

Brambles

Brambles **Green Finance Framework**

March 2023

Brambles Limited

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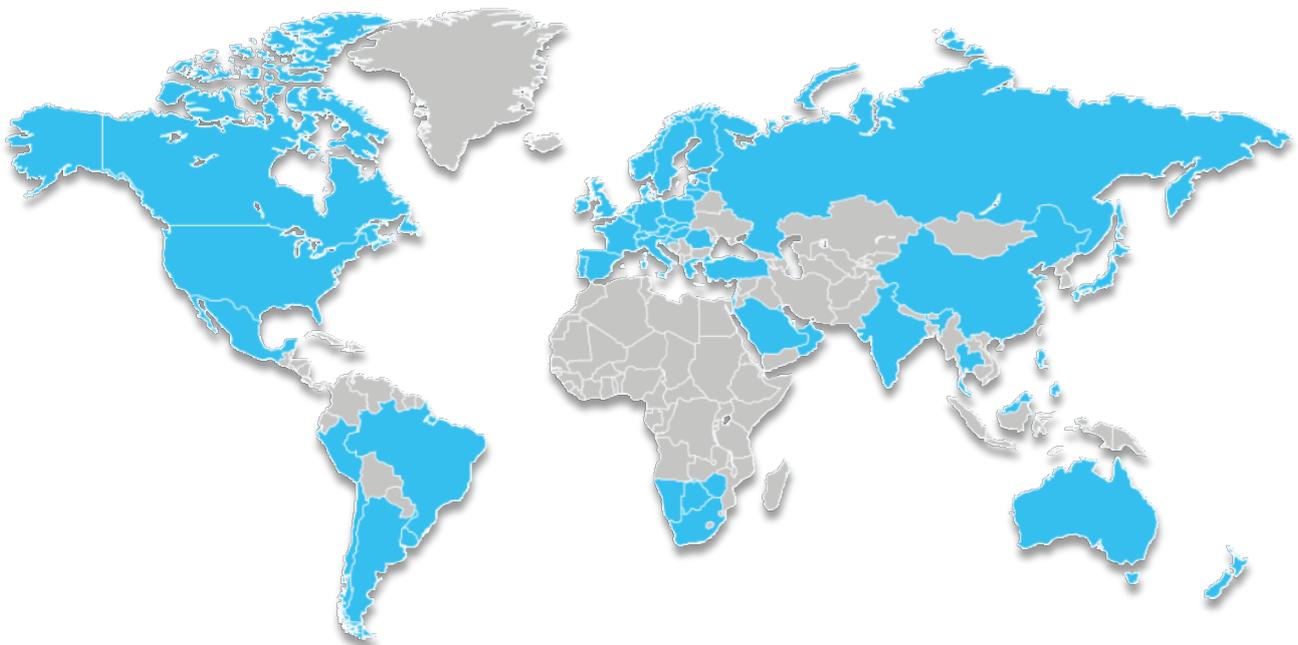
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1. INTRODUCTION

1.1 About Brambles

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

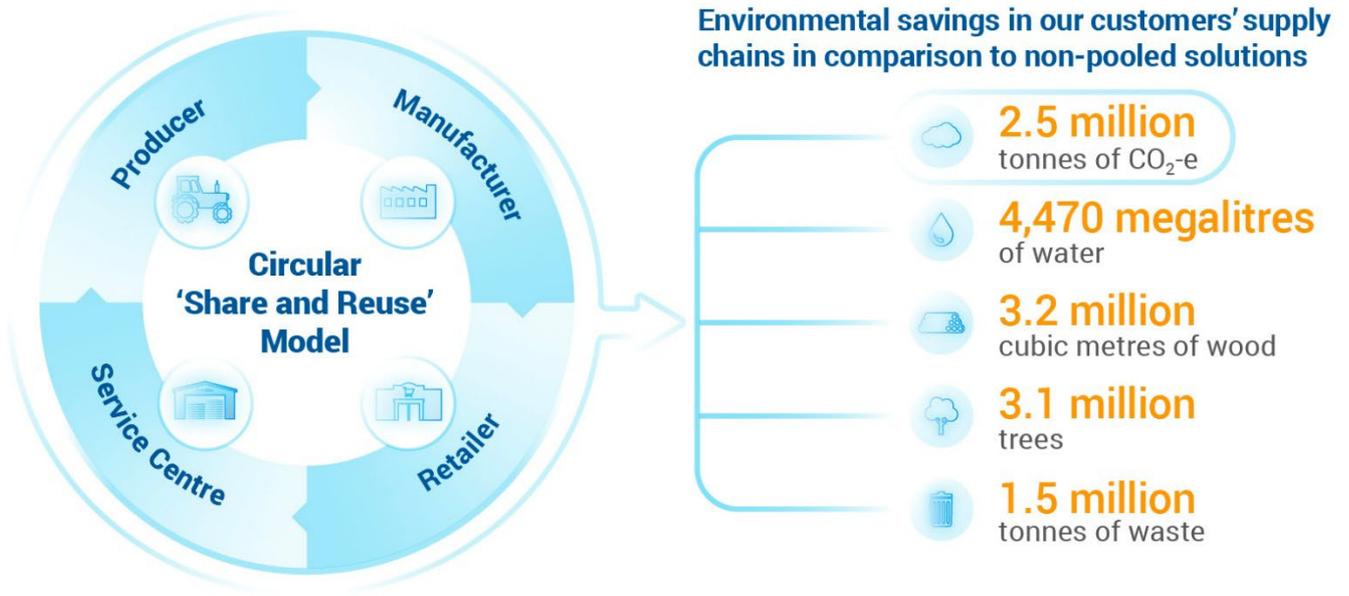
Brambles' platforms form the invisible backbone of global supply chains, primarily serving the fast-moving consumer goods, fresh produce, beverage, retail and general manufacturing industries. Its circular business model facilitates the 'share and reuse' of the world's largest pool of reusable pallets and containers. This enables Brambles to serve its customers while minimising its impact on the environment and improving the efficiency and safety of supply chains around the world. The world's largest brands trust Brambles to help them transport life's essentials more efficiently, safely and sustainably. As of 30 June 2022, Brambles operates in approximately 60 countries, owns ~360 million pallets, crates and containers, has a network of more than 750 service centres and employs ~12,000 people.



Brambles' 'share and reuse' model follows the principles of the circular and sharing economies, creating more efficient supply chains by reducing operating costs and demand on natural resources. By promoting the 'share and reuse' of assets among multiple parties in the supply chain, Brambles offers customers a more efficient and sustainable alternative to disposable single-use products or managing their own proprietary platforms. This inherently sustainable business model underpins Brambles' position as a global leader in sustainability, which has consistently been recognised by industry bodies around the world, as outlined on Appendix A.

Brambles' circular model has a material impact on its customers' supply chains. When compared with non-circular market alternatives, Brambles' activities save significant quantities of natural resources, waste and carbon emissions, among other environmental impacts.

In 2022, Brambles' operations had the following positive environmental impact globally:



Building on this leadership position, Brambles has set an ambitious sustainability vision to pioneer regenerative supply chains, supported by its 2025 sustainability targets, which are outlined in more detail in the next section.

1.2 Brambles' Sustainability Strategy

2020 initiated the "decade of action" on the United Nations Sustainable Development Goals (SDGs). Brambles' 2025 targets are our guide to leading on the global goals by focusing our actions where our business can have the most positive impact.

After extensive stakeholder consultation, Brambles has developed the next phase of our sustainability programme, evolving our successful "Better" model into a "Positive" model.

To date, sustainability programmes have focused on reducing a business's negative impacts but sustaining a degenerative model. Now more than ever, organisations must go beyond eliminating negative impacts and grow their positive impacts beyond the boundary of their business.

Brambles' commitment is to be nature-positive – restore forests, go beyond zero waste, and drawdown more carbon – and create regenerative supply chains for our customers. This regenerative concept means restoring, replenishing then creating more value or capital for society and the environment than the business takes out. We believe this vision is ambitious and, right now, we don't have all the answers. However, through the commitment of our people and partners we will collaborate to find the solutions.

As a pioneer in the circular economy, we are well positioned to succeed in this new context and importantly, we have already begun.

Brambles' sustainability strategy organises the Group's sustainability activities and goals under three broad programmes: Business Positive; Planet Positive; and Communities Positive.



2025 sustainability targets – Pioneering regenerative supply chains



Planet Positive

Our commitment is to be nature positive by restoring forests, going beyond zero waste, and drawing down more carbon than we produce, ultimately becoming a regenerative, nature positive business.



Forest Positive

- Enable the sustainable growth of two trees for every tree used
- 100% sustainable sourcing of timber
- Transformation of more forestry markets to Chain-of-Custody (CoC) certification



Climate Positive

- SBTi verified climate targets for full value chain, aligned to a 1.5°C degree climate
- 100% renewable electricity and all our operations will be carbon neutral by 2025



Waste Positive

- Zero product materials sent to landfills, for all Brambles and subcontracted locations
- 30% recycled or upcycled plastic waste in plastic products



Business Positive

Brambles will pioneer regenerative supply chains by improving our circular model every year, increasing the environmental benefits in our customers' supply chains.



Supply Chain Positive

- Increase environmental benefits in our customers supply chains through circular model
- Co-develop circular measurement tools for industry and improve Brambles' circular performance



Positive Collaboration

- Double the number of customer collaborations through our Zero Waste World from 250 to 500





Workplace Positive

- 25% reduction in BIFR
- At least 40% of management roles held by women



Communities Positive

Brambles' Communities Positive programme will build resilience, promote circularity and account for the connections between society, the economy and nature.



Food Positive

- Collaborate with food banks to serve rescued food to 10 million people



Circular Economy Transformation

- Advocate, educate and impact one million people to become circular economy change makers



Positive Impacts for People and Our Planet

- Adopt leading natural and social capital accounting approaches



1.3 Brambles’ Sustainability Targets Contributing to the SDG Targets

Brambles’ ambitious group-wide sustainability targets are aligned with and act as a guide to meeting the UN SDGs. An overview is in the following table:

Pillar	SDGs	Alignment with Relevant SDG Targets
Planet Positive		Target 15.1 - Ensure conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services. In particular forests
		Target 15.2 - Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests, and increase afforestation and reforestation globally
		Target 13.1 - Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters
		Target 7.2 - By 2030, increase substantially the share of renewable energy in the energy mix
		Target 12.2 By 2030, achieve the sustainable management and efficient use of natural resources
Business Positive		Target 12.2 - Achieve the sustainable management and efficient use of natural resources
		Target 12.5 - Substantially reduce waste generation through prevention, reuse, reduction and recycling
		Target 12.6 - Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle
		Target 9.1 - Develop quality, reliable, sustainable and resilient infrastructure
		Target 17.7 - Promote the development, transfer, dissemination and diffusion of environmentally sound technologies
		Target 5.5 - Ensure women’s full and effective participation and equal opportunities for leadership
		Target 8.4 - Improve global resource efficiency and endeavour to decouple economic growth from environmental degradation
Communities Positive		Target 8.7 - Eradicate forced labour, end modern slavery and human trafficking and eliminate child labour
		Target 2.1 - By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
		Target 4.7 - By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including education for sustainable development and sustainable lifestyles
	Target 15.9 - By 2020, integrate ecosystems and biodiversity values into national and local planning, development processes and poverty reduction strategies, and accounts	

1.4 Brambles' Net-zero Commitment

Brambles has announced its commitment to achieving net-zero greenhouse gas (GHG) emissions by 2040. The company's pledge to a 1.5°C climate future was an essential driving force behind its five-year sustainability targets published in 2020. With this new roadmap to net-zero emissions, Brambles is bringing that deadline forward by ten years.

Brambles' new ambitious commitments are built on a solid decarbonisation roadmap, with two main milestones:

1. 2030 mid-term reduction targets recently approved by the Science Based Target Initiative (SBTi)¹, which include:
 - 42% reduction in absolute Scope 1 and 2 GHG emissions on 2020 levels. Scope 1 and 2 are the emissions generated from the consumption of fuels and purchased grid electricity in its own operations;
 - 17% reduction in absolute Scope 3 GHG emissions on 2020 levels. This includes value chain emissions from purchased capital goods, upstream and downstream transportation and distribution, waste generated in operations and outsourced service centres, representing over 90% of Scope 3 emissions; and
2. A 2040 long-term net-zero GHG emissions target by 2040, which has been set to complement the medium-term science-based targets. The target will encompass 100% of the company's Scope 1, 2 and relevant 3 emissions².

To manage this challenge effectively, Brambles has created a dedicated decarbonisation function integrated within the supply chain organisation. Working with internal and external stakeholders across multifunctional initiatives, the team has created an actionable roadmap with targets to ensure that this corporate, strategic vision becomes a reality across five continents and approximately 60 countries.

Brambles will focus on three main development areas to achieve the net-zero target: operations (directly owned and subcontracted), logistics and direct procurement. Some of the key levers for these areas include:

- Maximising the recovery and reuse of Brambles' pallets and containers to enhance the company's circular model;
- Renewable electricity to power Brambles' own and subcontracted sites;
- Plant and logistics optimisation including reducing empty lanes and maximising truck loads;
- Enabling the deployment of alternative fuels and zero emissions transport technologies (electric, hydrogen);
- A supplier engagement programme to support vendors with carbon accounting and target setting;
- Reducing the volume of waste and diverting it from landfill; and
- Exploring carbon insetting³ opportunities, including natural and technical solutions.

¹ The SBTi is a partnership between CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and WWF. The SBTi leads the development of best practice target setting methodologies and tools, provides companies with independent assessment and validation of targets, and recognises companies' commitments to science-based targets on their website.

² Relevant Scope 3 emissions categories include, purchased goods and services, capital goods, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, and processing of sold products.

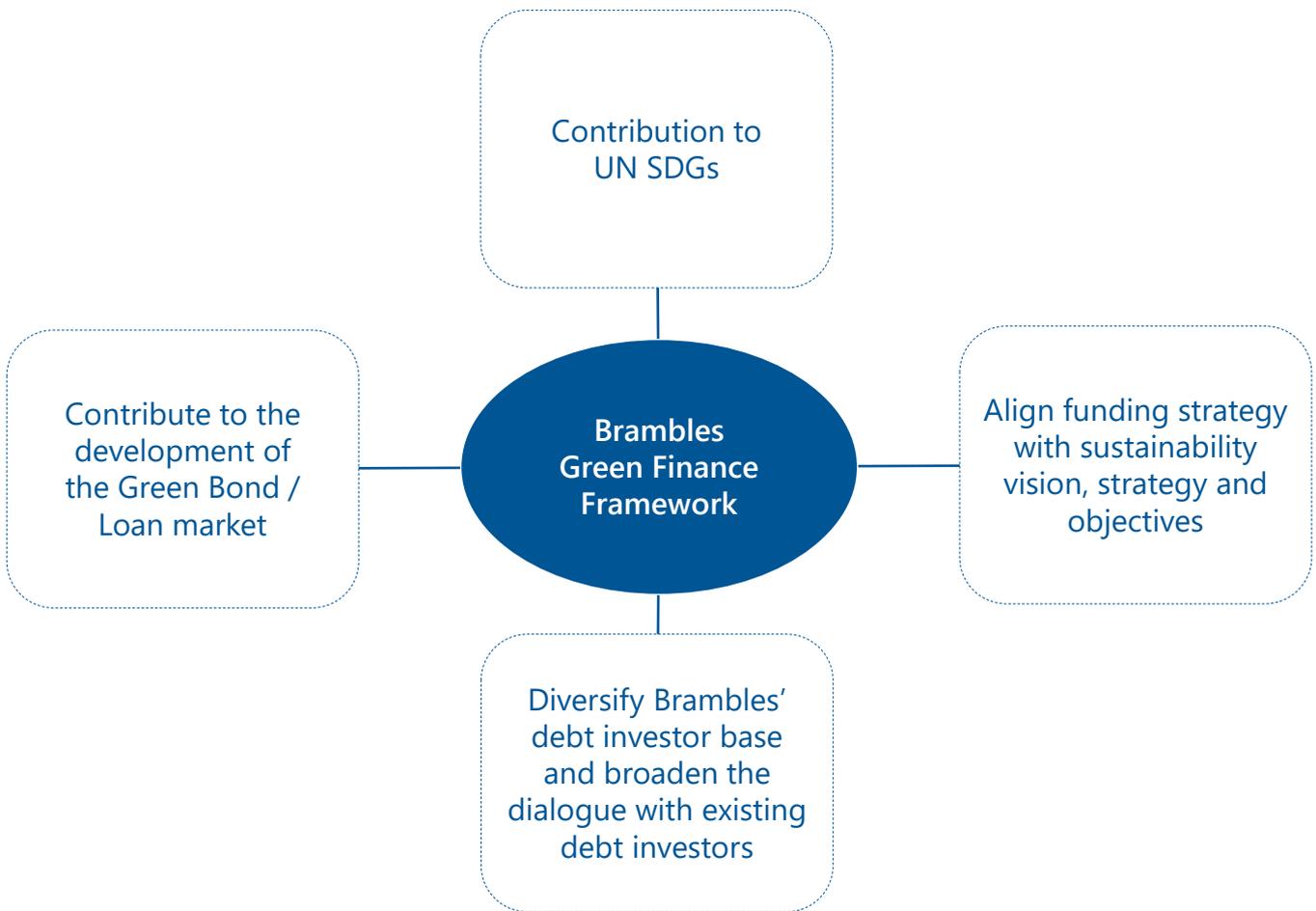
³ Insetting is generally used to describe carbon projects that avoid, reduce or sequester emissions upstream or downstream within the company's own value chain.

1.5 Brambles' Rationale for Green Financing

Brambles has established this Green Finance Framework under which the Company expects to issue bonds (including private placements) and loans (Green Finance Instruments), to finance and / or refinance sustainable assets and expenditures with positive sustainability benefits.

Brambles believes that Green Finance Instruments are an effective tool to channel capital to assets that have demonstrated sustainability benefits and thereby contribute to the **achievement of the SDGs**. By issuing Green Finance Instruments, **Brambles intends to align its funding strategy with its sustainability vision, strategy and objectives**.

Moreover, Green Finance Instruments will help to diversify Brambles' debt investor base and broaden the dialogue with existing debt investors to how we are working to help create a nature positive economy with re-use, resilience and regeneration at its core. **Brambles also aims to contribute to the development of the Green Bond / Loan market** and to the overall growth of responsible investing.



2. BRAMBLES GREEN FINANCE FRAMEWORK

2.1 Brambles Green Finance Framework

Through this Green Finance Framework, Brambles is developing a long-term sustainable financing platform for current and future financing activities. Debt capital raising is anticipated to encompass the international bond and loan markets, amongst others, and this proposed framework seeks to adopt the key green elements of both the International Capital Markets Association (ICMA) Green Bond Principles (GBP) 2021 version⁴, and the Loan Market Association (LMA) Green Loan Principles (GLP) 2021 version⁵. These are sets of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of Green Finance Instruments. The Brambles Green Finance Framework follows the GBP and the GLP, which provide guidelines in the form of four core components:

- (i) Use of Proceeds;
- (ii) Process for Project Evaluation and Selection;
- (iii) Management of Proceeds; and
- (iv) Reporting.

For each Green Finance Instrument issued, Brambles asserts that it will adopt the four core components, as set out in this Framework.

The Brambles Green Finance Framework also follows the recommendations of the GBP regarding external review. This Framework will apply to any Green Finance Instruments issued by Brambles and will be in force as long as any Green Finance Instrument is outstanding. This Green Finance Framework may be updated, including to reflect any future changes in the Green Finance Standards⁶. Any updates to the Green Finance Framework will only apply to future Green Finance Instruments and not to issuances already outstanding.

2.2 Use of Proceeds

Brambles will allocate an amount at least equivalent to the net proceeds of the Green Finance Instruments issued under this Framework towards financing and/or refinancing, in whole or in part, a portfolio of new and/or existing eligible assets (Eligible Green Assets) as described below. Eligible Green Assets are defined as expenditures and/or assets that meet the Green Eligibility Criteria defined below (Eligible Green Portfolio), which has been prepared in accordance with the ICMA and LMA GBP and GLP documentation.

For refinancing eligible capital and operating expenditures, Brambles intends to apply a look-back period of no longer than three years from the year of issuance. Assets shall qualify without a specific look-back period provided that they follow the eligibility criteria outlined below at the time of issuance and throughout the life of the instrument.

On a best efforts basis Brambles intends to fully allocate any proceeds of the Green Finance Instruments within two years of the date of issuance / agreement of any Green Financing Instrument.

⁴ Can be viewed at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

⁵ Can be viewed at <https://www.lsta.org/content/green-loan-principles/>

⁶ Standards related, but not limited to: Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, EU Green Bond Standards and green, social and sustainability market practices in general.

Green Eligibility Criteria

ICMA / LMA Green Eligible Category	Description Eligible Assets: Eligibility Criteria	Primary Contribution to UN SDGs
Eco-efficient and/or Circular Economy adapted Products, Production Technologies and Processes	<ul style="list-style-type: none"> • Assets used in circular economy business model including but not limited to <ul style="list-style-type: none"> – reusable timber and plastic pallets, crates and containers – equipment used to maintain the share and reuse assets – projects for automated inspection, sorting and repair of pallets – other assets which support the functioning of the Circular Economy business model including forestry assets • Capital and operating expenditures related to equipment used in circular economy business model, which facilitates the 'share and reuse' reusable timber and plastic pallets and containers 	

2.3 Process for Project Evaluation and Selection

Brambles Sustainability Team

Brambles defines Sustainability as the strategies and activities the Group has adopted in relation to its employees, the environment, ethics and the community. Sustainability in Brambles is led, and represented at Board level, by the Chief Financial Officer (CFO).

Brambles has a well-established Sustainability Risk and Compliance Committee (led by the Chief Sustainability Officer, (CSO)) which reports to the CFO and to the Board. The Sustainability Risk and Compliance Committee is responsible developing sustainability strategies, targets and activities consistent with the Brambles' Group shared values. It comprises of the CSO, Chief People Officer, Group Senior VP of Risk, Internal Audit & Insurance and a cross-section of senior Brambles corporate and business unit executives. The Sustainability Risk and Compliance Committee meets semi-annually.

The Sustainability Team led by the CSO is responsible for the implementation of Brambles' Sustainability objectives and reporting. It is supported by senior personnel from the Regional Business Units and from Brambles' Corporate functions including Group Finance, Human Resources, Procurement, Marketing, Communications, Supply Chain and Product Development Additional departments and subject matter experts are invited as deemed appropriate. The Sustainability team, together with Group Treasury will be responsible for:

- Reviewing the content of the Framework and potentially updating it to reflect changes in corporate strategy, technology, market, or regulatory developments on a best efforts basis;
- Initiating the update of non-Brambles documents such as Second Party Opinion (SPO) and related documents from external auditors as far as required;
- The evaluation and selection of assets in line with the eligibility criteria;
- Designating, reviewing and updating the Eligible Green Portfolio;
- Overseeing the allocation of the proceeds from Green Financing Instruments to Eligible Green Assets, to ensure that the amount of Eligible Green Assets equals or exceeds the amount of Green Financing Instruments, replacing those assets that no longer comply with the eligibility criteria or for which the Sustainability Team has otherwise determined should not be funded under this Framework as soon as practicable;
- Overseeing, approving and publishing the allocation and impact reporting, including external assurance statements⁷; and

⁷ Brambles may rely on external consultants and their data sources, in addition to its own assessment.

Brambles Green Finance Framework

- Considering the applicability of international green finance regulation and aligning on a best efforts basis and as far as required.

Brambles' Sustainability Commitments, Guidelines and Policies

Brambles' sustainability commitments, guidelines and policies are considered as minimum standards for business conducted by Brambles, including any expenditures / assets financed with the proceeds of Green Finance Instruments issued under this Framework. They ensure that the environmental and social risks potentially associated with the Eligible Green Assets are properly mitigated via the due-diligence processes conducted by Brambles and comply with national and international environmental and social standards, local laws and regulations. Set out below are some examples of relevant codes and policies:

- [Code of Conduct](#)
- [Corporate Social Responsibility Policy](#)
- [Health and Safety Policy](#)
- [Zero Harm Charter](#)
- [Diversity Policy](#)
- [Human Rights Policy](#)
- [Global Dignity at Work Policy](#)
- [Environmental Policy](#)
- [Global Procurement Policy Lumber Sourcing](#)

2.4 Management of Proceeds

Brambles will allocate the proceeds from the Green Finance Instruments to an Eligible Green Portfolio, selected in accordance with the Use of Proceeds criteria and Process for Project Evaluation and Selection presented above. This portfolio consists of new and/or existing assets and/or expenditures.

Brambles will strive to maintain a level of allocation for the Eligible Green Portfolio, which matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments. Additional Eligible Green Assets will be added to the Brambles' Eligible Green Portfolio to the extent required.

Pending the full allocation to the Eligible Green Portfolio, Brambles will manage the balance of net proceeds not yet allocated in its normal treasury liquidity policy and activities.

2.5 Reporting

In accordance with the recommendations from the GBP and the GLP, Brambles intends to make and keep readily available reporting on Eligible Green Assets and Green Finance Instruments outstanding. Reporting with respect to each Green Finance Instrument will take place annually, at least until full allocation.

This report will be made available within the Investor Centre on Brambles' website⁸.

Allocation Reporting

The allocation report may provide, on a portfolio basis, the following:

- The total amount of proceeds allocated to eligible assets / expenditures within both Green Eligible categories;
- The balance of unallocated proceeds (if any);
- The total amount of Brambles Green Finance Instrument (s) outstanding; and
- The amount or the percentage of new financing and refinancing.

⁸ Can be viewed at <https://www.brambles.com/brambles-green-finance-framework>

Impact Reporting

Impact reporting may, on a best-efforts basis, include:

ICMA / LMA Category	Potential Impact Indicators
Eco-efficient and/or Circular Economy adapted Products, Production Technologies and Processes	<ul style="list-style-type: none"> • Environmental benefits of our circular model, delivered in customers' supply chains⁹: <ul style="list-style-type: none"> – CO₂-e saved (tonnes) – Number of trees saved – Waste eliminated from landfill (tonnes) – Water saved (m³) • Lumber purchased from Certified Sources • Carbon neutrality for operations (Scope 1 and 2 emission sources) • Electricity from renewable sources • Performance against SBT (includes Scope 1, 2 and 3 emissions) • Brambles' total recycled plastic material purchased

Brambles intends to align its impact reporting with the ICMA Handbook for 'Harmonised Framework for Impact Reporting', June 2022 version¹⁰.

2.6 External Review

Second Party Opinion

ISS ESG will review the Eligible Green Assets, as well as the alignment of Brambles' Green Finance Framework with the ICMA's 2021 Green Bond Principles and the LMA's 2021 Green Loan Principles. ISS ESG will provide an SPO that will be made available within the Investor Centre on the Brambles website.

Annual Audit / Limited Assurance on the Allocation Reporting

Brambles intends to request, annually or until full allocation, a third party to review the allocation of the Green Finance Instrument proceeds to the Eligible Green Portfolio, and provide a limited assurance report, which may also be made available within the Investor Centre of the Brambles website⁸.

⁹ Calculated environmental benefits are based on estimates from: our independent life cycle analyses (LCA), applied to volumes of the products and regions covered by these LCAs only; and internal data collection (for multimodal/collaborative transport programs and carbon neutral products).

¹⁰ Can be viewed at https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

APPENDIX A

Recognised as global leader in sustainability



Rated A- in Circular Economy assessment by the Ellen MacArthur Foundation

- The world's first comprehensive circular measurement tool, which measures how efficiently companies reuse energy and materials and how effectively their products or services contribute to the circular economy.



Maximum AAA Rating Top 8% of companies assessed

- MSCI's ESG Indexes provide investors with transparency into ESG and values alignment
- MSCI's data is used extensively for in-house valuations



Brambles **achieved A** in both its Forests and Climate Change lists

- CDP suite of ESG surveys (Climate Change, Forests and Supply Chain) are considered comprehensive on specific issues with high quality inputs



3rd most sustainable company of 7,000 analysed

- Corporate Knights is a media, research and financial information products company, focused on promoting an economic system where prices fully incorporate social, economic and ecological costs and benefits, and market participants are clearly aware of the consequences of their actions



Ranked **#1 most sustainable company** in DJSI index sector category

- The Dow Jones Sustainability™ World Index represents the top 10% of the largest 2,500 companies in the S&P Global BMI based on long-term economic, environmental and social criteria



Inaugural recipient of the Terra Carta Seal

- Launched in 2021 by His Royal Highness, The Prince of Wales, the Terra Carta Seal recognises global companies that are driving innovation and demonstrating their commitment to, and momentum towards, the creation of genuinely sustainable markets.



25 countries, 4 regions and Global accreditation

- The Top Employers Institute is the global authority recognising excellence in proven best HR practices. In 2023, Brambles received 'Global Top Employer' accreditation for the first time, achieving one of our sustainability 2025 targets two years ahead of plan, and becoming just one of 15 organisations in the world with this status. Brambles is above the benchmark in People Strategy, Leadership, Diversity, Equity and Inclusion, Sustainability, and is considered global best practice for Volunteering days.

DISCLAIMER

This material contains general background information about Brambles Limited's Green Finance Framework (Framework) and is non-exhaustive. It is information given in summary form and does not purport to be complete. It is not to be relied upon as advice or recommendation to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate. Brambles Limited (Brambles) accepts no liability whatsoever with respect to the use of the material or contents herein. Brambles reserves all rights including the right to amend the Framework at any time without notice. All information contained herein shall not be copied or disseminated for whatever purpose.