

IBM Packaging Stewardship Action Plan for Australia 2011 to 2015



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1.0 Executive Message of Commitment

IBM is committed to environmental affairs leadership in all of its business activities from its operations to the design and use of its technology. When it comes to packaging our products, we believe we have a responsibility to design packaging that minimises adverse impacts on the environment. IBM is proud to have been a voluntary signatory to the Packaging Covenant since 2000. Through better design IBM promotes more efficient use of packaging materials and their recovery, reuse and recycling, as is clearly demonstrated in this action plan.

Collective efforts and innovations assist our business and support our clients' efforts to drive improvements in operational efficiency and protection of the environment.



Andrew Stevens
Managing Director
IBM Australia
and New Zealand




Suzanne Kerwan
Executive Sponsor
for the Environment



2.0 Overview

IBM is committed to environmental affairs leadership in all of its business activities from its operations to the design and use of its technology.

This is the third action plan prepared by the company. The IBM Packaging Stewardship Action Plan, 2011 – 2015 outlines how we will continue to meet our voluntary commitments agreed to under the Australian Packaging Covenant (APC).

IBM has been a voluntary signatory to the National Packaging Covenant in Australia since the year 2000. At that time other participants were primarily from the food and beverage industries and packaging suppliers. IBM has chosen to continue this long term association by joining the Australian Packaging Covenant, which is a co-operative arrangement between Government and Industry.

IBM participates in the Australian Packaging Covenant (APC) on a voluntary basis to identify, incorporate and implement relevant sound environmental management practices for protective product packaging for local operations and to work cooperatively within our immediate supply chain (i.e., clients and suppliers) to help incorporate the principles of the APC across our business in Australia and New Zealand.

IBM Australia is classified under the APC, and for the purposes of industry contributions to the funding arrangements, as a "Brand Owner/Packaging User".

IBM has prepared two previous action plans to help focus attention on protective product packaging for its operations in Australia and to make best use of the corporate environmental programs on protective product packaging. The two previous submitted plans listed below are available on the environmental affairs Web site at <http://www.07.ibm.com/ibm/au/environment/packing.html>

1. **IBM Packaging Stewardship Action Plan, 2001 – 2004**, was developed according to the National Packaging Covenant, Mark I. An extension of this plan was approved for 2005 by the NPC Council.
2. **IBM Packaging Stewardship Action Plan, 2006 – 2010**, was prepared to meet the expanded requirements of the National Packaging Covenant, Mark II. Mark II has broadened its scope to address packaging beyond kerbside recycling to away from home initiatives and included specific industry targets, including diverting from landfill and recycling

of packaging materials such as paper & cardboard, liquid paperboard, glass, aluminium and plastics.

The objective of the APC is to minimise the overall environmental impacts of packaging by pursuing the following specific performance goals:

1. **Design:** packaging optimised to achieve resource efficiency and reduced environmental impact without compromising product quality and safety.
2. **Recycling:** the efficient collection and recycling of packaging.
3. **Product Stewardship:** a demonstrated commitment to product stewardship by organisations in the packaging supply chain and other signatories.

IBM has developed and will be implementing specific actions to support the key performance indicators (KPI) associated with the industry-wide targets for KPI 1 for goal one of the APC; KPI's 3 and 4 for goal two; and KPI's 6 and 7 for goal three. The actions to be progressively implemented over the next five years are presented in Appendix A of this report.

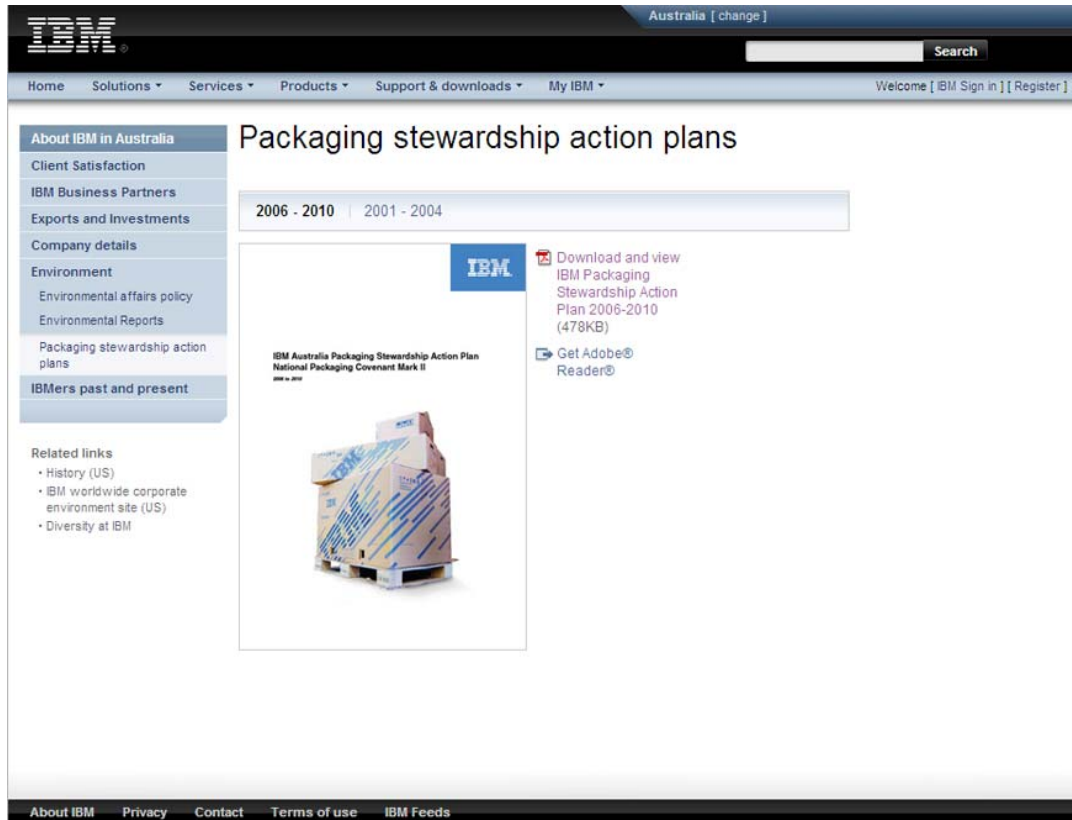
2.1 Company Background

IBM is a global technology and innovation company that stands for progress. With operations in over 170 countries, IBMers around the world invent and integrate hardware, software and services to help forward-thinking enterprises, institutions and people everywhere succeed in building a smarter planet.

With a 78 year history in Australia, IBM has been applying its expertise, global scope and creativity to help Australia compete in the global digital economy. We also lead the market in exporting \$A592 million of software, services and human capital to the Asia Pacific region.

By working with major government departments, large Australian companies and equipping a legion of entrepreneurs, IBM makes a significant contribution to the Australian economy. Each year, IBM creates high value jobs by investing in research and development both in metropolitan and regional Australia. In 2009, IBM Australia Limited generated revenues of \$A4.17 billion, and a profit of \$240 million.

For more information about IBM, please visit <http://www.ibm.com/ibm/au/en/>



Caption: Public can access IBM’s packaging stewardship action plans on the internet.

2.2 Environmental Management System

IBM has a long history of environmental leadership. The company's corporate policy on environmental protection, first established in 1971, is supported by a comprehensive global environmental management system that governs IBM's operations worldwide.

IBM's long-standing recognition of the importance of protecting the environment arises from two key aspects of its business. The first is the intersection of the company's operations and products with the environment. The second is the enabling aspects of IBM's innovation, technology and expertise.

To identify and effectively manage the potential environmental impact of IBM's operations, IBM established, and has maintained, a strong worldwide environmental management system (EMS) for decades. It is a vital element in the company's efforts to achieve results consistent with environmental leadership.

IBM's environmental affairs policy provides the strategic framework for the company's environmental management system and environmental affairs objectives. These objectives address areas such as workplace safety, the conservation of energy and other natural resources, environmental protection, and the development and manufacture of environmentally conscious products.

This policy is supported by corporate instructions, practices and standards that govern IBM's worldwide operations and are basic to its environmental management programs. These documents cover areas such as: chemicals, waste and energy management; environmental evaluation of suppliers; incident prevention, preparedness, response and reporting; environmental impact assessment for real estate transactions; and product stewardship which includes protective product packaging.

ISO 14001: EMS accreditation

In 1997, IBM became the world's first major multinational to have earned a single worldwide registration to the international standard, ISO 14001 Environmental Management System. The registration covered IBM's manufacturing, product design and hardware development operations across its business units worldwide. IBM has since expanded its global ISO 14001 registration to include its chemical-using research locations, several country organisations covering their nonmanufacturing locations, for example, IBM Australia.

More information about IBM's EMS and programs supporting its environmental objectives may be found at <http://www.ibm.com/ibm/environment/ems/>.

Working with suppliers

IBM is committed to doing business with environmentally responsible suppliers. Managing a supply chain with more than 28,000 suppliers in close to 90 countries is both a business and social imperative, and it is not without its challenges. Engaging this many suppliers in environmental responsibility requires considerable resources, but IBM has embedded environmental checkpoints into every aspect of our procurement process and has for many years. We believe that environmental responsibility is integral to producing world-class products.

IBM continues to expand the definition and scope of a responsible supply chain. We have also engaged closely with our industry peers through the Electronic Industry Citizenship Coalition (EICC) in efforts to minimize adverse effects on the community, the environment, and the world's natural resources--while safeguarding the health and safety of the public. In 2010, we announced a major initiative to create a consolidated Global Supply Social and Environmental Management System (GS S&EMS).

Our GS S&EMS requires all IBM suppliers to have a corporate responsibility and environmental management system of their own and that suppliers require the same of those upstream suppliers who perform work material to the goods and services provided to IBM. In summary, the requirements are for IBM suppliers to:

- define, deploy, and sustain a management system that addresses corporate responsibility;
- measure performance, and establish voluntary, quantifiable environmental goals;
- publicly disclose results associated with these voluntary environmental goals and other environmental aspects of their management systems.

This is a requirement of doing or continuing to do business with IBM. Our objective is to help suppliers build/enhance their capability to manage their responsibilities effectively, systematically, and sustainability over the long-term. Being associated with socially or environmentally irresponsible suppliers creates unacceptable business risks to both the brand and the company's bottom line.

3.0 Environmental Requirements for Protective Product Packaging

IBM has a well established set of global environmental requirements for product packaging as is presented in this section of the report. These requirements align well with the intent of the Sustainable Packaging Guidelines to ensure new packaging is designed and periodically evaluated to ensure:

- Fit-for-purpose meeting technical performance specifications, consumer expectations, legal compliance requirements and minimises supply chain costs;
- Resources are used efficiently;
- Low-impact materials are considered through elimination of potentially hazardous and toxic materials and use of renewable and recyclable materials;
- Resource recovery is maximised and impacts of disposal are minimised.

Relevant existing and new suppliers of packaging materials for hardware and parts to be put on the market for client use are required to register and certify against IBM environmental protective product packaging requirements. Supplier training is provided as part of this process.

IBM has had a corporate program focused on the environmental attributes of its product packaging since the late 1980s. Under the program, IBM packaging engineers design solutions that minimise toxic substances and packaging waste by specifying nontoxic materials and inks, keeping packaging to a minimum while continuing to provide protection to the product being shipped to clients, collaborating with suppliers to use recycled content and recyclable materials and promoting reuse.

IBM's environmental requirements for packaging are included in its Environmental Packaging

Guidelines, first published in 1990 and updated as needed over the years. Key elements of IBM's Packaging Guidelines have also been embedded in various engineering specifications and procurement documents, which extend their reach beyond IBM to include its supply chain and other business partners. These key documents listed below, may be found on the Internet at:

www.ibm.com/procurement/proweb.nsf/ContentDocsByTitle/United+States~Information+for+suppliers

- Engineering Specification G48655: Packaging and Handling, Supplier and Interplant Requirements
- ES 5897660: Packaging Materials, Essential Requirements, Restricted Heavy Metals and Other Substances of Very High Concern, 2010
- ES Recyclable Packaging Materials – Selection and Identification, 2008
- ES Expanded Packaging Materials – Prohibited Expansion Agents, 2008
- ES Wooden Packing, Materials Treatment and Marking Requirements, 2009

The IBM Packaging and Handling, Supplier and Interplant Requirements incorporate a list of the most commonly used packaging materials. Each is evaluated on a variety of environmental criteria. Shippers are required to use materials which provide the best overall product protection and value but when all else is equal, choose the material that has the least possible adverse effect on the environment. The materials listed are based on practical and regulatory experience and customer feedback. Other environmental requirements addressed in this engineering specification are:

- Ozone depleting substances;
- Restricted heavy metals and other materials of concern;
- Source reduction;
- Re-useable packaging systems;
- Recyclable packaging; and
- Conserving natural resources.

As specified in IBM Procurement Agreements, Statements of Work (SOWs) and Standard Goods Agreements, suppliers are obligated to provide details of environmental compliance. This includes the requirement to report package component material types and amounts (by weight) on containers, plastic packaging (foam cushions, bags), and wooden pallets. Internal procurement, engineering and supplier data on packaging is gathered and audited through three Web enabled databases accessed through the Global Procurement Supply Portal.

The three Electronic Supply Chain Interlock (ESI) Packaging applications are for:

- Distribution data,
- Environmental compliance, and
- Supplier quarterly spend data reporting.

The environmental compliance application is to be used by all packaging suppliers to affirm compliance to various environmental regulations including heavy metals content and other related items. It is based on the EPEAT criteria (Electronics Packaging Environmental Assessment Tool) which is an industry and EPA (U.S. Environmental Protection Agency) sponsored program as well as compliance to mandatory EU Packaging Directives (94/62/EC). The accompanying supplier input form provides an automatic certification / notification process and an annual renewal / recertification process for suppliers to stay on top of IBM environmental packaging specifications and customer requests against on-going environmental compliance requirements.

Further, worldwide environmental performance and initiatives on packaging are publicly reported through the Internet at:

<http://www.ibm.com/ibm/environment/products/packaging.shtml>

IBM environmental protective product packaging requirements are available on the Web at:

<http://www-03.ibm.com/procurement/proweb.nsf/ContentDocsByTitle/United+States~Information+for+suppliers#packaging>

4.0 Product Packaging in Australia

IBM imports packaged product from manufacturing sites located worldwide, including China and Singapore. The protective product packaging must meet IBM environmental packaging requirements and engineering specifications as already outlined in this plan. The client in Australia benefits from the environmental attributes built into its packaged products - designed to meet or exceed the more stringent of the global environmental packaging laws.

Under previous Australian packaging covenants we have conducted assessments of operations to identify locally procured packaging associated with IBM branded products. There are two operations where small volumes of packaging materials are procured locally, the first for the repair of damaged packaging of packaged product sustained during shipment to a customer and the second

is associated with local procured packaging materials for remarketing of IBM Certified Used Equipment.

For the former, IBM conducts repairs to packaged products that have sustained minor cosmetic damage during shipment and prior to receipt by the customer. The repairs are conducted at the national distribution warehouse in Sydney where warranty or insurance claims are not required. The most significant repairs require occasional procurement of a cardboard carton box produced to specific product specifications.

For the latter, the refurbishment operation procures locally supplied packaging materials that are used to pack and remarket IBM Certified Used Equipment. Used personal computing, server products and other IT equipment are refurbished through the Sydney operation for resale. Recycled content cardboard carton boxes, plastic bubble wrap, adhesive tap and filler materials are used. IBM will work with our direct supplier of the refurbishment service to organise an environmental assessment of the packaging materials used for protection of the refurbished used IT equipment.

4.1 Driving continual improvement

To drive and coordinate the implementation of the actions identified in this plan a cross functional team has been established. The primary objective of the team is to provide coordination, cross-functional advice and focused resource for the implementation of the Plan, including submission of annual progress reports over the next five years to 2015.

One of the primary tasks of the team will be to provide feedback and qualified guidance to the global environmental compliance and corporate packaging engineers on design and shipment as they impact on Australian operations and our customers.

The coordination group consists of a team of ten members from hardware sales and remarketing, maintenance and technical services and integrated supply chain functions, the real estate and site operations teams coordinated by the APC company primary contact.

4.2 Reuse and Recycling of Used Packaging

IBM continues to reuse product packaging through out operations such as for storage and shipment used parts and equipment. For example, for IT equipment that options and further configuration is required that work can be conducted at the manufacturing facility located overseas or in country at an IBM site prior to delivery and installation at a designated client site. Configuration

services for base models completed at the manufacturing location help to limit the number of packaged options that must be shipped with an order that in turn reduces the volume of unwanted packaging generated during unpacking and configuration at an IBM Location in Australia. The business seeks to reuse and recycle all packaging materials generated from the delivery of local configuration services.

The maintenance services business reuses packaging generated from installation of new parts in the field, whenever feasible. The defective parts are packed and returned to a central parts store for disposal and recycling by the IBM approved product end-of-life management suppliers. Parts considered hazardous or sensitive by IBM are suitably labelled and handled through this returns process.

IBM and relevant suppliers maintain suitable contract clauses with transport and logistics service suppliers that include requirements to removal and recycle unwanted packaging materials were instructed from client installations as well as for return of wooden ARBO crates for reuse that were used to safely delivery server equipment and racks.

Finally, to ensure unwanted packaging materials can be recovered and recycled suitable site and office recycling facilities are provided at IBM locations across Australia to promote recycling of unwanted materials, including used packaging such as cardboard and commingled glass, plastics and aluminum cans.

4.3 Communicating environmental attributed of IBM's protective product packaging

The environmental attributed of products and associated packaging materials are held on worldwide databases. This information that includes information on materials used, recycled content and recyclability, compliance with environmental laws such as EU Restriction on Hazardous Substances directive is warranted by our suppliers and compliance audits are undertaken periodically by IBM. Such packaging information is then available locally to support bid responses, compliance audits, sales and marketing activities, client, government and other key stakeholder inquires, and supplier questionnaires and surveys.

5.0 Company Contacts for the Australian Packaging Covenant:

Australian principal registered office and APC contact person

Australian head office:

IBM Australia Limited, A.B.N 79 000 024 733
and A.C.N. 000 024 733

IBM Australia Ltd
Level 13
IBM Centre
601 Pacific Highway
St Leonards NSW 2065.

Public phone number: 132426

Date of incorporation: 7 January 1932

Managing Director: Andrew Stevens

Company APC contact:

Michael Chanell
Environmental Manager, Australia and New Zealand
Corporate Environmental Affairs

IBM Australia Limited
55 Coonara Ave, West Pennant Hills, NSW, 2120
PO Box 400, Pennant Hills, NSW, 2125

Public telephone number: 132426

6.0 References

IBM Australia, 2010, IBM NPC Annual Progress Report 2008/2009.

IBM Australia, 2008, IBM Packaging Stewardship Action Plan for Australia, 2006 – 2010, Progress Report 2006/2007.

IBM Australia, 2006, Packaging Stewardship Action Plan, 2006 – 2010

IBM Australia, November 2004, Packaging Stewardship Action Plan, 2001 – 2004, Annual Progress Report for the period November 2003 to November 2004, National Packaging Covenant Commitments, November, 2004.

IBM Australia, October 2003, Packaging Stewardship Action Plan, 2001 – 2004, Annual Progress Report for the period October 2002 to October 2003, October, 2003.

IBM Australia, October 2002, Packaging Stewardship Action Plan, 2001 – 2004, Annual Progress Report for the period July 2001 to October 2002, October, 2002.

IBM Australia, 2001, Packaging Stewardship Action Plan, 2001 – 2004

National Packaging Covenant, 2009, IBM Australia NPC Annual Report 07-08 Assessment report

National Packaging Covenant Council, 2010, IBM Australia NPC Annual Report 08-09 Assessment report

National Packaging Covenant Council, 2005, The National Packaging Covenant, A Commitment to the Sustainable Manufacture, Use and Recovery of Packaging, 15 July 2005 to 30th June 2010

IBM Internet pages for environmental packaging requirements

IBM Australia Environmental Affairs Internet page:
<http://www-07.ibm.com/ibm/au/environment/>

IBM Corporate Environmental Affairs Internet page:
<http://www.ibm.com/ibm/environment/>

IBM Protective Product Packaging Internet page:
<http://www.ibm.com/ibm/environment/products/packaging.shtml>

Appendix A: IBM Packaging Stewardship Actions Summary

IBM Packaging Stewardship Actions Summary

| ACTION | OUTCOME, TARGET AND IMPLEMENTATION PERIOD (SHORT/MEDIUM/LONG TERM ACTIONS) | RESPONSIBLE BUSINESS |
|---|--|---|
| <p>Goal One – Design: Optimise packaging to use resources efficiently and reduce environmental impact without compromising product quality and safety.</p> | | |
| <p>KPI 1: Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging.</p> | | |
| <p>1. Report on compliance of relevant worldwide suppliers of IBM’s packaged products with its global environmental packaging specifications. These specifications are consistent with the approach outlined in the APC Sustainable Packaging Guidelines.</p> | <p>i) Report annually on percentage of relevant hardware suppliers certified as complying with IBM’s global environmental packaging specifications. ii) Maintain 100% certification of relevant hardware suppliers’ year on year.</p> | <ul style="list-style-type: none"> APC Primary Contact to coordinate with Corporate |
| <p>2. For the Power range of packaged products establish a process to limit the amount of cardboard packaging for each software component. Individual CD comes in a large cardboard box.</p> | <p>i) Conduct a review with worldwide software development laboratories to determine the optimum level for packaging each systems software item individually. An electronic distribution system may be feasible. ii) Complete this investigation and agree to suitable actions by 31 December, 2011. iii) Complete implementation of actions by 31 December 2012.</p> | <ul style="list-style-type: none"> Systems and Technology Group (STG) – Power mid-range server systems |
| <p>3. For the Storage range of products eliminate or minimise amount of packaging with supply of License Keys for operational software supplied with hardware storage orders.</p> | <p>i) Investigate plant using a worldwide database approach to the issue of license keys electronically that will reduce the need for packaging from physical delivery and uncontrolled copying. This will promote a streamlined customer service during installation. ii) Complete this investigation and agree to suitable actions by 31 December 2011. iii) Complete implementation of the actions by 31 December 2012.</p> | <ul style="list-style-type: none"> STG – Storage systems |
| <p>4. For mainframe server products Licensed Internal Code (microcode) is normally delivered electronically</p> | <p>i) Investigate whether electronic delivery of associated licence documentation can be utilised as an alternative and apply to 100% of deliveries by end December 2011.</p> | <ul style="list-style-type: none"> STG – Mainframe server systems |

IBM Packaging Stewardship Actions Summary

| ACTION | OUTCOME, TARGET AND IMPLEMENTATION PERIOD (SHORT/MEDIUM/LONG TERM ACTIONS) | RESPONSIBLE BUSINESS |
|---|--|---|
| <p>but associated licence documentation is shipped on paper in cardboard packaging.</p> | | |
| <p>Goal Two – Recycling - The efficient collection and recycling of packaging.</p> | | |
| <p>KPI 3: Proportion of signatories with on site recovery systems for recycling used packaging.</p> | | |
| <p>1. Continue to promote reuse of packaging from distribution of used parts in Australia, to New Zealand and across the Asia Pacific region to internal business parts hubs.</p> | <p>i) Identify improvements and formalise process for reusing packaging to ship used parts regionally, including issuing of instructions to operational staff by 31 December 2011.</p> <p>ii) Formalise process for reuse of packaging for return of defective parts from the field to parts stores.</p> | <ul style="list-style-type: none"> • Integrated Technology Services (ITS) • Spare Parts Operations (SPO) • Global Logistics (GL) • Maintenance and Technical Services (MTS) |
| <p>2. Investigate and where needed improve waste recycling and reuse collection and storage facilities at designated IBM locations for relevant plastic types associated with packaged materials.</p> | <p>i) Investigated and work to introduce enhanced recycling and reuse collection and storage facilities at designated locations used by ITS and MTS, such as at the national distribution warehouse, part deal hubs, data centres, business continuity and resilience centres, repair and drop-in centres and general office environments by end December 2011.</p> <p>ii) Real Estate and Site Operations (RESO) to work with our facility management provider to identify a suitable service and install collection bins and report on materials recovered and recycled on an ongoing basis.</p> | <ul style="list-style-type: none"> • MTS • Real Estate and Site Operations (RESO) |
| <p>3. Maintain waste management facilities at IBM Locations to manage waste disposal and promote waste recycling that meets or exceeds the corporate annual nonhazardous waste recycling target of 75%.</p> | <p>i) Work with the facility maintenance provider to improve office waste recycling facilities that will increase recovery and recycling of cardboard cartons material, co-mingled materials and other plastic packaging. This action is to start as soon as possible, but no later than February 2012.</p> <p>ii) Role out employee education to promote avoidance of waste packaging at work and increase recycling of specific waste packaging materials from office environments starting 3Q 2011.</p> | <ul style="list-style-type: none"> • RESO |

IBM Packaging Stewardship Actions Summary

| ACTION | OUTCOME, TARGET AND IMPLEMENTATION PERIOD (SHORT/MEDIUM/LONG TERM ACTIONS) | RESPONSIBLE BUSINESS |
|---|--|--|
| KPI 4: Proportion of signatories with a policy to buy products made from recycled packaging. | | |
| <p>1. The Corporate Policy for Environmental Affairs states that the company will “conserve natural resources by reusing and recycling materials, purchasing recycled materials, and using recycled packaging and other materials.”</p> <p>2. Meet the corporate voluntary environmental goal for paper and paper/wood-based packaging directly acquired by IBM, by procuring them from suppliers who source from sustainably managed forests where such sources exist.</p> <p>3. Reduce consumption of IBM procured cut office paper in Australia by 5% YoY from a baseline of 2010.</p> | <p>i) Work to eliminate paper invoicing of clients where feasible by introducing electronic processing of accounts in an agreed and staged country rollout to be completed by end of 2015.</p> <p>ii) Monitor and publicly report on an annual basis progress towards meeting the corporate voluntary environmental goal for paper and paper/wood-based packaging and cut office paper savings target for Australia and New Zealand.</p> <p>iii) Continue to monitor and annually report on the use of recycled content cut office paper for Australia and New Zealand.</p> <p>iv) From 2012 investigate the benefits and costs of a local strategy to increase the buying of recycled content office supplies in Australia and New Zealand.</p> | <ul style="list-style-type: none"> • APC Primary Contact • Integrated Supply Chain (ISC) - Customer Fulfillment • ISC - Procurement |
| Goal Three – Product Stewardship - A demonstrated commitment to product stewardship by the supply chain and other signatories. | | |
| KPI 6: Proportion of signatories that have formal processes for working with others to improve design and recycling of packaging. | | |
| <p>1. Identify whether local supplies of packaging goods to IBM are signatories to APC.</p> | <p>i) Investigate whether it is feasible to review all local supplies of packaged office supplies and similar goods to determine if they are signatories to APC and if not to encourage participation. This project is to start February 2012.</p> | <ul style="list-style-type: none"> • ISC - Procurement |
| <p>2. Work with our supply chain to identify locally procured packaging for the remarketing business and where required issue IBM corporate environmental packaging specifications or use the</p> | <p>i) Work with relevant 1st and 2nd tier suppliers of refurbishment services to engage with their suppliers of locally procured product packaging to either provide relevant IBM environmental packaging specifications or to conduct environmental assessments in accordance with Sustainable Packaging Guidelines for the identified packaging materials used for the remarketing</p> | <ul style="list-style-type: none"> • APC Primary Contact • Global Asset Recovery Services (GARS) • ISC Procurement |

IBM Packaging Stewardship Actions Summary

| ACTION | OUTCOME, TARGET AND IMPLEMENTATION PERIOD (SHORT/MEDIUM/LONG TERM ACTIONS) | RESPONSIBLE BUSINESS |
|--|---|--|
| <p>APC Sustainable Packaging Guidelines to systematically conduct packaging assessments with the relevant local supplier/s of remarketed product.</p> <p>3. Promote participation in the APC for these identified local suppliers of product packaging.</p> | <p>of personal computing and server systems equipment, commencing 2Q 2011.</p> <p>ii) Investigate whether alternative packaging materials can be used to reduce environmental impacts and improve the sustainability of design, commencing 4Q 2011 into 2012.</p> <p>iii) Identify if the suppliers of the locally procured packaging materials for the remarketed packaged products are members of APC and if required, encourage participation in 2011 and 2012.</p> | <ul style="list-style-type: none"> ISC – Customer Fulfillment |
| <p>4. Drive more clients towards undertaking configuration services at the manufacturing location overseas so that products are shipped ready for installation with optional hard drives, raid (??) cards and other options built in. This strategy will reduce the need for additional packaging during the shipping stage. For x-series mid-range servers where volume sales are significant currently 20% of deals are managed under this process.</p> | <p>i) Work with sales team and brand to structure configuration services towards assemble at the manufacturing location rather than in country.</p> <ul style="list-style-type: none"> target large clients from 2011; target medium and smaller volume clients from 2012. <p>ii) For configurations conducted after leaving the manufacturing location at IBM Locations in Australia investigate use of an existing sales tool for capturing any specific client environmental packaging requirements for notification of MTS field technicians.</p> | <ul style="list-style-type: none"> APC Primary Contact STG – X Series mid-range server systems Retail Store Solutions (RSS) |
| <p>KPI 7: Proportion of signatories demonstrating other product stewardship outcomes.</p> | | |
| <p>1. Maintain voluntary signatory to the Australian Packaging Covenant until 2015 when the benefits and costs of continuing the Covenant have again been reviewed and recommendations made by governments and industry on an ongoing strategic plan.</p> | <p>i) Maintain membership to the National Packaging Covenant Industry Association until at least 2015 and continue annual industry contributions to the national environmental packaging trust fund.</p> | <ul style="list-style-type: none"> IBM Australia Executive APC Primary Contact |
| <p>2. Establish a cross-functional team in Australia to coordinate implementation and annual reporting on the IBM Packaging Stewardship Action Plan to the APC.</p> | <p>i) Established a Packaging Stewardship Working Group for Australia in early 2011 to provide advice to coordinate resource and drive the implementation of actions identified in the IBM Plan for APC.</p> <p>ii) Submit annual progress reports to APC by 31 October each year.</p> | <ul style="list-style-type: none"> APC Primary Contact to coordinate team |

IBM Packaging Stewardship Actions Summary

| ACTION | OUTCOME, TARGET AND IMPLEMENTATION PERIOD (SHORT/MEDIUM/LONG TERM ACTIONS) | RESPONSIBLE BUSINESS |
|---|--|---|
| 3. Ensure the IBM Packaging Stewardship Action Plan 2010 – 2015 and annual progress reports are available publicly on the Internet. | i) Load the IBM Product Stewardship Action Plan and subsequent annual progress reports onto the Internet. ii) Load annually submitted APC progress reports onto the Australian environmental affairs Web page at: http://www-07.ibm.com/ibm/au/environment/packing.html | <ul style="list-style-type: none"> APC Primary Contact |
| 4. Ensure IBM’s environmental packaging specifications are publicly available on the Internet to promote transparency and open communication with stakeholders. | i) Maintain publicly available information on IBM’s environmental requirements and initiatives on product packaging on the Corporate Environmental Affairs Web site at: http://www.ibm.com/ibm/environment/products/packaging.shtml | <ul style="list-style-type: none"> APC Primary Contact |

KPI 8: Reduction in the number of packaging items in litter.

IBM considers that there is a low risk of its branded packaging contributing to littering of the environment. IBM sells its packaged product into the business market. It seeks to work with customers and suppliers to maximise recovery, reuse and recycling of used packaging materials. As yet, no specific actions have been required for this KPI. IBM’s business model and the key actions identified above will help contribute to a reduction in litter.



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Produced in Australia 04/2011

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