

Module: Introduction**Page: Introduction**

CC0.1**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 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, including 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 guide all attitudes, decisions and actions. 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.

CC0.2

Reporting Year

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

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Mon 01 Oct 2012 - Mon 30 Sep 2013

CC0.3**Country list configuration**

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country
Australia
United States of America
Rest of world

CC0.4**Currency selection**

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

AUD (\$)

CC0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco sectors should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Individual/Sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

The Incitec Pivot Board of Directors is responsible for charting the direction, policies, strategies and financial objectives of the Company. The Company's sustainability strategy, encompassing its climate change strategy, was endorsed by the Board. Day to day management and implementation of strategy and policy initiatives is formally delegated to the Managing Director & CEO. Vice President Sustainability is the individual that specifically manages information on climate change. This position reports to the Chief Financial Officer.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
Environment/Sustainability managers	Monetary reward	Develop and implement sustainability targets for resource reduction (energy and CO2e, water, and waste to landfill)
Energy managers	Monetary reward	Develop and implement energy and associated CO2e reduction projects
Facility managers	Monetary reward	Meeting energy and associated CO2e reduction targets in Australia and conducting energy and associated CO2e reduction projects in the United States

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported	Geographical areas considered	How far into the future are risks considered?	Comment
Annually	Individual/Sub-set of the Board or committee appointed by the Board	Australia, United States, Canada and Europe	1 to 3 years	Potential sustainability risks to be managed and opportunities to be leveraged, including carbon regulation, have been considered at a high level by Corporate and Business Units in creating and acting on business strategies.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

The highest governing body, the Board of Directors, 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 which is available at www.incitecpivot.com.au/Corporate_Governance. 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 the following four Committees:

- the Audit and Risk Management Committee;
- the Nominations Committee;
- the Remuneration Committee; and
- 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 & CEO. The Managing Director & 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. Incitec Pivot manages risk within a comprehensive risk management process which is consistent with the Australian/New Zealand Standard for Risk Management (AS/NZS ISO 31000:2009). A key element of this risk management process is the Board's assessment of risk, which is based on the level of risk we are able to sustain in achieving the corporate objective of delivering value to shareholders.

CC2.1c**How do you prioritize the risks and opportunities identified?**

Risks are identified, analysed and prioritised using common methodologies and risk controls are designed and implemented having regard to the overall corporate strategy. Sustainability risks and opportunities, inclusive of climate change, are considered within this annual risk review process. In addition, as part of the process to set the Incitec Pivot Sustainability Strategy a small cross-business sustainability risk exposure team was created. This team conducted a one-time review which identified and prioritised sustainability risks and opportunities across the supply chain using a risk impact assessment process which informed our sustainability strategy.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment
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CC2.2**Is climate change integrated into your business strategy?**

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

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, www.incitecpivot.com.au/Corporate_Governance. 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. Day-to-day management of Company affairs and the implementation of the corporate strategy and policy initiatives are formally delegated to the Managing Director & CEO. The Managing Director & 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 the overall risk management framework. Consideration of climate change and carbon regulation is integrated into our business strategy where we review the potential impacts through a business lens. In our business energy costs are a significant cost to operations and a focus at the Executive level. In particular, consideration of future carbon regulation is part of our capital expenditure program with forecasting of greenhouse gas emissions and the potential associated carbon pricing included in all our capital expansion projects.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Direct engagement with policy makers
Trade associations
Funding research organizations

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
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Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support with minor exceptions	Respond to Government discussion papers and participate in workshops	Simplification and alignment of related energy and greenhouse gas reporting legislation and regulation, and removal of red tape and excess administration
Energy efficiency	Support with major exceptions	Respond to Government discussion papers and participate in workshops	Simplification of related energy efficiency project reporting legislation and regulation, and removal of red tape and excess administration
Cap and trade	Support with major exceptions	Respond to Government discussion papers and participate in workshops	Simplification and alignment of related energy and greenhouse gas reporting legislation and regulation, and removal of red tape and excess administration

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Australian Industry Greenhouse Network	Mixed	AIGN is a network of industry associations and individual businesses which contribute to the climate change policy debate and see value in joint industry action on climate change in order to promote sustainable industry development.	Participation in discussions on policy and written submissions to respond to proposed Government policy

CC2.3d

Do you publically disclose a list of all the research organizations that you fund?

Yes

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

Yes

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

During the 2013 financial year Incitec Pivot continued research on two projects with the University of Melbourne:

- (i) Mitigation of indirect greenhouse gases in intensive agricultural systems with the use of inhibitors
- (ii) Reducing nitrous oxide emissions from applied nitrogen with nitrification inhibitors through identification of key drivers of importance.

These projects are jointly funded by the Australian Government's Department of Agriculture, Fisheries and Forestry and continue our long standing association with the University of Melbourne.

This work aligns with our sustainability strategy of actively mitigating risks and leveraging opportunities. This broad sustainability strategy encompasses our strategy on climate change.

CC2.3g

Please provide details of the other engagement activities that you undertake

CC2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

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. Our sustainability strategy, encompassing our strategy on climate change, was endorsed by the Board. Day-to-day management of Company affairs and

the implementation of the corporate strategy and policy initiatives are formally delegated to the Managing Director and CEO. 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 and financial processes for the Company.

CC2.3i

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Intensity target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
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CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
Int1	Scope 1+2	50%	1.5%	metric tonnes CO2e per metric tonne of product	2010		2015	Targets set for emissions from electricity and natural gas for all of Australian Manufacturing, including 'electricity only' manufacturing sites

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
			No change		Although Incitec Pivot's intensity (emissions per tonne of production) will decrease in line with targets, our absolute Scope 1 emissions are expected to increase due to increased production associated with the ramping up of a new manufacturing plant commissioned during June 2012. There is no specific target for Scope 3 emissions

CC3.1d

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Int1	60%	80%	Our Energy Major working group set a target to reduce energy and emissions by 3.5 percent per tonne by 2014/15 at our Gibson Island ammonia manufacturing plant, and have exceeded this during 2012/13. Because the ammonia plant is very energy intensive, this has resulted in a 4 percent energy reduction across the entire site, which also makes urea, granulated fertiliser and has a large product distribution centre. Total energy use at the site has fallen from an intensity of 46.98 units/t in 2009/10 to 45.1 units/tonne in 2012/13. Emissions for the site have fallen from 2.1tCO ₂ e/t to 1.9tCO ₂ e/t, a reduction of more than 10 percent. These savings were achieved through various energy efficiency projects including the painting of the inside of the ammonia reformer with heat reflective paint. Our Geelong SSP fertiliser manufacturing site has met its 12 percent reduction in energy per tonne. Due to various energy efficiency projects, the site reduced its energy per tonne from 740MJ/t to 650 MJ/t by December 2012, resulting in a reduction of 0.1 tCO ₂ e per tonne and saving A\$49,013 in energy and carbon costs.

CC3.1e

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

1. Use of nitrogen fertilisers helps to increase yields of food and biodiesel per hectare, reducing greater GHG emissions associated with land clearing.
 - (i) Emissions are avoided by increasing yields to meet food and biofuel demands using less cleared land, which preserves more forests for sequestration of CO₂.

(ii) Fertiliser use (including manufacture) is estimated to have avoided 161 Gt of CO₂e since 1961, or 31.1Gt / year.*

*Snyder et al (2010) Global crop intensification lessens greenhouse gas emissions, Better Crops 94, (4) 16-17

*Burney et al (2010) Greenhouse gas mitigation by agricultural intensification. Proc Natl Acad Sci USA 2010 Jun 29;107(26):12052-7. Epub 2010 June 15.

(iii) The methodology and assumptions used in this study can be obtained from the journal articles referenced above.

(iv) Carbon credits will not be sought.

2. Use of 'Green Urea' fertiliser may reduce GHG emissions in agriculture

(i) Urea inhibitors delay the hydrolysis of urea into nitrogen forms that may enter the atmosphere during volatilisation.

(ii) Losses of nitrous oxides to the atmosphere are estimated to be reduced by a conservative 50%, but are difficult to quantify due to being affected by precipitation and application techniques. Agronomy services and education are provided to customers to increase knowledge and maximise emissions reductions.

(iii) No exact methodology to measure reductions in emissions has been developed as yet.

(iv) No carbon credits will be sought.

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO₂e savings

Stage of development	Number of projects	Total estimated annual CO ₂ e savings in metric tonnes CO ₂ e (only for rows marked *)
Under investigation	6	8475
To be implemented*	3	8898
Implementation commenced*		
Implemented*	3	16253
Not to be implemented		

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative, years	Comment
Energy efficiency: Processes	At our explosives manufacturing plant in Carthage, Missouri, US, the Emulsion Chub plant was connected to the plant steam system to eliminate the need for a small boiler. During 2012/13 this saved approximately 42,000 GJ of natural gas and reducing emissions by 2,200 t CO2e.	2200	129400	13048	1-3 years	20 years	This project has also reduced morning start up times by an hour, reduced the chances of trips, has increased employee safety and has improved employee working conditions in regards to temperature.
Energy efficiency: Processes	A comprehensive review of energy efficiency opportunities has begun at our Cheyenne manufacturing plant.	553				Unknown: at project identification stage	Estimated savings and payback periods for most projects identified during this review are not yet known. One small project has been completed, reducing CO2e by 553 tonnes.
Energy efficiency: Processes	The refurbishment of 'once through' steam generators at Phosphate Hill gas fired power plant has been completed	13500	1800000	3440000	1-3 years	10 years	This project has increased energy efficiency and reduced carbon emissions at the gas fired power plant through the reinstatement of waste heat recovery equipment.

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	A new 5 year EEO plan is underway
Partnering with governments on technology development	IPL undertakes a range of research projects with Universities in several regions of Australia.
Other	A key part of Incitec Pivot's Sustainability agenda is a focus on more efficient use of non-renewable resources. Consistent improvement in energy efficiency is a key part of process review across our manufacturing business.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In voluntary communications (complete)	Pages 20-27 Environment section	https://www.cdp.net/sites/2014/14/8914/Investor CDP 2014/Shared Documents/Attachments/CC4.1/2013 Sustainability Report.zip

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

CC5.1a

Please describe your risks driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Emission reporting obligations	Carbon reporting has impacted IPL resources to enable compliance	Increased operational cost	1 to 3 years	Direct	Virtually certain	Low	The potential financial risks of non-compliance are Government penalties. The NGER Act allows for administrative, civil and/or criminal responses in relation to contraventions of the Act. Part 5 of the NGER Act sets out penalty provisions. These include fines of up to \$340,000 (2,000 penalty units) for failure to apply for registration, and daily fines of up to \$17,000 (100 penalty units) for each day of non-compliance.	In September 2010, IPL created a Sustainability Strategy which includes its approach to carbon risk. The financial risk of carbon costs is actively managed by the Sustainability Team under the supervision of the CFO to ensure that risk is managed at the Executive level. The key methods being used to mitigate the risk are education of key staff involved in the reporting and the introduction of internal controls over data accuracy. In 2012 and 2013 an external review of our National Greenhouse Reporting in Australia formed part of our internal audit processes to assist in managing the potential risk of incorrect reporting.	Costs associated with compliance actions are estimated to be approximately \$400,000 per annum.
Carbon	As a nitrogen	Increased	1 to 3	Direct	Virtually	Low	IPL has prepared	In September 2010,	An analysis of

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
taxes	based manufacturer, IPL's operations are carbon intensive and therefore a carbon price will impact IPL as a trade exposed Company. There is also currently risk associated with uncertainty regarding future changes to legislation due to a change in Government.	operational cost	years		certain		for emission reporting obligations within Australia under the current regime with the potential financial risk being a permit cost, pre-assistance, of over \$35 million per annum plus carbon costs being passed through by suppliers also impacted by the Clean Energy Act.	IPL created a Sustainability Strategy which includes its approach to carbon risk. The financial risk of carbon costs is actively managed by the Sustainability Team, under the supervision of the CFO to ensure that risk is managed at the Executive level. The Sustainability Team manages all applications for assistance and permit obligations under the current carbon pricing scheme in Australia and works with operations to increase energy efficiency and implement actions to reduce financial impacts. Additionally, an education plan has been rolled out across the Australian finance team and key operations staff to increase awareness of potential costs and	predicted permit costs, inclusive of supplier pass through costs has been made for the fixed price period and this is estimated at less than \$10 million per annum.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								risks along with Group wide communications. In 2012 and 2013 assurance of our National Greenhouse Reporting in Australia formed part of our internal audit processes, designed to strengthen our data processes, including data accuracy, ahead of carbon regulation. Carbon pricing has been integrated into the accounting system and processes to track costs as they incur and forecast impacts.	
Uncertainty surrounding new regulation	There is risk associated with uncertainty regarding imminent changes to legislation due to a change in Government.	Increased operational cost	Up to 1 year	Direct	Virtually certain	Low			

Please describe your risks that are driven by change in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	Extreme weather conditions may impact IPL's production as well as sections of IPL's customer base, particularly IPL's fertiliser trade and mine access for mining customers	Inability to do business	Up to 1 year	Indirect (Client)	More likely than not	Unknown	The financial implications of extreme weather events, including drought, flood and the incidence of tropical cyclones include possible temporary disruption to production and trade which could negatively impact the timing and/or quantity of revenue earned and result in increased repairs and maintenance costs.	The potential operations exposure to physical risks and associated mitigation is reviewed as part of our Health Safety Environment risk management processes and business continuity planning.	Costs associated with these actions are difficult to quantify.
Tropical cyclones (hurricanes and typhoons)	An increase in the incidence of natural disasters may affect IPL's production as well as sections of IPL's customer base, particularly the fertiliser trade.	Reduction/disruption in production capacity	Up to 1 year	Direct	More likely than not	Unknown	The financial implications of extreme weather events, including drought, flood and the incidence of tropical cyclones include possible temporary disruption to production and trade which could	The potential operations exposure to physical risks and associated mitigation is reviewed as part of our Health Safety Environment risk management processes and	Costs associated with these actions are difficult to quantify.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							negatively impact the timing and/or quantity of revenue earned and result in increased repairs and maintenance costs.	business continuity planning.	

CC5.1c

Please describe your risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated Financial Implications	Management method	Cost of management
Reputation	Business reputation risk if Sustainability and Climate Change actions are not addressed and communicated	Reduced stock price (market valuation)	1 to 3 years	Direct	More likely than not	Unknown	Potential financial implications of the risk to business reputation in the event of ignoring sustainability and climate change issues include a possible reduction in investor interest and low morale of employees.	This has been actively mitigated by the formalising of a Sustainability Strategy and a position on Climate Change together with increased communications and employee education.	The costs associated with these actions are difficult to quantify.

CC5.1d

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation

Opportunities driven by changes in physical climate parameters

Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	Increased customer demand for Dyno Nobel's energy efficient and low NOx explosives and Incitec Pivot Fertilisers' low emission fertilisers leading to increased sales revenue and a changed product mix	New products/business services	1 to 3 years	Indirect (Client)	Likely	Low-medium	As demand for low emission products increases, IPL has the opportunity to supply internally developed low emission products and support services such as soil management and energy efficient blasting to customers which has the potential to increase global sales revenue.	IPL has three laboratories where research and development of new products is being undertaken to meet the future demand of customers for products with a reduced carbon footprint. In addition, research by the University of Melbourne is being funded into: • Mitigation of indirect greenhouse gases in intensive agricultural production systems with the use of inhibitors.	Costs associated with research and development of new products and with directing staff have been quantified but not disclosed in this response.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<ul style="list-style-type: none"> Reducing nitrous oxide emissions from applied nitrogen with nitrification inhibitors through identification of key drivers of performance 	
Cap and trade schemes	Increasing operational energy efficiency in IPL's global manufacturing plants to reduce emissions leading to reduced costs to manufacture	New products/business services	Up to 1 year	Direct	Virtually certain	Low-medium	There is some potential to reduce costs by increasing energy efficiency, gas, diesel and electricity consumption at manufacturing and product distribution sites.	In 2012 IPL introduced three year reduction targets for energy use and GHG emissions for IPL's Australian manufacturing operations. This is part of IPL's long term global focus on running energy efficient plants. The targets were determined using a 'bottom-up' approach, with each major Australian manufacturing site calculating reductions achievable in the three year	Costs associated with actions to increase energy efficiency have not been quantified

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>time frame. These reductions were then consolidated to determine the Australia-wide reduction targets. For these targets, IPL adopted a production-based intensity indicator, as approximately 95% of IPL's energy use and GHG emissions relate directly to IPL's manufacturing production. In Australia, we are part of the Australian Government's Energy Efficiency Opportunities program and have been recognised by the Government as a "Best Practice" participant. IPL's case study</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>appears on the Government website at www.ret.gov.au. All of the nitric acid plants we currently operate have NOx abatement technology in place except IPL's Louisiana, Missouri, USA plant. Investigations into appropriate abatement technology for the Louisiana plant are underway. The particular technology in place at IPL's other nitric acid plants abates nitrous oxide to significantly reduce GHG emissions. The plant at Moranbah in Queensland, Australia, has N2O (GHG) abatement. Each site</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								determines the best way to achieve energy reduction for that site.	

CC6.1b

Please describe the opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation pattern	Changes in weather patterns, particularly concerning rain will impact the timing of fertilizer application of IPL fertiliser products and therefore the timing of sales	Other: Changes in customer activity	Unknown	Indirect (Client)	Unknown	Unknown	This has not been quantified.	IPL's agronomy team maintains a close relationship with the Department of Agriculture, Fisheries and Forestry and related agencies, who are undertaking research into potential impacts on agriculture from climate change to ensure they are up to date with scientific findings which may have implications for customers and their product needs.	Costs associated with research and development of new products and with directing staff have been quantified but not disclosed in this response.

CC6.1c

Please describe the opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behaviour	Changing consumer trends may impact IPL's customers and therefore IPL's products and services, particularly IPL's agricultural customers	New products/business services	Unknown	Indirect (Client)	Unknown	Unknown	This has not been quantified.	The research and development undertaken at IPL's laboratories targets the current and future needs of IPL's customers	Costs associated with research and development of new products and with directing staff have been quantified but not disclosed in this response.

CC6.1d

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Mon 01 Oct 2007 - Thu 30 Oct 2008	1316000	256000

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

Australia - National Greenhouse and Energy Reporting Act
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Second Assessment Report (SAR - 100 year)
CH4	IPCC Second Assessment Report (SAR - 100 year)
N2O	IPCC Second Assessment Report (SAR - 100 year)
SF6	IPCC Second Assessment Report (SAR - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
See attached spreadsheet below			

Further Information

Attachments

[https://www.cdp.net/sites/2014/14/8914/Investor CDP 2014/Shared Documents/Attachments/InvestorCDP2014/CC7.EmissionsMethodology/CDP_Equations_IPL_2014.xls](https://www.cdp.net/sites/2014/14/8914/Investor%20CDP%202014/Shared%20Documents/Attachments/InvestorCDP2014/CC7.EmissionsMethodology/CDP_Equations_IPL_2014.xls)

Page: CC8. Emissions Data - (1 Oct 2012 - 30 Sep 2013)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO₂e

2362749

CC8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO₂e

370144

CC8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of Scope 2 emissions excluded from this source	Explain why the source is excluded
Emissions from offsite transport of product in North America	Emissions are not evaluated	Emissions are not evaluated	Data is presently unavailable. Very low materiality (estimated to be less than 0.01% of total emissions).
Emissions from electricity in small remote offices and despatch sites in North America	Emissions are not evaluated	Emissions are not evaluated	Data is presently unavailable. Very low materiality (estimated to be less than 0.01% of total emissions).

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 2% but less than or equal to 5%	Metering/ Measurement Constraints Data Management	1. Uncertainty associated with systematic biases occurring in the estimation process, e.g. accuracy of measurement equipment 2. Statistical uncertainty associated with human error which may have occurred in data management. This risk has been reduced by independent verification/assurance on our Australian data set	Less than or equal to 2%	Metering/ Measurement Constraints Data Management	1. Uncertainty associated with systematic biases occurring in the estimation process, e.g. accuracy of measurement equipment 2. Statistical uncertainty associated with human error which may have occurred in data management. This risk has been reduced by independent verification/assurance on our Australian data set

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance complete

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Reasonable assurance	https://www.cdp.net/sites/2014/14/8914/Investor CDP 2014/Shared Documents/Attachments/CC8.6a/13.IPL.CPM Reasonable Assurance Statement.pdf	Reasonable assurance is conducted annually on the Australian data set to June 30 to meet the requirements of Australian Federal law. For CDP, we report on our financial year, which ends Sept 30th. This assurance statement therefore covers the period 1st October 2012 to June 30th 2013.	ASAE3000	40
Third party verification/assurance underway		Reasonable assurance is conducted annually on the Australian data set to June 30. This assurance statement will cover the period July 1st to Sept 30 2013.	ASAE3000	12

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

No third party verification or assurance

CC8.7a

Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 2 emissions verified (%)
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CC8.8

Please identify if any data points other than emissions figures have been verified as part of the third party verification work undertaken

Additional data points verified	Comment

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Oct 2012 - 30 Sep 2013)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Australia	1230493
United States of America	1128183
Rest of world	4073

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
Incitec Pivot Fertilisers	976322
Dyno Nobel Americas	1131037
Dyno Nobel Asia Pacific	254171
Nitromak Europe	1219

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
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CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
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CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Oct 2012 - 30 Sep 2013)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for CC8.3 (MWh)
Australia	184348	203088	23
United States of America	180445	351462	
Rest of world	5351	12740	

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
Incitec Pivot Fertilisers	181765
Dyno Nobel Americas	185222
Dyno Nobel Asia Pacific	2584
Nitromak Europe	574

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)
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CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)
----------	--

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)
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Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

CC11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	11154562
Electricity	567317
Heat	
Steam	
Cooling	

CC11.3

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	11063597
Diesel/Gas oil	86791
Propane	99
Motor gasoline	193
Biodiesels	1305
Distillate fuel oil No 1	2577

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in CC8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Grid connected low carbon electricity generation owned by company, instruments created and retired by company	23	100% renewable power purchased from grid

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities			
Divestment			
Acquisitions			
Mergers			

Reason	Emissions value (percentage)	Direction of change	Comment
Change in output	15	Increase	Production increased in Australia due the ramping up of a new plant at Moranbah, which was commissioned in June 2012. Production also increased across our North American manufacturing sites.
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.000802918	metric tonnes CO ₂ e	unit total revenue	17	Increase	This change is due to a small decrease in revenue and increased production. Production increased in Australia due to the ramping up of a new plant at Moranbah, which was commissioned in late 2012. A small increase in production also occurred across our North American manufacturing sites.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
520.84869	metric tonnes CO2e	FTE employee	2	Increase	Both emissions and employment have increased with increased production.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.007334657	metric tonnes CO2e	Other: Net Profit (\$AUD)	37	Increase	Due to a 15% increase in emissions (associated with increased production), and a decrease in net profit.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

Yes

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
Other: Australian Clean Energy Future - Carbon Price	Sun 01 Jul 2012 - Sun 30 Jun 2013	161173	1173390	1173390	Facilities we own and operate

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

Day-to-day management of Company affairs and the implementation of the corporate strategy and policy initiatives are formally delegated to the Managing Director & CEO. The Managing Director & CEO and his direct reports form the Executive Team. Responsibility for sustainability strategy and governance, inclusive of compliance with the Australian Clean Energy Future Scheme, 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. In particular, the Vice President Sustainability is specifically responsible for the carbon cost management strategy, including carbon permit acquisition and surrender, assistance applications, reporting and assurance.

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Not evaluated				
Capital goods	Not evaluated				
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not evaluated				
Upstream transportation and distribution	Not evaluated				
Waste generated in operations	Not evaluated				

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using primary data	Explanation
Business travel	Not evaluated				
Employee commuting	Not evaluated				
Upstream leased assets	Not relevant, explanation provided				IPL has no upstream leased assets
Downstream transportation and distribution	Not evaluated				
Processing of sold products	Not evaluated				
Use of sold products	Relevant, not yet calculated				In 2013 Incitec Pivot continued research on two new projects with the University of Melbourne: (i) Mitigation of indirect greenhouse gases in intensive agricultural systems with the use of inhibitors (ii) Reducing nitrous oxide emissions from applied nitrogen with nitrification inhibitors through identification of key drivers of importance. These projects are jointly funded by the Australian Government's Department of Agriculture, Fisheries and Forestry and continue our long standing association with the University of Melbourne.
End of life treatment of sold products	Not evaluated				
Downstream leased assets	Not evaluated				
Franchises	Not relevant, explanation provided				Incitec Pivot has no franchises
Investments	Not evaluated				
Other (upstream)	Not evaluated				
Other (downstream)	Not evaluated				

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

No emissions data provided

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
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CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

No, we don't have any emissions data

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
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CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

No, we do not engage

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
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CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
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CC14.4d

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Our approach to engaging our suppliers on sustainability, including GHG emissions, is still under development.

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Clare Luehman	Vice President Global Sustainability	Environment/Sustainability manager

Further Information

CDP