

MODERN SLAVERY STATEMENT 2021



[MAIN
MENU](#)

Incitec Pivot Limited
INNOVATION ON THE GROUND

DYNO
Dyno Nobel



Incitec Pivot Limited

ABN 42 004 080 264

Level 8, 28 Freshwater Place
Southbank, Victoria, Australia, 3006

Telephone: +61 3 8695 4400

Facsimile: +61 3 8695 4419

www.incitecpivot.com.au



CONTENTS

4	A MESSAGE FROM OUR MANAGING DIRECTOR & CEO
5	FY21 HIGHLIGHTS
5	REPORTING ENTITIES
5	OUR APPROACH
6	WHO WE ARE
13	CORPORATE GOVERNANCE
17	RISKS OF MODERN SLAVERY IN IPL'S OPERATIONS & SUPPLY CHAINS
18	ACTIONS TAKEN TO IDENTIFY AND ADDRESS MODERN SLAVERY RISKS
24	THE IMPACTS OF COVID-19 AND IPL'S APPROACH
26	ASSESSING THE EFFECTIVENESS OF OUR ACTIONS
27	LOOKING FORWARD
27	CONSULTATION WITH CONTROLLED ENTITIES
27	APPROVAL



This document is interactive.
Click any contents heading
to be taken to that page.
Click the home icon at the
side of any page to
return to this menu.

A MESSAGE FROM OUR MANAGING DIRECTOR & CEO

Across Incitec Pivot Limited's global operations and supply chains, we're committed to respecting human rights and addressing modern slavery risks.

As part of this commitment, I'm pleased to present our second Modern Slavery Statement which outlines the actions we are taking, our progress to date, and what's ahead.

Relying on the expertise of our people and suppliers, we safely manufacture and distribute explosives and fertiliser products that are vital to build cities and grow food. As we do this, we are deeply committed to respecting and upholding the human rights of our direct employees, our contractors, and the people behind our supply chains. It is therefore crucial that we identify, assess and address modern slavery risks across our business and supply chains.

Focused on year-on-year improvement, we have developed a three-year Modern Slavery Implementation Roadmap, highlighting the key steps to increase modern slavery awareness and compliance across our organisation.

We have also established an internal Ethics Committee and appointed an Ethical Procurement Manager to help drive change across our business in identifying and addressing modern slavery risks.

The progress we have made in other areas, including supplier due diligence, is outlined over the coming pages.

The COVID-19 pandemic has had a significant impact on the lives of our people and suppliers across our business and we recognise that it has the potential to increase the risk of harm and exploitation of vulnerable people.

As we've navigated the challenges of the pandemic, our strict protocols and resilient supply chains have enabled us to continue to safely operate and in doing so, ethical procurement considerations have been addressed.

We have worked more closely with our existing suppliers and applied appropriate due diligence when sourcing new suppliers. We've also worked hard to minimise the spread of the virus and implemented COVID-19 management requirements with contractors and suppliers.

As we look ahead, our work identifying and managing modern slavery risks will continue as a priority across our business. This includes establishing a cross functional modern slavery working group to deliver on our action plan, expanding modern slavery training across our business and increasing our collaboration with our industry peers, business partners, suppliers, and other organisations.

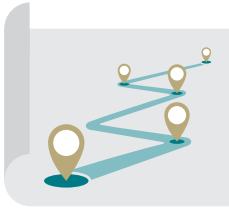
I welcome your interest in our Modern Slavery Statement as we continue to make progress on this important issue.



Jeanne Johns
Managing Director & CEO



FY21 HIGHLIGHTS



3-year Modern Slavery Implementation Roadmap developed



Internal Ethics Committee established



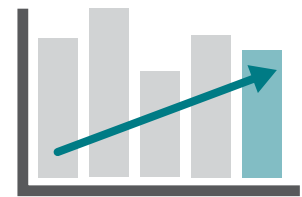
Ethical Procurement Manager appointed



432 supplier self-assessment questionnaires completed



Supplier due diligence process reviewed and updated



Effectiveness measures developed

REPORTING ENTITIES

This joint statement is made by Incitec Pivot Limited (ACN 004 080 264) (IPL) and its wholly-owned subsidiaries Dyno Nobel Asia Pacific Pty Limited (ACN 003 269 010), Dyno Nobel Moranbah Pty Limited (ACN 115 650 649), Incitec Fertilizers Pty Ltd (ACN 103 709 155), Southern Cross Fertilisers Pty Ltd (ACN 004 936 850), Incitec Pivot Explosives Holdings Pty Limited (ACN 124 351 328), Incitec Pivot Investments 1 Pty Ltd (ACN 130 242 090), and Dyno Nobel Pty Limited (ACN 117 733 463) (together with other controlled entities of IPL) in respect of the reporting period ended 30 September 2021.⁽¹⁾

IPL is an Australian Security Exchange listed company. Each reporting entity listed (other than Incitec Pivot Limited) is an Australian private company and a wholly-owned subsidiary of IPL. IPL also has equity interests in several joint ventures, including a 50% interest in a manufacturer of ammonium nitrate in Australia, Queensland Nitrates Pty Ltd (ACN 079 889 268), and manufacturers of initiating systems, Sasol Dyno Nobel (Pty) Ltd and DetNet South Africa (Pty) Ltd (DetNet), both in South Africa.

A full list of controlled entities of IPL is provided in Note 15 in Incitec Pivot Limited's [annual report](#) for the year ended 30 September 2021.

IPL's second Modern Slavery Statement (Statement) sets out the actions taken to identify and address modern slavery risks across our supply chain and operations during FY21, as well as our plans for the next reporting period.

This Statement is made pursuant to the Modern Slavery Act 2018 (Cth) (the Act).

OUR APPROACH

Across all parts of the business, IPL takes its human rights obligations and responsibilities seriously and is committed to operating consistently with the United Nations Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

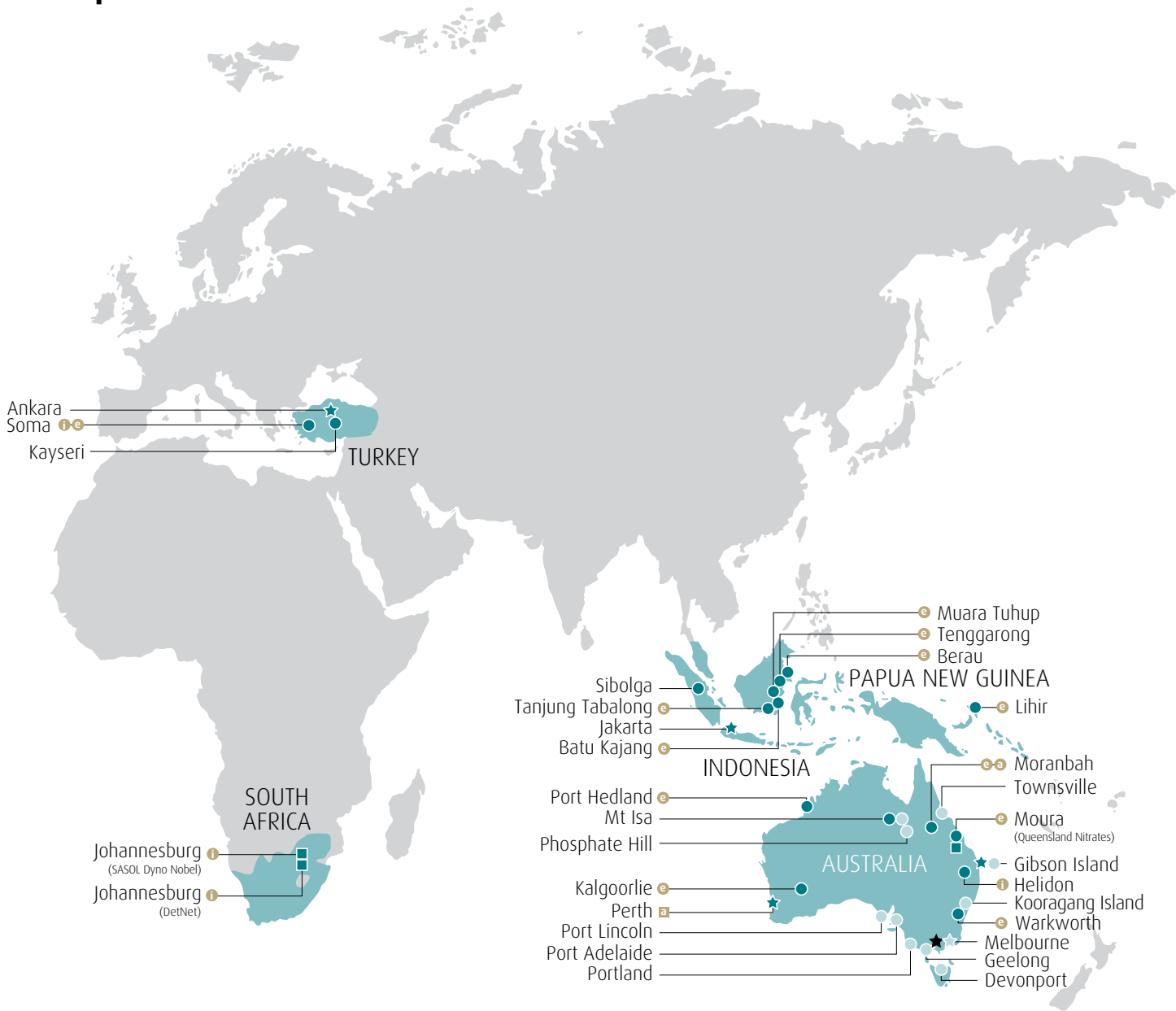
IPL's aim is to ensure the importance it places on upholding human rights is reciprocated across its business partners and suppliers throughout the value chain.

IPL takes a 'whole of company' approach to reviewing and addressing these obligations. Unless specified, references in this Statement to IPL, or to "we", "our" or "us" includes a reference to both non-reporting entities as well as reporting entities and each of the entities owned or controlled by each reporting entity.

(1) Incitec Pivot Investments 2 Pty Ltd was listed as a reporting entity in IPL's FY20 Modern Slavery Statement; however, it did not meet the definition of a Reporting Entity under the Act in FY21.

WHO WE ARE

Our Operations



At a Glance



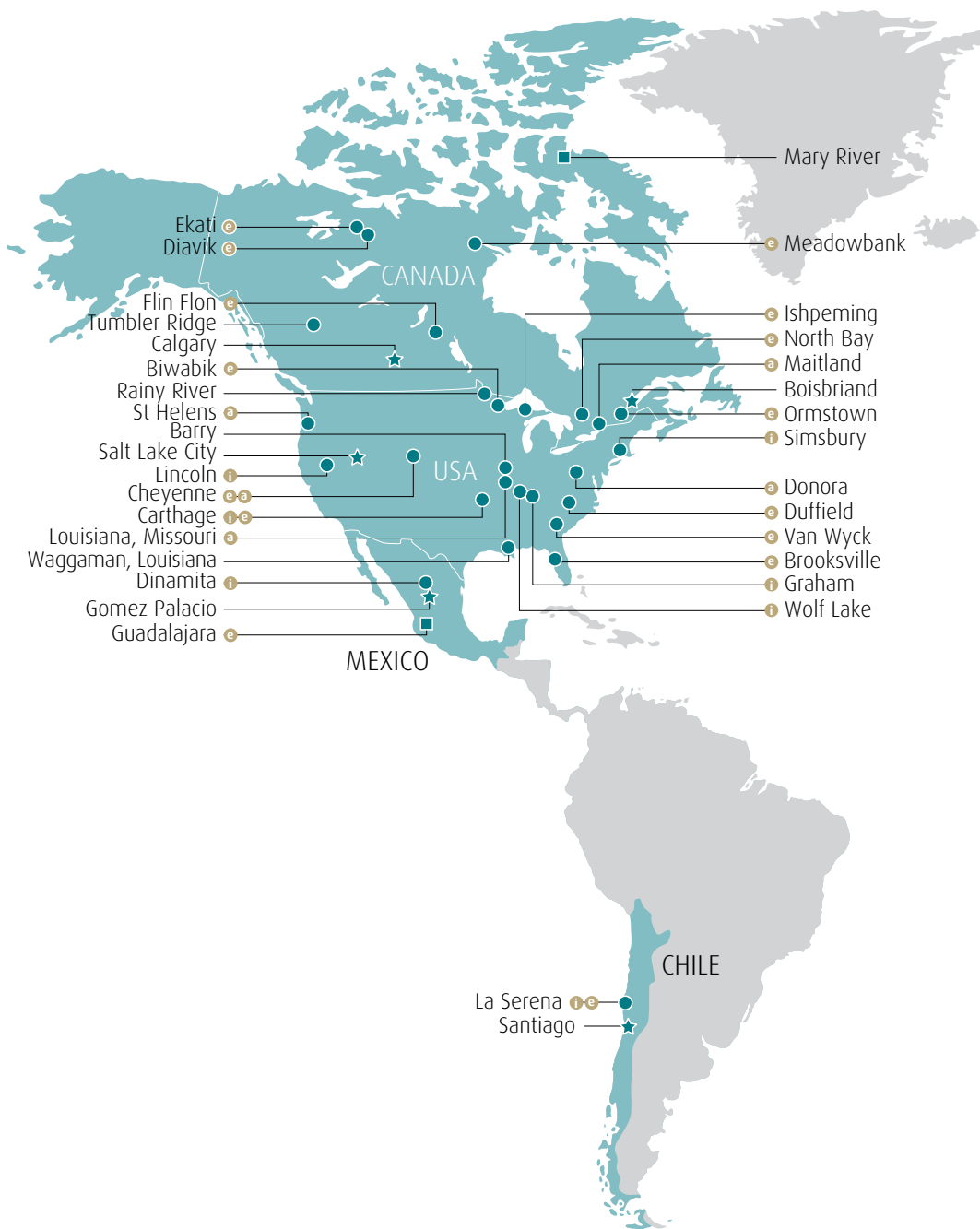
2003
Listed on ASX



Over 5000
Employees



60
Manufacturing
facilities



Incitec Pivot Limited

★ Company Headquarters

Incitec Pivot Fertilisers

★ Corporate Office

● Manufacturing/Distribution

■ Quantum Fertilisers

Dyno Nobel

★ Corporate Office

● Manufacturing/Distribution

■ Joint Ventures/Investments

Manufacturing legend

i Initiation

e Emulsion

a AN

■ Long term AN supplier

Zero Harm
Our number 1 priority

World class
technology

A\$4.3 Billion
revenue

Group Overview

IPL is a leading supplier in the resources and agricultural sectors with an unrelenting focus on Zero Harm. With a team of 5,000 plus dedicated employees, IPL adds value to its customers through manufacturing excellence, leading technology solutions, innovation and world class services focused on the needs of its customers. Sustainability is interlinked with IPL's strategy which is aimed at delivering sustainable growth and shareholder returns, while proactively managing those issues most material to the long-term sustainability of our business, the broader environment, and the communities in which we operate.

IPL operates through three business units, the details of which are set out below:

- » Dyno Nobel Americas
- » Dyno Nobel Asia Pacific, and
- » Fertilisers Asia Pacific

Through Dyno Nobel, IPL plays a critical role in releasing the world's natural resources, to help build infrastructure and generate the energy we need to live in a modern world. It also provides a range of products into key industrial chemicals markets.

IPL leverages its nitrogen manufacturing expertise with a global approach to standards and processes, complemented and enhanced by regional oversight and operational discipline.

IPL has operations in Australia, North America, Europe, Asia, Latin America and Africa.

Dyno Nobel Americas

The Dyno Nobel Americas business comprises three businesses:

- » Explosives
- » Agriculture & Industrial Chemicals, and
- » Waggaman operations.

Explosives

Dyno Nobel is the second largest industrial explosives distributor in North America by volume. It provides ammonium nitrate, initiating systems and services to the Quarry and Construction sector across the US; the Base and Precious Metals sector in the US mid-West, US West and Canada; and to the Coal sector in the Powder River Basin, Illinois Basin and Appalachia.

In North America, Dyno Nobel manufactures ammonium nitrate at its Cheyenne, Wyoming and Louisiana, Missouri plants. The Cheyenne, Wyoming plant is adjacent to the Powder River Basin, North America's most competitive thermal coal mining region and is well positioned to service Base and Precious Metals in Western US. The Louisiana, Missouri plant has a competitive logistic footprint from which to support mining in both the Illinois Basin and Appalachia, as well as Quarry and Construction in the US mid-West.

Initiating systems are manufactured at Dyno Nobel's facilities in Connecticut, Kentucky, Illinois, Missouri, Chile and Mexico, and are also sourced from DetNet South Africa (Pty) Ltd (DetNet), an IPL electronics joint venture.

Agriculture & Industrial Chemicals

The Dyno Nobel Americas business manufactures and distributes nitrogen-based fertilisers in the United States from its St Helens, Oregon and Cheyenne, Wyoming plants. Nitrogen based fertilisers and other industrial chemical products are also produced as a by-product at the Louisiana, Missouri plant.

Waggaman Operations

The Dyno Nobel Americas business manufactures and distributes ammonia at its Waggaman, Louisiana plant in the United States. Ammonia produced at Waggaman is used in Dyno Nobel's manufacturing process and is also sold to third parties under long term contractual arrangements.

Dyno Nobel Asia Pacific

Through Dyno Nobel Asia Pacific, IPL provides ammonium nitrate based industrial explosives, initiating systems and services to the Metallurgical Coal and Base & Precious Metals sectors in Australia, and internationally to a number of countries including Indonesia, Papua New Guinea and Turkey through its subsidiaries and joint ventures. Ammonium nitrate is often sold in conjunction with proprietary initiating systems and services.

Dyno Nobel is the second largest industrial explosives distributor in Australia by volume. In Australia, Dyno Nobel primarily supplies its products to metallurgical coal mines in the east and to iron ore mines in the west.

In Australia, Dyno Nobel manufactures ammonium nitrate at its Moranbah ammonium nitrate plant, which is located in the Bowen Basin, the world's premier metallurgical coal region. It also sources third party ammonium nitrate including in Western Australia to service the Iron ore and Underground sectors.

Initiating systems are manufactured in Australia at Dyno Nobel's Helidon, Queensland facility and are also sourced from IPL facilities in the Americas and from DetNet (South African joint venture).

Fertilisers Asia Pacific

IPL's Fertilisers business in Australia is the largest domestic manufacturer and supplier of fertilisers by volume.

Internationally, the Fertilisers business sells to major offshore agricultural markets in Asia Pacific, the Indian subcontinent, Brazil and the United States. It also procures fertilisers from overseas manufacturers to meet domestic seasonal peaks. Much of this activity is conducted through Quantum Fertilisers Limited, a Hong Kong based subsidiary.

The Fertilisers business manufactures the following fertilisers at three locations:

- » Phosphate Hill: Di/mono-ammonium phosphate (DAP/MAP)
- » Gibson Island: Ammonia (Big N), Granulated ammonium sulphate (GranAm) and Urea, and
- » Geelong: Single Super Phosphate (SSP).

Supporting functions

Our businesses are supported by functions covering a range of disciplines, including health, safety & environment, human resources, risk management, sustainability, finance, procurement, information technology, sales and marketing, legal and corporate affairs.

Our Workforce

As at 30 September 2021, IPL's global workforce was comprised of over 5,100 employees and approximately 1,100 contingent workers:

Country	No. of Employees ⁽²⁾	% of Total	No. of Contingent Workers	% of Total
Australia	1,883	37%	968	83%
Canada	419	8%	33	3%
Chile	81	2%	0	0%
Indonesia	217	4%	85	7%
Mexico	376	7%	0	0%
Papua New Guinea	45	1%	1	0.1%
Turkey	231	5%	0	0%
USA	1,858	36%	67	6%
Totals	5,110		1,167	

Our workforce performs a broad range of roles in both office- and site-based environments. These roles include engineers, project managers, accounts payable, customer relations consultants, process technicians, site operators, and maintenance and warehouse personnel.

Diversity

Our employees range in age and gender and come from many different cultures, traditions and lifestyles. It is the diversity of our people that makes our company a great place to work. We remain committed to expanding the diversity of our workforce and have a stretch target to increase gender diversity by 10% year-on-year. IPL's representation of women across the organisation as at 30 September 2021 is reflected in the table below:

	FY21	FY20
Women on our Board	42.9%	50.0%
Women on our Executive Team	37.5%	20.0%
Women in Senior Management	20.5%	20.2%
Women in Management	19.0%	16.4%
Women in Professional Roles	21.1%	22.2%
Women in our Global Workforce *	17.7%	17.6%
Indigenous Australians in our Australian Workforce	2.5%	2.7%

*includes all IPL's geographies

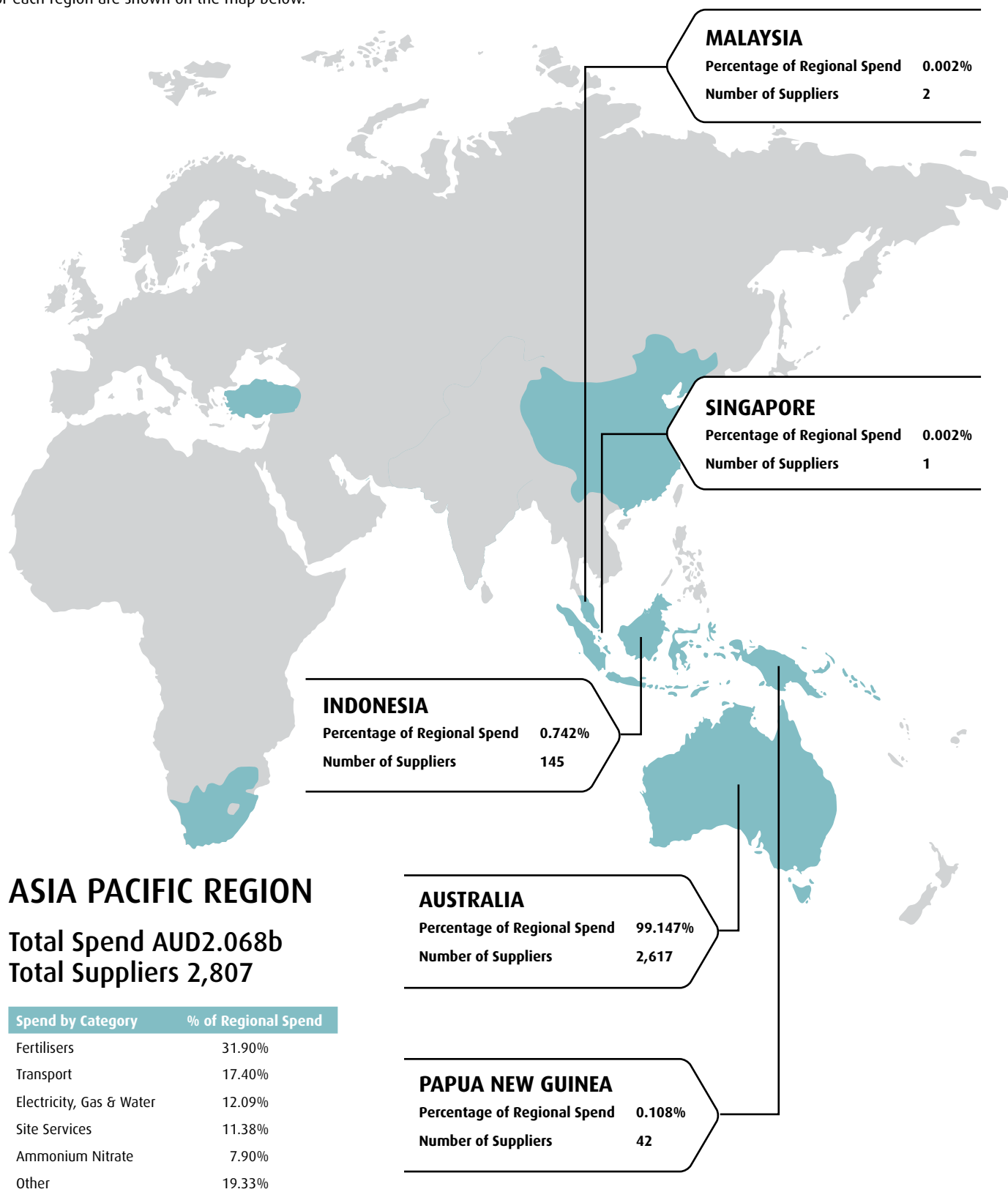
During FY21, IPL was selected for inclusion in the Bloomberg Gender Equality Index (GEI) for a third consecutive year. The GEI is a standardised reporting framework which measures a company's data disclosure and looks at a company's performance across five key areas: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-woman brand. Reporting companies that score above a globally established threshold are included in the GEI.

(2) This reflects IPL's global workforce (including both reporting and non-reporting entities). IPL has a number of employing entities within the group.

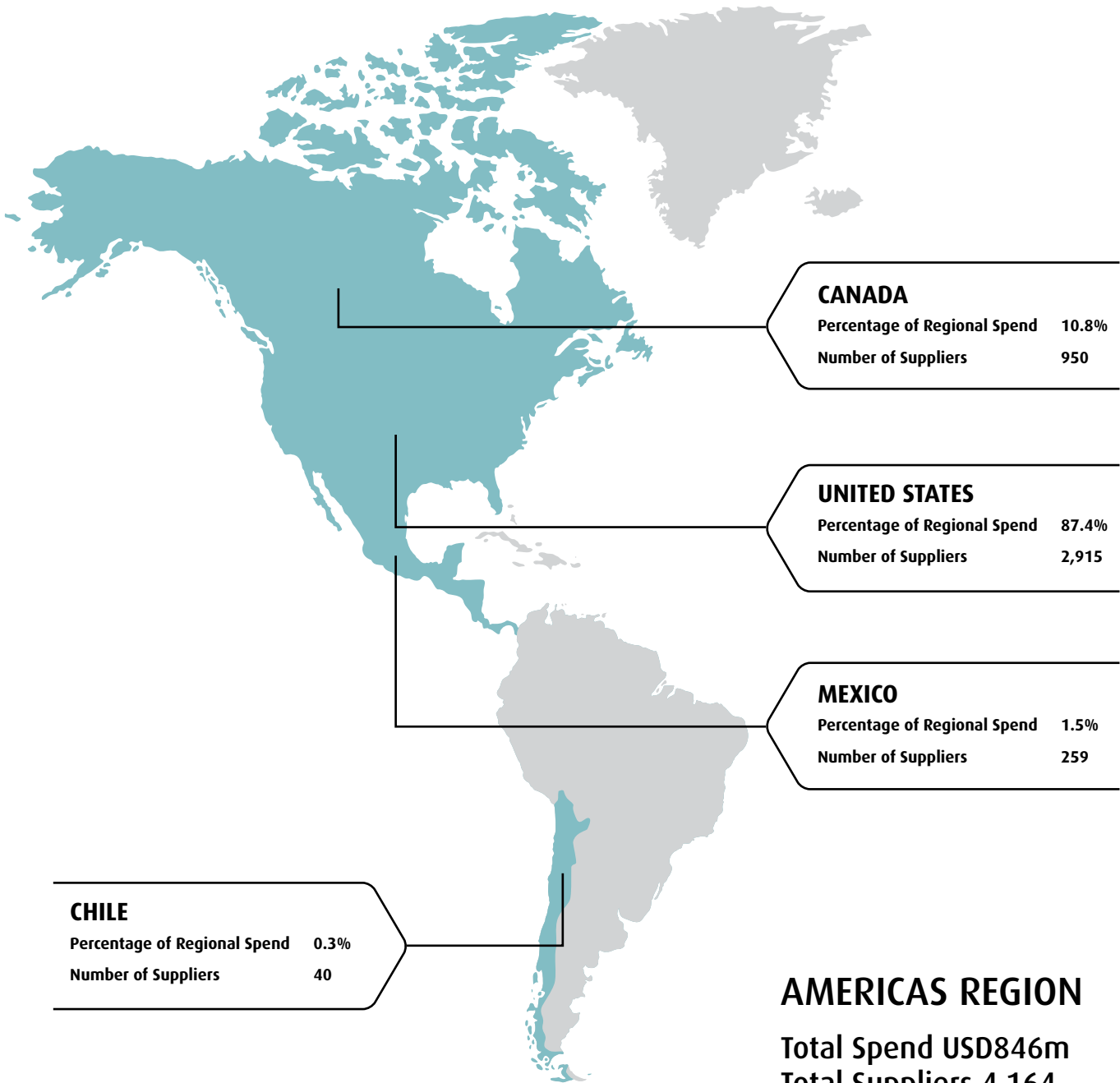
OUR SUPPLY CHAIN

In FY21, IPL's regional procurement and supply chain teams engaged with approximately 6,900 organisations which supplied goods and services directly to IPL across the Asia Pacific and the Americas regions. Together, Australia and the United States accounted for the majority of IPL's total spend within these regions.

IPL procures goods and services across a range of categories. The five highest spend categories for each region are shown on the map below.



The top 5 locations where suppliers to the APAC region are domiciled are: Australia, Indonesia, USA, Great Britain, and Papua New Guinea. Approximately 61% of the APAC region spend is with Australian-based suppliers.



AMERICAS REGION

Total Spend USD846m
 Total Suppliers 4,164

Spend by Category	% of Regional Spend
Corporate	16.16%
Catalyst	14.66%
Site Services	14.53%
Transport	11.74%
Electricity, Gas & Water	11.13%
Other	31.78%

The top 5 locations where suppliers for the Americas are domiciled are: USA, Canada, South Africa, Mexico, and Poland. US-based suppliers account for 82.5% of the region's spend.



CORPORATE GOVERNANCE

IPL is committed to doing business ethically and in accordance with high standards of corporate governance.

Corporate Governance Framework

IPL's Board of Directors is responsible for charting the direction, policies, strategies and financial objectives of the Company. The Board serves the interests of IPL and its shareholders, as well as other stakeholders such as employees, customers, and the community, in a manner designed to create and continue to build sustainable value.

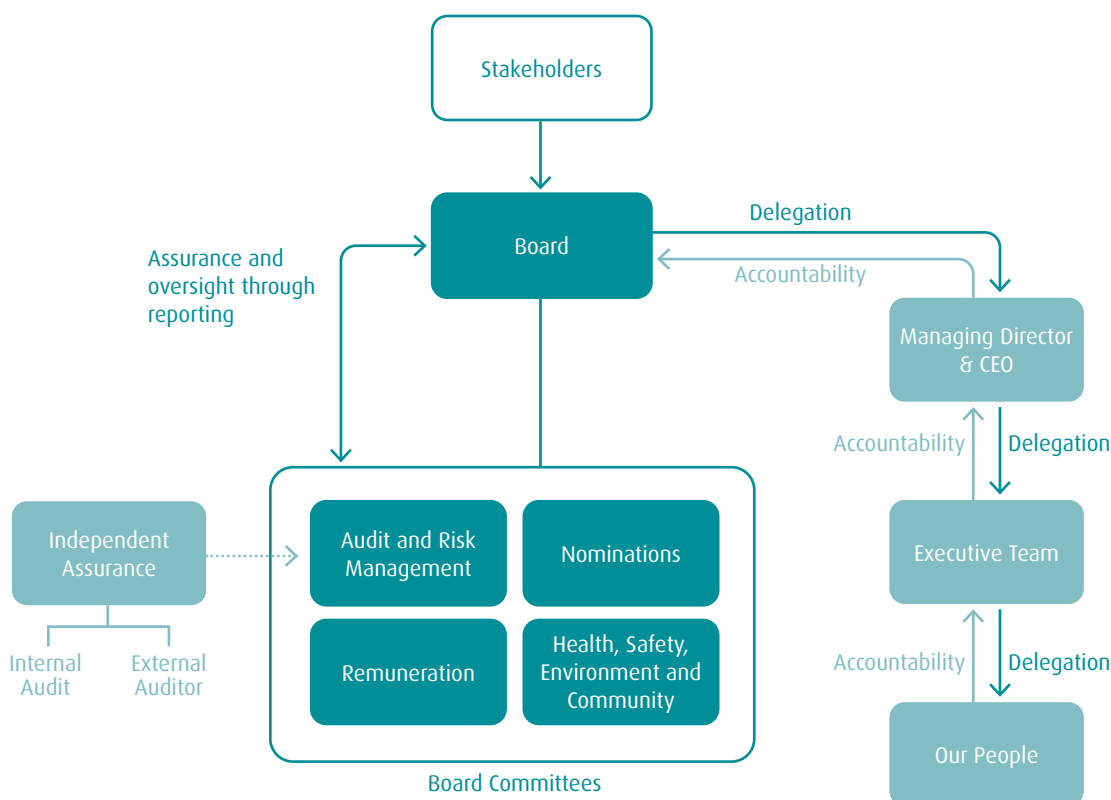
IPL's Board operates in accordance with its charter and has reserved certain powers for itself. The Board has established four standing Committees to assist the Board with effectively discharging its responsibilities:

- » the Audit and Risk Management Committee
- » the Nominations Committee
- » the Remuneration Committee, and
- » the Health, Safety, Environment and Community Committee.

The Board has delegated the day-to-day management of IPL, and the implementation of approved business plans and corporate strategies, to the Managing Director & CEO, who in turn may further delegate to senior management.

IPL's governance framework:

- » plays an integral role in helping the business deliver on its strategy
- » provides the structure through which strategy and business objectives are set, performance is monitored, and risks are managed
- » provides guidance on the standards of behaviour that IPL expects of people, and
- » aligns the flow of information and accountability from our people, through the management levels, to the Board and ultimately our shareholders and key stakeholders.



Our Values

IPL is a values-driven organisation. The IPL Values were developed with input from employees across our Company and are endorsed by the Managing Director & CEO and the Group Executive Team.

Our Values guide our everyday attitudes, decisions and actions, and our employees strive to put them into practice every day.



Ethics Committee

In FY21, IPL established an internal Ethics Committee comprised of senior leaders, including the Managing Director & CEO (Chair), Chief Financial Officer, Chief People Officer, Chief Risk Officer and Group General Counsel.

The Ethics Committee has authority to provide oversight, advice, and direction on ethical matters across the IPL Group. In this capacity, the Ethics Committee is responsible for:

- » ensuring ethical policies and practices are implemented across the IPL Group as a standardised practice
- » proposing, discussing and endorsing, as appropriate, changes to IPL Group policies or standards related to ethical behaviour
- » reviewing and approving training materials and monitoring the training needs of the Group to ensure there is adequate understanding and competence with respect to ethical standards and behaviour expectations across IPL, and
- » satisfying itself that adequate controls and systems are in place to ensure compliance with ethical standards and that appropriate practices are in place to monitor and report on compliance with ethical standards.

The Ethics Committee meet at a minimum on a quarterly basis, approximately a month prior to the Audit and Risk Management Committee. Modern slavery is an item on the Ethics Committee standard agenda and at each meeting a dashboard is updated reflecting progress against key performance indicators.

Our Policies

As part of our commitment to operating to the highest standards of ethical behaviour, we have a range of policies and practices that establish the expected ethical standards for directors, employees, contractors and third parties. These policies describe core principles designed to ensure ethical conduct is maintained in the interests of shareholders and other key stakeholders.

Key documents relating to our management of human rights and modern slavery risks are highlighted below:

<u>IPL Anti-discrimination and Harassment Policy</u>	This policy covers discrimination, workplace harassment and bullying, sexual harassment, and retaliation. IPL is an equal opportunity employer committed to the development of a diverse workforce where every employee is treated fairly and with respect, and individuals are recognised and rewarded for outstanding performance and given the opportunity to reach their full potential. An environment free of discrimination and harassment is an important factor in meeting these objectives and in providing a safe environment for our workforce.
<u>IPL Code of Conduct</u>	IPL's Code of Conduct sets out the Company's global code for business conduct. It contains principles and standards of conduct which are based on the Company's values and represents the Company's commitment to uphold ethical business practices and meet applicable legal requirements. The Code of Conduct applies to all directors, officers and employees of the Company and each subsidiary, partnership, venture and business association including agents and other contractors that are effectively controlled by the Company or act on its behalf.
<u>IPL Diversity Policy</u>	IPL's Diversity Policy outlines our commitment to being an inclusive and accessible organisation through the development of a culture that embraces diversity. The Policy provides guidance for the development of the Group's Diversity Strategy and its relevant policies, programs and initiatives to promote and embrace diversity, with such strategy and the policies, programs and initiatives to be consistent with, and respectful of, local laws, practices and customs of the many countries in which the Group operates.
<u>IPL Human Rights Policy</u>	IPL's Human Rights Policy articulates the fundamental elements of IPL's approach to human rights and how IPL demonstrates its commitment to respect human rights in line with the Universal Declaration of Human Rights and other international frameworks.
<u>IPL Modern Slavery Policy</u>	IPL's Modern Slavery Policy defines the processes that identify and address modern slavery risks in IPL's supply chains and within IPL's own operations.
<u>IPL Supplier Code of Conduct</u>	IPL's Supplier Code of Conduct sets out the minimum requirements and expectations IPL has of its suppliers, to ensure they are operating safely, ethically, and in compliance with all applicable laws, regulations, and internationally recognised standards. This includes expectations that IPL's suppliers will respect the human rights of their employees, provide safe working environments, ensure work is chosen freely without the use of forced labour or other forms of modern slavery, and respect employees' rights to freedom of association.
<u>IPL Sustainable Communities Policy</u>	This Policy guides our approach to community engagement, social investment, cultural heritage and working with Indigenous communities.
<u>IPL Whistleblower Protection Policy (Global)</u>	IPL's Group Whistleblower Protection Policy encourages IPL directors, employees and contractors to confidentially report unethical or illegal conduct and raise concerns regarding actual or suspected contraventions of ethical or legal standards, without fear of victimisation, reprisal or harassment.
<u>IPL Whistleblower Protection Policy (Australia)</u>	Due to the specific obligations and protections available under Australian law in relation to whistleblowers, IPL has also adopted an Australian Whistleblower Protection Policy as a supplement to the Group Whistleblower Protection Policy.
<u>IPL Health, Safety, Environment & Community Policy</u>	IPL's Health, Safety, Environment & Community Policy sets out our commitment to our Values of "Zero Harm for Everyone Everywhere" and "Care for the Community and our Environment".

These documents are accessible internally on IPL's intranet as well as externally on the IPL website.

We also provide various training programs to raise awareness and support embedding our policies and procedures within the organisation. For instance, as part of the onboarding process all new IPL employees are introduced to the Code of Conduct and associated workplace behaviour policies through mandatory training within the first 30 days of employment and refreshed periodically. In Australia, the mandatory workplace behaviour training is also assigned to contingent labour, where appropriate.

IPL has prioritised our global safety leadership program – *SafeTEAMS* which underpins our commitments to Zero Harm with a refreshed approach to include Psychological Safety. This program commenced roll-out in FY21, along with a newly developed APAC Frontline Leadership Program which amongst other systems guides our leaders on the HSEC Management System, tools and procedures. We address specific awareness of the environmental impact and obligations of our sites through this program in addition to other targeted training.

Modern slavery-specific training is covered in the [Training & Awareness](#) section.



RISKS OF MODERN SLAVERY IN IPL'S OPERATIONS & SUPPLY CHAINS

The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

The *Global Slavery Index 2018* (GSI) estimates that globally more than 40 million people are affected by modern slavery.

IPL has adopted a risk-based approach to identifying and assessing modern slavery risks. This is based on identifying key risk factors for modern slavery, being vulnerable populations, high-risk geographies, high-risk products and services, and high-risk business models.

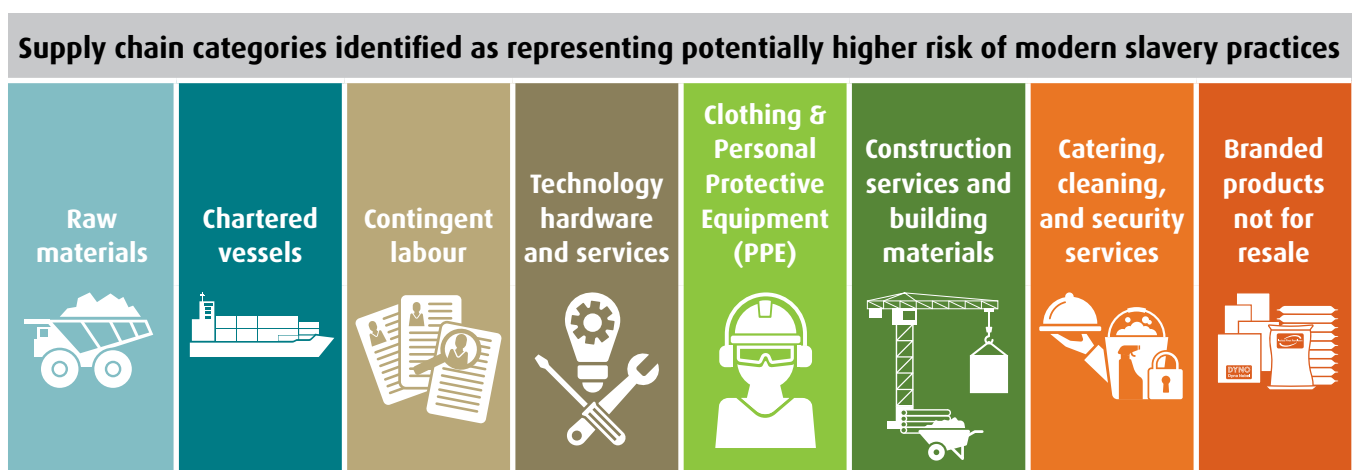
Understanding the co-existence of multiple risks factors can be indicative that there may be a higher likelihood of modern slavery, we have adopted a structured risk-based approach around these to ensure we are focusing our attention on those areas that may indicate a higher risk.

Supply Chain

During FY21, modern slavery risk interviews were conducted with key stakeholders to review previously identified risks in our operations and supply chains. Through this process, we identified additional areas in our supply chain where a higher likelihood of modern slavery risk may exist. Suppliers within these categories will be prioritised for further due diligence.

The risk reviews identified the most likely types of exploitation in our supply chain as being forced *labour, debt bondage, deceptive recruiting for labour or services, and trafficking in persons.*

Risks in our supply chain are heightened where there is a lack of transparency beyond our direct (or tier one) suppliers, and where using intermediaries (such as outsourced providers) adds complexity in the provision of goods and services.



Operations

Due to the increased risks associated with some of the countries and industries in which we operate, some of our locations carry a higher risk of modern slavery. The risk of causing, contributing to, or being directly linked to modern slavery is increased in higher risk jurisdictions, such as Indonesia, Mexico, Papua New Guinea, and Turkey due to a combination of the inherent geographic risks and the risk profile attributed to the manufacturing sector generally.

Areas of potential risk in our operations include labour, partners, customers, and business development activities, including acquisitions and expansion into new jurisdictions. As our geographic footprint expands to new territories, so to does our commitment to ensuring we are appropriately identifying and managing potential modern slavery risks and sharing best practice across our operations.

Of these, labour-related risks represent the area with the highest potential exposure. Based on existing policies, procedures, and other controls which are described in further detail in this [Statement](#), IPL considers the overall risk of modern slavery within our direct workforce to be relatively low.

ACTIONS TAKEN TO IDENTIFY AND ADDRESS MODERN SLAVERY RISKS

This section sets out IPL's actions to identify and address modern slavery risks during the reporting period. These actions are underpinned by our governance framework and policies which set out IPL's commitment to operating in an ethical, safe and sustainable manner.

Supplier Due Diligence

IPL's Procurement and Supply Chain teams have responsibility for identifying and assessing risks in our supply chains. These activities are supported by a range of internal and external tools and procedures to help identify and mitigate ethical and modern slavery risks.

Supplier Assessments

IPL has adopted a risk-based approach to identify and prioritise suppliers which represent a higher risk for modern slavery practices.

An initial assessment is performed using an internal Supplier Tiering Tool which categorises potential risk based on jurisdiction, categories of goods and services, and spend. Jurisdiction risk is scored based on data derived from the 2018 Global Slavery Index.

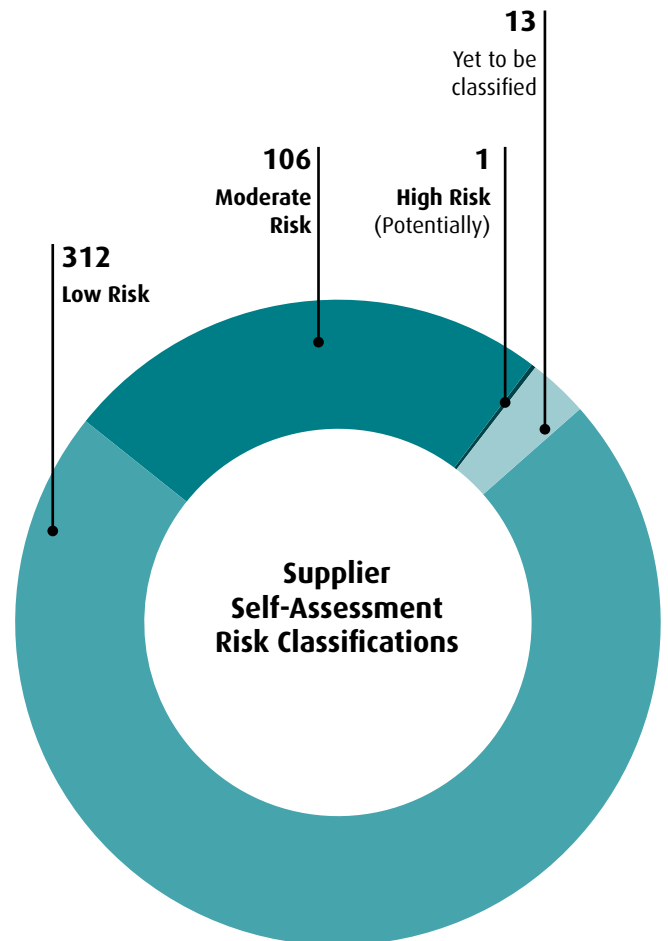
Based on their allocated tier, suppliers are requested to complete a modern slavery self-assessment questionnaire issued via an online portal, ethiXbase. Questionnaires are available in multiple languages.

Completed questionnaires are assigned an initial risk rating based on ethiXbase's weighted risk criteria. Suppliers which are assigned a higher rating, such as the one highlighted in the graph below, are prioritised for further review and due diligence. In FY21, a supplier due diligence assessment template was developed to support more detailed evaluations of our suppliers.

Once the supplier assessment is complete, IPL will work with suppliers to develop and implement action plans, where appropriate.

In addition to ethiXbase, IPL utilises other proprietary tools, such as Dow Jones' Know your Business and Corporate Scorecard (Equifax), to support its supplier risk management activities.

During FY21, 432 suppliers within the APAC region completed IPL's online modern slavery due diligence questionnaire. As at 30 September 2021, the majority of responses had undergone an initial review and suppliers were classified according to their potential risk.



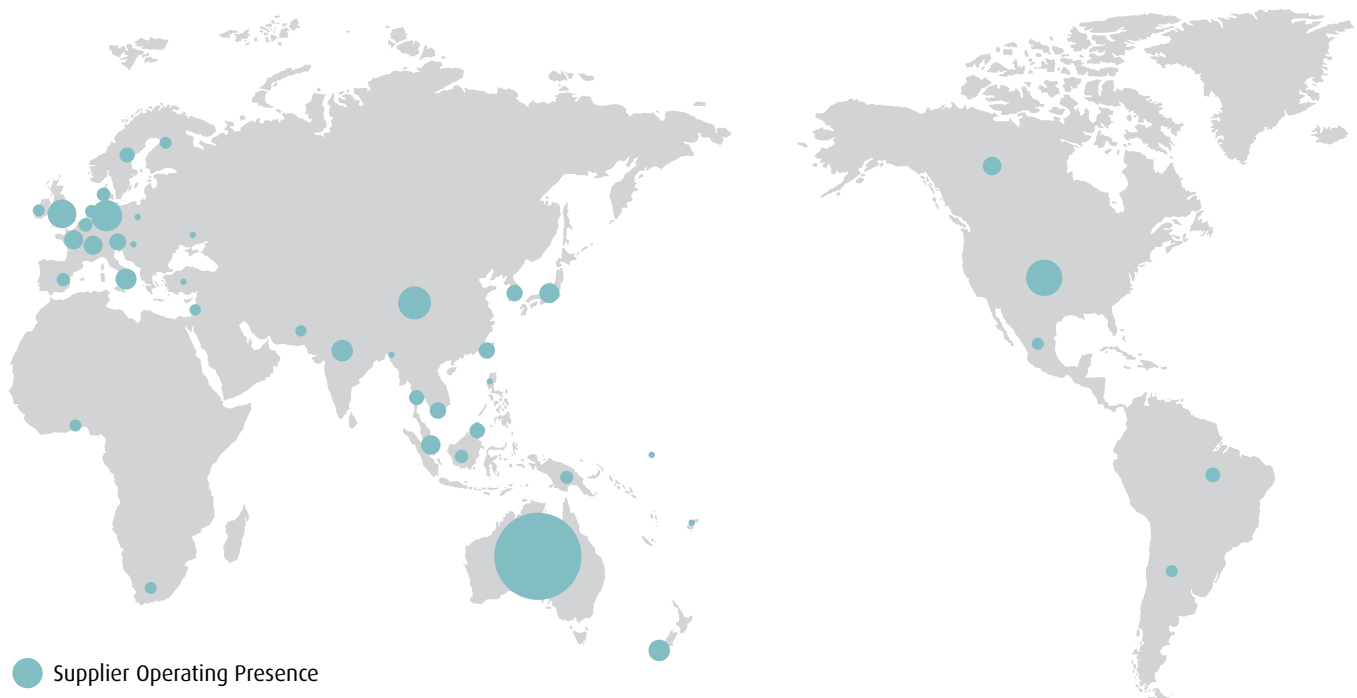
Insights

The responses to the completed questionnaires have provided an increased level of transparency into our direct (tier one) suppliers, including locations of their operations and their primary sources of supply.

The following table shows the top 10 countries where 84% of the respondent suppliers have an operating presence:

Top 10 Locations for Supplier Operations

Country	No. of Suppliers with Operational Presence	% of Total	GSI 2018 Estimated Prevalence of Modern Slavery (per 1,000 population)
Australia	353	52.45%	0.6
USA	53	7.88%	1.3
China	40	5.94%	2.8
Germany	33	4.90%	2.0
United Kingdom	27	4.01%	2.1
Italy	15	2.23%	2.4
New Zealand	14	2.08%	0.6
Japan	11	1.63%	0.3
Canada	9	1.34%	0.5
Singapore	9	1.34%	3.4



The 2018 Global Slavery Index indicates these countries have a relatively low prevalence of modern slavery, noting however that there can be limitations with collecting data in certain regions and sub-regions.

Although the majority of respondents are based in Australia, data shows the goods and services supplied to IPL are sourced from and/or produced in other geographies, including China, Germany, India, Indonesia, Japan, Malaysia, South Korea, South Africa, Taiwan, Vietnam, and the United States.

The supplier responses have also provided useful insights into the levels of commitment and maturity of our suppliers regarding human rights, anti-corruption, health and safety, and related considerations. Some high-level insights include:

- » 119 (27.5%) organisations have implemented controls, adopted written codes or policies, and processes which address human rights considerations
- » 108 (25%) suppliers have assessed their organisation's human rights impact
- » 46 (10%) organisations are subject to and/or required to report under modern slavery legislation

- » 85 (19%) organisations are unaware if they are required to report under modern slavery legislation
- » 94 (21%) organisations identified the presence of vulnerable persons such as migrant workers, Indigenous workers, and disabled workers in their workforce.

The information provided by suppliers will be used to inform our future planning, engagement, and collaboration activities. This includes identifying opportunities to increase supplier awareness of modern slavery, particularly with small-to-medium enterprises where awareness levels are lower than for our larger, direct (tier one) suppliers.

Incitec Pivot Fertilisers

Incitec Pivot Fertilisers' Sourcing Team has augmented its existing supplier due diligence process. The process follows a risk-based approach to monitoring and assessing compliance, based on supplier risk profiles. It includes Supplier Questionnaires, Dow Jones Risk Centre checks, and ensuring contracts include clauses covering modern slavery, anti-bribery and corruption, sanctions, and cybersecurity.

Chartered Vessels

IPL's Shipping Department has robust processes and controls to ensure it charters vessels from reputable Ship Owners.

IPL performs various due diligence checks as part of its vessel selection and vetting processes to ensure compliance with global shipping regulations and standards, as well as a range of other parameters, including health, safety, and environment, reputation, operational performance, and financial performance. Crew well-being is a particular focus, particularly given the heightened risk to seafarers resulting from the impacts of the COVID-19 pandemic on the shipping industry.

IPL utilises various third-party platforms to support its vetting and ongoing monitoring processes. For instance, RightShip is utilised to review safety and performance of both Ship Owners and Management companies and enables IPL to put restrictions on Owners and Managers in the event of any adverse press in relation to incidents involving ships performance or poor treatment of crew. Other platforms used include PurpleTRAC, Dow Jones' Risk Centre, and Infospectrum.

When selecting vessels, IPL reviews current crew lists to identify where issues may arise due to excessive timeframes that crew have been onboard the vessel. Any such issues or potential issues are then raised with the Ship Owner to determine if a crew change prior to arrival in Australia is workable. If we are dissatisfied for any reason, we will not charter the ship.

In addition, chartered vessels are contractually required to have an International Transport Workers' Federation (ITF) agreement (or equivalent). The ITF works to improve conditions for seafarers and to ensure adequate regulation of the shipping industry to protect the rights and interests of workers. This includes the protection of human rights and payment of fair wages. Modern slavery provisions are also included in all contracts.

To date, no IPL ships have been detained by the Australian Maritime Safety Authority (AMSA) for crew non-payments or other issues.

Contractual Terms & Conditions

Modern slavery provisions are contained in IPL's suite of procurement contract templates. Our procurement contracts also include obligations for suppliers to comply with IPL's Supplier Code of Conduct, Health, Safety and Environment requirements, and all applicable Laws and regulations.

In FY21, the Purchase Order Terms & Conditions issued via our purchasing systems were updated to include modern slavery provisions.

Workplace Relations

Employees

All IPL employees' employment terms and conditions are set out in employment contracts governed by the laws and applicable industrial instruments of the jurisdiction in which we operate. IPL also has its own high standards governing employees that all employees are expected to abide by, that are at least as robust as governmental standards. Underpinning these, across global operations we have 30 Enterprise Agreements covering 26% of employees.

As an equal opportunity employer committed to the development of a diverse workforce where every employee is treated fairly and with respect, IPL respects the right to freedom of association and values an environment free of discrimination and harassment in providing a safe environment for our personnel.

IPL's human resources procedures across its operations contain controls to ensure risks of human rights abuses, including child labour and forced labour, are managed, having regard to the jurisdiction specific requirements and risks. These controls include proof of age, the requirement to provide security clearances in certain jurisdictions, and conducting right to work checks. For third party contractor labour, minimum age and education requirements are stipulated with third party providers. For example, in Indonesia, the minimum age for recruitment of employees and labour hire contractors is 20 years old, with minimum education requirements set as senior high school for all direct employment positions, supported by copies of the candidate's ID and education certificate registered on the human resources records system.

IPL's HR Data Collection Procedure also requires all security guards hired by IPL to provide their qualification certificate prior to commencing work. This certificate is required to show evidence of training in accordance with the UN Voluntary Principles on Security and Human Rights.

IPL understands modern slavery exists at the extreme end of a continuum of exploitative practices, and substandard working conditions, such as the underpayment or non-payment of wages, may represent an indicator of modern slavery. IPL has robust processes in place to ensure employees are correctly paid. Globally, these processes include rigorous checks and data validation conducted at external audit level standard, for each pay run to ensure each employee's conditions of employment and entitlements are correctly reflected within the payroll system. Anomalies identified during the various checks are investigated, reported upon and addressed (as appropriate). Annual compensation review and external market comparisons are also conducted, and our US operations are fully compliant with Office of Federal Contract Compliance Programs compensation and Affirmative Action Plan requirements.

Contingent Labour

As previously noted, IPL engages contractor and labour hire resources to supplement seasonal, maintenance, and productivity demands, and this fluctuates to meet business requirements. These resources are used to perform a wide range of roles in both office- and site-based environments. There is minimal use of indirect labour in IPL's operations outside of Australia and North America. In compliance with local labour laws, no indirect labour is engaged in Turkey.

Our contingent labour workforce is engaged through third parties, which are responsible for contracting, onboarding, and payroll activities in compliance with regulation. In Australia and the Americas, contingent labour is managed through a panel of reputable pre-approved providers based in Australia and the Americas. IPL manage these suppliers as part of our ongoing contract management and supplier relationship management activities.

Contingent labour engaged by PT DNX Indonesia (DNX) is primarily base non-skill labour. DNX's human resources team is responsible for sourcing and screening candidates for these roles. All identification and education documentation provided to DNX during the recruitment process is returned to the candidates. During the interview process, candidates are also asked if they have been required to pay recruitment fees to any third parties. Once successful candidates have been identified, they sign employment contracts with external labour hire agencies, which are responsible for ongoing administration and payrolling functions. DNX is responsible for the payment of all recruitment and management fees to the labour hire agencies. No instances of recruitment fees being paid by contingent workers were identified in FY21.

As noted in our FY20 statement, IPL will be implementing a global Contractor Management System (CMS) to enable improved onboarding and monitoring of contingent labour. The implementation was originally scheduled for FY21; however, this has been delayed due to a major uplift of our ERP platforms for which there are key interdependencies. The implementation of the CMS has been rescheduled to commence in Q4 FY22.

Training & Awareness

Employees and contractors in identified roles, such as Procurement, are required to undertake modern slavery awareness training via IPL's on-line learning and development system. The module focuses on raising individual awareness of modern slavery, what it means, how it manifests, identification of potential or actual risks, and what actions to take if a risk is identified. In FY21, the course had a 100% completion rate.

Modern slavery awareness training will be expanded across IPL's global business. Some delays were experienced with the roll-out in FY21, as the training package is currently only available in English, which does not meet the needs of our global workforce. After assessing several alternate products, IPL has decided to develop an in-house training package with its Learning & Development Team. This training package will be developed and rolled out in FY22. The training will be made available in the native languages in the regions in which IPL operates, namely English, Bahasa, Turkish, Spanish, and French.

We have also identified a need to provide more specialised training for our Procurement and Supply Chain teams due to their high interface with suppliers and ability to positively influence improved modern slavery risk management. This training will build on the general awareness training to enhance team members' knowledge and capacity to identify and manage modern slavery risks in our supply chains. We will be engaging a recognised provider with specialist expertise to deliver this training in FY22.

Grievance Management & Remediation

IPL is committed to a culture of compliance, ethical behaviour and good corporate governance that encourages the reporting of improper, illegal and unethical behaviour.

IPL Leadership encourages employees and contractors to speak up if they experience behaviours that conflict with the Code of Conduct or Company Values. If they feel safe and are comfortable doing so, employees and contractors are encouraged to calmly tell the other person that they object to their behaviour, if they are not aware that it is causing them concern. The following internal reporting channels are also in place:

- » Talking to their Line Manager, or a Line Manager they are comfortable to approach
- » Speaking to a Human Resources Business Partner or the regional Legal Team
- » Sending an email to the IPL Ethics Committee mailbox at ethical@incitecpivot.com.au

Whistleblower System

In addition to our internal reporting channels, IPL provides an externally managed whistleblower system which is available to both employees and external parties. This system is confidential, and reporters may remain anonymous if they wish. The system is available 24/7 and takes reports in all countries in which IPL operates, and in all our major operating languages, being English, French, Spanish, Chinese, Turkish and Bahasa. Posters advertising the whistleblower system are made available in local operating languages within each region.

Where a matter has been reported to the hotline, a Whistleblower Protection Officer will review the report and determine how it should be handled.

The whistleblower system can be accessed through the following channels:



Online

<https://incitecpivot.tnwreports.com/>



From a mobile device using a QR Code



By phone

Country	Phone Number
Australia	1800 743 483 or 1800 452 415
Canada	866 908 7235 or 866 251 0211
Hong Kong	800 960 199
Indonesia	001 803 1 002 2573
Papua New Guinea	00 086 1198
United States of America	866 908 7235 or 866 251 0211
Chile	Dial 800 360 312 first At the prompt, dial 866 251 0211
Mexico	001 844 485 3113
Turkey	Dial 0811 288 0001 first At the prompt, dial 866 251 0211

In FY21, IPL received 37 reports through the external whistleblower system. These reports covered a range of alleged issues including unsafe work practices, potential fraud, conflicts of interest and employee relations issues. None of the reports related to modern slavery. As of 30 September 2021, 34 reports had been investigated and closed. The remaining three reports were still undergoing investigation.

Remediation

IPL's Modern Slavery Remediation Procedure provides guidance on what to do when the risk (actual or perceived) of modern slavery becomes apparent within IPL's operations or supply chain. This procedure defines the roles and responsibilities of those involved in the remediation process, including communication procedures, investigatory steps and actions that must be followed if an incidence of modern slavery is identified and/or substantiated.

The procedure also sets out when a Remediation Action Plan is required to be developed and requires the Remediation Action Plan to be tailored to the individual circumstance.

For supply chain-related issues, IPL's preferred position is to leverage the existing business relationship and work with the entity that caused the impact, to help them improve their procedures and practices to prevent or mitigate the harm and its recurrence. The intent of the Remediation Action Plan is to work with the supplier to make good the adverse impact to restore the victim/s to the situation they would be in if the adverse impact had not occurred. This approach is consistent with that set forth in the UN Guiding Principles on Business and Human Rights.

Three Year Roadmap & Resourcing

In June 2021, a three-year *Modern Slavery Implementation Roadmap* was presented to the Ethics Committee. This roadmap highlights the key steps to increase awareness and ownership of the modern slavery awareness and compliance processes, with a focus on delivering year-on-year changes and improvements.

To support delivery of the roadmap, IPL appointed a dedicated, full-time Ethical Procurement Manager in September 2021. This role is based in the APAC region and will be focused on modern slavery, Indigenous participation, and optimising opportunities for local suppliers.

Improvement opportunities identified during FY21

Consistent with our focus on continuous improvement, IPL identified the following opportunities for improvement to our processes and controls during the reporting period:

- » A review of IPL's processes and controls relating to key supplier due diligence and risk identified an opportunity to enhance IPL's Modern Slavery Policy and related procedures by providing further clarification and guidance on roles and responsibilities, and activities within our supplier due diligence processes. Relevant changes will be developed and implemented in FY22.
- » In analysing data obtained from the ethiXbase platform, we identified completion rates for the supplier self-assessment questionnaires were relatively low. We reviewed the due diligence processes to determine the root causes and identify areas for improvement. This review included engaging with the platform provider to discuss best practices utilised by its other customers. We subsequently updated relevant processes to incorporate identified changes. We will continue to monitor completion rates to assess the effectiveness of these changes and identify if further improvements may be required.
- » A review of the default reporting intake categories within the whistleblower reporting system was undertaken and identified an opportunity to expand these categories to specifically capture human rights (including modern slavery), ethical supply, and cultural heritage considerations. These changes will assist us in triaging reports as well as enhancing our monitoring and reporting activities.
- » IPL commenced work on updating our Code of Conduct in FY21. As part of this process, the refreshed document will include modern slavery considerations, and the process for reporting concerns relating to the potential violations of laws, policies, and standards, including human rights. The updated Code of Conduct is due for release in FY22. The release will be complemented by employee awareness training.



THE IMPACTS OF COVID-19 AND IPL'S APPROACH

Keeping our people safe from COVID-19

The Coronavirus (COVID-19) was declared a Public Health Emergency of International Concern on 30 January 2020. In February 2020, IPL developed and initiated a COVID-19 Trigger Action Response Plan and assembled the Business Crisis Management Team. Since this time, IPL has developed a suite of processes and tools to minimise the exposure to personnel as well as ensuring business continuity.

Health, Safety and People

To minimise the impact of COVID-19 on IPL's workforce, the following key control strategies are in place:

- » Increased hygiene practices and personal hygiene awareness
- » Physical distancing protocols and masks
- » Conducting worker health assessments and screenings
- » Bans and restrictions on travel
- » Prohibiting non-essential people, such as visitors and contractors, on site
- » Working from home initiatives and team bifurcation
- » Confirmed case and close contact management, including imposing self-isolation, quarantine and contact tracing
- » Telehealth service to provide advice and guidance for the unwell worker. This service is available 24/7 and avoids waiting times for the worker to see their doctor and minimise exposure at the clinic
- » Initiatives to protect the high-risk vulnerable workforce
- » Critical control verification (CCV) to ensure controls are in place and effective, and
- » COVID-19 blanket testing including the use of Rapid Antigen Testing

Mental Health

IPL established a comprehensive multi-pronged approach to support the mental health of our people through the sustained period of the pandemic, lockdowns and uncertainty. The strategies included:

- » Development of an ABC Mental Health Program which included virtual training sessions for leaders, workers and their families
- » Ongoing welfare checks for the at-risk workers, and
- » Access to the Employee Assistance Program

Employee Assistance Program

IPL provides an Employee Assistance Program for its employees. This service is available 24 hours a day and provides a number of confidential specialist counselling sessions each year, offering support for work and personal issues either face-to-face, over the telephone, online or via a mobile phone app.

Managing our supply chains through the pandemic

The COVID-19 pandemic has continued to impact global supply chains throughout FY21, with raw material, labour, and energy shortages curtailing manufacturing output, increasing costs, and reducing or fragmenting order fulfilment. Some shipping lines have reduced vessels and services on certain routes, and lockdowns have also seen a reduction of manufacturing workers, as well as port workers and vessel crews, compounding port congestion and shipment processing.

A forecasted colder than normal northern hemisphere winter, increasing cases of COVID-19 and waning vaccine immunity point to continued challenges in managing the supply of materials to support business operations.

We recognise this situation has the potential to increase the risk of harm to and exploitation of vulnerable people, as well as disrupting monitoring and response efforts.

All of this drives the need to work even more closely with existing suppliers and apply appropriate due diligence in sourcing new suppliers. We continually review supply volumes, lead times, and ordering timeframes on a case-by-case basis, and ethical procurement considerations have been addressed in our procurement of items, such as critical consumables (gloves, masks, and sanitiser) during this period of significantly increased demand.

To minimise risks of spreading the virus, we have also implemented COVID-19 management requirements with contractors and suppliers. This included requiring contractors for Turnarounds and Capital Projects to implement COVID-19 Management Plans.

As noted earlier, we also reviewed crew lists for chartered vessels to ascertain how long crew members have been on-board vessels to determine whether these exceeded (or are likely to exceed) set standards. Issues (or potential issues) are addressed with ship owners. If we are dissatisfied with the response, appropriate actions were taken. This has included rejecting vessels which failed to meet our required standards.



Dyno Nobel Indonesia personnel and family members receiving vaccinations.

DNX – COVID-19 Case Study

Dyno Nobel operates six sites and one assembly plant in Indonesia, a country which has suffered one of the worst COVID-19 outbreaks, with the World Health Organisation (WHO) reporting over 4.2 million confirmed cases and over 142,000 deaths since 3 January 2020.

Since the start of the pandemic, approximately 40% of Dyno Nobel's Indonesian workforce of 315 people have been infected with COVID-19, with some employees being infected multiple times.

Dyno Nobel Indonesia has undertaken various initiatives to help protect and support our employees and their families, as well as to reduce pressures on the local healthcare system during this challenging time. These initiatives include:

- » Engaging the services of a Jakarta-based medical professional specialising in tropical and infectious diseases to provide advice and guidance on managing the pandemic situation
- » Facilitating online COVID-19 awareness sessions by our Telehealth provider to educate people on COVID-19 symptoms, preventative measures, and what assistance was available
- » Organising weekly tests for all site-based employees
- » Delivering meals and medications to employees and their families affected by COVID-19
- » Purchasing medications and portable oxygen to support treatment of our employees and reduce the burden on local hospitals
- » Funding COVID-19 vaccinations for employees and their families to expedite their ability to receive vaccinations, and
- » Delivering care packages to employees and their families during two separate lockdowns



Dyno Nobel employee and family receiving a care package.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Internal measures

During the reporting year, IPL developed a range of metrics to monitor and assess the effectiveness of the processes and procedures used to address modern slavery risks in our operations and supply chains. Key metrics are highlighted below:

Focus Area	Measures
Training*	» Number and percentage of employees trained
Due Diligence & Risk Management	» Number and percentage of Supplier Due Diligence Questionnaires Issued, Completed and Assessed
	» Number of Suppliers by Risk Level
	» Number of Supplier Audits and Site Visits Planned and Conducted
	» Number of Corrective Action Plans & Corrective Actions by Status
Grievance Management	» Number of grievances reported by reporting channel
	» Number of investigations by status
	» Number of substantiated reports
	» Number of substantiated instances of modern slavery remediated
	» Aged analysis of grievances

* Kirkpatrick Model Level 1 (Learning) and Level 2 (Reaction) evaluation criteria will be introduced with the modern slavery awareness e-learning module IPL is developing in FY22. The results will be used to assess the effectiveness of the training module and will be incorporated into our reporting and monitoring.

We will also be undertaking internal assurance activities to assess compliance with relevant policies and processes, and to ensure these are fit for purpose. Any gaps and non-compliances identified during these reviews will be addressed, as appropriate.

We will review these measures over subsequent reporting periods to assess the maturity and effectiveness of our approach, and to identify opportunities for improvement.

External benchmarks

As part of our commitment to transparent reporting, IPL's sustainability performance is assessed against several leading indices. This gives us the opportunity to benchmark our performance against other organisations in our sector, provides insight into areas for improvement, and provides investors and other stakeholders with an objective measure of our environmental, social and governance (ESG) risk management and business practices.

The Dow Jones Sustainability Index (DJSI) is widely recognised as the leading reference point in the growing field of sustainability investing due to the robustness of its assessment process. IPL has been a member of the Dow Jones Sustainability Index (DJSI) since 2010. Selection for the index is made after a review of IPL's sustainability reporting. IPL's performance is benchmarked against peers in the global Chemicals sector.

Results from 2016 to 2021 are represented below, including the average scores for companies in our sector. The increase in our scores in the Social Dimension from 58 to 65 between 2020 and 2021 reflects our work to ensure human rights in the supply chain, as well as our continued focus on safety and human capital development.

Dimension	2016	2017	2018	2019	2020	2021
Economic	74	73	71	72	78	81
Environmental	60	61	64	73	71	69
Social	65	68	57	60	58	65
Total for IPL	67	68	65	69	69	72
Chemicals sector average	56	53	44	47	36	30

In 2021, the FTSE Group confirmed that IPL has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to remain a constituent of the FTSE4Good Index Series for the eighth year running. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria.



FTSE4Good

FTSE4Good Member since 2014

IPL has also been an EcoVadis Member since 2015. IPL's EcoVadis Sustainability Rating was upgraded from Bronze to Silver in 2021.

This rating increase included scores of 60% in both the Labour and Human Rights and Sustainable Procurement themes, which are two of the four EcoVadis themes. IPL saw a 10-percentage point increase in our EcoVadis Labour and Human Rights score between 2021 and our last EcoVadis Assessment. This is 15 percentage points higher than the average company rated by EcoVadis in our industry.



EcoVadis Member since 2015

EcoVadis is assessed biennially.

LOOKING FORWARD

IPL remains committed to continually improving our approach to identifying and managing modern slavery risks in our operations and supply chains.

In the next reporting period, IPL will be undertaking the following activities to strengthen our response:

- » Establishing a cross-functional, multi-jurisdictional modern slavery working group
- » Reviewing existing policies, processes, and documentation and identifying opportunities for improvement
- » Developing a new modern slavery general awareness e-learning module in multiple languages and rolling this out across IPL
- » Increasing the capability and capacity of our Procurement and Supply Chain teams in identifying and managing modern slavery risks through the delivery of more targeted training and development of supporting resources
- » Releasing the updated Code of Conduct and employee awareness training
- » Increasing our collaboration and engagement with third parties
- » Continuing our supplier risk assessment and due diligence activities.

CONSULTATION WITH CONTROLLED ENTITIES

We engaged and consulted with the relevant entities we own or control in the development of this Statement. The Statement was provided to the Executive Team of Incitec Pivot Limited and the Board of each reporting entity for review prior to being submitted to the Board of Incitec Pivot Limited for review and approval.

APPROVAL

This statement for Incitec Pivot Limited was approved by the board of Incitec Pivot Limited as the parent entity on 25 March 2022.



Jeanne Johns
Managing Director & CEO

25 March 2022





Incitec Pivot Limited

ABN: 42 004 080 264

Level 8, 28 Freshwater Place, Southbank Victoria 3006, Australia

This publication is printed on ecoStar+, a carbon neutral environmentally responsible paper, manufactured from 100% post-consumer waste, chlorine free environment using the ISO14001 environmental management system.