



# Leading a future of connection and illumination

BASIS OF PREPARATION – ESG METRICS 1H26

**Brambles**

# Basis of Preparation – ESG Metrics

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### Overview

The results of the ESG metrics included in the 1H26 Summary of Key Metrics cover the Brambles Group for the half-year ended 31 December 2025 (1H26, or 'the period').

The [FY25 Basis of Preparation - ESG Metrics \(published in August 2025\)](#) includes the Basis of Preparation for the metrics that remain unchanged since the release of the Brambles 2030 Sustainability Programme, including Scope 1, 2 and 3 GHG emissions.

This document sets out the Basis of Preparation for the new or updated ESG metrics reported at 1H26, including:

- Lost Time Injury Frequency Rate (LTIFR),
- Employee Experience (EX) Index, and
- Sustainably certified timber sourcing.

The underlying principles, and overall reporting approach remain consistent with those outlined in the FY25 Basis of Preparation - ESG Metrics.

### Assurance

Brambles engaged KPMG to undertake a limited assurance engagement in respect to the ESG metrics included in the 1H26 Summary of Key Metrics, including prior year comparatives for the new/updated metrics listed above.

### Data measurement techniques and explanations

#### Business Positive

##### People

###### Lost Time Injury Frequency Rate (LTIFR)

LTIFR is Brambles' primary measure of safety performance, replacing the Brambles Injury Frequency Rate (BIFR) from 2026. This approach will enable Brambles to benchmark its performance against industry peers and strengthen its approach to risk management and injury prevention strategies.

LTIFR represents the number of lost time injuries per one million work hours (exposure hours) over a specified period. As a widely adopted industry benchmark for occupational health and safety, LTIFR enables consistent performance tracking and supports our commitment to maintaining a safe and healthy workplace for all workers under Brambles' supervision.

###### Scope

Although reporting and investigation of all incidents plays a role in making a safer workplace, only incidents impacting Brambles employees and contractors, labour hire, or temporary employees working under Brambles' supervision will be

considered as Brambles Recordable Incidents and used in the calculation of LTIFR.

Exposure hours refer to the total number of working hours used in the calculation of LTIFR and are recorded in iCARE, a system designed for managing incidents and related processes and hosted by the third-party provider VelocityEHS.

For hourly workers, exposure hours are based on actual hours worked. For salaried employees, exposure hours are estimated using contracted hours, as actual hours worked are not logged. Labour hire<sup>1</sup> hours are manually captured from time reports submitted to Brambles.

Incidents on site at Brambles' operations not involving workers under Brambles' supervision i.e. third-party managed service centre employees, visitors, customers and third parties (e.g. trades people, servicemen, etc.) are reported and investigated but are not included in LTIFR. Serious incidents occurring at outsourced operations are reported to Brambles and, where possible, the findings of the investigations are provided to Brambles for review but are not included in LTIFR.

Brambles performs a scoping exercise prior to the start of each financial year to determine the Brambles operated sites in scope for the financial year. New Brambles operated sites are included in scope if they have been in operation for at least six months prior to the start of the financial year.

###### Employee Experience Index

Brambles measures its Diversity, Equity, and Inclusion (DEI) progress using the Employee Experience (EX) Index. The EX-Index consists of the following core components:

- **Diversity:** women in leadership roles – calculated as the percentage of women in Senior Director and above roles.
- **Equity:** fair pay, comprising of two elements:
  - Pay Parity – the median compa<sup>2</sup>-ratio comparison by gender, and
  - Living Wage for all Brambles employees – defined as pay that supports a decent standard of living, externally benchmarked and reviewed annually.
- **Inclusion:** Inclusivity Index (combined authenticity and inclusion measures) – measured through the Brambles' Global Engagement (Pulse) Survey.

###### Women in Leadership Roles

Roles in Brambles are evaluated using a points factor comparison method<sup>3</sup> of job evaluation and placed into bands, with leadership roles defined as Senior Director (band 4) and above (through to band 8 being CEO).

Brambles determines the percentage of women in leadership roles by comparing the number of female leadership employees to the total number of leadership employees.

<sup>1</sup> Labour hire is a process where a company, the labour hire agency, employs workers and then provides those workers to another company, the host employer, for a specific period.

<sup>2</sup> A compa (comparison) ratio is a metric that compares an employee's salary to the midpoint of their salary range.

<sup>3</sup> Factors (e.g., skill, effort, responsibility, working conditions) are used for comparison between jobs. Each factor is assigned a point value based on its importance to the job. Factors are not explicitly weighted, but their importance is considered when ranking jobs against benchmarks. Jobs are assigned points based on how well they meet each factor.

## BASIS OF PREPARATION – ESG METRICS continued

### Pay Parity

The compa-ratio for all employees other than operational service centre employees<sup>4</sup> is calculated by comparing their base pay to the midpoint salary for their respective position within Brambles. The individual results are collated and the median compa-ratio for females is compared to the median compa-ratio for males to determine the percentage variance between genders. This is done for each band in each country, as well as in aggregate. Negative values indicate where women's pay is below that of men's, while a value of nil indicates where women and men are receiving equal pay.

### Living Wage

A living wage refers to the remuneration received for a standard work week by an employee in a particular place sufficient to afford a decent standard of living for the worker and their family<sup>5</sup>. Living wage is assessed against the externally recognised Wage Indicator dataset using a consistent point-in-time benchmark and reviewed annually. It is assessed for all employees.

Where any employee's total remuneration is below the relevant living wage benchmark for that country (or region within the country where applicable), the whole country the employee is employed by will be counted as not meeting the living wage benchmark.

### Inclusion

Employee engagement is monitored using Brambles' Global Engagement (Pulse) Survey (the survey), which is managed through Glint, a third-party provider. The survey gathers feedback from employees, focusing on various aspects of the employee experience and workplace culture, including purpose, growth, authenticity, inclusion, clarity, empowerment, connection, wellbeing, and overall employee engagement. Insights gained from these surveys help identify areas for improvement, monitor progress, track trends in employee engagement, and enable Brambles to make data-driven decisions aligned with its strategic priorities.

The scores from the survey for the two questions 'I feel comfortable being myself at work' and 'leaders at our company value different perspectives' are averaged to determine the inclusivity index.

The survey is administered to all permanent employees who have completed at least three months of service as of the survey date. This survey excludes fixed-term or casual employees, students, interns, and contractors, except in Japan, where fixed-term employees are included due to contractual norms that allow them to become permanent after several years.

The survey aims to gauge employees' perceptions of their workplace environment. The gathered data serves several purposes: tracking progress compared to previous surveys, benchmarking Brambles against both internal and external best practices, and identifying areas for improvement. The survey guarantees confidentiality, with only aggregated results being reported.

Comments and sentiment analysis are carried out using Glint's narrative intelligence to identify main themes and areas needing attention across our employee demographics. The Global DEI team compares these scores against benchmark data sourced from Glint's High Performing Benchmark (top 25th percentile of all Glint customers). The team's goal is to identify global trends and develop internal initiatives aimed at improving scores in key areas and overall engagement.

## Nature Positive

### Sustainably certified timber sourcing

Brambles ensures that all timber purchased in relation to operations of Brambles' controlled subsidiaries is sustainably sourced timber. This means the timber is sourced under one of the two most recognised international forestry management schemes, where Brambles has access to documentation confirming that the timber comes from a certified source and this is backed up by a certified due diligence process and audit control framework.

Brambles' timber may also be Chain-of-Custody (CoC) certified; this means Brambles has received documentation from the relevant supplier that timber purchased has an associated CoC certification, and this can be verified.

At the end of each reporting period, each region submits reports to Brambles on:

- The volume of timber (cubic metres) purchased
- A breakdown of this volume (as defined above), and
- Details of species purchased, including any species that appear on the International Union for Conservation of Nature (IUCN) Red List of threatened species.

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

Due to the time taken to compile this reporting, and tight reporting timelines, reporting is based on 5 months of actual purchase data and is extrapolated for the remaining month of a six-month reporting period.

As timber certification has different levels of implementation in diverse regions, we are conscious that onboarding new timber suppliers could require an interim phase where we will accept the purchase of uncertified materials, provided that none of requirements set out in the [Global Lumber Sourcing Policy](#) are breached.

Starting in FY26, Brambles has commenced work to collaborate with the relevant certification bodies to further enhance the integrity of timber certifications, including consideration of the impacts on endangered species.

<sup>4</sup> Collective bargaining and hourly rates rather than salary ranges are generally in place for these employees.

<sup>5</sup> Source: Global Living Wage Coalition. Elements of a 'decent' standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.

## **BASIS OF PREPARATION – ESG METRICS** continued

Brambles' approach to suppliers losing their certification is based on the type of certification:

- **Timber from certified sourcing:** If a supplier's source of origin certification is revoked, terminated, or suspended, we stop purchasing from that source and allow up to 12 months for re-certification. We encourage the supplier to re-certify, and purchasing resumes only once the certification is reinstated.
- **CoC certification:** If a supplier's CoC certification is revoked, terminated, or suspended, we conduct a due diligence exercise to verify that the timber still comes from certified sourcing and termination/suspension is not related to critical infringement of CoC requirements (e.g. related to human and worker rights, or unlawful behaviour). The supplier is given up to 12 months to re-certify, provided they have started the process. During this period, if the timber's sourcing origin is confirmed as certified, we continue reporting it as certified sourcing. If due diligence fails to verify the certified sourcing origin or if certification is not reinstated by the end of the period, we will stop purchasing from the supplier.

### **Chain-of-Custody**

Brambles or its subcontractors purchase timber for use in the operations of Brambles' controlled subsidiaries from suppliers that are CoC certified by one of the two most recognised international forestry standards:

1. Forest Stewardship Council® (FSC®) (FSC®-N004324), and
2. Programme for the Endorsement of Forest Certification (PEFC) (PEFC/01-44-79).

Certification is available under both FSC®, PEFC, or PEFC endorsed schemes and guarantees timber originating from certified sourcing is correctly tracked along the supply chain and workers' and human rights requirements are met.

### **Buy to Sell (BTS) Strategy**

Under this strategy pallet components are purchased directly by Brambles and then resold to the new pallet manufacturers (NPMs) who assemble the pallets. All BTS timber needs to be CoC certified.

## Glossary

Band (employees)	<p>Roles in Brambles are evaluated using a points factor comparison method of job evaluation and placed into bands.</p> <p>Band 0 (or operational service centre based) employees are front line workers, operating and working on the production line of Brambles’ service centres.</p> <p>Band 8 is the CEO.</p>
Sustainably certified timber sourcing	<p>Timber sourced under one of the two most recognised international forestry management schemes, where Brambles has access to documentation confirming that the timber comes from a certified source and this is backed up by a certified due diligence process and audit control framework.</p>
Chain of custody (CoC) certification	<p>CoC certification is the process by which certified forest products are verified to come from certified forests. To become chain of custody certified, organisations must meet minimum requirements in product traceability, storage and handling, invoicing, record keeping and respect of human and social rights, and have an on-site audit by an accredited third-party verifier. There are two main recognised international standards for CoC and both provide assurance regarding the sustainability status of timber at all stages along the supply chain. At each stage in the chain of processing and transformation, CoC certification is needed to confirm that certified timber products are not being compromised by the entry of uncertified products.</p>
Employees other than operational service centre employees	<p>This category includes individuals engaged in corporate, administrative, managerial, and functional support responsibilities - such as finance, human resources, information technology, sales, marketing, as well as certain operational support functions.</p>
Leadership roles	<p>Leadership roles are defined as Senior Director and above.</p>
Living wage	<p>A living wage refers to the remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and their family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.</p> <p>Source: <a href="#">What is a Living Wage? - Global Living Wage Coalition</a></p>
Lost time	<p>Lost time occurs when the impact of a workplace incident prevents an employee from reporting to work on the next working day following that incident due to hospitalization, or by the order of a qualified licensed medical practitioner or due to the inability of Brambles to accommodate the individual in such a way that the employee can perform a full day’s useful work at full wages. The calculation of Lost Days for LTIFR reporting purposes includes regularly scheduled workdays (e.g., Monday to Friday or whatever common practice for workdays at the site may be) beginning the day after the incident through the last day before the injured employee returns to work. Time off scheduled and approved prior to the incident coinciding with all or part of the period of Lost Time is not included in the total number of Lost Time Days.</p>
Lost Time Injury Frequency (LTIFR)	<p>Lost Time Injury Frequency Rate is the primary measure of safety performance in Brambles. It measures work-related lost time incidents per million work hours (exposure hours).</p>
Operational service centre employees	<p>Front line employees, operating and working on the production line of Brambles’ service centres.</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>