



Brambles

2015 Sustainability Review

Supplementary
Information

CHEP

IFCO

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

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



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Brambles Sustainability Review 2015 - Supplementary Information

As at 30 October 2015

BOUNDARIES

This Sustainability Review covers Brambles' Pallets, RPCs and Containers segments for the financial year ended 30 June 2015 (FY15).

Our Pallets business operates under the CHEP brand and provides returnable pallets through a network of service centres. Pallets reports in three regions: Americas; Europe, Middle East & Africa (EMEA) and Asia-Pacific (APAC). We also provide recycled pallets operations, predominantly in the USA, known as CHEP Recycling. Data and information from all of our Pallets businesses is included in this Review, with the following exceptions:

- Wood purchased by our recycled pallets operations is not currently included in the volume of wood reported; however, this is being investigated for future reporting.
- Water data from our recycled pallets operations has not been included in FY15.

Our RPC business operates under the IFCO brand in Europe, the Americas, Japan and under the CHEP brand in Australia, New Zealand and South Africa and provides reusable plastic crates (RPCs) to transport fresh produce from producers to retailers. Data and information from all of our RPC businesses has been included in this Review.

Our Containers business comprises four business units:

- Automotive;
- IBCs, providing intermediate bulk containers (IBCs) to customers in the food and general manufacturing industries;
- Oil & Gas, comprising Ferguson Group, providing container solutions to the offshore oil and gas industry, and CHEP Catalyst & Chemical Containers, which provides containers to the refining sector; and

- Aerospace, which provides containers and pallets for the transportation of baggage and cargo to airlines.

Data and information from all of our Containers businesses has been included in this Review, with the following exception:

- Information on Ferguson Group, which was acquired during FY15, is not included in this review, except for greenhouse gas (GHG) emissions from Australian sites (as part of the Containers segment). Ferguson Group was not included in other environmental, business, or communities data for FY15.

The review does not include data from service centres operated by a third party (outsourced service centres), with the following exceptions:

- An estimation of emissions data associated with third-party service centres operating on CHEP's behalf and transportation associated with balancing its pallet pool;
- Emissions data associated with third-party operations used by the IFCO RPC operations to wash and condition its crates; and
- Wood purchased directly by third party service centres, subsequently used in the repair or manufacture of CHEP pallets.

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

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

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

Pooling Model	Brambles provides pallets, reusable plastic crates and containers that are used and reused or 'pooled' amongst our customers. Sharing our reusable equipment in this circular model is inherently sustainable.
Supply chain collaboration	Brambles works with customers and suppliers to deliver mutually beneficial sustainable solutions. We use our logistics knowledge to minimise the footprint of our customers and our supply chain, through network optimisation and the use of collaborative and multimodal transportation.
People	Brambles believes an engaging, safe tolerant and diverse work environment brings out the best in our people and helps them reach their potential. This will help us attract and retain employees capable of delivering exceptional value to customers and appropriate returns to investors.

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

Materials	Our Zero Harm Charter sets our commitment to achieving zero harm to the environment. We consider social and environmental impacts in the purchasing and use of materials.
Emissions	Brambles is committed to reducing the greenhouse gas (GHG) emissions impact from the use of our products and services through the supply chain. This includes accurately measuring and reducing our total emissions footprint.
Waste	Brambles is committed to using resources efficiently and minimizing waste. With pooling models that operate on the principles of recover, reuse, reduce and recycle we are focused on continuously improving our performance to reduce material consumption maintenance costs and meet stakeholders' sustainability expectations.
Water	Brambles recognises that water is a precious resource. In many regions where our businesses operate, water supply is an important issue for the community. Our operations have a responsibility to use water wisely.

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

Community Investment	Brambles contributes positively to the communities where we operate by supporting environment, education and food loss and waste initiatives and encouraging our people to participate in local community initiatives
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The framework and content of the review has been reviewed and approved by the Executive Leadership Team and the Chief Executive Officer and presented to Brambles Board.

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ASSESSMENT OF MATERIAL TOPICS, KEY IMPACTS, RISKS AND OPPORTUNITIES

Brambles updated its material sustainability topics process in FY15, to identify sustainability topics deemed material by its businesses and stakeholders. Brambles conducted its first formal analysis of sustainability topics in FY11, using a third party provider with AccountAbility Principles Standards AA1000 five-part test as a guide. Brambles subsequently identified sustainability issues through stakeholder engagement processes internally. This included a review of stakeholder feedback through both formal and informal processes, either directly from stakeholder responses and comments, or as summarised and analysed by the responsible function for that stakeholder group. Ranking was also conducted as a part of this process.

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

From 1 July 2015, in line with these recommendations, Brambles' Risk and Control Committees assess the economic, social and environmental sustainability risks within their respective areas of responsibility. (For further information, please see the 2015 Corporate Governance Statement, Principle 7. Recognise and Manage Risk, available online.) This process has contributed to the identification of material sustainability topics for the 2015 Sustainability Review.

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

The top sustainability issues of concern to each stakeholder group were identified and ranked. These were approved by senior management responsible for the stakeholder group. Further details of the stakeholder engagement process are included on page 5. The environmental, economic and social sustainability risks assessed by our internal risk management processes were also included in our analysis. The material sustainability issues were identified as being those sustainability issues applicable to multiple stakeholder groups and/or with a material impact on our businesses.

In FY15, Brambles conducted our review in consideration of the Global Reporting Initiative (GRI) G4 guidelines, in order to identify material aspects that reflect Brambles' economic, environmental and social impacts. Consideration was also given to the requirements of the ASX Corporate Governance Principles recommendation 7.4.

In FY15, the following material sustainability issues were identified:

- Strategic materials;
- Zero Harm;
- Learning and development;
- Corporate governance (including Code of Conduct and anti-corruption)
- Product quality/innovation; and
- Environmental impacts and benefits.

The results of this process were approved by the Executive Leadership Team and the Board, as part of the approval of the Sustainability Review 2015.

APPLICATION OF THE GLOBAL REPORTING INITIATIVE – G4 REPORTING GUIDELINES

The above material issues and other sustainability issues raised throughout FY15 were compared to the GRI G4 guidelines and the following GRI aspects were identified as material and reported against:

- Economic: Economic Performance, Procurement;
- Environmental: Materials, Water, Biodiversity, Emissions, Effluents and waste, Products and services, Compliance, Transport, Supplier environmental assessment;
- Social: Labour Practices and Decent Work: Employment, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Equal Remuneration for Women and Men, Supplier Assessment for Labour Practices;
- Human Rights: Child Labour, Forced and Compulsory Labour, Indigenous Rights, Supplier Human Rights Assessment;
- Society: Anti-Corruption, Supplier Assessment for Impacts on Society, Grievance Mechanisms for Impacts on Society; and
- Product Responsibility: Customer Health and Safety.

A table outlining Brambles response to each of the indicators that applies to these aspects is provided on our website at www.brambles.com.

Brambles considers its application of the GRI G4 guidelines to be 'in accordance' to a 'comprehensive' level. There were no changes to the material GRI aspects from FY14.

ASSURANCE

Brambles continues to implement its audit plan to increase assurance coverage over the measures identified in the Sustainability strategy. In FY15, Brambles engaged KPMG to undertake a limited assurance engagement in respect of FY15 and provide a report on whether, in all material respects, the Assured Information, as described below, and as reported in the 2015 Review is prepared and presented in accordance with Brambles Limited's internal guidelines for sustainability reporting, as described in this document and are consistent with the GRI reporting principles for defining quality: balance, comparability, accuracy, timeliness, clarity and reliability.

KPMG issued an unmodified opinion on 30 October 2015, which is available on our website at www.brambles.com.

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

Assured Information

The Assured Information contained within the Brambles 2015 Review and accessible through the 'Sustainability Review' section of Brambles Limited's website, includes the quantitative and qualitative information for the year ended 30 June 2015 included in the following sections:

- Pooling model on page 6 (excluding CO₂-e emissions saved from transport programs);
- Engagement and Enablement on page 10;
- Inclusion and Diversity on page 11;
- Safety on pages 12 to 13;
- Wood on pages 17 to 18;
- Emissions section (excluding Scope 3 emissions and target) on page 20.

KPMG has not been engaged to, and do not, provide assurance in respect of the application of the GRI G4 reporting guidelines or claims included in the 2015 Review, this document or other pages of the Brambles website, other than the Assured Information as identified above.

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EXTERNAL BENCHMARKING

Brambles 2015 Sustainability Review is published 'in accordance' with the GRI G4 guidelines to a comprehensive standard.

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

Brambles was selected in 2015 as a component of the Dow Jones Sustainability World Index (effective as of September 2014), the Dow Jones Sustainability Asia-Pacific Index and the Dow Jones Sustainability Australia Index. The Dow Jones Sustainability Indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios and provide an effective engagement platform for companies who want to adopt sustainable best practices.

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

STAKEHOLDER ENGAGEMENT

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

Stakeholder Group	Responsible function
Customers	Group Presidents of businesses
	Customer insight teams
	Global key account managers
	Customer-driven external evaluations (eg Sedex, CDP supply chain survey)
Investors	Senior Director, Investor Relations and Corporate Affairs Group Vice President, Capital Markets Company Secretary
	Investor-driven external evaluations, eg DJSI and CDP
Employees (including contractors)	Group Senior Vice President – Human Resources Group General Counsel (human rights)
Suppliers	Group Presidents of businesses Vice President – Operations Vice President – Global Procurement (assisted by Procurement Lead with responsibility for sustainability)
Community and government, including regulatory bodies	Global Director of Sustainability Group Senior Vice President – Human Resources Group Vice President Taxation Group General Counsel

Feedback from key stakeholders, conducted through both external and internal processes, is reported throughout the Sustainability Review within the relevant section. These processes are outlined below.

Brambles holds regular meetings with relevant regulatory bodies, government and non-government organisations (NGOs) and employee representative bodies and also conducts customer, employee and supplier surveys and consultation forums, local community forums and focus groups.

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

Brambles encourages vigorous and robust analysis by the investment community and a policy of consistent access and treatment is applied,

irrespective of the views and recommendations expressed. Brambles holds briefings with investors and analysts to provide information and seek feedback from time to time. No new materials or price sensitive information is provided at those briefings unless it has been previously or is simultaneously released to the market. A record of any briefings is maintained and copies of presentation materials are available on this website. New or updated information and materials provided at these meetings are also released to the Australian Securities Exchange.

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

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

Employee engagement is monitored through the Brambles Employee Survey (BES). The confidential survey is conducted annually and is offered to employees in both web and paper-based formats. The results of that survey are communicated to employees. Data is used to track progress from previous surveys, measure Brambles against internal and external best practice and identify key actions for improvement.

To continue to improve customers' experience of its products, services and people, Brambles seeks to hear the Voice of the Customer through a variety of channels. This includes strategic leadership forums, face-to-face customer interviews, global market insights, sharing of global best practice throughout the Group, the Net Promoter program and customer care centres.

In 2010, Brambles began the roll-out of Net Promoter Score (NPS) program across the Group. The program includes: NPS measurement; leadership practices that promote customer-centricity; organisational strategies to ensure the adoption and integration with core business processes of NPS; and the gearing of operational systems to identify improvements in customer experience. It provides an opportunity to listen to customer feedback on our performance, understand their challenges and frustrations and agree and implement initiatives to improve our customers' experiences and foster greater loyalty.

Detailed questionnaires are collected through Brambles' annual customer survey with Pallets, RPCs and Containers customers, which measures performance in areas such as account management, ordering, delivery and audit and reconciliation. In 2015, the NPS program included all markets in which Brambles' businesses operate.

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

Responsibility for managing relationships with suppliers resides with the Group Presidents of each Brambles segment. In FY12, the Pallets segment created a procurement team within the Global Operations function. Procurement is responsible for supplier standards and monitoring performance.

Brambles developed a global supplier policy that was approved by the Brambles Board in August 2013. Included in the Group's Code of Conduct, the policy was rolled out to all businesses in FY14 and is available on Brambles' website.

The policy's implementation will include a period of engagement with strategic suppliers throughout the Group to consider the policy's aspects and its application.

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

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

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

DATA MEASUREMENT TECHNIQUES AND EXPLANATIONS

Better Business

Pooling Model

This section shows a conservative estimation of the environmental benefits that the Brambles pooling models produce in our customers Supply Chains.

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

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

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

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

The RPC study for the US was conducted also following ISO standards and peer reviewed by a panel of LCA and packaging experts in 2013. Food waste avoided by the use of RPC instead of cardboard in Europe is calculated using food damage rates calculated in a study of the German food distribution network, "Determination of spoilage levels of fresh fruit and vegetables according to the type of packaging", prepared by Stiftung Initiative Mehrweg and conducted by the University of Stuttgart in collaboration with the Fraunhofer institute. The expected avoided waste per issue is then applied to all EU RPC issues in the year.

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

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

Equipment types included in the scope of the LCAs and calculated environmental benefits in applicable regions were:

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

South America	1210 Pallet
South America (Mexico)	48X40 Inch Pallet
Europe	RPC
North America	RPC

It is estimated that the savings associated with the pooling model includes more than 80% of pallets issued in the Year.

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

- Does not include any savings from regions that don't currently have an LCA.
- Does not include all equipment types, and therefore not all issues.
- Alternate CHEP pallet solutions that would give better results compared to alternative platforms were not considered.
- Not all LCAs consider all factors:
 - Avoided food waste only considers RPCs issued in Europe; and
 - Avoided solid waste and water savings for RPCs only consider US RPC movements.

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

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

- Conversion of the LCA data on whitewood m³ savings;
- Estimates are based on Radiata Pine (ex New Zealand), which is a softwood species (as are the majority of CHEP wooden pallets). This species was chosen because of the availability of credible data;
- Source of Radiata Pine estimates was the New Zealand Forestry Industry Facts and Figures 2013 version;
- We approximated millable log yield, based on the information provided in this document;
- We estimated large scale modern mill board yield to be around 55% and discounted by an additional 10% to allow for harvesting differences to other regions. This resulted in a board yield per tree;
- This board yield was applied to the LCA data on whitewood savings to give an approximate number of trees saved;
- This methodology resulted in a conversion rate of 1.035 m³ of pallet timber per tree.

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

Net Promoter Score

In 2010, Brambles began the rollout of Net Promoter Score (NPS) program across the Group. NPS is reported in the supply chain collaboration section of our Review.

The program includes: NPS measurement; leadership practices that promote customer-centricity; organisational strategies to ensure the adoption and integration with core business processes of NPS; and the gearing of operational systems to identify improvements in customer experience. It provides an opportunity to listen to customer feedback on our performance, understand their challenges and frustrations and agree and implement initiatives to improve our customers' experiences and foster greater loyalty.

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Brambles business units use the Satmetrix system, Xperience. Detailed questionnaires are collected through Brambles' annual customer survey with Pallets, RPCs and Containers customers in 50 countries, which measures performance in areas such as account management, ordering, delivery and audit and reconciliation.

The questionnaires generate data on customers' views on processes and performance. This data is distilled into a single indicator for each country or business unit, known as the NPS, which measures the weighting of people who use and recommend a company's services or products, compared with those who do not.

People

In the FY14 reporting year Brambles businesses began the transmission to a new Human Resources (HR) database and reporting platform, Workday. This was rolled out to several of the key businesses in the UK (Pallets only), Ireland (Brambles and Pallets), USA (all businesses, except Pallecon), Canada (all businesses, except Paramount), New Zealand (Containers only) and Australia (Brambles and Containers). Subsequent to 30 June 2015, the Workday system has replaced the HR systems in most other businesses within Brambles, with the intention that all of Brambles' businesses will eventually be reporting within Workday.

For the 2015 Sustainability Review, Brambles collected data on permanent employees from payroll records through the HR functions of each of the Brambles businesses. The date of 31 May 2015 was selected to take a 'snapshot' of the organisation.

Brambles requested that this data be provided in a format where individuals could not be identified by name. Brambles requested data on:

- gender;
- age;
- base salary;
- banding (pay grade);
- nationality or residency status;
- parental leave (taking and returning from leave);
- training days (including compulsory work based training, development courses); and
- volunteering (hours that comply with three days paid leave).

Brambles also collected data of temporary or seasonal employees¹ and contractors² as at the 31 May 2015. All Brambles businesses were required to submit data via spreadsheet to Brambles.

Employees by segment – Headcount

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

Gender

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

Age distribution

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

Parental leave

Parental leave data was calculated using employee headcount number of employees who took parental leave during the period of 1 July 2013 to 30 June 2015 as a percentage of total employees.

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

Management

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

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

Salary ratio data

Salary ratios by gender were calculated using 2015 salary data. The small number of employees (approximately 1.5% of headcount) that have no banding are excluded from the analysis.

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

FY14 salary ratio data was restated due to an error in reporting, where the data was transposed incorrectly. This has been updated in the five year performance download document, available online.

Voluntary turnover data

Voluntary turnover data was calculated using actual employee data where employment ceased on a voluntary basis and includes those whose redundancy was not compulsory and divided by the headcount as at 31 May 2015.

Brambles Employee Survey

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

More than 1,000 team reports were generated and they included scores for those dimensions, and comparisons with the previous year and the industry benchmark referred to as the "high performance norm".

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

In FY15, Brambles coded employees as office or service centre based, to compare responses within these categories. Pre-coded demographic data was also applied for more accurate reporting and to support inclusion and diversity initiatives.

Safety data

Brambles Injury Frequency Rate is the primary measure of safety performance in Brambles. BIFR should be regarded as being generally comparable to the Total recordable Injury Frequency Rate (TIFR) or Total Recordable Injury Rate (TRR) used in other businesses. (Note: Modified duties and or external medical treatments are not always included in these rates.)

¹ Temporary/seasonal employees are on a temporary (but not fixed term) or seasonal contract that is paid through the company payroll. They may have irregular hours and may not be paid benefits depending on the local labour laws.

² Contractors are workers who provide services through a third party contactor or agency, or their own services (time and resources) through their own company. Unless prescribed by local statutes, the worker is not entitled to company employee benefits.

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BIFR records all fatalities, three types of injury/illness, each at a rate of incident per million hours worked:

- work related fatalities;
- loss of a full work shift due to injury/illness;
- modified duties effecting a full shift following an injury/illness; and
- incidents that require external, invasive medical treatment.

BIFR includes all Brambles employees that are employed directly by Brambles or are employed on temporary contracts through employment agents ("labour hire or temporary staff").

All safety incidents occurring to employees and labour hire or temporary staff are reported, investigated and included in BIFR. Safety incidents involving visitors, customers and third parties (e.g. trades people, servicemen, etc) on Brambles operations are to be reported and investigated in the same manner, but are not included in BIFR.

Serious safety incidents occurring to outsourced operations and off site contracted organisations are to be reported to Brambles and findings of investigations captured, where available to Brambles and are not included in BIFR.

Health related exposures and illness affecting any party above or the wider community are to be reported and investigated and managed, although they are not included in BIFR.

Better Planet

Materials

Wood

CHEP purchases, controls, or has due diligence oversight of all of the wood used in the manufacturing and repair of CHEP pallets. Some European third party outsourced service centres purchase wood directly from approved CHEP providers. In FY15, the global timber sourcing strategy was updated. This includes supply base segmentation and sustainability objectives. The volume of wood purchased by third parties service centres in Europe is estimated using the repair rates of the service centres multiplied by the average volume of wood used per repair in own service centres.

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

- 1) Chain of Custody (COC) certified wood: Where Pallets can verify supplier claims, through documentation, that wood purchased has an associated COC certification credit.
- 2) Wood from certified sources: Wood classified as being from a certified source is required to meet one of the following criteria:
 - Certified sources, where the supplier of the wood has COC certification; however, the supplier has not referenced this certification or provided complete COC accreditation details for the wood supplied to CHEP; or
 - Other certified sources, where CHEP has undertaken due diligence that seeks to provide confidence, that the source forest or mill is certified by PEFC, FSC or equivalent.
- 3) Policy compliant wood source: Where the purchased wood does not carry COC certification and is not from a certified source, CHEP has undertaken due diligence to establish that the wood flow has not been contaminated by controversial source wood.³ Wood will not be purchased from a source where due diligence is not satisfied.

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

- The volume of wood (cubic metres) purchased;
- A breakdown of this volume by definition (as above); and

- Details of species purchased and in particular any species that appear on the IUCN Red List of threatened species.

For species that are classified in the IUCN category of "Near threatened" or worse, the regions are asked to provide the volume of wood involved and details on what the business has done to work with suppliers to better understand and minimise potential use.

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

Chain of Custody

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

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

For FY15, CHEP has purchased wood from suppliers that are registered as COC certified by the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC). (see Glossary for definition of FSC and PEFC).

Plastics

Brambles collected internal figures on the volume of plastics for manufacture of reusable plastic crates, plastic pallets and containers purchased by our businesses in FY15. We did not collect data for other plastic purchased, for example, plastic stretch wrap.

Detergents

Brambles conducted a review of its detergent sourcing in FY15 to undertake due diligence on the responsible sourcing of palm oil. As a part this process, data on the volume of detergents purchased for the Year was also collected.

Greenhouse gas emissions - Scope 1 and Scope 2 emissions

Brambles collects emissions data primarily from energy invoices received at a site level. This data is collected by site on a monthly basis.

Geography	Source of emissions factors
Global	The World Resources Institute's GHG Protocol conversion and emissions factors for fuel and gas consumption.
EMEA, Asia, New Zealand, Canada and Latin America	The International Energy Agency (IEA) emissions factors (as prescribed by the GHG Protocol) for electricity consumption.
USA	The Energy Information Administration (EIA) emissions factors for electricity consumption of all US operations.
Australia	The National Greenhouse Accounts (NGA) emissions factors for electricity consumption of all Australian operations.

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

Scope 1 emissions data was restated for FY14 due to an error in the LPG data recorded for a European country. This resulted in a decrease in the reported 2014 emissions of 7.42 kt CO₂-e. This has been updated in the online five year performance data download.

³ Controversial Source is a term used by the PEFC to cover a broad range of forestry activities that do not comply with local, national or international legislation, use genetically modified forest based organisms or converts forest to other vegetation types, including primary forests to forest plantations.

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2010 emissions reduction target

In 2010, Brambles set an emissions reduction target of 20% by 2015, based on existing businesses and sites that reported data since 2010. This did not include acquisitions and excluded sites in those economies defined as emerging and developing by the International Monetary Fund. The target was based on internally-projected growth assumptions. At the time, the target included Recall sites. The demerger of Recall was completed in December 2013 and those sites were removed from our reporting in FY14. Our in-scope CHEP sites achieved a 20.5% reduction from 2010 emission levels in FY15.

Renewable energy

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

Had the electricity been recognised using the relevant grid emissions factors the scope 2 emissions would be 4.5 kt higher.

Operational control

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

Estimation techniques for missing data

Estimates have been calculated for inclusion in FY15 to enhance the coverage and completeness of emissions reported. These estimates are as follows:

Business Covered	Methodology
Missing data – All businesses	<p>When data was reported in the previous year, to take seasonality into account, the % change month on month was applied to FY15.</p> <p>When data wasn't available for the previous year estimates were based on the mean average from current fiscal year's real reported data.</p> <p>Less than 1% of total Scope 1 and Scope 2 emissions data is estimated.</p>
CHEP Recycling, North America	<p>Actual energy and fuel data was used for reporting, due to lack of real data last year estimations of missing data used mean average from available FY15 data.</p> <p>Fleet: Total miles driven by CHEP Recycling fleet vehicles for the year ended 31 December is recorded by the operations team. An EPA standard factor of 1.4kg per mile was applied to arrive at kg CO₂, which was converted to tonnes for reporting.</p>
CHEP South Africa	<p>Actual energy and emissions data was not available from a number of facilities in South Africa. The average grams of CO₂ per C-GEN (throughput of each pallet, RPC or container) was calculated across service centres with a similar operating profile in the MEA region. These CO₂/C-GEN factors were then applied to total c-GEN at each site.</p> <p>The estimate represents 0.18% of the total Brambles scope 1& 2 emissions</p>

Completeness of energy sources

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

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

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

The iCARE system can be customised at the site level to accommodate the reporting of all energy sources expected to be consumed at the sites.

Greenhouse gas emissions - Scope 3

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

- washing and conditioning of RPCs on behalf of IFCO;
- outsourced service centre sites that inspect and repair CHEP's pallets; and
- subcontracted transport carriers that move CHEP's pallets through its network to rebalance the pallet pool – this does not include transport of pallets underload through our customers' supply chains.

Measurement and Estimation techniques – scope 3

Outsourced service centres

Using the iCARE online system, Brambles collects actual energy and emissions data from outsourced service centres that wash and condition RPCs wherever possible. The emissions associated with the conditioning of pallets by outsourced service centres are either received directly from the third party or estimated. The method of estimation of emissions is to calculate the average energy and emissions associated with the production of one conditioned pallet using data collected by service centres operated by CHEP. This average factor is then applied to the number of conditioned pallets produced by third party service centres to arrive at an estimated emissions number.

Transport

The report identifies the savings made in our customers' supply chains. A specific module for CO₂-e measurement of subcontracted transport carriers was developed with LeanLogistics and implemented in Europe and the USA.

This system allows CHEP to estimate a baseline to measure the impact of its collaborative transportation, route optimisation, network optimisation and Total Pallet Management initiatives.

The Scope 3 transportation emissions in regions other than Europe is estimated through distance measurement where available (Americas, Australia, MEA) and through the quantity of product delivered (Asia).

Resource management

Brambles businesses enter their waste data into the iCARE system regularly. Brambles requests the businesses to enter the amount of plastic, metal, paper and corrugate that sites collect from customers (ie returned with the equipment) and have recycled.

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Waste

Brambles businesses enter the amount of general and hazardous waste in the iCARE system. Brambles consolidates the information and applies conversion factors to calculate total amount in metric tonnes.

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

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

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

Water

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

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

Better Communities

Donations data is obtained from internal finance. Monetary donations are converted to US dollars using June 2015 foreign exchange rates. Data for donations, in-kind donations and volunteering has been collected from all businesses except Ferguson Group in FY15.

In-kind donations

The value of in-kind donations to community and not-for-profit organisations was calculated by applying the commercial value of the donated products in the country the donation occurred. Donations were converted to US dollars using June 2015 foreign exchange rates.

Volunteering

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

Brambles collects the number of volunteer hours recorded in HR systems. Brambles calculates the value of employee volunteering by calculating the average hourly rate for employees by country, based on the median salary of all employees in FY15 divided by the Organisation for Economic Co-Operation and Development's (OECD) average number of hours worked by country for 2015 and multiplying this by the total hours volunteered in the relevant country. For non-OECD countries (South America, India, Thailand and South Africa) the average hours worked for Mexico for 2015 was applied (this was the highest of our OECD country average). The total of all countries is the total value of employee volunteering in FY15. Salary amounts are converted to US dollars using June 2015 foreign exchange rates.

GLOSSARY

Assurance	<p>Assurance relates to the review of sustainability data by an independent third party. In FY15 Brambles engaged KPMG to provide limited assurance. The engagement consisted of KPMG making inquiries, primarily of persons who are responsible for Brambles' adherence to the GRI principles for defining the content of this Sustainability Review and for the preparation of the selected sections presented in the Review, and applying analytical and other evidence gathering procedures to that information, as appropriate.</p> <p>The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.</p> <p>KPMG's statement of limited assurance can be found on the Brambles' website on the Sustainability Reviews page.</p>
Bi-annual management declarations	<p>Bi-annual management declarations confirm, among other matters, the adequacy of internal control procedures, the effectiveness of risk management systems and compliance with material regulatory and statutory requirements. General Managers and Finance Managers are required to sign off the management declaration questionnaires for their area of responsibility.</p>
Brambles Employee Survey (BES)	<p>Brambles measures employee engagement through the annual Brambles Employee Survey (BES). Engagement is a combination of perceptions that positively impact behaviour. These perceptions include satisfaction, pride, loyalty and a willingness to be an advocate for the organisation; engagement results are an average of these four items and measure to what extent employees agree or disagree with the statement. Those employees who agree or strongly agree are the most engaged.</p>
Brambles injury frequency rate (BIFR)	<p>Brambles Injury Frequency Rate is the primary measure of safety performance in Brambles. BIFR is generally comparable to the total recordable injury frequency rate (TIFR) or total recordable injury rate (TRR) used in other businesses. BIFR records all fatalities and three types of injury, each at a rate of injury per million hours worked:</p> <ul style="list-style-type: none"> - work related fatalities; - loss of a full work shift due to injury; - modified duties following an injury; and - incidents that require medical treatment.
Carbon neutral pallet offering	<p>A product available to CHEP European customers. Participants are able to offset the annual carbon footprint of their CHEP pallet movements. Features of the program include:</p> <ul style="list-style-type: none"> - The requirement that the product's materials come from sustainable sources. - A robust measurement system that covers all service centres, subcontracted locations, offices and transportation functions. - A comprehensive life-cycle analysis developed in partnership with an independent third party, carried out under ISO14040 standards and peer-reviewed. - A partnership with a recognised leader in the carbon credit industry, the Carbon Neutral Company, to purchase internationally recognised Verified Carbon Standard-certified credits. <p>The cost of purchasing offset credits for customers to achieve carbon neutrality is relatively inexpensive, due to the inherent environmental efficiencies of the pooling model. By choosing to purchase credits, customers are able to reduce the carbon footprint in the supply chain and invest in reforestation projects in developing countries.</p>
C-GEN	<p>'C-gen' stands for C generation stock. 'A' generation stock is stock awaiting inspection, 'B' generation stock is that which is waiting to be conditioned or repaired and 'C' generation (C-gen) stock has been conditioned and is ready for a customer.</p> <p>C gen gives us an understanding of the number of products (pallets, crates, or containers) that have been conditioned at our sites, which is the productivity measure we use.</p>
CEDEP	<p>Brambles is a member of the Cedep consortium. Cedep is the European centre for executive leadership development, based on the campus of the prestigious INSEAD business school in Fontainebleau, France.</p>
Certified sources (of wood)	<p>CHEP promotes sourcing of wood for its pooled pallet requirements from sustainable wood sources. Brambles set a target in 2010 for 100% chain of custody certification for wood purchased by CHEP. Brambles reports all wood purchased in three categories:</p> <ol style="list-style-type: none"> 1) Chain of custody certified wood (see Chain of custody certification) 4) Wood from certified sources; and 5) Policy compliant wood (see Policy compliant wood). <p>Wood from certified sources is defined in two categories:</p> <ol style="list-style-type: none"> 2) Certified sources with chain of custody certification, where CHEP has confidence, via due diligence, that the source of the wood has chain of custody certification; however, suppliers have not correctly referenced this certification or have not provided complete accreditation details for the wood supplied to CHEP carrying chain of custody certification. 3) Other certified sources, where CHEP has confidence, via due diligence, that the source forest or mill (ie a certified forest, in the case of PEFC and FSC, or a certified mill in the case of United States SFI-certified sourcing) is certified by PEFC, FSC or equivalent. Equivalence is based on the Montreal sustainability criteria that underpin PEFC and FSC. <p>Wood that does not satisfy CHEP's due diligence requirements for certified source definition must still meet its policy on sustainable wood sourcing standards.</p>

GLOSSARY

Chain of custody certification	<p>Chain of custody certification is the process by which certified forest products are verified to come from properly managed, sustainable sources. To become chain of custody certified, organisations must meet minimum requirements in product traceability, product storage and handling, invoicing and record keeping, and have an on-site audit by an accredited third-party verifier.</p> <p>There are several recognised standards that promote sustainable forestry management, including those set by the Forest Stewardship Council (FSC) and schemes endorsed by the Program for the Endorsement of Forest Certification Programs (PEFC). For example, FSC Chain of Custody certification allows companies to label FSC products and applies to manufacturers, processors and traders of FSC certified forest products. It provides assurance regarding the sustainability status of wood at all stages along the supply chain. At each stage in the chain of processing and transformation, chain of custody certification is needed to confirm that FSC certified wood products are not being compromised by the entry of uncertified products.</p> <p>Brambles has a target for 100% chain of custody certification for wood purchased by CHEP. Brambles reports all wood purchased in three categories:</p> <ol style="list-style-type: none"> 1) Chain of custody certified wood 2) Wood from certified sources; (see Certified sources) and 3) Policy compliant wood (see Policy compliant wood). <p>CHEP Europe achieved chain of custody certification for wood purchased for its pallets from FSC and PEFC in 2011; CHEP Australia in 2014 and CHEP New Zealand in 2015.</p>
CO2-e	<p>Carbon dioxide equivalent (CO2-e) is the universal unit of measurement to indicate the full global warming potential (GWP) of a particular greenhouse gas emission. It takes into account the GWP of each of the six Kyoto greenhouse gases, and expresses them in terms of the equivalent units of carbon dioxide. It is used for measuring and reporting different emissions sources on a common basis. At the corporate level, CO2-e is typically reported in kilotonnes (kt).</p>
Containers	<p>Brambles' business is organised into a number of segments, which includes Pallets, RPCs and Containers. Containers serves the bulk goods, automotive, aerospace and chemical sectors. Operates mostly under the CHEP brand worldwide, as well as the CAPS brand in bulk goods in the Americas.</p>
Education, Training and Development (ETD)	<p>One of the areas of focus for Brambles' Sustainability strategy is its people and the education, training and development opportunities available to them. Brambles has set a target of a 25% increase in total ETD days taken by employees on 2012 participation levels by 2015.</p>
Executive Leadership Team (ELT)	<p>The Brambles Executive Leadership Team assists in implementing Brambles' strategic direction, and ensuring its resources are well managed. The members of the Team and their biographies are can be found on the Executive Leadership Team page on Brambles' website.</p>
Greenhouse gas (GHG) emissions	<p>Gases that trap heat in the atmosphere are often called greenhouse gases. Some greenhouse gases such as carbon dioxide occur naturally and are emitted to the atmosphere through natural processes and human activities.</p> <p>Other greenhouse gases (e.g. fluorinated gases) are created and emitted solely through human activities. The principal greenhouse gases that enter the atmosphere because of human activities are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and fluorinated gases. Like most businesses, Brambles impacts on climate change through the consumption of energy, which entails the burning of fossil fuels.</p>
iCARE	<p>Brambles global online data collection system (rolled out in FY13) that will collect Occupational Health & Safety and sustainability data of its businesses, providing a standardised system that enables data entry at a site level.</p>
The IUCN Red List of Threatened Species™	<p>The IUCN Red List of Threatened Species™ is recognised as a leading inventory of the global conservation status of plant and animal species. It uses a set of criteria to evaluate the extinction risk of thousands of species and subspecies. These criteria are relevant to all species and all regions of the world. With its strong scientific base, the IUCN Red List is recognised as the most authoritative guide to the status of biological diversity.</p>
Lean	<p>Lean or Lean thinking, is derived from the Toyota Production System and assists in the identification and steady elimination of waste, the improvement of quality, production time and cost reduction.</p>
Net Promoter Score (NPS)	<p>Net Promoter is a multi dimensional program that includes Net Promoter Score (NPS) measurement, leadership practices that promote customer centricity, organisational strategies to ensure program adoption, integration with core business processes and operational systems geared to identify improvements in the customer experience.</p> <p>Detailed questionnaires generate data about customers' views on processes and performance. This data is distilled into a single usable indicator, known as the NPS. The NPS measures the relative weight of people who use and recommend a company's services or products to others, compared to those who are unhappy.</p>
NR	Not Reported.

GLOSSARY

Pallets	<p>Brambles' business is organised into a number of segments, which includes Pallets, RPCs and Containers. Pallets serves customers in multiple supply chains, in particular consumer goods, fresh produce and general manufacturing, across three regions: Americas; Europe, Middle East & Africa (EMEA); and Asia-Pacific.</p> <p>The Americas region consists of the CHEP Canada (including Paramount Pallet), CHEP Latin America, CHEP USA and IFCO Pallet Management Services customer business units as well as the LeanLogistics business.</p> <p>The EMEA region consists of the CHEP Central & Eastern Europe, CHEP Middle East & Africa and CHEP Western Europe customer business units.</p> <p>The Asia-Pacific region consists of the CHEP Asia and CHEP Australia & New Zealand customer business units.</p>
Policy compliant wood sources	<p>CHEP promotes sourcing of wood for its pooled pallet requirements from sustainable wood sources.</p> <p>Where the purchased wood does not carry chain of custody certification, or is not from a certified source, CHEP undertakes due diligence to establish that the wood flow has not been contaminated by controversial source wood. CHEP's due diligence includes consideration of legislation, biodiversity, conservation, protected and endangered species, labour practices for forest workers, indigenous rights, and so on. Wood will not be purchased from a source where CHEP's due diligence is not satisfied.</p>
Reusable Plastic Crates (RPCs)	<p>Brambles' business is organised into a number of segments, which includes Pallets, RPCs and Containers. RPCs serves the fresh produce sector under the IFCO brand in Europe, North America and South America and the CHEP brand in Australia, New Zealand and South Africa.</p>
Scope 1, Scope 2 & Scope 3 greenhouse gas emissions	<p>Scope 1 emissions come from direct purchases of fuel, for company-owned transport or heating. Scope 2 emissions are indirect purchases of energy, like electricity. Scope 3 emissions are generated by a third party, e.g. a transport company carrying a company's freight.</p>
Supplier Data Exchange (Sedex)	<p>Sedex is a not for profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains.</p> <p>Several regional CHEP businesses are members of Sedex.</p>
The Year	<p>Brambles' 2015 financial year: 1 July 2014 – 30 June 2015.</p>
Zero Harm	<p>Brambles' Zero Harm commitment is based on the belief that all accidents, injuries and harm can and should be prevented. To that end, every manager is accountable for achieving Zero Harm and required to demonstrate leadership in creating a culture that actively promotes Zero Harm. Everyone is responsible for committing and contributing to Zero Harm. Brambles' Zero Harm Charter, which sets out the vision, values and behaviours and commitment required to work safely, is provided to all employees.</p>

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