



# Basell Australia Sustainability Covenant



# Sustainability covenant

This sustainability covenant is a voluntary agreement between the Environment Protection Authority (EPA Victoria), Basell Australia Pty Ltd (Basell Australia) – a company of LyondellBasell – and the Plastics and Chemicals Industries Association Inc. (PACIA) (collectively, 'the parties') to work together to protect the environment and to contribute to a more sustainable Victoria.

This voluntary SUSTAINABILITY COVENANT is a statutory agreement under section 49AA of the *Environment Protection Act 1970* ('the Act') made on the 2nd day of April 2008

## between:

**Environment Protection Authority** ('EPA Victoria' or 'EPA'), a statutory authority pursuant to the *Environment Protection Act 1970* (Victoria), of 40 City Road, Southbank in the State of Victoria

-and-

**Basell Australia Pty Ltd** ('Basell Australia') ACN 004 317 762 of Level 2, 199 Toorak Road, South Yarra 3141, Victoria

-and-

**Plastics and Chemicals Industries Association Inc.** ('PACIA') ARBN 063 335 615 of Level 1, 651 Victoria Street, Abbotsford 3067, Victoria

## in which:

The Parties commit to working together to support Basell Australia to increase the efficiency with which it uses resources to produce its products and services, and reduce the ecological impact of those products and services. Sustainability principles will be applied in all Basell Australia's activities, including internal production, operations, marketing, business development, communications and education, professional relationships and the supply chain.

EPA Victoria believes that this sustainability covenant is likely to be effective in increasing the resource use efficiency of the plastics industry and in reducing its ecological impact, and as such is a signatory to this sustainability covenant.



# About the parties

## Basell Australia

Basell Australia is the sole manufacturer of polypropylene (PP) in Australia and is owned by LyondellBasell Industries, one of the world's largest polymers, petrochemicals and fuels companies.

LyondellBasell Industries was formed in December 2007 through the merger of Lyondell and Basell. LyondellBasell is the global leader in polyolefins technology, production and marketing; a pioneer in propylene oxide and derivatives; a significant producer of advanced fuel products; and the owner of one of North America's largest full-conversion refineries. Through research and development, LyondellBasell develops innovative materials and technologies that deliver exceptional customer value and products that improve quality of life for people around the world. Headquartered in The Netherlands, LyondellBasell is privately owned by Access Industries.

Basell Australia is headquartered in Melbourne, Victoria. Polypropylene pellets are manufactured at two sites – Geelong, Victoria and Clyde, New South Wales – which receive propylene and ethylene gas feedstock from local refineries and petrochemical plants. Basell Australia also has a 50 per cent shareholding in PolyPacific, located in Dandenong, Victoria, which compounds PP grades with other products for use in specialised applications such as automotive bumpers.

## Basell Australia in Victoria

Basell Australia's Geelong Polypropylene Plant was established in 1979. The plant manufactures small pellets of PP which are packaged in 20-tonne bulk containers, 1000 kg bags or 25 kg bags and sold to plastic product manufacturers in Australia, New Zealand, South East Asia, China, Northern Asia, Indochina and India. These customers reprocess the pellets into products such as film, fibre, automotive parts, industrial components, furniture, containers, closures and Australian banknotes.



Basell Australia has progressively upgraded its Geelong facility with modern process control instrumentation, new catalyst facilities and an expansion in 2006 that increased its annual capacity to 130,000 tonnes. Basell Australia directly employs approx 175 people, of whom 57 work at the Geelong plant and 50 in the Melbourne office.

## Basell Australia and health and safety

Basell Australia has a policy of continuous improvement in the methods used to protect the health and safety of its employees and the community and to protect the environment in which it operates. The Geelong PP plant and Shell Geelong Refinery operate jointly under a comprehensive emergency response plan which includes an internal fire crew and a 24-hour link to external emergency authorities and Basell Australia management.

Geelong is registered as a Major Hazard Facility under the Victorian State Government *Occupational Health and Safety (Major Hazard Facilities) Regulations 2000*. Its operational and safety procedures are regularly reviewed by the State Workcover Authority and external Basell Australia auditors.

## Basell Australia and the environment

In cooperation with EPA, Basell Australia has developed a comprehensive environmental management system, which is accredited to the worldwide ISO 14001 standard. Environmental impact is minimised by waste and water recycling, the safe treatment and disposal of wastes and the prevention of air, water and soil pollution. As a voluntary participant in the Australian Government's Greenhouse Challenge Program, Basell Australia monitors and reports on greenhouse gas emissions from the Geelong plant and implements an action plan to reduce energy consumption.



## Plastics and Chemicals Industries Association



PACIA is the peak body representing Australia's plastics and chemicals industries, our fourth largest manufacturing sector.

PACIA assists its members to grow and develop the plastics and chemicals sector and improve its health and profitability, through key roles such as:

- promoting the sustainable growth of the industry and providing leadership, support and assistance to member companies
- ensuring that the plastics and chemicals industries are leaders in health, safety and environmental performance
- representing and communicating the economic, societal and environmental value of the plastics and chemicals sector to all stakeholders
- being central to the regulatory process for the plastics and chemicals industry
- enhancing the contribution of the chemicals and plastics sector to sustainability
- coordinating and facilitating the sharing of information, knowledge and experience to build skills and support innovation within the industry.

### EPA Victoria

EPA Victoria is a statutory body that was established under an Act of the Victorian Parliament in response to community concern about pollution. The *Environment Protection Act 1970* replaced statutory provisions scattered throughout more than 25 existing Acts, bringing together under one umbrella (symbolised by our logo) control of pollution on land, in water and air, and industrial noise. In particular, it puts the responsibility for sound environmental management on all Victorians – businesses, communities and individuals – where it belongs. EPA's emphasis is shifting to market mechanisms, collaboration and co-regulation, rather than just the traditional 'command and control' approach to achieve environmental performance.

PACIA's vision is to have a vibrant, diverse and sustainable industry in Australia, valued and respected by its customers, suppliers, employees, shareholders, the wider community and government. Half of PACIA's 260 members are based in Victoria. These companies encompass the entire supply chain including the manufacture, processing, importation and trading of plastics and chemicals, and recycling and recovery. Member companies range from large multinationals to small one and two-person operations in both the plastics and chemicals industries. Many PACIA companies are EPA-licensed facilities.

The plastics and chemicals industries are uniquely placed to meet the challenges of resource efficiency and sustainability. To provide a strategic approach for the industries and in consultation with its members and stakeholders, PACIA is developing a Sustainability Leadership Framework. On completion, the Leadership Framework will provide the platform for PACIA to deliver programs, tools and policy, and for members to take leadership actions in sustainability.

Partnering with Basell Australia and EPA Victoria in this sustainability covenant will support the implementation of the Leadership Framework for the industries.

#### **EPA's vision is *The Victorian community living sustainably.***

A community living sustainably knows the impacts of the decisions it makes and the actions it takes on the environment and:

- **efficiently** uses and renews resources
- **understands** how what is good for the environment is good for the economy and society
- **lives in a healthy environment** that provides clean air, water and land
- **meets the needs of today** without compromising the ability of future generations to meet their needs.

**EPA's purpose** is to protect, care for and improve our environment.

**EPA's values** are collaboration, innovation, integrity and respect.

**EPA's objectives** are to increase resource efficiency, reduce emissions impact, enhance our reputation and benefit the economy.

# Objectives of the covenant

The overall objectives of this covenant are to:

- embed sustainable business growth principles in Basell Australia's business processes and management systems
- support product innovation to deliver greater resource efficiency by applying life cycle approaches to the production of polypropylene.

# Management of the covenant

A steering committee will be established to manage the sustainability covenant's implementation. The steering committee is responsible for the development and ongoing refinement of the commitments made in this covenant. It will comprise an agreed number of the following representatives:

Basell Australia	EPA Victoria	PACIA
Managing Director	Director Sustainable Development	Chief Executive
Health Safety Environment Quality Manager	Manager Life Cycle Unit	Director – Industry Sustainability
Sustainable Development Coordinator	Sustainability Covenant Project Manager	Manager – Sustainability Programs
	Manager South West Region	

This sustainability covenant will be supported by EPA and PACIA funding as agreed to by the parties, under the PACIA sustainability covenant partnership and other funding sources as agreed to by the parties.

## Reviewing and reporting

The progress of actions under the covenant will be reviewed by the steering committee bi-annually. This will involve the activities of the parties being reviewed and assessed for their effectiveness. Prior to the steering committee meeting the parties will brief others on progress to date.

Public reporting on the progress of the covenant and outcomes achieved will occur annually via the websites of the parties.

## Life of the covenant

The life of this sustainability covenant will be three years from the date of signing.

# Commitments made by the parties

To achieve the objectives of this Covenant, Basell Australia, EPA and PACIA agree to work together to implement the following commitments.

Commitments	Specific actions
Basell Australia will incorporate sustainable business growth principles into its business processes and management systems	<ul style="list-style-type: none"><li>● Formulate a Sustainable Development Policy.</li><li>● Develop an annual plan that incorporates triple bottom line/sustainable business growth approach.</li><li>● Develop an internal sustainability reporting and measurement system.</li><li>● Explore partnerships within supply chain to decrease resource consumption.</li><li>● Participate in sustainability leadership training program.</li><li>● Incorporate sustainable development accountabilities into job descriptions.</li><li>● Develop business/project evaluation criteria for sustainable development.</li><li>● Undertake an analysis of existing and new markets to inform product and sales strategies with sustainable business growth principles.</li></ul>
Basell Australia will assess sales prospects and projects for contribution to sustainable business growth	<ul style="list-style-type: none"><li>● Implement activities that deliver resource efficiency outcomes.</li><li>● Incorporate life cycle principles into current product project evaluation process.</li><li>● Train appropriate staff in life cycle approaches methods.</li><li>● EPA and PACIA will support Basell Australia to undertake a flagship life cycle assessment project of a key product or process.</li><li>● EPA and PACIA will work with Basell Australia to develop a life cycle approaches training module for Basell Australia staff.</li></ul>
Capture and promote the benefits of sustainable business growth principles internally and externally	<ul style="list-style-type: none"><li>● Conduct sustainable development awareness training.</li><li>● Introduce baseline training program.</li><li>● Extend and formalise the community consultation process.</li><li>● Measure and demonstrate the business case for sustainable business growth to external and internal stakeholders, clients, contractors and customers.</li><li>● EPA will promote Basell Australia's leadership in integrating sustainable business growth principles into its business strategy, and the business value delivered, to relevant clients and stakeholders.</li><li>● PACIA will promote Basell Australia's leadership in sustainability to its members and broader networks.</li></ul>

## More information

In accordance with section 49AC(b) of the Act, the parties will ensure that this covenant is readily accessible to the public and that it is published on the internet.

In accordance with section 49AC(c) of the Act, the parties authorise the copying of all or any part of the covenant by any person who wishes to do so. The parties also authorise the use by such a person of any copies made by the person.

## Contact details

### Basell Australia

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### PACIA

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### EPA Victoria

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