**Are any water bodies and related habitats significantly affected by discharges of water or runoff from your operations?**

No

### 8.3b

**You may explain here why your company's discharge of water does not significantly affect any water bodies or associated habitats.**

100% of our sites operate in areas where populations are served with improved water (WBCSD Global Water Tool Source: WHO/UNICEF 2008). Typically, water discharges in these regions are regulated by local authorities in order to prevent significant impacts on receiving waters. IPL operates all sites in accordance with local regulatory licensing. Due to the relatively low volumes of water in most surface water catchments in Australia, most sites are zero-discharge sites or clean water discharge sites, as required by EPA licensing. No discharge to the environment, other than to municipal sewers, is made from European sites. Where discharge occurs from North American sites directly to the environment, the quality of the discharge demanded by licensing and the volumes of the discharge compared to the volume of the receiving waters means that there is likely to be no significant impact on surface water bodies or habitats.

## Page: Water-9-Intensity

### 9.1

Please provide any available financial intensity values for your company's water use across its operations.

Country or region	River basin	Financial metric	Water use type (megaliters)	Currency	Financial intensity (Currency/mega-liter)	Please provide any contextual details that you consider relevant to understand the units or figures you have provided.
Company-wide	Other: Global	Revenue	Water use in operations	AUD (\$)	220832.5	

### 9.2

Please provide any available water intensity values for your company's products or services across its operations.

Country or region	River basin	Product	Product unit	Water unit	Water intensity (Water unit/product unit)	Water use type	Please provide any contextual details that you consider relevant to understand the units or figures you have provided.
Australia	Other: Australia wide	Ammonia	tonne	megaliters	0.026	Water use in operations	Water use in Australia includes all manufacturing operations, distribution sites, offices and remediation sites.
Other: North America	Other: North America wide	Ammonium nitrate	tonne	megaliters	0.006	Water use in operations	Water use in USA includes all major manufacturing sites (ammonium nitrate), but excludes small manufacturing sites which use minimal water, offices and small distribution sites with minimal water use.

## Module: Sign Off

### Page: Sign Off

Please enter the name of the individual that has signed off (approved) the response and their job title

Clare Luehman, Vice President Sustainability

CDP