

Veolia  
Environmental  
Services

Sustainability  
Covenant

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 **VEOLIA**  
ENVIRONMENTAL  
SERVICES

# Sustainability Covenant

This voluntary SUSTAINABILITY COVENANT is a statutory agreement under section 49AA of the *Environment Protection Act 1970* made on the 21st day of September 2007,

Between:

**ENVIRONMENT PROTECTION AUTHORITY OF VICTORIA**, ABN 85 899 617 894, a body corporate incorporated pursuant to the *Environment Protection Act 1970* (Victoria) of 40 City Road, Southbank, Victoria 3006 (EPA)

-and-

**VEOLIA ENVIRONMENTAL SERVICES (VES)**, ABN 20 051 316 584 a registered organisation of employers of Level 1 85 Buckhurst St South Melbourne 3205.

In which:

The parties commit to working together to support VES, its customer businesses and other Victorian businesses to move further towards sustainability. In entering into this sustainability covenant, it is agreed as follows:

- Activities will be undertaken by the parties that will-
  - o Increase the efficiency with which VES and its customers and other Victorian businesses use resources to produce products or services
- and
- o Reduce the ecological impact of those products or services and of the processes by which they are produced.
- EPA will provide financial resources to VES in accordance with the terms of this sustainability covenant in order to support the development and delivery of the aforementioned activities.
- VES accepts the financial resources supplied by EPA in accordance with the terms and conditions contained within this sustainability covenant.

EPA is of the opinion that this sustainability covenant is likely to be effective in increasing resource efficiency and reducing the ecological impact of the VES businesses, and industries that VES provides a service to and as such is a signatory to this sustainability covenant.

This Sustainability Covenant is constituted by the following text, and any future schedules or appendices attached to this document. These are to be read and construed as part of this Covenant and as conditions of this Covenant.

## Background

EPA's role towards the vision 'the Victorian community living sustainably' is to protect, care for and improve our environment.

The most recent estimate of Victoria's ecological footprint indicates that if everyone in the world lived the way Victorians currently do, we would need four planets to sustain the global community.

Recognising that Victoria represents the manufacturing hub of Australia, and provides goods and services both Nationally and Internationally our footprint is moderated a little.

However, Victoria is clearly a long way from 'living sustainably'.

To achieve this vision EPA invites open interaction, collaboration and sharing of knowledge with the Victorian community, including business and industry, peak industry representatives, other government agencies, NGOs and the general public, particularly those who are leaders in supporting innovation.

This partnership with Veolia Environmental Services is dedicated to supporting a leading organisation that is committed to environmentally sustainable practices, beyond the call of regulatory compliance. The relationship supports the introduction of technology that improves the efficiencies in the business and this in turn will benefit customer businesses.

Prescribed industrial waste (hazardous waste) is often produced from the manufacturing of goods and services that are consumed by the community on a daily basis and includes wastes with metal contaminants, oils and solvent based wastes and other chemical wastes. Victorian industry currently produces around 86,000 tonnes (2006 total) of hazardous waste each year. Most of this waste currently goes to landfill and the lifespan of these facilities is limited. The waste treatment industry services thousands of Victorian businesses regarding the suitable management and treatment of their industrial wastes prior to landfill, and specifically hazardous waste.

The relationship demonstrates an example of where the proceeds of the landfill levy, associated with hazardous waste disposal, is being re-invested to bring forward a business investment in technology and an enhanced service provision to further reduce the amount of hazardous waste and simultaneously reduce costs to the manufacturing sector.

The partnership aims to help make Victoria the first place in the world where the environment is routinely viewed as a business opportunity, not a business cost.

# Parties to the Covenant

## Veolia Environmental Services (VES)

Veolia Environmental Services is the waste management and industrial cleaning division of the world's largest environmental services company, Veolia Environment. VES works with the municipal, commercial and industrial sectors to satisfy people's essential daily needs and to improve the living environment.

The company's extensive range of services covers the full spectrum of solid and liquid waste (resource) management including:

- liquid and solid waste collection, recycling, treatment and disposal
- waste minimisation and recycling strategies
- prescribed waste collection and treatment
- contaminated soil remediation and recovery
- electronics waste collection and recycling

In addition, VES designs, builds and operates Material Recovery Facilities (MRFs), and Alternative Waste Treatment technologies in an ongoing commitment to sustainability through reduction of waste to landfill.

To VES, Sustainable Development means adopting business strategies and activities that meet the needs of VES and its stakeholders today while protecting, supporting and enhancing the human and natural resources that will be needed in the future. 'Our pursuit of sustainability has two key aspirations:

- Our Sustainability. We aspire to make our operations more sustainable. This means making changes that reduce the impacts of our operations on the environment and community whilst continuing to earn healthy profits

and

- Our External Contribution. We aspire to influence the behaviour of others. We build partnerships to help others adopt more sustainable practices, while they in turn may influence others. The ripple effect has significant potential for achieving community-wide sustainability.'

VES's mission is to be the leading provider of environmental services in Victoria.

VES's values are our staff commitment, customer service, environmental performance, innovation and pursuit of excellence.

## 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.

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 need 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

Traditionally, EPA and VES's interaction has focused on site based environmental impacts of the VES business, in order to ensure compliance with the *Environment Protection Act 1970*. This has translated into improved site based environmental performance, and greater interaction between EPA and VES.

EPA and VES recognise the importance of maintaining strong site based controls. However, modern social demands highlight a significant opportunity for EPA and VES to work together to achieve improved environmental outcomes.

This sustainability covenant enhances EPA and VES's ability to help achieve sustainability outcomes, and reduced hazardous waste disposal, across the Victorian Manufacturing sector through VESs' customer base. As such, EPA is committed to this sustainability covenant to assist industry and Victoria to progress towards sustainable business growth.

VES has committed to redeveloping its Brooklyn Treatment Facility and the upgrade will bring improved technology and management practices to the hazardous waste treatment industry. The redevelopment will include:

- A redevelopment of the existing hazardous waste treatment Brooklyn facility
- Sustainability features such as water recycling; and
- Future plans for energy savings and recovery

This sustainability covenant enables VES to drive and shape its own sustainability framework and assist VES customers and the wider Victorian business community to develop their own sustainability agenda in a public forum. It also enables EPA to provide statutory recognition for VES's leadership in the area of sustainability.



# Commitments of the Covenant

The following commitments are intended to achieve the overall objective of this Covenant. They are designed to maximise resource efficiency with VES customers and the VES hazardous waste treatment facility at Brooklyn and represent a joint commitment to the waste hierarchy (at the Veolia site and customer sites).

The specific commitments provide an illustration of the types of activities that will be undertaken and are not intended to be fixed actions for each year. It is expected that actions will evolve over the life of the Covenant. Specific actions undertaken will be reported as Annual Action Plans or agreed by Letters of Agreement, as per 'Management of the Covenant'.

General Commitments	Specific Commitments
VES and EPA will collaborate to deliver the beyond compliance upgrade components to the prescribed industrial waste treatment facility, Brooklyn	<ul style="list-style-type: none"> <li>Support the design and implementation of the site redevelopment</li> </ul> <p>Activities under this covenant may be subject to Works Approvals and other regulatory requirements. These will be followed as required by the <i>Environment Protection Act 1970</i>.</p>
EPA will provide a maximum of \$2 million AUD plus GST to VES to financially support activities and infrastructure which achieve the covenant objectives	<p>At the VES hazardous waste treatment facility, Brooklyn, these funds may be used:</p> <ul style="list-style-type: none"> <li>Towards the purchasing and installation of capital to upgrade the facility and support ongoing development and technology to:               <ul style="list-style-type: none"> <li>maximise resource recovery, reuse and recycling</li> <li>maximise efficiencies</li> <li>transform waste to energy, where this is the best use of the waste/resource</li> <li>significantly reduce the volumes of hazardous waste disposed to landfill (VES aspires to a minimum total of 32,000 tonne reduction of hazardous waste over five years)</li> <li>reduce the hazard level associated with the hazardous waste</li> <li>recycle water, recover stormwater and significantly reduce fresh water use by approx. 46% of current volumes</li> </ul> </li> </ul> <p>Funding support may not be used to meet regulatory changes or compliance based activities.</p>
VES international parent company has agreed to invest \$2.7 million to financially support activities and infrastructure which achieve the covenant objectives	This represents the majority share of the cost of the total capital investment requirement for the hazardous waste treatment facility, Brooklyn redevelopment.
VES commit to providing an enhanced service to waste generators - a 'whole-of-waste' service, reducing hazardous waste to landfill	<p>This commitment shares VES's expertise and knowledge with their customers regarding opportunities for avoidance and/or reduction of their hazardous waste at the customer's site. This commitment may include:</p> <ul style="list-style-type: none"> <li>actively educating industry (hazardous waste generators) on best practice waste management</li> <li>providing on-site audit advice to clients</li> <li>identifying and classifying waste streams. This will lead to segregation at source, reduced hazard of the waste and reduction of waste to landfill</li> </ul>
VES and EPA will promote the achievements of the covenant and the benefits of this initiative to the Victorian community	<ul style="list-style-type: none"> <li>Measure the success of the facility redevelopment</li> <li>Develop case studies</li> <li>Develop promotional material</li> <li>Deliver collaborative talks and presentations</li> </ul>

All activities will be mindful of and avoid where practical, any increases in greenhouse gas emissions, trade waste volumes and trade waste quality/contaminant levels and impacts managed within permit/licence limitations.

This government's financial support brings forward VES's investment in the site redevelopment, provides incentive and justification for future VES investments, and demonstrates the commitment by the Victorian State government to eliminating hazardous waste disposal.

Expenditure by VES incurred relevant to this covenant will be acquitted against the budget and verified. EPA reserves the right to audit the reports or operations of VES in relation to the program.

Any monies underspent against budget on completion of the project will be returned to EPA, or by agreement of both parties reallocated to other identified activities.

# Management of the Sustainability Covenant

The parties of the Covenant will be jointly responsible for the management of the overarching performance of the Covenant. The parties will jointly liaise to agree any actions relevant to the achievement of the commitments. These actions may then be formalised outside of the Covenant through arrangements such as Annual Action Plans or Letters of Agreement.

The parties will liaise yearly to review the progress of the Covenant and the implementation of the commitments to identify any additional and/or replacement actions required, or any future focus required including, if appropriate, the relationship of the parties beyond the life of the Covenant.

The parties to the Covenant will report following each review covering the achievements of each Covenant commitment along with any lessons learned and anticipated future actions to be undertaken. These reports will be made available to all stakeholders via the websites of the parties.

## Life of the Covenant

This Sustainability Covenant will be in place for a period of five years. This period may be extended if agreed by both parties.

## 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 Information



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