

Brambles

Green Bond Allocation and Impact Report

November 2023



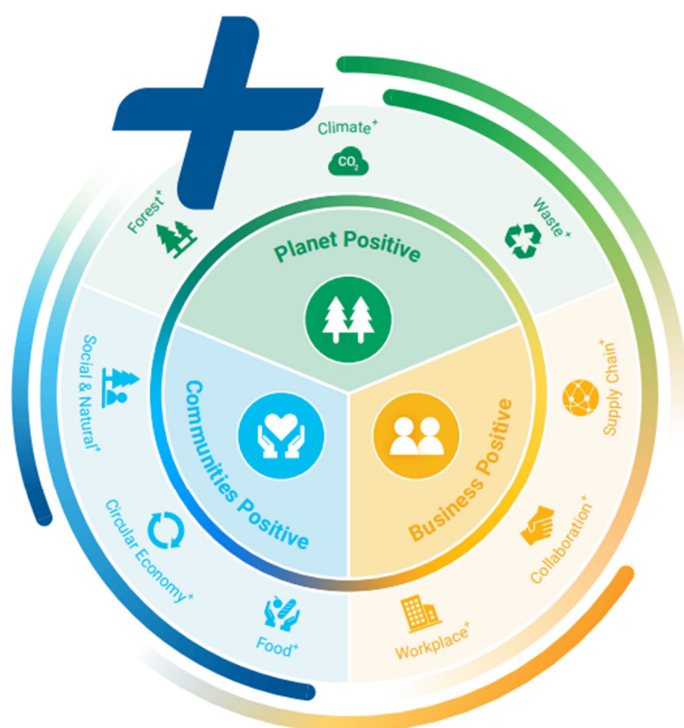
1. INTRODUCTION

As a pioneer of the sharing economy, Brambles is one of the world's most sustainable logistics businesses. Brambles' purpose is to connect people with life's essentials, every day. Through its 'share and reuse' model, Brambles moves more goods to more people in more places than any other organisation.

Brambles' platforms form the invisible backbone of global supply chains, primarily serving the fast-moving consumer goods, fresh produce, beverage, retail and general manufacturing industries. Its circular business model facilitates the 'share and reuse' of the world's largest pool of reusable pallets and containers. This enables Brambles to serve its customers while minimising impact on the environment and improving the efficiency and safety of supply chains around the world. The world's largest brands trust Brambles to help them transport life's essentials more efficiently, safely and sustainably. As of 30 June 2023, Brambles operates in approximately 60 countries, own ~353 million pallets, crates and containers, has a network of more than 750 service centres and employs ~12,000 people.

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

Brambles' sustainability strategy organises the Group's sustainability activities and goals under three broad programmes: Business Positive; Planet Positive; and Communities Positive. Brambles' commitment is to be nature-positive – restore forests, go beyond zero waste, and drawdown more carbon – and create regenerative supply chains for our customers. This regenerative concept means restoring, replenishing then creating more value or capital for society and the environment than the business takes out.



+ Brambles' sustainability vision is to pioneer regenerative supply chains

+ Reuse, resilience and regeneration – our solution to the world's greatest challenges

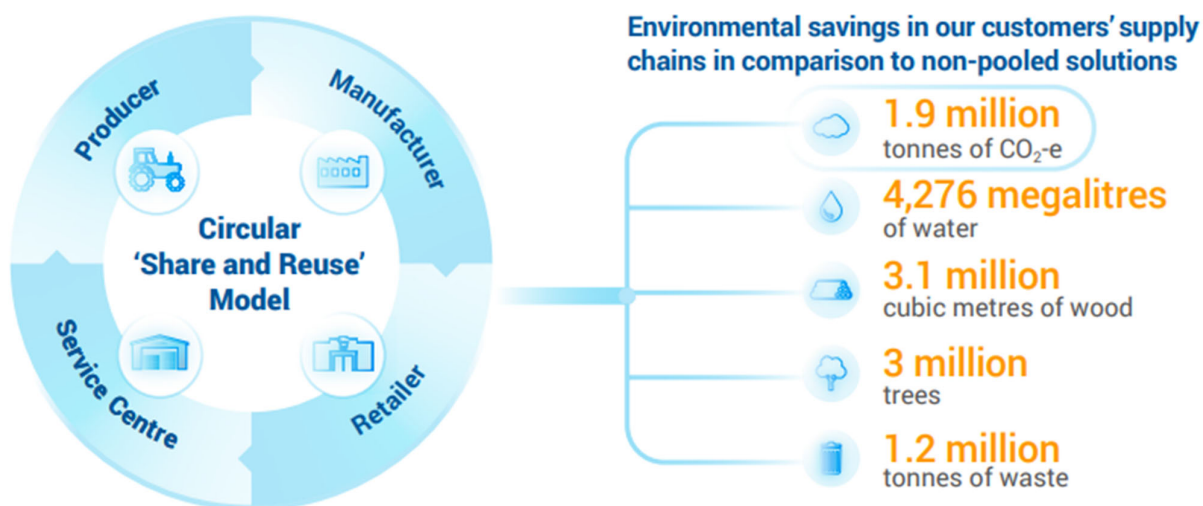
+ Brambles can deliver life's essentials every day in a nature and people positive way

2. PATHWAY TO REGENERATION: FY23 PROGRESS¹

FY23 delivered progress towards our 2025 sustainability targets, the increased recognition of the importance of integrating financial and sustainability processes and greater acknowledgement of the inherent resilience of Brambles' circular business model. Our vision to become a regenerative and nature-positive business is evident through practical actions such as our expanding reforestation initiatives and launching more reusable plastic products made with upcycled post-consumer materials.

Some of the key highlights of Brambles' progress towards its broader 2025 Sustainability targets during FY23 include:

- Enabled the sustainable growth of an additional 3.85 million trees by implementing sustainable practices in timber plantations, as part of our forest-positive targets;
- Enhanced the circularity of our network by saving ~10 million pallets through targeted initiatives, preserving the value of our manufactured capital while conserving natural capital through reduced demand for raw materials;
- Advanced our waste-positive ambition by launching a new plastic platform made from 100% post-consumer plastic and a further 13 next generation platforms containing recycled content;
- Delivered lasting social and community value by connecting livelihoods with reforestation projects - in Tabasco, one new forestry role was created for every 10 hectares of reforestation and one skilled forest engineer for every 500 hectares;
- Increased gender diversity across all levels of our business, with women now representing 45.5% of board roles, 36.3% of leadership roles and 8.3% of service centre roles; and
- Achieved 5.2% reduction of greenhouse gas emission across all emission sources (Scopes 1, 2 and 3) against FY22 and 7.7% from FY20 baseline, while maintaining carbon neutrality across operations (Scopes 1 and 2) and strengthening the mix of our 100% renewable electricity use.



¹ For more information on our sustainability progress go to our [2023 Sustainability Review](#).

3. ESG RECOGNITIONS

A circular business model, ambitious targets, and comprehensive climate mitigation and adaptation plans help position Brambles as a sustainability leader with top rankings across major ESG assessments. FY23 saw Brambles achieving its best sustainability performances to date, including the highest position in its industry category in the DJSI Sustainability Index and being recognised as the third most sustainable company by Corporate Knights.

	The Dow Jones Sustainability Index ranked Brambles 1st in its industry category in FY23 (2nd in FY22)		3rd most sustainable company in the world from 6,700 analysed by Corporate Knights Global 100 list (10th in FY22)
	Brambles has maintained its A rating with a perfect 'A' score in the 'Enablers' category, while also consistently improving its 'Outcomes' category score in its fourth consecutive Circulytics assessment		In FY23, Brambles was put on the CDP A list for both Climate Change and Forests, the highest rating for transparency and action on forests and climate change (A- for forests in FY22 & B in climate change)
	Maximum AAA rating. Top 10% of companies assessed in our industry category		Constituent of the FTSE4Good Index 2014–2023
	Best ESG & Sustainability Reporting by an Australasian Company, third year running		First time inclusion in the Bloomberg Gender Equality Index

4. ALLOCATION AND IMPACT REPORT

In support of Brambles commitment to sustainability, a Green Finance Framework was established in March 2023 under which the Company may issue bonds and or obtain loans to finance and /or refinance sustainable assets and expenditure with positive sustainability benefits.

The eligibility criteria for our Green Finance Framework supports UN Sustainable Development Goal 12 – 'Responsible Consumption and Production'.

Green Eligibility Criteria

ICMA / LMA Green Eligible Category	Description Eligible Assets: Eligibility Criteria	Contribution to UN SDGs
Eco-efficient and/or Circular Economy adapted Products, Production Technologies and Processes	- Assets used in circular economy business model including but not limited to: - reusable timber and plastic pallets, crates and containers - equipment used to maintain the share and reuse assets - projects for automated inspection, sorting and repair of pallets - other assets which support the functioning of the Circular Economy business model including forestry assets - Capital and operating expenditures related to equipment used in circular economy business model, which facilitates the 'share and reuse' reusable timber and plastic pallets and containers	

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The Green Finance Framework was supported by a Second Party Opinion ('SPO') provided by ISS ESG. ISS ESG has assessed Brambles' assets and expenditures used in its circular business model has a 'Significant Contribution' to the UN Sustainable Development Goal 12. Both the Green Finance Framework and the SPO are available within the Investor Centre of the Brambles website².

In March 2023 we issued an inaugural eight-year €500m green bond under the Brambles €2.5bn Euro Medium-Term Note Programme (EMTN Programme). The proceeds have been fully allocated to refinance Eligible Green Assets which totalled US\$5,969m at 30 June 2023, in accordance with the Green Finance Framework.

In this report, we present the allocation of the proceeds of the green bond and the impacts achieved as a result of our circular business model and associated Eligible Green Assets which the bond proceeds have partially refinanced. The reporting is based on the carrying value of the Group's Plant and Equipment as at 30 June 2023. The Sustainability team, together with Group Treasury are responsible for overseeing the allocation of the proceeds from the €500m green bond issue to the Group's Eligible Green Assets and ensuring the proceeds do not exceed the amount of Eligible Green Assets. The board of directors of Brambles Limited has approved the final allocation of the €500m proceeds of the green bond to the Group's Eligible Green Assets. PricewaterhouseCoopers ("PwC") has been engaged to undertake a limited assurance review of the allocation of the proceeds of the €500m green bond issue to the Group's Eligible Green Assets and their report is included on pages 7 to 10.

Portfolio of Eligible Green Assets		Green Finance Instruments				
Eligible green category and asset value as at June 2023	€m	Instrument (ISIN)	Issuance Date	Due Date	Coupon	€m
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	5,493 ³	XS2596458591	22 Mar 23	22 Mar 31	4.25%	500
Percentage of Eligible Green Assets allocated to gross proceeds of green funding (usage)					9%	
Percentage of gross proceeds of green funding allocated to Eligible Green Assets					100% ⁴	
Use of Proceeds – unallocated					0	
Available Eligible Green Assets - unallocated					€4,993	

Impact reporting has been based on the approach set out in the ICMA Handbook for Harmonised Framework for Impact Reporting – Portfolio Approach. Brambles' impact report focuses on demonstrating the increased environmental benefits from our various programs during FY23 including our Forest Positive, Climate Positive, Waste Positive and Supply Chain Positive initiatives on our customers' supply chains through our circular model and within our own operations. The environmental impacts shown in the following table represent the positive outcomes from Brambles' total portfolio of share and reuse assets.

ICMA / LMA Category	Asset Value (€m)	Eligibility for Green bonds	Allocated Amount (€m)	Environmental benefits: in customer supply chains ⁵				within Brambles' operations ⁶		
				CO2-e saved (tonnes)	Number of trees saved	Waste eliminated from landfill (tonnes)	Water saved (megalitres)	Sustainably sourced timber ⁷	Electricity from renewable sources ⁸	Total recycled Plastic material purchased
Eco-efficient and/or Circular Economy adapted Products, Production Technologies and Processes	5,493	100%	500	1.9m	3.0m	1.2m	4,276	100%	100%	20.2%

KPMG has provided an independent limited assurance report to Brambles on key elements of the Sustainability Review for the year ended 30 June 2023, which includes the selected sustainability information shown above. The KPMG Limited Assurance Report is available on the Brambles website at www.brambles.com/sustainability-review.

² Can be viewed at <https://brambles.com/brambles-green-finance-framework>

³ EUR equivalent amount of US\$5,969m (EUR/USD exchange rate at 30 June 2023 1.0867).

⁴ >99% of this value relates to pallets, crates and containers or other assets directly used in our share and reuse model.

⁵ Refer Page 8 of Brambles' Sustainability Review 2023. Environmental benefit metrics are directly linked to volume of products issued compared to previous period.

⁶ Refer Page 7 of Brambles' Sustainability Review 2023.

⁷ 100% of timber supplies were purchased from sustainable sources of which 72.6% included Chain-of- Custody (CoC) certification from forestry markets.

⁸ Brambles' renewable electricity results include electricity from renewable contracts 39%, on-site generation 3% and Energy Attribute Certificates (EACs) 58%.

5. DISCLAIMER

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



IMPORTANT NOTICE TO ANY READER OF THE ATTACHED REPORT.

IN ACCESSING THE REPORT, YOU HAVE EXPLICITLY AGREED TO THE FOLLOWING TERMS AND CONDITIONS WITHOUT RESERVATION.

The Australian firm of PricewaterhouseCoopers ("PwC") has been engaged by Brambles Limited ("Brambles") to prepare a report (the "Report") in relation to the Brambles Green Bond Allocation and Impact Report November 2023. PwC's work has been performed in accordance with and for the purpose described in PwC's engagement letter with Brambles, to whom the Report is addressed. The results of PwC's work, including PwC's assumptions and qualifications, are set out in the Report. A reference in this notice to the Report includes any part of the Report.

Brambles has requested PwC's consent to a copy of the Report being provided to you and PwC has consented to that disclosure on the basis set out below. In accessing the Report you are taken to have accepted and agreed to the following terms:

1. PwC prepared the Report solely and exclusively for Brambles and accepts no duty, responsibility or liability (including liability for negligence) to you or any other third party in connection with the Report or PwC's work. The Report is provided to you by Brambles for information purposes only and if you choose to rely on the Report, you do so entirely at your own risk. PwC is not liable to you for the consequences of any use of or reliance on the Report for any purpose.
2. By consenting to the Report being made available to you PwC has not assumed any duty to advise you or to consider your circumstances or position and has not done so.
3. In preparing the Report PwC relied on the accuracy and completeness of the information supplied by Brambles.
4. You will not bring a claim, or assist in bringing a claim, directly or indirectly, against PwC which relates to the Report or PwC's services for Brambles.
5. PwC has consented to Brambles disclosing the Report to you in a specific form and context and subject to the wording in this Important Notice. The Report is not appropriate for further distribution or publication and PwC make no representation that it is appropriate for any third party use, including in connection with any offer, transaction or public document.
6. PwC will be entitled to the benefit of and to enforce these terms.
7. These terms and any dispute arising from them shall be governed by and interpreted in accordance with the laws of the State of New South Wales.

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To the **Directors of Brambles Limited**

Independent Limited Assurance Report on identified Subject Matter Information in Brambles Limited Green Bond Allocation and Impact Report

The Board of Directors of Brambles Limited (Brambles) engaged us to perform an independent limited assurance engagement in respect of the identified Subject Matter Information listed below and included in Brambles' Green Bond Allocation and Impact Report November 2023 (the 'Subject Matter Information').

Subject Matter Information and Criteria

We assessed the Subject Matter Information against the Criteria. The Subject Matter Information needs to be read and understood together with the Criteria. The Subject Matter Information and the Criteria are as set out in the tables below:

Table 1: Subject Matter Information: Gross proceeds allocated to Eligible Green Assets per the Green Finance Framework (GFF) as at 30 June 2023

<i>Portfolio of Eligible Green Assets</i>	<i>Allocation of gross proceeds as at 30 June 2023 (€m)</i>
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	500
Total allocation of proceeds	500

Table 2: The Criteria against which we assessed the Subject Matter Information prepared by Brambles

<i>Subject Matter Information</i>	<i>Criteria</i>
Allocation of gross proceeds at 30 June 2023	Per the GFF, Eligible Green Assets include: - Assets used in circular economy business model including but not limited to: - reusable timber and plastic pallets, crates, and containers; - equipment used to maintain the share and reuse assets; - projects for automated inspection, sorting and repair of pallets; and - other assets which support the functioning of the Circular Economy business model including forestry assets. - Capital and operating expenditures related to equipment used in circular economy business model, which facilitates the 'share and reuse' reusable timber and plastic pallets and containers.



Our assurance conclusion is with respect to the year ended 30 June 2023 and does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Brambles' Green Bond Allocation and Impact Report.

Responsibilities of Brambles' Management

Brambles' management is responsible for:

- the allocation of gross proceeds in accordance with the Criteria, as outlined in Table 2 as at 30 June 2023;
- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Subject Matter Information;
- ensuring that those criteria are relevant and appropriate to Brambles and the intended users; and
- designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Criteria.

Our independence and quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria, for the year ended 30 June 2023.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

In carrying out our limited assurance engagement we:

- made inquiries of the persons responsible for the Subject Matter Information;
- obtained an understanding of the process for collecting and reporting the Subject Matter Information;



- performed limited substantive testing on a selective basis of the Subject Matter Information at corporate head office to assess that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Subject Matter Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter Information with the Criteria, as it is limited primarily to making enquiries of Brambles' management and applying analytical procedures. The limited assurance conclusion expressed in this report has been formed on the above basis.

Our limited assurance opinion

Based on the procedures we have performed, as described under 'Our responsibilities' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria for the year ended 30 June 2023.

Use and distribution of our report

We were engaged by the board of directors of Brambles on behalf of Brambles to prepare this independent assurance report having regard to the criteria specified by and set out in this report. This report was prepared solely for Brambles for the purpose of providing limited assurance over compliance with the obligations contained within their Green Finance Framework.

We accept no duty, responsibility or liability to anyone other than Brambles in connection with this report or to Brambles for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than Brambles and if anyone other than Brambles chooses to use or rely on it they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than Brambles receiving or using this report.

A stylized, handwritten signature of 'PricewaterhouseCoopers' in black ink.

PricewaterhouseCoopers

A stylized, handwritten signature of 'Scott Walsh' in black ink.

Scott Walsh
Partner

Sydney
24 November 2023