



## Dyno Nobel Limited (DNL)– Climate Transition Analysis

### Recommended Questions

**Q.1** *How does Dyno Nobel plan to quantify and disclose the aggregate emissions impact of its Scope 3 mitigation initiatives across suppliers and customers?*

**Background:** Dyno Nobel has introduced business-unit-level Scope 3 targets and deployed several customer-facing solutions (e.g. electric MPUs, DeltaE blasting, renewable diesel). However, the company does not disclose the proportion of Scope 3 emissions covered, nor the expected absolute emissions reductions attributable to each initiative, limiting investors' ability to assess delivery at scale.

**Best Practice:** Companies should disclose coverage, expected abatement (TCO<sub>2e</sub>), and timelines for supplier and customer programmes, with clear links between individual initiatives and Scope 3 targets.

**Q.2** *Can Dyno Nobel provide a quantified, forward-looking assessment of climate-related financial risks at group and asset level?*

**Background:** While Dyno Nobel conducts scenario analysis and identifies key transition and physical risks, it does not disclose aggregate value-at-risk or facility-level financial exposure, particularly for coal-exposed assets such as Cheyenne and Moranbah.

**Best Practice:** Align disclosures with TCFD-style quantified risk metrics, including scenario-based EBIT or asset-value impacts, and clearly distinguish group-level versus asset-level exposure.

**Q.3** *What is Dyno Nobel's capital allocation plan to deliver emissions reductions beyond 2030, including the pathway to its 50% Scope 1 and 2 target by 2036?*

**Background:** The company has delivered substantial near-term abatement but has not disclosed a forward capex envelope, project sequencing, or decision gates for post-2030 technologies such as green ammonia or CCS, following the discontinuation of earlier pathways.

**Best Practice:** Companies should publish a decarbonisation investment roadmap, including indicative capital ranges, technology dependencies, and milestones aligned with stated targets.

### Report Key Takeaways

- Dyno Nobel's FY2025 divestment of fertilisers and repositioning as a pure-play industrial explosives business cut the reported emissions footprint by 66%, simplifying its transition challenge.
- The company has already delivered a 39% like-for-like reduction in Scope 1 and 2 emissions versus a restated 2020 baseline, exceeding its original 2030 target several years early, mainly driven by the successful execution of large-scale N<sub>2</sub>O abatement projects.
- Its governance and management incentives are robust, with Board oversight and climate-linked remuneration supporting its transition delivery.
- Overall, the company aligns with a 1.5°C warming scenario by 2030.
- However, while new Scope 3 targets and customer solutions close prior gaps, disclosure and capital planning beyond 2030 remain insufficient, leaving longer-term credibility dependent on uncertain green ammonia and CCS pathways.

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