



Assessing your business against the framework

PACIA's Sustainability Leadership Framework provides our member companies with a highly valued, guided process to assess their sustainability priorities and identify new opportunities.

Every company's business and sustainability performance can be significantly enhanced when priorities and opportunities are properly assessed.

However the best outcomes are usually achieved when a deliberate process is followed. Member companies using the Framework repeatedly tell us how much they value its structure, which gives them a clear process to assess their sustainability priorities.

This assessment process is the second of four steps to implementing the Framework:

Step 1 – Making the commitment

Step 2 – Assessing your business against the Framework

Step 3 – Integrating sustainability into your business

Step 4 – Communicating progress

In **Step 2** member companies review their status against the industry priority areas and goals described in the Framework and identify new opportunities. These can be areas where they have identified potential improvements, have seen opportunities or already have the resources and budget available for works or projects.

In this case study we examine how three companies have used the Framework to assess opportunities for business improvements, and how they began implementing change.

After signing the PACIA Framework, a cross-business sustainability team at **Huntsman Polyurethanes** examined everything from simple energy efficiency measures to major opportunities to develop new markets.

A recent signatory, the small and fast-growing plastic recycler **Replas** used the Framework to find gaps in its business performance and ensure that employees were adequately skilled to meet customer needs.

The much larger **Wesfarmers Chemicals, Energy and Fertilisers** (WesCEF) has embedded business systems and processes from its parent company, and the Framework has proved a valuable and complementary tool to check strategic priorities.

PACIA's world leading Sustainability Leadership Framework helps our members to drive improvements and future-proof their businesses.

The Framework includes one-on-one assistance, practical tools, industry specific support programs, and opportunities to showcase members' achievements.

An important feature of the Framework is its deliberate structure and flexibility making it relevant to all our member companies – no matter their size, type and operating environment – and regardless of how far they have advanced their business sustainability strategy.



Priority areas of action and opportunity

The Sustainability Leadership Framework identifies the following 11 priority areas for the Australian chemistry industry.



PACIA member companies and stakeholders have identified these issues as being most significant to the sector at this time, and the Framework recognises that not all the areas will rank equally across the industry.

-  **Financial** – a competitive and profitable industry
-  **Water** – a water-efficient industry that is reducing water consumption
-  **Energy and greenhouse** – an energy-efficient industry that is reducing greenhouse emissions
-  **Wastes and emissions** – an industry aiming for zero wastes and emissions
-  **Materials, processes and products** – an industry taking a life cycle view of materials, processes and products
-  **Health and safety** – an industry where people are safe and free of injury and disease
-  **Security** – operating and delivering secure sites and product chains

An industry wide goal has been developed for each area, to stimulate new and innovative thinking by member companies and the industries' partners and stakeholders in order to be more sustainable, competitive and profitable.

-  **Community and stakeholders** – the people important to the industry and operations are engaged, participating and supportive
-  **Workforce** – a healthy, skilled and engaged workforce, available to meet the needs of the industry
-  **Innovation** – innovating to create sustainable products, processes and services
-  **Accountability** – an industry that is open, accountable and communicating progress.

The Framework also uses three inter-related sustainability strategies to guide member companies:

-  **Operations in the Workplace**
-  **Activities in the Market and Supply Chain**
-  **Transformation**



Plastics recycler Replas is an Australian-owned company with 60 employees and offices in all states and New Zealand.

The business has more than 200 products, including boardwalks, bollards, furniture and signs. Its key customers are councils and schools, and its latest growth area is managing the waste of large corporations. Replas signed up to the Framework in September 2010.

Shape of things to come

Replas has quickly become one of the leaders in its field. Beginning with kerbside collection, the company developed technology to reprocess plastic waste into a wide range of products using innovative production techniques including robotics.

What sets the Australian-owned Replas apart from most of its competitors is that it can manufacture highly durable products with complex shapes in a range of colours. This is due partly to its unique moulding technology and in-house raw material processing plant.

Director Mark Jacobsen says the 'pull-through effect' of people buying because it makes them feel good is a powerful force, and represents a cultural change.

But such rapid growth required careful management, and PACIA's Sustainability Leadership Framework provided the steady hand that the company needed.

"You can only build a house as strong as its foundations," he says. "The Framework put some order around our growth."

After the company signed the Framework, the customer service manager was given the task of assessing the company's performance and recommending priority areas for improvement to senior management.

The Framework confirmed some of the things the company did well – such as innovation – but also highlighted areas for greater attention, principally in workforce, health and safety and customer relationships.

Now for example, the company's Carrum Downs Resource and Environmental Centre has first aid, health and safety officers and a fire warden as well as energy-efficient lighting that will save \$4000 a year.

"All our staff have read the Framework and they are happy because of the things we're doing," Mark said. "The book is the glue for us; it made everything happen for our business."

Replas aims to continue using the Framework to further assess, prioritise and improve the skill and training of its employees and strengthen customer and community relationships, which will help deliver sustainability partnerships with corporate Australia.

*Recycled-plastic decking,
Mossman Gorge, Daintree
National Park, Queensland*

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Huntsman Polyurethanes imports and makes polyurethane chemicals, used in rigid or flexible plastic material for insulation of refrigerators and freezers as well as being used in a range of products from building panels to car parts and shoe soles to ice chests.

The US-based Huntsman has 2300 employees globally and 30 based in Melbourne's western suburb of Deer Park. The company signed up to PACIA's Sustainability Leadership Framework in 2010.

Opening up new opportunities

A safety workshop that led to Huntsman Polyurethane signing up to the PACIA's Sustainability Leadership Framework could turn out to be a turning point for the company in Australia.

The manufacturer already saw the Framework as a way of embedding sustainability initiatives into existing work practices, and creating a sustainability culture throughout the business.

But it was an assessment process following the commitment to sign that led to a cross-business sustainability team taking the opportunity to use the Framework and its resources to assess the business in a different, innovative way.

The team examined how efficiencies, innovation and an eye for profit could improve and grow the business.

The company's General Manager for Australia and New Zealand, Craig Lovel, says polyurethane is a far more efficient thermal insulation than cheaper fibreglass, and believes it can meet the needs of new markets including households.

"To date, we haven't sold the product to architects and builders and Australians have been blasé until now with cheap energy," he says. "But that is going to change. Polyurethane for insulation is huge in places like Japan and colder climates like Canada."

The other 'new paradigm' that Huntsman has developed globally is a polyurethane-based, lightweight foam for 'green roofs' or roof gardens, which are proving increasingly popular to manage water, improve energy efficiency and reduce urban heat and other impacts of urbanisation.

Meanwhile, in the manufacturing plant, simple energy-saving initiatives by the team included turning on a freezer required for a product line only during the night, avoiding wasteful interruptions during the day.

Further, a renewed focus on the supply chain has led to Huntsman products being shipped directly to customers, reducing costs and carbon emissions.

"Huntsman has a strong history as an ethical company with a focus on safety, health and the environment but we haven't had a system that recognises and captures sustainability benefits," Craig says. "The Framework reinforces to everyone why we do these things."

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This case study is part of a series on the four steps to implementing the Framework. For more details and information on our supporting programs, networks and resources refer to **Case Study 1 – Making the Commitment.**



One of CSBP Fertilisers' area managers discussing the benefits of Flexi-N fertiliser with a customer



Wesfarmers Chemicals, Energy and Fertilisers (WesCEF) is one of eight divisions of the large, diversified and publicly listed Wesfarmers.

WesCEF, an inaugural signatory of the Framework in 2008, operates chemical, gas and fertiliser businesses that service domestic and international markets.

Its operations around Australia include Kleenheat Gas and CSBP Ltd, which has subsidiaries and joint ventures that form the chemicals business (including Australian Vinyls) and the fertilisers business. WesCEF employs more than 1400 people nationally.

Taking stock strategically

Processes that best manage risk and reputation are key drivers for Wesfarmers' eight divisions, including Wesfarmers Chemicals, Energy and Fertilisers (WesCEF).

It is in this area that WesCEF finds PACIA's Sustainability Leadership Framework most valuable.

"We use the Framework to provide consistent cross-checking of our strategic priorities," says Liane Unewisse, WesCEF's General Manager Health, Safety and Environment.

"The Framework forces us to stop, take stock and look more strategically at everything we do; it's a reminder not to get bogged down in the detail."

Liane says that the company's understanding of sustainability has evolved well beyond the environmental sense of the word.

For example, in 2007/08, retaining and retraining process technicians and engineers became a high priority in a competitive environment of increasing wages and turnover in Western Australia.

The company established a training department, with in-house training modules in classrooms replacing on-the-job training and self-paced learning. Professional trainers were hired as part of this initiative, which aims to make WesCEF an employer of choice.

This initiative was successful in addressing staff retention and so then the CSBP chemicals business turned its focus to energy efficiency and greenhouse emissions initiatives, which have more recently also involved Kleenheat Gas.

As another example, CSBP produces nitric acid as a feedstock for ammonium nitrate, which is a key input into explosives for the mining sector and a feedstock for its liquid fertiliser, Flexi-N. Nitrous oxide is a greenhouse gas emitted during the production of nitric acid.

In February 2011, CSBP installed a secondary abatement catalyst in one of the company's two nitric acid plants at Kwinana, south of Perth, to trial nitrous oxide reduction technology. The technology, which converts nitrous oxide gas to inert nitrogen gas, could reduce greenhouse gas emissions by about 700,000 tonnes per year, almost halving CSBP's annual greenhouse emissions. Abatement for the second and proposed third nitric acid plant is planned in 2012 and 2014 respectively.

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One of CSBP's Process Engineers with the nitrous oxide reduction technology that was installed in one of CSBP's nitric acid plants in February 2011

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