

Brambles

Sustainability Review 2020
Supplementary Information



brambles.com/sustainability

 Celebrating our
2020 goals

Brambles defines sustainability as the strategies and activities the Group has adopted in relation to its employees, the environment, ethics and the community

Brambles sustainability framework focuses our activities in three areas: *Better Business, Better Planet and Better Communities.*



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BOUNDARIES

This Sustainability Review covers Brambles' businesses for the financial year ended 30 June 2020 (FY20, or 'the year').

Brambles Limited is an ASX-listed supply chain logistics company with a network of 750+ service centres in approximately 60 countries, employing 12,000 people. Brambles is the world-leading provider of supply chain logistics solutions based on the provision of 330 million reusable pallets, crates and containers for shared use by multiple participants throughout the supply chain. Brambles' longstanding asset management expertise and superior network advantage are integral to its customer solutions.

Brambles primarily serves customers in the fast-moving consumer goods (e.g. dry food, grocery, and health and personal care), fresh produce, beverage, retail and general manufacturing industries, counting many of the world's best-known brands among its customers.

During FY20 Brambles operated primarily through the CHEP brand and manages its businesses within the following operating segments:

- CHEP EU – The pallet and container pooling businesses in Europe
- CHEP IMETA – The pallet and container pooling businesses in India, Middle East, Turkey and Africa, in addition the CHEP-branded RPC (Reusable Plastic Crates) business in South Africa;
- CHEP Americas – The pallet and container pooling businesses in the Americas; and
- CHEP Asia-Pacific – The pallet and container pooling businesses in Asia-Pacific and the CHEP-branded RPC business in Australia and New Zealand.

There were no significant changes during FY20.

To note, for historical data, IFCO was divested on 31st May 2019. IFCO data to the date of divestment are included in the document named '5 year performance update' which is available on the Brambles Website.

The FY20 Sustainability Review (the Review) covers operations as listed above, with the following exceptions:

- The Review does not include data from service centres operated by a third party (outsourced service centres), with the following exceptions:
 - An estimation of emissions data associated with third-party service centres operating on CHEP's behalf and transportation associated with balancing its pallet pool;
 - Wood purchased directly by third party service centres, subsequently used in the repair or manufacture of CHEP pallets.
- Brambles undertook an exercise to identify sites representing 95% of emissions for FY20 this identified 104 sites. The remaining sites that represented 5% of emissions are estimated based on the average emissions of the 104 sites. 100% of fleet data was collected.

For waste and wood and plastic diverted from landfill, production data is reported for larger sites that represented 80% of the total production of wood pallets.

All other reported data covers all segments of Brambles' business.

Consideration has been given to the impact of sustainability issues on Brambles' customers as described in the Share and Reuse Model and Supply Chain Collaboration and Emissions sections of the Review.

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ASSESSMENT OF MATERIAL TOPICS, KEY IMPACTS, RISKS AND OPPORTUNITIES

Brambles continued to follow an annual material sustainability topics process to identify sustainability topics deemed material by its businesses and stakeholders. Brambles identifies sustainability issues through stakeholder engagement processes covering key external and internal sources of feedback. This includes a review of stakeholder feedback through both formal and informal processes, either directly from stakeholder responses via survey and comments, or as summarised and analysed by the responsible function for that stakeholder group. Ranking is also conducted as a part of this process through Brambles Sustainability Risk Committee (SRC).

For FY19, Brambles structured a survey to achieve two objectives:

1. Inform the materiality process
2. Inform Brambles sustainability programme to 2025 and beyond

The survey was delivered as both an online method and direct conversation / recording method in order to gain richer insights through discussions.

The key results of the materiality survey have been incorporated into the materiality matrix through consultation with Brambles SRC. Some issues have been included under modified headings, for example in FY18 'Sustainable Sourcing raw materials' is now

included as Overuse of the world's resources (including raw materials)

Key additions include;

1. Climate change impacts
2. Move to a climate-neutral circular economy
3. Social impact of the value chain
4. Overuse of the world's resources (including raw materials)
5. Transparency and corporate governance including anti-corruption and bribery)

Background on Brambles' Materiality Process

Brambles risk management processes considers the Australian Stock Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations.

Since 2015, economic, environmental and social sustainability risks were incorporated into the Group's risk management framework and in FY16, this framework was further enhanced with the establishment of a SRC.

The SRC is a management committee comprising Brambles' Group Senior Vice President, Human Resources, Global Head of Sustainability and Director of Risk and a cross section of senior Brambles corporate and business unit executives with relevant and applicable functional expertise.

Brambles efforts to address sustainability risks and opportunities is reported in three areas:

1. Better Business – Our business model is sustainable. We provide safe, efficient and sustainable solutions for our customers' supply chains, based on the principles of the circular economy – recover, reuse and reduce – while we take advantage of the benefits of recycling.

Share and Reuse Model Brambles provides pallets, reusable plastic crates and containers that are shared and reused amongst our customers (previously referred to as 'pooling'). Sharing our reusable equipment in this circular model is inherently sustainable.

Supply chain collaboration Brambles works with customers and suppliers to deliver mutually beneficial sustainable solutions. We use our logistics knowledge to minimise the footprint of our customers and our supply chain, through network optimisation and the use of collaborative and multimodal transportation.

Better Workplace Brambles believes an engaging, safe tolerant and diverse work environment brings out the best in our people and helps them reach their potential. This will help us attract and retain employees capable of delivering exceptional value to customers and appropriate returns to investors.

2. Better Planet – We minimise our impact on the environment through continuous improvement

Materials Our Zero Harm Charter sets our commitment to achieving zero harm to the environment. We consider social and environmental impacts in the purchasing and use of materials.

Emissions Brambles is committed to reducing the greenhouse gas (GHG) emissions impact from the use of our products and services through the supply chain. This includes accurately measuring and reducing our total emissions footprint.

Waste Brambles is committed to using resources efficiently and minimizing waste. With pooling models that operate on the principles of recover, reuse, reduce and recycle we are focused on continuously improving our performance to reduce material consumption maintenance costs and meet stakeholders' sustainability expectations.

Water Brambles recognises that water is a precious resource. In many regions where our businesses operate, water supply is an important issue for the community. Our operations have a responsibility to use water wisely.

3. Better Communities - We contribute positively to the communities in which we work, both as a corporation and by our individual employees.

Community Investment Brambles contributes positively to the communities where we operate by supporting environment, education and food loss and waste prevention initiatives and encouraging our people to participate in local community initiatives

The framework and content of the review has been reviewed and approved by the Executive Leadership Team and the Chief Executive Officer and presented to Brambles Board.

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(For further information, please see the 2020 [Corporate Governance Statement](#), Principle 7. Recognise and Manage Risk, available online.) This process has contributed to the identification of material sustainability topics for the FY20 Sustainability Review.

Stakeholders are engaged throughout the Year through a number of other ongoing business processes, including programs such as the employee surveys and a customer insights program, which are under the direct control of senior management and reported in the Review where applicable. While internal stakeholders were engaged as proxies to represent external associations in some cases, this was limited and may not result in a complete and unbiased contribution.

The top sustainability issues of concern to each stakeholder group were identified and ranked. These were approved by senior management responsible for the stakeholder group. The environmental, economic and social sustainability risks assessed by our internal risk management processes were also included in our analysis. The material sustainability issues were identified as being those sustainability issues applicable to multiple stakeholder groups and/or with a material impact on our businesses.

In FY17, Brambles conducted our review in consideration of the Global Reporting Initiative (GRI) standards, in order to identify material aspects that reflect Brambles' economic, environmental and social impacts. Consideration was also given to the requirements of the ASX Corporate Governance Principles recommendation 7.4.

In FY20, the following material sustainability issues were identified:

- Climate change impacts
- Sustainable (business) growth
- Zero Harm;
- Move to climate-neutral circular economy
- Overuse of the world's resources (including raw materials)
- Learning and development;
- Transparency and Corporate governance (including anti-corruption and bribery);
- Customer collaboration and benefits of share and reuse model to customers;
- Social impact of the value chain including, Labour standards;
- Work/life balance;
- Environmental impacts of direct operations

The results of this process were approved by the SRC, followed by the Executive Leadership Team and the Board, as part of the approval of the Sustainability Review 2020.

APPLICATION OF THE GLOBAL REPORTING INITIATIVE – G4 REPORTING STANDARDS

The above material issues and other sustainability issues raised throughout FY20 were compared to the GRI G4 standard and the following GRI aspects were identified as material and reported against:

- Economic: Economic Performance, Procurement;
- Environmental: Materials, Water, Biodiversity, Emissions, Effluents and waste, Products and services, Compliance, Transport, Supplier environmental assessment;

- Social: Labour Practices and Decent Work: Employment, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Equal Remuneration for Women and Men, Supplier Assessment for Labour Practices;
- Human Rights: Child Labour, Forced and Compulsory Labour, Indigenous Rights, Supplier Human Rights Assessment;
- Society: Anti-Corruption, Supplier Assessment for Impacts on Society, Grievance Mechanisms for Impacts on Society; and
- Product Responsibility: Customer Health and Safety.

A table outlining Brambles response to each of the indicators that applies to these aspects is provided on our website at www.brambles.com. Brambles considers its application of the GRI G4 standards to be 'in accordance' to a 'comprehensive' level. There were no changes to the material GRI aspects from FY16.

ASSURANCE

In FY20, Brambles engaged KPMG to undertake a limited assurance engagement in respect of FY20 and provide a report on whether, in all material respects, the Assured Information, as described below and as reported in the FY20 Sustainability Review is prepared and presented in accordance with Brambles Limited's internal guidelines for sustainability reporting, as described in this document

KPMG issued an unmodified opinion in September 2020 which is available on our website at www.brambles.com/sustainability-review.

KPMG will also report key observations and recommendations arising from the assurance engagement to Brambles, for consideration by Brambles.

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Assured Information

The Assured Information contained within the FY20 Sustainability Review and accessible through the 'Sustainability Review' section of Brambles Limited's website is identified below. Information which has been subject to such assurance is clearly identified by the words, "This page is covered by assurance" or "Data on this page is covered by assurance. The KPMG Assurance Report is available on the Brambles website at brambles.com

Selected Sustainability Information	Page reference
Measure positive impact of share and reuse pooling model through savings of emissions, water, wood, waste and trees	3, 7 & 11
Savings from share and reuse pooling model per employee, both absolute savings and equivalent annual US household energy use, garbage trucks, water tank trucks and trees	34
Carbon emissions and kilometres saved through transport collaboration	7 & 14
Brambles injury frequency rate	7 & 19
Brambles employee Pulse survey results (% participation, engagement results)	7 & 18
Women in leadership (% at board and % in management)	7 & 21
Gender salary ratio by employee band	9 of this document
% and volume of certified lumber and % of chain of custody wood	3, 7 & 24-25
Year on year change in carbon dioxide emissions per unit delivered	7 & 28
Year on year change in energy from certified renewable sources	7 & 28
Scope 1 and scope 2 emissions	28
% of pallet and container sites with alternative uses for waste	7 & 29
Volunteer hours and volunteer hours per employee	7 & 32

KPMG has not been engaged to, and do not, provide assurance in respect of the application of the GRI G4 reporting standard or claims included in the FY20 Sustainability Review, this document or other pages of the Brambles website, other than the Assured Information as identified above.

EXTERNAL BENCHMARKING

Brambles 2020 Sustainability Review is published 'in accordance' with the GRI G4 guidelines to a comprehensive level.

Brambles supports the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. Brambles became a signatory to the United Nations Global Compact in June 2013. Brambles' communication of progress and table addressing each of the principles can be found on its website.

External ESG Recognition

On page 6 in the FY20 Sustainability Review Brambles outlines the external ESG recognitions for the period in review. Where appropriate Brambles indicates the ranking and a change in ranking if appropriate.

Brambles was again selected in 2019 as a component of the Dow Jones Sustainability World Index, the Dow Jones Sustainability Asia-Pacific Index and the Dow Jones Sustainability Australia Index. The Dow Jones Sustainability Indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios and provide an effective engagement platform for companies who want to adopt sustainable best practices.

Brambles is a constituent of the FTSE4Good Index Series. FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards.

Brambles also references Sustainalytics, MSCI, Barron's and CDP (Climate Change and Forests) surveys.

STAKEHOLDER ENGAGEMENT

Brambles actively seeks feedback from five key stakeholder groups. Key stakeholders are identified as those groups significantly impacted by the policies and practices of Brambles businesses. Feedback from key stakeholders is reported annually in our sustainability reporting.

Stakeholder Group	Responsible function
Customers	Group Presidents of businesses
	Customer insight teams
	Global key account managers
Investors	Customer-driven external evaluations (e.g. EcoVadis, SEDEX, CDP supply chain survey)
	Group Vice President, Investor Relations, Capital Markets, Company Secretary
Employees (including contractors)	Investor-driven external evaluations, e.g. DJSI and Cy6DP
	Group Senior Vice President – Human Resources Group General Counsel (human rights)
Suppliers	Group Presidents of businesses Senior Vice President – Operations Vice President – Global Procurement (assisted by Procurement Lead with responsibility for sustainability)

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Community and government, including regulatory bodies	Global Head of Sustainability Group Senior Vice President – Human Resources Group Vice President Taxation Group General Counsel
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Feedback from key stakeholders, conducted through both external and internal processes, is reported throughout the Sustainability Review within the relevant section. These processes are outlined below.

Brambles iterative conversations with relevant regulatory bodies, government and non-government organisations (NGOs) and employee representative bodies and also conducts customer, employee and supplier surveys and consultation forums.

Brambles uses the Annual Report and the Annual General Meeting to communicate with shareholders about its financial situation, performance, strategies and activities. General Meetings allow an opportunity for shareholders to engage directly with the Board. The Group Vice President, Capital Markets and Group Company Secretary deal with shareholder enquiries at other times.

Brambles encourages vigorous and robust analysis by the investment community and a policy of consistent access and treatment is applied, irrespective of the views and recommendations expressed. Brambles holds briefings with investors and analysts to provide information and seek feedback from time to time. No new materials or price sensitive information is provided at those briefings unless it has been previously or is simultaneously released to the market. A record of any briefings is maintained and copies of presentation materials are available on the Brambles website. New or updated information and materials provided at these meetings are also released to the Australian Securities Exchange.

Brambles follows a calendar of regular disclosure to the market on its financial and operational results. This calendar is available on the Brambles website.

Brambles ensures that employees are informed of significant company news and strategic developments through regular announcements and newsletters, in-house publications, information posted on the intranet and face to face meetings with senior managers.

Employee engagement is monitored through the Brambles Employee Pulse Survey. The confidential survey is usually conducted bi-annually and is offered to employees in both web and paper-based formats. During FY20 the usual survey was carried out in the first half of the year, but due to Covid-19 the survey in the second half of the year the survey was changed to focus on the effects of Covid-19 on employees. The results of that survey are communicated to employees. Data is used to track progress from previous surveys, measuring Brambles against internal and external best practice and identifying key actions for improvement.

In continuing to improve customers' experience of our products, services and people, Brambles gathers the Voice of the Customer through a variety of channels. This includes strategic leadership forums, face-to-face customer interviews, global market insights,

sharing of global best practice throughout the Group, the Relationship Program and customer care centres.

Brambles expects its suppliers' practices to be in line with its principles. Brambles is committed to driving efficiency and environmental sustainability in the supply chains it serves.

Brambles Global Procurement is responsible for sourcing suppliers for the business, as well as managing those relationships and monitoring performance.

Brambles updated its global procurement policy, that is approved by the Brambles Board, in March 2018. The Policy confirms the alignment of the Procurement function to Brambles Code of Conduct principles and part of its scope is to be the sourcing basic tool to ensure the higher ethical standards and respect for Code of Conduct itself.

Brambles recognises that its business units need to collaborate closely with their third-party operators and suppliers to meet customers' growing interest in understanding their environmental impact and in turn to demonstrate the benefits of using Brambles' products and services.

By working in partnership with suppliers as it rolls out its supplier policy, Brambles' business units will be able to improve supply chain transparency and understanding for more sustainable and mutually beneficial outcomes.

As part of Brambles' internal compliance efforts, designated country General Managers are required to include details of any representations received from local communities, governments or legitimate special interest groups raising any significant, or potentially significant, community relations issues in bi-annual management declarations.

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DATA MEASUREMENT TECHNIQUES AND EXPLANATIONS

Better Business

Share and reuse

This section describes the methods used to estimate the environmental benefits that the Brambles sharing and reusing models produce in our customers' supply chains.

Calculations stated in the pooling model diagram are based on the results of independent life cycle analyses (LCA) for pallets and RPCs. The unit benefits of the pooled solutions were obtained by comparing the environmental impacts of:

- a) Brambles pooled solutions, versus
- b) the most commonly used market alternative in the absence of pooling. Depending on the particular region, these alternatives are exchangeable or disposable systems.

LCA studies provide the unit factors for CO₂-e emissions, water consumption, wood consumption, food waste, and total waste to landfill generated by platforms. They cover the whole lifecycle of the product, from the raw materials to the end of life.

Pallet LCA studies have been independently conducted using ISO 14044 Life Cycle Assessment methodology. The European, USA and Australian studies were submitted to a peer review process, following the ISO 14044 standard.

The RPC study for Australia in 2010 also follows ISO and has been peer reviewed.

In order to quantify the total benefits, unit factors were applied to the corresponding activity volumes in each region. These volumes were obtained from Brambles financial management reports. Only regions with LCAs studies available were considered for the calculations. The following regions are included in the calculation:

Region	Wooden pallets LCA	RPC LCA
CHEP Europe	✓	-
CHEP North America	✓	-
CHEP South America	✓	-
CHEP South Africa	✓	-
CHEP Australia	✓	✓

Food waste was not reported in FY19 and FY20 due to the divestment of IFCO in FY19, all previous calculations on food waste related savings were made through the use of the IFCO LCA.

It should be noted that Brambles continues to address the issue of food waste in a number of ways however, these are not currently factored into the LCA calculations.

1. Issuing in-kind equipment to food rescue organisations such as Food Banks to allow efficient transfer of surplus food to distribution locations
2. Plastic products such as produce bins reduce food waste by protecting the produce through the supply chain
3. RPC's have been an integrated part of CHEP's business in Australia, South Africa and New Zealand and will continue to remain so.

4. BXB Digital is developing technology to monitor the 'cold chain' thus ensuring the integrity of perishable food throughout the supply chain and reducing food waste

The LCA studies consider the savings generated associated with the following specific equipment types in the applicable regions were:

Region	Equipment
Europe	8060 Pallet
Europe	1208 Pallet
Europe	1210 Pallet
USA	48X40 Inch Pallet
North America (Canada)	48X40 Inch Pallet
North America (Canada)	48X20 Inch Pallet
South Africa	1210 Pallet
South America	1210 Pallet
South America (Mexico)	48X40 Inch Pallet
Australia	1165 Pallet
Australia	RPC

This approach represents a conservative estimate of the annual global environmental benefits of our pooled solutions, since it:

- Does not include any savings from regions that don't currently have an LCA.
- Does not include all equipment types, and therefore not all issues made by Brambles in the year. It is estimated that the savings associated with the pooling model includes more than 80% of pallets issued in the year.
- Alternate CHEP pallet solutions that would give even better results compared to alternative platforms were not considered.
- Not all LCAs consider all factors.
- Avoided solid waste and water savings for Australia RPC movements.

The benefits of customers' use of our pooled equipment is made possible because of our continuous reuse model, asset control, use of certified and sustainable timber, control of end of life management and transport efficiencies due to our global multi-nodal network.

The number of trees saved by customers' use of our pooled wooden pallets was calculated using the following method:

- Conversion of the LCA data on whitewood m³ savings;
- Estimates are based on Radiata Pine (ex New Zealand), which is a softwood species (as are the majority of CHEP wooden pallets). This species was chosen because of the availability of credible data;
- Source of Radiata Pine estimates was the New Zealand Forestry Industry Facts and Figures 2013 version;
- We approximated millable log yield, based on the information provided in this document;
- We estimated large scale modern mill board yield to be around 55% and discounted by an additional 10% to allow for harvesting differences to other regions. This resulted in a board yield per tree;

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- This board yield was applied to the LCA data on whitewood savings to give an approximate number of trees saved;
- This methodology resulted in a conversion rate of approx. 1 m3 of pallet timber per tree.
- Final numbers are represented in millions and rounded to 1 decimal point.

However, CHEP is unlikely to get all elements of the sawlog. For both economic and engineering performance reasons, CHEP only purchases elements of the log; therefore, any reference to number of trees used or saved is theoretical.

Collaboration

Our customer collaboration kms and CO2e savings are generated by four main initiatives:

1. Transport Collaboration, avoiding empty kms with our customers;
2. Transport Orchestration, avoiding empty kms between customers;
3. Plant Network Optimisation, is also known as Total Pallet Management (TPM) at customer sites, avoiding one leg of transport to repair sites;
4. Multimodal transport, reducing CO2 emissions per km by replacing truck kms with boat and rail.

The CO2e saved is the difference between the original journey and the 'collaborative journey'. To calculate emissions from avoided Logistics activity we follow the methodology as defined by the SmartFreight GLEC Framework v1. The framework calculates fuel used from a group of similar journeys and applies a fuel emissions factor to calculate CO2e output.

Brambles reviewed the definition for 'Customers in collaboration' to ensure there is clarity when measuring the number of customers that the business engages in collaboration projects. Customers in collaboration is defined as:

Customers engaged in collaborative projects is defined as those customers who have started logistics activity in Customer Collaboration, Orchestration or Multi-modal projects where a collaborative agreement is in place. Customer are classified separately by their country boundary.

Since FY19, 'where a collaborative agreement is in place' has been added to the definition to ensure we only count customers where collaboration is agreed between CHEP and the customer. As many agreements had been established verbally or via email, going forward a letter is to be shared with customers to create a more transparent audit trail.

Transport

In FY19 Brambles began a project to harmonise the measurement of logistics emissions globally using SmartFreights GLEC framework v1. This adopts a standard for measuring logistics carbon dioxide equivalence (CO2e) emissions. The GLEC framework v1 promotes the adoption of standard methodologies and standard sets of consumption and emissions factors.

The framework allows Brambles to consistently measure the carbon savings achieved through supply chain collaboration using distance saved from the following initiatives;

1. Customer Collaboration
2. Transport Orchestration

3. Plant Network Optimisation
4. Multi-Modal activity

Customer Collaboration

Using our own reverse logistics network for the process of recovering pallets, together with BRIX our state of the art Lane Matching Tool developed by BXBDigital, CHEP collaborates with customers identifying empty lanes, optimising the supply chain and improving performance while reducing environmental impact of CO2e.

Transport Orchestration

BRIX also enables CHEP to facilitate collaborations between different customers, in which transport resources are being integrated in our network. CHEP helps close open logistics loops reduce empty trucks and therefore unnecessary carbon emissions. The number of collaboration trips are established between customers at the beginning of their commercial agreement. The distance of each lane is then multiplied by the number of agreed collaborative trips which is then converted to CO2e. Transport Orchestration consists of two project types, Orchestration Promotor and Orchestration Partner. Customers who take part in both are counted twice in customer collaboration numbers. Customers projects here can also be counted separately from Customer Collaboration.

Plant Network Optimisation

Plant network optimisation is the practice of strategically positioning the service centre and TPMs (Total Pallet Management service centres installed at customer locations) in our network in a specific location to reduce the distance needed to travel for pallet issues and returns via Truck.

There are regional variations in methodology to measure the optimised distance (km) saved for material regions. There methodologies are defined as follows:

USA / Mexico

An average length of haul for each month of the reported year is calculated from all shipments of issues, returns and relocations. An average length of haul for each month is also calculated from FY17 due to limits of data retrieval. For Mexico FY16 was used as data was unavailable from FY15. The difference between these average lengths of haul is multiplied by the number of trips in each month of the reported year to determine the distance saved.

EU

Europe supply chain team track the implementation of TPMs in a local database. An average distance avoided is calculated from the strategic placement of TPMs at customer locations. For each of these TPMs the total number of TEUs issued to customers from the TPM is recorded on an annual basis. The number of trips avoided are calculated by dividing the total TEUs issued by the average quantity of a full truck. To calculate the total distance avoided the number of trips are then multiplied by previously calculated avoided distance of a single trip from the use of the TPM.

Multi-Modal

This activity involves the movement of products on alternate more efficient modes of transport, such as rail or sea to reduce cost and deliver environmental benefits. CO2e savings are calculated by taking the distance that would have been travelled

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via road and calculating the CO2e for rail and sea travel, the saving is the difference between the two.

Food waste

The amount of rescued food from in-kind donations of pallets and crates and the number of meals provided to those in need was calculated by estimating the amount of kg per meal and the amount of kg of food per pallet. The average amount of kg per meal was provided to us by the Food Bank organisation that we work with in Australia and Europe (FEBA). The North American calculation was based on the Food Bank Canada average amount of kg per meal. Knowing the amount of CHEP pallets that are used by these organisations in the Year allows us to estimate the amount of food in kg by using an average weight per pallet/crate provided by these organisations.

Customer Insights Program

In continuing to improve customers' experience of our products, services and people, Brambles gathers the Voice of the Customer through a variety of channels. This includes strategic leadership forums, face-to-face customer interviews, global market insights, sharing of global best practice throughout the Group, the Relationship Program and customer care centres.

In particular, the Relationship Program, which initially began in 2010, allows us to focus on the areas that are of importance to customers, with the ability to track and measure our performance in these areas over time. Quarterly questionnaires are usually sent to customers over a 2-year rolling cycle, during FY20 the Quarter 4 (Q4) questionnaire was delayed due to Covid-19 interruptions, the Q4 questionnaire will be reallocated to contacts that would have been invited in subsequent survey waves in FY21, so no customer contacts are missed within the 2-year rolling cycle.

The questionnaires measure customers' perceptions of the level of partnership they have with the Brambles Group, the factors driving their loyalty and identifies the areas in which we can enhance their overall customer experience. Key benefits achieved through the quarterly 2-year rolling frequency are the access to more frequent trend data and the increase in our responsiveness to changes in customer attitudes, whilst not increasing the overall customer surveying burden.

The Relationship Programme is global and covers 30 countries across Pallets, Pallecon Containers and Automotive Containers. The target is that within the 2-year cycle, all business units participating reach out to at least the companies that account for 80% of revenue. With the Relationship Program, Brambles is better positioned to actively listen to customer feedback on the Group's performance and can be more agile in the pursuit of customer centricity.

People

For the 2020 Sustainability Review, Brambles collected data on permanent employees via the Human Resources (HR) database and reporting platform, Workday. The date of 30 June 2020 was selected to take a 'snapshot' of the organisation.

Brambles extracted the following data in a format where individuals could not be identified by name:

- gender;
- age;
- base salary;
- banding (pay grade);

- parental leave (taking and returning from leave);
- training days (including compulsory work-based training, development courses); and
- volunteering (hours that comply with three days paid leave).

Employees by segment – Headcount

Headcount includes permanent part-time and permanent full-time employees and casual and temporary staff paid through brambles payroll. It excludes temporary workers and contractors paid through a third-party provider.

Gender

Gender percentages were calculated by dividing the number of employees (headcount) by gender by total permanent headcount, to obtain a percentage split.

Age distribution

The age of each employee (headcount) was gathered and then sorted into six age bands.

Parental leave

Parental leave data was calculated using employee headcount number of employees who took parental leave during FY20 as a percentage of total employees.

Employees returning to work after parental leave was also calculated using the headcount number of employees.

Management

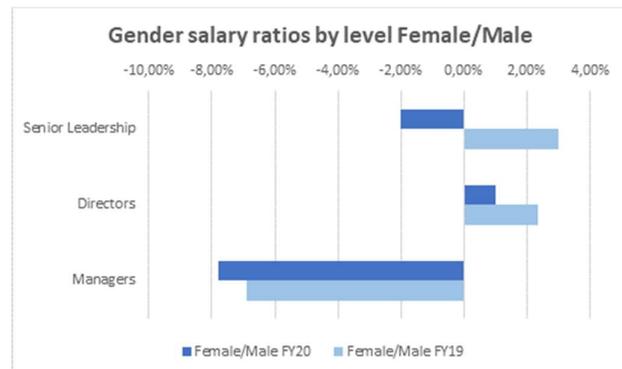
Brambles employees are assigned a 'band' based on their position and salary, with management defined as Band 3 and above (manager through to Band 6 and Executive Leadership Team).

Employee data (Headcount) is split into 'non-management' (bands zero to 2) and 'management' (band 3 and above) and analysed and reported by gender, group and segment.

Salary ratio data

Salary ratios by gender were calculated using FY20 salary data from Workday.

All salaries were converted to USD. Employees were split into the categories of 'management' (see definition of Management above for details), the average salary for male and the average salary for female employees were then calculated. The average salary of males were divided by the average salary of females to obtain the ratios.



Gender salary ratios have experienced some distortion compared to FY19. Firstly, throughout the organisation, in alignment with our "women in management" goal, women have been promoted,

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therefore accessing higher bands, this means that the junior female population has increased in higher bands (junior members receive lower salaries than more senior members of the same bands). In addition, higher bands have smaller population sizes, individual variations prominently impact the overall figure, in FY20, the hiring of new members in different countries with very different national standards has led to some variations in the gender salary ratios of higher bands.

Voluntary turnover data

Voluntary turnover data was calculated using actual employee data where employment ceased on a voluntary basis and includes those whose redundancy was not compulsory divided by average headcount during FY20.

Brambles Employee Pulse Survey

Employee engagement is monitored through the annual Brambles Employee Pulse Survey through a third party provider, GLINT. This is extended to all permanent employees (employed for at least three months at the date of survey) and is confidential. It surveys employees' perceptions of their workplace and the data is used to track progress from previous surveys, measure Brambles against internal and external best practice and identify key actions for improvement.

Brambles Pulse results were analysed and converted to a percentage score which was benchmarked against GLINT's high performing benchmark. Comments will be analysed using GLINTS technology to identify important themes and areas for attention by region and function

The high performance norm is a standard benchmark index compiled from the collective results of a group of external organisations, which display outstanding financial performance in their industries.

Safety data

The Brambles Injury Frequency Rate (BIFR) is the primary measure of safety performance in Brambles. BIFR should be regarded as being generally comparable to the Total Recordable Injury Rate (TRIR) used in other businesses. The difference is that BIFR is a measure of incidents per million work hours (exposure hours) while the more common TRIR measure incidents per 200,000 exposure hours.

BIFR is a measure of the total number of work-related fatalities, modified duty, lost time or medical treatment incidents (Recordable Safety Incidents) per million exposure hours during a given period.

Safety incidents affecting Brambles employees as well as labour hire, contract or temporary staff working under Brambles supervision and the associated exposure hours are included BIFR calculation. All incidents are reported, investigated and classified as either BIFR or work-related First Aid Treatment.

Safety incidents involving visitors, customers and third parties (e.g. trades people, servicemen, etc.) on Brambles operations are reported as required and investigated but are not included in BIFR.

Serious safety incidents occurring at outsourced operations are reported to Brambles and where possible the findings of the investigations are provided for dissemination to Brambles locations in the form of safety alerts and/or changes to Brambles operating procedures.

Non-work-related events affecting any party above or the wider community are reported and investigated and managed, although they are not included in BIFR. These typically include pre-existing medical conditions that manifest themselves in the workplace but are not caused by work activities such as heart attacks.

Better Planet

Materials

Wood

CHEP purchases, controls, or has due diligence oversight of all of the wood used in the manufacturing and repair of CHEP pallets. Third party outsourced service centres purchase wood directly from approved CHEP providers. The volume of wood purchased by third parties service centres is estimated using the repair rates of the service centres during FY20 multiplied by the average volume of wood used per repair in own service centres.

All wood purchased by CHEP meets one of the following definitions:

- 1) Chain of Custody (COC) certified wood: Where CHEP can verify supplier claims, through documentation, that wood purchased has an associated COC certification credit.
- 2) Wood from certified sources, where the wood is not covered by CoC certification all along its supply chain, however CHEP has access to documentation and proof that the wood comes from a certified forest (whether under FSC or PEFC or an endorsed SFM scheme).
- 3) Policy compliant wood source: Where the purchased wood does not carry COC certification and is not from a certified source, CHEP has undertaken due diligence to establish that the wood flow has not been contaminated by controversial source wood.^[1] Wood will not be purchased from a source where due diligence is not satisfied.

At the end of the Year, each Pallets' region submits to Brambles information on:

- The volume of wood (cubic metres) purchased;
- A breakdown of this volume by definition (as above); and
- Details of species purchased and in particular any species that appear on the IUCN Red List of threatened species.

For species that are classified in the IUCN category of "Near threatened" or worse, the regions are asked to provide the volume of wood involved and details on what the business has done to work with suppliers to better understand and optimize its use, so to not affect the population in a negative way.

The data is then reviewed by the Procurement team and reported in Brambles Sustainability Review.

Chain of Custody

^[1] Controversial Source is a term used by the PEFC to cover a broad range of forestry activities that do not comply with local, national or international legislation, use genetically modified forest based organisms or converts forest to other vegetation types, including primary forests to forest plantations.

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Where CHEP purchases COC certified wood, records (including purchase order and invoice) detailing the chain of custody certification number of each supplier for each purchase are maintained.

Brambles has not been prescriptive on what type of COC certification CHEP should use, only that it is well recognised and is considered credible.

For FY20, CHEP has purchased wood from suppliers that are registered as COC certified by the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC) and the Sustainable Forestry Initiative (SFI). (see Glossary for definition of FSC and PEFC).

Plastics

Brambles collected internal figures on the volume of plastics for manufacture of reusable plastic crates, plastic pallets and containers purchased by our businesses in FY20. We did not collect data for other plastic purchased, for example, plastic stretch wrap.

Detergents

Brambles collated internal figures on the volume of detergent for use in the cleaning of pallets, reusable plastic crates, plastic pallets and containers purchased by our businesses in FY20. This review included due diligence on the responsible sourcing of palm oil. The data collection method is manual, where there are data gaps, the volume of detergent is estimated based on percentage reported in the previous year.

Water

Brambles businesses report their water consumption data monthly. Businesses enter data on water purchased from utilities, recycled water, harvested rainwater and the amount of water discharged.

Only a limited number of sites are currently reporting water recycled and rainwater harvesting; however, we expect this to improve over time. Water discharged is a difficult metric to collect and can be inaccurate even from utility bills due to limited metering.

The back page in the FY20 sustainability review contains conversions which help readers understand in relative terms the impact each employee has had throughout the year.

Greenhouse gas emissions - Scope 1 and Scope 2 emissions

Brambles collects emissions data primarily from energy and fuel invoices received at a site level. In FY18 we started making improvements to the data collection process using the Arete system. With this system we obtained material energy data directly from our energy providers. This is complemented with data collected monthly by site with the older iCare system.

Geography	Source of emissions factors
Australia	National Greenhouse Accounts Factors August 2019, by state
Canada	National Inventory Report 1990–2018: Greenhouse Gas Sources and Sinks in Canada Part 3 (Apr 2020) - Annex 13, by province
Ireland	Sustainable Energy Authority of Ireland (2018)

New Zealand	New Zealand energy sector greenhouse gas emissions emissions data tables (2018), Ministry of Business, Innovation & Employment
South Africa	Eskom Annual Report 2019, national
United Kingdom	2019 Government greenhouse gas conversion factors for company reporting: Methodology Paper
USA	US Environmental Protection Agency eGRID 2016, by state
Other	International Energy Agency Data Services, 2019, by country

Energy and emissions data are monitored regularly at a regional level. A narrative description of key movements in energy used is provided to the Group at this point.

Each year Brambles group of businesses can have locations that are divested or become sub-contracted and fall out of scope. In FY19, emissions were rebased due to the IFCO Divestment.

The rebasing process allowed Brambles to review the calculation method in FY19 to better reflect emissions intensities based on the different types of products being re-conditioned and repaired (C-GEN) at our services centres.

Previously all Brambles products were calculated the same. This assumed the same quantity of energy was required to condition/repair each product. However, due to the variance in products across the Brambles Group (IBC v Pallet v RPC crate), different amounts of energy are required to produce one C-Gen.

Therefore, from FY19 Brambles products are normalised using a term borrowed from Twenty-foot equivalent units (TEUs) so they are comparable using a standard logistics industry accepted measure of the products physical volume.

To calculate TEU factors the physical volume, millimetre cubed, of the TEU standard is calculated. The standard unit i.e. one, is based on the B1208A Euro pallet.

To calculate TEU factors for other materials we divide the physical volume (millimetre cubed) of a given material by the physical volume (millimetre cubed) of the standard TEU

Material	Material Name	Length (mm)	Width (mm)	Height (mm)	Volume mm3 (TEUv)	TEU Factor
3	B1208A	1200	800	144	13824000	1
1	B1210A	1200	1000	162	19440000	1.40625

TEUs now allow Brambles to measure the 'work done', i.e. the physical volume of products moved through a service centre. To calculate TEUs volumes, the volume throughput or 'issues' for a given product is multiplied by the materials TEU factor.

Emissions intensity (emissions per TEU unit of production) is reported on a like-for-like basis comparing those sites that were ongoing operations in scope each year for FY15, FY16, FY17, FY18, FY19 and FY20.

This resulted in a reduction of intensity shown below;

Fiscal Year	grams per TEU unit produced
FY15	0.254
FY16	0.254

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FY17	0.243
FY18	0.234
FY19	0.212
FY20	0.169

2020 emissions reduction target

In 2016, Brambles set a target of achieving a 20% reduction in carbon emissions per unit delivered by 2020 from 2015 levels, as well as two supporting goals of year on year improvement in carbon emission intensity for transport emissions (CO₂/kilometre) and year on year improvement in energy provided from renewable sources.

Renewable energy

Electrical energy purchased from renewable energy sources are recognised in the sustainability report with no associated emissions. Renewable energy sources refers to renewable, non-fossil fuel energy sources, that is, wind, solar, geothermal, wave, tidal, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases. Under this instrument, "biomass" means the biodegradable fraction of products, waste and residues of biological origin from agriculture (including vegetal and animal substances), forestry and related industries including fisheries and aquaculture, as well as the biodegradable fraction of industrial and municipal waste.

Renewable energy credits (RECs) also contribute to our overall emissions reduction by offsetting against specific region scope 2 energy. FY20 Regional usage is shown below;

Country	Credits Purchased (MWh)	Renewable Energy Purchased/Generated (MWh)	tCO ₂ Offset
America	18,719		7,568
Canada	8,148		1,390
South Africa	5,557		5,890
UK		9,679	2,474
Germany		1,441	598
Spain		1,224	333
Netherlands		930	388
Belgium		997	227
France		1,020	59
Australia		424	432
Total	32,424	15,715	19,359

Had the electricity been recognised using the relevant grid emissions factors Brambles scope 2 emissions would be 19.4 kt higher. A full GHG accounting disclosure of all scopes can be found at the end of this section.

Operational control

For the purposes of reporting scope 1 and 2 emissions (and associated energy consumption) Brambles does not include any site that is sub-contracted to a third party to operate or a Total Pallet Management operation (whereby CHEP manages a customer's pallet needs on site and supply CHEP pallets without the need for additional transport).

Completeness of energy sources

The nature of the Brambles' sites can be split into two broad categories:

- office buildings; and
- pallet/crate/container repair centres.

The facilities in each category have a similar energy use profile and use similar types of fuel in their operations. This profile is considered at a site and a portfolio level to test that all material energy sources are identified at each facility.

The Arete system can be configured to capture, transform, validate and use any data sent from the groups vendors. We have configured the material part of the utilities providers and this will continue with the remaining providers through the next Fiscal Year.

The iCARE system can be customised at the site level to accommodate the reporting of all energy sources expected to be consumed at the sites and currently complements the Arete system to collect data for smaller vendors.

Greenhouse gas emissions - Scope 3

An analysis performed in 2012 identified the following material sources of scope 3 emissions:

- washing and conditioning of RPCs on behalf of IFCO (this is reported separately in the 5 year performance update up until divestment);
- outsourced service centre sites that inspect and repair CHEP's pallets; and
- subcontracted transport carriers that move CHEP's pallets through its network to rebalance the pallet pool – this does not include transport of pallets underload through our customers' supply chains.

Measurement and Estimation techniques – scope 3

Outsourced service centres

Using the Arete and iCARE online system, Brambles collects actual energy and emissions data from outsourced service centres wherever possible. The emissions associated with the conditioning of products by outsourced service centres are either received directly from the third party or estimated. The method of estimating emissions is to use regional emissions intensities applied to the number of conditioned TEUs produced by third party service centres.

Science based target

Following the COP21 Climate Conference in Paris, Brambles investigated how our carbon reduction goals align with a science-based target.

The Science Based Targets initiative (SBTi) is a partnership between CDP, UN Global Compact, World Resources Institute (WRI) and World Wildlife Fund (WWF), and helps companies determine how much they must cut emissions to prevent the worst impacts of climate change.

In 2016 following our analysis and a review by our assurance provider Brambles' has concluded our carbon emission goals are broadly consistent with approaches approved by the SBTi

Brambles has committed to respond to the recommendations outlined by the TCFD including a fully compliant disclosure for FY20. Part of the TCFD is to review Brambles' metrics and targets and define which climate change scenario the Brambles carbon

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emissions targets are aligned with, including as to if these targets are consistent with the SBTi.

Resource management

Where possible our Brambles vendors send waste and water data to our new sustainability analytical tool, Arete. Brambles businesses also enter their waste data into the iCARE system regularly where it is not possible to obtain vendor data. Brambles requests the businesses to enter the amount of plastic, metal, paper and corrugate that sites collect from customers (ie returned with the equipment) and have recycled.

Waste

Brambles consolidates general and hazardous waste information through our Arete system which applies conversion factors to calculate total amount in metric tonnes.

For product waste lumber and plastic to landfill, TEU figures from FY15 were used, with 80% of TEU's calculated and associated sites counted as in scope. 100% of Containers sites that have plastic product waste were included. For each of the sites selected as being in scope management of the site have provided evidence and a statement describing the alternative uses available for the wood/plastic at their site. The data reported is 'in-scope' sites that are zero to landfill as a % of the total number of sites in scope. Where sites have closed during the period, these have been removed from scope. An extended scope is also tracked using current fiscal year top 80% TEUs, the results of this are shown in the 5 Year Performance Update.

The measurement of waste recycled varies depending on data provided by the waste service provider. Some providers will weigh the recycling and give us a report, or we have a methodology to estimate weights based on averages at other sites. Brambles consolidates the information and applies conversion factors to calculate total amounts by metric tonnes.

Reused wood data is collated by CHEP service centres during the reclaim process. All wood salvaged is recorded, usually in 'number of elements' then converted to average weight.

Recycled wood data is captured mainly by the companies who purchase the wood from us, using weight calculations.

The back page in the FY20 sustainability review contains conversions which help readers understand in relative terms the impact each employee has had throughout the year. For waste a conversion from US EPA was used

<https://www.epa.gov/energy/ghg-equivalencies-calculator-calculations-and-references#recycle>

Better Communities

Donations data is obtained from internal finance and operations. Monetary donations are converted to US dollars using June 2020 foreign exchange rates. Data for charitable donations, in-kind donations and volunteering has been collected from all businesses in FY20.

Charitable donations

In FY20, Brambles global finance teams identified all donations to charitable and community organisations. Donations were converted to US dollars on a monthly basis where possible or using June 2020 foreign exchange rates where this was not done.

In-kind donations

The value of in-kind donations to community and not-for-profit organisations was calculated by applying the commercial value of the donated products in the country where the donation occurred. Donations were converted to US dollars using June 2020 foreign exchange rates.

Volunteering

Brambles has an employee volunteering policy, which provides employees with three days of paid volunteer leave per year during usual contracted hours to provide volunteer services to community-based not-for-profit, educational, or environmental organisations.

Brambles collects the number of manager approved volunteer hours recorded in HR systems. Actual annual hourly salary (based on the FTE salary and contracted hours) of the individual employee who has volunteered is used to calculate the value of hours volunteered. Previous to FY19, Brambles calculated the value of employee volunteering by calculating the average hourly rate for employees by country, based on the median salary of employees in that country for that fiscal year, dividing by the Organisation for Economic Co-Operation and Development's (OECD) average number of hours per worker per year by country, then multiplying this by the total hours volunteered in the relevant country.

5 Year GHG account disclosure

tonnes CO2e	FY16	FY17	FY18	FY19	FY20
Total Scope 1 & 2 & 3	1,052,877	1,077,145	1,014,916	1,116,904	1,163,140
Total Scope 1 & 2	120,409	109,899	90,122	48,888	43,538
Scope 1	71,873	64,400	49,556	26,651	28,327
Scope 2 ("market based")	48,536	45,499	40,566	22,237	15,211
(GreenPower Emissions Savings)	(5,022)	(5,690)	(7,224)	(16,684)	(20,813)
Scope 2 ("locations based")	53,558	51,189	47,790	38,922	36,024
Scope 3	932,468	967,246	924,794	1,068,016	1,119,602
Outsourced Logistics activity	821,095	832,906	732,414	821,095	841,876
Outsourced Service Centres	111,374	134,340	188,917	242,050	273,704
Business Travel	-	-	3463	4,871	4,022

Note: Business travel data unavailable prior to FY18

GLOSSARY

Arete	An online platform for ingesting, archiving, cleansing, manipulating, integrating and reporting Sustainability data sets for Scope 1, Scope 2, Scope 3, Waste, Recycling and Water.
Assurance	<p>Assurance relates to the review of sustainability data by an independent third party. In FY16 Brambles engaged KPMG to provide limited assurance. The engagement consisted of KPMG making inquiries, primarily of persons who are responsible for the preparation of data included in the Brambles' Sustainability Review and for the preparation of the selected sustainability information presented in the Review and applying analytical and other evidence gathering procedures to that information, as appropriate.</p> <p>The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.</p> <p>KPMG's statement of limited assurance can be found on the Brambles' website on the Sustainability Reviews page.</p>
Bi-annual management declarations	Bi-annual management declarations confirm, among other matters, the adequacy of internal control procedures, the effectiveness of risk management systems and compliance with material regulatory and statutory requirements. General Managers and Finance Managers are required to sign off the management declaration questionnaires for their area of responsibility.
Brambles Employee Survey (BES)	Brambles measures employee engagement through the annual Brambles Employee Survey (BES). Engagement is a combination of perceptions that positively impact behaviour. These perceptions include satisfaction, pride, loyalty and a willingness to be an advocate for the organisation; engagement results are an average of these four items and measure to what extent employees agree or disagree with the statement. Those employees who agree or strongly agree are the most engaged.
Brambles injury frequency rate (BIFR)	<p>Brambles Injury Frequency Rate is the primary measure of safety performance in Brambles. BIFR is generally comparable to the total recordable injury frequency rate (TIFR) or total recordable injury rate (TRR) used in other businesses. BIFR records all fatalities and three types of injury, each at a rate of injury per million hours worked:</p> <ul style="list-style-type: none"> work related fatalities; loss of a full work shift due to injury; modified duties following an injury; and incidents that require medical treatment.
Carbon neutral pallet offering	<p>A product available to CHEP customers. Participants are able to offset the annual carbon footprint of their CHEP pallet movements. Features of the program include:</p> <ul style="list-style-type: none"> The requirement that the product's materials come from sustainable sources. A robust measurement system that covers all service centres, subcontracted locations, offices and transportation functions. A comprehensive life-cycle analysis developed in partnership with an independent third party, carried out under ISO14040 standards and peer-reviewed. A partnership with a recognised leader in the carbon credit industry, the Carbon Neutral Company, to purchase internationally recognised credits. <p>The cost of purchasing offset credits for customers to achieve carbon neutrality is relatively inexpensive, due to the inherent environmental efficiencies of the pooling model. By choosing to purchase credits, customers are able to reduce the carbon footprint in the supply chain and invest in reforestation projects in developing countries.</p>
C-GEN	<p>'C-gen' stands for C generation stock. 'A' generation stock is stock awaiting inspection, 'B' generation stock is that which is waiting to be conditioned or repaired and 'C' generation (C-gen) stock has been conditioned and is ready for a customer.</p> <p>C gen gives us an understanding of the number of products (pallets, crates, or containers) that have been conditioned at our sites, which is the productivity measure we use.</p>

GLOSSARY

Certified sources (of wood)	<p>CHEP promotes sourcing of wood for its pooled pallet requirements from sustainable wood sources. Brambles set a target in 2010 for 100% chain of custody certification for wood purchased by CHEP. Brambles reports all wood purchased in three categories:</p> <p>Chain of custody certified wood (see Chain of custody certification)</p> <p>Wood from certified sources; and</p> <p>Policy compliant wood (see Policy compliant wood).</p> <p>Wood from certified sources is defined in two categories:</p> <p>Certified sources with chain of custody certification, where CHEP has confidence, via due diligence, that the source of the wood has chain of custody certification; however, suppliers have not correctly referenced this certification or have not provided complete accreditation details for the wood supplied to CHEP carrying chain of custody certification.</p> <p>Other certified sources, where CHEP has confidence, via due diligence, that the source forest or mill (ie a certified forest, in the case of PEFC and FSC, or a certified mill in the case of United States SFI-certified sourcing) is certified by PEFC, FSC or equivalent. Equivalence is based on the Montreal sustainability criteria that underpin PEFC and FSC.</p> <p>Wood that does not satisfy CHEP's due diligence requirements for certified source definition must still meet its policy on sustainable wood sourcing standards.</p>
Chain of custody certification	<p>Chain of custody certification is the process by which certified forest products are verified to come from properly managed, sustainable sources. To become chain of custody certified, organisations must meet minimum requirements in product traceability, product storage and handling, invoicing and record keeping, and have an on-site audit by an accredited third-party verifier.</p> <p>There are several recognised standards that promote sustainable forestry management, including those set by the Forest Stewardship Council (FSC) and schemes endorsed by the Program for the Endorsement of Forest Certification Programs (PEFC). For example, FSC Chain of Custody certification allows companies to label FSC products and applies to manufacturers, processors and traders of FSC certified forest products. It provides assurance regarding the sustainability status of wood at all stages along the supply chain. At each stage in the chain of processing and transformation, chain of custody certification is needed to confirm that FSC certified wood products are not being compromised by the entry of uncertified products.</p> <p>Brambles has a target for 100% chain of custody certification for wood purchased by CHEP. Brambles reports all wood purchased in three categories:</p> <p>Chain of custody certified wood</p> <p>Wood from certified sources; (see Certified sources) and</p> <p>Policy compliant wood (see Policy compliant wood).</p> <p>CHEP Europe achieved chain of custody certification for wood purchased for its pallets from FSC and PEFC in 2011; CHEP Australia in 2014 and CHEP New Zealand in 2015.</p>
CO2-e	<p>Carbon dioxide equivalent (CO2-e) is the universal unit of measurement to indicate the full global warming potential (GWP) of a particular greenhouse gas emission. It takes into account the GWP of each of the six Kyoto greenhouse gases and expresses them in terms of the equivalent units of carbon dioxide. It is used for measuring and reporting different emissions sources on a common basis. At the corporate level, CO2-e is typically reported in kilotonnes (kt).</p>
Containers	<p>Brambles' business is organised into a number of segments, which includes Pallets, RPCs and Containers. Containers serves the bulk goods, automotive, aerospace and chemical sectors. Operates mostly under the CHEP brand worldwide, as well as the CAPS brand in bulk goods in the Americas.</p>
Executive Leadership Team (ELT)	<p>The Brambles Executive Leadership Team assists in implementing Brambles' strategic direction, and ensuring its resources are well managed. The members of the Team and their biographies can be found on the Executive Leadership Team page on Brambles' website.</p>

GLOSSARY

GLEC Framework	<p>SmartFreight Centre established the Global Logistics Emissions Council (GLEC) as a voluntary partnership of companies, industry associations and green freight programs, backed by governments and other stakeholders.</p> <p>Together they developed the GLEC Framework for logistics emissions accounting and reporting.</p> <p>https://www.smartfreightcentre.org/en/smart-freight-glec/</p>
Greenhouse gas (GHG) emissions	<p>Gases that trap heat in the atmosphere are often called greenhouse gases. Some greenhouse gases such as carbon dioxide occur naturally and are emitted to the atmosphere through natural processes and human activities.</p> <p>Other greenhouse gases (e.g. fluorinated gases) are created and emitted solely through human activities. The principal greenhouse gases that enter the atmosphere because of human activities are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and fluorinated gases. Like most businesses, Brambles impacts on climate change through the consumption of energy, which entails the burning of fossil fuels.</p>
iCARE	<p>Brambles global online data collection system (rolled out in FY13) that collects Occupational Health & Safety and sustainability data of its businesses, providing a standardised system that enables data entry at a site level.</p>
The IUCN Red List of Threatened Species™	<p>The IUCN Red List of Threatened Species™ is recognised as a leading inventory of the global conservation status of plant and animal species. It uses a set of criteria to evaluate the extinction risk of thousands of species and subspecies. These criteria are relevant to all species and all regions of the world. With its strong scientific base, the IUCN Red List is recognised as the most authoritative guide to the status of biological diversity.</p>
Net positive carbon impact	<p>Net positive is a term that describes how an organisation can provide more positive benefits from activities than negative measured carbon impacts. Brambles' CO₂-e savings in the Year for customers must be greater than the total of our own scope 1, 2 and 3 emissions for the Year to make this statement.</p>
NR	<p>Not Reported.</p>
Pallets	<p>Brambles' business is organised into a number of segments, which includes Pallets, RPCs and Containers. Pallets serves customers in multiple supply chains, in particular consumer goods, fresh produce and general manufacturing, across three regions: Americas; Europe, Middle East & Africa (EMEA); and Asia-Pacific.</p> <p>The Americas region consists of the CHEP Canada, CHEP Latin America and CHEP Services (USA).</p> <p>The EMEA region consists of the CHEP Central & Eastern Europe, CHEP Western Europe, India, Middle East and Africa.</p> <p>The Asia-Pacific region consists of the CHEP Asia and CHEP Australia & New Zealand customer business units.</p>
Policy compliant wood sources	<p>CHEP promotes sourcing of wood for its pooled pallet requirements from sustainable wood sources. Where the purchased wood does not carry chain of custody certification, or is not from a certified source, CHEP undertakes due diligence to establish that the wood flow has not been contaminated by controversial source wood. CHEP's due diligence includes consideration of legislation, biodiversity, conservation, protected and endangered species, labour practices for forest workers, indigenous rights, and so on. Wood will not be purchased from a source where CHEP's due diligence is not satisfied.</p>
Reusable Plastic Crates (RPCs)	<p>Brambles' business is organised into a number of segments, which includes Pallets, RPCs and Containers. RPCs serves the fresh produce sector.</p>

GLOSSARY

Scope 1, Scope 2 & Scope 3 greenhouse gas emissions	Scope 1 emissions come from direct purchases of fuel, for company-owned transport or heating. Scope 2 emissions are indirect purchases of energy, like electricity. Scope 3 emissions are generated by a third party, e.g. a transport company carrying a company's freight.
The Year	Brambles' 2020 financial year: 1 July 2019 – 30 June 2020.
TCFD	To support the goals of the Paris climate agreement, the Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosure (TCFD) in 2015. This voluntary disclosure platform was designed to "provide a framework for companies and other organizations to develop more effective climate-related financial disclosures through their existing reporting processes" and support "more informed investment, credit [or lending], and insurance underwriting decisions".
TEU	The Twenty Foot Equivalent Unit is borrowed from a logistics term to describe the capacity of a shipping container. We use it to describe the equivalent factors for the size of our products.
Zero Harm	Brambles' Zero Harm commitment is based on the belief that all accidents, injuries and harm can and should be prevented. To that end, every manager is accountable for achieving Zero Harm and required to demonstrate leadership in creating a culture that actively promotes Zero Harm. Everyone is responsible for committing and contributing to Zero Harm. Brambles' Zero Harm Charter, which sets out the vision, values and behaviours and commitment required to work safely, is provided to all employees.

APPENDIX 1

Estimation Engine Overview

Areté Online

Document File Name	FY20 update Brambles Sustainability Review Supplementary Information
Document Version Number	1.1
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Solution Description

ABOUT THIS DOCUMENT

Document Purpose

The purpose of this document is to describe the business rules and system which govern the automated estimation of general usage and cost data and the associated greenhouse gas emissions and energy usage

For more information

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Document History

Version	Date	Author(s) and Department	Change Description
0.1	15/08/2018	Matt Vale	Initial Version
1.0	25/01/2019	Chris Dey	Minor Updates
1.1	01/09/2020	Chris Dey	Current Version

Solution Description

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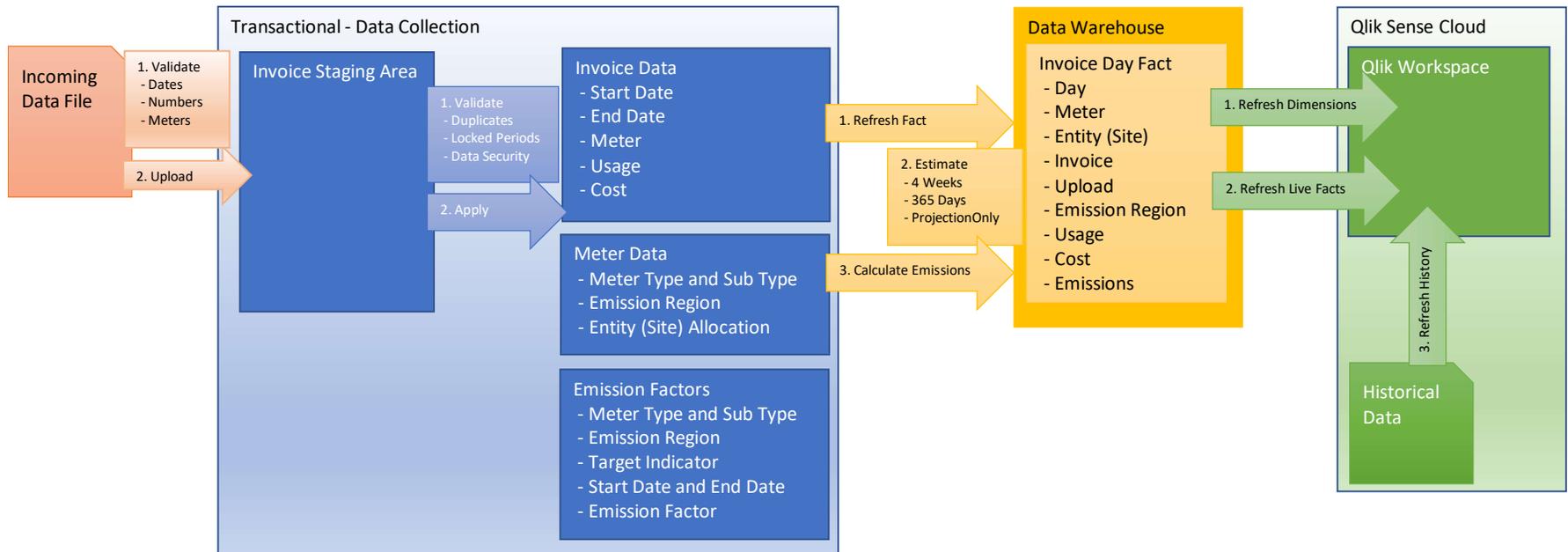


Solution Description

1 ESTIMATION ENGINE CONTEXT

1.1 Overview

Pictured here is a high level diagram of data flow from imported data files through to Qlik Sense Cloud.



Of particular note is the data warehouse which serves the following purposes:

- Normalise incoming data sets to common units of measurement (tonnes, litres, kWh etc)
- Normalise incoming data sets to common time periods – **all data sets are split out to the day level**
- Store the data in a reporting friendly context. The preferred reporting platform is Qlik Sense, however the data warehouse supports a wide range of reporting platforms

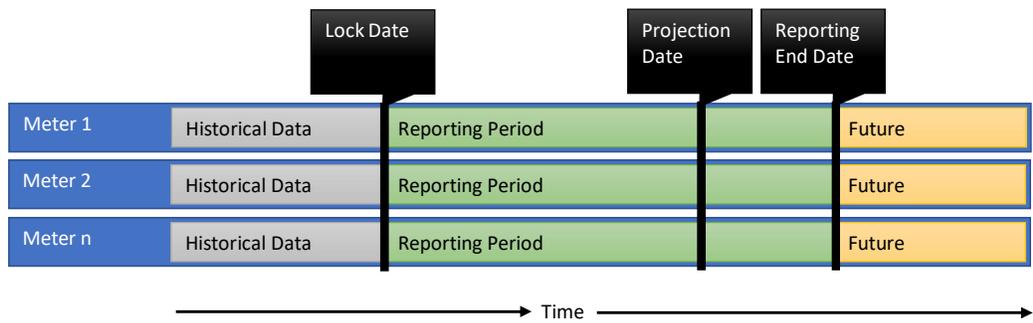
1.2 Estimation Engine Date Parameters

The estimation engine runs against the data warehouse, which has the data stored **at the day level**. If data was imported for a calendar month, this data is stored in the data warehouse split out by the number of days in that month.

The algorithm used to estimate data is prescribed at the Meter level. The algorithms available are described in subsequent sections of this document.

The time window in scope for data estimations is described by three system parameters

Parameter Name	Description
LockDate	Estimations are only applied to time periods greater than the Lock Date
ReportingEndDate	Estimations are applied up until the reporting End Date
ProjectionDate	This additional parameter enables some extra functionality in the estimation process – see below for details



2 ESTIMATION ENGINE - ALGORITHMS

2.1 Essential Reading

It cannot be overstated that the data in the data warehouse is stored at the day level – regardless of the nature of the incoming data.

- A data “gap” is defined as no data for a given meter for a given day
- An actual physical zero (0) value is NOT a data gap
- The data gap is filled from the same meter from a day determined by the estimation method.

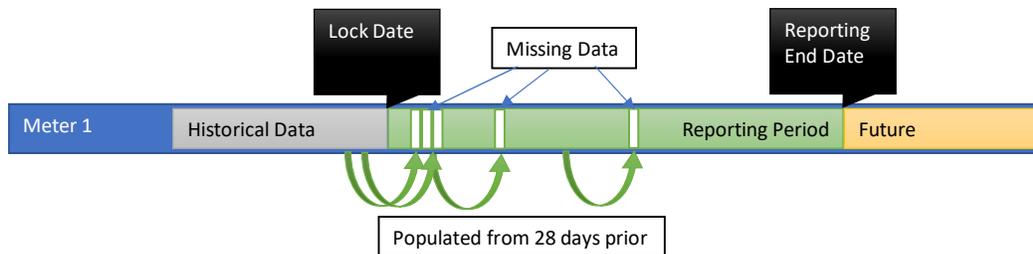
Cost and usage data are estimated using identical methodology.

Emissions are calculated using the appropriate emission factors against the estimated usage data, in other words not estimated directly. This therefore takes into account changing emissions factors..

2.2 PRIOR_MONTH

The prior month estimation method populates all missing data from 28 days prior to the required date. Missing data is only populated for days in between the Lock Date and Reporting End Date.

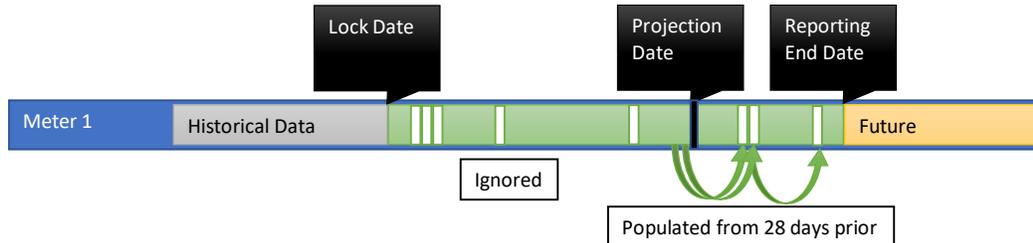
As shown in the diagram, missing data can “leap frog” forward multiple times if required.



2.3 PRIOR_MONTH_PROJECTED

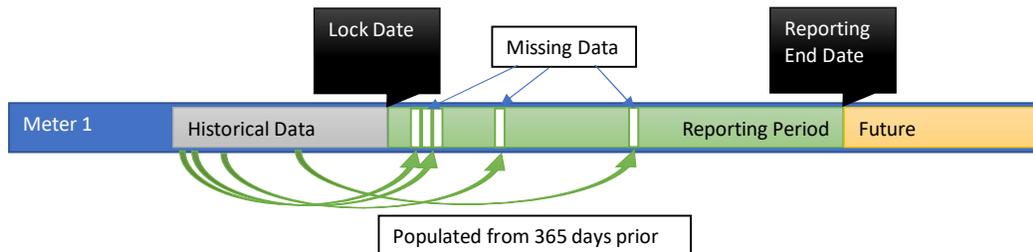
The prior month projected estimation method also populates all missing data from 28 days prior. However, missing data is only populated in between the Projection Date and Reporting End Date, ie. projected forward.

This is useful when historical data is known to be accurate and only future periods require estimations.



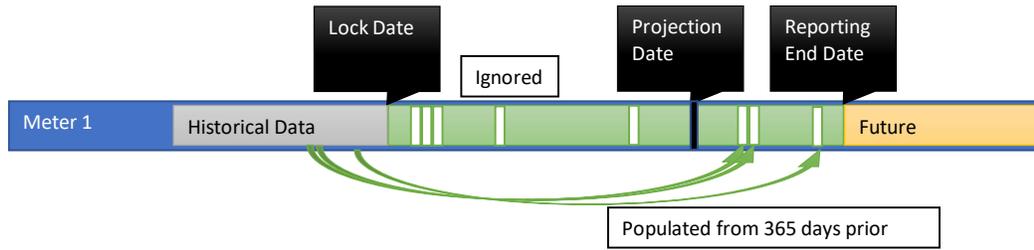
2.4 PRIOR_YEAR

The prior year estimation method populates all missing data from 365 days prior. Missing data is only populated in between the Lock Date and Reporting End Date. For example, this will generally mean the monthly data for the previous reporting year is used again in the current reporting year.



2.5 PRIOR_YEAR_PROJECTED

The prior year projected estimation method also populates all missing data from 365 days prior. Missing data is only populated in between the Projection Date and Reporting End Date. This is useful when historical data (typically monthly) is known to be accurate and only future periods require estimations.



2.6 NONE

This setting disables all estimation methods for the given meter. If a meter becomes nonoperational (such as when a site is closed), it is preferable to also set a meter closing date so that there is a further level of control over data estimations.

3 ESTIMATION ENGINE – RATIONALE

3.1 Principles

The estimation engine is designed to facilitate systematic, accurate, and repeatable filling of missing data using a clearly defined procedure. Applied at the meter level, the chosen estimation method is used for the whole reporting year for that meter. Previous reporting years, those occurring prior to the Lock Date, could have had different estimation methods for the same meter.

Generally for a full financial year reporting situation, the Prior Year method is the most appropriate estimation method. Clearly this applies only if the meter is not new, but it is also a good option when there is high seasonal variation with data, such as for example winter natural gas heating in North America, or similar shut downs or holiday periods in production data.

Prior Year may not be the best method if there were very “lumpy” prior year data, which may have been due to missing data in the historical data set. Or, if the prior year is atypical or there are good and known reasons why the meter’s prior year data might be at systematic variance to a reasonable estimate for the current year.

Prior Month is generally the method used if Prior Year is not appropriate. Current year data may be more reliable for example, or there may not be much seasonal variation, meaning the previous month represents a good estimate.

Note that if at a later time actual data become available for a meter, it can still be uploaded into the Areté system and the estimation method is then not relevant for that data point.

The Projected estimations methods are useful if there is full confidence in data for a meter up to the Projection Date. Hence with this method, estimations will only be made going forward from the Projection Date to the End Date.

3.2 In Practice

It should be noted that different estimation methods can also be more appropriate for different types of data. Where data is likely to be continuous, such as monthly electricity usage without seasonal effects, prior month is likely to be better. For more discrete data types, such as waste/material collected data or bulk delivery data, where there may be months with 0 values, care must be taken. In rare instances a manual data point can be entered at invoice level if there is no clear method that appears accurate.

Finally, the appropriateness of the choice of estimation method can be very usefully examined by using the various reporting views in Qlik Sense Business. Using targeted filters and charts, the smoothness of data points, whether real (actual) or estimated, can be ascertained at different reporting levels, right down to the meter. In this way, highly important data points can be found, and their history checked using trend graphs. If required, the estimation method assigned to that meter can then be changed, and the estimations recalculated, and then re-examined in Qlik. In general, there is a lot of value in visually examining data trends in Qlik, and using Real | Estimated Fact Source filters to check reasonable trends and reveal anomalies.

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