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Submission to Australian Packaging Covenant

Five - year Action Plan 2011 - 2015

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Executive Summary

This action plan is Synnex Australia Pty Ltd (as Synnex Australia below)'s first action plan after it has committed to join the Australian Packaging Covenant (APC) in September 2010. It covers the strategy for the period from Oct 2010 to Sept 2015 (5 years).

Before this, Synnex Australia was a signatory to the National Packaging Covenant (NPC) since September 2007, committing to the full requirement of NPC by action plan submission and yearly reporting.

In this new five-year rolling action plan, Synnex has outlined actions and activities to support achievement of the 3 goals and 8 KPI's of the covenant. Subsequent to this action plan, Synnex will report annually against the actions outlined in the plan.

While perusing this document, it is critical to acknowledge that Synnex Australia occupies a **brand owner* position in the commodities supply chain only by definition of NPC. Synnex Australia, being the first importer of a number of IT product brand names, is not involved in the manufacturing and packaging of these products. On the other hand, when the original packaging is reduced for distribution of goods to resellers, a process of repackaging is initiated which is under our governance and control. As a result, it is the latter re-packing practice in our business that we are able to effectively incorporate specific measures for the implementation of sustainable packaging guidelines (SPG's).

(* **brand owner** : In case of a product which has been imported, the first person to sell that product in Australia – by definition of the NPC)

1. Company Overview

1.1 Profile

Synnex Australia is a global IT Supply Chain services company and is among the top IT distributors in the Australian market. Synnex imports and distributes quality computer products, peripherals and components to its resellers.

Synnex Australia is endorsed under ISO 9001:2008. It services all businesses in the IT industry including Small and Medium Enterprises Resellers, System Integrators, Computer Retailers, Original Equipment Manufacturers, Corporate Retailers, National Retailers and Value Added Resellers.

Synnex Australia differentiates itself from its competitors by its expertise in Supply Chain Management (SCM). In addition, the strategic implementation of just in Time Delivery (JIT) offers scheduled deliveries and an efficient Return Authorization (RA) service provides rapid warranty replacement. Superior SCM also ensures inventory is available and items are current.

1.2 Position in the packaging supply chain

As it relates to the Covenant, Synnex Australia occupies a *brand owner* position in the packaging supply chain purely by definition, under the previous National Packaging Covenant. Synnex is the "first importer" of some of the leading of IT product brands, like Intel, Seagate, Asus, Western Digital, Kingston, etc.

1.3 Environmental policy

As a distributor of consumer IT products with extensive network in Australia, Synnex Australia holds the vision that proper management of global resources and protection of the environment are crucial for the long term prospect and development of self and of the industry. Synnex Australia also recognizes its position in the discharge and obligation of good environmental practices.

To this, it is the strategic vision of Synnex Australia to:

- Avoidance / Prevention of practices leading to contamination/pollution to Australia land, air and water environment.
- Be compliant with Australian environmental regulation, code of conduct, and other standard practices of trade in relation to sustainability of the environment
- Optimize own packaging sku's to use resources efficiently and reduce environmental impact.

- Efficiently collect and recycle packaging
- Continually improve at all levels of operations to maximize benefits from the considerations of environmental and operation efficiency

1.4 State-wide Offices of Synnex Australia Pty Ltd

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1.5 Contact Window

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2 Action Plan – Overview, Strategies and Timeline

2.1 Overview

Synnex Australia, being the first importer of a number of IT product brand names, is not involved in the manufacturing and packaging of these products, thus having restricted control over the packaging means of overseas manufacturers. Given such, many of our suppliers, however, are world renowned corporations like Intel, Microsoft, Seagate, Western Digital, Kingston, etc. do commit themselves by alternate guidelines and protocols similar to the local sustainable packaging guidelines (SPG's).

However, when the original packaging is reduced in our warehouse for distribution of goods to resellers, a process of re-packaging is initiated under direct control of Synnex Australia. To make effective use of manpower and resources, Synnex will commit fully in the re-packing process by implementation of specific packaging measures following the SPG's.

In addition, to reduce the impact of litter materials resulted from the breakdown/reduction of container goods, Synnex will evaluate regularly its existing recovery systems, aiming at yearly improvement in recovery weights of packaging materials collected.

2.2 Strategies

A. Performance Goal (Design) – optimise packaging to achieve resource efficiency and reduce environment impact without compromising product quality and safety

- Setting up a Packaging Review Team
- Identify all packaging materials procured by Synnex Australia.
- Identify the recycle-able nature of the materials procured.
- Identify all existing packaging sku's of Synnex Australia.
- Review all packaging sku's and scope for improvement against SPG's,
- Establish a Buy-recycled policy for procurement of all packaging materials.
- Providing and compare yearly consumption weights, with reference to total import value.

B. Performance Goal (Recycling) – efficient collection and recycling of packaging

- Identify all types of packaging materials collected on-site due to breakdown/reduction of container goods.
- Identify types of recovery system on-site.

- Review scope for recovery improvement.
- Providing yearly recovery weights, with reference to total import value.

C. Performance Goal (Product stewardship) – a demonstrated commitment to product stewardship by the supply chain and other signatories

- Implement a docmented policy to review all packaging sku's(of own) against SPC (similar to A above)
- Regularly review Suppliers (Top suppliers which account for 80% of our imported values) of their commitment to sustainable packaging, eg. employing alternative guidelines.

2.3 Timeline

Performance Goal	Outcomes	1st Year (by Oct 2011)	2nd to 5th Year
A. Design	Setting up a Packaging Review Team	To be Achieved	Report change of constitution as happen
	Identify all packaging materials procured	To be Achieved	Quarterly review and report of findings
	Identify the recycle-able nature of procured packaging materials	To be Achieved	Quarterly review and report of findings
	Identify all existing packaging sku's	To be Achieved	Quarterly review and report of findings
	Review packaging sku's against SPG	To be Achieved	Quarterly review and report of findings
	Establish a Buy-recycled policy	To be Achieved	Half-yearly review and report of findings
	Providing yearly consumption weights of all procured packaging materials	To be Achieved (Baseline data for yearly reporting)	On-going reporting, aim at reducing consumption by 2% annually against import value
	Record Management / Documentation	To be Achieved	On-going
B. Recycling	Identify packaging materials being collected on-site	To be Achieved	Quarterly review and report of findings
	Identify types of recovery system on-site	To be Achieved	Quarterly review and report of findings
	Provide yearly recovery weights from on-site recovery	To be Achieved (Baseline data for yearly reporting)	On-going reporting, aim at increasing recovery by 2% annually against import value
	Record Management / Documentation	To be Achieved	On-going
C. Product Stewardship	Regularly review suppliers (Top suppliers which account for 80% of our imported values) of their commitment to sustainable packaging, eg. employing alternative guidelines	To be Achieved	Half-yearly review and report of findings
	Record Management / Documentation	To be Achieved	On-going

3 Record Management and Audit

The following document/record will be maintained and updated by Synnex Australia for validation/audit.

- 1. Structure and responsibility of Packaging Review Team
- 2. Quarterly review meetings of packaging materials procured
- 3. Quarterly review meetings of recycle-able nature of packaging materials procured
- 4. Quarterly review meetings of existing packaging sku's
- 5. Quarterly review meetings of packaging sku's against SPG's
- 6. Document policies and procedures on review of packaging sku's
- 7. Half-yearly review meetings of Buy-recycled policy applicable to suppliers of packaging materials
- 8. Yearly consumption weights of all procured packaging materials
- 9. Yearly change in consumption weights of all procured packaging materials
- 10. Quarterly review meetings of packaging materials being collected on-site
- 11. Quarterly review meetings of types of recovery system on-site
- 12. Yearly recovery weights from on-site recovery
- 13. Yearly change in recovery weights from on-site recovery
- 14. Half-yearly review of overseas suppliers (Top suppliers which account for 80% of imported value) of their commitment to sustainable packaging, eg. employing alternative guidelines
- 15. Other relevant data/information deemed necessary

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