

ENFORCEABLE UNDERTAKING

The commitments in this undertaking are offered to the Environment Protection Authority by:

CSF Proteins Pty Ltd (ACN 000 499 918)

Of: 1- 9 Merino Street, Laverton, VIC, 3026

DEFINITIONS

1. In this Undertaking:
 - the **Act** means the *Environment Protection Act 2017* (Vic);
 - the **Allegations**, refers to the allegations as set out in paragraphs 18 - 29 of this Enforceable Undertaking;
 - **CSF** means CSF Proteins Pty Ltd (ACN 000 499 918);
 - **EPA** means the Environment Protection Authority Victoria;
 - Enforcement Proceedings means any action under Chapter 10 and 11 of the Act in respect of the Allegations.
 - **facility** means CSF's premises located at 1- 9 Merino Street, Laverton North, Victoria, 3026;
 - **Licence** means EPA licence 1496 held by CSF for scheduled category D02 (rendering) at the facility;
 - **GED** means the General Environmental Duty which is provided for by section 25 of the Act;
 - this **Enforceable Undertaking** means this enforceable undertaking offered by CSF and accepted by EPA pursuant to section 300 of the Act;
 - the **Undertakings**, refers to the undertakings set out in paragraph 29 which are provided by CSF in respect of the Allegations.

BACKGROUND

EPA's role

2. EPA is a statutory body created by the Act, which has primary responsibility for the administration and enforcement of the Act.
3. Pursuant to section 357 of the Act, EPA's objective is to protect human health and the environment by reducing the harmful effects of pollution and waste.
4. EPA's functions, pursuant to section 358 of the EP Act, include:
 - to identify, assess and monitor risks of harm to human health and the environment;
 - to respond to harm and risks of harm to human health and the environment;
 - to promote the prevention of harm, and the elimination and reduction of risks of harm,

- to human health and the environment from pollution and waste;
- to administer the provisions of the EP Act relating to waste; and
- to promote, monitor and enforce compliance with the EP Act

Enforceable Undertakings under the Environment Protection Act 2017

5. Pursuant to section 300 of the EP Act, EPA may accept an enforceable undertaking from a person in connection with —
 - any matter EPA has a function in relation to by operation of the EP Act or the Environment Protection Regulations 2021 ('the Regulations'), or any other Act or the Regulations made under any other Act; or
 - any matter EPA has a power over by operation of the EP Act or the Regulations, or any other Act or the Regulations made under any other Act
6. Accordingly, EPA may accept an Enforceable Undertaking for any matter where it has a function under the Act or the Regulations. An Enforceable Undertaking under the EP Act is not simply considered by EPA as an alternative to criminal prosecution or civil proceedings. Rather, an Enforceable Undertaking should assist to implement systemic change and to ensure that a duty holder meets their legal obligations to prevent any future breaches of the law.
7. EPA will consider accepting an Enforceable Undertaking where:
 - the person or company takes active responsibility for the issue or the offence and its impacts;
 - it's the most appropriate form of response given the nature of the issue or offence and compliance history of the person; and
 - it will achieve an outcome that's at least comparable to the results of a civil proceeding or prosecution.

Details of the incident

8. CSF operates an animal rendering facility in Laverton North, Victoria.
9. In January 2022, EPA received pollution reports from suburbs around Laverton North, concerning the emission of offensive odours from CSF's facility from members of the public. EPA's odour expert noted in late January 2022 there had been a spike in odour reports attributable to CSF Proteins. There had been 4 odour reports in November 2021, 7 in December, 2021 followed by 44 in January 2022.
10. EPA investigated those reports and was able to trace odour from Sunshine West to CSF's facility on 25 January 2022.
11. EPA observed a large volume of highly degraded and extremely odorous material, including chicken carcasses, in the main raw material receival building at the facility. EPA also observed that a door to this raw material receival building remained open for at least 5 minutes with no trucks entering.
12. EPA observed that the biofilter at the facility had uneven flow distribution across the 10 cells

with most of the flow going to the new refurbished cells, causing the high temperature and breakthrough of partially treated and untreated odours. Media in six of biofilter cells was observed to be broken down and compacted.

13. EPA alleges that the cause of the incident was the escape of fugitive dead animal and rendering odours from the main receival hall and main plant building due to the buildings not being under sufficient negative pressure. Additionally, the odour was exacerbated by a heatwave at the time.
14. EPA subsequently reviewed odour monitoring data produced by CSF relating to the potential emission of offensive odour beyond the boundary of the facility for the period 1 July 2021 to 25 January 2022. EPA found that there was no record in the monitoring data of any instance in which odour was detected at the boundary of the facility for this period.

ALLEGED CONTRAVENTIONS

15. EPA alleges that contrary to section 63(1) of the Act, CSF discharged odour beyond the boundary of the premises in contravention condition LI_A1 of its Licence. Condition LI_A1 of the Licence states *"You must ensure that odours offensive to the senses of human beings are not discharged, emitted or released beyond the boundaries of the premises."*
16. EPA specifically alleges that on 25 January 2022, EPA officers detected dead animal and rendering odours in Sunshine West and traced these odours to CSF's facility.
17. EPA further alleges that contrary to section 63(1) of the Act, CSF failed to implement a monitoring program that enabled you and EPA to determine compliance with condition LI_A1 of its Licence, in contravention of condition LI_G5 of its Licence. Condition LI_G5 of the Licence states: *"You must establish and implement a risk based monitoring program that enables you and EPA to determine compliance with each condition of this licence. The monitoring program must comply with the requirements of the monitoring guidelines (EPA document 1321.2, released June 2011)."*
18. EPA specifically alleges that between 1 July 2021 and 25 January 2022, CSF Proteins failed to implement quality control measures for data collected as part of the boundary odour monitoring program at the facility that complied with the requirements of the monitoring guidelines (EPA document 1321.2).
19. Section 63(5) of the Act provides that an offence under section 63(1) of the Act is an indictable offence. The maximum penalty for a body corporate for a proven offence is 10,000 penalty units (\$1,817,400).¹
20. EPA also alleges that CSF failed to comply with its obligations under the GED.
21. EPA specifically alleges that in relation to the January 2022 incident, CSF failed to comply with the GED by failing to minimise the risks of offensive odours from its facility having impacts on the surrounding community and environment, so far as was reasonably practicable.
22. To support its allegations, EPA relies on section 25(4)(a), (c) and (d) of the Act which provide that a person who is conducting a business or an undertaking contravenes the GED if the person fails to do any of the following in the course of conducting the business or the undertaking, so far as reasonably practicable:
 - use and maintain plant, equipment, processes and systems in a manner that minimises risks of harm to human health and the environment from pollution and waste;
 - use and maintain adequate systems to ensure that if a risk of harm to human health

¹ At the relevant time, a penalty unit was valued at \$181.74.

or the environment from pollution or waste were to eventuate, its harmful effects would be minimised; and

- ensure that all substances are handled, stored, used or transported in a manner that minimises risks of harm to human health and the environment from pollution and waste.

23. In summary, EPA alleges that, CSF failed to have appropriate systems and processes in place to store, handle and use the highly degraded material received at the facility in ways which minimised the risk of harm from fugitive offensive odours emitted from the facility, a breach of the GED, which ultimately led to the incident in January 2022.
24. Section 25(2) of the EP Act provides that a person commits an offence if the person contravenes section 25(1) in the course of conducting a business or an undertaking. Section 25(3) of the EP Act further provides that the offence is an indictable offence. The maximum penalty for a body corporate for a proven offence is 10,000 penalty units (\$1,817,400).
25. Further, Section 314 of the EP Act provides that both sections 25(1) and 63(1) are civil penalty provisions, rendering a body corporate liable for a maximum civil penalty of 10,000 penalty units (\$1,817,400) for a proven contravention of each of these offences.
26. CSF wishes to address the Allegations and the impact of its actions through entering into this Enforceable Undertaking.

KEY OBJECTIVES OF THIS ENFORCEABLE UNDERTAKING

27. This Enforceable Undertaking is a binding agreement that aims to:
- improve CSF's overall compliance with its obligations under the Act;
 - update and improve CSF's facility;
 - update and improve CSF's systems and processes; and
 - deliver benefits to the environment and local community.

UNDERTAKINGS

28. In accordance with section 300 of the Act, and acknowledging the Allegations, CSF offers the following undertakings as an alternative to other Enforcement Proceedings:
- 28..1. Complete the capital expenditure provided for in Annexure A, by 30 November 2025 (**Capital Works**);
- 28..2. Upon notification to the EPA by CSF of completion of the Capital Works, the EPA will review the Capital Works within 30 days.
- 28..3. Complete the further opportunities for optimisation identified in the June 2025 Odour Investigation Assessment prepared by a suitability qualified third party in response to a request from the EPA as follows:
- Minimization of ground-level fugitive emission release from all process buildings/areas;
 - Improve air quality within the building airspace from all

process buildings/areas; and

- Adequate and sustainable treatment of the incoming inlet air to the biofilter system to an outlet level of 1,000 ou or less;

(together the **Assessment Work**).

- 28..4. Upon notification to the EPA by CSF of completion of the Assessment Work, the EPA will review the Assessment Works within 30 days.
- 28..5. Engage a suitably qualified person to create an Odour Monitoring Plan on or before 30 November 2025 (**Plan**).
- 28..6. Upon notification to the EPA by CSF of completion of the Odour Monitoring Plan, the EPA will review the Plan within 30 days.
- 28..7. The Plan should be designed to operate as a field ambient odour assessment that includes odour intensity, odour character, odour frequency, extent of odour plume and likely source of odour detected near and far-field from the CSF facility's boundaries over the warmer months in late 2025 and early 2026.
- 28..8. Provide to EPA the results of the Odour Monitoring Program completed in accordance with 28.5. These results must have been reviewed by an EPA appointed auditor acting in a consultant capacity, to conduct an independent third-party review of CSF's compliance with the Odour Monitoring Program. The results must be submitted to the EPA appointed auditor by CSF by 30 April 2026, allowing the EPA appointed auditor time for review, with final submission of results to the EPA by 15 June 2026.
- 28..9. Implement a community engagement plan from, 10 November 2025 to 12 December 2025, including but not limited to:
- Publicising the facility's complaint process for odour in residential areas previously impacted by offensive odour from the facility (Sunshine, Sunshine West, Altona North) such as by letterbox drop or advertising in local media or on its website;
 - Implementing a procedure for investigating community complaints relating to potential odour emissions from the facility, and for recording findings and outcomes in the environmental management system for the facility;
 - Upon notification to the EPA by CSF of completion of the community engagement plan, the EPA will review the plan within 15 days.
- 28..10. Provide a monetary contribution for the enhancement or benefit of the local community and the environment in the amount \$50,000 to the 'Friends of Kororoit Creek' to support rejuvenation of the creek's corridor in Sunshine West.
- 28..11. The payment provided for above must be made by 30 November 2025 and evidence of the payment must be provided to EPA within 7 days after it is made.
- 28..12. Publish a notice in the news section of the Victorian Waste Management Association website and in, The Brimbank and North-West Star Weekly. This notice must:

- Only consist of the wording which is specified in Annexure B and must not be altered nor supplemented by any additional text, markings or images;
- Include all bolded, centred, capitalised and underlined text as they appear in Annexure B, and;
- Be published within 30 days of the date of the agreement of this undertaking.

STATEMENT OF RESPONSIBILITY AND REGRET

29. CSF takes active responsibility for its conduct as described by the Allegations.

CSF regrets any conduct that was contrary to (1) the general environmental duty, by failing to minimise the risks of offensive odours from its facility having impacts on the surrounding community and environment, contrary to s.25(4)(a),(c) and (e) of the Act, and (2) its Licence condition to ensure that odours offensive to the senses of human beings are not discharged, emitted or released beyond the boundaries of the premises, contrary to s.63(1) of the Act and the impacts of these breaches to the community.

COMMENCEMENT AND DURATION OF THIS ENFORCEABLE UNDERTAKING

30. This Enforceable Undertaking must be executed by an officer or agent of CSF who is duly authorised to enter into legal agreements on behalf of CSF.

31. This Enforceable Undertaking comes into effect on the date that an executed copy of this undertaking is accepted by EPA (or an authorised delegate).

32. Upon the acceptance of this Enforceable Undertaking by EPA:

- for all purposes, the date endorsed by EPA in the execution section of this undertaking is to be taken as the commencement date of this Enforceable Undertaking; and
- an accepted copy of this Enforceable Undertaking bearing that date will be provided to CSF.
- The Enforceable Undertaking remains in force until written communication has been received by CSF from EPA, confirming that the undertaking's contained therein have been met.
- To the extent any recommendations are made by the EPA in connection with this Enforceable Undertaking and/or the activities to be carried out by CSF in paragraph 28, they will be addressed by CSF and EPA separately.

ACKNOWLEDGEMENTS

33. The parties acknowledge that in January 2022:

- Victoria was in the midst of unprecedented COVID crisis controls;
- Capacity in the Victorian and NSW poultry industries to process poultry was significantly limited;

- Demand for animal rendering services at CSF's Laverton North facility was significantly increased; and
- At the time, the main alternative to rendering was sending carcasses to landfill.

34. The parties acknowledge that January 2022, and following the incidents referred to in this Enforceable Undertaking CSF has:

- Carried out capital projects worth \$6.5m to reduce odour risk at the facility; and
- Has co-operated with the EPA in relation to this issue.

35. CSF understands, accepts and acknowledges that:

- EPA will register this Enforceable Undertaking in its register of undertakings and will make a copy of this Enforceable Undertaking available to the public on its website;
- EPA may publicly refer to this Enforceable Undertaking;
- if EPA considers that CSF has contravened any of the terms of this Enforceable Undertaking then, without limiting any other available enforcement action, relief or remedy, EPA may make an application to a Court for an enforcement order pursuant to section 301 of the EP Act, seeking any of the remedies specified by section 301(2) of the EP Act;
- this Enforceable Undertaking in no way derogates from the rights and remedies which may be available to any other person (including any other regulatory agency or body), including but not limited to, the right to pursue compensation in relation to the conduct of CSF which is the subject of this Enforceable Undertaking;
- this Enforceable Undertaking in no way derogates from the rights or remedies available to any person or entity (including EPA and any other regulatory agency or body) arising from any future conduct of CSF after the commencement date of this Enforceable Undertaking; and
- this Enforceable Undertaking in no way derogates from the obligations and duties of CSF, its officers, employees and agents to otherwise fully comply with the provisions the EP Act and all other applicable laws.

36. CSF and EPA understand, accept and acknowledge that:

- CSF may withdraw from, or vary, this Enforceable Undertaking with the consent of EPA;
- While this Enforceable Undertaking remains in force, EPA must not commence Enforcement Proceedings for an offence or contravention that is constituted by the contravention or alleged contravention that this Enforceable Undertaking is given in relation to;
- pursuant to section 304 of the EP Act, if CSF withdraws from this Enforceable Undertaking before EPA is satisfied that it has been complied with, EPA may commence appropriate proceedings for any offence that is constituted by the contravention or alleged contravention that this Enforceable Undertaking is given in relation to;
- if EPA is satisfied this Enforceable Undertaking has been complied with, EPA must not commence Enforcement Proceedings for an offence or contravention that is constituted by the contravention or alleged contravention that this Enforceable

Undertaking is given in relation to;

- upon the expiration of this Enforceable Undertaking, EPA may provide, and the CSF may request, written confirmation from EPA as to CSF's compliance and release from the requirements of this undertaking; and
- despite the expiration of this Enforceable Undertaking, to promote the interests of justice and to educate the community and other industry participants, EPA may do any of the following:
 - 36..1. continue to make a copy of this Enforceable Undertaking available to the public on its website; and
 - 36..2. publicly refer to this Enforceable Undertaking.

SIGNED for and on behalf of **CSF Proteins Pty**
Ltd (ACN 000 499 918) by its)
authorised representative:)



Signature

Quinton Hildebrand

Name of Representative

Managing Director and CEO

Position

Date: 29/10/2025

Accepted by the Environment Protection Authority under section 300 of the *Environment Protection Act 2017* by its Chief Executive Officer:



Chief Executive Officer of the Environment Protection Authority

Date: 7 / 11 / 2025

ANNEXURE A

CAPITAL EXPENDITURE

Roofing:

Upgrade to roofing with a capital cost of \$750,000 - to be completed by 30 November 2025.

Feather Control Upgrade:

Installation of an automated damper. This will better balance air demand throughout the system by updating PLC controls. Capital cost of \$250,000 – to be completed by 30 November 2025.

Replacement of 5 raw material bin rapid roller doors:

Capital cost of \$216,000 – to be completed by 30 November 2025.

ANNEXURE B

PUBLIC NOTICE

CSF PROTEINS PTY LTD ENTERS ENFORCEABLE UNDERTAKING WITH EPA VICTORIA

CSF Proteins Pty Ltd, a subsidiary of Ridley Corporation Limited, operator of an animal proteins and oils company in Laverton North, Victoria, has entered into an enforceable undertaking with the Environment Protection Authority Victoria, committing, amongst other things, to contribute \$50,000 to Friends of Kororoit Creek community group.

CSF Proteins has agreed to the terms of the undertaking and takes active responsibility for any conduct that constitutes:

- Failing to comply with an EPA licence condition in January 2022, requiring that offensive odours to the senses of human beings are not emitted beyond the boundary of the premises;
- Failing to implement a monitoring program that would enable compliance with the above licence condition to be determined by CSF Proteins and EPA between 1 July 2021 and January 2022; and
- Failure to comply with the General Environmental Duty in January 2022, owed under s25 *Environment Protection Act 2017*, by failing to minimise the risk of offensive odours from its facility having impacts on the surrounding community and environment, so far as was reasonably practicable.

Over a period of three months in late 2021 through to early 2022, EPA received reports from the community about offensive odour, of the kind consistent with deceased animals and rendering processes, traced to a CSF Proteins site in Laverton North. Investigation by EPA revealed issues with the biofilter implemented on site and escape of odour due to the insufficient negative pressure in the buildings where animals were being processed.

Members of the public can report pollution by calling EPA's 24-hour hotline on 1300 372 842 or providing details online at epa.vic.gov.au/report-pollution/reporting-pollution

This public notice is published and paid for by CSF Proteins Pty Ltd, in accordance with the terms of the undertaking entered into.