

Brambles

Sustainability Review 2019



**Shaping a
sustainable
future**

brambles.com/sustainability

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For more information, go to:

brambles.com/sustainability

Brambles at a Glance

Brambles' purpose is to connect people with life's essentials every day. Through its 'share and reuse' model, Brambles moves more goods to more people in more places than any other organisation.

What Brambles does

As a pioneer of the sharing economy, Brambles is one of the world's most sustainable logistics businesses.

Its circular business model perpetuates the share and reuse of the world's largest pool of reusable pallets and containers.

This enables Brambles to serve its customers while minimising the impact on the environment and improving the efficiency and safety of supply chains around the world.

Brambles' platforms form the invisible backbone of global supply chains, primarily serving the fast-moving consumer goods, fresh produce, beverage, retail and general manufacturing industries.

The world's largest brands trust Brambles to help them transport life's essentials more efficiently, safely and sustainably.

How Brambles Creates Value

Brambles uses the power of its circular business model, network advantage and unique expertise to leverage key capital inputs into its business, generating significant value for customers, shareholders and employees.

For customers, Brambles' end-to-end supply chain solutions deliver operational, financial and environmental efficiencies not otherwise available through one-way, single-use alternatives. Further details are available on page 9.

For shareholders, Brambles delivers sustainable growth at returns well in excess of the cost of capital and seeks to generate sufficient cash flow through the cycle to fund dividends and support reinvestment in growth, innovation and the development of its people. Further details are available in Brambles' 2019 Annual Report.

For employees, Brambles provides development and exciting career opportunities in approximately 60 countries. By fostering a culture of innovation and agility, Brambles seeks to attract and retain the talent which is integral to its success.

In a resource constrained world, circular business models like that operated by Brambles are recognised as contributing to a critical economic evolution to enable the world to trade more responsibly. By regenerating what it extracts and by providing its products via a service, Brambles helps reduce both the constant pressure on natural resources and the waste production typical of conventional linear business models. Brambles capitalises on its position in the supply chain to enable customer collaboration and address sustainable development challenges, such as optimising transport networks and addressing food waste and promoting sustainable use of the world's forests.

In this way, Brambles helps create a circular economy, on a global scale.

Brambles has used the Integrated Reporting <IR> 'capitals' Framework¹ to illustrate the interaction and interdependencies between its sources of value, business model and ability to create value over time. View the infographic on page 3.

¹ Integrated Reporting highlights the key resources and relationships used and affected by an organisation

INPUTS

VALUE CREATION

OUTPUTS

Natural Capital
99.7% wood from certified sources which regenerates stocks of raw materials and drives demand for sustainable forest products

Manufactured Capital
330 million assets shared and reused throughout the world's supply chains

Human and Intellectual Capital
Attracting talent, ideas and innovation

Financial Capital
Attracting long-term investment

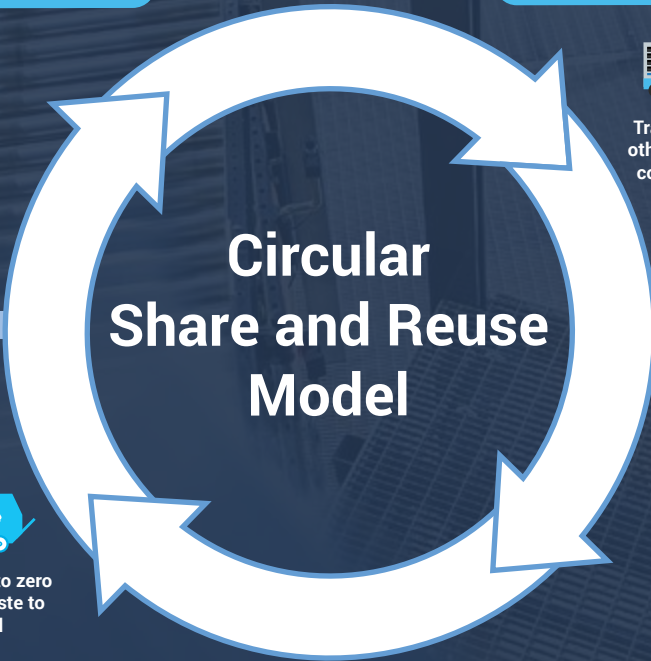
Social and Relationship Capital
Fostering positive stakeholder relationships in communities

Producer

Brambles' platforms help reduce food waste

Manufacturer

Transport and other customer collaboration



Service Centre

Committed to zero product waste to landfill

60% of electricity was from renewable energy sources

Retailer

Scale-related operational efficiencies

Network scale density and expertise

Growth, innovation and people

By sharing and reusing Brambles' products versus single-use alternatives, value is created for its customers, the environment and society.

Natural Capital
Customer-driven environmental savings:

- 2.0m tonnes of CO₂
- 2,600 megalitres of water
- 1.7m m³ of wood
- 1.7m trees
- 1.3m tonnes of waste

Social and Relationship Capital
Customer value:

- Enhance operational efficiency
- Free up cash and resources
- Lower overall supply chain costs
- Sustainable packaging objectives

Building our social licence through advocacy for a circular economy

Intellectual Capital
Network advantage and digital solutions are creating the supply chains of the future

Human Capital
Developing, engaging and remunerating our people

Financial Capital



² United Nations Sustainable Development Goal 12 aligns with Brambles' circular business model. For more information visit brambles.com/sustainability

³ Economic value is a measure of the broader financial benefit provided by an organisation

About Our Review

Brambles' Sustainability Review reports on our activities assessed as material sustainability issues, for the financial year ending 30 June 2019 and is part of a suite of external communications including Brambles' 2019 Annual Report available for our stakeholders.

Our supplementary information document for this review, available on the Brambles website (brambles.com/sustainability), contains further information on assessment of materiality: risks and opportunities; assurance process; data measurement techniques; stakeholder engagement; and a glossary of terms. Also available on our website is a table detailing our response to the following three sustainability reporting frameworks:

- Global Reporting Initiative (GRI) Standard
- UN Global Compact Communication on Progress for 2019
- UN Sustainable Development Goals (SDGs).

Brambles is currently undertaking a process to develop its 2025 sustainability programme with the intention of announcing the new commitments in FY20. This preparatory work involves consultation with key stakeholders including customers, investors, non-government organisations, thought leaders, industry bodies, management and employees.

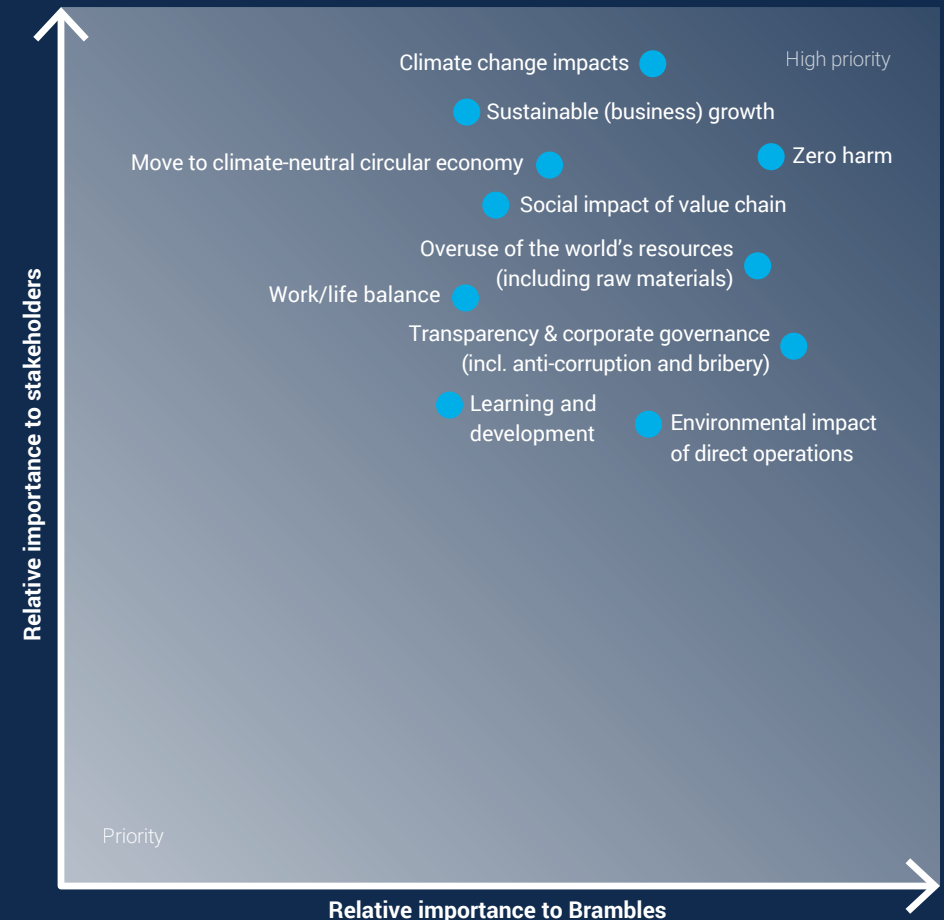
Brambles uses the services of KPMG to provide limited assurance on key elements of this review. Information which has been subject to such assurance is clearly identified by the words, "This page is covered by assurance" or "Data on this page is covered by assurance". The KPMG Assurance Report is available on the Brambles website at brambles.com/sustainability-review



Materiality Matrix

Brambles has engaged key stakeholders to contribute to the formation of this materiality matrix.

It outlines the top issues ranked for relative importance to our stakeholders and its relative importance to Brambles. A variety of sources are used to inform this process including surveys with customers, investors, peers, industry groups, employees and media reviews. Brambles considers the materiality process to be iterative and is reviewed and updated regularly. More information on this process is available in the supplementary document on our website.



Introduction from the CEO

As Brambles enters the final year of our 2020 goal period, it's clear that the commitments the business made back in 2015 are even more important for our stakeholders today.

Society's awareness of climate change and waste from single-use packaging is firmly in the spotlight as consumers draw links between their purchasing behaviour and these issues. Within this context Brambles is ideally positioned to help retailers and brand owners take action in their supply chains to address changing consumer preferences for products that are 'faster, easier and cheaper' and also, sustainable.

We have made very good progress towards meeting our 2020 goals and in particular, I'd like to highlight our commitment to sourcing certified sustainable wood. Brambles' scale and geographical coverage drives positive outcomes in local forestry industries by increasing demand for certified forestry products. We also now have more renewable energy powering our service centres, making our already low carbon solutions even more sustainable. Similarly, we continue our progress towards achieving our gender diversity goals and we are expanding the scope and breadth of our Diversity Programme. On page 19 we share some initial stories about Going Beyond Gender.

Additionally, in this review, we introduce our Zero Waste World initiative, which capitalises on our strengths in the circular economy to partner with other leading companies to create smarter and more sustainable supply chains.

Unfortunately, at the time of writing the Brambles' FY19 Sustainability Review, we experienced a tragic incident at the CHEP Bellpuig plant in Spain, resulting in the death of our colleague, José Luis Segura. This loss has impacted us greatly and we are doing everything we can to avoid such

a terrible accident in the future. This highlights the importance of the next phase of Brambles' Zero Harm strategy, "Safety Differently", which seeks to elevate our performance to the next level.

Throughout FY19, there has been clear Environment Social and Governance (ESG) themes in our conversations with many investors. Our FY19 ESG roadshows engaged directly with existing and prospective investors to discuss both our business performance and how the circular business model differentiates our brand and helps customers make tangible progress towards their own sustainability goals. These discussions also looked at future challenges and in particular how Brambles will respond to the recommendations set out by the Task Force for Climate-related Financial Disclosures (TCFD).

As we reflect on the successes and growth of our Sustainability Programme, we are also developing a roadmap for the future. We are discussing the next stage with key stakeholders to confirm what is important for them and what they expect from Brambles to ensure we continue to create value now and well into the future. What is clear is that business has a key role in shaping a sustainable future and that partnerships will be critical to achieving shared objectives such as the UN Sustainable Development Goals (SDGs) by 2030. Transitioning from doing 'less bad' to creating positive and lasting change through doing 'more good' will be essential. This is why Brambles is exploring what a truly regenerative business looks like and how our position as the invisible backbone of the global supply chain can help create more positive outcomes for our people, our customers and society.



Graham Chipchase
Chief Executive Officer



Business has a key role in shaping a sustainable future.

ESG Recognition

Brambles continues to achieve consistently high scores in reputable investor surveys, receiving recognition as an ESG leader. Here, we offer a snapshot of ESG ratings including Brambles' performance for the year reviewed.

ESG Roadshows

During FY19, Brambles completed ESG roadshows throughout Europe, North America and Australia, which provided the business an opportunity to share our sustainability story and learn what's important for investors ranging from institutional pension funds to sustainability focused impact funds.

The key themes arising from these conversations included the importance of sustainability issues for retail customers and food producers such as waste packaging, climate change, and regulations around human rights and slavery in supply chains. We also discussed what's next for Brambles' sustainability journey including how we can continue to lead the transition to a circular economy.



"Leader" in top 1% of companies analysed



Morgan Stanley
Capital International

Top 10% of companies analysed globally achieving the **MAXIMUM AAA RATING**



Second position in industry category, placing Brambles in the 96% percentile for 2019



Brambles was assessed as the second most sustainable international company in the world



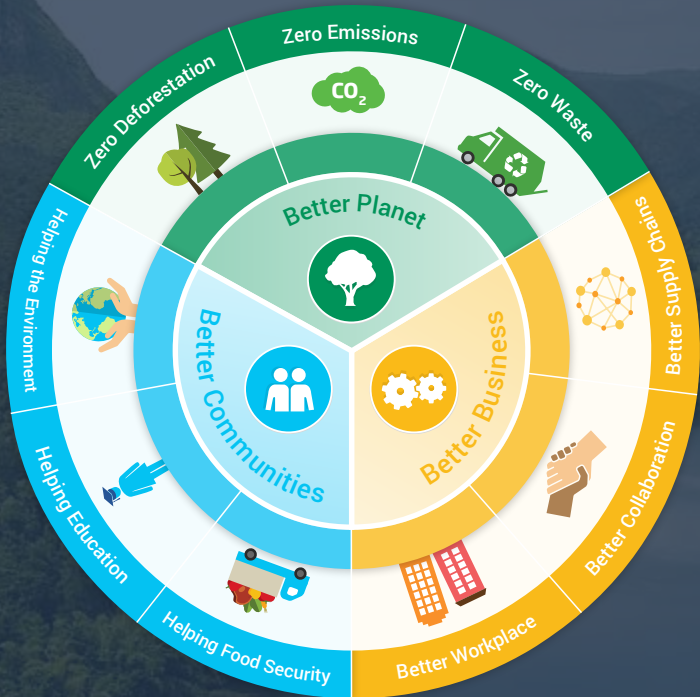
Brambles was included in the CDP Forest B List



FTSE4Good

Constituent of the FTSE4Good index 2014, 2015, 2016, 2017 and 2018

Our Progress Towards Our 2020 Goals



Brambles' 2020 Sustainability Goals Performance Against Goals Change Since 2018

Better Planet – Zero Deforestation

100% of wood from certified sources	99.7% wood from certified sources	0.3 pts	🟢
Yearly progress towards 100% Chain of Custody certified wood	62.2% wood carrying full Chain of Custody certification	-3.8% pts	🔴

Better Planet – Zero Emissions

20% CO ₂ reduction in emissions per unit delivered	18% reduction in CO ₂ /unit since 2015	-8.6% pts	🟢
Yearly improvement in energy provided from renewable sources	60% energy from certified renewable sources	34% pts	🟢

Better Planet – Zero Waste

Zero product (wood and plastic) waste to landfill	94% Brambles' largest managed sites diverted wood product from landfill	Steady	🟡
	100% Brambles' largest managed sites diverted plastic product from landfill	Achieved	🟢

Better Supply Chains

Yearly environmental improvements in Brambles' customers' supply chains ⁴	2.0 megatons CO ₂ e saved	2%	🟢
	2,595 megalitres water saved	0%	🟡
	1.7 million m ³ wood saved	6%	🟢
	1.3 megatons waste diverted from landfill	1%	🟢
	1.7 million trees saved by our 'share and reuse' model	6%	🟢

Better Collaboration

Yearly improvements in customer collaboration projects	246 customers	9%	🟢
	69,671,488 kilometres saved through transport collaboration	11%	🟢
	84,499 tonnes of CO ₂ saved through transport collaboration	57%	🟢

Better Workplace – People

25% reduction in Brambles' Injury Frequency Rate (BIFR)	5.9 BIFR since 2015	-18%	🔴
30% of leadership positions are to be held by women including 30% at Board level and 30% at management level ⁵	27% women on Brambles' Board	-9% pts	🔴
	29% women in management positions	0.6% pts	🟢
Achieve global best practice employee engagement of 79%	76% employee engagement	New baseline	

Better Communities – Volunteering Time

Interim target of one day per employee per year (provision of three days per employee per year)	1.91 volunteer hours/employee/year	14%	🟢
	21,602 employee hours volunteered	28%	🟢

Better Communities – Donations

Contribute 0.7% of pre-tax profits to our Better Communities programmes ⁶	US\$4,421,028 – 0.68% of pre-tax profits	22%	🟢
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🟢 = Improvement / achieved 🟡 = Steady 🔴 = Decline

⁴ IFCO excluded from all calculations including FY18 comparisons. Due to the divestment of IFCO, the tonnes of food waste saved by using RPCs has been excluded. More information will be available in our [supplementary information document](#)

⁵ From FY15-FY18 30% or more of Brambles' Board were women

⁶ Better Communities financial donations not covered by assurance

Shaping a sustainable future

VIDEO

FY19 Brambles' Sustainability Highlights



Better Business

Brambles creates better supply chains by helping customers deliver life's essentials, sustainably.

In practice, this means transitioning customers from single-use or one-way packaging to reusable packaging. This eliminates waste and reduces demand on natural resources, accelerating the evolution to a circular economy.

When we amplify the benefits by continuously sharing and reusing our platforms across collaborative networks in each region, we truly create better supply chains on a global scale.



Better Supply Chains

Year on year environmental improvements in Brambles' customers' supply chains

Better Collaboration

Year on year improvement in customer collaboration projects

Brambles

Brambles' Better Business 2020 sustainability goals embody innovation through our circular business model and collaboration throughout the supply chain. Our goals directly align with the United Nations Sustainable Development Goals.



Better Supply Chains

Our Approach

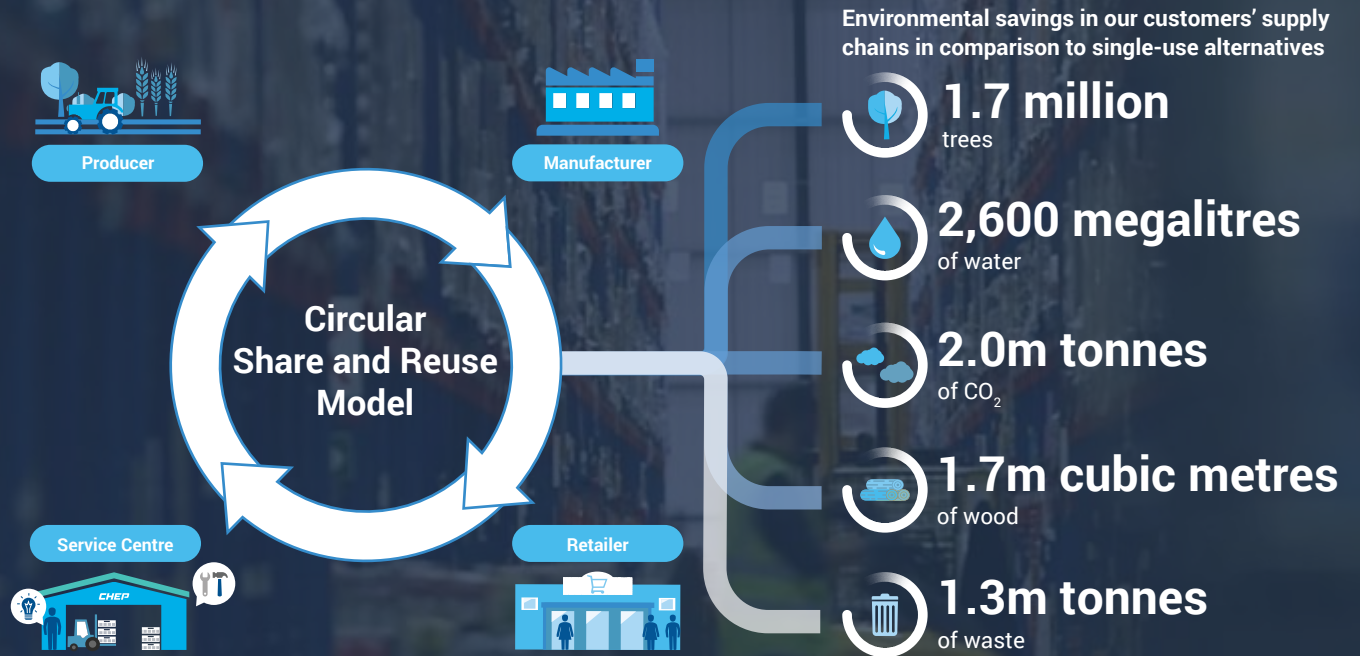
Providing a sustainable alternative to single-use packaging reduces the environmental impact of our customers' operations. In this way, Brambles offers a working case study for customers to reference as they adapt to growing consumer awareness about waste and the importance of a circular economy for a sustainable future.

The environmental benefits of our circular 'share and reuse' model are verified using robust Life Cycle Assessment (LCA) studies.

The results are illustrated in the Natural Capital component of the infographic on page 3.

Brambles is built on pure circular principles

The Ellen MacArthur Foundation is recognised as the global authority on the circular economy. It has identified three key principles that form the foundation of a circular system.



The Ellen MacArthur Foundation's principles of a circular system

How Brambles implements these principles for customers

<p>1 Design out waste and pollution 80% of a product's environmental impact can be determined during the design stage. By viewing waste as a design flaw, it can be avoided in the first place.</p>	<p>Sharing and reusing pallets and containers is circular by design. It eliminates the concept of waste and provides customers with a foundation for their own circular system.</p>
<p>2 Keep products and materials in use Build an economy that keeps things in use, rather than simply using them up.</p>	<p>Designed to be durable and deliver long-term value, our platforms are kept at their highest value through recovery, repair and reuse. Value is increased through an extensive sharing network increasing its utility over its lifetime.</p>
<p>3 Regenerate our natural systems Not only protect, but actively improve the environment, ultimately creating regenerative systems.</p>	<p>Based on renewable, reusable, recyclable or biodegradable materials, Brambles' platforms form the basis of a circular system that regenerates what it needs, paving the way for a more positive future.</p>

Table 1: Three principles forming the foundation of a New System - taken from the Ellen MacArthur Foundation's new learning resource

The results displayed in Brambles' share and reuse model are derived from peer-reviewed life cycle assessment (LCA) calculations. All data and calculation methodologies are available in our supplementary information document at brambles.com/sustainability-review.



Better Supply Chains continued



"I honestly can't imagine not sending a CHEP pallet" – California Giant experiences huge benefits through partnership

California Giant Berry Farms provides strawberries, blueberries, blackberries and raspberries to major retailers throughout North America. Now, in addition to being a top berry producer, California Giant is establishing itself as a leader in sustainability. Cindy Jewell, Vice President of Marketing, says, "I honestly can't imagine not sending a CHEP pallet. If everything is blue, we're creating efficiencies in the supply chain. We encourage companies to look at their own partners. What are they already doing? How could you make a bigger impact together?" Utilising approximately 2.87 million CHEP pallets over 17 years, California Giant has generated substantial sustainability savings.



544 tonnes of CO₂ removed, the equivalent of planting and growing 14,372 trees for 10 years



725 tonnes of solid waste eliminated from landfill



Cut out inefficiency and eradicated empty transport miles

Tanimura & Antle partners with CHEP

Tanimura & Antle partners with CHEP to store more than 220,000 CHEP pallets at their facility in Spreckels, California, in order to meet demand during peak harvest season.

CHEP and Tanimura & Antle share a focus on sustainability and are both working to eliminate waste, eradicate empty transport miles and cut out inefficiency in the supply chain.



VIDEO

[Tanimura & Antle – CHEP pallet storage case study](#)



Automotive giant turns to CHEP to eliminate waste

CHEP has signed a lane expansion agreement with ZF India, a leading manufacturer of automotive components to use CHEP's Foldable Large Containers (FLCs) to move suspension parts. The parts will be transported an average of 1280 kilometres to factories owned by two of India's largest Original Equipment Manufacturers, TATA Motors and Ashok Leyland. By switching to pooled FLCs, ZF India will be able to remove 660 tonnes of annual wood waste from its operations.



Jumex and CHEP – collaborating on sustainable solutions for 15 years

In April 2019, CHEP presented a Sustainability Certificate to Miguel Autrique, Deputy General Manager of Grupo Jumex. Jumex produces juice brands such as Jumex, Único Fresco, Vigor, V8 and Fresh. Miguel stated, "CHEP blue pallets allow us to operate a circular economy environment, optimise our logistics processes, save costs and guarantee our environmental respect policy. The industry in Mexico is adopting the CHEP blue pallet quickly and progressively." With Jumex's 300 daily raw material and product movements, CHEP's transport collaboration opportunities are also being explored.



Grupo Jumez receiving CHEP's Sustainability Certificate (Left to right) (CHEP) Vanessa Arruñada, Amelia Hernandez, Jorge Montaña, Angelica Vazquez, Juan Jose Freijo, (Jumex) Miguel Autrique, Roberto Fernandez, José Antonio Fernandez, Luis Mendez.



130 sustainability certificates

have been issued to customers in the EU, US and Australia in 2019.

These certificates introduce customers to the circular economy by quantifying the environmental benefits, such as carbon and waste savings, of using of CHEP solutions over single-use alternatives.

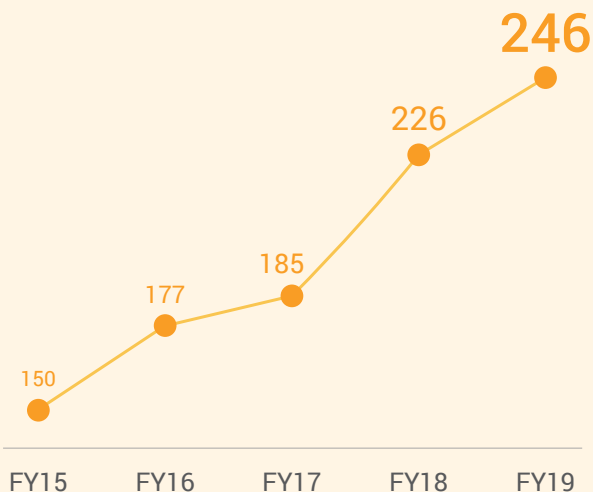


Better Collaboration

Our Approach

The purpose of Brambles' Better Collaboration goal is to increase the number of collaborative projects with customers and suppliers. In 2019, collaboration partners increased by 9% to 246. The combined transport distance saved exceeded 69.6 million kilometres and prevented over 84,000 tonnes of CO₂ from entering the atmosphere.

Customers participating in collaborative projects



✔ Data on this page is covered by assurance

Zero Waste World

Zero Waste World accelerates the circular transition for large businesses

Our customers are not only being asked to meet consumer demand for faster, easier, and cheaper products, but at the same time be more sustainable. Access to e-commerce as well as smaller retail footprints has increased order frequency and therefore, home delivery. The unseen environmental impact is increasing transport inefficiencies, empty journeys and waste packaging on a global scale. Brambles' network scale and visibility affords a unique opportunity to accelerate simple, sustainable solutions to this development.

Our Zero Waste World (ZWW) Programme creates partnerships with manufacturers and retailers to solve big, shared challenges as well as saving time, money, and resources by making the transition to a circular economy faster and simpler. ZWW is a new working collaboration to help our customers grow while creating value for society as a whole.

In 2019, Brambles launched ZWW in the US and Europe, focusing on three shared challenges.



VIDEO

Zero Waste World – Less resources, more value, together



Zero Waste World launched in the US

At the Sustainable Brands 2019 event CHEP North America President, Laura Nador's keynote address shared how Brambles can uniquely help solve the challenge of, increasing growth leading to increasing waste that many companies are faced with.

Zero Waste World Shared Challenges



Eliminating waste

by using its circular economy expertise to convert customers to more sustainable share and reuse solutions which save resources and reduce costs.

▶ [Watch video](#)



Eradicating empty transport miles

by using its network scale and visibility to facilitate collaborative transport solutions, bringing manufacturers and retailers together to reduce the environmental impact of their operations and save money.

▶ [Watch video](#)



Cutting out inefficiency

by using its end-to-end supply chain solutions and BXB Digital technology to enhance customers' visibility of their supply chains to drive better decision making.

▶ [Watch video](#)





Better Collaboration continued

1 Eliminating waste



CASE STUDY | SOLUTION SUPPORTED BY

Share and reuse eliminates waste for Tenneco

Tenneco is a global leader in the design and manufacture of automotive products who sought to replace single-use one-way packaging and a difficult to manage fleet of owned containers with CHEP's standardised container solutions.

Gary Southerland, Sr. Packaging Systems Analyst, Tenneco Automotive said, "Our plant and materials management throughout has vastly improved since implementing CHEP's returnable container process and the cost of dealing with cardboard has been reduced. In addition, with this new process we no longer have the need for additional indirect labour for cardboard disposal." After an in-depth Life Cycle Assessment (LCA) CHEP's durable, reusable and RFID-enabled ISOBin33 provided an 80% reduction in cardboard use, between 5-18% reduction in CO₂ emissions and complete elimination of one-way pallets. The initiative saved over 670 tonnes of cardboard being sent to landfill while creating supply chain efficiencies that eliminated over 228,000 kilometers equating to 270 tonnes CO₂.

2 Eradicating empty transport miles



BXB Digital and Brambles Intelligence Exchange (BRIX)

Brambles position provides visibility of logistics networks uncovering the pathways of over 330,000 supply chains in Europe alone. Through BXB Digital and its supply chain platform Brambles Intelligence Exchange or BRIX, we apply a digital fabric on a physical network collating our supply chain expertise and data to drive efficiencies not otherwise available through other systems. BRIX enhances the backbone of the global supply chain with digital intelligence to deliver end-to-end visibility, driving collaboration and sustainability opportunities across the supply chain. BRIX is an artificial intelligence (AI)-driven system which uses data to anticipate and address bottlenecks in the

supply chain illuminating flows through near real-time data – helping the world's leading manufacturers and retailers to make smarter and more sustainable decisions.

2 CASE STUDY | SUPPORTED BY 88 Digital

Madrid Collaborative Transport event a success

CHEP's second Collaborative Transport event took place in Madrid in 2019. The engaging and interactive format helped our customers share how CHEP's collaborative transport solutions assist them to save empty kilometres, reduce costs and eliminate CO₂ emissions. The event received excellent feedback from our customers.

"CHEP's collaborative solutions are proof that CHEP is responding to market needs. They are committed to innovation and added value."

Miguel Ángel de Miguel, Director of Digital Technology and Logistics, Mahou San Miguel

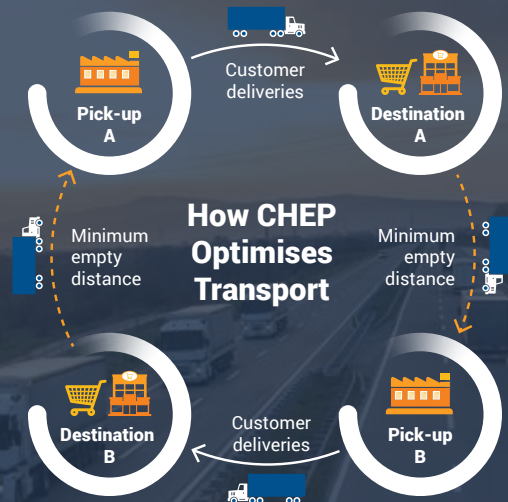


VIDEO
2019 CHEP Collaborative Transport Summit



How CHEP optimises transport

CHEP's Supply Chain Collaboration Programme aims to create efficiencies in a fragmented transportation market. It is a matching tool powered by BRIX and based on advanced algorithms, integrating multiple members of one or more supply chains into one network by analysing the customers' delivery routes and selecting suitable synergies that help customers share transport with each other and with CHEP.



We optimise transport in four different ways:

1. Plant Network Optimisation (PNO) – positions service centres or TPMs⁷ to capitalise on routes with the highest volume of platform exchange
2. Transport Collaboration (CHEP and customer) – creates collaborative partnerships by being a trusted non-competitive player
3. Transport Orchestration – facilitates optimisation of empty transport journeys between two or more customers
4. Multi-modal – utilises multiple transport modes such as rail and sea for the greatest cost and carbon efficiencies.

⁷ Brambles' Total Pallet Management, or TPM, service operates within customers' premises, eliminating the need for platform recovery through a CHEP service centre.



Better Collaboration continued

3 Cutting out inefficiency

By using its end-to-end supply chain solutions and BXB Digital technology to enhance customers' visibility of their supply chains to drive better decision making.

3 CASE STUDY | POWERED BY

Driving efficiency in the supply chain

The internet of things (IoT) and artificial intelligence (AI) have come to global prominence over the past five years, with the supply chain and in-store sales sectors starting to discover the potential of these technologies to tackle inefficiencies.

But where are these inefficiencies located in the supply chain? Where could the logistics sector end up in three years' time? What combination of IoT and AI could be used to turn waste into efficiency?

Watch the video and download the FMCG Supply Chain Guide to find out how CHEP's Digital Solutions team helped one of the UK's major food and grocery wholesalers, NISA, identify \$US24-36 million of potential savings by using digitised pallets to:

- Uncover goods' visibility
- Improve promotions compliance and
- Improve quality while reducing waste

[Download the FMCG Supply Chain Guide: Digital Innovation](#)

3 CASE STUDY | POWERED BY

Helping Ferrero better serve retail customers

CHEP pallets, digitised by BXB Digital, helped confectioner, Ferrero Canada, better serve retail customers. The project involved real-time product tracking helping improve scheduling and efficiency, while enhancing in-store display execution process. CHEP's end-to-end Arrival Notification solution helped improve workforce scheduling and efficiency, reduce unnecessary trips to stores and minimise the time product was in a store's back room, rather than on display.



VIDEO

[How CHEP are digitally transforming NISA's supply chain](#)

Brambles' NISA project is a finalist in the awards listed below:



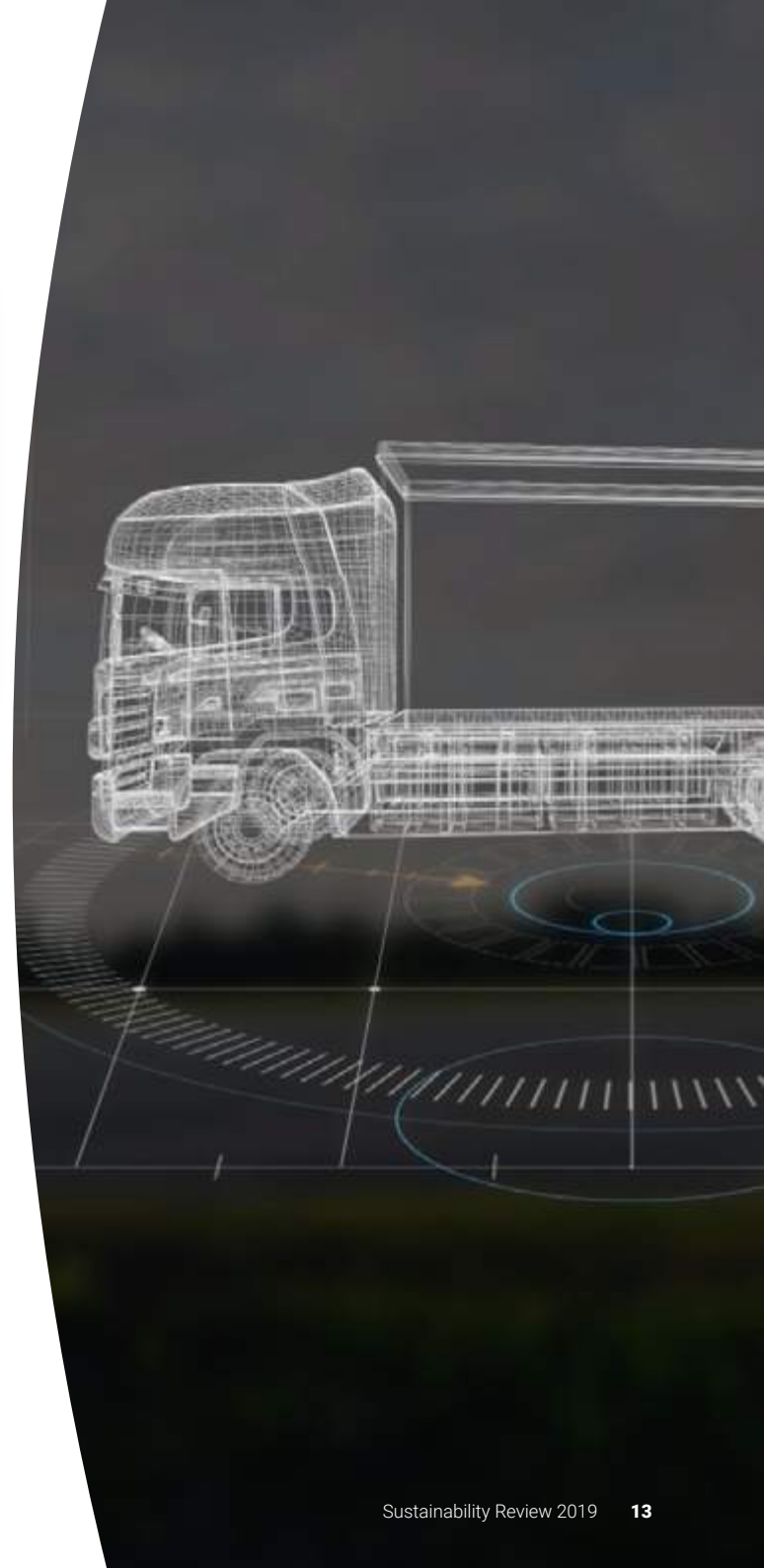
IGD Awards – Supply Chain Excellence



CILT Awards – Supply Chain Innovation



Supply Chain Excellence Awards – Supply Chain Visibility





Thought Leadership, Advocacy and Innovation

Our Approach

Brambles participates in sustainability forums to share our story and learn from other thought leaders and seek collaboration opportunities. The key message we share advocates for accelerating the circular economy through the power of reuse and for more partnerships to build the sustainable supply chains of the future.



Net positive: being less bad is no longer good enough

As Brambles develops its pathway and sustainability targets to 2025 and beyond, we explore what other leading organisations are doing to shape a sustainable future. A Revolution in the Making: The Quest for Net Positive Supply Chains is a report from the Wharton School of the University of Pennsylvania, and the Initiative for Global Environmental Leadership (IGEL) and CHEP. It explores how net positive principles can regenerate and restore global supply chains, and provides insights from global industry leaders such as Dell, Nike, the Ellen MacArthur Foundation and Forum for the Future.



[Download A Revolution in the Making: The Quest for Net Positive Supply Chains](#)

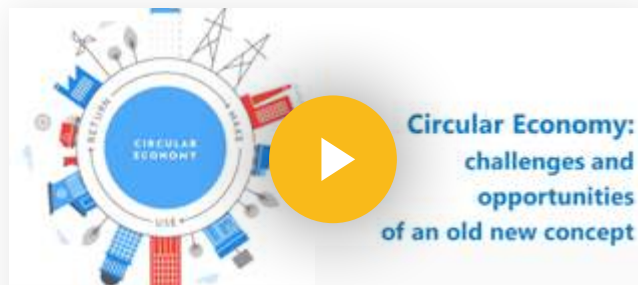


CE-100 membership – circularity measurement

Brambles has been a member of the Ellen MacArthur Foundation (EMF) CE-100 Group since 2015. Recently the EMF has engaged Brambles in a pilot project to develop a company-level 'circularity measurement method' for credibly assessing the circularity of a business.

Retail Summit – Prague, Czech Republic

CHEP participated in the Retail Summit 2019, a conference bringing together the key business to consumer market players to exchange views on the future of supply chains. Global Head of Sustainability, Juan Jose Freijo, spoke about the circular economy and introduced Zero Waste World as an essential ingredient for the future of retail.



VIDEO

[Circular economy in practice – Presentation of J.J.Freijo at the Retail Summit](#)



CHEP and the European Commission discuss circular economy principles

CHEP EMEA has been assisting the European Commission to understand circular economy principles as they develop new EU legislation based on minimising the consumption of natural resources. CHEP's reuse and repair of products, extending their lifespan, and avoiding waste altogether was considered aligned with the circular economy model.



Newsweek Vantage, going circular: how global business is embracing the circular economy

Brambles participated in research by Newsweek Vantage confirming that the concept of a circular economy has gone from relative obscurity to the corporate boardroom in just a few years. In an October 2018 survey of 317 senior executives from large corporations around the world, 98% were familiar with the concept. Some 30% said their company had a circular strategy, and over 75% plan on adopting targets to make their products, processes or business models more circular in the coming five years. Brambles' circular business model was cited throughout the report as best practice.



2019 Global Compact Australia Conference

Brambles participated in the Circular Economy, Corporate Performance and Reputation panel discussion at the 2019 Global Compact Australia Conference.

This session explored how developing new approaches to packaging, and adopting alternative business models, businesses can play a leading role in creating a circular economy.



Governance – Modern Slavery and TCFD



Governance

During 2019, Brambles undertook targeted conversations with investors, customers, industry groups, thought leaders and employees to inform both our sustainability strategy and materiality process. Issues related to climate change with reference to the Task Force for Climate-Related Financial Disclosures (TCFD), and governance with reference to transparency and modern day slavery ranked as highly important to these respondents. We outline our approach to these issues below.

Brambles Tax Report

Brambles aims to make a positive contribution to the communities in which it operates. This positive contribution includes seeking to comply with the law by paying the right amount of tax in the correct jurisdiction, disclosing relevant information, and claiming reliefs or incentives where they are available. Please follow this link for [Brambles FY19 Tax Report](#).

Our approach to climate change

Brambles recognises that climate change poses risks and opportunities to our operating model that could have significant financial implications on the business.

Within this context, the Brambles Board and management team have committed to responding to the recommendations of the TCFD, commencing in FY19.

While recognising climate-related risks associated with forestry resources, Brambles' sustainable 'share and reuse' model places the business in a strong position to face the challenges of climate change throughout the transition to a low carbon economy.

[Brambles' statement regarding the TCFD's recommendations including the timeline for a complete TCFD disclosure is available in our FY19 Annual Report, available here.](#)

Brambles' TCFD roadmap



Q4, FY19

Starting the journey

- TCFD roadmap
- Scenario analysis workshop #1 Asia-Pacific



Q1, FY20

Scenario analysis

- FY19 Annual Report disclosure
- Process gap analysis
- Scenario analysis workshop #2 Americas



Q2 - Q3, FY20

Aggregate and integrate

- Scenario analysis workshops (Europe, India, Middle East, Turkey and Africa and Americas)
- Aggregate/verify regional climate risks and opportunities



Q4, FY20

Brambles' climate strategy

- Review metrics and targets
- Climate-related risks and opportunities integrated into financial processes and strategy



Q4, FY20

Disclose and deliver

- Climate change action plan
- FY20 Full TCFD disclosure

Our approach to anti-corruption and human rights, including modern slavery

Brambles is committed to operating in an environment in which all our employees act with honesty, integrity, fairness, and accountability.

At the core of our governance and control environment is our Risk Management Programme. Senior management is responsible for the implementation of mitigation plans, including those related to the prevention of corruption and human rights violations including modern day slavery. These risks, and the associated progress on risk mitigation, are reported to the Audit Committee and the Board twice each year and are supported by various functions, including Group Risk, Internal Audit, Global Compliance and Sustainability.

Beyond the Risk Management Program, we have implemented the following governance controls relating to anti-corruption and human rights:

- Management Leadership and Accountability
- Code of Conduct, Anti-bribery Policy and Human Rights Policy
- Gifts and Hospitality Policy and tracking
- Books and records controls
- Due Diligence: Our new suppliers and vendors must satisfactorily undergo risk-based due diligence covering corruption and human rights risks, amongst others.
- Speak Up: We make a whistleblowing hotline available globally, and all employees are encouraged through training, newsletters, and team meetings to report suspicions of wrongdoing.
- Training: All Brambles employees must complete compliance training on a regular basis.



Better Workplace

Our Approach

Brambles is committed to creating workplaces where all employees feel connected to the company's purpose. Our employee value proposition aims to attract capable people who want to develop their careers, develop themselves and who are passionate about creating more sustainable supply chains.

Brambles' Pulse

During FY19, Brambles performed an employee Pulse survey to seek confidential feedback with an objective to better understand our employees' experience and inform strategies that create a better workplace.

The survey helps evaluate an employee's concerns and motivations including the inclination for discretionary effort to achieve their objectives.

Brambles has revised its approach to listening to the voice of our employees through two Pulse surveys each year, realising the following benefits:

- Obtained a more in-depth view of our people's experiences
- Streamlining administration, reducing the turnaround for sharing results
- Improved survey accessibility for all plant employees
- Improved analytics and benchmarking for external comparison.



76%

employee engagement



83% response rate

2 points above the manufacturing benchmark

Pulse results 2019

The results indicate that employees feel the company communicates well and effectively removes barriers enabling objectives to be achieved. They feel relevant to the company's success and confirmed that the feedback from managers is constructive.

Employees would like to see more collaboration activities as well as more recognition and growth opportunities.

With an overall response rate of 83%, 75% of plant-based employees are engaged with the business, 2 points above the manufacturing benchmark and 77% of Brambles' office-based employees are engaged which is 3 points below the relevant benchmark.

Brambles' voluntary employee turnover for FY19

Our Group voluntary turnover has increased by 3.8 percentage points for the FY19 period. CHEP EMEA, Asia-Pacific and Corporate reduced turnover by 0.8, 2.7 and 2.7 percentage points respectively.

	Employee turnover (%) FY19 (exc IFCO)	Employees by segment FY19 (exc IFCO)
Pallets Americas	43.3	4,151
Pallets EMEA	7.8	5,387
Pallets Asia-Pacific	13.6	1,537
Corporate	10.9	669
Group	21.3	11,744

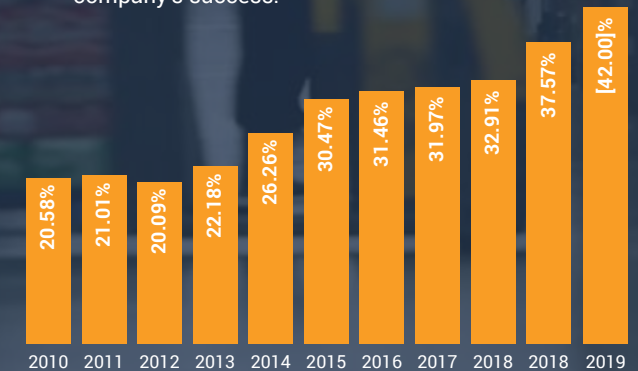
Brambles' MyShare

The Brambles MyShare Programme celebrates its 10-year anniversary this year and Brambles is thrilled to announce that we currently have 4,493 employees participating in the 2019 plan. This gives us a participation rate of 42% – the highest participation rate since the programme began. Collectively, Brambles MyShare participants form the 12th largest registered holder group, and analysis of MyShare reveals a positive correlation between reduced turnover and increased tenure.

Over the 10 years, nine MyShare vestings have occurred, issuing more than 5 million matching shares to 9,577 current and ex-employees. Assuming an average share price of A\$10 per share, that means we have matched shares of A\$50 million!

Employees have sold or "cashed out" their MyShare investment and used it to contribute to their holidays, weddings, children's education and more.

This demonstrates the concept of sharing in the company's success.



MyShare Participation Rates

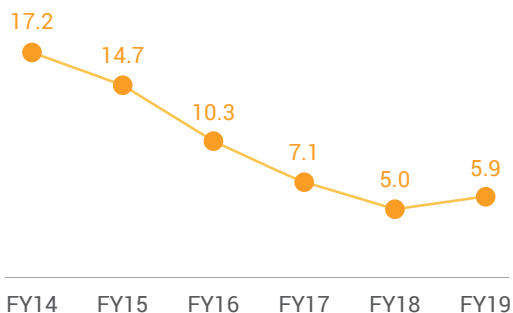


Safety

Our Approach

Brambles is committed to Zero Harm – to our people and those we work with; to our customers and the communities we serve; and to the environment upon which we all depend. Brambles’ Zero Harm programme aims to achieve a reduction in the Brambles Injury Frequency (BIFR) Rate each year.

Brambles Injury Frequency Rate (BIFR)



BIFR data excludes IFCO

BIFR measures work-related injuries requiring medical treatment, fatalities, lost time and modified duties per million hours worked. BIFR includes contractors working under Brambles’ management but does not include outsourced service centres.

BIFR at the end of FY19 was 66% better than the end of FY14. However, we did not meet our goal of year-on-year improvement in FY19. Our Safety Differently strategy, (see next column) was launched, in part, to address the BIFR performance.

Commitment to zero harm

Brambles’ Zero Harm Charter states that everyone has the right to be safe at work and to return home to their family and friends as healthy as when they began their day. Zero harm continues to be a material sustainability topic rated very highly by our stakeholders, especially our employees.

Fatality

The loss of our colleague, José Luis Segura, in July 2019 has impacted us greatly and we are doing everything we can for the family and colleagues affected. A thorough investigation of the incident was carried out. The learnings from the investigation have been communicated throughout the Group and we are determined to learn as much as we can to avoid such a tragedy in the future.

Safety Differently

During the year we launched the next phase of our zero harm strategy, ‘Safety Differently’. This initiative is based on the principles of Human & Organizational Performance (HOP) and seeks to address the residual risk present in our operations to ensure the safety and wellbeing of our employees around the world.



Establishing CHEP as a Mentally Healthy Workplace

CHEP Australia is running a pilot mental health initiative to offer a more holistic dimension to our safety programme. The reasons for the initiative are to remove the common stigma attached to mental illness as well as educate workers on understanding initial support for those who are dealing with an issue that is affecting their mental health or those in a current crisis. Mental health support was a key issue identified as part of CHEP’s Health and Safety Conference in 2019.

In addition, CHEP has rolled out Mental First Aid training to 150 people leaders across the business and Mental Health Awareness training covering 450 workers across the state of New South Wales.

Trafford Park in the UK has also provided mental health first aiders. These programmes will be assessed for extension into other regions with feedback incorporated to ensure continuous improvement.



Learning and Development and Talent Management

Our Approach

Brambles invests in its people to develop their skills and competencies to meet our customers' evolving needs. In return, we provide rewarding careers. This motivates our people to collaborate effectively and deliver on our strategy.

Brambles' employees accomplished over 81,600 learning hours and online course completion increased 56% since FY18.

During FY19, two new programmes were introduced to boost the talent pipeline and bring new thinking and capabilities into the organisation, supplementing several talent development initiatives already in place.

Talent development programmes

The Accelerated Development Programme aimed at high potential managers continues, with our fifth cohort completed in Europe/IMETA and our third cohort about to commence in North America.

Our highly successful Talent Development Programme aimed at our Band 2 level employees is now in its seventh cohort in Europe/IMETA and will launch in North America in the next period.

The fourth cohort of the Fast Track Programme has begun, with seven of the 15 participants being female. Three manager-level and one global director-level development centres were held, giving participants insights into how they lead and the impact they have on their teams, with ongoing post-centre coaching.



53%

increase in online short-course completion delivering higher learner engagement and outcomes



11 out of 19

graduates in the Graduate Development Programme are female

The Graduate Development Programme

The Graduate Development Programme recruited 19 graduates across the US and Europe, after receiving almost 2,000 applications. Encouragingly, 11 of the 19 graduates were female. This 2-year programme rotates graduates through key business functions, equipping them with the skills to move into management roles at its conclusion. The programme also offered the first opportunity to test our new employee value proposition, where the sustainability message was of particular value to the graduate market.



VIDEO

[Discover Brambles' Graduate Programme](#)

Making strong connections

CHEP North America launched MentorConnect – a company-wide mentoring program that engaged and paired up more than 200 employees. As a result of this successful pilot, the program will be rolled out in Europe in FY20.

The Emerging Leaders Programme

This is a 2-year rotational programme encouraging career mobility by placing experienced employees into businesses with a specific skills shortage. To date, we have eight participants in countries ranging from China to Turkey, Russia, Mexico, South Africa, CEE, Germany and India.

The academies

The academies deliver blended learning to specific functions such as procurement and sales, with the Management Academy delivering training to managers across Europe, the US, Australia and New Zealand and Latin America, in English and Spanish.

The Commercial Academy received external accreditation from the Learning Performance Institute for its blended learning approach and the method by which we measure business impact of the learning.

For example, our Negotiation Skills Training has resulted in an increase of contract renewals and extensions delivering a return-on-investment well in excess of the initial financial outlay.

Developing a culture of self-directed learning

Learning Week aims to encourage our people to embrace a culture of ownership of their development, moving from a learner-fed to a learner-led culture. Employees were offered daily opportunities to experience micro-learning, virtual classes and workshops organised by local learning ambassadors.



1,300

social media posts were shared globally during learning week

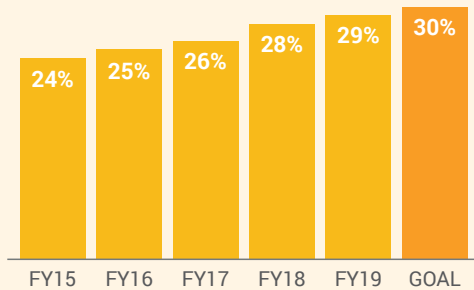


Inclusion and Diversity

Our Approach

At Brambles, we believe that an inclusive work environment allows our employees to realise their full potential, regardless of gender, religion, age, disability, ethnicity, sexual orientation or any other factor that makes an individual unique. By fostering a diverse and inclusive environment, we are better able to relate to our customers, suppliers, communities and co-workers.

Evolution of women in management positions



29% of management roles in FY19 were held by women

Gender diversity

Brambles' gender diversity performance increased with women holding 29% of management roles in FY19. The vacancy on the Brambles Board from Carolyn Kay's retirement was filled by Jim Miller which, while increasing skills diversity, reduced the representation of women at Board level to 27%. Brambles first achieved the 30% target representation at Board level in 2015.

Brambles' commitment to increasing women in leadership roles is being driven by each regional CHEP president. For example, President of CHEP Europe, Mike Pooley, signed the LEAD 2020 pledge committing the business to "an increase of at least 5% in female representation by 2020, and to building a plan to achieve gender parity over the next decade."



CHEP Europe is an active member of LEAD Network, an organisation focused on attracting, retaining and advancing women in the retail and consumer goods industry in Europe through education, leadership and business development

International Women's Day was celebrated with activities across 12 countries in Europe, North America and IMETA and included panel discussions, training, interactive games, and workshops.



VIDEO
CHEP Australia proudly supports International Women's Day #BalanceforBetter

Going beyond gender

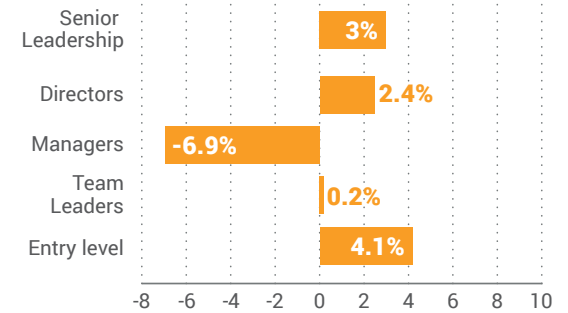
Brambles' I&D Programme is evolving to ensure everyone feels welcome and valued in the workplace. During FY19, the Global Vice President of Human Resources, Patrick Bradley, facilitated a webinar with the presidents of North America and Europe on the importance of inclusion and diversity. CHEP Europe became a member of OUTstanding – an organisation which helps companies build a more LGBTIQ+⁸ inclusive workplace. One such initiative is an LGBTIQ+ network for the EMEA region.



I&D focus groups have been run across 15 locations involving more than 300 employees as well as an age-related group for employees 50 and over

Gender salary ratios by level Female/Male⁹

Our gender salary ratios show women are remunerated more than men in almost all employee bands including at Director and Senior Leadership levels. This illustrates a positive shift toward pay equality for women at Brambles.



Disability

President of CHEP Europe, Mike Pooley, has signed the #Valuable500 global pledge which puts disability on the business agenda. In addition, the organisation is supporting a UK Disabled Graduate Programme, Change 100 Programme.

Beyond First Impressions

CHEP North America introduced the Beyond First Impressions campaign. During this experience, employees shared three observations people see simply by looking at them. The power of this campaign is when people share "what people don't see". This challenges all of us to avoid making quick judgments or assumptions about a person, just by looking at them. It's about appreciating the substance we all offer.

⁸ LGBTIQ+ lesbian, gay, bisexual, transgender, gender diverse, intersex and queer

⁹ Positive meaning higher salary for women.

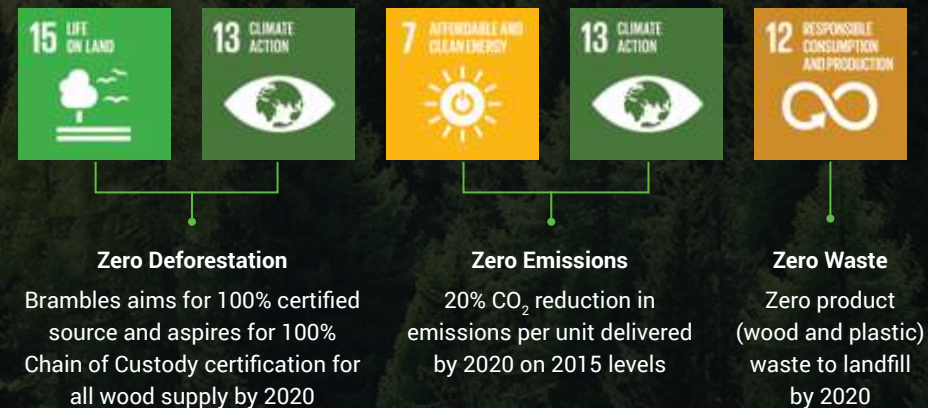


Better Planet

Our circular business model is underpinned by sustainable sourcing of renewable and recyclable materials.

By purchasing certified wood, we are reinvesting in natural capital, supporting the sustained regeneration of forests and providing our business with a reliable source of raw materials.

At end-of-life our products are repurposed in the materials economy, avoiding landfill. Our Better Planet programmes form the foundation of our circular business, preserving and enhancing the capital we depend on.



Brambles

Brambles' Better Planet 2020 sustainability goals address sustainable use of forests, action on climate change and demonstrate sustainable production and consumption. Our goals directly align with the United Nations Sustainable Development Goals.

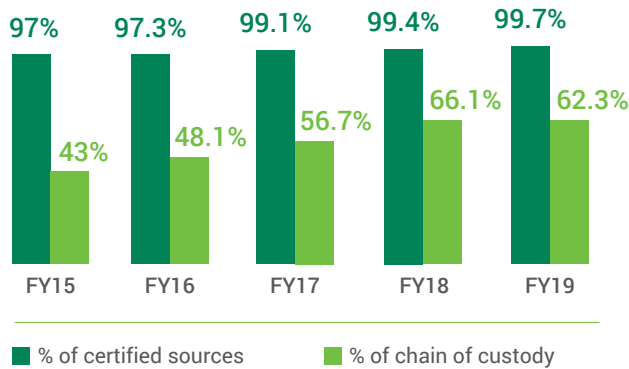


Natural Resources Wood

Our Approach

Brambles' goal is to purchase 100% of our wood from certified sources by 2020 and progress each year towards a 100% Chain of Custody (CoC) certified wood supply. In FY19, 99.7% of the wood we used in the manufacture and repair of pallets came from certified sustainable sources, with 62.3% holding full CoC certification.

Material sourcing



Brambles experienced an issue with CoC certification lapsing for a supplier in Mexico. This caused a reduction in overall FY19 CoC performance. The issue which caused this supplier to lose certification has been rectified and its certification reinstated in late FY19 ensuring 100% of the wood purchased for FY20 is under full CoC certification.

Eliminating deforestation risks

Brambles' circular business model depends on a secure supply of raw materials, predominantly wood, for the manufacture and repair of pallets. The risk of contributing to deforestation is Brambles' most material sustainability issue and is managed through good governance and stringent procurement processes that are externally assured each year. This approach demonstrates strong leadership in sustainable use of the world's forests. Brambles' procurement approach includes:

- Commitment to sourcing sustainable wood in all regions
- Embedding sustainable sourcing objectives against relevant roles, linked to remuneration
- Consistent and transparent measurement, including external assurance and public reporting.

International Union for the Conservation of Nature (IUCN) Red List update:

Of the 51 species that are or may be in CHEP's FY19 wood supply:

- Longleaf pine is the only species classified as endangered on the Red List
- Longleaf pine is estimated to be a small part of the CHEP USA wood volume
- CHEP USA works with suppliers to manage its potential use of longleaf pine
- CHEP USA continues support for the Longleaf Pine Alliance.



Longleaf Pine Alliance

The mission of the Longleaf Pine Alliance is to ensure a sustainable future for the longleaf pine ecosystem through partnerships, landowner assistance and science-based education and outreach.



99.7%

of Brambles' wood supply came from certified sources with 62.3% holding full CoC certification

Sustainable forestry certifications explained

Brambles' requirement for sourcing certified wood across all regions increases demand for sustainably managed forests and raises awareness of the benefits of forestry certification. Certification minimises the risk of contributing to deforestation activity as well as the risk of sourcing wood from controversial regions. It also requires the forestry managers to conserve the ecological processes of the forest including its biodiversity value. Additionally, it supports communities connected to forestry operations by providing economic and social benefits such as stable and secure employment while protecting human rights.

1. Due diligence (DD): Brambles' DD process is used in the few regions where certification is not currently available and or, in regions considered high risk. DD involves a 24-step investigation to verify that the wood purchased complies with our strict sourcing policy.

2. Certified source: includes forests that are managed under the globally recognised standards of the:

- Forest Stewardship Council (FSC®)(FSC-C104794)
- Programme for the Endorsement of Forest Certification (PEFC™).

Both standards prevent deforestation and include controls to protect biodiversity and human rights.

3. Chain of Custody (CoC): certification is available under both the FSC® and PEFC™ standards and guarantees wood is sourced from certified forest resources through defined points in the value chain. It demonstrates that each step of the supply chain is closely monitored through independent certification bodies. CoC is not available in all the regions where Brambles operates however, Brambles aims to influence the uptake of this standard to improve transparency along the forestry products supply chain.

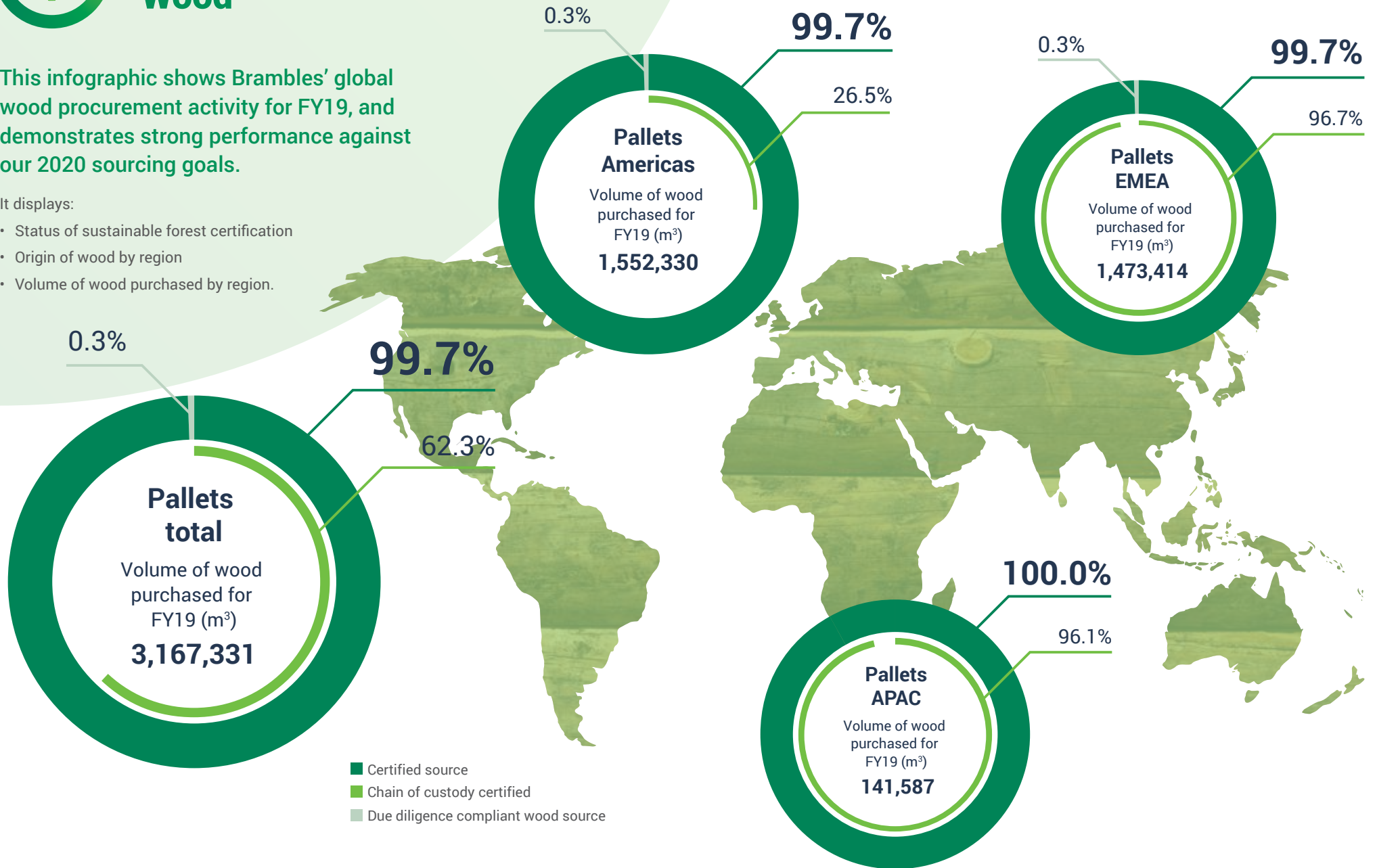


Certified Sourcing Wood

This infographic shows Brambles' global wood procurement activity for FY19, and demonstrates strong performance against our 2020 sourcing goals.

It displays:

- Status of sustainable forest certification
- Origin of wood by region
- Volume of wood purchased by region.





Natural Resources Wood continued

The regenerative supply chain

As Brambles develops our sustainability programme to 2025 and beyond we recognise that business has an increasingly central role to play in shaping a more sustainable future. Our circular business model provides a distinct advantage because our 'share and reuse' model minimises the need for new raw materials and our robust Forestry Certification Programme minimises deforestation risks in Brambles' wood supply.

Reforestation through our certification process is an important activity for Brambles as our wooden pallet business is directly dependent on the availability of sustainably grown forests. However, we are seeking to go further to help restore and regenerate forests and degraded landscapes and measurably increase positive outcomes for people and the planet. Within this context we are exploring what a regenerative business looks like and how we can help make our customers supply chains even more sustainable. As a first step we have sought strategic partnerships with environmental organisations dedicated to restoring and regenerating habitats in critical ecosystems.

Deforestation remains a significant global environmental issue impacting not only natural habitats and biodiversity but also exacerbating climate change by contributing an estimated 10-15% of global annual carbon emissions. Stopping all deforestation and restoring forests resources could offset up to one-third of all global carbon emissions.¹⁰

Supporting this position, research published in *Science* during 2019 estimated that, "Planting billions of trees across the world is by far the biggest and cheapest way to tackle the climate crisis".¹¹



Brambles' efforts support **SDG 15: Life on Land** ⓘ

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



The Arbor Day Foundation is a world leader in reforestation projects. It is the largest non-profit organisation dedicated to planting trees, with more than 300 million planted to date in neighbourhoods, cities and forests across the world. The partnership with CHEP North America will commit to planting 60,000 trees in the Mississippi River Valley, where deforestation has resulted in a decline in wildlife, a loss of natural flood control and declining water quality.

Collaboration for reforestation

Through the Arbor Day partnership, Brambles joins the Evergreen Alliance to support the Time for Trees™ initiative. As part of the Zero Waste World launch at Sustainable Brands Detroit 2019, CHEP partnered with our customer, Proctor and Gamble (P&G) in a tree planting event. The Time for Trees programme will plant a further 100 million trees by 2022.



VIDEO

[Arbor Day Foundation, Brambles, P&G and Sustainable Brands planting trees in Detroit](#)



CHEP Australia signs partnership with Landcare Australia

A new partnership with Landcare Australia will deliver strategic projects that encourage integrated management of environmental assets, including productive farmland and a sustainable approach to private land management.

Celebrating a 30-year heritage, Landcare Australia is one of the most recognised and respected environmental restoration groups in Australia.

Its rigorous project selection criteria will ensure positive outcomes for local communities, biodiversity and natural habitats, while building resilience in Australia's food and farming systems.

By supporting Landcare Australia, CHEP connects our supply chain partners to the needs of society and the environment, as well as Landcare Australia's vision for all Australians to actively care for the land and water that sustain us.

Shane Norrish, Landcare Australia CEO, said, "We're excited to be partnering with CHEP who share a commitment to environmental and biodiversity enhancements in regional communities. We're also pleased to help facilitate CHEP employees getting hands-on with environmental corporate volunteering days at locations throughout Australia."

¹⁰ <https://www.drawdown.org/solutions/land-use/forest-protection>

¹¹ <https://science.sciencemag.org/content/365/6448/76>



Natural Resources Non-wood materials

Our Approach

Brambles purchases plastic for pallets, crates and containers to service customer requirements in the automotive and fresh food sectors.

During FY19, Brambles required over 26,175 tonnes of raw plastic material for the manufacture of products. We recovered and recycled over 4,334 tonnes of end-of-life plastic material and used 382,192 litres of detergents for washing crates and containers.

Volumes of plastic purchased have significantly decreased post the IFCO divestment. However, plastic remains an important material within Brambles' suite of platform solutions.

Water use and detergents

Brambles uses water and detergents to wash products to the stringent sanitation standards required by Hazard Analysis and Critical Control Points specifications before reuse. Our regional procurement teams confirmed that detergents contained either no palm oil or certified palm oil.

	Recycled water (kilolitres)	Water consumed (megalitres)
Pallets	1,676	195
Corporate	284	1
Total	1,960	196

The plastics cycle at Brambles

Brambles purchases plastic for pallets, reusable plastic crates (RPCs) and containers. The raw material is sourced from the oil industry and manufactured into our products by our approved suppliers. Brambles' business model maintains our plastic products for their original purpose for as long as possible through our 'share and reuse' business model. Once our plastic products reach end-of-life, they are either reground and recycled into Brambles products or sold to an approved third party for secondary use. This ensures the manufactured capital is maintained in the materials economy.

	Plastic purchase (tonnes)	Detergent purchase (litres)
Pallets	26,175	336,489

Better pallets create a better business

Our products are continually undergoing innovation reviews, subjected to thousands of tests to better protect our customers' products, from production through to the shop floor/store. For example, CHEP reviewed the standard 1208¹² pallet to assess its potential to increase durability and produce less waste while providing customers a quality platform.

- **Wider boards** mean 14% better top deck coverage than competitor products
- **Smaller gaps in top deck** reduce manual handling and health and safety risks
- **More timber and nails used** for a stronger, more durable pallet, reducing timber consumption and CO₂ over its useful life. Their use also increases compatibility with automated environments for improved resilience in use.



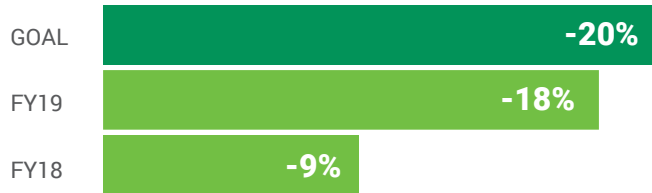
¹² 1,200mm x 800mm



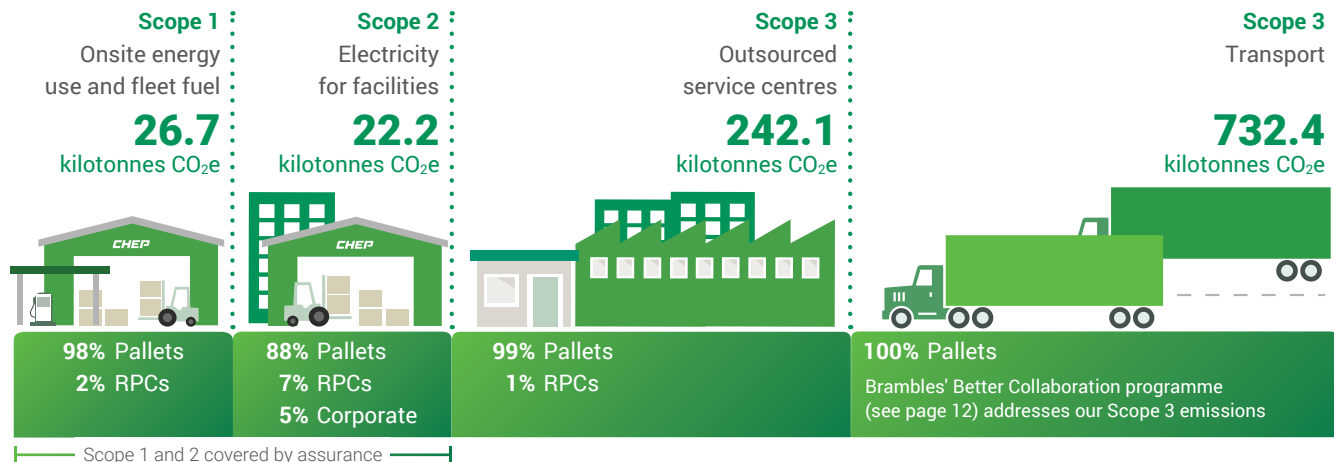
Zero Emissions

Our Approach

Brambles aims to achieve a 20% reduction in scope 1 and 2 carbon emissions per unit delivered by 2020. In FY19, Brambles achieved a 9% reduction in CO₂ per unit delivered, resulting in an 18% reduction on our 2020 goal since the FY15 baseline.



Supporting this goal is our commitment to increase the contribution of renewable energy, which reached 60% for FY19, making this a 34 percentage point increase on FY18.



Our results

Brambles' carbon target is directly linked to our activities repairing and reconditioning pallets, crates and containers for reuse at our highest volume service centres and those under our direct operational control. Brambles measures progress on a like-for-like basis. Due to the divestment of IFCO, we have restated the baseline from FY15 and extracted IFCO from the performance to reflect comparable year on year results.

The factors contributing to the FY19 results include:

- Improved TEU¹³ carbon intensity measurement methodology
- Divestment of IFCO from the network
- Increased quantities of renewable energy procured
- Purchase of renewable energy credits
- Business growth and improved energy productivity
- Implementation of a data management system resulting in improved collection, accuracy and estimation of data gaps.

In absolute terms, Brambles experienced a 10% reduction in scope 1 and 2 emissions, on a like-for-like basis.

More detail can be sourced in our 5-year performance summary

✓ Data on this page is covered by assurance (excludes scope 3 emissions)



60% total contribution of renewable electricity to Brambles in FY19

Brambles running on more renewables

The total contribution of renewable electricity for Brambles during FY19 was 60%. Renewable energy is a key component of our strategy to further improve the environmental benefits of our solutions. Taking this a step further, CHEP Australia installed a 100kw solar system on approximately two-thirds of the CHEP Dandenong Service Centre, which repairs on average 5.3 million pallets per year. This installation follows extensive energy efficiency work upgrading lighting to LED¹⁴ at six of CHEP's major services centres and an ongoing Air Compressor Efficiency Programme aimed at reducing the electricity use of our highest demand processes.



Regions running on renewable energy

¹³ Twenty-foot equivalent unit (TEU) is dimensions equal to that of a standard 20' shipping container. 20 feet long, 8 feet tall. See supplementary document for further information.

¹⁴ Light Emitting Diode

FY18 emissions intensity restated due to IFCO divestment. All data, definitions and calculation methodologies are available in our supplementary information document at brambles.com/sustainability-review

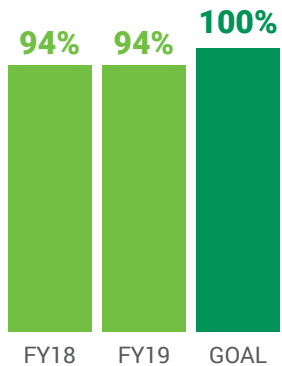


Zero Waste

Our Approach

Brambles aims to achieve zero product waste, including wood and plastic, to landfill by 2020. In FY19, 94% of Brambles' largest pallet and 100% of our largest plastic product service centres have secondary uses for end-of-life materials, ensuring they are diverted from landfill. This demonstrates a best practice commitment to circular principles.

Wood 
Major sites achieving zero waste to landfill



Plastic 
Major sites achieving zero waste to landfill



23 additional US service centres were included in our Zero Product Waste to Landfill Programme in FY19.

These sites are not included in our measurement scope as they fall below the 80% threshold production. However, these sites will remain a focus for the US zero waste initiatives.

Brambles' progress on Zero Waste to landfill

Our zero waste to landfill goals focus on our key product materials (wood and plastic) as well as our most material service centres. In FY19, we will recognise the great efforts of service centres that achieve 90% or more product waste diverted from landfill. Our aim is to encourage continuous improvement while recognising that the availability of cost effective recycling options can change.



The upside of the upcycled pallet

Plastic waste, especially single-use plastic packaging, is a considerable issue globally and Brambles' customers are continuously searching for a "home" for the many post-consumer single-use plastic products and packaging they sell. Brambles has several product development projects underway in different regions looking at a functional, safe and consistent formula for upcycling waste plastic into Brambles products. We will update our stakeholders on progress in FY20.



Repurposing CHEP's plastics in Australia

All CHEP plastic considered at end-of-life is sent to by an approved recycler including plastic pallets, RPCs and containers. In Australia, this all remanufactured through a local supplier. This addresses the growing issue of plastic waste by delivering quality, cost-effective products that have a useful and durable second life. Products such as bollards, decking, fencing, fitness trails and furniture, as well as products suitable for traffic control, parks, gardens and the utilities industry use a combination of mixed plastics. All products are fully recyclable, offering a sustainable alternative to the unnecessary use of virgin materials.



CHEP Australia takes out the trash at the Australian Packaging Covenant Organisation (APCO) annual sustainable packaging awards

APCO is a co-regulatory, not for profit organisation partnering with government and industry to reduce the environmental impact of packaging in Australian communities. In consultation with industry, APCO has developed a coordinated, whole-of-supply chain approach to promote the avoidance, reduction, reuse, recovery and recycling of packaging materials.

Each year APCO's sustainable packaging awards recognise achievements in sustainable packaging, industry innovation and collaboration.

CHEP Australia won two categories receiving the 2018 Logistics award for taking a leading role in supporting sustainable circular economies with its 'share and reuse' business model. This award acknowledges CHEP Australia's zero product (timber and plastic) waste landfill achievement. CHEP Australia also received the 2018 Outstanding Achievement in Sustainable Packaging Operations award. This was presented for the life cycle assessment tool, which provides supply chain partners with data outlining the sustainable benefits of CHEP Australia's circular, share and reuse solutions over single-use alternatives.

Brooke Donnelly, APCO's CEO, said, "It has been a monumental year for environmental progress in Australia. In April, the country's environment ministers announced a landmark decision to make all packaging 100% reusable, recyclable or compostable by 2025, or earlier."

Better Communities

Brambles' Better Communities programme strengthens our employees connection to their communities by providing opportunities to participate in practical initiatives that make a real difference. This builds better relationships with our broader stakeholders, enhancing our brand and social license to operate in over 60 countries.



Brambles to contribute 0.7% of pre-tax profits to community programmes



Three days volunteering per employee per year with interim target of one day per employee per year

Brambles

Brambles' Better Communities 2020 sustainability goals directly align with the United Nations Sustainable Development Goals.



Community Investment

Our Approach

Brambles' Better Communities Programme goals leverage our products, position and supply chain experience to create positive impacts through strategic partnerships.

We focus on:

- Food waste and food security programmes
- Environmental restoration
- Increasing sustainability awareness and education.

Brambles aims to contribute 0.7% of pre-tax profits to creating better communities by 2020. In FY19, Brambles contributed 0.68% of pre-tax profit and increased volunteer hours per employee per year by 14%, achieving over 21,600 hours.

Community investment



US\$582,544

Volunteering hours



US\$1,056,845

Corporate donations and sponsorships



US\$2,781,638

In-kind donations



US\$4,421,028

TOTAL increased 22% since FY18

✓ Volunteering data is covered by assurance

Brambles' Better Communities Programme provides many opportunities to give back to society

We do this in three ways:

- 1 We provide financial donations to charity partners with a purpose that aligns with our business and addresses key social or environmental issues
- 2 Our in-kind equipment donations help facilitate critical food rescue and redistribution of relief food via food banks
- 3 Our expert volunteering efforts create value for partners, including supply chain, transportation and safety expertise, as well as collaborating within FMCG networks.

In return, Brambles cultivates engaged employees, and builds stronger teams that have more effective working relationships.

Regeneration of 100 landscapes in 10 years

Sustainable food systems start at the farm, which is why CHEP Australia supported an ecological landscape restoration project. The Mulloon Creek Rehydration project has helped the Mulloon Creek Institute produce animation for a video telling the history of agriculture and drought in Australia. Importantly, the video communicates the positive outcomes from re-hydrating and regenerating the landscape. The Mulloon Creek Institute has a goal to lead the regeneration of 100 landscapes in 10 years.



VIDEO

[Regenerating the Australian Landscape](#)



28%

increase in our volunteer hours, achieving over 21,600 hours



Brambles is committed to addressing the training gap to enhance food bank leaders' effectiveness

The Food Bank Leadership Institute (FBLI) annual event is attended by those advancing the food banking model to alleviate hunger and reduce waste. This year's March event took place in London with the theme, "One Network. Toward Zero Hunger."

Juan Jose Freijo, Brambles' Global Head of Sustainability, facilitated the panel, titled 'Emerging Trends in the Global Food Industry'. Together with speakers from Danone, Nielsen and Walmart, amongst other corporate representatives, they discussed evolving trends, best practices and effective approaches for emerging issues to help food banks become established. Craig A. Nemitz, Ph.D. Director of Field Services at The Global FoodBanking Network, says, "FBLI is made possible through the generous support of corporate partners. We are deeply grateful for the magnificent support of Brambles."

World Food Day: CHEP Benelux tackles food waste with free pallets for food

Every year in Belgium alone, 3.6 million tonnes of food is thrown away, while almost 300,000 people need food aid. Half of the underprivileged are helped through a food bank. CHEP Benelux supports the Belgian Federation of Food Banks and Food Banks Netherlands by encouraging retailers and producers to donate food surpluses, transporting them on CHEP pallets. Over the last year, 12,000 pallets were used for food surplus at food banks in more than 50 Benelux locations.



Community Investment continued

Sustainability Day FY19

Brambles' second Sustainability Day was celebrated by offices and service centres rights across the world, with all regions joining in and learning more about Brambles' sustainability story and contributing to their communities through a whole range of volunteering events. Sustainability Day activities included:

- Heineken's Sustainability Director shared their sustainability goals and projects with CHEP Spain
- CHEP Australia's partnership with Landcare Australia saw 80 employees regenerate habitats in their local communities
- CHEP Mexico arranged for over 200 employees to attend a single volunteering event
- In India, the Mumbai office organised blood donations to save lives.



These small positive actions from our people on Brambles' Sustainability Day really help create better communities in the regions in which we operate.

Sustainability Day Awards

As part of the Sustainability Day Awards Brambles requests the best regional project be submitted to the executive for review and recognition with an award. The projects demonstrate how Brambles is creating a better planet, better business and better communities through our sustainable business model combined with the passion and commitment of our people. The winning people and projects are provided here.

Better Planet – EU

Blanca Die, Analyst, Global Supply Chain Network Optimisation, won the award for her work in supporting the United Nations High Commissioner for Refugees (UNHCR). The UNHCR Supply Chain team approached CHEP for help in optimising their Global Stockpiles Network. When needed, UNHCR can ship core relief items from these stockpiles to assist up to 600,000 people within 72 hours. This project is a perfect example of the impact that our logistics expertise can have in any supply chain.

Better Business – APAC

The New Zealand Fresh team won the award for securing a significant 10-year collaboration with a major retailer. The agreement means CHEP will continue providing the retailer with RPCs to replace single-use cardboard and look at converting an additional 1.6 million cardboard boxes to RPCs.

Better Communities – NA

Crystal MacNeil, Account Manager, Asset Management, has won the award for her work over the last two years to improve CHEP's collaboration with Food Banks Canada (FBC). Through her efforts, FBC are now an official Cooperative Distributor of CHEP equipment, which means that CHEP customers can use our pallets to send unwanted food to the food banks.

CHEP volunteering record set in Mexico

CHEP Mexico achieved a Brambles record by arranging for over 200 employees to attend the same volunteering event.

After a 5km nature walk, they split into teams to focus on various projects. These included revegetating the local habitat with native flowers, trees and shrubs while others created a "life garden". While this single event certainly boosted Brambles' performance against our Better Communities Programme commitments, it also taught our employees about the importance of protecting and enhancing the natural environment and its role in cleaning the air and providing benefits such as oxygen. Watch the video to see how CHEP Mexico does volunteering!

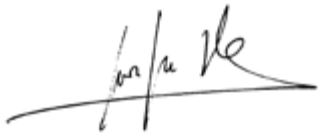


VIDEO

[Magno evento de sustentabilidad](#)

Thank You

Each one of our employees plays a fundamental role in shaping a sustainable future. We all contribute to improve and expand our share and reuse business model, making supply chains around the globe more sustainable. Your enthusiasm and dedication has been the driving force behind the numerous actions that ensured continuous progress versus our 2020 goals. I take this opportunity to express my appreciation for making our company a global leader in sustainability.



J.J. Freijo
Global Head of Sustainability

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On average, this year each Brambles' employee has saved:

174 tonnes
of carbon emissions



Equivalent to carbon emissions produced by
21 homes in the US in one year

220 kilolitres
of drinking water



Equivalent to enough fresh water to fill
11 water tank trucks

114 tonnes
of waste to landfill



Equivalent to enough waste to fill
16 garbage trucks

142m³
of wood



Enough wood to conserve
148 trees

Each year we like to apportion the annual environmental savings of our 'share and reuse' model on a per employee basis. This connects our people to an intrinsic purpose and celebrates our collective impact while we connect global supply chains for a more sustainable future.