



MARKITFORCE

On Track On Time

MAY 2011 – JUNE 2015

APC ACTION PLAN

This public document outlines the commitments made by Markitforce for the Australian Packaging Covenant. It sets out an Action Plan covering the period May 2011 – June 2015 outlines how Markitforce intends to implement the Sustainable Packaging Guidelines.

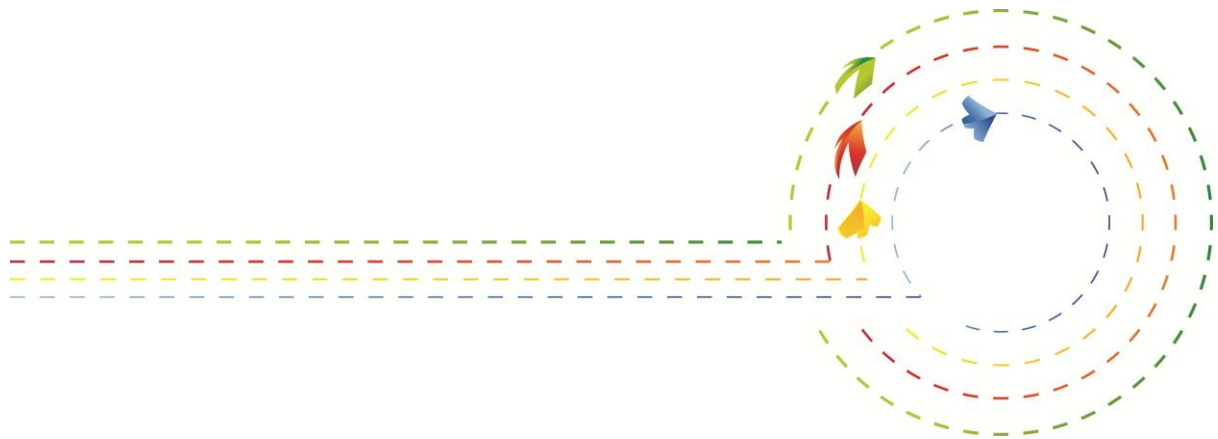
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LETTER FROM THE CHIEF



Markitforce is an Australian-owned third-party logistics firm, with a niche specialisation in promotional and POS fulfilment. Our national operation includes warehousing, pick and pack, and distribution services. Amongst our clients are some of Australia's most well known consumer brands most of whom are signatories to the APC. Markitforce chooses to be a signatory to the Australian Packaging Covenant because of our commitment to our customers, the Brand Owners.

Markitforce provides our clients with a thoughtful, high quality service and are driven by a desire to 'do the right thing'. Taking a positive position on the environment is a natural extension of this.

Markitforce believes that all businesses have a responsibility to minimise their impact on the environment and make a positive contribution to the communities they serve. We see sustainability as key to our future success and it fits in with our core business philosophy

With strong commitment from our executive team we have prioritised our sustainability agenda. This includes our commitment to the Australian Packaging Covenant. We have chosen a five year action plan.

As the Chief of Markitforce I will ensure that our business meets the commitments outlined in this action plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Higgins". The signature is fluid and cursive, written over a light grey rectangular background.

Alan Higgins
Minister for Fun & CFO
(Chief Forklift Operator)



COMPANY OVERVIEW

Markitforce is a third party logistics firm specialising in Marketing Logistics - the warehousing and distribution of point of sale and promotional material on behalf of Brand Owners¹.

COMPANY HISTORY

Markitforce was established in 2001 by Alan Higgins – a senior warehousing, sales and management executive, with a strong track record and client base from over 10 years experience. Frustrated with the shortcomings of the industry and with a passion for excellent customer service, Alan created a company model built on the values of innovation, integrity, and exceeding expectations.

These qualities put Markitforce at the forefront of the industry. The Sydney-based business grew exponentially, highlighting the areas in which the sector had previously lacked: commitment to quality and service, responsiveness and flexibility. Harnessing this leading role, Markitforce became the first company in the field to become quality endorsed.

Determined to attract a team of people who shared his enthusiasm, Alan developed workplace culture that was fun, vibrant, professional, and a place people enjoyed coming to. This was most visibly demonstrated by unique employee titles such as Minister for Fun (CEO), Director of First Impressions (Receptionist), and Guardians of Client Contentment (Account Managers). With this foundation, the business has attracted extremely inspired and driven personnel.

CURRENT OPERATION

Markitforce now operates across Australia and New Zealand, with a team of over 90 people. With over seven football fields of warehousing space, Markitforce processed over 130,000 customer orders last year alone.

The company prides itself on being able to tackle projects that their customer's deem 'complex' and 'difficult' – Markitforce approaches this as a competitive challenge. Their range of services includes point of sale management, product fulfilment, consumer redemptions, in-store merchandising, and print management. Markitforce services the pharmaceutical market with its cold storage plant and Therapeutic Goods Administration (TGA) certification. The business also operates a specialised bonded warehouse, enabling it to store bonded goods.

The core service at Markitforce is as follows:

- Markitforce receives in stock from clients from a range of sources, overseas, printers and point of sale manufacturers, and promotional companies. Typically these goods will be point of sale products and could be cardboard, plastic, metal and wooden display stands, supermarket and retail marketing collateral, stationary, uniforms, pharmaceutical samples, bonded goods and banking forms.
- Markitforce warehouses and manages this stock on behalf of our clients
- Markitforce processes orders – pick & pack, re-package (kitting) and send out to stores or to sales representatives, as requested by the client
- This is all enabled by the Markitforce IT system, allowing transparency and efficiency –for which Markitforce won the 2008 iAward for e-Logistics innovation

¹ According to the Australian Packaging Covenant, Markitforce is classified as "Other" within the Packaging Supply Chain

Markitforce has committed to taking a leading position on sustainability and has developed a customer-focused sustainability plan.

In starting the Markitforce sustainability journey, we pursued the obvious link between our core business efficiency focus and the principles of waste reduction and resource conservation. Changes have been made to our operations including the adoption of leading practices in waste reduction, packaging, and recycling.

With strong commitment from our executive team, Markitforce have pushed the sustainability agenda further: we have measured our carbon footprint and are taking steps to reduce it. Transport is outsourced to a freight provider who is an acknowledged environmental leader. Together with our executive team and expert advisors, we have established a full sustainability program which incorporates:

- Assessment and measurement of environmental impacts
- Identification and implementation of sustainability initiatives
- Commitment to formalise our Environmental Management System

As we continue to kick these sustainability goals, Markitforce is looking to broaden the sustainability program to tie closer to our fantastic culture and high quality approach. We have already begun training our teams on sustainability and climate change, and getting their support to come up with next wave of sustainability actions. Markitforce is also working in combination with suppliers to develop initiatives that benefit both parties and close the loop on unnecessary wastage and create greener processes.

Everything Markitforce does is aligned to the needs of our clients – it therefore makes sense that our sustainability program is also customer-focused. Our aspiration is to find ways to partner with our customers and, by working smarter, help our clients achieve their sustainability objectives.

While we will continue to engage with our clients individually, we recognise the Australian Packaging Covenant as a significant industry-wide framework involving all of our FMCG clients. Further, the Covenant principles of partnership, innovation, and efficient performance align with the Markitforce way of doing business. For this reason, Markitforce has voluntarily committed to the Australian Packaging Covenant and will use this framework to extend our sustainability program further.

AUSTRALIAN PACKAGING COVENANT OFFICER

The Markitforce Sustainability Program incorporates our Australian Packaging Covenant commitments. This program is led by Sarah Fletcher who also manages our cross-functional sustainability project team.

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ENVIRONMENTAL IMPACTS

Markitforce believes that all businesses have a responsibility to minimise their impact on the environment. We take a holistic approach and consider not only our direct business impacts, but also the indirect impacts that we are capable of influencing.

DIRECT IMPACTS

Packaging

The 'kitting' process requires Markitforce to sort and re-package client merchandise for distribution. While we make every effort to re-use incoming packaging materials, new packaging represents a large proportion of Markitforce's environmental impacts.

Markitforce packaging is classified by the Covenant as distribution packaging and business-to-business packaging and includes:

- C4 Envelopes
- Bubble wrap with 32mm Bubble
- Padded bags
- Cartons (various sizes)
- Plastic wrap 100um (shrink wrap machine)
- Plastic wrap 23um (pallet wrapping machine)
- Wooden pallets (meets Aus standard)
- Plastic wrap 15um (hand application)
- Large cardboard flat packs
- Pizza style boxes (KB2, KB3, KB4)
- 48mm x 75m Packaging tape
- Strapping machine 15mm tape
- Postal tubes 805 x 60mm
- Rolls of 900mm brown kraft paper
- Butchers paper

Although this packaging classification is not included in the NEPM or Australian Packaging Covenant, Markitforce chooses to adopt the principles of the APC and voluntarily comply with the Sustainable Packaging Guidelines (SPG). Markitforce has implemented a review timeline that will see all of our existing packaging reviewed by 2013.

Markitforce is committed to reducing the impact of its packaging and will continually look for emerging trends and environmentally-friendly packaging solutions. Any new packaging solution will be immediately reviewed using the Guidelines and will be tested for alignment with our Sustainability Program.

Operations

The Markitforce Sustainability Program includes a range of initiatives designed to reduce our energy, water, and waste impacts.

Through the Sustainable Packaging Guidelines and its focus on Water and Energy Efficiency, we anticipate finding further opportunities to improve our operational efficiency. We will incorporate these initiatives into our broader Sustainability Program.

A measurement baseline has been established and improvements in this area will be reported annually.

ENVIRONMENTAL IMPACTS (CONT.)

INDIRECT IMPACTS

Client Merchandise and POS Design

The biggest environmental impact within Markitforce lies outside our operational control – the collective impacts of our client’s merchandise.

Markitforce understands, better than most, how critical this merchandise is to our client’s business success. Yet our experience also tells us that significant environmental gains are possible – through reducing wastage and over-ordering, better design, and improved distribution packaging. Better still, we believe that improvements to environmental efficiency can yield commercial gains for our clients.




Markitforce will work with our clients to highlight opportunities to reduce the impacts of their merchandise. Through our monthly WIP meetings, we will encourage our clients to continually improve. We will work to measure and record achievements in this area.

Freight

Another major impact area within our business is outsourced freight. Although we already consolidate our shipments to minimise pickups, in 2009-10 Markitforce shipped over almost 5000 tonnes of freight. This carries both environmental impacts, as well as significant fuel costs.

Markitforce gives preference to freight suppliers that have strong environmental policies and make use of hybrid vehicles. We will continue to work with our freight suppliers to get better environmental measurement data and ensure they implement leading environmental practices.

MARKITFORCE 2011 – 2015 ACTION PLAN

	KPI	ACTIONS	TARGET	RESOURCES ASSIGNED?
GOAL 1: DESIGN 	KPI 1 Proportion of signatories in the supply chain implementing the SPG for design or procurement of packaging	1 <i>Review all packaging formats using SPG guidelines</i>	100% EXISTING PACKAGING REVIEWED BY 2013	✓
		2 <i>Develop timeframe to undertake actions arising out of SPG review</i>	ACTIONS INCORPORATED INTO SUSTAINABILITY PLAN AND REPORTED ANNUALLY	✓
GOAL 2: RECYCLING 	KPI 3 Proportion of signatories with on-site recovery systems for recycling used packaging	1 <i>Develop waste baseline and ongoing measurement program</i>	MEASUREMENT BASELINE FOR ALL SITES BY 2013	✓
		2 <i>Reduce packaging and other landfill waste across all sites</i>	ABSOLUTE REDUCTION IN LANDFILL WASTE BY 2015	✓
		3 <i>Enhance Recycling program across all company sites</i>	ABSOLUTE REDUCTION IN LANDFILL WASTE BY 2015	✓
	KPI 4 Proportion of signatories with a policy to buy products made from recycled packaging	1 <i>Increase recycled packaging within business</i>	INCREASE RECYCLED PACKAGING FROM 75% TO 85% BY 2013	✓
		2 <i>Ensure business consumables are made with recycled content, where possible (e.g. office paper)</i>	DEMONSTRATED EXAMPLES OF BUSINESS CONSUMABLES WITH RECYCLED CONTENT BY 2012	✓
		3 <i>Update Green Procurement Policy to include preference for recycled materials</i>	POLICY COMMUNICATED TO 100% STAFF AND 100% SUPPLIERS BY 2013	✓
GOAL 3: PRODUCT STEWARDSHIP 	KPI 6 Proportion of signatories with formal processes for working with others to improve design and recycling of packaging	1 <i>Help clients achieve their APC goals</i>	100% CLIENTS CHECKED FOR APC SIGNATORY 70% APC CLIENTS CONTACTED BY 2015	✓
		2 <i>Identify opportunities to reduce impact of client promotional materials</i>	ANNUALLY REPORT ON OPPORTUNITIES PURSUED PUBLISH CASE STUDIES BY 2015	✓
	KPI 7 Proportion of signatories demonstrating other product stewardship outcomes	1 <i>Partner with client on sustainability project</i>	PUBLISH CASE STUDY BY 2015	✓
		2 <i>Communicate with suppliers and customers on progress and achievements</i>	PUBLISH APC ACTION PLAN AND SUSTAINABILITY REPORTS, ANNUALLY	✓
		3 <i>Join green supply chain groups</i>	MEMBERSHIP BY 2013	✓
	KPI 8 Reduction in the number of packaging items in litter	1 <i>Participation in Business Clean Up Day</i>	ANNUAL PARTICIPATION	✓

APPENDIX 1 – APC ACTION PLAN REQUIREMENTS

APC ACTION PLAN REQUIREMENTS	PAGE
The name of the organisation and its subsidiaries	1, 3, 4
The nature of the organisation	4
Brands owned by the organisation	4
The place of the organisation in the supply chain	4
Packaging materials and formats used by the organisation	6
The period covered by the plan	1, 3
Contact details for the person responsible for implementing the plan	5
The specific actions for implementing the commitments under the Covenant and supporting the achievement of the Covenant's objective and goals:	8
Goal 1: Packaging optimised to achieve resource efficiency and reduced environmental impact without compromising product quality and safety. If the organisation is in the supply chain, there must be specific actions about how it intends to use the Sustainable Packaging Guidelines for design and procurement	6, 8
Goal 2: The efficient collection and recycling of packaging	8
Goal 3: Demonstrated commitment to product stewardship	8
Baseline data for all performance indicators	8
Formal commitment by the Chief Executive Officer or equivalent, to implement the action plan	3

