

The background of the entire page is a dark navy blue. It is populated with a variety of three-dimensional geometric shapes in two colors: a vibrant blue and a rich purple. These shapes include spheres, cubes, pyramids, and triangular prisms of various sizes. They are scattered across the page, with a higher concentration on the left side where they appear to be falling or cascading downwards towards the bottom right corner. The lighting on the shapes creates soft highlights and shadows, giving them a sense of depth and volume.

Leading a future of connection and illumination

Global Timber Sourcing Policy

Brambles

Version 1.4
Revised April 2025

Brambles Global Timber Sourcing Policy

1. Description and Purpose

This policy describes the Brambles requirements which Procurement functions in all Regions must fulfill when sourcing timber, with special focus on the sustainability of timber sources and the timber supply chain. In scope is all timber purchased by the business unit, CHEP Pallets, for the purpose of pooling wooden assets, both when this is sourced and purchased by Brambles in the form of semi-finished products (beams, boards, blocks, for repair or new production, even when sold to assembly service providers), and when this is purchased by Brambles in the form of finished products (pallets, collars, lids, etc.), according to each Regional Business Model. It covers the purchase of timber used into new pallets and into Brambles owned and subcontracted repair service centres.

Out of scope are:

- Any timber for manufactured for sale business which is not part of the pooling business;
- Any external sales operations, not related to the procurement of raw materials intended for the production of CHEP pooling pallets;
- Any recycling business; and
- Any pallet management business besides the pooling business.

The policy requires to achieve the Brambles' 2030 sustainability targets being:

- Maintain 100% sustainably certified timber sourcing; and
- Achieve year-on-year growth in the proportion of Chain-of-Custody (CoC) certified timber purchases.

Moving forward, we aim to identify opportunities to have a net positive impact as a Business. In order to do so, it is planned to define a programme to explore and support Suppliers having a role in the regeneration of existing forest or afforestation of new lands.

The policy establishes the guidelines for the Global and Regional Procurement Teams on Sustainable Timber Sourcing.

2. References

Brambles Procurement Policy for sustainable sourcing of timber is available on SharePoint.
(<https://bramblesgroup.sharepoint.com/sops/Pages/Home1.aspx>)

- Global Procurement Guideline – New Supplier Approval Process
- Lumber Supplier Onboarding SOP
- Brambles Code of Conduct
- Global Procurement – Procedures for conducting Third-Party Due diligence

3. Definitions

Definitions are explained in Appendix A.

4. Roles and Responsibilities

Role	Responsibility
Senior Manager, Timber Certification (SMTC)	- Responsible for the timber policy in alignment with Brambles Procurement Leadership - Specialist in the content and available to answer questions of regions and liaison between Procurement and Sustainability. Will collect input for the sustainability reporting - Establishes the right tracking and measurement criteria - Collate and maintain the global list of approved suppliers
Regional Procurement Team	- Purchases timber for the Region and is responsible to follow the timber policy and perform due diligence according to the policy - Tracking regional performance according to the principles and formats established in this policy - Is accountable for collecting legal requirements and ensuring compliance with all timber purchases. Responsibility for providing such requirements sits within Global Government and Public Affairs team. Communicate with suppliers as required - Communicate new suppliers onboarded to Senior Manager, Timber Certification
Regional Procurement Head	Responsible for the Regional Teams and will make sure Teams are following the strategy and due diligence process
Global Procurement Senior Vice President	- Responsible for the overall Procurement Strategy - Approval of any deviation to this policy, uncertified sourcing cases, developing flows, extension of grace period

Any infringement of non-compliance to this policy should be addressed and approved by the Global Procurement Vice President.

5. Policy

The policy contains four major parts:

- the first part provides timber sourcing guidelines;
- the second part explains the due diligence process valid for all timber purchases;
- the third explains the procedures required to fulfill sustainability reporting requirements; and
- the fourth defines the guidelines for the setting of metrics and targets for each Procurement Team.

5.1 Timber Sourcing Policy

5.1.1 Supplier Policy

The Brambles Supplier Policy applies to all suppliers of timber and pallets. Aspects of that Supplier Policy are elaborated on in this Timber Sourcing Policy under headings such as Safety, Code of Conduct and Sustainability. A fundamental requirement is that suppliers to Brambles need to be assessed for alignment with the Supplier Policy. Procurement is responsible for assessing alignment as part of Supplier Qualification and for monitoring ongoing alignment.

5.1.2 Safety

Brambles is committed to achieving Zero Harm, meaning no injuries, no environmental damage and no human rights breaches. The Brambles Code of Conduct sets out in Schedule 7 the Brambles policy on maintenance of a healthy and safe working environment.

Forest harvesting and milling environments have an inherent element of risk. Brambles' personnel visiting supplier premises need to take particular care to ensure that they adhere to all supplier health and safety requirements whilst on the premises. Under no circumstances should Brambles' personnel be unaccompanied during harvesting or milling site visits. Brambles' personnel are required to also make their own assessment of risk at the supplier site and not expose themselves to risk outside Brambles levels of acceptability.

If a supplier's health and safety risk management is not considered to be of an acceptable standard, Brambles Procurement personnel should address this with the supplier and if appropriate action is not undertaken by the supplier, Procurement needs to consider temporary or permanent cessation of supply from that supplier.

5.1.3 Brambles Code of Conduct

The Brambles Code of Conduct provides an ethical and legal framework for all Brambles employees in the conduct of business. All procurement transactions shall be done in context of the Brambles Code of Conduct.

Central to this code is the requirement for Brambles employees to be fair and above board in dealings and to avoid any conduct that can have adverse interpretation put to it. In dealing with existing or prospect suppliers, actual, potential or perceived conflicts of interest should always be avoided.

Procurement personnel are responsible for familiarisation with the Brambles Code of Conduct and for communicating the Supplier Policy set out in the Code of Conduct and the corresponding compliance terms and conditions to suppliers. Communication of the Supplier Policy and the compliance terms and conditions forms part of the supplier onboarding process.

5.1.4 Obligations for Brambles' Suppliers

Specific requirements of Brambles' suppliers warranting mention in this Timber Sourcing Policy are:

- Keep Brambles' information confidential;
- Maintain accurate business records and report accurately;
- Comply with competition laws and other applicable laws and regulations;
- Do not offer, pay or receive bribes, kickbacks or other forms of illicit payments or engage in corrupt practices;
- Do not offer gifts, favours, entertainment or anything else (other than of modest value defined as less than US\$75 or equivalent in any currency) that is against the law or in violation of Brambles' [Gifts and Hospitality Policy](#);
- Do not employ or make use of individuals under the age of 15, under the age of 18 in hazardous positions, or under the legal employment age, whichever is more stringent, directly or through subcontractors, and do not tolerate suppliers who do;
- Comply with the applicable wage and hour laws and regulations; and
- Do not use forced labour, including prison labour, indentured labour, bonded labour, military labour, slave labour, and any form of human trafficking in its own operations and those of its suppliers
- Operate a safe and healthy work environment for all workers (whether full-time, part-time, temporary or contract labourers).

Should Procurement become aware of circumstances not fulfilling these commitments, appropriate action will be taken to address the matter with the supplier or alternatively, other sourcing options will be pursued.

5.1.5 Managing Supplier Relationships

Linked to Brambles' work on Global Timber Strategy, is the management of the supply base at Business, Regional & Global levels. Active management of supply relationships is essential to ensure achievement of objectives relating to:

- Continuity of timber and pallet availability to meet market driven new pallet demand volatility;
- Adherence to quality standards; and
- Price fluctuations.

Key elements of Brambles' supply relationship strategy are:

- Long term relationships with key suppliers;
- Sharing demand forecasts and setting ordering arrangements that support suppliers in efficient and effective management of their supply chains and milling/manufacturing facility operation;
- Periodic and transparent price review mechanisms and processes;
- Periodic Supply Relationship Meetings and site visits; and
- Quality management processes at both the supplier and Brambles' facilities.

5.1.6 Supplier Qualification

CHEP Global Procurement has established a standard operating procedure addressing Qualification of Suppliers. Warranting specific mention in relation to timber supplier qualification, Brambles will not seek to source forest products from:

- Forests or forest product suppliers where Brambles is not confident that the supplier is complying with all relevant national legislation relating to the trade in forest products;
- High-conservation-value forests where these are recognised nationally or regionally, unless these forests are progressing towards credible forest certification in a transparent and timely manner;
- Protected areas, parks or similar areas where harvesting operations are not complementary to responsible forest management;
- Forests which are in areas of armed conflict or civil unrest where there is a direct relationship between the forest products trade and the funding of such conflicts;
- To ensure these goals are achieved Brambles will:
 - Qualify and monitor suppliers of timber; and
 - Monitor and report on the level of compliance against this policy.

5.1.7 Supplier Approval Phase

Brambles is committed to positively impact local communities and industries, and to achieve an improvement of the environments it operates in, through support to the implementation of Sustainable Forest Management (SFM) and CoC systems.

As a guiding principle, new timber suppliers should not be onboarded if they deliver uncertified sourced timber. Deviation from this principle is allowed under the conditions provided below.

As in diverse Regions there are different levels of implementation of SFM and CoC, 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 the following requirements is breached if the:

1. Source is complying with local, national or international legislation, related to the following areas:
 - Forestry operations and harvesting, including conversion of forest to other use;
 - Management of areas with designated high natural, environmental and cultural values;
 - Protected and endangered species;
 - Adequate anti-bribery and anti-corruption policies, procedures and controls;
 - Compliance with human rights, health & safety requirements and labour rights relating to forest industry workers;
 - Indigenous peoples' and local communities' property, tenure, and use rights; and
 - Payment of taxes and royalties;
2. Source is not utilising genetically modified organisms;
3. Source is not converting forest to other vegetation types, including conversion of primary forest to forest plantations;
4. Source forest is not a High Conservation Value Forest or ecologically important forest area; and
5. Source forest is not in an armed conflict zone.

Additionally, the following steps must be completed:

- Collect evidence of an existing ongoing certification process (e.g. letter from Certification Body, including a reasonable timeline and preliminary/pre-assessment audit report if available);
- Execute extended due diligence supported by documentation to confirm points 1 to 5 are not breached. As the list of documents to be collected and checks to be undertaken may vary by Country/Region depending on the origin of the timber and the related supply chain, Country specific Extended Due Diligence check lists will be developed to support Due Diligence execution as needed.
- Map with a detailed flow chart the wood supply chain (from forest owner to Brambles), this for each uncertified log Supplier.

Under the above requirements, documented acknowledgment on timeline and volumes and with the approval of the Global Procurement Senior Vice President, Regional Procurement Team will source the materials and support the Supplier to the final approval.

These flows of materials will be considered as 'non-established' and reported in a separate template for the scope of the Brambles Sustainable Lumber Sourcing Reporting (Developing Flows template).

All documents and evidence referred to these specific under-approval cases will be maintained by the Regional Procurement Team and made available for internal and external auditing requests.

5.1.8 Brambles Due Diligence Policy

Brambles has launched an enterprise-wide, risk-based due diligence programme, which screens all suppliers, including all timber suppliers, for compliance-related risks, including sanctions, money laundering, bribery and corruption, human rights and environmental risks (Compliance Due Diligence). The due diligence described in this Policy supplements this Compliance Due Diligence. It does not replace or supersede it.

5.1.9 Speak Up Policy

The Brambles Code of Conduct includes a Speaking Up Policy. Suppliers who may feel pressured to violate the law, this Timber Sourcing Policy or the Brambles Code of Conduct are strongly encouraged to immediately contact either:

- local Brambles Procurement Manager/Director;
- Brambles contact persons listed in the Speak Up Policy;
- Mr. Fernando Martinez, Senior Vice President, Global Procurement;
- The Speak Up hotline at www.brambles.ethicspoint.com, which provides a list of country or region-specific local or toll-free telephone numbers or a link to the available online reporting system.

5.1.10 Specification

Care is required to ensure new suppliers of timber have a full understanding of Brambles' specification and quality requirements.

All Products in scope have a specification with the sole intention to secure quality and durability of the products. During the approval phase (see Section 5.1.7), the products and services sourced will be verified according to all applicable materials and processes specifications, in collaboration with Quality Assurance and Product Engineering Functions

Key matters to address with timber suppliers in this regard are:

- The Global Timber Specification;
- Applicable Product Engineering Approved Pallet Specification document (non-confidential elements only);
- Applicable Product Engineering supplied and Approved Species Schedule for each specific pallet (select information from this document can be shared with the supplier on a need-to-know basis, however the full document is confidential);
- Where assembled pallets are being supplied, there is generally a Product Engineering approved Manufacturing Specification for the pallet;
- Quality assurance processes to be adhered to by the supplier and agreed processes for handling defective timber, including components outside dimensional tolerances; and
- It is not allowed to share the list of approved species to any sub-suppliers since this is considered knowledge that provides Brambles competitive advantage.

Any change to Product Specification documentation requires prior approval in writing from Brambles Product Engineering and this may necessitate materials and/or pallet testing by or under Product Engineering supervision. The Brambles Product Development & Governance Review Process maintained by Product Engineering is the system through which Procurement and other functions request Product Engineering assistance. It is the Specification Change Request process that needs to be followed for any changes to wooden pallets to be approved.

Special care is required to ensure we only buy approved species from approved suppliers. Changes in the mechanical properties of the timber have significant impact on the total pallet cost. Consult Product Engineering in case of doubts on compliance to our technical specifications.

In case of international flows, the Regional Procurement Teams are accountable for collecting the regulatory requirements of the receiving Country and ensuring compliance to such requirements. The Global Government and Public Affairs team is responsible for identifying and providing such requirements to the Regional Procurement Team. The Regional Procurement Team will inform any involved supplier and ensure understanding and compliance. The Global Procurement Office may provide support in case it is required, through the activity of the Suppliers Development Team.

5.1.11 Chemical/Timber Treatments

Timber treatment is strictly prohibited unless approved in writing by Brambles Legal and Product Engineering or unless specified in the specifications. This includes, but is not limited to, any industry and/or government approved chemicals and methods for the prevention of stain, mould, fungus or preservation of any kind.

All purchases are subject to random compliance checks. Non-compliant purchases shall be blocked, and the supplier informed, and products are to be removed as soon as possible from the delivery location at the supplier's cost. Brambles reserves the right to visit or have its agent(s) visit raw material suppliers for the purpose of quality inspections and chemical treatment analysis.

5.1.12 Sustainability

Brambles is committed to source timber from sustainably certified sources. Brambles' order of preference for timber sourcing is:

- Procure timber with full CoC certificate:
 - CoC Certification can be "any of the globally recognised timber Chain-of-Custody certification standards;
 - CoC Certification can only be claimed in case the supplier has provided a valid CoC certificate covering the products and species supplied to Brambles and if the transaction is completed in compliance with CoC requirements (Claim and Certificate number should be mentioned on invoices and delivery documents);
 - The objective is to enable Brambles to state that timber purchased by Brambles for pooled pallets is CoC certified. Brambles' CoC certification preference does not require individual Brambles sites to be certified;

- In the event CoC certified timber is not available, procure the timber from Certified Sources (Forest certification) and or through certified Due Diligence (Controlled Material) under any of the globally recognised timber certification standards. The Brambles Procurement team shall undertake actions to be able to confirm the certification status of the source; and
- Cases where timber cannot be purchased from Certified Sources (Forest certification) or through certified Due Diligence (Controlled Material) under any of the globally recognised timber certification standards are considered exceptional and can only be completed under the requirements outlined in Section 5.1.7.

New suppliers of strategic importance without CoC Certification will be given a grace period of six to 12 months to become fully CoC Certified and must comply to the Due Diligence requirements until full certification is achieved (See Sections 5.1.7 and 5.2). The grace period can be allowed only upon presentation to Brambles of a supplier's communication to commit to certification activity within the agreed grace period. Any deviation from the above will only be evaluated in presence of a detailed action plan including actions, responsibility and timeline for the achievement of certification and must be approved in writing by Global Procurement Senior Vice President. The Regional Procurement Teams and specifically supplier owners are responsible for monitoring such grace periods and accountable for reporting at every half year end on the status of each case to Regional Procurement Directors, the SMTC and Global Procurement Senior Vice President.

To ensure compliance to this Global Timber Sourcing Policy, the SMTC is responsible to collate and maintain an updated list of Approved Suppliers (timber and timber pallets). Regional Procurement Teams will support this task by informing the SMTC of any prospect supplier being onboarded. This information flow will be established in a timely manner, so that no timber is purchased prior to the completion of the Lumber DD checklist and any timber purchased during the onboarding phase will be properly tracked. This is to ensure that no materials from Controversial Sources will enter Brambles' assets pool.

Brambles' 2030 sustainability targets are supporting a number of UN Sustainable Development Goals (SDGs), including SDGs 13 Climate Action and 15 Life on Land. To advance this, a new criterion for the assessment of existing and new Suppliers will be implemented. This will be related to the participation of Suppliers to documented forest regeneration and afforestation projects.

The International Union for Conservation of Nature (IUCN) rating of the endangerment status of species is used by Brambles as primary guide to sustainability risk associated with tree species and ecosystems.

5.2 Due Diligence in Timber Sourcing

Brambles' Due Diligence (DD) Guideline considers global timber certification standards guidance about DD and tailors it to Brambles' needs. Such standards have set out a minimum Due Diligence System considering several governmental actions. The intention is to undertake investigation to prevent the purchase of timber that is in conflict with the Brambles' Timber Policy. Only timber that meets Brambles DD requirements can be purchased.

Brambles is committed to avoid placing on the market timber material coming from 'Controversial Sources'. For this reason, when it is known to Brambles or where Brambles has received a substantiated concern that timber may originate from a controversial source, the timber will not be used until the concern has been resolved following process for 'Management of Significant Risk supplies' outlined in Section 5.2.3.

Brambles Procurement shall undertake due diligence for all timber purchasing in scope, with a higher level of DD for sources which are considered as high risk or which are not CoC certified or are not from Certified sourcing. Due diligence should be undertaken as part of the onboarding, as per Lumber Supplier Onboarding Standard Operating Procedure (SOP), and reviewed annually.

The Regional Procurement Team is responsible for determining what is the required level of due diligence for each timber source. Regional Procurement leaders are responsible for ensuring that the Regional Procurement Team received sufficient guidance and has undertaken the appropriate level of investigation and has maintained sufficient documentation to support the conclusions reached. All documents will be stored by the regional procurement teams. The Regional Procurement Directors and the SMTC are accountable for approving Timber Due Diligence as part of the onboarding.

Each due diligence process is made up of three steps:

1. Gathering information;
2. Risk assessment; and
3. Management of significant risk suppliers.

5.2.1 Gathering Information

- Documented commercial details of the business supplying timber to Brambles
- Documented information on the supply source and supply chain through each chain step back to the forest
- Species information including common and scientific names and IUNC endangerment status
- Information on the certification status of forest resources, source mills and timber supplied to Brambles. The Lumber Due Diligence Checklist and the Compliance Letter, which are to be respectively collected and completed for each timber source annually, are supporting the Regional Procurement Team in collecting the required information and perform adequate checks.
- If relevant and needed, information on other forms of third-party evidence supporting Brambles DD views on the acceptability of the timber source (e.g. Government logging permits, Transit permits, Forestry authorisations, National accreditation schemes, permits to export, independent audit reports etc.)

5.2.2 Risk Assessment

All timber sources need to be assessed using the risk assessment model below taking into account the details collected in the "Gathering Information" step on the origin of timber and its supply chain.

- Supply chain: Refers to whether there is a risk of controversial timber entering the supply chain.
- Origin: Refers to whether there is risk of controversial timber at the origin level (forest).

Likelihood on supply chain level	High	Significant Risk	Significant Risk
	Low	Negligible Risk	Significant Risk
		Likelihood on origin level	
		Low	High

In case a supplier or a timber purchase meets one of following indicators, the purchase is considered as coming from a Significant Risk Supplier:

- Corruption Perception Index (CPI) of the Country of harvest or any Country involved in the supply chain is 60 or less;
- Timber is sourced from a Country or a company residing in a Country, which is included in HSBC bank's high-risk Country list (see Appendix B);
- All timber purchases that are coming from uncertified sources. These need to be approved in advance as per Section 5.1.7;
- Timber purchased with CoC certification or from certified sourcing/certified Due Diligence harvested in a high-risk Country;

- All situations where timber purchases go together with possible uncertainties or doubts. Examples are:
 - Country of origin has a prevalence of armed conflict;
 - Country of origin has a low level of forest governance and law enforcement;
 - Potential use of controversial sources in the country, source or supply chain;
 - Evidence of illegal activity by a company in the Supply Chain;
 - Use of intermediaries giving rise to limited transparency in the supply chain; and
 - Tree species are not known or are unclear.

In case of negligible risk scenarios, procurement team will undertake the following actions:

- Annually review the Lumber Due Diligence Checklist to verify if changes are applicable and review the risk assessment accordingly.
- Ensure Compliance Letter is collected from all suppliers at onboarding and annually within the set timeline.
- If part or all the timber provided by the supplier carries a CoC Claim, check at least yearly the validity of the certification on the website of relevant Certification scheme and store a timestamped download of the check.
- In case the supplier is partially or entirely providing timber not carrying a CoC claim in order to confirm such non CoC certified timber is from certified sources or from certified due diligence:
 - Make sure the acknowledgment section of the Compliance Letter is duly filled in with the full list of sub-suppliers the supplier is sourcing the non CoC certified timber from and collect evidence that the supplier understands Brambles is to be notified of any change in their supply chain;
 - Check the validity of the sub-supplier's certificates on the website of the relevant Certification scheme, and store a timestamped download of the checks; and
 - Require a confirmation of the sub-suppliers list at least every 6 months, in line with sustainability reporting cycle.

For each sub-supplier, collect and store Sample invoices or delivery documents to the supplier clearly stating a Certification Claim and a valid Certificate Number. Investigate further back in the supply chain until a claimed invoice is found.

5.2.3 Management of Significant Risk Supplies

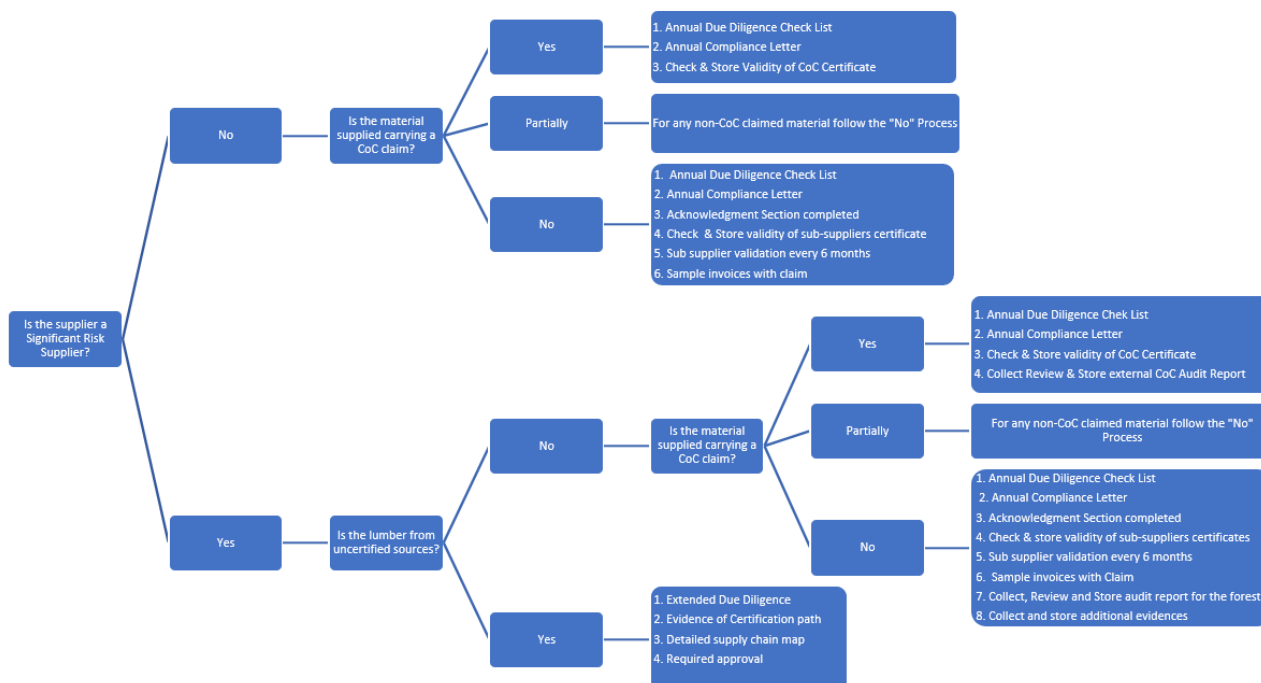
All cases where timber is purchased from uncertified sources, besides these being exceptions, are considered significant risk and must be approved in advance and managed according to the requirements outlined in Section 5.1.7

In any other significant-risk scenarios, Brambles is obligated to manage or minimize the risks sufficiently to allow Brambles to consider the situation as Negligible Risk. The Procurement team will undertake the following actions:

- Annually review the Lumber Due Diligence Check list to verify if changes are applicable and review the risk assessment accordingly;
- Ensure annual Compliance Letter is collected from supplier at onboarding and annually within the set timeline;
- In case all of part of the timber is provided with a CoC claim:
 - Check at least yearly the validity of the certification on the website of each relevant Certification scheme and store a timestamped download of the check. Ensure the annual CoC Certification Body audit report is collected, reviewed for any non-conformity relevant for the Lumber Due Diligence and stored;

- In case the supplier is partially or entirely providing timber not carrying a CoC claim, in order to confirm such non CoC certified timber is from certified sources or from certified due diligence:
 - Make sure the acknowledgment section of the Compliance Letter is duly filled in with the full list of sub-suppliers they are sourcing from and make sure the supplier understands that Brambles is to be notified of any change in their supply chain;
 - Check the validity of the sub-supplier's certificate if applicable and store a timestamped download of the checks;
 - Require a confirmation of the sub-suppliers list at least every 6 months, in line with sustainability reporting cycle;
 - For each sub-supplier, collect and store Sample invoices or delivery documents to the supplier clearly stating a Certification Claim. Investigate further back in the supply chain until a claimed invoice is found;
 - Ensure the latest Certification body audit report or public summary audit report for each forest of origin is collected, reviewed for any non-conformity relevant for the Timber Due Diligence and stored;
 - Collect and store at least two documents to substantiate the timber is not originating from Controversial Sources. Examples of documents are:
 - Forest ownership/Land usage right documentation;
 - Contracts or Concession agreements;
 - Approved harvesting plans;
 - Government harvesting permits;
 - Enquiries of government forestry or environmental departments/bodies;
 - Visit notes, detailed procedures, any accompanying documentation following Procurement Team on site visits and discussions;
 - Third party review and independently sourced evidence, if deemed necessary by Brambles. In case external documents are not available, the Procurement team shall request additional information such as, but not limited to:
 - Log receipt records;
 - Log transport/cartage permits issued by the Government;
 - Government forestry body invoices and log supply summaries;
 - Mill input and output records;
 - IUCN publications of the endangerment status of species supplied; and
 - Enquiries of forest owners.
- As the list of documents to be collected and checks to be undertaken may vary by Country/Region depending on the origin of the timber and the related supply chain, Country specific list of documents may be developed.

Due Diligence Work-flow – actions to take



5.3 Global Sustainable Timber Sourcing Reporting

All procurement Regions will be requested to report about timber purchases in scope at least twice a year. Each region shall be asked to report following items:

- Purchased Volumes;
- Information about timber purchases (species and Country of harvest, Origin type: Natural Forest or Plantation);
- Certification status of the timber purchased (with CoC certification, from Certified Sourcing, or uncertified - provided due approval); and
- Supporting documentation on all the above points, e.g. reports from the internal systems, communications with suppliers etc.

The regional reporting will be collected and collated in the Global Reporting twice a year and is subject to third-party assurance.

The third-party assurance firm will review data and select some regions to investigate in more detail. As part of this process, they would be able to ask for more information and documents. The Senior Manager, Timber Certification, can anticipate this process by asking specific questions to the regions. The year-end assurance report will be used to feed Brambles' sustainability reporting.

5.4 Guidelines for Targets Setting

5.4.1 Metrics

At the end of each fiscal year, the Senior Manager, Timber Certification, completes and shares with Regional Procurement Teams and the Senior Vice President, Global Procurement, a report with Regional Performances, including:

- Country (where available) Certified Sourcing and CoC percentage;
- Variations vs previous Fiscal Year; and
- Highlights (i.e.: specific Suppliers issues, action plans updates).

Brambles' 2030 sustainability targets include:

- Maintain 100% sustainably certified timber sourcing; and
- Achieve year-on-year growth in the proportion of CoC certified timber purchases.

The performance targets (see Section 5.4.2) should be consistent with this directive in all the geographies.

5.4.2 Targets

Based on the performance of each Region, the Senior Vice President, Global Procurement, and Regional Procurement Teams will develop an action plan and define a performance target for each relevant Procurement Team member. These targets will be:

- Specific (i.e., related to a Region/Country/Supplier Certified Sourcing and CoC performance);
- Measurable (i.e., volumes purchased from a specific CoC Supplier, CoC %, % CoC Suppliers);
- Actionable (i.e., it should be realistically defined according to the timing of Certification roadmaps or in line with yearly budget);
- Relevant (it shall have a sensible impact on the overall regional performance and must be related to Supplier Certified Sourcing and/or CoC volumes); and
- Time-bound (it should be achievable within the closure of the related financial year or at least split into mid-term milestones).

6. Appendices

Appendix A: Definitions

Term	Definition
Chain-of-Custody (CoC)	Third-party audited certification of a management system designed to provide credible assurance that products put on the market with a certification claim, originate from certified forests or certified due diligence and are not mixed with uncertified materials. CoC certification also covers human/workers/Indigenous people rights and legal compliance.
Certified Due Diligence	A third-party audited framework of procedures and measures based on globally recognised certification standards implemented by an organisation to reduce the risk that timber is from controversial or unacceptable sources.
Certified Sources/Sourcing	Timber not covered by a CoC certification claim all along its supply chain, for which Brambles has access to sufficient documentation to prove the wood comes from certified sources and/or through Certified Due Diligence.
Controversial sources	Forestry certification schemes consider controversial sources of timber as those where: - Forest management activities are not complying with applicable local, national or international legislation on forest management, including but not limited to forest management practices; nature and environmental protection; protected and endangered species; property, tenure and land-use rights for Indigenous peoples, local communities or other affected stakeholders; health, labour and safety issues; anticorruption and the payment of applicable royalties and taxes. - The capability of forests to produce a range of wood and non-wood forest products and services on a sustainable basis is not maintained or harvesting levels exceed a rate that can be sustained in the long term. - Forest management does not contribute to the maintenance, conservation or enhancement of biodiversity on landscape, ecosystem, species or genetic levels. - Ecologically important forest areas are not identified, protected, conserved or set aside. - Forest conversions occur, in other than justified circumstances where the conversion: - is in compliance with national and regional policy and legislation applicable for land use and forest management; - does not have negative impacts on ecologically important forest areas, culturally and socially significant areas, or other protected areas; - does not destroy areas of significantly high carbon stock; and - makes a contribution to long-term conservation, economic, and/or social benefits. - Where the spirit of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work (1998) is not met. - Where the spirit of the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met. - Conflict timber as defined by United Nations Environment Programme (UNEP) <i>"Timber that has been traded at some point in the chain of custody by armed groups, be they rebel factions or regular soldiers, or by a civilian administration involved in armed conflict or its representatives, either to perpetuate conflict or take advantage of conflict situations for personal gain. (...) Conflict timber is not necessarily illegal."</i> The exploitation of timber may itself be a direct cause of conflict. - Genetically modified trees.
CPI index	Corruption Perception Index as published at https://www.transparency.org/en/cpi and updated annually.
Due Diligence for lumber purchases	A framework of procedures, measures and reasonable investigation implemented by Brambles to reduce the risk that purchased timber is from controversial/unacceptable sources or in conflict with the sourcing policy. Reasonable investigation should be viewed as being what a prudent organisation would do in the circumstances to obtain knowledge considered important to form a view that the policy is complied with.
Forest certification	Third-party audited certification demonstrating that forestry operations are compliant with environmental, social and economic requirements set out but the scheme owners.
Timber	Timber refers to all wood products purchased in any and all forms, including raw, processed and finished wood products.
Uncertified sources/sourcing	All timber purchased from sources which is not provided with CoC Claims or is provided without proper evidence of originating from certified sources and/or through Certified Due Diligence.

Appendix B: High-Risk Countries List

HSBC's high-risk countries list is available in the [HSBC Sustainability Risk Policies Framework](#). The table below also shows Brambles' operating regions relevant for each country on the list.

HSBC High-Risk Countries	LATAM	AMET	APAC	Europe
Bolivia	x			
Brazil	x			
Cambodia			x	
Cameroon		x		
Central African Republic		x		
China			x	
Colombia	x			
Cote d'Ivoire		x		
Democratic Republic of Congo		x		
Ecuador	x			
Equatorial Guinea		x		
Estonia				x
Gabon		x		
Ghana		x		
Guatemala	x			
Guyana	x			
Honduras	x			
India		x		
Indonesia			x	
Laos			x	
Latvia				x
Liberia		x		
Lithuania				x
Madagascar		x		
Malaysia			x	
Mexico	x			
Mozambique		x		
Myanmar			x	
Nicaragua	x			
Panama	x			
Papua New Guinea			x	
Peru	x			
Republic of Congo		x		
Russia				x
Solomon Islands			x	
Thailand			x	
Uganda		x		
Vietnam			x	