



CASE STUDY



Integrating sustainability into your business

A critical step of any business strategy is to take action. PACIA's Sustainability Leadership Framework assists our member companies to do exactly that acting on their sustainability priorities and opportunities.

Companies will take many different approaches to the way they build sustainability into their business and take action to drive positive outcomes.

Step 3 of the Framework provides guidance to members on important actions like establishing goals, targets and business plans aligned with the Framework.

This is the third 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 3** some businesses work from the top down; in other businesses, it is part of everyone's responsibility. Sometimes it is part of the overall business plan; in others it is viewed as environmental sustainability. For Responsible Care® signatories, integrating the Framework is also complementary.

In this case study, three of our member companies reveal their motivations and experiences in integrating sustainability using PACIA's Framework.

Manufacturer and distributor **SNF Australia** tackled traditional work practices to drive through a series of logistics and environmental improvements that are delivering surprisingly significant bottom line benefits.

Specialty chemical raw material and equipment importer and distributor **International Sales & Marketing** introduced sustainability initiatives into Australia and New Zealand through technological developments undertaken by its overseas partners.

For multinational **Dow Chemical**, sustainability means everything from protecting and improving the environment and community near its operations, to supporting high-level research to meet the world's major challenges.

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.



SNF 4 compartment
50 cubic metre flocculant
delivery tanker



Dow's vision for the future
is articulated through its
community support



Low temperature asphalt

ism

Sales and marketing, importing and distribution company ISM markets speciality chemical raw materials to Australian and New Zealand manufacturers.

ISM supplies market segments including coatings and adhesives, polymer additives, industrial formulators and agriculture, and construction and mining.

The privately owned Australian company has offices in four Australian states, and in Auckland and Wellington, New Zealand, and has 60 employees. It was one of the inaugural signatories to PACIA's Sustainability Leadership Framework, launched in 2008.

ISM also imports and distributes specialty food ingredients and personal care additives.

People and partnerships drive improvements

Highly skilled employees such as engineers, chemists and food technologists are driving sustainability improvements being introduced into Australian and New Zealand manufacturing businesses by ISM.

ISM facilitates the information flow between leading global manufacturers and local manufacturers, and the drivers may originate from either end of the supply chain.

Group Managing Director Colin Hackett says: "Our involvement is in providing sustainability solutions derived from our intellectual property in bringing often unconnected ends of the supply chain together for mutual benefit."

"As an importer, we look at our own sustainability performance and that of our customers. Sustainability is integrated across the business."

ISM researches innovative products being manufactured overseas, and works to understand the manufacturer's supply chain and marketing approach to determine how the products could be taken up in Australia and New Zealand.

"We are the conduit, doing everything from introducing and selling the concept through to local technical support and logistics," Colin says.

Among the sustainability initiatives ISM has helped to introduce recently is a US-sourced biopolyol. This is enabling hydrocarbon-based raw materials to be partly replaced with soy-based materials, preserving fossil reserves and utilising sustainable/renewable resources. The polyols are used in polyurethane foam production by Dunlop Foams in Australia for applications such as bedding, furniture, and insulation.

ISM, a Responsible Care® signatory, has also worked with a US manufacturer on a product, Evotherm, that enables bitumen to be laid at much lower temperatures than traditionally used by the Australian road construction industry. This reduces greenhouse emissions and improves worker safety, and the wider range of processing temperatures enable roadlaying to be carried out over longer timeframes and into cooler seasons, aiding productivity.

"Sustainability initiatives are often difficult to conceptualise and implement, and require investment and leadership," Colin says. "This is where we see our key responsibilities."

Polyurethane foam

Colin Hackett |
Group Managing Director |
ISM Group |
03 9559 8333 |
chackett@ismaus.com |
www.ismaus.com



SNF (Australia) Pty Ltd

SNF Australia is a subsidiary of SNF Floerger, the world's largest manufacturer of polyacrylamide flocculants. The privately owned multinational, based near Lyon in France, has 3300 employees and 20 production sites throughout the world.

The company consists of 43 employees, most of whom are involved in manufacturing flocculants and coagulants for the water, mining and paper industries at the company plant at Lara, near Geelong in Victoria.

SNF Australia manufactures about one-third of the products it distributes and imports the rest, mainly from its parent company. It signed up to PACIA's Sustainability Leadership Framework in 2009.

Leading from the front

Russell Schroeter is a self-proclaimed 'hard-headed managing director with a green tinge'. He has introduced a series of logistics and environmental initiatives into SNF Australia that, when fully implemented, will deliver net benefits of up to \$900,000 a year. This is a great result for a business with gross annual revenue of about \$65 million.

SNF Australia's powder-grade flocculants have traditionally been delivered to customer silos in discrete units on the back of flatbed trucks, in relatively small volumes. Russell wanted to reduce truck movements and still be able to service multiple sites.

After speaking to groups of customers in the Hunter Valley and south-west Western Australia, he bought two 50 cubic-metre tankers that have multiple compartments. In the Hunter Valley alone, the vehicle has reduced delivery costs by about 70% by cutting fuel bills and driver hours as well as greenhouse emissions.

SNF Operators rinsing raw material totes



Russell identified empty shipping containers leaving China and being discharged in Esperance, and negotiated access to these containers for SNF product. This has led to significant savings on previous arrangements in which product was stored and distributed from Perth.

His environmental initiatives include working to recover, clean, reuse and eventually recycle 'IBCs' or 'totes' used to import raw materials. By rinsing these totes onsite, raw materials are recovered and used in the manufacturing process. The containers were traditionally sold to recyclers who either washed and then sold them as reconditioned units or recovered the plastic and steel for recycling.

He is also saving money and product at SNF's Lara plant by recovering and storing rinse water between production processes, and through a rainwater collection system.

"I just felt that there was a much better way of doing these things," Russell says. "Sustainability was never the driver. I wanted to get a competitive advantage by doing things differently. The least cost option is quite often the most sustainable way of doing things for short and long-term benefits."

Russell Schroeter | Managing Director | SNF Australia | 03 5275 9214 | rschroeter@snf.com.au | www.snf.fr

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.





As a leader in science and technology, Dow believes in sound science and is proud of the contributions chemistry has made to humanity.



Dow Chemical is one of the world's largest global specialty chemical, advanced materials, agrosociences and plastics companies based in Michigan, with about 50,000 employees.

It makes more than 5000 products for water, food and pharmaceuticals to paints, packaging and personal care, and has customers in about 160 countries.

Dow was established in Australia in 1959 and operates manufacturing plants at Altona and Geelong. It imports and manufactures products for the chemicals and plastics industries and other sectors including agriculture, construction and mining.

Dow Chemical (Australia), which signed up to PACIA's Sustainability Leadership Framework in 2008, employs almost 300 people.

Big company helps develop the big picture

Dow employees worldwide have set 2015 Sustainability Goals, which range from strengthening community relationships around their sites, to solving some of the world's most pressing problems.

Each of the seven goals involves setting and meeting specific targets – for example, "achieve at least three breakthroughs that will significantly help solve world challenges".

Dow uses technology 'scouts' to source university programs that can complement the company's own business-related research.

Separately, the company provides significant funding for international research programs for which it expects no commercial benefit but which are integral to its operations and vision for the future.

As Ken Mirams, of Dow Chemical (Australia), says:

"Our own R&D is more applied to customers and projects and we recognise that outside private industry, R&D is much more pure and fundamental."

In Australia, the company established the Dow Sustainability Program, which brings together sustainability experts at the United States Studies Centre in the University of Sydney to develop innovative and viable solutions to issues such as climate, energy, water, food and biodiversity.

It collaborates with the Australian Institute for Bioengineering and Nanotechnology at the University of Queensland on sustainable sources for chemicals and improved energy storage systems, and with the University of New South Wales on groundwater remediation.

Dow is also a founding member of the Global Carbon Capture and Storage Institute, and is trialling carbon capture technologies in new and existing power stations.

At the local level, the company believes that sustainability depends on open communication with communities and integrates this into its site operations and responsibilities.

"Being credible and having mechanisms in place to communicate directly with the community is an effective and efficient way of running a manufacturing plant," Ken says.

At Altona, Dow has worked for many years with the Altona Complex Neighbourhood Consultative Group, which includes community members and authorities such as EPA Victoria and City West Water.

Dow works with the group by answering complaints, conducting open days and site visits, providing project-specific information bulletins and developing and reviewing the company's Environmental Health and Safety Improvement Plan.

The company's vision for the future is articulated through its community support including creating and funding a long-running science education program for 20 Australian schools.

Craig Arnold | Managing Director | Dow Chemical Australia and New Zealand | 03 9226 3666 | carnold@dow.com | www.dow.com

For further information please contact:

Sustainability Team
Plastics and Chemicals Industries Association
Level 10, 10 Queen Street, Melbourne Vic 3000
03 9611 5400
sustainability@pacia.org.au
www.pacia.org.au

Dow's vision for the future is articulated through its community support



In partnership with:

