Customers

Brambles aims to use outsourcing expertise to add exceptional value in the eyes of the customer.

CHEP maintains close customer relationships, measures service and product performance and performs regular customer satisfaction surveys. CHEP provides a valuable service to over 385,000 customer locations in 45 countries from a network of over 550 service centres. CHEP has provided pooled pallets and containers for 50 years. CHEP endeavours to make it easy for its customers to do business with it. CHEP uses tools such as its Portfolio system, in which customers can view account activity, order pallets and containers and access invoices. Its technology is designed to allow CHEP and its customers to conduct business in a faster and more straight-forward manner.

Recall is committed to its CARE customer service initiative, which covers four main criteria:

Consistency in the service provided
Accuracy in storage, retrieval, backup or destruction of your information
Reliability in being responsive to customer needs
Efficiency in every process and action

These are high standards Recall endeavours to meet as a solution provider for the best in innovative information management.

Responsibility for managing relationships with customers resides with the Group Presidents of each of Brambles' operating businesses.

Both CHEP and Recall meet applicable product and service information and disclosure requirements where relevant to the regulations of the countries in which they operate. Brambles did not receive any significant fines or non-monetary sanctions for noncompliance with laws and regulations relating to the provision and use of products and services during the year.

CUSTOMER HEALTH AND SAFETY: ZERO HARM

Brambles is committed to achieving Zero Harm. The Zero Harm Charter applies to employees, contractors, customers and local communities. Under this commitment, Brambles thinks first of Zero Harm. Brambles considers health, safety and the environment in all decisions concerning the development of projects, the selection of commercial partners and suppliers and the launch of new products or services. Brambles does not let economic considerations overrule health and safety or respect for the environment.

CHEP and Recall consider the safety impacts of all products and services.

For example, CHEPSafe is the safety management system for CHEP Asia-Pacific. This is a risk assessment system which assesses the risk of internal repair processes and equipment used at CHEP service centres. All products are built to Australian standards by external companies and tested to ensure safety compliance prior to delivery to a customer. CHEP Europe’s quality team have an engineering component which advises on handling equipment improvements to limit damage to equipment and reduce safety risk. Safety management systems operate at every CHEP

service centre around the world. In addition, CHEP's Innovation Centre in Florida is a world-class product testing laboratory and the health and safety impacts of each product are assessed in development.

Recall assists customers in the safe management of their document storage requirements by clearly labelling its cartons with suggested weight restrictions and correct handling techniques, specific to the size of the carton (which varies from region to region). All cartons are provided to customers flat packed. Recall has stringent processes for employees managing inbound cartons (for example, correct manual handling techniques) to ensure adequate risk management.

Neither CHEP nor Recall is able to fully assess the safety risk of customers using products on their own sites, due to the many variables involved. However, CHEP and Recall actively engage with customers and other organisations within the regions in which they operate, promoting health and safety impacts and responsible packaging solutions.

TPM locations in customer premises are run to CHEP Zero Harm standards. CHEP Europe encourages logistics providers to improve safety measures with a safety scorecard.

CHEP's Innovation Centre in the USA is a participating member laboratory of International Safe Transit Association (ISTA) and tests and certifies against ISTA's rigorous global packaging standards. ISTA is an organisation focused on the specific concerns of transport packaging and ISTA test procedures define how packages should perform to ensure protection of their contents. Use of ISTA test procedures reduces risks in the transport environment and increases confidence in the safe delivery of a tested packaged product.

CHEP South Africa is a member of the Responsible Container Management Services of South Africa, which aims to provide safe packaging solutions, protect the health and safety of people and the environment and promote extended producer responsibility and sustainable use of resources.

An example of the improvement in the safe management of pallets is CHEP's pallet dispenser/ accumulator that helps reduce the problems of limited pallet storage space and forklift availability. By stacking pallets with reduced manual handling, it is a cost-effective, space saving solution that makes working in smaller environments safer. CHEP's Palift system improves worker safety by eliminating bending and stretching when loading and unloading pallets. It also generates up to 40% higher productivity as it self-adjusts.

Another example is customers moving 44 gallon drums of liquid on pallets, which can be dangerous and inefficient (with 20% of space on a pallet wasted). CHEP's Intermediate Bulk Containers (IBCs) are safer, easy to transport, minimise product contamination and maximise space on every pallet load.

CASE STUDY: REDUCING CUSTOMER INJURY RISK IN HANDLING PALLETS

When Australian company The Smith's Snackfood Company needed to improve OH&S and the efficiency of pallet handling systems at one of its distribution centres, one of its first calls was to CHEP. With a high volume of pallets moving through the order assembly area each week, the time consuming process of waiting for forklifts and breaking down large stacks of pallets had led to manual handling by staff, increasing the risk of injury.

Smith's was introduced to the CHEP pallet dispenser, which allows pallets to be loaded and accumulated into a stack and releases individual pallets at a rate of up to four per minute. By automating its pallet distribution process, Smith's was able to reduce manual handling and production bottlenecks.

The order picking process for Smith's is now safer and more efficient.

CASE STUDY: REDUCING CUSTOMER INJURY RISK IN HANDLING BEER KEGS

When Australia's two largest brewers, Foster's Group and Lion Nathan (which together account for approximately 97% of the Australian beer market), needed help in continuing to reduce the high risks associated with handling beer kegs, they joined forces and asked CHEP for assistance. CHEP led an initiative using Six Sigma methodologies to help reduce this risk. The CHEP team worked with the brewers over a nine month period to develop a number of short-term recommendations, which were either implemented or tested immediately. Several concept designs for lifting devices and containers for storage, transportation and keg dispensing were developed and are now being investigated further.

The project team also produced the National Guide for the Safe Handling of Beer Kegs, a comprehensive guide that will form the basis of training for all venue staff. CHEP is continuing to work with the brewers to provide further assistance and technical guidance as they implement these recommendations and standards.

CUSTOMER SATISFACTION

Both CHEP and Recall conduct regular customer satisfaction surveys. The results of these surveys are used internally to identify key areas of focus and improvement and some aspects are reported back to participating customers.

Customer satisfaction is one of CHEP's strategic priorities. This includes areas such as operational excellence, value for money and collaborative innovation. CHEP listens to its customers through customer surveys, face to face contact, focus groups and in country surveys.

For example, some of the priority areas identified by CHEP EMEA customers in the 2008 customer survey include pallet quantity/supply, transfers and exchanges, pricing, ordering and other electronic systems, pallet quality and contact with CHEP. Other areas identified as important were delivery, balances and tracking, invoicing, and collection.

CHEP responded to this feedback with several initiatives, including:

- Declaration Excellence (understanding the root causes of errors, reducing complexity with translation tables and global location numbers and a transaction matching system replacement);
- FOCUS (ensuring optimal customer service organisation structure, generating efficiencies to keep meeting the increasing customer demands and a better contact management system);
- BlueZone – Portfolio+Plus upgrade (CHEP's business to business online system for customers and customer facing staff); and
- Invoice simplification.

Customer feedback to these initiatives has been positive. For example, following the Portfolio+Plus upgrade customers reported:

> *"This is a great tool for controlling stocks and movements. It is much more than we expected."* – European beauty products customer
>
> "*Very good reporting tools. This is exactly what we were looking for in order to check stocks and movements."* – European brand owner
>
> *"9 out of 10. It is very user friendly and I am very happy with it."* – Italian wine importer
>
> *"I was very pleased to see that the implementation had been thorough and all aspects of movement issues had been accommodated."* – UK fresh produce grower

CHEP Europe uses Voice of Customer (VoC) and Voice of Business (VoB) to obtain customer complaints. CHEP Americas has similar processes. CHEP Australia utilises a standard customer complaints process which ensures that all complaints are automatically emailed to each member of the CHEP Australian leadership team. There is a designated role accountable for follow through and close out of each item with the customer.

For Recall, high levels of customer satisfaction are crucial to further growth. Recall conducts annual customer surveys, using an external independent service provider. The latest survey found that Recall globally is within the top third of over 450,000 business to business service organisations surveyed for customer satisfaction.

In the European survey, 82% of all respondents said using Recall gives them a competitive advantage in their business and 87% said they would recommend Recall to other users.

Recall also uses an internal key performance indicator measurement system called Perfect Order that measures every work order received by every customer for every facility. Perfect Order is Recall's promise to deliver the right items to the right person on time, every time. Every job is measured according to performance and effectiveness – not just in technical terms, but in the quality of the service provided. Recall's service is continually monitored, with innovative service processes extending from offsite document management to monthly status reports. This data and the Perfect Order score is shared with clients, demonstrating Recall's professionalism and transparency.

Recall has specific regional CARE teams that operate call centres to address customer queries and complaints.

CASE STUDY: REDUCING CUSTOMER PRODUCT DAMAGE

Ficosa Otomotiv San, the Turkish division of the Ficosa Group, one of the world's leading manufacturers of command and control systems for the automotive industry, has opted to use CHEP automotive containers to support its manufacturing operation in Turkey. CHEP delivers folding large containers to Ficosa's plant in Bursa, Western Turkey, from where they are used to transport components to other Ficosa plants in Eastern Europe. Decisive factors in Ficosa's decision to choose CHEP were its experience in the automotive industry and the opportunity to reduce product damage in transit.

"We were keen to improve our packaging processes and procedures and it soon became apparent that CHEP offered the best and most cost effective solution," said Fatih Aslanbas, Logistics Manager, Ficosa Otomotiv San.

"Ficosa is keen to ensure that we limit the level of product damage when shipping our components across Europe."

"Previously we had been using one-way packaging to deliver our products and by switching to CHEP we will significantly reduce the level of damage and the associated costs."

CUSTOMER PRIVACY

Recall operates global standards in relation to the security, access and protection of the information it manages for customers. These standards include:

- Global intruder detection standard and specification;
- Global access control standard and specification;
- Global closed circuit television (CCTV) surveillance standard and specification;
- Global manned guarding standard and specification;
- Global perimeter protection standard and specification;
- Global vehicle security standard and specification;
- Global GPS standard and specification;
- Global fire standard and specification; and
- Global standard operating procedures (SOPs).

All Recall sites globally are regularly measured and assessed for compliance with the above standards.

Recall ensures strict security is in place in terms of physical properties as well as user access – whether physically or online via its secure server. Some of the security practices at Recall include physical security design such as barriers and perimeter protection, manned entry, access points, gate houses, security guards and more, as well as security systems, such as CCTV monitoring, intruder alarm systems, access control systems (some with biometric access, fingerprint or retinal) and building safety/fire management systems.

Vehicle security includes features such as automatic locking for all driver, passenger and cargo doors, high intensity siren notification for drivers (in the event of door opening, unauthorised entry and unauthorised movement), heavy duty steel construction to all locks, the ability to disarm, alarm and open cargo doors independently and inbuilt automatic anti-tow (tilt system) protection.

Recall employees undergo pre-employment screening and background checks, ongoing screening and background checks (on a six monthly basis), safety and security induction and ongoing safety and security training.

Recall has comprehensive Business Continuity and Disaster Recovery Plans that address situations of natural disaster and regularly conducts site testing.

An internal measurement system records every incident where there is a possibility a customer's information has gone outside of Recall's control, known as security breach or security incident reporting. Every report of this nature is provided to the region's President within one day, who then passes it on to the Group President and Chief Operating Officer of Recall. Breaches and incidents are further reviewed at global leadership meetings to ensure potential system errors are rectified.

CASE STUDY: CUSTOMER COMPLIANCE

Recall uses the ReQuest system – introduced in late 2006 – a web-based interface, through which DMS clients can make service requests, track their information in real time and generate a variety of reports in a secure online environment. ReQuest allows clients to measure their compliance with various regulations and monitors how quickly and effectively Recall responds to customer demands.

RESEARCH AND DEVELOPMENT

Brambles carries out research and development activities in both its CHEP and Recall businesses.

CHEP's Innovation Centre in Florida is a world-class product testing and engineering facility. From packaging and unit load design to simulated supply chain testing, CHEP capitalises on the resources of its Innovation Centre to collaborate with customers around the globe, conduct packaging tests for customers and test new products and technologies such as radio frequency identification (RFID).

CHEP employs specialised engineers from a range of backgrounds to develop innovative products for its customers. CHEP also continuously tests its pallets and containers to make them more durable and safer for use in the supply chain, designing and improving pallet and container repair equipment, development of RFID and more.

Recall and CHEP continuously develop document management processes and develop and improve software.

CASE STUDY: RECALL EMPLOYS RFID TECHNOLOGY

Recall has been using RFID successfully across the United States and Canada since 2006. In November 2008, Recall became the first organisation to employ RFID technology for the information management industry in Australia.

RFID delivers increased security and management efficiency to the storage and auditing of customer records. By marking document archival cartons with passive RFID tags and using specially designed RFID equipment, Recall can provide enhanced inventory and audit reporting for its customers in a fraction of the time taken by traditional physical audits. For example, RFID allows individual cartons to be detected three rows deep. Standard bar coding, in comparison, requires manual search and identification. Previously, a million carton audit would take two years to hand-scan and complete, Recall's RFID-enabled facilities can now do it in a number of days.

CASE STUDY: CHEP CRATE SUPPLYING FRESH PRODUCE TO WOOLWORTHS IN AUSTRALIA

CHEP has specifically designed a range of Foldable Reusable Plastic Crates (FRPCs) to streamline the way vendors around Australia deliver their fresh produce to Woolworths supermarkets. The unique design of the crates meets a variety of handling demands. The three crate sizes are modular in design, allowing both column and cross stacking when erected and have a consistent height when folded. Each crate has locating tabs that lock on to the crates immediately below and alongside to ensure a secure load in transit.

The crates, exclusively for Woolworths' supply chain, will allow fresh produce suppliers all around Australia to pack and ship produce in the same crate that Woolworths puts on their supermarket shelves. CHEP has HACCP accredited facilities to wash and sanitise crates after each use. As part of the undertaking, CHEP has upgraded its crate-washing service centre network with recycling systems that cut water usage and sewer discharge by up to 90 per cent.

The system delivers optimal value, reduces OH&S risks associated with manual handling, is environmentally efficient and protects the quality of produce from the farm to the supermarket shelf. Reusable packaging such as CHEP crates can offer environmental benefits, including reduced waste to landfill when compared to traditional one way packaging. Transport savings and the associated reductions in vehicle movements deliver significant financial and environmental benefits within the supply chain.

CASE STUDY: USING TECHNOLOGY TO IMPROVE CUSTOMER ASSET MANAGEMENT

CHEP recognises the potential of RFID technology to resolve some customers' complex supply chain issues.

A major South African retailer, The SPAR Group, has a number of rolltainer and cooler box pools that utilise CHEP's Plus ID RFID service. SPAR uses rolltainers to package high value goods at risk from being stolen in transit from its distribution centres to stores. CHEP currently tracks rolltainers to and from two distribution centres: Northrand (250 rolltainers) and Cape Town (700 rolltainers).

Using the information gathered by CHEP's RFID system, SPAR can track and measure the efficiency of its assets in a variety of ways. It can also generate reports on the number, volume and holding periods of its assets by location, individual cycle times and history.

Through CHEP, SPAR can successfully mitigate the risk of equipment loss by being able to make individual stores accountable for the rolltainers. The Group has also successfully used the RFID information to proactively manage equipment dwell times at stores.

CHEP believes RFID technology deployed across closed loop industry supply chains can deliver real benefits to its customers.