Brambles Limited
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www.brambles.com

17 August 2022

The Manager-Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Via electronic lodgement

Dear Sir / Madam

2022 Full-Year Statutory Accounts

Brambles Limited announces to the market its financial results for the year ended 30 June 2022.

The following documents are attached:

1. Appendix 4E – Preliminary Final Report given under Listing Rule 4.3A; and
2. Brambles' 2022 Annual Report including its financial statements,

for the year ended 30 June 2022.

The release of this announcement was authorised by a Special Committee of the Board of Brambles Limited.

Yours faithfully
Brambles Limited

Robert Gerrard
Chief Legal Officer & Company Secretary

Results for Announcement to the Market

Brambles Limited

ABN 89 118 896 021

Appendix 4E

Preliminary Final Report
for the year ended 30 June 2022

Year ended 30 June	2022 US$m	2021 US$m	% change (actual FX rates)	% change (constant FX rates)
Statutory Results				
Continuing operations				
Sales revenue	**5,558.9**	5,209.8	7 %	9 %
Operating profit	**930.0**	874.6	6 %	10 %
Profit before tax[1]	**819.9**	789.0	4 %	8 %
Tax expense	**(248.2)**	(257.5)	4 %	(1)%
Profit after tax	**571.7**	531.5	8 %	12 %
Discontinued operations – profit/(loss) after tax (refer Note 10)	**21.6**	(8.9)		
Profit for the year attributable to members of the parent entity	**593.3**	522.6	14 %	18 %
Basic EPS (US cents) from continuing operations	**40.4**	36.0	12 %	17 %
Basic EPS (US cents) – includes discontinued operations	**41.9**	35.4	18 %	23 %
Basic EPS, on Underlying Profit after finance costs and tax (US cents) from continuing operations	**41.9**	37.6	11 %	16 %
Final dividend[2] (US cents)	**12.0**	10.5		

[1] Includes an expense of US$22.0 million in 2022 arising from the application of AASB 129 *Financial Reporting in Hyperinflationary Economies* (refer Note 1H).

[2] The 2022 final dividend is 35% franked and its record date is 8 September 2022.

Total ordinary dividends declared for 2022 were 22.75 US cents per share representing a payout ratio of 53% which is broadly in line with the 2021 payout ratio of 54%. The 2021 total ordinary dividends were 20.5 US cents per share (refer Note 8).

Underlying Profit is equal to Operating profit in 2022 and in the comparative period as there are no pre-tax Significant Items. A portion of tax expense was recognised in Significant Items in 2021 (refer Note 4).

Commentary on these results and additional Appendix 4E disclosure requirements can be found in Brambles' 2022 Annual Report. This report is based on the consolidated financial statements which have been audited by PwC.

Brambles

Annual Report 2022

Step into the future

Stepping into the future to reinvent pooling for the supply chains of tomorrow.

Building from strong foundations, Brambles is accelerating its transformation programme to make this future a reality. Reinventing pooling involves enhancing an already leading global pooling solution while building new business capabilities and identifying new sources of growth. Underpinning this is the digital transformation that will harness the power of data and digital insights. Combining this with the core business principles of reuse, resilience and regeneration, Brambles is leading from the front with strategies to pioneer regenerative supply chains.

Contents

To view the Group's annual review for FY22, go to:

brambles.com/ar2022

About this Report

Brambles recognises that transparent reporting is an essential part of its responsibility to its shareholders and other stakeholders, and to maintain its licence to operate.

Integrated Reporting

Brambles' leading approach to reporting and disclosure references best practice frameworks, including the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD), Global Reporting Initiative and the Value Reporting Foundation framework, which combines the Integrated Reporting <IR> 'capitals' framework and the Sustainable Accounting Standards Board (SASB) standards. IR principles have been adopted in this Annual Report to illustrate the interaction and interdependencies between a business' sources of value, its model and its ability to create value over time. SASB industry-specific sustainability indicators will be available on Brambles' website from September 2022.

This holistic approach aims to help Brambles' stakeholders understand its sources of value, including resource dependencies and the positive and negative impacts of its business on these sources of value.

Brambles also follows the guidance provided by the TCFD voluntary disclosure framework. Brambles' FY22 TCFD disclosure, within the Annual Report, details how we consider governance, risk management, strategy, metrics and targets in relation to climate change. This will be supported by a TCFD supplement on Brambles' website.

All acronyms and terminology referred to in this report are defined in the Glossary on pages 147 to 149.

Forward-Looking Statements

Certain statements made in this report are "forward-looking statements" – that is, statements related to future, not past, events. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "will", "should", and similar expressions are intended to identify forward-looking statements. These forward-looking statements are not historical facts, but rather are based on Brambles' current beliefs, assumptions, expectations, estimates and projections. Forward-looking statements are not guarantees of future performance, as they address matters that are uncertain and subject to known and unknown risks, and other factors that are beyond the control of Brambles, are difficult to predict and could cause actual results to differ materially from those expressed or forecast in the forward- looking statements. Brambles cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the views of Brambles only as of the date of this report. The forward-looking statements made in this report relate only to events as of the date on which the statements are made – Brambles will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect circumstances or events occurring after the date of this report, except as may be required by law or by any appropriate regulatory authority. Past performance cannot be relied on as a guide to future performance.

Brambles Limited
ABN 89 118 896 021

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.

What Brambles does:

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 at 30 June 2022, Brambles:

Operated in...
~60
countries

Owned...
~360 million
pallets, crates and containers

Employed...
~12,000
people

Through a network of...
750+
service centres

Highlights

Financial

Sales Revenue

US$5,558.9m

↑ Up 9% at constant currency

Underlying Profit

US$930.0m

↑ Up 10% at constant currency

Return on Capital Invested

17.7%

↑ Up 0.2 percentage points at constant currency

Cash Flow from Operations

US$372.6m

↓ Down US$528.5m

Total Dividends

22.75 US cents per share

Final dividend of 12.00 US cents per share

Safety

Brambles Injury Frequency Rate (BIFR)

4.1

↓ Down from 5.0 in FY21

Sustainability

Corporate Knights: 10th most sustainable company in the world

MSCI: Maximum AAA rating
Top 8% of companies assessed

Dow Jones Sustainability Indexes: 2nd most sustainable company in DJSI index sector category

CDP: A- in its Forests submission

CIRCULYTICS: Ellen MacArthur Foundation (achieved A-)

Terra Carta: Inaugural recipient of Terra Carta Seal

Letter from the Chair & CEO

Step into the future

In the face of significant global supply chain disruptions and inflationary pressures unseen in over 40 years, we continued playing a critical role in global supply chains and delivered strong financial outcomes for shareholders. This has only reinforced the importance of our transformation agenda as we step into the future, reinventing pooling for the supply chains of tomorrow.

Over the past two years we have seen unprecedented levels of uncertainty and volatility across global supply chains. Disruptions to global trade and shortages of critical inputs have introduced new challenges and significant cost pressures across our customers' supply chains and our own operations.

During the Year, lumber prices reached peaks of more than three times the historical average in some of our largest regions. Labour and transport markets continued to face COVID-19 pressures and structural capacity shortages, which saw costs outpace general inflation in every country we operate in. Retailers and manufacturers in all regions also continued to hold higher levels of inventory, further exacerbating industry-wide pallet shortages and impacting the efficiency of their supply chains.

Faced with these challenges, retailers and manufacturers are seeking an agile and resilient partner able to de-risk their supply chains and improve the efficiency and sustainability of their operations.

As the global leader in pooling solutions, we have an unrivalled network advantage and sustainability expertise underpinned by our circular 'share and reuse' model which uniquely positions us to be the supply chain partner of choice for our customers and retail partners in 60 countries.

It is from this position of strength that we are transforming our business and accelerating our decarbonisation agenda to pioneer regenerative supply chains.

Shaping Our Future

In September 2021, following a strategic review of Shaping Our Future, we outlined our multi-year transformation programme designed to strengthen our competitive advantage and create value over the long-term for our customers, shareholders and employees. In the first year, we have overcome numerous challenges and disruptions to set the foundations for transformation.

Through a twin-track approach, we will increase the performance and resilience of our current business and further strengthen our sustainability credentials, while investing to create the 'Brambles of the Future'.

To improve the efficiency of our current business, we are implementing high-returning supply chain initiatives including the next phase of service centre automation, optimising our networks and improving platform durability. In addition to cost savings, these initiatives also deliver a better customer experience by providing platforms better suited for increasingly automated supply chains and improving service levels to mitigate increased uncertainty and volatility across their operations.

Letter from the Chair & CEO (continued)

In the current landscape of scarce resources, asset efficiency has never been more important to reduce our environmental impact, improve pallet availability for customers and deliver increased shareholder returns. In FY22, we recovered and salvaged an additional four million pallets through pallet remanufacturing processes and a range of initiatives supported by data analytics and the deployment of smart assets, including pricing to improve market behaviour and increased collections from difficult channels. We expect to significantly improve these savings in the years ahead as we continue to expand advanced data analytics and digital track and trace capabilities.

To ensure the success of our transformation, we increased the digital and project management capabilities across our organisation. We have developed new ways of working and upgraded our technological foundations to support our transition to the 'Brambles of the Future', including migrating key systems to the cloud and implementing a best-in-class customer relationship management system.

Accelerating the digital transformation of our business and transforming the customer experience are at the heart of building the 'Brambles of the Future'. By better leveraging data and maximising the potential of digital assets, we will increase end-to-end supply chain visibility, and provide our teams with the tools to identify new sources of value for our customers. This year provided key learnings for our digital asset strategy. We deployed over 250,000 smart pallets with autonomous tracking devices in over 20 countries. This included our UK and Canada continuous diagnostics trials, which have established key building blocks for capturing data and genertating insights our teams can use to support commercial decision-making, asset efficiency and customer value creation across the organisation. We will build on these learnings in FY23 to assess scalability and returns of these initiatives which will inform our scale and investment beyond FY23.

As we progress with the transformation programme, we remain disciplined in how capital is deployed. We expect the transformation to support the delivery of annual Underlying Profit growth in the high single-digits with consistent operating leverage and sustainable Free Cash Flow generation.

The key streams and activities have been summarised in our scorecard that tracks and reports our progress, and can be found on pages 12 and 13.

Step into the Positive

Advancing our vision to pioneer regenerative supply chains, we launched a customer-focused sustainability campaign, inviting our customers to 'Step into the Positive' with Brambles. The purpose is to share our sustainability experience and encourage a greater understanding of how regenerative strategies like creating value from waste or replenishing resources will lead to net positive outcomes for all stakeholders. Restoring habitats, strengthening societies and fostering sustainable innovation for businesses are some of the outcomes that we expect to accelerate through this initiative.

During the Year, we continued to make good progress against our ambitious 2025 Sustainability Targets and announced our commitment to accelerate our decarbonisation strategy with a goal of achieving net-zero greenhouse gas emissions across our whole supply chain by 2040, ten years ahead of our previous deadline. The Group continues to assess the potential long-term impacts of climate change. While decarbonisation is only one element of our sustainability strategy, this commitment is an increasingly important point of focus and engagement for our customers, employees and shareholders.

We are particularly pleased with our safety performance in the Year. Brambles Injury Frequency Rate (BIFR) decreased 18% on the prior year to 4.1 in FY22 and is tracking ahead of our FY25 target. We remain focused on continuous improvements in safety and expect further benefits from service centre automation investments and the launch of our new 'Safety First' strategy to guide us to our vision of Zero Harm.

Our sustainability credentials continue to be recognised as best in class by global sustainability indices, including Corporate Knights, MSCI and Dow Jones. We were also one of the inaugural recipients of the Terra Carta Seal, launched by His Royal Highness, The Prince of Wales, to recognise global companies demonstrating a commitment to the creation of genuinely sustainable markets.

Further information about our sustainability performance and decarbonisation strategy can be found on pages 20 to 27 of this report, with more details to be outlined in our 2022 Sustainability Review, due to be released in September 2022.

FY22 Performance

We are proud in difficult circumstances to have delivered strong full year revenue growth with Underlying Profit leverage and Free Cash Flow outcomes which exceeded our revised FY22 guidance due to a stronger than expected fourth-quarter performance.

Sales revenue increased 9% on a constant currency basis, driven by price realisation to recover significant increases in the cost-to-serve in all regions. Volume growth remained in line with elevated levels in the prior year despite pallet availability constraints. Underlying Profit growth of 10% at constant currency included US$48.4 million of short-term transformation costs. Profit growth reflected incremental pricing and surcharge income, supply chain efficiencies and increased asset compensations which more than offset operating cost inflation and the added investments in the transformation programme.

While our revenue and profit performance was strong, free cash was an outflow of US$218.6 million. This was a result of increased capital expenditure, which included lumber inflation of US$470 million and additional pallet purchases to support customer and retailer inventory holdings to de-risk supply chains.

During the Year, we took the decision not to participate in the potential transition to plastic pallets in Costco's United States supply chain. We believe the decision is a demonstration of our disciplined approach to capital allocation as the price premium and commercial terms required by Brambles were prohibitive to Costco and their suppliers. We have an excellent relationship with Costco and our customers continue to use our wooden pallets to supply their goods into Costco's supply chain.

Dividend and Capital Management

Shareholders benefited from Brambles' strong earnings growth in the Year, with the Board declaring total dividends for FY22 of 22.75 US cents per share, an increase of 11% over the prior year with the Australian dollar equivalent of 32.31 Australian cents per share. Further details of the FY22 dividend are on page 15.

Brambles also completed its A$2.4 billion on-market share buy-back programme on 15 June 2022 with a total of 216.5 million ordinary shares purchased and cancelled.

Following the completion of the on-market share buy-back programme, the Board is reinstating the Dividend Reinvestment Plan (DRP). The DRP will not attract a discount and any dilutive impacts on earnings per share will be neutralised. Shareholders wishing to participate in the DRP should confirm their election status before 5pm Sydney time on Friday 9 September 2022 with Brambles Limited's Share Registrar, Boardroom Pty Limited.

Board Renewal

In line with our Board renewal plan, Kendra Banks was appointed as a Non-Executive Director in May 2022 filling one of the vacancies created by Tony Froggatt's and Tahira Hassan's retirement from the Board at the 2021 Annual General Meeting (AGM). Kendra has extensive experience across the retail and technology sectors with a focus on customer insights, commercial management and digital marketing. This detailed knowledge and experience of customer insights, particularly in the FMCG sector, and in digital advancement, marketing and product strategies that will enhance the Board's overall skills mix.

We continue to recruit for a North American-based Non-Executive Director and expect that to be completed in the next few months.

Full Board biographies are on pages 45 to 48. Details of our Board skills matrix are in the Corporate Governance Statement on brambles.com

Outlook

Subject to there being no material change in underlying economic and operating conditions, in FY23 we expect to deliver constant currency growth in sales revenue in the range of between 7-10% and Underlying Profit growth of between 8-11%. Free Cash Flow after dividends to improve on FY22 but remain a net outflow.

We remain committed to a progressive improvement in the level of Free Cash Flow generated over the medium term as the asset efficiency and pricing benefits enabled by digital transformation investments are realised. We understand it is consistent delivery of operating leverage and sustainable Free Cash Flow generation that underpins shareholder value creation over the long term.

These financial outcomes are dependent on a number of factors, including material unknowns. These factors include, but are not limited to, prevailing macroeconomic conditions, customer demand, lumber prices, sawmill capacity and efficiency of global supply chains.

Conclusion

In closing, our achievements this year would not be possible without the dedication and tireless efforts of our people and their agility to manage through uncertain and challenging times. On behalf of the Board, we would like to thank the whole Brambles team for their hard work and dedication during the Year and Brambles' shareholders for their continued support.

John Mullen
Chair

Graham Chipchase
Chief Executive Officer

How Brambles Creates Value

Brambles' ambition is to pioneer regenerative supply chains with reuse, resilience, and regeneration at its core. Using the power of its circular business model, network advantage, and expertise, Brambles transforms key inputs into significant sources of value for stakeholders.

Brambles helps customers deliver life's essentials every day. Its end-to-end supply chain solutions deliver operational, financial, and environmental efficiencies not otherwise available through single-use alternatives. Further details are available on pages 16 to 17.

For shareholders, Brambles provides an investment pathway into the low-carbon, circular economy that delivers sustainable growth at returns well in excess of the cost of capital. Its model generates sufficient cash flow through the cycle to fund dividends and support reinvestment in growth, innovation, and the development of its people.

For employees, Brambles provides a safe and inclusive work environment with exciting career opportunities in approximately 60 countries. By fostering a culture of innovation and agility, Brambles' value proposition seeks to attract and retain the talent committed to shaping a sustainable future.

In an increasingly resource and climate-conscious world, low-carbon, circular business models, like those operated by Brambles are recognised as an immediate solution enabling the world to trade more responsibly. Brambles' commitment to regenerate more than it needs and provide its products via a service helps reduce the pressure on natural capital, including climate and forests systems, and reduces the waste typical of conventional single-use, linear business models.

Brambles leverages its unique position in the supply chain to amplify positive outcomes beyond its business. This includes enabling customer collaboration, optimising transport networks and addressing food security, while promoting the circular economy and expanding sustainable forest certification. In this way, Brambles helps deliver life's essentials every day, in a nature and people-positive way.

INPUTS

NATURAL CAPITAL
100% wood from certified sources

MANUFACTURED CAPITAL
360m assets shared and reused throughout the world's supply chains

HUMAN AND INTELLECTUAL CAPITAL
Attracting talent, ideas and innovation

FINANCIAL CAPITAL
Attracting long-term investment

SOCIAL AND RELATIONSHIP CAPITAL
Fostering positive stakeholder relationships in communities

VALUE CREATION

OUTPUTS

NATURAL CAPITAL
Customer-driven environmental savings:

- **2.5m** tonnes of CO_2
- **4,470** megalitres of water
- **3.2m** cubic metres of wood
- **3.1m** trees
- **1.5m** tonnes of waste

SOCIAL AND RELATIONSHIP CAPITAL
Creating customer value by enhancing operational efficiency, freeing up cash and resources, lowering overall supply chain costs; and sustainable packaging objectives.
Building our social licence through advocacy for a circular economy[1]

HUMAN CAPITAL
Developing, engaging and remunerating our people in a safe, inclusive and diverse working environment

INTELLECTUAL CAPITAL
Network advantage and digital solutions are creating the supply chains of the future

FINANCIAL CAPITAL
Economic Value Generated[2]: **US$5.6b**

- Economic Value Retained[3]: **US$1.7b**
- Economic Value Distributed[4]: **US$4.6b**

Growth, innovation and people
Network scale density and expertise
Scale-related operational efficiencies

1 The United Nations Sustainable Development Goals (SDGs) are a set of 17 interconnected goals that form a global benchmark for achieving a sustainable future for all. While many of the SDGs intersect with Brambles' operations, the SDG it assesses as most material to its operations is SDG 12 – Responsible Consumption and Production.
2 Group sales revenue.
3 Group cash capital expenditure.
4 See page 18 for the breakdown of Economic Value Distributed.

Operating Model

Brambles manages the world's largest pool of reusable pallets, crates and containers. Through its inherently sustainable operating model, superior network advantage and industry expertise, Brambles leads the market in more efficient and sustainable supply chains.

Inherently Sustainable Operating Model

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, as outlined on page 2. Building on this leadership position, Brambles has set an ambitious sustainability vision to pioneer regenerative supply chains, supported by its 2025 sustainability targets which are outlined in more detail on pages 20 to 21.

To view the Group's Sustainability Strategy go to:

brambles.com/2025-sustainability-targets

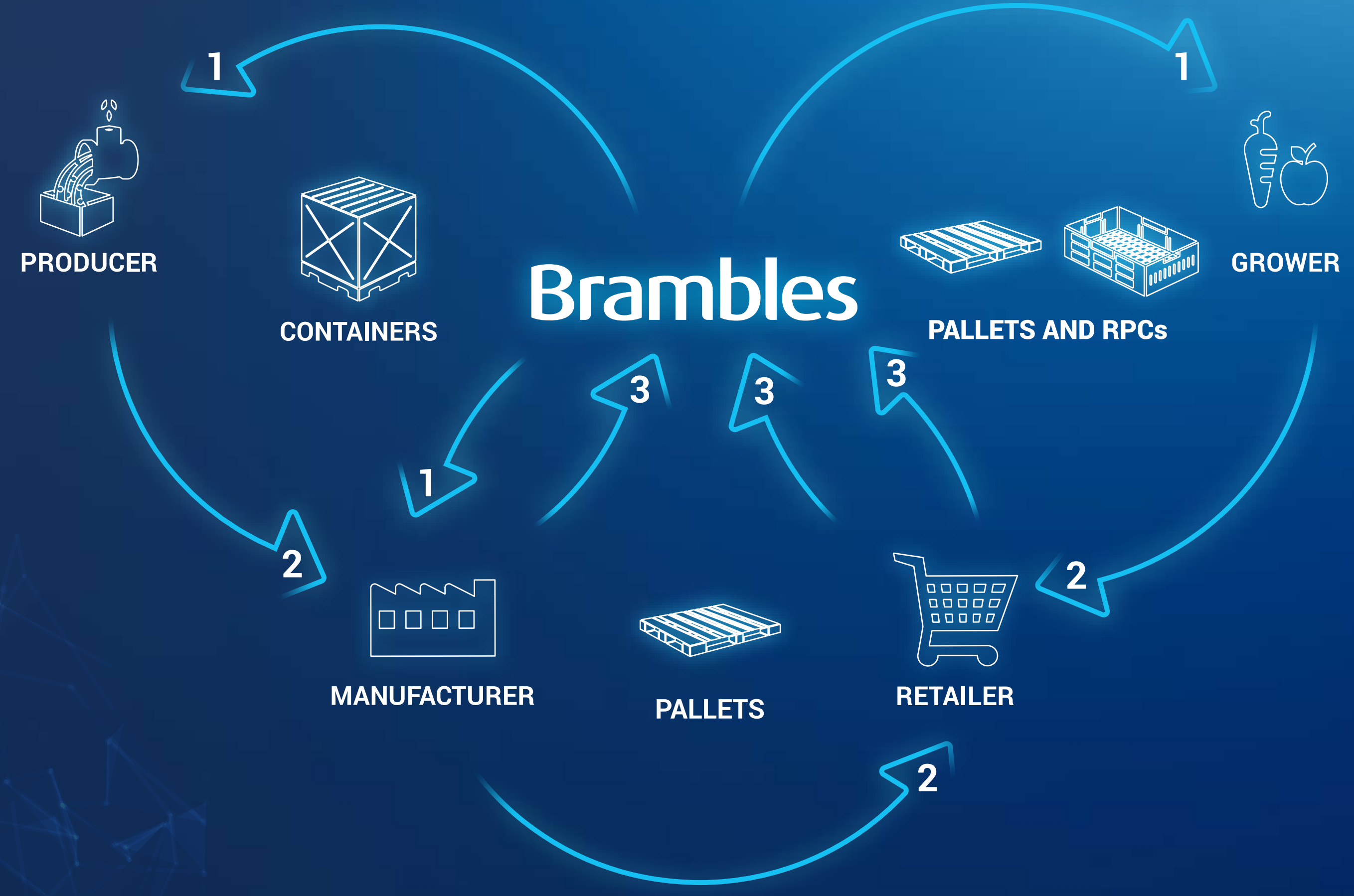
Network Advantage and Supply Chain Expertise

Brambles' sustainable operating model is underpinned by its superior network advantage and industry-leading supply chain expertise, developed over 70 years of managing customers' supply chains around the world. With operations in approximately 60 countries, Brambles' network advantage comprises the scale and density of its service centre network and the strength of its customer relationships in every major market in which it operates. This means Brambles can be faster and more responsive to its customers' needs, and in times of uncertainty and increased volatility, more resilient and more reliable.

Transformation to Strengthen Competitive Advantage

Through the Shaping Our Future transformation programme, Brambles is investing to build on its existing competitive advantage by enhancing operational efficiency and increasing the value created across its customers' supply chains. Investments to build the 'Brambles of the Future' include developing new business capabilities and identifying new sources of growth that will allow the business to stay at the forefront of innovation.

Share and reuse: How it works



Using its network advantage and asset management expertise, Brambles seamlessly connects supply chain participants, ensuring the efficient flow of goods through the supply chain.

By reducing transport distances and the number of platforms required to service the supply chain, Brambles delivers savings in which all participants share.

Brambles retains ownership of its equipment at all times, inspecting, cleaning and repairing, to maintain appropriate quality levels.

Brambles generates sales revenue predominantly from rental and other service fees that customers pay based on their use of its platforms and services.

1

Brambles provides standardised pallets, crates and containers to customers from its service centres as and when the customer requires.

2

Customers use this equipment and Brambles' support services to transport goods through the supply chain.

3

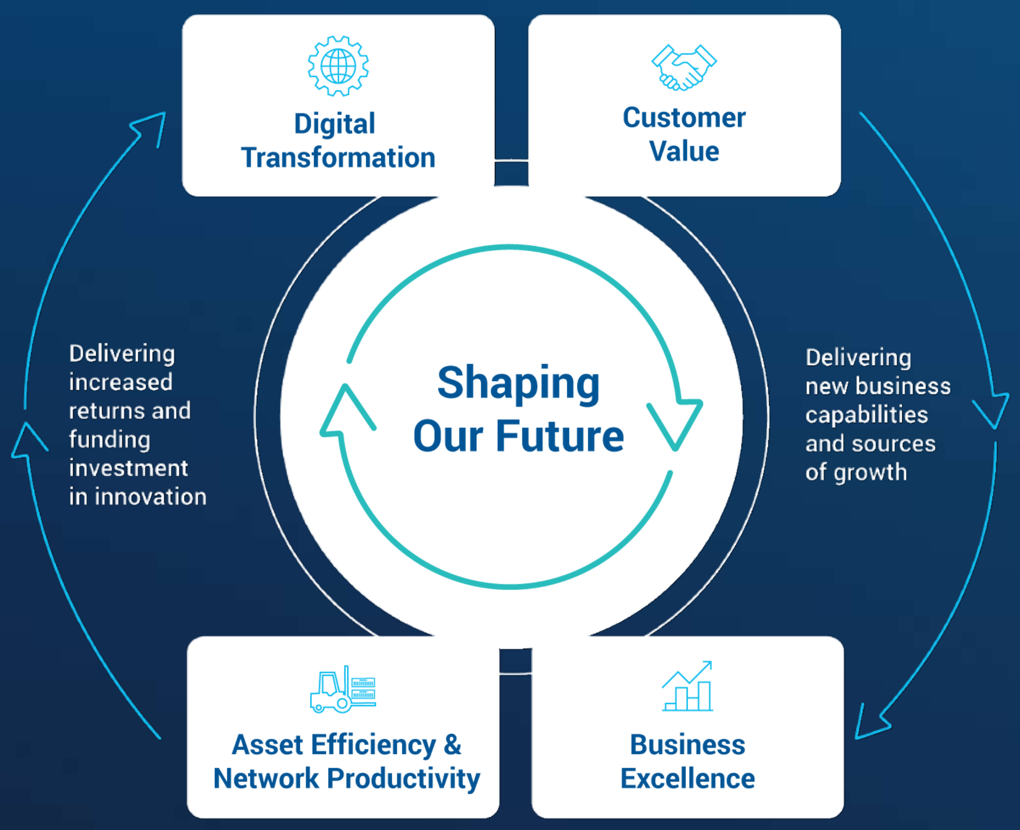
Customers either arrange for the equipments return to Brambles or transfer it to another participant for reuse.

Shaping Our Future Transformation

Building from strong foundations, Brambles is accelerating the Shaping Our Future transformation programme to meet its strategic ambition of reinventing pooling solutions for the supply chains of tomorrow.

Brambles is taking a twin-track approach to unlock value for customers and shareholders: optimising the existing business as well as building the 'Brambles of the Future'. Progress of the specific Shaping Our Future programme initiatives and measures of success can be found on pages 12 and 13.

The goal for optimising the existing business is to deliver increased returns and fund investment in innovation through higher productivity, better ways of working, and improved capabilities. Building the 'Brambles of the Future' aims to create new business capabilities and identify new sources of growth. This will increase the resilience of Brambles' business and the value it brings to fast-moving supply chains around the world.



Strengthening Global Leadership in Sustainability

Underpinning the long-term value of the transformation programme is the sustainable business model with reuse, resilience and regeneration at its core.

A world class leader in Environmental, Social and Governance (ESG), Brambles is uniquely positioned to lead the transition to regenerative supply chains. Its circular business model aligns financial, social and environmental value with most of Brambles' customers having also committed to sustainability or circular economy targets.

Brambles has an ambitious vision to pioneer the first global regenerative supply chain, ambitious sustainability targets for 2025 and a net-zero commitment by 2040. Further details on the sustainability initiatives can be found on pages 20 to 21.

Approach to Transformation

In recent years, Brambles has created a more resilient, agile and sustainable business model. This strength has been demonstrated by strong business and financial performance through FY21 and FY22 in the face of challenging operating environments. Brambles has proven to be a winner in this fast-changing world. Its global leadership has been reinforced during the pandemic, and its inherently circular model makes it a pioneer in the sustainable supply chains of the future.

The transformation is making Brambles even better, to drive a step-change in value creation. It is making Brambles better for its customers, its employees, its shareholders and the societies in which it operates. The Board and management team have made a clear commitment to review every part of the business, to transform the performance of the current business model and to invest to create the Brambles that will continue to be an industry leader for many years to come.

Digital Transformation

Harness the power of data and digital insights to unlock new sources of value for Brambles and its customers

- Deploying asset digitisation and advanced analytics to provide visibility into its asset pools and networks
- Identifying and addressing causes of inefficiency in end-to-end supply chains, driving value for customers and for Brambles
- Using data-driven insights to create new customer solutions focused on improving business performance and sustainability
- Creating a culture of data analytics experimentation, collaborating with customers in new ways to digitise supply chains

FY22 key initiatives

- Over 250,000 smart pallets with autonomous tracking devices now deployed in over 20 countries, including 200,000 in the UK and Canada, generating data and early insights through a proprietary platform to deliver asset efficiency benefits. Capability and infrastructure established in these countries to deploy further smart asset diagnostics
- Established data hub, consolidating multiple sources to a single system where advanced analytics and machine learning can be more easily applied and scaled across the business
- Continued to build digital capabilities across the organisation, upskilling existing employees and onboarding specialist expertise across data science, data engineering and product management

Customer Value

Make Brambles the natural partner of choice for supply chain customers, today and tomorrow

- Creating an effortless customer experience, making it easy for customers to choose and stay with Brambles
- Enhancing platform and service quality, focused on what makes a difference for customers and differentiating vs competition
- Collaborating with customers to unlock new sources of value and solve shared supply chain problems
- Investing in customer systems, data and insights to guide decisions

FY22 key initiatives

- Enhanced myCHEP platform capabilities including greater online self-service functionality for orders and transactions
- Extended rollout of dynamic pallet delivery notifications (real-time tracking) in Europe and the US with ~40% coverage. Launched pilots in Latin America and IMETA during the Year
- Simplified commercial terms for smaller customers in Canada and Europe
- Collaborated with customers in the US and UK to develop a shared understanding of customer quality needs, solve supply chain challenges and improve customer service

Asset Efficiency & Network Productivity

Deploy new technologies and ways of working to increase productivity and sustainability

- Optimising its collection engine, improving asset control and reducing capital intensity
- Standardising processes and controls to enhance the efficiency and resilience of its operations
- Continuing plant and network automation journey
- Removing waste from end-to-end supply chains by optimising networks with customers and suppliers

FY22 key initiatives

- Four million pallets recovered and salvaged through pallet remanufacturing processes and a range of initiatives supported by data analytics and the deployment of smart assets
- Seven end-to-end automated repair processes delivered during the year across North America and Europe
- Successful roll-out of the durability programme across four pallet platforms resulting in a 100bps reduction in damage rate during FY22

Business Excellence

Reinvent the organisation, technology and processes to be simpler, more effective and efficient

- Improving organisational efficiency through process simplification and automation
- Building the technical foundations to support transformation, including updated IT tools and cloud migration
- Attracting, retaining and empowering high-calibre people
- Developing distinctive capabilities, notably in digital services, advanced analytics and automated supply chain

FY22 key initiatives

- Migration to the cloud completed, delivering data security and process efficiency benefits as well as supporting digital transformation
- Completed implementation of Salesforce customer relationship management tool, delivering improved and streamlined processes including automation to improve quality of customer interactions
- Greater utilisation of customer experience management tools to increase frequency and breadth of customer surveys, turning insights into actions
- New capabilities and ways of working delivered via training to over 1,000 people

Good Progress on Shaping Our Future

Metrics and Measures

Digital Transformation
Enabler of Underlying Profit growth[5]

Better for Brambles
- Deploy asset productivity analytics solutions across 20 markets by end FY22 and 30 markets by end FY23
- Deploy analytics solutions to identify stray assets and predictive analytics to recover assets across 5 markets by end FY23

Better for customers
- Launch 2 commercial optimisation and 2 proactive Customer Experience digital solutions by end FY23

Data capability and culture
- First 4 priority domains[6] managed through data hub by end FY22
- Train 300 leaders in digital and analytics skills by end FY22; 5,000 roles across company by end FY23

Smart assets
- Deploy full smart asset solution in 2 markets by end FY24

Customer value
~55% of Underlying Profit growth[5]

Customer engagement
- Increase customer NPS by 8–10pts by end FY25[7]
- Increase % of customer orders placed through electronic channels by 1–2pts p.a.

Revenue growth
- 1–2% net volume growth p.a. with existing customers[7]
- 1–2% net new wins p.a.
- 2–3% price/mix p.a. in line with value-based pricing

Product quality
- Reduce customer reported defects per million pallets by 15% by end FY25 compared with FY20 baseline[7]

Customer collaborations
- Double number of customer collaborations on sustainability from 250 to 500 by end FY25

Context for metrics below target

NPS and volume growth below target mainly due to pallet availability challenges across all markets. Comprehensive plans to address pallet availability through asset efficiency initiatives. Numerous initiatives in progress to improve customer experience, including simplifying the customer on-boarding process, greater delivery visibility and piloting proactive ordering

Asset Efficiency & Network Productivity
~45% of Underlying Profit growth[5]

Asset efficiency
- Reduce uncompensated pallet losses by ~30% by end FY25[7]
- Reduce pallets scrapped by ~15% by end FY25
- Improve pallet pool utilisation: reduce pooling capex / sales ratio by at least 3pts through FY25[7]

Context for metrics below target

'Uncompensated pallet losses' and 'pallet pool utilisation' metrics below target due to pallet availability challenges and lumber inflation impact on pooling capex. Comprehensive plans to improve asset efficiency including through digital tools and capabilities, price for increased cost-to-serve and increase recoveries in progress

Network productivity
- Reduce the pallet damage ratio by 75bps year-on-year through FY25 from pallet durability initiatives
- Rollout fully automated end-to-end repair process to 70 plants by end of FY24 to drive throughput efficiency[7]

Context for metric below target

Automated end-to-end repair process implementation below target due to component shortages and other supply chain challenges. Mitigating financial shortfall through other automation initiatives and additional areas of the supply chain

Business Excellence

Organisation
- 25% reduction in BIFR by end FY25 and developed wellbeing-at-work programme
- At least 40% of management roles held by women by end FY25

Context for metric below target

While the 'women in management roles' metric was tracking slightly below target as at 30 June 2022, the FY22 target was met in July 2022 with good traction and confidence in meeting the FY25 target

Technology
- Migration of priority applications to the Cloud by end FY22
- CRM transition to Salesforce completed in FY22 as part of ongoing CRM improvements

Sustainability & ESG
Enabler of long-term value

Environment
- Carbon neutral Brambles operations and 100% renewable electricity continued indefinitely (Scope 1 & 2)
- 100% sustainable sourcing of timber continued indefinitely
- Validated science-based targets in line with the Paris Agreement based on comprehensive Scope 1–3 baseline by end FY22
- 30% recycled or upcycled plastic in new closed loop platforms by end FY25

Social
- Advocate, educate and impact 1,000,000 people to become circular economy change makers by end FY25

Governance
- Create leading industry circularity indices with strategic partners by end FY25
- Operationalise annual supplier certification across all markets by end FY22

Key
- Completed and no further work required
- Completed and on-going
- Progressing and on-track
- Tracking below target

[5] Contribution to FY25 Underlying Profit growth uplift from FY21.
[6] Asset movement, customer, pricing, and supply chain.
[7] Impacted by market conditions.

Investor Value Proposition

Brambles generates value through a circular 'share and reuse' model that leverages its scale, density and expertise to achieve superior operational efficiencies.

These efficiencies in turn generate cash flow that can either be returned to shareholders or reinvested in the business to fund growth and to optimise and transform its operations to build a more resilient business.

By providing customers with supply chain solutions in approximately 60 countries, Brambles offers shareholders exposure to invest in a low-carbon circular business model, with geographically diversified earnings streams, primarily from the defensive global consumer staples sector.

The supply chains served by Brambles also provide a broad range of growth opportunities including:

- increasing penetration of core equipment pooling products and services in existing markets;
- diversifying the range of products and services;
- exploring the digitisation of supply chains; and
- providing a resilient foundation during supply chain uncertainties.

Through transformation, Brambles will further strengthen its competitive advantage and the long-term sustainability of its business by unlocking new avenues for growth and significant operational and asset efficiencies that will deliver strong financial returns for shareholders.

Dividend Policy and Payment

Brambles' dividend policy is to target a payout ratio of 45–60% of Underlying Profit after finance costs and tax, subject to Brambles' cash requirements, with the dividend per share declared in US cents and converted and paid in Australian cents.

This year, the Board declared total dividends of 22.75 US cents per share with the Australian dollar payment equivalent to 32.31 Australian cents per share. This results in a payout ratio for the Year of 53%, broadly in line with the prior year's payout ratio. FY21 total dividends were 20.5 US cents per share or equivalent to 27.32 Australian cents per share.

The final dividend for 2022 of 12.00 US cents per share is an 12% increase on the 2022 interim dividend of 10.75 US cents per share, and will be 35% franked. This dividend is payable in Australian dollars at 17.25 Australian cents per share. This represents an increase of 21% compared with the 2021 final dividend in Australian cents per share and reflects both earnings growth and reduction of shares on issue. The 2022 final dividend will be paid on 13 October 2022 to shareholders on the Brambles register at 5.00pm on 8 September 2022. The ex-dividend date is 7 September 2022.

Capital Management Programme

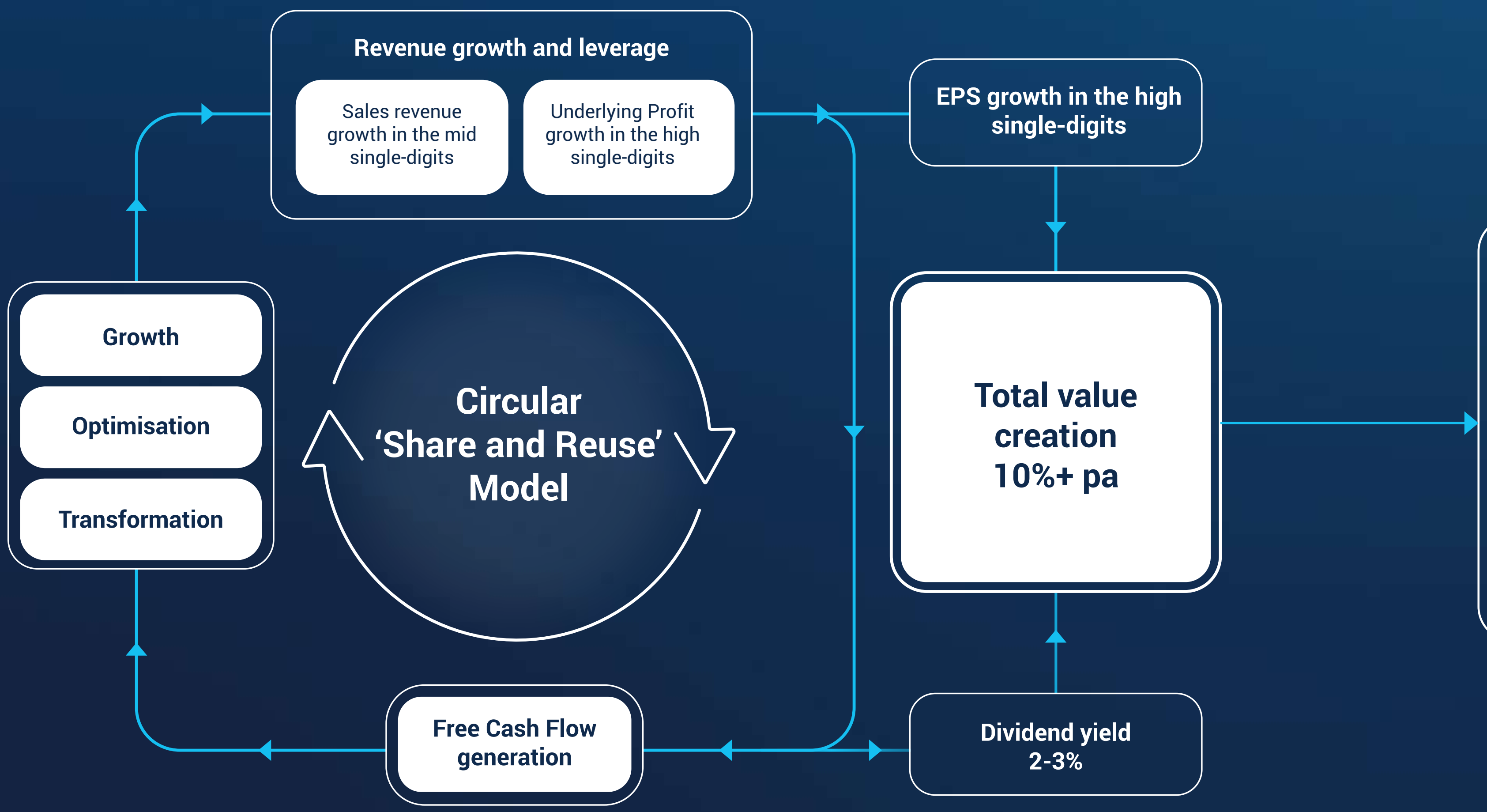
In FY19, Brambles announced that it intended to use the US$2.4 billion net proceeds from the divestment of the IFCO RPC business to pay down proportionate debt and fund a A$2.8 billion (US$1.95 billion) capital management programme.

The capital management programme comprised an on-market share buy-back of up to A$2.4 billion (US$1.67 billion) and a A$0.4 billion (US$0.3 billion) pro-rata return of cash, equivalent to 29.0 AU cents per share.

The on-market share buy-back announced on 25 February 2019 was completed on 15 June 2022 with a total of 216.5 million ordinary shares purchased and cancelled.

Dividend Reinvestment Plan

Following the completion of the on-market share buy-back programme, the Board is reinstating the DRP on a non-underwritten basis. Shares under the DRP will not attract a discount and the dilutive impact on earnings per share of the DRP will be neutralised. Eligible shareholders wishing to participate in the DRP should confirm their election status before 5pm Sydney time on Friday 9 September 2022 with Brambles Limited's Share Registrar, Boardroom Pty Limited.



Brambles plans to deliver ROCI in the mid-to-high teens and total value creation for shareholders of 10%+ per annum with:

- EPS growth expected to be in the high single-digits driven by:
  - Sales revenue growth in the mid single-digits based on a combination of pricing and volume growth with new and existing customers;
  - Underlying Profit growth in the high single-digits through operating efficiencies and supported by further investment in the business; and
- Dividend yield expected to be between 2–3% and supported by Free Cash Flow generated through the cycle after fully funding growth and transformation investments.

Customer Value Proposition

Brambles' pallets and containers form the invisible backbone of the global supply chain. This gives Brambles key insights that help customers meet evolving consumer demands while minimising their environmental impact, and improving the safety and efficiency of their supply chains.

With a comprehensive suite of supply chain solutions, Brambles provides its customers with operational, financial and environmental efficiencies not otherwise available through the use of single-use disposable alternatives and proprietary models.

Supply Chain Solutions

Brambles is integral to its customers' supply chains, working closely with all participants including manufacturers, producers, growers and retailers. With end-to-end involvement, Brambles has clear insights into what impacts the safe, efficient, reliable and sustainable operation of global supply chains.

By leveraging these insights and its unmatched expertise, Brambles offers customers comprehensive solutions that improve the performance of the supply chain. This helps address the challenges associated with the increasing complexity, rapid evolution and, at times, uncertainty of modern supply chains.

Platform Solutions

Brambles offers customers the widest range of supply chain platforms including: pallets (timber and plastic); Reusable Plastic Crates (RPCs); bins; and specialised containers.

By eliminating the need for customers to purchase and manage their own platforms, Brambles reduces the capital requirements and complexity of customers' operations while simultaneously reducing waste throughout their supply chains.

System-Wide Solutions

Brambles conducts in-depth studies of customers' supply chains to map the flow of goods, information and platforms to identify the causes of network inefficiencies and product damage.

By determining the optimal mix of platforms and processes for customers' individual supply chains, Brambles can mitigate network inefficiencies and ensure the safe and sustainable transportation of goods through the supply chain.

Transportation Solutions

Brambles' superior network scale provides a unique capability to coordinate collaboration between multiple supply chain participants to deliver transport efficiencies. This includes matching and eliminating empty transport lanes, sharing transport and contracting transport for and from customers.

Retail Store Solutions

Brambles works closely with its customers to develop retail store solution strategies and consumer-facing platforms that improve the efficiency of the shared supply chain by increasing sales at lower costs to the supplier, retailer and consumer.

These merchandising and fulfilment solutions, which include full size and fractional display pallets, trays and RPCs, effectively improve safety, and reduce the time, labour and activity required to move goods from the point of production to the point of sale.

Manufacturing, Warehouse and Distribution Centre Solutions

Using its experience in managing platforms, optimising automated facilities and packaging performance testing, Brambles has developed solutions that improve the overall performance and efficiency of customers' facilities.

These solutions include: customising customers' platform processes; optimising how customers configure, build and protect product loads; and providing higher quality platforms and engineering services to improve the performance of automated facilities.

Sustainability Solutions

Brambles' leadership in sustainable sourcing of materials and strong governance controls reduce risk and provide customers with confidence in their supply chain partnership.

Brambles creates value for customers by providing a sustainable alternative to single-use disposable packaging, saving customers money and significantly reducing the environmental impact of their operations.

Brambles' network resilience and its resource-efficient, low-carbon solutions mean it has an important role in helping customers manage through supply chain disruptions while transitioning to a low-carbon economy.

Zero Waste World

Brambles' Zero Waste World (ZWW) programme reinforces its commitment to collaborate with customers and create smarter and more sustainable supply chains – creating more value by using less and regenerating more resources. Brambles currently has over 350 companies participating in its ZWW programme.

Through ZWW, Brambles seeks to use its unique position in the supply chain to help customers address three key industry challenges:

1. **Eliminating waste**
   By using its circular economy expertise to convert customers to more sustainable 'share and reuse' solutions which save resources and reduce costs.

2. **Eradicating empty transport miles**
   By using its network scale with density and expertise to facilitate collaborative transport solutions, bringing manufacturers and retailers together to reduce the environmental impact of their operations and save money.

3. **Reducing inefficiencies**
   By using its end-to-end supply chain solutions and BXB Digital technology to enhance customers' visibility of their supply chains so they can make better decisions.

Broader Benefits of Brambles

Through its regenerative strategy, Brambles seeks to reduce the business negative impacts and create positive outcomes for economies, communities and environment on local, regional and national scales. This section outlines the direct and the indirect benefits, that affirm its purpose, its role in the sustainable economic transition and its social licence to operate.

Economic Value Retained[8, 9]
US$1.7b

Economic Value Generated
US$5.6b[10]

Economic Value Distributed
US$4.6b

- **US$0.3b** Dividends paid to shareholders
- **US$0.9b** Employee costs including taxes
- **US$0.2b** Income taxes paid
- **US$0.1b** Interest paid on loans
- **US$3.1b** Payments to suppliers

Additional Value Distributed
US$0.4b

- **US$0.4b** Share buy-back

[8] Group cash capital expenditure.

[9] Under normalised conditions, the 'economic value retained' is approximately equal to the 'economic value generated' less the 'economic value distributed'. In FY22 these amounts do not reconcile, largely due to lumber inflation of US$470 million on group cash capital expenditure.

[10] Group sales revenue.

Generating and Redistributing Financial Capital

Strong financial performance provides direct value for Brambles' employees, their families, and communities. This includes economic benefits, such as dependable employment opportunities, wages and associated non-financial benefits for ~12,000 employees in approximately 60 countries. Furthermore, payments to local suppliers generate ongoing economic demand, subsequently supporting local employment and economies. Financial donations to community groups and taxes to governments help redistribute prosperity and promote equality. More information on how Brambles manages its tax obligations and the tax contributions it makes to the countries in which it operates can be found in Brambles 2022 Tax Transparency Report, which will be published in the second half of calendar year 2022.

Developing Human and Intellectual Capital

Brambles provides its employees with a safe, diverse and inclusive work environment. It offers training across all areas of the business including supply chain expertise, circularity and digital and data analytics which support the mindset required to develop knowledge and exposure at a global scale to the low-carbon, circular economy. This value proposition aims to attract and retain the best talent, especially with employees placing an increasing importance on working for sustainable companies. This in turn will develop the next generation of diverse and digitally enabled talent, passionate about pioneering regenerative supply chains and reinventing pooling of tomorrow.

Translating Sustainability Concepts into Business Strategies

Brambles has demonstrated the financial viability of a truly circular business model on a global scale. Brambles' advocacy on the benefits of a circular economy provides a pathway for other industries and sectors to examine and adopt circular strategies relevant for their context. Pioneering regenerative supply chains is Brambles' next big ambition, and progress towards its 2025 sustainability targets continues to deliver stakeholder value on the issues that matter. By setting its course toward regeneration and sharing its experiences, Brambles hopes to inspire other organisations to join the regenerative revolution, accelerate action on the UN Sustainable Development Goals (SDGs) and in doing so, redefine prosperity for the post-pandemic and low-carbon world.

Accelerating the Low-Carbon Transition

Brambles' strategic priorities and 2025 sustainability targets, including validated science-based targets and net-zero targets, merge its financially material transformation initiatives with its three big ESG themes of climate, circularity, and the sustainable use of the world's forests into an integrated value creation strategy. More than at any other time, Brambles' circular model is demonstrating its essential role in everyday life, and its resilience in the context of external pressures. Brambles is poised to leverage this advantage and share its approach with peers, industry associations and educators as part of a broader coalition working in collaboration during the UN SDGs decade of delivery.

Pioneering Models of Sustainable Development

Brambles' procurement team has developed an innovative sustainable sourcing model, which creates a dependable pipeline of sustainably certified timber, while reforesting degraded land. Importantly, communities are at the centre of this initiative, creating socio-economic opportunities for marginalised groups. These projects are in their infancy, however partnerships are in place with communities, investors, authorities and relevant independent third parties that will ensure the project delivers much-needed economic empowerment. Critically, the initiative will maintain sustainable certification for materials, regenerate forests, enhance biodiversity values and provide full transparency concerning human rights.

Data subject to assurance by KPMG. The Limited assurance report will be provided upon release of Brambles' Sustainability Review in September 2022.

Brambles' 2025 Sustainability Targets

Brambles' roadmap to regeneration is driven by progress against the ambitious 2025 sustainability targets. Brambles' performance against the targets is provided here. Further information will be available upon the release of Brambles' Sustainability Review in September 2022.

Planet Positive

Our commitment is to be nature positive by restoring forests, going beyond zero waste, and drawing down more carbon than we produce, ultimately becoming a regenerative, nature positive business.

TARGET		UN SDG ALIGNMENT	FY22 PROGRESS		SINCE FY21
Forest Positive	• Enable the sustainable growth of two trees for every tree used • 100% sustainable sourcing of timber • Transformation of more forestry markets to Chain-of-Custody (CoC) certification	SDG 15, SDG 8, SDG 13	Sustainably sourced timber	100%	Achieved
			CoC sourced timber	72%	3pts improvement
			Trees replanted through certified sustainable forestry programmes	3,684,734	13.5% increase
			Trees planted in afforestation or reforestation projects	63,426 trees in over 6 countries	5% decrease
			CO_2 sequestered from afforestation projects	31,625 tonnes	9% decrease
Climate Positive	• SBTi verified climate targets for full value chain, aligned to a 1.5°C degree climate • 100% renewable electricity and all our operations will be carbon neutral by 2025	SDG 13, SDG 7	Carbon neutrality for operations (Scope 1 and 2 emission sources)	Achieved	Achieved
			Electricity from renewable sources[11]	100%	Achieved
			Performance against Science-based Target (includes Scope 1, 2 and 3 emissions FY20 vs FY21)[12]	1,502kt CO_2	3.1% improvement
Waste Positive	• Zero product materials sent to landfills, for all Brambles and subcontracted locations • 30% recycled or upcycled plastic waste in plastic products	SDG 12, SDG 6	Number of Brambles new and next generation platforms containing recycled content[13]	9	Achieved
			Brambles' total recycled plastic material purchased[14]	14%	1pt decrease
			Percentage of plants diverting product waste from landfill:[15]		
			• Brambles managed plants	74%	2pts decrease
			• Third-party plants	55%	38pts improvement
			• All plants	58%	31pts improvement

Business Positive

Brambles will pioneer regenerative supply chains by improving our circular model every year, increasing the environmental benefits in our customers' supply chains.

TARGET		UN SDG ALIGNMENT	FY22 PROGRESS		SINCE FY21
Supply Chain Positive	• Increase environmental benefits in our customers supply chains through circular model • Co-develop circular measurement tools for industry and improve Brambles' circular performance	SDG 12, SDG 13, SDG 9	Increased our positive environmental impact across our customers' supply chains	2.5m tonnes of CO_2	2.3% improvement
				4,470 megalitres of water	7.3% improvement
				3.2m cubic metres of wood	0.1% improvement
				3.1m trees	0.1% improvement
				1.5m tonnes of waste	1.7% improvement
			Ellen MacArthur Foundation (EMF) Circulytics score[16]	A-	Achieved
Positive Collaboration	• Double the number of customer collaborations through our Zero Waste World from 250 to 500	SDG 17	Customers in collaboration	370	25.4% improvement
			Collaborative initiatives	1,488	6.9% improvement
			CO_2 saved	105,962 tonnes	5.7% decrease
Workplace Positive	• 25% reduction in BIFR • At least 40% women in management roles	SDG 3, SDG 5, SDG 10, SDG 16	BIFR performance	4.1	18% improvement
			Top Employer accreditation	Achieved in 21 countries and across four regions	Achieved
			Women on the Board	40%	4pts Achieved
			Women in management roles	33%	1.4pts improvement

Communities Positive

Brambles' Communities Positive programme will build resilience, promote circularity and account for the connections between society, the economy and nature.

TARGET		UN SDG ALIGNMENT	FY22 PROGRESS		SINCE FY21
Food Positive	• Collaborate with food banks to serve rescued food to 10 million people	SDG 2	People receiving meals through Brambles' support for food rescue organisations	16,216,021 globally	Achieved
Circular Economy Transformation	• Advocate, educate and impact one million people to become circular economy change makers	SDG 4, SDG 12	People reached through our communications, training and advocacy[17]	FY22: 504,305 Cumulative result since FY21: 599,464	Improvement
Positive Impacts for People and Our Planet	• Adopt leading natural and social capital accounting approaches		Brambles have developed a carbon accounting approach to understand the biogenic[18] carbon that flows through the full value chain. More information for this target will be shared in the FY22 Sustainability Review		

[11] Brambles renewable electricity results include electricity from renewable contracts 31.4%, on-site Generation 1.2%, Energy Attribute Certificates (EACs) 55% and Voluntary Carbon Offsets (VCOs) 12.4%.
[12] Brambles' SBT accounting process is 12 months behind current financial period and compares FY20 and FY21.
[13] Recycled content in products not covered by assurance.
[14] FY21 baseline has been restated to include more third party locations in zero waste measurement.
[15] In FY22, Brambles expanded the scope of its Zero Product Waste to landfill measurement to include >95% of sites that handle Brambles assets.
[16] Brambles also consulted with the World Business Council for Sustainable Development (WBCSD) on their Circular Transition Indicators (CTI) tool.
[17] New baseline and methodology expanded measurement scope include social media and media release impressions.
[18] Biogenic carbon refers to carbon that is sequestered from the atmosphere during biomass growth and may be released back to the atmosphere later due to combustion of the biomass or decomposition.

Brambles' Climate Change Strategy

Brambles' circular business model and resilient network combined with its 1.5-degree climate-aligned targets and net-zero by 2040 commitment define a leading climate transition plan that generates financial returns from a sustainable business model.

Addressing climate change is part of Brambles' regenerative vision, which aims to replenish the resources we need while creating more positive outcomes for society and the planet.

Advancing the circular economy is an enabling strategy to address climate change and biodiversity loss while allowing businesses to grow and thrive within the decarbonising economic transition. Circular models require a sound understanding of the supply chains that support them, including direct visibility of the natural capital, the stocks of resources, and the climate systems they depend on. Brambles' core strategy reflects all these elements. Circular models are also inherently resilient – throughout FY22, Brambles and its customers experienced climate-related and other supply chain disruptions that have stress-tested the operations, the materials supply chains and its response. Brambles advocate a broader adoption of circular models for other industries and sectors to accelerate a wider transition to a climate and nature-positive economy.

FY22 has been a period of rapid integration of climate considerations into Brambles building upon its last two TCFD. This has involved further embedding the TCFD recommendations into its governance, finance, risk and strategy functions, including the Shaping Our Future transformation programme. Brambles' finance function has been integrating climate and sustainability mechanisms into its processes and developed the connections from its accounting systems to support the monitoring and measuring of carbon emissions and performance across its supply chain.

Decarbonisation continues to be a megatrend. Public and private net-zero emissions commitments have rapidly moved to the mainstream, from covering 16% of the global economy in 2019 to 90%[19] today. During the Year, governments worldwide have taken steps to use their legislative power to put their jurisdictions on a path to net-zero emissions. An example of this is the recently published proposal by the European Commission for a Directive[20] on corporate sustainability due diligence.

Amongst other requirements, affected companies[21] will need to have a plan to ensure their business strategy is compatible with limiting global warming to 1.5°C in line with the Paris Agreement.

Brambles' pledge to a 1.5°C climate future was an essential driving force behind its five-year sustainability targets published in 2020. In June 2022, Brambles announced its pledge to net-zero GHG emissions by 2040. By pledging to align with the goals of the Paris Climate Agreement, Brambles was already committed to achieving net-zero GHG emissions by no later than 2050. With this new roadmap to net-zero emissions, the company is bringing its ambition forward by ten years. Accelerating Brambles' transition to a net-zero business will also help its customers advance decarbonisation goals. These ambitious targets and the actions Brambles is pursuing to achieve them are available on pages 24 to 25.

Brambles has a track record of delivery on its climate commitments, achieving carbon-neutral operations across its Scope 1 and 2 emission sources. The business has also increased the quantity of renewable electricity each year, replenished more trees than required for pallets and has communicated its third TCFD disclosure.These achievements have been positively received by Brambles' stakeholders and reinforced its sustainability credentials and leadership on climate.

Brambles' initial TCFD communicated three climate-related themes that define its response to addressing climate change and its role in accelerating the transition to a low-carbon, circular economy. Progress for FY22 against these themes is provided here.

[19] Energy and Climate Intelligence Unit, Data-Driven EnviroLab, NewClimate Institute, Oxford Net Zero. The Net Zero Tracker.

[20] "https://ec.europa.eu/info/publications/proposal-directive-corporate-sustainable-due-diligence-and-annex_en" Proposal for a Directive on corporate sustainability due diligence and annex | European Commission (europa.eu)

[21] Includes non-EU companies with EUR 150 million+ in net turnover generated in the EU.

Brambles' Low-Carbon Advantage – A climate-related opportunity

Brambles' core business and 2025 sustainability targets define a leading climate strategy. The immediate and ongoing opportunities related to Brambles' low-carbon, circular business model outweigh short-term, climate-related risks in the decarbonising 1.5°C and 2°C climate scenarios.

The markets in which Brambles operates indicate an increasing preference for more sustainable climate-conscious solutions, especially for its customers that have a direct interface with activated consumers. This is evidenced by strengthening consumer preferences for low or zero-waste and carbon consumption models. Brambles effectively supports its customers by managing its supply chain risks, highlighting the low-carbon, no-waste advantages of a circular model, and offering innovative value-creating partnerships that deliver against its customers' sustainability goals.

Brambles' direct sustainability messaging to customers capitalises on this trend with an increase in Sustainability Certificates issues in FY22. The Sustainability Certificates quantify the environmental (low-carbon) advantages of Brambles' 'share and reuse' circular model for customers by calculating the carbon emissions, waste and materials savings over typical single-use or one-way alternatives. They have been used in externally-facing customer communications to indicate climate action in their own supply chains. The customer-centric Step into the Positive marketing campaign also elevated the brand as a sustainability leader. More information on the Sustainability Certificates and the Step into the Positive campaign will be shared in Brambles' FY22 Sustainability Review, due for release in September.

Brambles' consistently high performance in credible third-party ESG indices, including Dow Jones Sustainability Indexes and MSCI, Ethical Supply Chain Surveys such as Eco Vadis and SEDEX, and new climate-leadership initiatives such as inclusion in the inaugural Terra Carta Seal, confirm its sustainability leadership status.

Science-based Targets, net-zero by 2040 and a leading decarbonisation strategy

Brambles' circular 'share and reuse' model is inherently climate-adapted, placing the business and its partners at an advantage for the low-carbon transition. In addition to the new science-based target (SBT) and net-zero targets, climate considerations continue to be integrated into Brambles' strategic processes. During FY22, bottom-up regional and global decarbonisation roadmaps were developed, including 2030 mid-term science-based targets, to identify the levers and initiatives to achieve Climate Positive progress. Many of these initiatives are already underway as part of Brambles Shaping Our Future transformation.

Brambles transformation and decarbonisation programmes are complementary

Brambles has implemented a carbon calculation feature to estimate the carbon benefits or impacts from the Shaping Our Future transformation projects. This feature helps integrate transformation initiatives and the 2025 sustainability targets, highlighting how decarbonisation can support business performance and increase Brambles' resilience for the low-carbon transition. Sustainability elements, including our Climate Positive commitments, are also integrated into the Shaping Our Future Scorecard and are part of the Digital, Customer, Asset Efficiency and Network Productivity and Business Excellence Transformation workstreams.

Integrating climate considerations into strategic processes

Brambles is integrating climate considerations into relevant business systems, including its procurement and product innovation processes. The intent is to improve Brambles' Scope 3 emissions reporting and build the capabilities and climate awareness of the supplier base. Brambles' product pipeline is inherently sustainable because all its platforms are designed for its low-environmental impact 'share and reuse' system.

Brambles' Network Resilience – Climate-related risk and opportunity

The agility and scale of Brambles' network and asset pools create an inherent resilience to supply chain shock, enabling greater responsiveness to customers before and after severe climate-related weather events.

FY22 presented many opportunities for Brambles to test and demonstrate the resilience of its network. In addition to ongoing heightened demand from customers for its pool of assets, incidences of climate-related weather events impacted both its plants and critical pieces of transport infrastructure. Australia has been identified as particularly exposed to the physical impacts of climate change, and the CHEP Australia business was able to display all the elements that support the position of network resilience. Two service centres located in the Brisbane suburbs of Rocklea and Oxley were inundated with flood waters due to the Brisbane flooding event, with 1380mm and 1050mm of flood water entering each premise, respectively. This included an immediate response to ensure the safety and wellbeing of its people during the shutdown and rapid response in asset relocation to a nearby location to ensure the business could continue serving its customers.

Physical climate risk and hazard impact assessment for Brambles' service centres

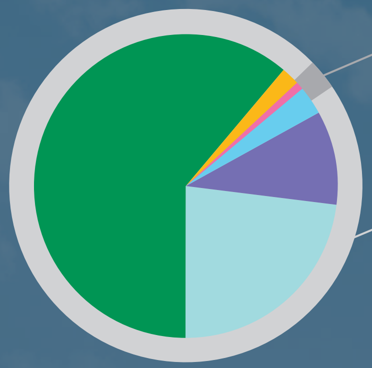
Brambles initiated the next phase of physical risk analysis for its operations to gain a deeper understanding of potential exposure to various physical risks. This stage has focused on the risks and potential impacts on the service centres and their vulnerability to acute weather-event-related and chronic physical disruptions.

Raw Material Supply Security and Continuity –Climate-related risk

Longer-term climate-related risks relating to materials, specifically timber for pallets, are considered in Brambles' strategic planning processes. This includes extensive mitigations already underway as part of procurement, supply chain and asset efficiency programmes.

In a year of continued disruption, including ongoing materials shortages, Brambles remained steadfast in its commitment to 100% sustainable sourcing of its wood and expanded the supply base for CoC forest certification. Delivering on these outcomes required extensive collaborations to rapidly onboard certified suppliers in new markets and bring its customers along the sustainability materials journey. This is in addition to the significant contributions of value chain efficiencies, specifically, the Shaping Our Future transformation initiatives that improve asset efficiency and network productivities. These experiences have provided real-world stress-testing for Brambles' systems and processes, confirming its resilience in the face of future climate-related impacts.

Brambles' Roadmap to Net-Zero Emissions



Scope 1 & 2	FY21 Emission by source t(ktCO_2-e)	Change since FY20
CHEP fleet fuel	7	-6.5%
CHEP site fuel	22	9.7%
CHEP electricity	13	-13.7%
Scope 3		
Waste	41	-3.7%
3PLs	151	1.1%
Capital goods	380	4.7%
Logistics	887	-6.7%
Total emissions	**1,502**	**-3.1%**

↓42%

absolute reduction by 2030 (on FY20 levels)

↓17%

absolute reduction by 2030 (on FY20 levels)

SCIENCE BASED TARGETS **2030 targets verified by SBTi**

For more information, visit Brambles' Net-Zero Roadmap

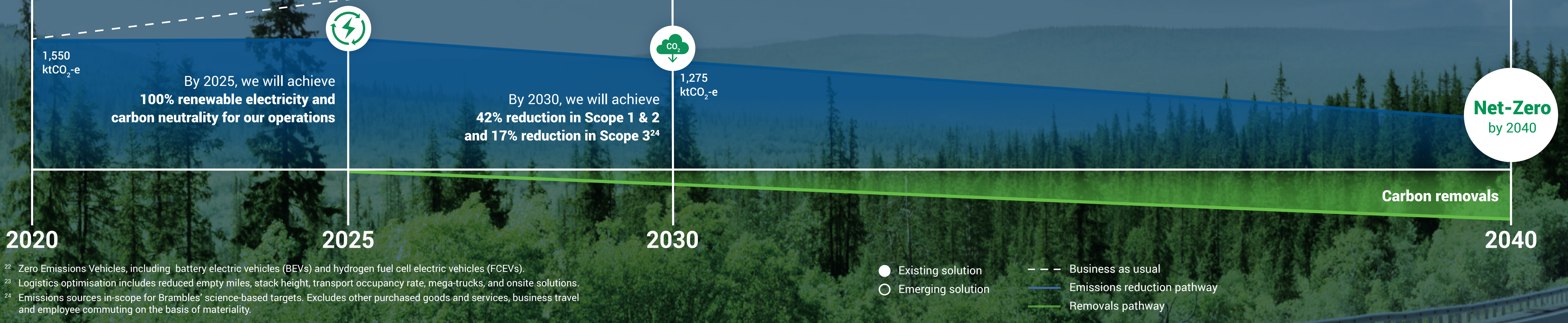
brambles.com/net-zero-roadmap

Accelerate

- 100% renewable electricity at CHEP locations and 3PLs
- 100% FLT electrification at CHEP locations and 3PLs
- Zero product waste to landfill
- Zero waste CHEP locations
- Improve asset recovery rates
- Plant network & logistics optimisation[23]
- Extend vertical transport collaboration
- Carrier & customer collaborations to pilot lower-emissions fuels & emerging transport technologies
- Wood waste to energy (e.g. biomass)
- Embed CO_2 considerations into procurement policies & contracts
- Transition small and medium-duty CHEP-owned recovery fleets to ZEV[22]
- Supplier engagement programme to support vendors with target setting
- Increase recycled/upcycled content in products
- Accelerate multimodal opportunities
- Accelerate carbon insetting nature-based projects (e.g. forestry)
- Pilot carbon insetting technical projects (e.g. wood waste to biochar)
- Pallet durability

Scale up

- Maximise multimodal opportunities
- Contribute to establishing charging infrastructure to enable the deployment of zero emissions transport technologies (electric, hydrogen)
- Scale procurement of low/zero emissions transport services
- Maximise carrier & customer collaborations to adopt lower-emissions fuels and zero emissions transport technologies
- Maximise vertical transport collaboration to reduce empty lanes through digital solutions
- Maximise asset recovery and productivity through the Digital Strategy
- 100% zero emissions CHEP-owned recovery fleets
- Scale up the use of renewable fuels for heating (locations and pallets)
- Maximise recycled/upcycled content in products
- Maximise carbon insetting opportunities (nature-based and technical solutions)



[22] Zero Emissions Vehicles, including battery electric vehicles (BEVs) and hydrogen fuel cell electric vehicles (FCEVs).
[23] Logistics optimisation includes reduced empty miles, stack height, transport occupancy rate, mega-trucks, and onsite solutions.
[24] Emissions sources in-scope for Brambles' science-based targets. Excludes other purchased goods and services, business travel and employee commuting on the basis of materiality.

Brambles' Climate Change Strategy (continued)

FY22 Progress Against the Recommendations of the TCFD

Brambles' previous disclosures against the TCFD recommendations are available on Brambles' website. Progress against the key recommendations for FY22 is provided below.

Governance

Climate issues, including the risks and opportunities for Brambles under different climate scenarios, are integrated into Brambles' Audit & Risk Committee (ARC) and the Brambles Board agendas. The Sustainability Risk and Compliance Committee (SRCC), comprised of executive leaders and relevant functions specialists, assists the ARC and Board concerning all risks, including climate-related risks and Brambles' decarbonisation plans. Brambles established a new Global Head of Decarbonisation role reporting to the Chief Operating Officer (COO) to develop global and regional strategies to meet our climate targets. This is in addition to the existing Chief Sustainability Officer (CSO) role reporting to the Chief Financial Officer (CFO) supporting integrated reporting and governance. A Global Decarbonisation Governance Framework encompassing Climate Positive and Waste Positive targets was established, which is provided below.

Brambles' Global Decarbonisation Governance Framework Established in FY22

Steering Committee

- Includes: Supply Chain; Sustainability; IT and Legal and Secretariat
- Head of Decarbonisation reports to SteerCo on a quarterly basis

1

Regional Decarbonisation & Waste Leads

- Identified to help coordinate the efforts in each region
- Monthly meetings track progress against regional decarbonisation initiatives

2

Communities of Practice

- Established to foster cross-regional knowledge sharing for decarbonisation initatives

3

FY23 TCFD Roadmap

- Supplier decarbonisation programme and procurement integration
- Physical climate risk impact assessment on plants, infrastructure, and materials supply chains

- Climate and waste KPIs in objectives
- Further alignment of capex allocation in business investment process
- Integration of climate risk in supply chain

- Integration of climate risk and decarbonisation with procurement (including real estate), process engineering and product development

- Brambles reporting and disclosure strategy to address emerging climate requirements

Finance

The financial and sustainability reporting and disclosure landscape is changing rapidly with shifting expectations. These new and emerging standards aim to connect financial materiality to relevant climate and sustainability-related issues. The intent is to offer clearer, more consistent and comparable information to assist investors in understanding the risks and opportunities and, therefore, prospects of different sectors as social, economic and regulatory pressures stimulate the sustainable transition.

The continuing focus has been on integrating climate and sustainability-related considerations into key strategic and financial decision-making processes by identifying appropriate intervention points and embedding suitable process architecture to ensure priorities align.

For example, Brambles' validated SBT and longer-term net-zero target will require higher visibility of the carbon impacts of Capex expenditure initiatives on the Scope 1, 2 and 3 emissions profiles. This is especially important in the context of the transformation programme.

Many of these integration initiatives are in development with active workstreams within the Financial Planning and Analysis, Treasury, Group Financial Control, Asset Productivity, and Investor Relations teams.

Risk

Brambles' integrated approach to managing business risks, including climate-related risks, elevates oversight of climate issues to both the executive management, the ARC and the Board. This ensures an appropriate level of knowledge and resourcing of climate-related risks and opportunities. For example, the risks associated with achieving our Climate Positive targets, including the SBT and net-zero commitment, are assigned to the Head of Decarbonisation, with oversight from the COO and close collaboration with the CSO. As a result, the SRCC revised Brambles' Scope 1, 2 and 3 risk profiles in light of its science-based targets and net-zero commitment. This included developing risk appetite statements for both profiles, and a list of mitigating actions to maintain our performance to outline a pathway to achieving our risk appetite.

Metrics and Targets

Brambles' verified SBT and new net-zero by 2040 commitment confirm a leadership position on addressing climate change and rapid adaption to the new low-carbon economy. To support tracking against these targets, Brambles initiated various data-related improvement projects within the business. The purpose is to consistently improve the timely provision, quality, and completeness of data. This will help drive proactive decision-making, compliment our third-party data assurance process and support progress towards financial quality status for our carbon reporting programme.

In addition to Brambles' reporting suite, which includes the Annual Report, Climate Change Update and TCFD Disclosure, and Sustainability Report with associated supporting resources on our website, Brambles responds to a range of external sustainability ESG and climate-related reporting frameworks. More information is available at brambles.com/esg-navigator

More information on Brambles' response to the TCFD recommendations is available at **brambles.com/tcfd**

Financial Position and Financial Risk Management

Capital Structure

Brambles manages its capital structure to maintain a solid investment grade credit rating. During FY22, Brambles held investment grade credit ratings of BBB+ from Standard & Poor's and Baa1 from Moody's Investors Service.

In determining its capital structure, Brambles considers the robustness of future cash flows, the potential funding requirements of its existing business, growth opportunities and acquisitions, the cost of capital, and ease of access to funding sources.

Initiatives available to Brambles to achieve its desired capital structure include: adjusting the amount of dividends paid to shareholders; returning capital to shareholders; buying back share capital; issuing new shares; selling assets to reduce debt; varying the maturity profile of borrowings; and managing discretionary expenses.

On 31 May 2019, Brambles divested its IFCO RPC business, generating net cash proceeds of US$2.4 billion which was used to pay down proportionate debt and fund an A$2.8 billion (US$1.95 billion) capital management programme. During the course of FY22, Brambles completed the remaining balance of the programme, repurchasing 58.3 million shares for a total consideration of A$609.9 million (US$443.9 million).

Treasury Policies

Key treasury activities include: liquidity management; interest rate and foreign exchange risk management; and securing access to short- and long-term sources of debt finance at competitive rates. These activities are conducted on a centralised basis in accordance with Board policies and guidelines, through standard operating procedures and delegated authorities.

These policies provide the framework for the treasury function to arrange and implement lines of credit from financiers, select and deal in approved financial derivatives for hedging purposes, and generally execute Brambles' financing strategy.

The Group uses standard financial derivatives to manage financial exposures in the normal course of business. It does not use derivatives for speculative purposes and only transacts derivatives with relationship banks. Individual credit limits are assigned to those relationship banks, thereby limiting exposure to credit-related losses in the event of non-performance by any counterparty.

Funding and Liquidity

Brambles operates within the framework of its liquidity and funding risk policy to ensure the Group maintains sufficient funds to meet its financial obligations in a timely manner. This is achieved through limiting the concentration of maturity of committed credit facilities, ensuring diversity of funding sources and maintaining a minimum liquidity buffer as a contingency against any unforeseen changes in cash requirements. The policy also ensures sufficient funding is available for any planned investment opportunities, capital management activity, and pre-funding of committed debt repayments including bond and lease maturities within the next 12 months.

Brambles generally sources borrowings from relationship banks and debt capital market investors across a range of maturities.

Bank borrowing facilities were either maintained or renewed throughout the Year. These facilities are generally structured on a multi-currency, revolving basis with maturities ranging to 2027. Borrowings under the facilities are floating-rate, unsecured obligations with covenants and undertakings typical for these types of arrangements. Borrowings are also raised from debt capital markets by the issue of unsecured fixed interest notes, with interest paid either annually or semi-annually. At balance sheet date, loan notes on issue totalled US$1,544 million and had maturities out to October 2027.

During the Year, Brambles established a €750 million Euro Commercial Paper (ECP) programme to provide short-term, cost-effective funding to the Brambles Group. The programme has short-term ratings of A2 / P2 from Standard & Poor's and Moody's, respectively. As at 30 June 2022, there was no commercial paper issued under the programme.

In August 2022, the Group entered into a new US$1.35 billion five-year revolving credit facility agreement (RCF) to refinance approximately US$1 billion of bilateral bank facilities. The RCF incorporates key sustainability targets linked to the Group's 2025 sustainability targets and roadmap to net-zero GHG emissions, extends the Group's debt maturity profile and further supports our strong relationships with our banking partners.

As at 30 June 2022, Brambles held US$0.2 billion in cash and cash equivalents.

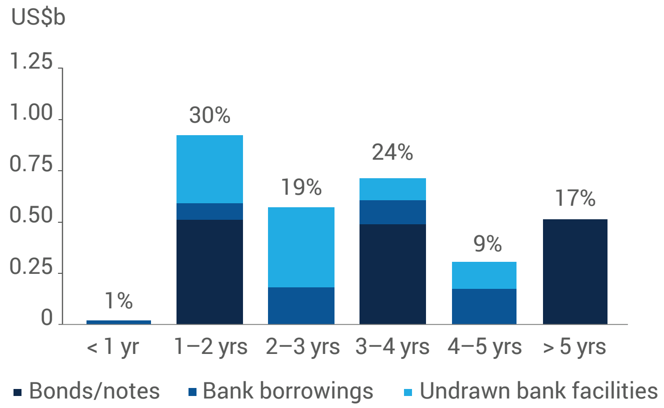
Net Debt and Key Ratios

US$m	June 2022	June 2021	Change
Current borrowings	53.7	32.4	21.3
Current lease liabilities	140.0	147.5	(7.5)
Non-current borrowings	2,108.4	1,718.1	390.3
Non-current lease liabilities	573.4	565.1	8.3
Gross debt	**2,875.5**	**2,463.1**	**412.4**
Less: cash and cash equivalents	(158.2)	(408.5)	250.3
Net debt	**2,717.3**	**2,054.6**	**662.7**
Key ratios[25]	FY22	FY21	
Net debt to EBITDA	1.47x	1.18x	
EBITDA interest cover	21.0x	20.4x	

Brambles' financial policy is to target a net debt to EBITDA ratio of less than 2.0 times and EBITDA to net interest ratio of greater than 10 times.

The ratios remain well within the financial covenants included in Brambles' major financing agreements.

Maturity Profile of Committed Borrowing Facilities and Outstanding Bonds (% of total committed credit facilities)



As at 30 June 2022, Brambles' total committed credit facilities were US$3.0 billion.

The average term to maturity of Brambles' committed credit facilities as at 30 June 2022 was 3.2 years (2021: 3.7 years).

In addition to these facilities, Brambles has entered into leases for office and operational locations and certain plant and equipment to achieve flexibility in the use of its assets. As at 30 June 2022, Brambles' total lease liabilities were US$0.7 billion. The rental periods vary according to business requirements.

[25] Brambles defines EBITDA as Underlying Profit adding back depreciation, amortisation and Irrecoverable Pooling Equipment Provision (IPEP) expense.

Key Performance Drivers and Metrics

(Continuing operations)

Brambles monitors its performance and value creation through a number of financial and non-financial metrics.

Sales Revenue

Key Drivers

- Like-for-like volume growth in line with economic/ industry trends
- Expansion with net new wins and growth with existing customers
- Pricing (including indexation) to recover cost-to-serve increases and changes in mix (product/customer/region)
- FY18 to FY22 includes the impact of accounting standard AASB 15 *Revenue from Contracts with Customers*

5-Year Performance

Sales revenue of US$5,558.9 million in FY22, reflected a compound annual growth rate (CAGR[26]) over the five years to FY22 of 7% at fixed 30 June 2021 FX rates. Growth reflects continued expansion with both new and existing customers, new market entry, expansion of the core product offering and price realisation in both mature and emerging markets in response to increased cost-to-serve. FY20 and FY21 growth includes the impact of COVID-19 on trading conditions, including elevated pallet demand levels in the fourth quarter of FY20 and continuing into FY21, to support the sustained increase of at-home consumption in developed markets. Volume growth in the automotive businesses was impacted by COVID-19 related shutdowns and semi-conductor shortages. Growth in FY22 was driven by pricing actions to recover the increased cost-to-serve driven by high levels of inflation. FY22 volumes were in line with FY21 levels as pallet availability challenges continue to moderate volume growth and Brambles prioritised servicing existing customers over new growth opportunities. Volume growth in net new business in the European pallet and Australian RPC business offset the decline in like-for-like volumes in the US.

Refer to page 146 for the detailed five-year financial performance summary on a reported basis at actual FX rates.

Cash Flow from Operations

Key Drivers

- Profitability
- Capital expenditure including the impact of lumber inflation on pallet purchases
- Asset compensations
- Movements in working capital
- FY20 to FY22 include the impact of accounting standard AASB 16 *Leases*

5-Year Performance

The five years to FY22 were a period of solid overall EBITDA growth, supported by significant investment in capital expenditure with automation investment funded by proceeds on sale of the Recycled business and the exit of the HFG joint venture. In FY21 the business deferred US$180 million of capex purchases due to pallet availability constraints. This has not unwound in FY22 with the pallet pool remaining below ideal levels to support growth and to run the network efficiently. FY22 Cash Flow from Operations included additional capital expenditure due to lumber inflation and cycle time increases. This was partly offset by higher earnings and increased compensations on lost pallets.

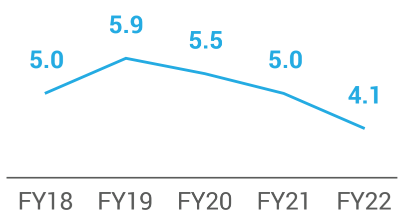
Refer to page 146 for the detailed five-year financial performance summary on a reported basis at actual FX rates.

Safety

Brambles' Zero Harm Charter states that everyone has the right to be safe at work and to return home as healthy as they started the day.

Brambles measures its safety performance through the Brambles Injury Frequency Rate (BIFR), which consists of work-related incidents resulting in fatalities, lost time, modified duty or medical treatment per million hours worked.

In FY22, Brambles met its year-on-year improvement target and its 2025 target three years in advance, recording a BIFR performance of 4.1, representing an 18% decrease in BIFR year-on-year. Brambles remains committed to its vision of Zero Harm and in FY22 launched a new Safety First strategy as the key enabler for reducing residual risks across its operations. Brambles' Zero Harm Charter and safety targets align with SDG 3: Good Health and Wellbeing.



[26] CAGR has been calculated on a like-for-like basis, excluding the impact of accounting policy changes.

Underlying Profit

Key Drivers

- Transport, logistics and asset management costs (including external factors such as third-party logistics and fuel prices)
- Plant operating costs in relation to management of service centre networks and the inspection, cleaning and repair of assets (including the cost and associated inflationary impacts on labour costs and raw material costs, predominantly lumber)
- Cycle time and damage rate impacts on direct costs
- Income from asset and site compensations
- Contribution from returns on investments in automation and supply chain initiatives
- Surcharge income largely related to lumber, fuel, and transport cost inflation
- Other operational expenses (primarily overheads, such as selling, general and administrative expenses)
- Depreciation as well as provisioning for irrecoverable pooling equipment
- Investments in the Shaping Our Future transformation programme and associated benefits
- FY18 to FY22 includes the impact of accounting standard AASB 15 *Revenue from Contracts with Customers*
- FY20 to FY22 includes the impact of accounting standard AASB 16 *Leases*

5-Year Performance

Underlying Profit of US$930.0 million in FY22, reflected a CAGR[26] over the five years to FY22 of 4% at fixed 30 June 2021 FX rates with acceleration of growth and operating leverage over the last two years. While sales growth was a strong contributor to profit growth, Underlying Profit growth across the five year period was below the rate of sales growth due to continued direct cost pressures in the business, including high input-cost inflation, higher asset charges and increased investment across the business to support growth, network efficiencies, improved commercial outcomes and the Shaping Our Future transformation programme. These cost pressures are offset in part through pricing actions, the surcharge mechanisms and benefits from efficiency and quality programmes.

FY22 Underlying Profit growth was 10% at constant FX – a material uplift relative to the five-year CAGR[26] and reflecting 1pt of profit leverage. Profit growth included pricing growth, North America surcharge income, supply chain efficiencies, higher asset compensations and ~1pt of net timing benefits on deferred pallet repairs. These impacts were partly offset by direct cost inflation, higher asset charges and Shaping Our Future investments.

Refer to page 146 for the detailed five-year financial performance summary on a reported basis at actual FX rates.

Return on Capital Invested (ROCI)

Key Drivers

- Underlying Profit performance
- Capital expenditure on pooling equipment to support growth in the business, which is primarily dependent on the rate of sales growth.
- Brambles' main capital cost exposures are raw materials, primarily lumber, with material inflation in FY21 and FY22 impacting pallet prices
- Asset control factors, i.e. the amount of pooling equipment not recoverable or repairable each year (and therefore requiring replacement), as well as damage rate impacting repair costs
- Recovery of compensations for lost assets funding / part funding replacements
- Asset velocity or frequency with which customers return or exchange pooling equipment
- Investment in business transformation initiatives – both operating cost and capital investment.
- FY18 to FY22 includes the impact of accounting standard AASB 15 *Revenue from Contracts with Customers*
- FY20 to FY22 includes the impact of new accounting standard AASB 16 *Leases*

5-Year Performance

The trend in Brambles' ROCI metric over the five-year period reflects the Underlying Profit performance and increased Average Capital Invested, largely to support growth and supply chain efficiency initiatives, including automation and lumber procurement programmes. Lumber inflation on pooling capex had a considerable impact on Average Capital Invested in FY21 and FY22.

Over the past five years, Brambles has delivered ROCI well in excess of the cost of capital, despite increased investments to support growth and efficiency initiatives.

Reported ROCI in FY18 and FY19 of 20% and 19% respectively, excludes AASB 16 introduced in July 2019, which reduced reported ROCI by 1.5 points. FY20 reported ROCI of 17%, included the impact of AASB 16 *Leases*, FY21 ROCI increased by ~1pt on a like-for-like basis to 18% reflecting improved profitability.

FY22 ROCI was in line with FY21 as strong profit growth was offset by increased Average Capital Invested (ACI) driven by lumber inflation and cycle time impacts on pallet capex in the Year.

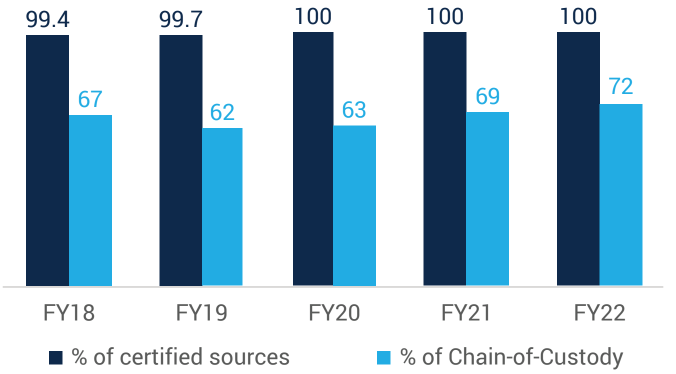
Refer to page 146 for the detailed five-year financial performance summary on a reported basis at actual FX rates.

Material Sourcing

Brambles' longer-term procurement strategy combined with short-term targeted actions was instrumental in navigating lumber supply challenges during the Year, while maintaining 100% certified sustainable sourcing for all timber materials and increasing the quantity of Chain-of-Custody certified materials to 72%.

During the Year, Brambles' procurement team focused on increasing collaboration between regions, accelerating projects to address challenges in one region with opportunities from another.

Importantly, Brambles leveraged its position as a global customer for the diverse supplier network to ensure the security of sustainably certified raw material supply and security continuity.



Material Risks

Brambles is exposed to a range of strategic, operational, compliance and financial-related risks associated with operating in over 60 countries.

Brambles' risk management framework incorporates effective risk management into its strategic planning processes and requires a combination of business operating plans, processes and other risk mitigation activities to effectively manage key risks. The key risks to Brambles' ability to achieve its strategic, financial and sustainability objectives (in no order of significance), and respective mitigating actions, including its response to changes in the geopolitical and macroeconomic environments, the COVID-19 pandemic, and overall global supply chain challenges.

Risk	Implication	Mitigating Actions
Geopolitical and macro-economic conditions including, economic uncertainty arising from the war in Eastern Europe, high inflation, global supply chain disruptions and the ongoing impact of the COVID-19 pandemic	Geopolitical and macro-economic conditions such as the war in Eastern Europe and ongoing high inflationary environment, affecting the supply chain or industries in which Brambles' customers operate, may affect demand for Brambles' services, its financial performance and/or the operation of its business models. In addition, the varying pace of the COVID-19 pandemic recovery across different regions could also affect the operations of its customers or demand for their products, which in turn, could affect the demand for Brambles' services. The pandemic, and more recently the war in Eastern Europe is largely responsible for the unprecedented increase in demand as well as increased challenges relating to supply of timber and pallet availability in the US and Europe in FY22. Availability of pallets has been impacted by pallet production challenges due to the scarcity of timber, increased stock holdings across global supply chains, transport capacity constraints as well as the Russia/Ukraine conflict. A combination of these factors has led to both hyperinflation of timber and pallet prices and limited the availability of pallets	• Strategic planning, including scenario planning, identifying actions to mitigate risks related to continuity of supply to customers and pallet availability • Continued focus on driving investment in improved asset efficiency and expanding the customer value proposition, targeted diversification in opportunities with attractive long-term characteristics, such as joint venture arrangements with sawmills (see Timber Risk), and the expansion of plant automation projects across the Group • Adoption of changes to business models and pricing to recover increased cost-to-serve and incentivise reduced cycle times to mitigate the impact of cost inflation and pallet scarcity, with enhanced focus on cash generation. For example, contracted surcharge mechanisms and exceptional price increases are used to recover inflationary cost increases • In addition to the actions taken to address the restricted supply of timber set out below (see Timber Risk), local pallet collection activity has been increased to reduce potential pallet losses and repair protocols enhanced to reduce the number of scrapped pallets. Transportation procurement teams manage the relationships and contractual arrangements with transporters to mitigate transportation supply risks • The protocols established in response to the COVID-19 pandemic, and the lessons learned, remain in place to enable Brambles to operate and respond to potential changes in the economic and business environment arising from the pandemic. Details of specific further actions are described in various places in this table
Industry trends in the retail, grocery and consumer goods supply chains	Industry trends (e.g. fragmentation of the retail supply chain, rapid acceleration of e-commerce and growth in hard discounters, increased automation in supply chains, demand for different pooling equipment materials or designs) could affect demand for Brambles' current service offerings, the value of its existing assets, and/or its financial performance	Ongoing programmes to: • Drive customer intimacy throughout the supply chain and uncover opportunities to leverage the Group's unique global scale and value proposition; • Create new products and service lines to meet customers' requirements; and • Drive innovation to identify and respond to emerging trends in platforms, materials sciences, new technologies and sustainability practices

Risk	Implication	Mitigating Actions
Maintaining the quality of pooled equipment in line with customer needs	A failure to maintain adequate quality standards may result in reduced customer satisfaction, additional costs and affect the Group's financial performance	• Strict adherence to equipment quality standards, including continuous monitoring of critical-to-quality metrics to assess and ensure quality of products issued to customers • Customer engagement to understand current and future needs, and acting on feedback to improve quality performance • Continued investment in plant automation, platform design and materials science
Maintaining control of pooling equipment	The loss of pooling equipment is inherent in Brambles' business model. Failure to maintain appropriate asset control and recovery processes may result in additional costs and affect the Group's financial performance	• Dedicated Group-wide function and asset control teams across all business units, enabled by comprehensive processes to increase the timely collection of assets • Leveraging existing best practices, including the use of data analytics to improve asset control and reduce losses across the Group • Developing improved processes and controls using advanced data analytics and digital solutions, including Artificial Intelligence, Machine Learning and Robotics supported by deployment of targeted digital tracking devices to improve communication with key stakeholders to reduce losses and create more efficient and sustainable supply chains • Regular schedule of customer equipment inventory audits to assess key asset recovery metrics and identify potential control issues • In response to various disruption events (including war in Eastern Europe, natural events, global supply chain challenges and COVID-19) and consequent demand volatility and timber shortage pressures, Brambles instituted additional field collection activities to reduce cycle times and control losses • Engagement and influencing with customers and retailers to improve pallet returns and reduce unauthorised reuse by emphasising the sustainability impact of Brambles' circular business model and its contribution to customer sustainability objectives • Pricing mechanisms to reflect asset loss in higher risk lanes/flows and compensation programmes to recover the cost of asset losses and to change behaviour, while protecting the business from economic harm • Promoting legal and regulatory changes to assist Brambles in enforcing its legal title to its pooling equipment and to control misuse and black-market activity • Shaping Our Future transformation programme includes development and testing of data and digital solutions to assist in the control of its pooling equipment

Material Risks (continued)

Risk	Implication	Mitigating Actions
Network capacity	The scale and strength of Brambles' network of service centre locations is inherent to its value proposition for customers and other stakeholders. A lack of capacity within the network in a major market could adversely impact service delivery, competitive position and financial performance	• As an essential service provider, Brambles continued to run operations and support customers and their consumers across all its markets despite economic uncertainty and social restrictions arising from the COVID-19 pandemic, and physical and geopolitical events • Implemented a range of safety and contingency measures to ensure service centres remained fully operational during the pandemic • Automation within service centres drives both capacity and capability across the network. The 3-year plant automation project in CHEP Americas was completed in FY21 and has increased capacity across the US service centre network, avoiding potential disruption due to peaks and troughs in demand due to the pandemic • In addition to the ongoing investment in automation to increase capacity to respond to unavoidable demand volatility in CHEP Americas, innovations in automation continue to be made across the global network; for example, the touchless repair unit called Integrum. • As part of the Task Force on TCFD framework response, conducted an assessment of service centres to evaluate the network's resilience against physical climate change events
Customers and competitors	Brambles operates in competitive markets. Unmet customer expectations or increasing intensity of competitor activity could affect Brambles' market penetration and financial performance	• Leveraged Brambles' unique global scale, network advantage and sustainable business model to support customers with meeting the unprecedented volatility in consumer supply chains created by the COVID-19 pandemic • Collaborating with customers to understand and meet their evolving needs. Adopting digital and other technologies to innovate products and services, enhance customer experience and strengthen competitive advantage • Implementation of programmes to facilitate retailer advocacy of Brambles' pooled solutions • Supporting customer sustainability objectives by leveraging Brambles' sustainability credentials and circular business model
Retailer acceptance of pooled solutions	Retailers are integral to Brambles' operating model. A reduction or loss of retailer support for pooled solutions in their supply chains could result in a loss of customers and/or market penetration and adversely impact Brambles' financial performance	• Dedicated teams with executive-level responsibility for strengthening retailer relationships, identifying retailer-specific product requirements and ensuring retailers understand Brambles' value proposition • Improving the value proposition for retailers through the implementation of joint business plans and adopting the value sharing concept to create win-win opportunities • Implementation of programmes to facilitate customer advocacy of Brambles' pooled solutions • Supporting retailer sustainability objectives by leveraging Brambles' sustainability credentials and circular business model

Risk	Implication	Mitigating Actions
Cyber security	The unauthorised access to or use of Brambles' IT systems, in both its offices and its plants, could adversely impact Brambles' ability to serve its customers or compromise customer or employee data, resulting in reputational damage, financial loss and/or adverse operational consequences. The implications of this risk continue to increase as institutions and global supply chain companies have become a specific focus of cyber-attacks from state actors, and ransomware attacks have increased globally	• The ongoing security programme is delivering key capabilities to protect systems and to detect and promptly respond to unauthorised or inappropriate activity including ransomware attacks. Key controls include, but are not limited to, email and internet filtering, anti-virus software, multi-factor authentication, enterprise security architecture covering both offices and plants, 24/7 security operations centre, security awareness training, as well as the use of penetration testing across Brambles' network • Cyber incident response playbooks and table-top exercises are conducted to test and improve Brambles' readiness to respond in the event of a cyber security event • Brambles continues to use the National Institute of Standards and Technologies Cyber Security Framework and the Australian Cyber Security Centre's Essential 8 advice to independently assess, monitor, track and report progress to Brambles' Board
Data governance	Brambles relies on its IT systems, and the data stored on those systems, to operate its business. The identification and classification of Brambles' key data assets are vital components of its capacity to effectively carry on its businesses and of its cyber security strategy. Incomplete or unsuitable identification and classification of key data assets could result in the misuse, loss of or unauthorised access to sensitive data due to incorrect storage, processing or disposal procedures. This, in turn, could result in financial loss, operational disruption and/or reputational damage	• Process to identify and classify data assets to allow Brambles to prioritise security technology implementations that offer targeted and appropriate protection. • Data Classification and Handling Policy includes guidelines on the types of data and protection protocols for each data type • Regular Training (including refresher training) on data classification and handling is provided to all employees and contractors • Brambles has an Acceptable Use Policy which outlines the standards by which all users must use information and technology assets and services. Preventative controls are also in place to mitigate the risk of loss or misuse of data. These controls include the encryption of laptops, mobile devices, email data retention controls and the ability to store data in secure drives • Brambles has an Information Management Strategy and continues to seek opportunities to enhance the management of data and data security. A key element of the digital strategy is using information to power smarter, more sustainable supply chains

Material Risks (continued)

Risk	Implication	Mitigating Actions
Timber supply	Access to sustainably certified sources of timber is essential for Brambles to carry on its business. A concentration of timber suppliers in any region, a shortage of available certified sources of timber or geopolitical events, could adversely impact Brambles' ability to maintain its timber pallet pool at levels that will enable it to meet customer demand for those products. This could result in loss of customers and/or market penetration and adversely impact Brambles' financial performance. Climate-related risks for forests and timber supply, including market, regulatory and physical risks, will emerge over a five-to-ten-year period	• In response to the timber supply shortages and cost inflation caused by various disruption events (including the war in Eastern Europe, global supply chain challenges and COVID-19), dedicated global and regional timber procurement teams manage timber procurement and mitigate timber supply risks. This includes onboarding new suppliers of FSC/PEFC accredited timber and expanding the availability of FSC/PEFC accredited timber in the market by working with non-accredited timber farms to obtain the certification • The timber procurement strategy is aimed at improving supply security of certified timber while decoupling the procurement of timber from market price volatility. This includes activity such as: - Developing joint venture partnerships with local sawmills; - Investigating alternative materials and species for future sources of timber; and - Acquisition of timber farms in South Africa. • In line with Brambles' 2025 sustainability targets, 100% of timber is sourced from certified sources. Brambles has continued to meet year-on-year improvement targets of sourcing Chain-of-Custody certified timber
Regulatory compliance	Brambles operates in a large number of countries with widely differing legal regimes, legislative requirements and compliance cultures. A failure to comply with regulatory obligations and local laws could adversely affect Brambles' operational and financial performance and its reputation	• Dedicated Chief Compliance Officer responsible for monitoring the implementation and ongoing application of compliance management systems • A Code of Conduct provides a framework for detailed policies addressing regulatory compliance • A vendor due diligence programme to assess the compliance of suppliers with various legal and regulatory requirements, such as bribery and corruption, sanctions violations, modern slavery and human rights practices, privacy and environmental • Adoption of Group-wide online compliance training programmes to supplement face-to-face training • Regular cadence of Board reporting on regulatory matters, whistleblowing incidents and Environmental, Social and Governance (ESG) matters against an ESG scorecard
Attraction and retention of talent	A failure to attract, develop and retain high performing individuals could adversely impact Brambles' ability to implement and manage its strategic objectives	• Detailed talent management and succession planning processes to identify high potential employees and prepare successors for senior executive positions • Adoption of development programmes for management, leadership and functional expertise through all employment levels • Formal mentoring programmes offered to all employees • Implemented a policy of hybrid working • A refreshed digital employee value proposition to attract data and digitally skilled talent in support of our transformation programme • Developing new skills internally through training and development

Risk	Implication	Mitigating Actions
Digital disruption	The development of cost-effective digital supply chain solutions has the potential to materially change supply chain dynamics. If a third-party were to develop such solutions before Brambles, it could adversely impact Brambles' business models. This could result in loss of customers and/or market penetration and adversely impact Brambles' financial performance	• Brambles has successfully leveraged digital and analytics capabilities to assist its businesses in managing asset losses and driving asset efficiency more effectively • Through the establishment of the Brambles Digital Function (incorporating the previous BXB Digital business unit), Brambles has developed unique functional capabilities and robust technical solutions to explore the role of technology in its business and customer offering and to engage in innovation of products and services in the digital space • The Digital Function is innovating, developing, testing and refining digital solutions, which have the potential to provide commercial digital services to its customers
Safety	Brambles is subject to inherent operational risks including industrial hazards, road traffic or transportation accidents that could potentially result in serious injury or fatality of employees, contractors or members of the public	• The Zero Harm Charter states that everyone has the right to be safe at work and to return home as healthy as they started the day • Successfully executed a range of actions and protocols, such as social distancing measures, more frequent cleaning and disinfecting, thermal scanning and distribution of personal protective equipment, to keep people safe during the COVID-19 pandemic. Where appropriate, these protocols remain in place • Adoption of Safety First strategy to help navigate Brambles to its Zero Harm vision • Continued to further enhance safety management systems, including focusing on human and organisation behavioural principles and implementing additional engineering and technology-based controls • The ongoing investment in automation across the network reduces the risk of injury; for example the development of touchless repair units, such as Integrum • Use of leading and lagging safety metrics, which measure work-related injuries, lost time, modified duties and incidents requiring medical treatment, and near misses with regular reporting and monitoring to the Brambles Board
Diversity, Equity and Inclusion	Brambles has a diverse workforce and believes that an inclusive work environment allows employees to realise their full potential, regardless of gender, race, religion, age, disability, ethnicity, sexual orientation or any other factor that makes an individual unique. Any activities or practices within its operations or in its supply chains that could undermine this intent violates Brambles' values and are detrimental to the integrity and credibility of its brands	• Brambles fosters a diverse, equitable and inclusive environment, to be better able to relate to customers, suppliers, communities and co-workers • Established a global Inclusion and Diversity Council with programmes and initiatives to encourage, celebrate and support all forms of diversity • Continuing progress in improving gender diversity at all levels within the organisation, including Board, executive leadership and management positions

Material Risks (continued)

Risk	Implication	Mitigating Actions
Climate change	Climate change is influencing both acute short-term weather events and longer-term chronic climate trends. These climate-related physical impacts are influencing society and consumer purchasing behaviour, translating into business trends, such as changes in markets, technology, policy, legal requirements and reputational expectations. Responding to the specific challenges of climate change is intimately linked to Brambles' sustainable, low-carbon circular 'share and reuse' model	• Brambles is a sustainable business because of its circular 'share and reuse' model, which reduces demand on natural resources, regenerates forests, eliminates waste for customers and reduces carbon emissions from the world's supply chains • As a leader in the circular economy, Brambles understands the potential to address climate change by focusing on both its impact on climate change and the impact of climate change on Brambles • Brambles is committed to a 1.5ºC climate future aligned with the Paris Agreement and carbon emissions SBTs • As part of this objective, Brambles became carbon neutral in June 2021 and 100% of electricity used at its service centres was from renewable sources • Brambles' demand for sustainably sourced timber addresses deforestation and its impact on climate change through its 2025 afforestation target to plant two trees for every tree used, which will increase forest cover • Brambles has established its 2030 SBTs covering its Scope 1, 2 and 3 emissions. Brambles has committed to achieving net-zero carbon emissions by 2040. It has put in place a dedicated decarbonisation function and developed an actionable roadmap to assist it in achieving this goal • Brambles has adopted the TCFD framework with an ongoing project to assess the risks and opportunities for the business using climate scenario analysis (further details on TCFD are on pages 22 and 23 • Brambles' climate change reporting (as part of the wider sustainability reporting) is in line with the requirements from the Global Reporting Initiative and the Sustainability Accounting Standards Board. It is also significantly aligned with the proposals within the exposure draft issued by the International Sustainability Standards Board

Risk	Implication	Mitigating Actions
Transformation execution	Brambles is currently undergoing an enterprise-wide transformation through the Shaping Our Future programme. Failure to successfully execute and deliver the business outcomes could adversely impact Brambles' ability to deliver against its customer, investor, and sustainability value propositions	• Twin-track approach to transformation driving increased performance and resilience of our current business while increasing investment to create the 'Brambles of the Future' • Dedicated Transformation Office, led by the Chief Transformation Officer, to assure, enable and drive rigorous governance and cadence, developing transformational capabilities and tools across the business, actively solving problems and co-owning the transformation together with the operating businesses • Active ownership and leadership of the Transformation Programme by the Executive Leadership Team • Detailed scorecard to progressively measure outcomes across our transformation journey, with balance of financial and non-financial, and leading and lagging metrics • Appointment of a Chief Digital Officer responsible for the Brambles Digital Function (incorporating the previous BXB Digital business unit) • Enabling effective change delivery by building transformation capabilities across the enterprise, fostering company-wide shared ownership and learnings • Leveraging existing best practice, as well as a strong pipeline of new initiatives to drive future value creation

1. Financial Review

1.1 Group Overview

1.1.1 Summary of 2022 Financial Results

US$m			Change	
(Continuing operations)	FY22	FY21	Actual FX	Constant FX
CHEP Americas	2,950.8	2,627.5	12%	12%
CHEP EMEA	2,072.5	2,056.4	1%	7%
CHEP Asia-Pacific	535.6	525.9	2%	5%
Sales revenue	**5,558.9**	**5,209.8**	**7%**	**9%**
CHEP Americas	482.3	385.5	25%	25%
CHEP EMEA	461.2	462.7	-	5%
CHEP Asia-Pacific	168.7	146.2	15%	20%
Corporate	(182.2)	(119.8)	(52)%	(50)%
Underlying Profit	**930.0**	**874.6**	**6%**	**10%**
Significant Items	-	-		
Operating profit	**930.0**	**874.6**	**6%**	**10%**
Net finance costs	(88.1)	(85.6)	(3)%	(4)%
Net impact from hyperinflationary economies[1]	(22.0)	-		
Tax expense	(248.2)	(257.5)	4%	(1)%
Profit after tax from continuing operations	**571.7**	**531.5**	**8%**	**12%**
Profit/(Loss) from discontinued operations	**21.6**	(8.9)		
Profit after tax	**593.3**	**522.6**	**14%**	**18%**
Average Capital Invested	5,248.2	4,930.5	**6%**	**9%**
Return on Capital Invested	17.7%	17.7%	-	0.2pts
Weighted average number of shares (m)	1,415.7	1,475.1	(4)%	(4)%
Basic EPS (US cents)	**41.9**	**35.4**	**18%**	**23%**
Basic EPS from continuing operations (US cents)	**40.4**	**36.0**	**12%**	**17%**

Note on FX: The variance between actual and constant FX performance reflects the appreciation of Brambles' reporting currency, the US dollar, relative to key operating currencies, primarily the Euro.

FY22 Operating Environment

In FY22, Brambles continued to play a critical role in supporting customers as they responded to unprecedented disruptions to global supply chains.

The ongoing impact of the COVID-19 pandemic and increased geo-political tensions resulted in significant inflationary pressures and shortages of critical inputs.

These shortages impacted transport capacity and labour availability driving increased costs and operational inefficiencies across global supply chains and Brambles' own operations.

Global lumber markets were particularly affected, with record levels of inflation and lumber scarcity impacting the supply and price of new pallets. These factors contributed to industry-wide pallet scarcity, which was further exacerbated by higher customer and retailer inventory holdings to de-risk supply chains and an increase in the unauthorised reuse of pallets in response to pallet shortages and higher market value of pallets.

For Brambles, these dynamics resulted in lower pallet returns, extended cycle times and higher loss rates, which impacted volume growth and operational efficiency across its network.

In response to these challenges, Brambles added resources to existing asset management activities and introduced new initiatives supported by data analytics and digital insights to increase pallet recoveries from high-risk channels. Brambles also implemented new processes to refurbish pallets that would otherwise be scrapped and invested in an additional ~8 million pallet purchases across the globe to support its customers.

[1] The net impact of US$22.0 million reflects the application of AASB 129 *Financial Reporting in Hyperinflationary Economies*.

Notwithstanding these initiatives and capital investments, pallet availability remained challenging during the Year with sub-optimal pallet balances across Brambles' network.

This required allocation protocols to be implemented across major markets in the US, Europe and Australia.

Given the challenging operating context, Brambles' strong FY22 result, including maintaining ROCI in an extraordinary inflationary environment, is testament to the resilience of its business model, its ability to adapt to changes in the operating landscape and to recover material cost increases. This was achieved through a combination of pricing, surcharge mechanisms and efficiencies from supply chain investments including early benefits from the Shaping Our Future transformation programme.

Sales revenue from continuing operations of US$5,558.9 million increased 9% at constant currency. Price realisation across the Group contributed 9% to sales revenue growth**,** reflecting contractual price increases, including indexation, and additional pricing actions to recover material cost-to-serve increases across all regions.

Group volumes were in line with the prior year as pallet availability constraints moderated growth with new and existing customers, most notably in North America and the Asia-Pacific region.

Notwithstanding pallet availability challenges, net new business increased 1%, reflecting new pallet contract wins in Europe and the rollover contribution from a large Australian RPC contract, which commenced part way through the prior year.

Like-for-like volumes decreased 1% with growth impacted by ongoing supply chain disruptions, including pallet availability constraints, and some softening of consumer demand in key markets.

Underlying Profit and **Operating profit** of US$930.0 million increased 10% at constant currency, including short-term transformation costs of US$48.4 million largely relating to consulting fees and internal resources to support the transformation programme.

Excluding these short-term transformation costs, Underlying Profit increased 16% at constant currency as pricing initiatives, higher surcharge income and increased asset compensations combined with supply chain efficiencies offset cost-to-serve increases and additional costs associated with investments in the Shaping Our Future transformation programme. Underlying Profit growth also included a one percentage-point benefit from net plant cost savings due to lower pallet returns in the Year.

Group sales growth and incremental North America surcharge income contributed US$498 million and US$76 million respectively to Underlying Profit, and fully recovered operational cost increases, which included:

- Plant cost increases of US$175 million, reflecting input-cost inflation of US$183 million (primarily lumber), as well as other cost increases, including additional repair costs on pallets that would otherwise have been scrapped and plant inefficiencies from reduced pallet returns and lower levels of plant safety stocks across the network. These cost increases were partly offset by pallet durability initiatives to reduce damage rates in the US and Europe, lower storage costs and timing benefits relating to reduced repair activity on pallets due to lower return rates;
- Transport cost increases of US$154 million due to transport and fuel inflation across the Group of US$207 million and higher asset recovery costs in the US. These cost increases were partially offset by benefits delivered through network efficiency and collection optimisation initiatives and savings from lower deliveries, collections and relocations as a result of higher cycle times;
- IPEP[2] expense increase of US$38 million driven by First-In-First-Out (FIFO) unit cost increases and higher pallet losses in the Americas segment. The overall loss levels as a percentage of the pool remain unchanged year-on-year;
- Depreciation expense increases of US$34 million in line with pool growth and the impact of lumber inflation on pallet purchases in FY21 and FY22;
- Shaping Our Future cost increases of US$53 million, including US$48 million of short-term transformation costs in line with expectations provided at the 2021 Investor Day of ~US$50m. In addition, ongoing transformation costs increased US$5 million to support digital and data analytics capabilities as well as initiatives to improve customer experience; and
- Other indirect cost increases of US$29 million, including the impact of cycling one-off benefits in the Asia-Pacific region of US$11 million in the prior year, largely reflecting compensation on the mandatory relocation of a service centre. Overhead investments to support growth and improved commercial outcomes were partly offset by higher asset compensations of US$27 million.

Profit after tax from continuing operations of US$571.7 million increased 12% at constant currency, driven by the strong Operating profit result.

Net finance costs increased 4% with higher net debt to fund the share buy-back programme, which completed the return of proceeds from the sale of the IFCO business in 2019, and to support the increased cash flow requirements of the business during the Year. These higher cash flow requirements included a ~40% year-on-year increase in pallet prices and funding investments in supply chain and digital initiatives.

The net charge of US$22.0 million arising from hyperinflationary economies mainly relates to Brambles' operations in Türkiye, which was deemed a hyperinflationary economy in the last quarter of FY22. The trigger for hyperinflation accounting is inflation of over 100% across a three-year period.

[2] Irrecoverable Pooling Equipment Provision.

Tax expense of US$248.2 million increased 1% in constant currency, including the cycling of a one-off tax expense in the prior year, relating to UK corporate tax rate changes. The FY22 underlying effective tax rate of 29.5% decreased 0.3pts on prior year levels.

Profit from discontinued operations of US$21.6 million relates to the revaluation gain on the loan receivable from First Reserve as market conditions in the oil & gas industry improved. Prior year losses from discontinued operations largely related to the Kegstar business.

Return on Capital Invested of 17.7% was in line with the prior year despite material pallet price inflation and investments in transformation, which were offset by strong cost recovery and other efficiencies realised in the Year.

Cash Flow Reconciliation

US$m	FY22	FY21	Change
Underlying Profit	930.0	874.6	55.4
Depreciation and amortisation	691.9	664.3	27.6
IPEP expense	232.0	198.3	33.7
EBITDA	**1,853.9**	**1,737.2**	**116.7**
Capital expenditure	(1,652.3)	(1,055.0)	(597.3)
Proceeds from sale of PPE	172.5	145.8	26.7
Working capital movement	(7.1)	35.7	(42.8)
Purchase of intangibles	(19.8)	(21.3)	1.5
Other	25.4	58.7	(33.3)
Cash Flow from Operations	**372.6**	**901.1**	**(528.5)**
Significant Items	(0.5)	(0.9)	0.4
Discontinued operations	(1.8)	(7.1)	5.3
Financing costs and tax	(284.1)	(271.1)	(13.0)
Free Cash Flow	**86.2**	**622.0**	**(535.8)**
Dividends paid	(304.8)	(280.8)	(24.0)
Free Cash Flow after dividends	**(218.6)**	**341.2**	**(559.8)**

Cash Flow from Operations of US$372.6 million decreased US$528.5 million on the prior year as higher capital expenditure due to the impact of lumber inflation on pallet purchases and increased pallet cycle times more than offset higher earnings and increased compensations for lost pallets.

On a cash basis, capital expenditure of US$1,652.3 million increased US$597.3 million largely reflecting a ~US$470 million impact of lumber inflation on new pallet purchases in the current year.

On an accruals basis, capital expenditure increased US$650.4 million at constant currency, including ~US$520 million year-on-year increase in the cost of new pallets due to lumber inflation. Cycle time increases and replacement of lost pallets contributed ~US$155 million to the additional pallet capex and was partly offset by asset recovery and scrap initiatives, which delivered ~US$85 million in pallet savings.

The remaining year-on-year increase in pooling capital expenditure of ~US$60 million, reflected the one-off benefit in the prior year from utilising plant stock to support demand, partly offset by cycling of higher volume growth in the prior year.

Due to lower pallet returns in the second half of the year, approximately US$180 million in pallet purchases are still required as at 30 June 2022 to replenish plant stock balances back to optimal levels.

Non-pooling capital expenditure was broadly in line with the prior year as semi-conductor and other component shortages delayed investments in service centre automation.

Proceeds from the sale of PPE increased US$26.7 million, notwithstanding a one-off compensation benefit relating to the mandatory service centre relocation in Australia recognised in the prior year. The increase in the current period reflected higher compensations for lost pallets in the North American, European and IMETA businesses.

The year-on-year change in working capital movements largely reflected higher trade and other receivables increases driven by sales revenue growth and increased inventory balances due to repair lumber inflation.

Other cash flow items decreased US$33.3 million due to movement on provisions for employee benefits and other non-cash adjustments mainly relating to asset disposals.

Free Cash Flow after dividends was an outflow of US$218.6 million, a decrease of US$559.8 million on the prior year, with ~US$470 million of cash flow impact from pallet price inflation.

Cash outflows relating to financing costs and tax increased US$13.0 million on the prior year, reflecting the reversal of the US$35 million prior year tax timing benefit, partly offset by current year tax credits in the US and UK.

Dividend payments increased US$24 million as higher dividends per share relative to the prior year, were partly offset by a decrease in the shares on issue due to the share buy-back programme.

Segment Analysis

1.1.2 CHEP Americas

US$m			Change	
	FY22	FY21	Actual FX	Constant FX
Pallets	2,914.2	2,590.0	13%	13%
Containers	36.6	37.5	(2)%	(2)%
Sales revenue	**2,950.8**	**2,627.5**	**12%**	**12%**
Underlying Profit	**482.3**	**385.5**	**25%**	**25%**
Average Capital Invested	2,659.9	2,449.4	9%	9%
Return on Capital Invested	**18.1%**	**15.7%**	**2.4pts**	**2.5pts**

Sales Revenue

Pallets sales revenue of US$2,914.2 million increased 13% at constant currency, reflecting pricing actions to recover record levels of input-cost inflation across the region.

US pallets sales revenue of US$2,148.0 million increased 11% at constant currency, comprising:

- Price growth of 15% driven by actions to recover the higher cost-to-serve, including operating and capital cost inflation;
- Net new business broadly in line with the prior year as pallet availability challenges limited growth with the business prioritising servicing existing customers; and
- Like-for-like volume declines of 4%, driven by supply chain disruptions, including the impact of pallet availability constraints.

Canada pallets sales revenue of US$353.5 million increased 13% at constant currency, largely reflecting strong pricing actions to recover cost-to-serve increases.

Latin America pallets sales revenue of US$412.7 million increased 18% at constant currency, driven by pricing actions to recover the cost-to-serve and like-for-like growth in the food and beverage sector.

Containers sales revenue was US$36.6 million, down 2% at constant currency due to lower volumes in the North America IBC business.

Profit

Underlying Profit of US$482.3 million increased 25% at constant currency with segment margin improvement of 1.7pts at constant currency, including a ~1pt improvement in US margins through strong pricing and increased surcharge income.

The segment profit contribution from sales growth of US$357 million and incremental gross surcharge income of US$76 million was partially offset by:

- Plant cost increases of US$137 million (excluding lumber surcharge), which included input-cost inflation of US$126 million, primarily relating to lumber. Other cost increases included additional pallet remanufacturing costs to reduce scrap rates and net inefficiencies associated with lower pallet return rates in the period. These costs were partly offset by damage rate improvements and lower storage costs in the US business;
- Transport cost increases of US$127 million (excluding surcharge income) due to transport and fuel inflation of US$139 million across the region and higher asset recovery costs in the US business. These cost increases were partially offset by benefits from network efficiencies and collection optimisation initiatives in the region;
- Depreciation cost increases of US$19 million due to pool growth and the impact of lumber inflation on unit pallet costs;
- IPEP expense increases of US$38 million driven by increased FIFO per unit pallet costs and higher losses in the region, despite loss rates benefiting from asset efficiency initiatives; and
- Other cost increases of US$15 million, largely reflecting overhead cost increases partly offset by higher pallet compensations.

Return on Capital Invested

Return on Capital Invested of 18.1% increased 2.5 percentage points at constant currency as strong Underlying Profit growth was offset by a 9% increase in ACI, largely reflecting higher pooling capex driven by cycle time increases and unit pallet price inflation.

1.1.3 CHEP EMEA

US$m			Change	
	FY22	FY21	Actual FX	Constant FX
Pallets	1,789.9	1,765.3	1%	7%
RPC	30.3	28.9	5%	7%
Containers	252.3	262.2	(4)%	2%
Sales revenue	**2,072.5**	**2,056.4**	**1%**	**7%**
Underlying Profit	**461.2**	**462.7**	**-**	**5%**
Average Capital Invested	1,978.7	1,943.5	2%	8%
Return on Capital Invested	**23.3%**	**23.8%**	**(0.5)pts**	**(0.7)pts**

Sales Revenue

Pallets sales revenue of US$1,789.9 million increased 7% at constant currency, reflecting pricing growth to recover cost-to-serve increases across the region and new business wins in the European pallets business.

European pallets sales revenue of US$1,577.5 million increased 7% at constant currency, comprising:

- Price growth of 4% largely reflecting contractual indexation and targeted pricing actions to recover input-cost inflation;
- Net new business growth of 4% driven by new customer contract wins in Southern, Central and Eastern Europe; and
- Like-for-like volume decline of (1)%, reflecting softening consumer demand.

India, Middle East, Türkiye, and Africa (IMETA) pallets sales revenue of US$212.4 million increased 8% at constant currency as price realisation across the region was offset by input-cost inflation and cost-to-serve increases.

RPC and Containers sales revenue of US$282.6 million increased 3% at constant currency, with:

- Automotive sales revenue of US$187.5 million, up 1% on the prior year due to pricing growth across the region and longer cycle times leading to an increase in daily hire fees in the North American automotive business. This was offset by issue volume declines from the impact of semi-conductor shortages on manufacturing activity levels in the industry;
- IBC sales revenue of US$64.8 million, up 8% on the prior year, reflecting pricing contributions and volume growth in the European IBC business; and
- RPC sales revenue of US$30.3 million, up 7% on the prior year, driven by volume growth in the South African business.

Financial Review – continued

Profit

Underlying Profit of US$461.2 million increased 5% at constant currency despite significant inflationary headwinds. In constant currency terms, volume, price and mix contributions and net gains relating to higher pallet compensations of US$132 million across the region, were partly offset by:

- Net transport cost increases of US$49 million, as inflation and third-party transport scarcity resulted in US$66 million of incremental transport costs, which were partly offset by lower transport costs in the European Automotive business and network efficiencies within the European pallet business;
- Net plant cost increases of US$46 million, including input-cost inflation of US$53 million and additional costs relating to the heat treatment of pallets. These cost increases were partly offset by pallet durability improvements; and
- Depreciation increases of US$13 million in line with growth in the pallet pool and the impact of lumber inflation on unit pallet costs.

Return on Capital Invested

Return on Capital Invested of 23.3% decreased 0.7 percentage points at constant currency as profit growth was offset by an 8% increase in ACI, driven by the impact of lumber inflation on new pallet prices and additional pallet purchases to support volume growth and extended cycle times in the region.

1.1.4 CHEP Asia-Pacific

US$m			Change	
	FY22	FY21	Actual FX	Constant FX
Pallets	395.2	397.5	(1)%	3%
RPC	94.1	80.9	16%	21%
Containers	46.3	47.5	(3)%	-
Sales revenue	**535.6**	**525.9**	**2%**	**5%**
Underlying Profit	**168.7**	**146.2**	**15%**	**20%**
Average Capital Invested	610.4	569.6	7%	10%
Return on Capital Invested	**27.6%**	**25.7%**	**1.9pts**	**2.3pts**

Sales Revenue

Pallets sales revenue of US$395.2 million, increased 3% at constant currency driven by the Australian pallet business and reflecting price realisation to recover cost-to-serve increases and daily hire revenue associated with higher utilisation and longer cycle times in the market from increased inventory holdings across customer and retailer supply chains. These increases offset lower transport revenue in line with lower pallet issue volumes and return rates due to pallet availability constraints in the region.

RPC and Containers sales revenue was US$140.4 million, up 13% at constant currency, driven by rollover contributions from a large Australian RPC contract, which commenced part way through the prior year.

Profit

Underlying Profit of US$168.7 million increased 20% at constant currency and included a net benefit of ~US$10 million from lower pallet returns. These timing benefits were offset by one-off benefits in the prior year of US$11 million relating primarily to the compulsory relocation of a service centre in Australia. Excluding these impacts, the sales contribution to profit and incremental contributions from the Australian RPC business were partially offset by input-cost inflation and overhead cost increases in the region.

Return on Capital Invested

Return on Capital Invested of 27.6% increased 2.3 percentage points at constant currency as profit growth more than offset a 10% increase in ACI to support the Australian Pallet and RPC businesses.

1.1.5 Corporate

US$m			Change	
	FY22	FY21	Actual FX	Constant FX
Short-term transformation	(48.4)	-	(48.4)	(48.4)
Ongoing transformation costs	(60.2)	(56.9)	(3.3)	(4.8)
Shaping our Future transformation costs	**(108.6)**	**(56.9)**	**(51.7)**	**(53.2)**
Corporate Costs	(73.6)	(62.9)	(10.7)	(7.2)
Underlying Profit	**(182.2)**	**(119.8)**	**(62.4)**	**(60.4)**

Shaping Our Future costs of US$108.6 million increased US$53.2 million at constant currency, including short-term transformation costs of US$48.4 million primarily relating to consulting fees and internal resources to support the transformation programme.

Ongoing transformation costs of US$60.2 million increased US$4.8 million in constant currency, largely reflecting investments in digital and data analytics capabilities, and initiatives to improve the customer experience.

Corporate costs of US$73.6 million increased US$7.2 million at constant currency, primarily reflecting Brambles' share of the MicroStar post-tax losses and labour and insurance related overhead cost increases.

Board & Executive Leadership Team

Board of Directors

John Mullen Non-Executive Chair (Independent)

Chair of the Nominations Committee and member of the Remuneration Committee

Joined Brambles as a Non-Executive Director and Chair elect in November 2019 and became Chair on 1 July 2020. He is currently a Non-Executive Director and Chair of Telstra, and Senior Advisor of the unlisted entity, Toll Group. Previously, John was Chief Executive Officer of Asciano, Australia's largest ports and rail operator, from 2011 to 2016. Prior to that, John had a distinguished career with the DHL Group from 1994 to 2009, ultimately becoming Chief Executive Officer of DHL Express in 2006. He also served as a Director of Deutsche Post World Net, the parent company of DHL Express. Before joining DHL, John spent 10 years with the TNT Group, culminating in the role of Chief Executive Officer of TNT Express Worldwide, which he held from 1990 to 1994. He was formerly a Non-Executive Director of Brambles (from 2009 to 2011), and has also served as Chair of Toll Group and a director on the boards of Brookfield Infrastructure Partners LP, Macquarie Airports Corporation, Embarq LLC (USA), Transportes Guipuzcoana (Spain) and Ducros Services Rapides (France). He was also Chair of the US National Foreign Trade Council in Washington from 2008 to 2010. John holds a Bachelor of Science from the University of Surrey.

Kendra Banks Non-Executive Director (Independent)

Member of the Nominations Committee

Joined Brambles as a Non-Executive Director in May 2022. Kendra has extensive experience across the retail and technology sectors with a focus on customer insights, commercial management and digital marketing. Kendra is currently Managing Director, Australia and New Zealand for SEEK Limited. She joined SEEK in 2015 as its Marketing Director and, in 2017, became its Chief Commercial Officer before taking up her current role in 2018. Prior to joining SEEK, from 2004 to 2012, Kendra held a number of executive roles at Tesco in the UK including Marketing Director, Tesco.com and Pricing and Promotions Director. She joined Coles in 2012 where her roles included General Manager, Coles Brand (Private Label) and Customer Insight. Kendra started her career as a consultant with McKinsey & Company. Kendra holds a Bachelor of Arts, Economics and Mathematics from Yale University and Master of Arts, European Political and Administrative Studies from the College of Europe.

Graham Chipchase Chief Executive Officer

Chair of the Executive Leadership Team and member of the Nominations Committee

Joined Brambles at the beginning of January 2017 as Chief Executive Officer Designate and became Chief Executive Officer on 20 February 2017. Prior to Brambles, Graham was Chief Executive Officer of Rexam plc, one of the world's largest consumer packaging companies, from 2010 to June 2016. Graham had first joined Rexam in 2003 as Group Finance Director before moving to Group Director of Plastic Packaging. He left Rexam in June 2016, after Rexam was successfully acquired by Ball Corporation. Graham was a Non-Executive Director of AstraZeneca plc from 2012 until 2021, including being Chair of its Remuneration Committee from 2015 to 2020 and Senior Independent Director from 2019 to 2021. He holds an MA (Hons) Chemistry from Oriel College, Oxford, and is a Fellow of the Institute of Chartered Accountants in England and Wales.

George El-Zoghbi Non-Executive Director (Independent)

Member of the Nominations and Remuneration Committees

Joined Brambles as a Non-Executive Director in January 2016. George has extensive international consumer packaged goods and supply chain experience. He is currently the Chief Executive Officer of The Arnott's Group. He is also a Strategic Advisor to Altimetrik, a US-based digital and IT solutions company. Previously, George was the Chief Operating Officer of US commercial businesses for Kraft Heinz Company from the merger of Kraft Foods Group and H.J. Heinz in July 2015 until October 2017 and a Director of Kraft Heinz Company from April 2018 to April 2021. Prior to that merger, George held a number of key leadership roles at Kraft including Chief Operating Officer. Prior to joining Kraft in 2007, he held a number of executive roles with Fonterra Cooperative and various managerial and sales roles with Associated British Foods. He holds a Diploma of Business, Marketing, as well as a Master of Enterprise from the University of Melbourne and has also completed an Accelerated Development Programme at MC London Business School.

Elizabeth Fagan CBE Non-Executive Director (Independent)

Member of the Audit & Risk and Nominations Committees

Joined Brambles as a Non-Executive Director in June 2018. Elizabeth has extensive experience in the international retail sector. She is a Commander of the Order of the British Empire (CBE). Currently, she is Chair of the Board of D2N2 Local Enterprise Partnership. Previously, she was the Non-Executive Chair of Boots UK & Ireland, Senior Vice President and Managing Director of Boots, leading all Boots businesses across the UK and the Republic of Ireland. Prior to that, she was Senior Vice President, Managing Director, International Retail for Walgreens Boots Alliance, from the Company's creation in December 2014 to 2016, Marketing Director of Boots and Managing Director of Boots Opticians, and previously worked for Boots as Group Buyer from 1983 to 1991. Before rejoining the Boots business in 2006, Elizabeth worked for DSG International plc for 10 years, where she held a number of senior positions, including Marketing Director, Group Marketing Director and Managing Director of The Link. She holds a Bachelor of Science, Biochemistry, from Strathclyde University and an Honorary Doctorate of Science from Nottingham Trent University.

Ken McCall Non-Executive Director (Independent)

Member of the Audit & Risk and Nominations Committees

Joined Brambles as a Non-Executive Director in July 2020. Ken's background is in global network management, international logistics and supply chain, having held leadership positions including Chief Executive, DHL Express UK & Ireland, from 2008 to 2010, and MD, Networks and Operations, DHL Express Europe, which consolidated his extensive experience of continental Europe. He lived and worked in China during his time with TNT NV, as CEO TNT China, 2004 to 2007, and CEO TNT Asia, Middle East, Africa & Indian Subcontinent, 1996 to 2004. More recently, Ken served as Deputy Group CEO at Europcar Mobility Group from 2016 to 2019, having previously held the roles of Group Chief Operating Officer and Group Managing Director for the UK. Ken has more than 10 years' experience as a Non-Executive Director. He served on the board of global fashion retailer SuperDry plc from 2010 to 2016 and was a member of its Audit and Remuneration Committees, and on the board of Post Office Limited from 2016 to January 2022 at which he was Senior Independent Non-Executive Director, Chair of the Remuneration Committee and a member of the Nomination and Audit, Risk and Compliance Committees. Ken is a member of the Chartered Institute of Transport and Logistics, Singapore.

Jim Miller Non-Executive Director (Independent)

Member of the Nominations and Remuneration Committees

Joined Brambles as a Non-Executive Director in March 2019. Jim has extensive operational and cross-functional supply chain experience in digital technology. Jim is currently a Non-Executive Director of The RealReal, Inc., a US e-commerce company. Jim has held a number of senior executive roles, including Chief Technical Officer with US-based e-commerce company Wayfair Inc. from 2020 to June 2022, and Vice President of Worldwide Operations for Google Inc from 2010 to 2018, where he was responsible for global operations, planning, supply chain and new product introduction for Google's IT infrastructure and Google Fiber. Previously, he was Executive Vice President, Industrial, Automotive and Multi-Media for Sanmina Corporation from 2009 to 2010, where he was responsible for its industrial, clean tech, multi-media and automotive businesses. Prior to that, he held various executive roles at Cisco Systems, and was Vice President Global Supply Chain for Amazon where he was responsible for the inception of its supply chain organisation. He has also held various executive roles at IBM and Intel. Jim holds a Bachelor of Science, Aerospace Engineering, from Purdue University, and a Master of Science and Engineering and a Master of Science and Management from the Massachusetts Institute of Technology.

Nessa O'Sullivan Chief Financial Officer

Member of the Nominations Committee

Joined Brambles in October 2016 and was appointed to the role of Chief Financial Officer on 17 November 2016. She became an Executive Director of Brambles in April 2017. Prior to joining Brambles, Nessa worked for 10 years at Coca-Cola Amatil in a number of senior financial and operating roles, including Group Chief Financial Officer from 2010 to May 2015. She was also Group Chief Financial Officer for Operations and Chief Financial Officer for Australia and New Zealand. Nessa began her career working as an auditor at Price Waterhouse in Dublin, New York and Sydney. She spent two years at Tyco Grinnell Asia Pacific before joining PepsiCo/Yum! Restaurants in 1995. Over a 10-year period at Yum! Restaurants International, she held a number of senior finance, IT and strategy roles, including five years as Chief Financial Officer for the South Pacific Region. She is also a Non-Executive Director of Molson Coors Beverage Company. Nessa is a Fellow of the Institute of Chartered Accountants in Ireland. She holds a Bachelor of Commerce from University College Dublin and is a graduate of the Australian Institute of Company Directors.

Scott Perkins Non-Executive Director (Independent)

Chair of the Remuneration Committee and member of the Audit & Risk and Nominations Committees

Joined Brambles as a Non-Executive Director in June 2015. Scott is currently Chair of Origin Energy and a Non-Executive Director of Woolworths Group. He was also a Director of Meridian Energy from 1999 to 2002. Scott has extensive experience in corporate strategy, capital markets and investment banking. He held senior executive leadership positions at Deutsche Bank from 1999 to 2013, including as Managing Director and Head of Corporate Finance for Australia and New Zealand and as a member of the Asia-Pacific Management Committee. Scott is also active in the charity and public policy sector as the founder or director of a number of organisations. Scott holds a Bachelor of Commerce degree and a Bachelor of Laws with Honours degree from the University of Auckland.

Nora Scheinkestel Non-Executive Director (Independent)

Chair of the Audit & Risk Committee and member of the Nominations Committee

Joined Brambles as a Non-Executive Director on 1 June 2020 and became Chair of the Audit Committee on 20 August 2020. Nora is currently a Non-Executive Director of Telstra, Westpac Banking Corporation and Origin Energy. She is an experienced company director with more than 25 years' experience as a Non-Executive Chair and Director of companies in a wide range of industry sectors, including the public, government and private sectors. A former banking executive, Nora has extensive financial and risk management expertise, including having chaired the audit and risk committees of a number of listed companies. She is a published author, has worked as an Associate Professor in the Melbourne Business School at Melbourne University and is a former member of the Takeovers Panel. She was awarded a centenary medal for services to Australian society in business leadership. Nora holds a Doctor of Philosophy and a Bachelor of Law (Hons) from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors.

Board & Executive Leadership Team – continued

Executive Leadership Team

Graham Chipchase Chief Executive Officer

Chair of the Executive Leadership Team

(See biography on page 45.)

Phillip Austin President, CHEP Asia-Pacific & CHEP India, Middle East, Türkiye and Africa

Joined Brambles in 1989 and became President CHEP Asia-Pacific in October 2014 and from July 2021 he became President CHEP IMETA (India, Middle East, Türkiye and Africa). Phillip previously held the positions of President CHEP Australia and New Zealand, and President CHEP Australia. He has held a variety of senior roles across Brambles, including Chief Financial Officer of the Brambles Transport Group, Chief Financial Officer of CHEP Australia, Operations Manager for Wreckair Hire and executive roles in the CHEP Australia business responsible for sales, asset management and business development. Phillip is an Ambassador for the National Association for Women in Operations (NAWO). He holds a Bachelor of Economics and a Master of Logistics Management, both from the University of Sydney, and is a graduate of the Australian Institute of Company Directors.

Patrick Bradley Chief People Officer

Joined Brambles in 2018 as Group Senior Vice President, Human Resources. Before joining Brambles, Patrick was the Human Resources Director at BT Group, the UK's largest fixed communications network, responsible globally for employee relations, reward, pensions, organisational design and efficiency. Prior to that, he was the Chief Human Resources Officer at EE, the UK mobile telecommunications operator, when it was acquired by BT. He has also held human resources leadership roles at Lloyds Banking Group and Atos Origin. He has led multiple workforce and human resources programmes to improve customer service capabilities, organisational culture and employee engagement. He holds a Bachelor of Law from the University of Leeds.

David Cuenca President, CHEP Europe

Joined Brambles in 2000 and was appointed President, CHEP Europe in 2020. At Brambles, David has held several leadership roles, ranging from Country General Manager of CHEP in Central Europe', Vice President and Country General Manager in CHEP Spain and Portugal; Vice President of CHEP Southern Europe, President, CHEP Latin America. David holds a Business Studies degree from the University of Barcelona. He has also completed a General Management Programme at the IESE Business School.

Paola Floris President, CHEP Latin America

Joined Brambles in 2001 and was appointed President, CHEP Latin America on 1 July 2020. During her time at Brambles, Paola has held several leadership roles, ranging from Customer Service Director, CHEP Italy and progressed to become Retail Director in 2009. Paola was appointed as Country General Manager, CHEP Italy in 2013 and was promoted to Vice President and Country General Manager, CHEP Pallets Canada in 2016. Paola has a degree in Economics from the Universita' Cattolica del Sacro Cuore, and a Master of Business Administration from SDA Bocconi.

Enrique Montanes Garcia Chief Operations Officer

Joined Brambles in 2003 and was appointed Chief Operations Officer for CHEP's global operations on 1 October 2021. Enrique previously held the position of Senior Vice President CHEP Southern Europe (which includes Spain, Morocco, Italy, Portugal, Greece and France) from July 2018 and prior to that held a variety of senior roles across Brambles in planning, operations and transportation. Before joining Brambles, Enrique was a consultant with Accenture and held a number of manufacturing roles with Lucent Technologies. He holds a double Engineering degree from Universidad Politécnica de Madrid and the École Centrale de Paris and an executive MBA from Instituto de Empresa of Madrid.

Robert Gerrard Chief Legal Officer & Company Secretary

Joined Brambles in 2003 as Senior Counsel, Brambles Group. He was appointed Group Company Secretary in February 2008 and Group Vice President, Legal and Secretariat in February 2017. Prior to joining Brambles, Robert was General Counsel and Company Secretary of Roc Oil Company Limited; Group Legal Manager of Cairn Energy plc; General Counsel and Company Secretary of Command Petroleum Limited; and a solicitor and senior associate with Allen Allen & Hemsley. He holds a Master of Law from the University of Sydney, and a Bachelor of Science and a Bachelor of Law from the University of New South Wales. He is a Solicitor of the Supreme Court of New South Wales.

Alasdair Hamblin Chief Strategy & Customer Experience Officer

Joined Brambles in March 2018 as Senior Vice President, Group Strategy and became Senior Vice President, Strategy & Innovation in February 2019. Prior to Brambles, Alasdair held a number of leadership roles at General Electric from 2011 to 2018, including Strategic Marketing Director for GE Oil & Gas and led revenue synergies for its merger with Baker Hughes to form BHGE. He was previously an Associate Partner at McKinsey & Company and began his career in systems engineering with Accenture. He holds an MA in Modern History from Balliol College, Oxford, and a Master of Business Administration from INSEAD.

Rodney Hefford Chief Information Officer

Joined Brambles in June 2017 as Chief Information Officer. Before joining Brambles, Rod was Vice President, Information Technologies and Services at Ball Corporation where he integrated the IT elements of Ball's acquisition of Rexam and led the development of an IT strategy for the combined entity. Prior to that, he was Group CIO for Rexam and held several CIO roles at Unilever. He holds a Bachelor of Materials Engineering from Monash University, Australia, and a Master of Business Administration from Warwick Business School.

Craig Jones Chief Transformation Officer

Joined Brambles in December 2017. He was appointed Chief Transformation Officer in July 2021 to deliver on our transformation opportunities – build a culture and the capability to support continuous business improvement. Craig previously held the positions of Vice President, EMEA Emerging Markets and President CHEP IMETA (India, Middle East, Türkiye and Africa). Before joining Brambles, Craig worked for Rexam plc, a UK-listed consumer packaging company. Craig led the Africa, Middle East & Asia region for Rexam and also spent time leading their Russian business. Craig joined Rexam in 2001 and held a number of senior finance roles across a variety of geographies. Craig holds a BA (Hons) Business Studies from Cardiff University and is a Fellow (FCMA) of the Chartered Institute of Management Accountants.

Board & Executive Leadership Team – continued

Helen Lane Chief Digital Officer

Joined Brambles in 2003. She was appointed Chief Data and Digital Officer on 1 July 2021. During her time at Brambles, Helen has held several leadership roles in business functions including Finance, Commercial, Logistics, Asset Productivity and Retail. Helen was appointed Vice President, CHEP Northern Europe in December 2016. Since 2019 she has led the digital transformation of Brambles to increase asset capabilities and drive value for our customers. Helen holds a BA (Hons) English and French from University of Leeds. She is also a graduate of the INSEAD Business School.

Laura Nador President, CHEP North America

Joined Brambles in 2003. Laura became President, CHEP North America in January 2018, after holding a number of leadership positions within Brambles across multiple geographies. Laura was successively Director, Distributor Sales, CHEP Europe; Vice President, RPCs, Europe; Country General Manager, CHEP Spain and Portugal; and Vice President, Supply Chain, CHEP Latin America. In July 2016, she was appointed Senior Vice President of the CHEP USA Pooled Pallets business and then President, CHEP USA in March 2017, when she took on additional responsibilities for all pallets and containers businesses in the USA. CHEP Canada was added to her responsibilities in January 2018. Prior to Brambles, Laura worked for a number of years at the Fortune 500 logistics company, Ryder. Laura holds a Master of Engineering from the University of Buenos Aires and a Master of Business Administration from the London Business School.

Nessa O'Sullivan Chief Financial Officer

(See biography on page 47.)

Sarah Pellegrini Chief Communications Officer

Joined Brambles in 2018 to lead Group-wide internal communications and was appointed to the Executive Leadership Team in 2019. Before joining Brambles, Sarah oversaw employee communications for Qantas' global operations, and has held corporate communications roles in international businesses including Arrium and Foster's Group in Australia and Rexam plc, SABMiller and BBC Worldwide in the UK. Sarah began her career as a journalist for News Limited after gaining a Bachelor of Arts (Journalism) from RMIT University.

Executive Summary

This report outlines the remuneration for Brambles' Key Management Personnel (KMP) for the financial year ended 30 June 2022 (the Year). It should be read in conjunction with the information provided on Brambles' results and continued execution of Brambles' business strategy, as detailed in the Operating & Financial Review on pages 6 to 44.

Annual Short-Term Incentive

Based on performance against the corporate and personal objectives set for the Year, the annual Short-Term Incentive (STI) for Executive KMP (see Section 1) ranged from 78% to 132% of Target. Half of the STI is paid as STI share awards deferred for two years from grant date. These STI outcomes were driven by Brambles' financial performance, each Executive KMP's achievement of specific personal objectives and after consideration of Executives' adherence to the Brambles Code of Conduct, shared values and risk appetite.

Long-Term Incentive

The Long-Term Incentive (LTI) share awards granted during October 2019 (i.e. in FY20) had a three-year performance period ending 30 June 2022. Performance against the vesting conditions to which they were subject is:

- Brambles' total shareholder return (TSR) was ranked at 74 out of the ASX100 peer group, resulting in 0% vesting for this component (25% of LTI grant); and ranked at 80 out of the MSCI peer group, resulting in 0% vesting for this component (25% of LTI grant); and
- Brambles' sales revenue compound annual growth rate (CAGR) was 8% and Return on Capital Invested (ROCI) was 19.6%, resulting in 100.0% vesting for this component (50% of LTI grant).

Accordingly, 50% of total LTI awards granted in FY20 vested. Details of LTI vesting are provided in Section 4.3.2.

Executive Leadership Team Base Salaries and Non-Executive Director fees

The base salaries of the Executive KMPs and other members of the Executive Leadership Team (ELT) were determined in accordance with the Company's Remuneration Policy described in Section 2. Brambles annual review of salaries was undertaken against a backdrop of high inflation and a highly competitive market for the attraction and retention of talent. Base salaries are reviewed in June of each year and take effect from 1 July the following financial year. Following this year's review and effective from 1 July 2022 the average base salary increase for the CEO and CFO was 2.93%, and for other ELT members was 4.96%, ranging from 0.00% to 10.15%. Executive KMP salaries are set out in Section 5.

There has been no increase in the Chair and Non-Executive Director base fees since 1 July 2016. There will be no increase in fees for the Chair or Non-Executive Directors for FY23. Non-Executive Director fees are detailed in Section 7.1. The next fee review will be carried out in June 2023 and will take effect from 1 July 2023.

Remuneration Strategy

The Remuneration Committee carries out annual reviews of Brambles' remuneration strategy, structure and policy, including share-based incentive plans. These reviews are undertaken in order to determine whether the current approach continues to strongly align executives' interests with those of the Company and its shareholders. A key focus of the annual review is to ensure the Company's remuneration structure and policy continue to provide alignment with the Company's strategic and business objectives and that its incentive plans do not reward conduct that is contrary to Brambles' Code of Conduct, shared values and risk appetite (which, for convenience, are called 'Non-Financial Risks'). The Committee carried out its annual review during April 2022 and determined that no changes to the remuneration policy or current LTI structure or policy were required in FY23, but that the component of the FY23 STI comprising the Cash Flow from Operations performance condition be increased in weight by 5 percentage points with a corresponding decrease in the Brambles Underlying Profit performance condition.

Contents

1. Background

This Remuneration Report provides information on Brambles' Remuneration Policy and the link between that policy and the Group's business strategy, financial performance and conduct consistent with Brambles' Code of Conduct, shared values and risk appetite. This report also provides remuneration information about Brambles' Key Management Personnel (KMP), who are its:

- Non-Executive Directors as set out in Section 7; and
- Executive Directors and Group Executives who have authority and responsibility for planning, directing and controlling the Group's activities (Executive KMP). The executives who fall within this definition are those set out in Section 5.

In this report, references to the Executive Leadership Team (ELT) include Executive KMP.

This report includes all disclosures required by the *Corporations Act 2001* (the Act), regulations made under the Act and the Australian Accounting Standard AASB 124 *Related Party Disclosures*. The disclosures required by Section 300A of the Act have been audited. Disclosures required by the Act cover both Brambles Limited and the Group.

2. Remuneration Policy and Framework

Brambles' Remuneration Policy, approved by the Board, is to adopt a remuneration structure and set remuneration levels which:

- enables Brambles to attract, retain and motivate high-calibre executives and other talent throughout the Company;
- fairly and responsibly rewards executives with regard to Brambles' performance, the performance of executives and the general remuneration environment;
- aligns:
  - executive reward with the creation of sustainable shareholder value; and
  - executive behaviour with Brambles' strategic objectives, Code of Conduct, shared values and risk appetite.

Table 3.1 summarises Brambles' Remuneration Policy and Section 3.3 sets out how remuneration is directly linked to the Company's financial performance, the creation of shareholder value, the delivery of strategic objectives and executive behaviour. This link is achieved through Brambles' short and long-term incentive plans.

Corporate and personal short-term incentive objectives are agreed at the start of the financial year and approved by the Board Remuneration Committee (the Committee). The Committee reviews progress against the objectives during the financial year and assesses performance at year end following a detailed review of Group, business unit and individual executive performance. Long-term incentive performance conditions are set out in the rules of the Brambles Performance Share Plan (PSP).

The Group's Remuneration Policy is to set target remuneration opportunity around the median level of the comparator group of companies (set out in the next paragraph) but with upper-quartile total potential rewards for outstanding performance and proven capability.

Brambles' global remuneration framework, which applies to all salaried employees, is underpinned by its banding structure. This classifies roles into specific bands, each incorporating roles with broadly equivalent work value. Pay ranges for each band are determined under the same framework globally and are based on the local market rates for the roles falling within each band. For ELT roles, comparative companies used to set pay ranges are major listed companies in the countries where ELT members are employed including USA, Australia and UK with sales revenue and market capitalisation between 50% and 200% of Brambles' 12-month average at year end. This approach provides a sound basis for delivering a non-discriminatory pay structure, providing equal pay for equal work value, for all Group employees.

2.1 Remuneration Strategy Review

Each year, the Committee conducts a review of the Company's remuneration policy to determine that it delivers a remuneration structure and levels that are consistent with the objectives outlined at the beginning of this Section 2. The review carried out in FY22 was an in-depth review conducted with the Company's external advisor Ernst & Young (EY). The Committee carried out its annual review during April 2022 and determined that no changes to the remuneration policy or current LTI structure or policy were required in FY23, but that the component of the FY23 STI comprising the Cash Flow from Operations performance condition be increased in weight by five percentage points with a corresponding decrease in the Brambles Underlying Profit performance condition.

The structure of the STI Plan for FY23 will remain the same as FY22 with the financial performance conditions comprising 70% of the STI opportunity and personal objectives comprising 30% of that opportunity. For the former however, in FY23:

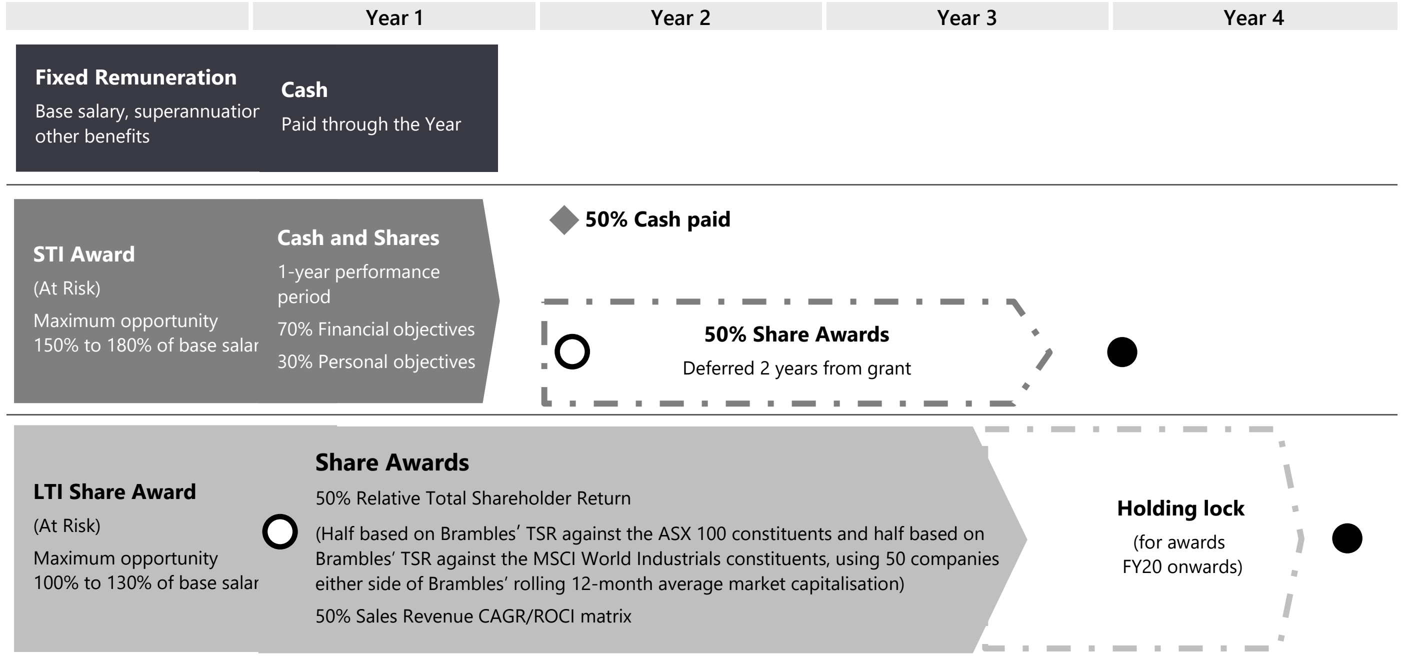
- the Business Unit Cash Flow from Operations performance condition will comprise of 15% of the STI opportunity (25% in FY22);
- the Group Cash Flow from Operations performance condition will comprise of 15% of the STI opportunity (increased for FY23);
- the Group Underlying Profit performance condition will comprise of 20% of the STI opportunity (25% in FY22); and
- the Business Unit Underlying Profit performance condition remains at 20% of the STI opportunity.

This change represents the additional focus the Group puts on cash flow performance in this period.

3. Remuneration Structure

3.1 Overview

Remuneration is divided into those components not directly linked to performance (Fixed Remuneration) and those components which are variable and directly linked to Brambles’ financial performance and the delivery of corporate and personal objectives (At Risk Remuneration). The diagram below summarises the remuneration structure for Executive KMP for the Year.



Legend: ◆ Cash awarded ○ Share Awards granted ● Share Awards vested/unrestricted.

Payments are made and awards are granted following the end of the financial year and finalisation of Brambles’ results.

An individual’s At Risk Remuneration is subject to the overarching discretion of the Board and the Committee in relation to Non-Financial Risks. That discretion is informed by how individuals achieve results and the extent to which they exemplify the behaviours expected of them as leaders of the Company as set out in Brambles’ Code of Conduct, shared values and risk appetite.

STI and LTI share awards are governed by the PSP rules, which have been approved by shareholders. No Brambles shares were purchased on-market during the Year to satisfy the entitlements of holders of STI share awards or LTI share awards.

The remuneration structure and the key features of Fixed and At Risk Remuneration are summarised in Table 3.3.1. The application of the At Risk Remuneration is further described in Section 4.

3.2 Basis of Valuation of STI and LTI Share Awards

The number of share awards granted is based on the market value of Brambles' shares which, under the PSP rules, is the volume weighted average share price during the five trading days up to and including the grant date. In this report, this is referred to as the 'face value approach'. Details of the approach are contained in Section 9.4.

3.3 Remuneration Structure Details

The Company's remuneration structure is detailed below.

Table 3.3.1: Remuneration Structure FY22

Remuneration element	Description	Purpose	Link to strategy
Fixed Remuneration			
	Base salary, superannuation and other fixed benefits.	Fixed remuneration reflects the executive’s role, duties, responsibilities and level of performance, taking into account the individual's location and Brambles' size, geographic scale and complexity. Base salaries are generally referenced at the market median.	Base salaries are designed to be competitive to assist Brambles in attracting and retaining talented executives.
At Risk Remuneration			
STI Award Executive KMP are eligible to receive annual STI awards. The Committee approves annual STI financial and personal objectives for Executive KMP. At the end of each year, the Committee assesses Executive KMPs’ performance against those objectives. The amount of an STI Award will depend on whether and, if so, to what extent those objectives are achieved. Half of the STI Award is delivered in cash following the end of the year to which the award relates. The other half is delivered in deferred STI Share awards which vest two years from the date they are granted, subject to the relevant Executive KMP remaining employed by the Group at the end of that period. Eligibility for STI Awards is also subject to the Committee's discretion, described in the table below, on Non-Financial Risks, both at the time of the grant of the awards and during the two-year deferral period. The achievement of objectives by Executive KMP for FY22 are set out in Section 4.2.			
Financial objectives (comprising 70% of the STI Award)	Financial objectives are set at a 'Threshold' (the minimum necessary to qualify for the awards), 'Target' (when the performance target is met) and 'Maximum' (when targets have been significantly exceeded and the award has reached its upper limit) level. For Underlying Profit, 'Threshold' levels are set at or above the prior year's outcome for the relevant objective, except where extenuating circumstances exist.	Financial objectives are set to align an executive’s At Risk Remuneration to Brambles’ financial and strategic objectives. For FY22, these were: Business Unit and Group Underlying Profit, Cash flow sufficient to fully fund capital expenditure and dividends, and operational efficiency. Financial objectives are chosen to link Executive KMPs’ rewards with the financial performance of the Group, the pursuit of profitable growth, the efficient use of capital and generation of cash.	FY22 financial objectives: - Underlying Profit provides a focus on profitable growth that links to Brambles' strategy of delivering Underlying Profit growth in excess of sales revenue growth through the cycle; and - Cash Flow from Operations is used as a measure to provide a strong focus on the generation of cash, which links to Brambles' strategy of generating Free Cash Flow sufficient to fully fund capital expenditure and dividends.
Personal objectives (comprising 30% of the STI award)	Personal objectives relate to a mix of performance conditions aligned to customer, productivity, transformation and people.	Personal objectives provide the opportunity to tailor individual Executive KMP performance expectations, having regard to their role and function, to specific non-financial operating and strategic goals.	Personal objectives are linked to the delivery of Brambles’ strategic and operating priorities, such as: - Asset Efficiency; - Safety; - Customer Satisfaction; and - Transformation goals.

<table>
<tr><th>Remuneration element</th><th>Description</th><th>Purpose</th><th>Link to strategy</th></tr>
<tr><td colspan="4">LTI Share Award
Executive KMP are also eligible to receive an annual grant of LTI share awards vesting three years from the date the award is granted, subject to satisfaction of service and performance conditions. A one-year holding lock post-vesting applies to awards granted from FY20 onwards, during which executives cannot sell vested LTI awards other than to pay any tax obligations arising from awards vesting or the exercise of vested awards. Eligibility for LTI awards is also subject to the Non-Financial Risks assessment referred to in this table below, both at the time of the grant of the awards and during their three-year performance period. The number of LTI share awards to which an Executive KMP is entitled is an amount, calculated using the face value approach, equal to a specified proportion of their base salary as shown in Section 4.3.</td></tr>
<tr><td>Relative TSR (comprising half of the LTI Share Award)</td><td>Performance is measured over a 3-year performance period (Performance Period) against constituents of both the ASX100 and the MSCI World Industrials indices, with each component measured separately and comprising 25% of the total LTI Award.
The vesting schedule for the portion of the LTI subject to TSR is outlined below.
<table>
<tr><th></th><th>TSR percentile</th><th>% Vesting of shares</th></tr>
<tr><td>Below Threshold</td><td>Below 50th</td><td>No vesting</td></tr>
<tr><td>Threshold</td><td>50th</td><td>50%</td></tr>
<tr><td>Between Threshold and Maximum</td><td>Between 50th and 75th</td><td>Pro-rata straight-line vesting</td></tr>
<tr><td>Maximum</td><td>75th and above</td><td>100%</td></tr>
</table></td><td>Relative TSR rewards the creation of shareholder value.
TSR measures the returns that a company has provided for its shareholders, reflecting share price movements and reinvestment of dividends over a specific period.
A relative TSR performance condition means that value is only delivered to participants if the investment return received by Brambles' shareholders is sufficiently high relative to the return they could have received by investing in a portfolio of alternative stocks over the same period.</td><td>TSR provides a direct alignment of executive rewards to the creation of shareholder value through linking executive reward with the long-term generation of returns to Brambles' shareholders.</td></tr>
<tr><td>Sales revenue CAGR and ROCI (comprising half of the LTI Share Award)</td><td>Each year, a sales revenue CAGR/ROCI matrix is set by the Committee for each LTI share award, based on targets approved by the Board. This allows the Committee to set targets for each LTI share award that reward superior performance in light of the prevailing and forecast economic and trading conditions. The FY23-FY25 sales revenue CAGR/ROCI matrix, pertaining to the LTI share awards to be granted in October 2022, is set out in Section 4.3. The sales revenue CAGR/ROCI targets have been established based on the company's 3-year strategic plan.</td><td>This portion of the LTI share award incentivises both long-term sales revenue growth and ROCI. Vesting is based on achievement of sales revenue targets with three-year performance targets set on a CAGR basis. The sales revenue growth targets are underpinned by ROCI hurdles. Sales revenue CAGR is measured in constant currency.</td><td>The sales revenue CAGR/ROCI matrix is designed to drive profitable business growth, to maintain quality of earnings and to deliver a strong ROCI. This links to Brambles' strategy of delivering long-term value creation and sustainable shareholder returns.</td></tr>
</table>

Minimum shareholding requirements	Description
Brambles requires ELT members to hold a meaningful stake in the Company to assist in aligning their interests with those of its shareholders.	The minimum shareholding requirement is to acquire and maintain Brambles' shares equal in value – for the CEO to 150% of base salary and for the other ELT members to 100% of their respective base salaries – to be built up over five years. Each year, the Committee receives a report on the progress towards the attainment of the required minimum shareholding requirement. While building their minimum shareholding requirement, ELT members are not permitted to sell Brambles shares, other than to pay tax obligations they incur by reason of STI or LTI share awards vesting (or upon exercise of vested awards), until they have achieved 100% of their shareholding requirements. Thereafter, they are required to maintain their respective minimum shareholding requirement. Where Executive Directors step down from their Executive Director position but continue to be employed by the Company, they will, under the Company's Securities Trading Policy, need the Chair's approval to sell or otherwise deal in Brambles' shares. Executive Directors who cease to be employees of the Company are required to retain at least 50% of their minimum shareholding for the 12 months following their cessation of employment.

Clawback of awards	Description
Clawback provisions operate in relation to STI and LTI share awards	Under the PSP rules, the Board has discretion to reduce, cancel or lapse unvested or vested STI or LTI share awards in the circumstances set out in the PSP rules (a copy of the rules is on the Employee Share Plans page of the Corporate Governance section of the Brambles website). These circumstances are included to protect the financial soundness of the Group, an exceptional event which has a material impact on the value of the Group, a material inaccuracy in the assessment of the performance of a participant in the PSP (including an Executive KMP) or any subsequent or adverse development regarding the personal performance of such a participant.

Non-Financial Risks: Remuneration Committee discretion	Description
Remuneration Committee discretion regarding At Risk Remuneration	The Committee has discretion to adjust the level of At Risk Remuneration (both STI and LTI awards), which can be used to increase or decrease vesting outcomes, including reducing vesting to zero. The Committee assesses a broad range of factors, not typically captured in STI and LTI metrics, in considering whether to exercise discretion. These can include a broader assessment of financial performance, the share price performance of the Company and the behaviours exhibited by individual ELT members in relation to Non-Financial Risks (which includes their adherence to the Company's Code of Conduct, shared values and risk appetite). The Remuneration Committee adopted a principles-based approach to Non-Financial Risks, with a framework that provides guidelines as to the types of events that may warrant an adjustment and guidance on what should be considered by the Committee. Advice is provided to the Committee by the Chair of the Audit & Risk Committee, the Chief Executive Officer, the Chief People Officer, the Chief Legal Officer & Company Secretary, and the Group Vice President of Risk, Internal Audit & Insurance on any major or severe incidents to be considered by the Committee when deciding whether to exercise its discretion to adjust any year end remuneration outcomes.

3.4 Remuneration Mix for Executive KMP

Brambles' Executive KMP remuneration mix is linked to performance. At Risk Remuneration represents 71% to 76% of Executive KMP maximum remuneration package.

The table below illustrates the remuneration potential for the Executive KMP showing Target and Maximum potential.

Table 3.4.1 Remuneration Mix

Remuneration Mix	CEO/CFO Target Potential	CEO/CFO Maximum Potential	President NA/Europe Target Potential	President NA/Europe Maximum Potential
Base Salary	100%	100%	100%	100%
STI Cash Award	60%	90%	50%	75%
STI Share Award	60%	90%	50%	75%
LTI Share Award	65%[1]	130%	50%	100%
Total	**285%**	**410%**	**250%**	**350%**

The table below shows the balance between Cash and Equity at Target and Maximum for Executive KMP.

Remuneration Mix as a % of Total Remuneration	CEO/CFO Target Potential	CEO/CFO Maximum Potential	President NA/Europe Target Potential	President NA/Europe Maximum Potential
Cash Potential	56%	46%	60%	50%
Equity Potential	44%	54%	40%	50%
Total	**100%**	**100%**	**100%**	**100%**

[1] The target % of the LTI Share Award represents a nominal 50% achievement of the component elements related to CAGR/ROCI and TSR performance.

3.5 Brambles' Five-Year Performance and Remuneration Outcomes

The table below sets out the dividends paid, Brambles' share price at the beginning and the end of the financial year, the financial performance conditions for the STI and LTI share awards, and the Company's performance for continuing operations for the period FY18 to FY22 and the STI and LTI award outcomes for those years. The following table shows:

- Underlying Profit for FY21 has been restated for the change in accounting policy relating to Software as a Service arrangements (refer Note 1H in the Consolidated Financial Report). Periods prior to FY21 have not been restated for the impact of this change in accounting policy;
- the periods prior to FY20 have not been restated for the impact of new accounting standard AASB 16 *Leases*; and
- the Underlying Profit and Cash Flow numbers are at actual foreign exchange rates consistent with the presentation of those amounts in the consolidated financial statements for the applicable year.

Definitions for the financial metrics are provided in the Glossary on pages 147 to 149.

The numbers shown below reflect Brambles' financial statements for the applicable year and STI outcomes as reported in those years.

	FY22	FY21	FY20	FY19	FY18
Dividends (cents per share)[2]	US$0.2275	US$0.205	US$0.18	A$0.29	A$0.29
Share price (A$): at 1 July	11.30	10.89	12.75	8.88	9.73
Share price (A$): at 30 June	10.71	11.44	10.87	12.88	8.88
STI financial measures (US$m)					
Underlying Profit[3]	930.0	874.6	799.4	803.7	826.1
Cash Flow from Operations[4]	372.6	901.1	754.8	431.8	724.8
Group Free Cash Flow[5]	86.2	622.0	462.2	238.5	554.4
STI outcome range for Executive KMP (% base salary)[6]	78%–135%	108%–136%	62%–112%	48%–120%	40%–122%
STI outcome range for Executive KMP (% of Target)	78%–132%	107%–116%	62%–112%	48%–99%	40%–102%
LTI measures					
Sales Revenue (US$m)	5,558.9	5,209.8	4,717.9	4,595.3	4,470.3
ROCI[7]	18%	18%	17%	19%	20%
3-year TSR	-4.87%	26.36%	21.41%	6.94%	-7.53%
LTI outcome (% of grant)[8]	50%	64%	89%	0%	25%

[2] Effective from 2020, Brambles changed to a payout ratio-based dividend policy, with the dividend per share declared in US cents and converted and paid in Australian cents. Prior to 2020, dividends were declared and paid in Australian cents. The Australian dollar equivalent of the FY22 dividend of US$0.2275 per share is A$0.3231 per share. The Australian dollar equivalent of the FY21 dividend of US$0.205 per share is A$0.27 per share. The Australian dollar equivalent of the FY20 dividend of US$0.18 per share is A$0.26 per share.

[3] Underlying Profit used as an STI measure during plan years FY18 to FY22. FY21 and FY22 are provided on a consistent basis due to a change in accounting policy and the removal of Kegstar.

[4] Cash Flow from Operations used as an STI measure during plan years FY18 to FY22.

[5] Group Free Cash Flow used as an STI measure during plan year FY18. Free Cash Flow includes cash flows from divested businesses.

[6] The range of outcomes for Executive KMP includes financial and personal objectives for STI cash and STI share awards. The STI share awards are deferred for two years from grant date.

[7] ROCI used as an LTI measure during plan years FY18 to FY22.

[8] LTI outcome is for the Performance Period ending in the relevant year. For example, the FY21 LTI outcome relates to the FY19 to FY21 Performance Period.

4. Performance of Brambles and Remuneration Outcomes

4.1 FY22 STI Awards

The following table summarises the components and weighting of objectives for the FY22 STI awards for Executive KMP:

	Financial Objectives				
Executive KMP	Group Underlying Profit	Business Unit Underlying Profit	Group Cash Flow from Operations	Business Unit Cash Flow from Operations	Personal Objectives
CEO, CFO	45%	-	25%	-	30%
Presidents North America / Europe	25%	20%	-	25%	30%

Executive KMP personal objectives for FY22 are shown in the table below. Recommended targets for global metrics relating to business strategy and growth objectives are set at the Group level and reviewed and approved by the Committee.

Metric	Measurement
Business strategy and growth objectives	Objectives are set for each Executive KMP, which support and are aligned with the achievement of Brambles' overall business strategy and business unit objectives. FY22 objectives included: customer, productivity, transformation strategy and people. Quantitative metrics for achievement of each of these objectives are set, which allows the Committee to determine objectively whether they have been met. For customer, this was a specified percentage increase in net promoter scores (a metric used to measure customer satisfaction). For productivity, this was a specified improvement in the applicable pooling capital expenditure to sales ratio. For people, this was a specified percentage improvement in the Brambles Injury Frequency Rate (BIFR), an internal safety metric. For transformation strategy, this was the achievement of specified FY22 milestones in the Shaping Our Future transformation programme.

4.2 FY22 STI Group Financial Objectives Outcomes

The following table outlines performance against Brambles' FY22 STI Group Financial Objectives against the targets shown.

Brambles' Group Financial Objectives

Metric	Performance	Outcome
Group Underlying Profit	Underlying Profit growth was strong in FY22 reflecting cost recovery through pricing actions, surcharge income and increased asset compensations, in addition to supply chain efficiencies and ~1pt net benefit in plant costs due to lower pallet returns in the Year. These benefits were only partly offset by cost-to-serve increases, higher asset charges and costs associated with the Shaping Our Future transformation programme.	Above Maximum
Cash Flow from Operations	Cash Flow from Operations in the Year was impacted by higher capital expenditure due to lumber inflation and pallet cycle impacts on pallet purchases, partly offset by higher earnings and increased asset compensations.	Between Threshold and Target

Brambles' Group Personal Objectives Metrics for Executive KMP

Executive KMP	Customer	Productivity	Transformation	People
CEO	Group Customer Satisfaction 10%	Group Asset Productivity 5%	Group Transformation Goals and Digital Milestones 10%	Group BIFR 5%
CFO		Group and North America Asset Productivity 15%	Group Transformation Goals 15%	
President North America	North America Customer Satisfaction 7.5%	North America Asset Productivity 7.5%	North America Transformation Goals 10%	North America BIFR 5%
President Europe	Europe Customer Satisfaction 10%		Europe Transformation Goals 10%	Europe BIFR 10%

The Committee assessed the outcome of these objectives by reference to the quantitative metrics outlined above for their achievement set at the beginning of the Year. The outcome of that assessment is shown in the table on page 61.

CEO and CFO FY22 STI Performance

The FY22 STI outcomes for the CEO and CFO are shown below based on performance against their STI objectives. As indicated earlier in this report, half of the STI award is delivered in deferred STI share awards, which vest two years from the date of grant, subject to the applicable Executive remaining employed by the Group at the end of that period.

In the following table, the outcomes for Underlying Profit and Cash Flow from Operations are based on 30 June 2021 foreign exchange rates. They therefore differ from the equivalent numbers in Table 3.5, which are based on actual foreign exchange rates. This allows relative performance between FY21 and FY22 to be assessed so that participants neither benefit or suffer detriment from foreign exchange movements.

Performance Objective	Weighting at Target	STI as % of base salary[9]	Threshold	Target	Maximum	Outcome	Outcome as % of base salary
Underlying Profit (US$)	45%	54%	881.3m	908.5m	935.8m	970.4m	81%
Cash Flow from Operations (US$)	25%	30%	383.6m	403.8m	424.0m	395.2m	23.6%
CEO Personal Objectives	30%	36%	18%	36%	54%	Achieved between Threshold and Target	24%
CEO Total	**100%**	**120%**					**128.6%**
CFO Personal Objectives	30%	36%	18%	36%	54%	Achieved between Threshold and Target	30.7%
CFO Total	**100%**	**120%**					**135.3%**

In addition to the Brambles STI metrics shown above relating to Underlying Profit and Cash Flow from Operations, the business unit targets and their respective personal objective outcomes for the Presidents of North America and Europe, were as follows:

Business Unit Metrics

Business Unit	Outcome	Achievement vs. Target
President, North America		
CHEP North America Underlying Profit	Above maximum	114%
CHEP North America Cash Flow from Operations	Above maximum	172%
Personal Objectives	Between threshold and target	90%
President, Europe		
CHEP Europe Underlying Profit	Between threshold and target	97%
CHEP Europe Cash Flow from Operations	Below threshold	52%
Personal Objectives	At target	100%

[9] The STI target for CEO and CFO is 120% of base salary for STI cash and STI Share Awards.

4.2.1 Actual STI Payable and Forfeited for FY22

Details of the FY22 STI award payable to Executive KMP and the FY22 STI award forfeited, as a percentage of the maximum potential FY22 STI award in respect of performance during the Year, are shown in the following table. The Committee also undertook the Non-Financial Risk assessment outlined in Table 3.3.1 and, based on that assessment, determined that no adjustment to the vesting levels for any Executive KMP was required.

Name	Total STI target % of base salary	Actual STI payable as % of base salary	Maximum STI as % of base salary	Total STI payable (US$)	% of maximum STI payable	% of maximum STI forfeited
G Chipchase	120%	129%	180%	2,074,336	71%	29%
N O'Sullivan	120%	135%	180%	1,222,400	75%	25%
D Cuenca	100%	78%	150%	334,440	52%	48%
L Nador	100%	132%	150%	648,702	88%	12%

4.3 Executive KMP LTI Share Awards

Executive KMP are eligible to receive an annual grant of LTI share awards. The awards are made in October each year. The performance conditions to which LTI share awards are subject are set out in Table 3.3.1. The number of LTI share awards to which an Executive KMP is entitled is an amount calculated as follows:

[Base salary in A$ at 1 July] x [LTI % in the table below] divided by
[Share price calculated using the face value approach] = number of LTI Share Awards

Role	LTI grant as % of base salary
CEO/CFO	130%
President North America/Europe	100%

4.3.1 Sales Revenue CAGR/ROCI LTI Performance Matrix for FY23-FY25[10]

The sales revenue CAGR/ROCI matrix for LTI share awards that will be made in October 2022 for the period FY23-FY25 is set out below. The sales revenue and ROCI components of the matrix are calculated on a Group basis. The prospective vesting date is in October 2025. ROCI is defined as Underlying Profit divided by Average Capital Invested.

FY23-25 Sales Revenue CAGR/ROCI LTI Performance Matrix Vesting Schedule

	ROCI %		
Sales Revenue CAGR[11]	16.0%	17.5%	19.0%
5%	-	20%	40%
6%	20%	40%	60%
7%	40%	60%	80%
8%	60%	80%	100%
9%	80%	100%	100%

As a policy principle, the Committee takes into account major acquisitions, divestments, impairments and Significant Items during the applicable Performance Period in determining the final outcome of the sales revenue CAGR/ROCI matrix for that period. Acquisitions or divestments that are not material to the overall outcome are excluded from any performance assessment.

The ROCI outcome is the average ROCI over the Performance Period and is calculated by adding each year's ROCI result and dividing that sum by three.

The matrix continues to provide an appropriate balance between growth and returns well in excess of the cost of capital.

[10] Financial targets set for STI share awards do not constitute profit forecasts and the Board is conscious that their publication may therefore be misleading. Accordingly, Brambles does not publish in advance the coming year's financial targets for STI awards.

[11] Three-year compound annual growth rate (CAGR) over base year.

4.3.2 Performance Testing of LTI Share Awards Under the Performance Share Plan

The Performance Period for LTI awards granted in October 2019 ended on 30 June 2022. The TSR component of these awards was tested against the TSR performance of Brambles over the Performance Period as determined by an independent consultant. The sales revenue CAGR and ROCI components of these awards were audited by Brambles' external auditors and then tested against the FY20 to FY22 matrix by the Committee. No adjustments were made to the targets as a result of the impact of the COVID-19 pandemic. The Committee also undertook the Non-Financial Risks assessment outlined in Table 3.3.1 and, based on that assessment, determined that no adjustment to the vesting levels for any Executive KMP was required. Based on those assessments, these awards vested as follows:

Performance condition	Performance Period	Performance condition	Vesting level
Relative TSR (ASX100)	1 July 2019 to 30 June 2022	Brambles' TSR performance against the ASX 100 TSR	0%
Relative TSR (MSCI)	1 July 2019 to 30 June 2022	Brambles' TSR performance against the MSCI Industrials	0%
Sales Revenue CAGR/ROCI	1 July 2019 to 30 June 2022	CAGR: 8.0% ROCI: 19.6%	100%
Total LTI vesting	**1 July 2019 to 30 June 2022**		**50%**

4.4 Executive KMP Remuneration and Benefits for the Year

The purpose of the table below is to enable shareholders to understand the actual remuneration received by Executive KMP. The table provides a summary of the actual remuneration, before equity, received or receivable by the Executive KMP for the Year, together with prior year comparatives. Income derived from the vesting of STI and LTI share awards during the Year has been included below as 'Actual share income'. The value shown is the market value at the time the income became available to the Executive. These share awards were granted in prior financial years and vested in September/October 2021.

Theoretical accounting values for unvested share awards are shown in Section 9.1. Those values are a statutory disclosure requirement. Unvested share awards may result in 'Actual share income' in future years and, if so, the income will be reported in the table below in the Remuneration Report for the relevant year.

There were no loans or other transactions with any Executive Directors or Executive KMP during the Year.

US$'000	Short-term employee benefits				Post-employment benefits	Other			Actual share income	
Name	Year	Cash / salary / fees[12]	Cash bonus	Non-monetary benefits[13]	Super-annuation	Termination / sign-on payments / retirement benefits	Other[14]	Total before equity	STI / LTI / MyShare awards	Total
Executive Directors										
G Chipchase	**FY22**	**1,879**	**1,037**	**1**	**-**	**-**	**7**	**2,924**	**2,245**	**5,169**
	FY21	1,880	1,103	4	-	-	6	2,993	2,403	5,396
N O'Sullivan	**FY22**	**1,063**	**611**	**17**	**-**	**-**	**1**	**1,692**	**1,306**	**2,998**
	FY21	1,061	616	16	-	-	1	1,694	1,379	3,073
Other Executive KMP										
D Cuenca	**FY22**	**433**	**167**	**21**	**57**	**-**	**10**	**688**	**550**	**1,238**
	FY21	442	233	14	34	-	16	739	76	815
L Nador	**FY22**	**514**	**324**	**1**	**74**	**-**	**20**	**933**	**418**	**1,351**
	FY21	479	265	9	69	-	20	842	430	1,272
Totals[15]	**FY22**	**3,889**	**2,139**	**40**	**131**	**-**	**38**	**6,237**	**4,519**	**10,756**
	FY21	3,862	2,217	43	103	-	43	6,268	4,288	10,556

[12] Cash/Salary/Fees includes base salary and allowances.

[13] Non-monetary benefits include company car benefit and tax support.

[14] Other includes health and salary continuance insurance.

[15] The year-on-year comparison of remuneration is affected by the movement of 30 June 2022 rates from A$1=US$0.7477, €1=US$1.1959 and £1=US$1.3538 for FY21 to A$1=US$0.7223, €1=US$1.1220 and £1=US$1.3264 for FY22.

4.5 FY23 STI Plan Structure and Performance

As detailed in Table 3.3.1, the STI Plan comprises Financial Objectives and Personal Objectives, all components of which are assessed against their respective performance targets to provide an overall assessment.

Objective	Weighting at Target	Payment schedule
Business Unit Underlying Profit (for President Europe and President North America)	20%	10% at Threshold; 20% at Target; 30% at Maximum, with a sliding scale in between.
Group Underlying Profit (40% for CEO/CFO)	20%	10% at Threshold; 20% at Target; 30% at Maximum, with a sliding scale in between.
Business Unit Cash Flow from Operations (for President Europe and President North America)	15%	7.5% at Threshold; 15% at Target; 22.5% at Maximum, with a sliding scale in between.
Group Cash Flow from Operations (30% for CEO/CFO)	15%	7.5% at Threshold; 15% at Target; 22.5% at Maximum, with a sliding scale in between.
Personal Objectives	30%	The CEO's Personal Objectives are individually assessed by the Board Chair, reviewed by the Committee and approved by the Board. Personal Objectives of the other Executive KMP (and all ELT members) are reviewed and approved by the Committee. 15% at Threshold; 30% at Target; 45% at Maximum, with a sliding scale in between.

5. Executive Key Management Personnel (Executive KMP)

5.1 Executive Key Management Personnel Changes

There were no changes to Executive Directors during the Year, namely Graham Chipchase (Chief Executive Officer) and Nessa O'Sullivan (Chief Financial Officer).

In addition to Brambles' Executive Directors, the following executives comprise the Year's Executive Key Management Personnel:

- Laura Nador, President, North America; and
- David Cuenca, President, Europe.

5.2 Service Contracts

Graham Chipchase and Nessa O'Sullivan are on continuing contracts, which may be terminated without cause by the employer giving 12 months' notice or by the employee giving six months' notice, with payments in lieu of notice calculated by reference to annual base salary.

David Cuenca and Laura Nador are on continuing contracts, which may be terminated without cause by the employer giving six months' notice or by the employee giving six months' notice, with payments in lieu of notice calculated by reference to annual base salary.

These standard service contracts state that any termination payments made would be reduced by any value to be received under any new employment and are subject to limits imposed under Australian law.

Details of Executive KMP salaries are shown in Table 5.2.1.

5.2.1 Contract Terms for Executive KMP

Name and role(s)	Base salary at 30 June 2021	Base salary at 1 July 2022	Notice period
G Chipchase, Chief Executive Officer	GBP 1,216,000	GBP 1,251,500	12 months
N O'Sullivan, Chief Financial Officer	GBP 681,000	GBP 701,000	12 months
L Nador, President, North America	USD 492,000	USD 521,000	6 months
D Cuenca, President, Europe	EUR 384,500	EUR 407,000	6 months

All increases were effective 1 July 2022.

6. Employee Share Plan

Brambles' employee share plan, MyShare, was launched in October 2008 and was developed as a vehicle to encourage share ownership and retention across the Group. Employees may buy up to A$6,000 of shares each year (Acquired Shares), which the Company matches (Matching Shares) on a one-for-one basis after a two-year qualifying period. The vesting and automatic exercise of Matching Shares occurs on the second anniversary of the first acquisition.

Since 2020, MyShare is offered to all permanent employees of Brambles in approximately 60 countries.

As of 30 June 2022, 5.07 million Brambles shares were held by 4,330 MyShare participants.

Executive KMP are eligible to participate in MyShare. Shares obtained by Executive KMP through MyShare are included in Section 9.6. Matching Shares allocated, but not yet vested, are shown in Sections 9.5 and 9.7.

During the Year, 1,232,598 Brambles shares were purchased on-market under the MyShare plan, being the Acquired Shares purchased by participants in that plan, at an average price of A$10.59 per share. The accounting share value at grant ranged from A$9.24 to A$11.53 (up to 30 June 2022) based on the monthly share price value. For further details of the share grant values, refer to Section 9.8 of the Remuneration Report and Note 22 of the Financial Report.

7. Non-Executive Directors' Disclosures

7.1 Non-Executive Directors' Remuneration Policy

The Chair's fees are determined by the Remuneration Committee, with the Chair exempting himself from the decision. The other Non-Executive Directors' fees are determined by the Chair and Executive Directors. In setting the fees, advice is sought from external remuneration advisors on the appropriate level of fees, taking into account the responsibilities of Non-Executive Directors in dealing with the complexity and global nature of Brambles' affairs and the level of fees paid to Non-Executive Directors in comparable companies.

All Non-Executive Directors' fees are set in Australian dollars and paid in local currencies.

Brambles' base fees for Non-Executive Directors are set with reference to the comparator group of Australian ASX50 listed companies.

There will not be any increase in fees for the Chair or Non-Executive Directors for FY23 and there have been no increases in those fees since 2016.

The base fees for the Chair and Non-Executive Directors are as follows:

- Chair: A$627,000; and
- Non-Executive Directors: A$209,000.

The following travel allowances and Committee member fees were also not increased during the Year:

- Supplement for members of the Audit and Remuneration Committees: A$25,000. The Board Chair does not receive the supplement if they are a member of either of these Committees;
- Supplement for Chair of the Audit & Risk Committee: A$50,000;
- Supplement for Chair of the Remuneration Committee: A$40,000; and
- Travel allowance of A$5,000 where a meeting involved a long-haul international trip.

The next fee review will take effect from 1 July 2023.

7.2 Non-Executive Directors' Appointment Letters

Non-Executive Directors are appointed for an unspecified term, but are subject to election by shareholders at the first AGM after their initial appointment by the Board. The 2022 Corporate Governance Statement, available on Brambles' website, contains details of the process for appointing and re-electing Non-Executive Directors and of the years in which the Non-Executive Directors are next due for re-election by shareholders.

Letters of appointment for Non-Executive Directors, which are contracts for service but not contracts of employment, have been put in place. These letters confirm that Non-Executive Directors have no right to compensation on the termination of their appointment for any reason, other than for unpaid fees and expenses for the period served.

Non-Executive Directors do not participate in the PSP or MyShare plans.

Ms Kendra Banks was appointed to the Board on 1 May 2022. Mr Froggatt and Ms Hassan retired from the Board 19 October 2021.

Ms Fagan joined the Remuneration Committee on 19 October 2021.

7.3 Non-Executive Directors' Shareholdings

During the Year, the Board changed the minimum shareholding requirement for Non-Executive Directors. Previously, they were required to hold shares in Brambles equal to their annual fees after tax within three years of their appointment. As from 2022, they will now be required to hold shares in Brambles, equal to their pre-tax annual base fees, within three years of their appointment. For existing Non-Executive Directors, they must achieve the equivalent of their base fees before March 2025.

The following table contains details of Brambles Limited ordinary shares in which Non-Executive Directors held relevant interests, being issued shares held by them and their related parties:[16]

Ordinary shares	Balance at the start of the Year	Changes during the Year	Balance at the end of the Year
Non-Executive Directors as at 30 June 2022			
K Banks	-	-	-
G El-Zoghbi	35,000	-	35,000
E Fagan	20,000	-	20,000
K McCall	8,925	-	8,925
J Miller	9,450	-	9,450
J Mullen	-	31,400	31,400
S Perkins	20,000	-	20,000
N Scheinkestel	19,774	-	19,774
Former Non-Executive Director			
A G Froggatt	14,890	-	14,890
T Hassan	15,000	-	15,000

[16] G El-Zoghbi: Held by The George El-Zoghbi Trust Agreement on behalf of George El-Zoghbi.
E Fagan: Held by LG Vestra, Bank of New York Mellon on behalf of Elizabeth Fagan.
K McCall: Held by BNP Paribas Nominees Australia Pty Limited on behalf of Ken McCall.
J Miller: Of which 5,150 shares are held by The Miller Family Revocable Trust on behalf of James Miller and 4,300 shares are held by James Richard Miller
J Mullen: 31,400 shares are held by Hederaberry Pty Limited as trusted for the Mullen Family Trust.
S Perkins: Held by Perkins Family Super Pty Ltd ATF Perkins Family S/F A/C.
N Scheinkestel: Of which 8,914 shares are held by Nora Scheinkestel and 10,860 shares are held by held by Scheinkestel Superannuation Pty Ltd.
A G Froggatt: Of which 7,000 shares are held by Christine Joanne Froggatt and 7,890 shares are held by Anthony Grant Froggatt.
T Hassan: Held by RBC Dexia Custodian on behalf of Tahira Hassan.

7.4 Non-Executive Directors' Remuneration for the Year

Fees and other benefits provided to Non-Executive Directors during the Year and the prior year are set out in Table 7.4.1 below in US dollars. The full names of the Non-Executive Directors and the dates of any changes in Non-Executive Directors during the Year are shown in the Directors' Report – Additional Information on page 73. Non-Executive Directors do not receive any share-based payments.

Any contributions to personal superannuation or pension funds on behalf of the Non-Executive Directors are deducted from their overall fee entitlements.

7.4.1 Table: Non-Executive Directors' Remuneration for the Year

US$'000		Short-term employee benefits	Post-employment benefits		
Name	Year	Directors' fees	Superannuation	Other[17]	Total
Non-Executive Directors as at 30 June 2022					
K Banks	**FY22**	**23**	**2**	**-**	**25**
	FY21	-	-	-	-
G El-Zoghbi	**FY22**	**157**	**16**	**-**	**173**
	FY21	167	8	-	175
E Fagan	**FY22**	**183**	**3**	**2**	**188**
	FY21	167	8	2	177
K McCall	**FY22**	**170**	**3**	**2**	**175**
	FY21	155	7	-	162
J Miller	**FY22**	**162**	**7**	**2**	**171**
	FY21	167	8	2	177
J Mullen	**FY22**	**457**	**-**	**-**	**457**
	FY21	428	41	-	469
S Perkins	**FY22**	**188**	**10**	**-**	**198**
	FY21	200	4	-	204
N Scheinkestel	**FY22**	**167**	**17**	**-**	**184**
	FY21	174	17	-	191
Former Non-Executive Director					
A G Froggatt[18]	**FY22**	**47**	**5**	**-**	**52**
	FY21	160	15	-	175
T Hassan[18]	**FY22**	**49**	**2**	**1**	**52**
	FY21	167	8	1	176
Totals[19]	**FY22**	**1,603**	**65**	**7**	**1,675**
	FY21	1,785	116	5	1,906

[17] The Other column includes tax support services.

[18] A G Froggatt retired from the Board on 19 October 2021. T Hassan retired from the Board on 19 October 2021.

[19] The year-on-year comparison of remuneration is affected by the movement of 30 June 2022 rates from A$1=US$0.7477, €1=US$1.1959 and £1=US$1.3538 for FY21 to A$1=US$0.7223, €1=US$1.1220 and £1=US$1.3264 for FY22.

8. Remuneration Governance

8.1 Remuneration Committee

The Committee operates under delegated authority from Brambles' Board. The Committee's responsibilities include:

- recommending overall Remuneration Policy to the Board;
- determining and implementing a process to enable the Committee to satisfy itself on the conduct of members of the ELT in relation to Non-Financial Risks and reviewing and, if necessary, amending that process from time to time;
- recommending to the Board the overall remuneration for the CEO;
- approving the remuneration arrangements for the other Executive KMP; and
- reviewing the Remuneration Policy and individual remuneration arrangements for other senior executives.

During the Year, the Committee applied the principles-based approach to Non-Financial Risks, described in Table 3.3.1, to assist it in assessing the behaviours of executives and their remuneration outcomes. The Committee also works closely with the Audit & Risk Committee for assurance on the integrity of the financial performance outcomes underlying remuneration determination. More broadly, the Committee considers the Group's overall performance, both financial and non-financial, in its remuneration determinations.

During the Year, members of the Committee were Mr Perkins (Committee Chair), Mr El-Zoghbi, Mr Mullen, Ms Fagan (from 19 October 2021) and Mr Miller. Mr Froggatt was a member until 19 October 2021 when he retired from the Board. Other individuals are invited to attend Committee meetings as required by the Committee. This includes members of Brambles' management team including the CEO, Chief People Officer, the Chief Legal Officer & Company Secretary, and Senior Vice President, Reward, as well as Brambles' external remuneration advisor, EY.

During the Year, the Committee held five meetings.

Details of the Committee's Charter can be found on the Corporate Governance page of Brambles' website and the rules of Brambles' executive and employee share plans can be found under the Employee Share Plans tab of that page of Brambles' website.

8.2 Securities Trading Policy and Incentive awards

Brambles' Securities Trading Policy applies to share awards granted under the incentive arrangements described in this report. That policy prohibits designated persons (including all Executive KMP) from acquiring financial products or entering into arrangements that have the effect of limiting exposure to the risk of price movements of Brambles' securities. It is a term of senior executives' employment contracts that they are required to comply with all Brambles' policies (including the Securities Trading Policy). Management declarations are obtained twice yearly and include a statement that executives have complied with all policies.

8.3 Remuneration Advisor

The Committee has appointed EY as Brambles' remuneration advisor to assist the Company with Non-Executive Director and executive remuneration matters. In performing its role, the Committee directly requests and receives information and advice from EY.

During the Year, no remuneration recommendations, as defined by the Act, were provided by EY.

9. Other Reporting requirements

9.1 Share-Based Payments – Future Potential

The table below provides annual accounting values for share awards relating to the years FY20 to FY22, which have been amortised over two to three years. These share awards are subject to conditions set out in Section 4. Remuneration will normally not be received as a result of the underlying share awards vesting unless the performance conditions to which they are subject have been met.

US$'000			Share-based payment		
Name	Year	Total before equity	Awards	Percentage of total remuneration	Total
Executive Directors					
G Chipchase	**FY22**	**2,924**	**2,560**	**47%**	**5,484**
	FY21	2,993	2,467	45%	5,460
N O'Sullivan	**FY22**	**1,692**	**1,448**	**46%**	**3,140**
	FY21	1,694	1,417	46%	3,111
Other Executive KMP					
D Cuenca	**FY22**	**688**	**418**	**38%**	**1,106**
	FY21	739	273	27%	1,012
L Nador	**FY22**	**933**	**619**	**40%**	**1,552**
	FY21	842	562	40%	1,404
Totals	**FY22**	**6,237**	**5,045**		**11,282**
	FY21	6,268	4,719		10,987

9.2 LTI Share Awards Yet to be Tested

The following table provides details of the level of vesting for the TSR component of LTI share awards granted in FY21 and FY22 if the current TSR performance was to be maintained until the end of the applicable Performance Period:

Awards made during	Performance condition	Start of Performance Period	End of Performance Period	Out-performance of median company's TSR (%)[20]	Period to 30 June 2022: vesting if current performance is maintained until testing date (% of original award)
FY21	Relative TSR (ASX 100)	1 July 2020	30 June 2023	N/A	0% LTI TSR awards
FY21	Relative TSR (MSCI)	1 July 2020	30 June 2023	N/A	0% LTI TSR awards
FY22	Relative TSR (ASX 100)	1 July 2021	30 June 2024	N/A	0% LTI TSR awards
FY22	Relative TSR (MSCI)	1 July 2021	30 June 2024	N/A	82% LTI TSR awards

The following table provides details of the level of vesting for the sales revenue CAGR/ROCI component of LTI share awards granted in FY21 and FY22 if the current sales revenue CAGR/ROCI performance was to be maintained until the end of the applicable Performance Period:

Awards made during	Performance condition	Start of Performance Period	End of Performance Period	Period to 30 June 2022: Vesting if current performance is maintained until testing date (% of original award)
FY21	Sales Revenue CAGR/ROCI	1 July 2020	30 June 2023	100% LTI Sales Revenue ROCI awards
FY22	Sales Revenue CAGR/ROCI	1 July 2021	30 June 2024	100% LTI Sales Revenue ROCI awards

[20] Performance against both the ASX 100 and MSCI World Industrials indices will be based on the standard TSR ranking approach, with threshold vesting commencing at the 50th percentile and progressively vesting to full vesting at the 75th percentile.

9.3 Summary of STI and LTI Share Awards

The table below contains details of the STI and LTI share awards granted in which former or current Executive KMP have unvested and/or unexercised awards that could affect remuneration in this or future reporting periods. STI and LTI share awards do not have an exercise price and carry no voting rights. The LTI share awards described as LTI TSR awards vest on the third anniversary of their grant date, subject to continued employment and meeting the relevant TSR performance condition set out in Section 4.3.2. The LTI share awards described as LTI ROCI vest on the third anniversary of their grant date, subject to continued employment and meeting a sales revenue CAGR/ROCI performance condition set out in Section 4.3.1.

Details pertaining to Brambles' employee share plan, MyShare, are in Section 6.

Performance Share Plan awards	Vesting condition
STI awards	100% vesting based on continuous employment
LTI TSR awards	50% vesting if TSR is equal to the median ranked company 100% vesting if at 75th percentile
Dividend Equivalent	From 2019 onwards, STI Awards that vest and are exercised entitle holders to a dividend equivalent payment equal to the dividends declared by Brambles during the period commencing on the day the award was granted and ending on the day the award vests or is exercised. The dividend equivalent payment is paid either in cash or shares
FY20–FY22 LTI ROCI award	20% vesting occurs if CAGR is 3% and ROCI is 16.5% over three-year period 100% vesting occurs if CAGR is 4% and ROCI is 19.5% over three-year period
FY21–FY23 LTI ROCI award	20% vesting occurs if CAGR is 3% and ROCI is 15.0% over three-year period 100% vesting occurs if CAGR is 4% and ROCI is 18.0% over three-year period
FY22–FY24 LTI ROCI award	20% vesting occurs if CAGR is 5% and ROCI is 15.5% over three-year period 100% vesting occurs if CAGR is 8% and ROCI is 17.0% over three-year period

The terms and conditions of each grant of STI and LTI Share Awards affecting remuneration of Executive KMP in this or future reporting periods are outlined in the table below. Awards granted under the plans do not have an exercise price and carry no voting rights. The STI Awards vest on the second anniversary of their grant date, subject to continued employment.

Performance Share Plan Awards	Grant date	Expiry date	Value at grant	Status/vesting date
STI/LTI TSR/ FY20-FY22 LTI ROCI	15 October 2019	15 October 2025	A$11.53 (STI) / A$10.54 (ROCI) / A$4.75 (TSR-ASX) / A$5.14 (TSR-MSCI)	STI – 15 October 2021 LTI – 15 October 2022
STI/LTI TSR/ FY21-FY23 LTI ROCI	15 October 2020	15 October 2026	A$10.82 (STI) / A$10.05 (ROCI) / A$4.52 (TSR-ASX) / A$4.56 (TSR-MSCI)	STI – 15 October 2022 LTI – 15 October 2023
STI/LTI TSR/ FY22-FY24 LTI ROCI	21 October 2021	21 October 2027	A$10.32 (STI) / A$9.50 (ROCI) / A$4.50 (TSR-ASX) / A$4.92 (TSR-MSCI)	STI – 21 October 2023 LTI – 21 October 2024

9.4 Basis of Valuation of STI and LTI Share Awards

Unless otherwise specified, the fair values of the STI and LTI share awards included in the tables in this report have been estimated in accordance with the requirements of AASB 2 *Share-based Payments*, using a Monte Carlo simulation model. Assumptions used in the evaluations are outlined in Note 22 on pages 117 to 118 of the financial statements.

This fair value is not used to calculate the number of STI and LTI share awards granted to executives. The number of share awards granted is based on the market value of Brambles' shares calculated on a five-day volume weighted average share price prior to the grant date. This is termed as a 'face value approach'.

9.5 Equity-Based Awards

The following table shows details of equity-based awards made to Executive KMP during the Year. STI and LTI share awards were made under the PSP, the terms and conditions of which are set out in Section 3. MyShare Matching Shares were made under MyShare, the terms and conditions of which are set out in Section 6. Approval for the STI and LTI share awards and MyShare Matching Awards issued to Mr Chipchase and Ms O'Sullivan was obtained under ASX Listing Rule 10.14.

Name	Type of award	Number	Value at grant US$'000[21]
Executive Directors			
G Chipchase	STI	152,701	1,178
	LTI	282,304	2,185
	MyShare Matching Shares	467	4
	Totals	**435,472**	**3,367**
N O'Sullivan	STI	85,684	663
	LTI	158,100	1,224
	MyShare Matching Shares	563	4
	Totals	**244,347**	**1,891**
Other Executive KMP			
D Cuenca	STI	30,491	236
	LTI	57,864	448
	MyShare Matching Shares	536	4
	Totals	**88,891**	**688**
L Nador	STI	35,160	272
	LTI	63,553	492
	MyShare Matching Shares	463	4
	Totals	**99,176**	**768**

9.6 Shareholdings

The following table shows details of Brambles Limited ordinary shares in which the Executive KMP held relevant interests, being issued shares held by them and their related parties.[22,23,24]

Ordinary shares	Balance at the start of the Year	Changes during the Year	Balance at the end of the Year
Executive Directors			
G Chipchase	221,056	140,327	361,383
N O'Sullivan	121,288	83,425	204,713
Other Executive KMP			
D Cuenca	16,988	16,649	33,637
L Nador	57,592	34,984	92,576

[21] The total value of the relevant equity award(s) is valued as at the date of grant using the methodology set out in Section 3.2. The minimum possible future value of all awards yet to vest is zero and is based on the performance/service conditions not being met. The maximum possible future value of awards yet to vest is equal to the value at grant.

[22] On 31 July 2022, the following Executive KMP acquired ordinary shares under MyShare, which are held by Certane CT Pty Ltd: G Chipchase (34), N O'Sullivan (41), D Cuenca (41), and L Nador (34).
On 31 July 2022, the following Executive KMP received Matching Awards under MyShare: G Chipchase (34), N O'Sullivan (41), D Cuenca (41), and L Nador (34).

[23] G Chipchase: of which 31,200 shares are held by Multrees Investor Services and 330,183 shares are held by Certane CT Pty Ltd.
N O'Sullivan: of which 9,000 shares are held in her own name and 195,713 shares are held by Certane CT Pty Ltd.
D Cuenca: all of his shares are held by Certane CT Pty Ltd.
L Nador: of which 3,773 shares are held in her own name and 88,803 are held by Certane CT Pty Ltd.

[24] The applicable total includes dividend equivalent shares acquired under the Performance Share Plan.

9.7 Interests in Share Rights[25]

The following table shows details of rights over Brambles Limited ordinary shares in which the Executive KMP held relevant interests being STI and LTI share awards made on 2 September 2018, 15 October 2019, 15 October 2020 and 21 October 2021 under the PSP; and Matching Shares, being conditional rights awarded during the Year under MyShare.[24,26]

Executive KMP	Balance at the start of the Year	Granted during the Year	Exercised during the Year[27]	Lapsed during the Year[28]	Balance at the end of the Year	Vested and exercisable at end of the Year	Value at exercise (US$'000)
Executive Directors							
G Chipchase	957,667	435,472	(270,090)	(87,746)	1,035,303	-	2,191
N O'Sullivan	543,574	244,347	(157,453)	(49,177)	581,291	-	1,246
Other Executive KMP							
D Cuenca	114,530	88,891	(27,920)	(4,943)	170,558	-	223
L Nador	216,623	99,176	(49,340)	(19,199)	247,260	-	418

9.8 Employee Share Plan

The terms and conditions of each grant of Matching Shares affecting remuneration in this or future reporting periods are outlined in the table below. Share rights granted under the plans do not have an exercise price and carry no dividend or voting rights.

Plan	Grant date	Expiry date	Value at grant	Matching Shares / vesting date
MyShare 2020[29]	Each month from 31 March 2020 to 28 February 2021	1 April 2022	Values range per month from A$9.75 to A$11.18	31 March 2022
MyShare 2021[30]	Each month from 31 March 2021 to 28 February 2022	1 April 2023	Values range per month from A$9.24 to A$11.53	31 March 2023
MyShare 2022[31]	Each month from 31 March 2021 to 31 July 2022	1 April 2024	Values range per month from A$9.41 to A$10.45	31 March 2024

[25] Of the awards detailed in Section 9.3 and Section 6, the following plan items are relevant to Executive KMP: G Chipchase, N O'Sullivan, D Cuenca, L Nador (STI, LTI TSR, LTI 19-21 ROCI, LTI 20-22 ROCI, LTI 21-23 ROCI, LTI 22-24 ROCI, MyShare 2020, 2021 and 2022).
Lapses occurred for: G Chipchase, N O'Sullivan, D Cuenca and L Nador (LTI 19-21 TSR).
Exercises occurred for: G Chipchase, N O'Sullivan, D Cuenca and L Nador (STI, FY19-21 LTI TSR ASX, FY19-21 LTI ROCI, MyShare 2020).

[26] During the Year, 3,227,111 equity-settled performance share rights were granted under the PSP, of which 427,798 were granted to G Chipchase and 239,391 were granted to N O'Sullivan. 1,232,758 Matching Shares were granted under MyShare during the Year, of which 467 were granted to G Chipchase and 563 were granted to N O'Sullivan.

[27] Of the rights exercised during the Year, no monies were paid or payable on exercise. The shares issued on exercise of share rights are fully paid up.

[28] 'Lapse' in this context means that the awards were forfeited due to either the applicable service or performance conditions not being met.

[29] The Matching Shares granted under the MyShare 2020 Plan vest on 31 March 2022, subject to continuing employment and the retention of the associated Acquired Shares. On vesting, they are automatically exercised.

[30] The Matching Shares granted under the MyShare 2021 Plan vest on 31 March 2023, subject to continuing employment and the retention of the associated Acquired Shares. On vesting, they are automatically exercised.

[31] The final grant under the MyShare 2022 Plan will occur on 28 February 2023. For FY22 reporting purposes, data is only available up to 31 July 2022. The remaining information will be reported in the 2023 Annual Report. The Matching Shares granted under MyShare will vest on 31 March 2024, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

Directors' Report – Additional Information

The information presented in this report relates to the consolidated entity, the Brambles Group, consisting of Brambles Limited and the entities it controlled at the end of, or during the year ended, 30 June 2022 (the Year).

Principal Activities

The principal activities of the Group during the Year were the provision of supply chain logistics solutions, focusing on the provision of reusable pallets and containers, of which Brambles is a leading global provider.

Further details of the Group's activities are set out in the Operating & Financial Review on pages 6 to 44.

There were no significant changes in the nature of the Group's principal activities during the Year.

Review of Operations and Results

A review of the Group's operations and of the results of those operations are given in the Letter from the Chair & CEO and the Operating & Financial Review on pages 3 to 44.

Information about the financial position of the Group is included in the Operating & Financial Review and in the Five-Year Financial Performance Summary on page 146.

Significant Changes in State of Affairs

There were no significant changes to the state of affairs of the Group for the Year.

Matters Since the End of the Financial Year

On 5 August 2022, Brambles received US$41.5 million from First Reserve as final settlement of the receivable relating to the divestment in 2018 of its investment in Hoover Ferguson Group Limited. The Directors are not aware of any other matter or circumstance that has arisen since 30 June 2022 up to the date of this report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Business Strategies and Prospects for Future Financial Years

The business strategies and prospects for future financial years, together with likely developments in the operations of the Group in future financial years and the expected results of those operations known at the date of this report, are set out in the Letter from the Chair & CEO and in the Operating & Financial Review on pages 3 to 44.

Further information in relation to such matters has not been included because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Dividends

The Directors have declared a final dividend for the Year of 12 US cents per share, to be paid in Australian dollars at 17.25 Australian cents per share, and which will be 35% franked. The dividend will be paid on 13 October 2022 to shareholders on the register on 8 September 2022.

On 14 April 2022, an interim dividend for the Year was paid, which was 10.75 US cents per share and 30% franked.

On 14 October 2021, a final dividend for the year ended 30 June 2021 was paid, which was 10.5 US cents per share and 30% franked.

The unfranked component of each dividend paid during the Year was conduit foreign income. This means that no Australian dividend withholding tax was payable on the dividends that Brambles paid to non-resident shareholders.

Directors

The name of each person who was a Director of Brambles Limited at any time during or since the end of the Year, and the period they served as a Director during the Year, is set out below.

The qualifications, experience and special responsibilities of Directors are set out on pages 45 to 48.

Kendra Fowler Banks	1 May 2022 to date
Graham Andrew Chipchase	1 July 2021 to date
George El-Zoghbi	1 July 2021 to date
Elizabeth Fagan	1 July 2021 to date
Anthony Grant Froggatt	1 July 2021 to 19 October 2021
Tahira Hassan	1 July 2021 to 19 October 2021
Kenneth Stanley McCall	1 July 2021 to date
James Richard Miller	1 July 2021 to date
John Patrick Mullen	1 July 2021 to date
Nessa O'Sullivan	1 July 2021 to date
Scott Redvers Perkins	1 July 2021 to date
Nora Lia Scheinkestel	1 July 2021 to date

Secretary

Details of the qualifications and the experience of Robert Nies Gerrard, Chief Legal Officer & Company Secretary of Brambles Limited, are set out on page 50.

Details of the qualifications and experience of Carina Thuaux, Deputy Company Secretary of Brambles Limited, are as follows: Carina joined Brambles in January 2014 as Assistant Company Secretary, and was appointed Deputy Company Secretary and Legal Counsel in April 2018. Prior to joining Brambles, she was a solicitor with King & Wood Mallesons. She holds a Bachelor of Commerce and a Bachelor of Law from the University of New South Wales. She is a Solicitor of the Supreme Court of New South Wales.

Indemnities

Under its constitution, to the extent permitted by law, Brambles Limited indemnifies each person who is, or has been, a Director or Secretary of Brambles Limited against any liability which results from facts or circumstances relating to the person serving or having served in the capacity of Director, Secretary, other officer or employee of Brambles Limited or any of its subsidiaries, other than:

- in respect of a liability other than for legal costs:
  - a liability owed to Brambles Limited or a related body corporate;
  - a liability for a pecuniary penalty order under section 1317G of the *Corporations Act 2001* (Cth) (Act) or a compensation order under Section 1317H of the Act; or
  - a liability that is owed to someone (other than Brambles Limited or a related body corporate) and did not arise out of conduct in good faith;
- in respect of a liability for legal costs:
  - in defending or resisting criminal proceedings in which the person is found to have a liability for which they could not have been indemnified in respect of a liability owed to Brambles Limited or a related body corporate;
  - in defending or resisting criminal proceedings in which the person is found guilty. This does not apply to costs incurred in responding to actions brought by the Australian Securities & Investment Commission (ASIC) or a liquidator as part of an investigation before commencing proceedings for a Court order;
  - in defending or resisting proceedings brought by ASIC or a liquidator for a Court order if the grounds for making the order are found by the Court to be established; or
  - in connection with proceedings for relief to any persons under the Act in which the Court denies the relief.

As allowed by its constitution, Brambles Limited has provided indemnities to its Directors, Secretaries or other Statutory Officers of its subsidiaries (Beneficiaries) against all loss, cost and expenses (collectively Loss) caused by or arising from any act or omission by the relevant person in performance of that person's role as a Director, Secretary or Statutory Officer.

The indemnity given by Brambles Limited excludes the following matters:

- any Loss to the extent caused by or arising from an act or omission of the Beneficiary prior to the effective date of the indemnity;
- any Loss to the extent indemnity in respect of that Loss is prohibited under the Act (or any other law);
- any Loss to the extent it arises from private or personal acts or omissions of the Beneficiary;
- any Loss comprising the reimbursement of normal day-to-day expenses such as travelling expenses;
- any Loss to the extent the Beneficiary failed to act reasonably to mitigate the Loss;
- any Loss to the extent it is caused by or arises from acts or omissions of the Beneficiary after the date the indemnity is revoked by Brambles Limited in accordance with the terms of the indemnity; and
- any Loss to the extent it is caused by or arises from any breach by the Beneficiary of the terms of the indemnity.

Insurance policies are in place to cover Directors and executive officers; however, the terms of the policies prohibit disclosure of the details of the insurance cover and the premiums paid.

Directors' Meetings

Details of Board Committee memberships are given in the Directors' biographies on pages 45 to 48. The following table shows the actual Board and Committee meetings held during the Year and the number attended by each Director or Committee member.

	Board meetings									
	Regular		Special Committees		Audit & Risk Committee meetings		Remuneration Committee meetings		Nominations Committee meetings	
Directors	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
K F Banks	2	2	-	-	-	-	-	-	-	-
G A Chipchase	15	15	9	9	-	-	-	-	2	2
G El-Zoghbi	15	15	-	-	-	-	5	5	2	2
E Fagan	15	15	1	1	6	6	3	3	2	2
K S McCall	14	15	-	-	6	6	-	-	2	2
J R Miller	15	15	-	-	-	-	5	5	2	2
J P Mullen	15	15	8	8	-	-	5	5	2	2
N O'Sullivan	15	15	9	9	-	-	-	-	2	2
S R Perkins	15	15	4	4	6	6	5	5	2	2
N L Scheinkestel	15	15	9	9	6	6	-	-	2	2
Former Directors										
A G Froggatt	5	5	-	-	-	-	2	2	1	1
T Hassan	5	5	-	-	2	2	-	-	1	1

a) The number of meetings attended during the period the Director was a member of the Board or relevant Committee which the Director was eligible to attend.

b) The number of meetings held while the Director was a member of the Board or relevant Committee which the Director was eligible to attend.

Directors' Directorships of Other Listed Companies

The following lists the directorships held by the Directors in listed companies (other than Brambles Limited) since 30 June 2019.

Director	Listed company	Period directorship held
K F Banks	None	-
G A Chipchase	AstraZeneca plc	2012 to April 2021
G El-Zoghbi	The Kraft Heinz Company	2018 to April 2021
E Fagan	None	-
K S McCall	Post Office Limited	2016 to January 2022
J R Miller	The RealReal, Inc.	2019 to current
	Wayfair, Inc.	2016 to March 2020
J P Mullen	Telstra Corporation Limited	2008 to current
	Brookfield Infrastructure:	
	- Brookfield Infrastructure Partners L.P.	2017 to February 2020
	- Brookfield Infrastructure Corporation	May 2021 to current
N O'Sullivan	Molson Coors Beverage Company	May 2020 to current
S R Perkins	Woolworths Limited	2014 to current
	Origin Energy Limited	2015 to current
N L Scheinkestel	Atlas Arteria:	
	- Atlas Arteria Limited[1]	2014 to November 2020
	- Atlas Arteria International Limited[1]	2015 to November 2020
	AusNet Services Ltd	2016 to February 2022
	Oceana Gold Corporation	2018 to December 2019
	Origin Energy Limited	March 2022 to current
	Telstra Corporation Limited	2010 to current
	Westpac Banking Corporation	March 2021 to current

[1] Stapled entities.

Directors' Report – Additional Information – continued

Environmental Regulation

Except as set out below, the Group's operations in Australia are not subject to any particular and significant environmental regulation under a law of the Commonwealth or a State or Territory. The operations of the Group in Australia involve the use or development of land, the use of transportation equipment and the transport of goods. These operations may be subject to State, Territory or local government environmental and town planning regulations, or require a licence, consent or approval from Commonwealth, State or Territory regulatory bodies. There were no material breaches of environmental statutory requirements and no material prosecutions during the Year. Brambles' businesses comply with all relevant environmental laws and regulations and none were involved in any material environmental prosecutions during the Year.

The Group's operations are subject to numerous environmental laws and regulations in the other countries in which it operates. There were no material breaches of these laws or regulations during the Year.

Corporate Governance Statement

Brambles is committed to observing the corporate governance requirements applicable to publicly listed companies in Australia. The Board has adopted a Corporate Governance Framework designed to enable Brambles to meet its legal, regulatory and governance requirements.

During the Year, the Board believes Brambles met all the requirements of the Fourth Edition of the CGPR. Brambles' 2022 Corporate Governance Statement is on Brambles' website at brambles.com/corporate-governance-overview.

Interests in Securities

Pages 66, 71 and 72 of the Directors' Report – Remuneration Report include details of the relevant interests of Directors, and other Group executives whose details are required to be disclosed, in shares and other securities of Brambles Limited.

Share Capital, Options and Share Rights

Details of the changes in the issued share capital of Brambles Limited and share rights and MyShare matching share rights outstanding over Brambles Limited ordinary shares at the year-end are given in Notes 21 and 22 of the Financial Report on pages 116 and 117.

No options, share rights or MyShare matching share rights over the shares of Brambles Limited's controlled entities were granted during or since the end of the Year to the date of this report.

Since the end of the Year to the date of this report, the following grants, exercises and forfeits in options, performance share rights and MyShare matching share rights over Brambles Limited ordinary shares have taken place:

- 97,894 grants under the 2022 MyShare plan offer;
- 34,893 exercises resulting in the issue of fully paid ordinary shares: 5,153 under the 2021 MyShare plan; 2,107 under the 2022 MyShare plan; 26,841 under the PSP STI awards;
- 792 dividend equivalent shares were issued; and
- 25,146 lapses: 13,685 under the 2021 MyShare plan; 11,461 under the 2022 MyShare plan.

Share Buy-Backs

On 25 February 2019, Brambles announced that it would be selling its IFCO RPC business for US$2.5 billion and that up to US$1.65 billion (A$2.4 billion) of the proceeds of that sale would be returned to shareholders through an on-market buy-back of its ordinary shares. The sale of IFCO RPC completed on 31 May 2019 and Brambles commenced the on-market buy-back on 4 June 2019. Between that date and 10 October 2019, 29,542,722 ordinary shares were bought-back and cancelled for a total consideration of A$341,996,920.26.

At the 2019 AGM, shareholders approved the on-market buy-back of up to 240,000,000 fully paid ordinary shares, being 15% of the Company's issued shares as at 16 August 2019, in the 12-month period following that resolution. Between that date and 8 October 2020, 76,775,745 ordinary shares were bought back and cancelled for a total consideration of A$863,123,968.54.

At the 2020 AGM, shareholders approved the on-market buy-back of up to 150,400,000 fully paid ordinary shares, being 10% of the Company's issued share capital as at 26 August 2020, in the 12 month period following that resolution. Between that date and 19 October 2021, 61,288,398 ordinary shares were bought back and cancelled for a total consideration of A$649,338,183.58.

At the 2021 AGM, shareholders approved the on-market buy-back of up to 144,400,000 fully paid ordinary shares, being 10% of the Company's issued share capital as at 30 August 2021, in the 12 month period following that resolution. Between that date and 15 June 2022, 48,914,459 ordinary shares were bought back and cancelled for a total consideration of A$507,202,247.07. No ordinary shares have been bought back from 16 June 2022 to the date of this report, and Brambles has now completed the A$2.4 billion on-market buy-back announced on 25 February 2019.

Non-Audit Services and Auditor Independence

The amount of US$13,000 was paid or is payable to PwC, the Group's auditors, for non-audit services provided during the Year by them (or another person or firm on their behalf). These services primarily related to corporate administration.

The Audit & Risk Committee has reviewed the provision of non-audit services by PwC and its related practices, and provided the Directors with formal written advice of a resolution passed by the Audit & Risk Committee. Consistent with this advice, the Directors are satisfied that the provision of non-audit services by PwC and its related practices did not compromise the auditor independence requirements of the Act for the following reasons: the nature of the non-audit services provided during the Year, the quantum of non-audit fees compared to overall audit fees, and the pre-approval, monitoring and ongoing review requirements under the

Audit & Risk Committee Charter and the Charter of Audit Independence in relation to non-audit work.

The auditors have also provided the Audit & Risk Committee with a letter confirming that, in their professional judgement, as at 4 August 2022 they have maintained their independence in accordance with their firm's requirements, with the provisions of APES 110 – Code of Ethics for Professional Accountants and with the applicable provisions of the Act. On the same basis, they also confirmed that the objectivity of the audit engagement partners and the audit staff is not impaired.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Act is set out on page 145.

Annual General Meeting

Brambles' 2022 Annual General Meeting (AGM) will be held at 2.00pm (AEDT) on 18 October 2022. The AGM will be held as a hybrid meeting. Full details on the AGM will be in the Notice of Meeting, which will be sent to shareholders and posted on brambles.com in early September 2022.

This Directors' Report is made in accordance with a resolution of the Board.

John Mullen	**Graham Chipchase**
Chair	**Chief Executive Officer**
17 August 2022	

Shareholder Information

Stock Exchange Listing

Brambles' ordinary shares are listed on the Australian Securities Exchange and are traded under the stock code 'BXB'.

Uncertificated Forms of Shareholding

Brambles' ordinary shares are held in uncertificated form. There are two types of uncertificated holdings:

- Issuer Sponsored Holdings: This type of holding is recorded on a subregister of the Brambles share register, maintained by Brambles. If your holding is recorded on the issuer-sponsored subregister, you will be allocated a Securityholder Reference Number, or SRN, which is a unique number used to identify your holding of ordinary shares in Brambles; and
- Broker Sponsored Holdings: This type of holding is recorded on the main Brambles share register. Shareholders who are sponsored by an ASX market participant broker will be allocated a Holder Identification Number, or HIN. One HIN can relate to an investor's shareholdings in multiple companies. For example, a shareholder with a portfolio of holdings which are managed by a broker would have the same HIN for each shareholding.

American Depository Receipts

Brambles Limited shares may be traded in sponsored American Depository Receipts form in the United States.

Dividend

Dividends are paid in Australian dollars or US dollars. Shareholder may elect to have their dividend paid in the currency of their registered address through a service provided by Brambles' share registry by contacting Boardroom at the address set out in Contact Information on the inside back cover of this Annual Report.

Annual General Meeting

The Brambles Limited 2022 AGM will be held at 2.00pm (AEDT) on 18 October 2022. The AGM will be held as a hybrid meeting. Full details of the AGM will be in the Notice of Meeting, which will be sent to shareholders and posted on brambles.com in early September 2022.

Financial Calendar

Final Dividend 2022
Ex-dividend date – Wednesday, 7 September 2022
Record date – Thursday, 8 September 2022
Payment date – Thursday, 13 October 2022

2023 (Provisional)
Announcement of interim results – mid-February 2023
Interim dividend – mid-April 2023
Announcement of final results – mid-August 2023
Final dividend – mid-October 2023
AGM – October 2023

Company Secretaries

R N Gerrard
C Thuaux

Analysis of Holders of Equity Securities as at 2 August 2022

Substantial Shareholders

Brambles has been notified of the following substantial shareholdings:

Holder	Number of ordinary shares	% of issued ordinary share capital[1]
Blackrock Group	116,622,353	8.12[2]
State Street Corporation	85,129,663	6.14
The Vanguard Group, Inc.	69,393,470	5.00

Number of Ordinary Shares on Issue and Distribution of Holdings

	Holders	Shares
1–1,000	34,324	15,599,720
1,001–5,000	30,362	71,235,706
5,001–10,000	4,986	35,077,174
10,001–100,000	2,724	56,866,208
100,001 and over	83	1,207,406,308
Total	**72,479**	**1,386,185,116**

The number of members holding less than a marketable parcel of 43 ordinary shares (based on a market price of A$11.52 on 2 August 2022) is 1,900 and they hold a total of 23,656 ordinary shares. The voting rights of ordinary shares are described on page 80.

[1] Percentages are as disclosed in substantial holding notices given to Brambles Limited.

[2] Blackrock Group also holds 0.12% of issued share capital through Brambles American Depositary Receipts.

Number of Share Rights on Issue and Distribution of Holdings

	Holders	Share rights
1–1,000	3,723	1,437,232
1,001–5,000	13	42,174
5,001–10,000	20	160,247
10,001–100,000	98	3,083,672
100,001 and over	14	3,643,733
Total	**3,868**	**8,367,058**

The voting rights of performance share rights and MyShare matching share rights are described below.

Twenty Largest Ordinary Shareholders

Name	Number of ordinary shares	% of issued ordinary share capital
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	585,511,668	42.24
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	234,879,881	16.94
CITICORP NOMINEES PTY LIMITED	139,845,662	10.09
BNP PARIBAS NOMS PTY LTD <DRP>	83,094,865	5.99
NATIONAL NOMINEES LIMITED	56,153,944	4.05
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	17,990,872	1.30
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	9,278,658	0.67
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	7,874,489	0.57
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	7,237,290	0.52
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	6,670,288	0.48
ARGO INVESTMENTS LIMITED	6,001,109	0.43
CERTANE SPV MANAGEMENT PTY LTD <BRAMBLES – MYSHARE A/C>	4,955,926	0.36
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,171,963	0.30
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	4,162,318	0.30
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	3,273,435	0.24
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	3,248,401	0.23
BNP PARIBAS NOMS (NZ) LTD <DRP>	2,474,706	0.18
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	2,045,336	0.15
AUSTRALIAN EXECUTOR TRUSTEES LIMITED <IPS IOOF EMPLOYER SUPER A/C>	2,041,581	0.15
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	1,966,426	0.14
Total holdings of 20 largest holders	**1,182,878,818**	**85.33**

Voting Rights: Ordinary Shares
Brambles Limited's constitution provides that each member entitled to attend and vote may do so in person or by proxy, by attorney or, where the member is a body corporate, by representative. The Directors may also determine that at any general meeting, a member who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in relation to that resolution. The Directors have prescribed rules to govern direct voting, which are available at brambles.com.

On a show of hands, every member present in person, by proxy, by attorney or, where the member is a body corporate, by representative, and having the right to vote on a resolution, has one vote. The Directors have determined that members who submit a direct vote on a resolution will be excluded on a vote on that resolution by a show of hands or on a poll. The Directors have determined that votes cast by members who submit a direct vote will be included on a vote by a poll, being one vote for each ordinary share held.

Voting Rights: Share Rights
Performance share rights over ordinary shares and MyShare matching share rights do not carry any voting rights.

Consolidated Financial Report

for the year ended 30 June 2022

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Consolidated Statement of Comprehensive Income

for the year ended 30 June 2022

	Note	2022 US$m	2021 US$m
Continuing operations			
Sales revenue	2	**5,558.9**	5,209.8
Other income and other revenue		**290.5**	198.7
Operating expenses	3	**(4,914.8)**	(4,533.3)
Share of results of associate	9	**(4.6)**	(0.6)
Operating profit		**930.0**	874.6
Finance revenue		**11.5**	10.0
Finance costs		**(99.6)**	(95.6)
Net finance costs	5	**(88.1)**	(85.6)
Net impact arising from hyperinflationary economies[1]	1H	**(22.0)**	-
Profit before tax		**819.9**	789.0
Tax expense	6A	**(248.2)**	(257.5)
Profit from continuing operations		**571.7**	531.5
Profit/(loss) from discontinued operations	10	**21.6**	(8.9)
Profit for the year attributable to members of the parent entity		**593.3**	522.6
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain on defined benefit pension plans	20	**22.5**	2.7
Tax (expense)/benefit on items that will not be reclassified to profit or loss	6A	**(5.7)**	3.9
		16.8	6.6
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign subsidiaries[2]	23	**(167.3)**	180.9
Exchange differences released to profit on divestment of Kegstar	23	**-**	3.3
		(167.3)	184.2
Other comprehensive income for the year		**(150.5)**	190.8
Total comprehensive income for the year attributable to members of the parent entity		**442.8**	713.4
Earnings per share (EPS) - US cents			
Continuing operations			
- basic	7	**40.4**	36.0
- diluted		**40.2**	35.9
Total			
- basic		**41.9**	35.4
- diluted		**41.7**	35.3

[1] A net impact of US$22.0 million was recognised in 2022 arising from the application of AASB 129 *Financial Reporting in Hyperinflationary Economies* (refer Note 1H).

[2] Exchange differences on translation of foreign subsidiaries have been impacted by the reduction in the British Pound, Euro and Australian dollar net assets when translated to US dollars. The 30 June 2022 spot rate relative to the US dollar at 30 June 2021 weakened by 12.4% for the British Pound, 12.3% for the Euro and 8.4% for the Australian dollar.

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

as at 30 June 2022

	Note	2022 US$m	2021 US$m
Assets			
Current assets			
Cash and cash equivalents	25	**158.2**	408.5
Trade and other receivables	11	**978.5**	887.3
Inventories	12	**94.5**	79.5
Other assets	13	**90.4**	103.0
Total current assets		**1,321.6**	1,478.3
Non-current assets			
Other receivables	11	**49.6**	23.6
Property, plant and equipment	14	**5,526.0**	4,933.2
Right-of-use leased assets	15	**617.5**	608.1
Goodwill and intangible assets	16	**243.5**	271.2
Investment in associate	9	**44.6**	53.9
Deferred tax assets	6C	**128.9**	120.7
Other assets	13	**-**	7.1
Total non-current assets		**6,610.1**	6,017.8
Total assets		**7,931.7**	7,496.1
Liabilities			
Current liabilities			
Trade and other payables	17	**1,860.1**	1,643.1
Lease liabilities	25C	**140.0**	147.5
Borrowings	19	**53.7**	32.4
Tax payable	2	**61.1**	67.6
Provisions	18	**122.1**	116.3
Total current liabilities		**2,237.0**	2,006.9
Non-current liabilities			
Lease liabilities	25C	**573.4**	565.1
Borrowings	19	**2,108.4**	1,718.1
Provisions	18	**75.8**	82.5
Retirement benefit obligations	20	**2.2**	33.3
Deferred tax liabilities	6C	**483.0**	408.9
Other liabilities	17	**0.8**	-
Total non-current liabilities		**3,243.6**	2,807.9
Total liabilities		**5,480.6**	4,814.8
Net assets		**2,451.1**	2,681.3
Equity			
Contributed equity	21	**4,505.8**	4,924.8
Reserves	23	**(7,376.6)**	(7,274.8)
Retained earnings	23	**5,321.9**	5,031.3
Total equity		**2,451.1**	2,681.3

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

for the year ended 30 June 2022

	Note	2022 US$m	2021 US$m
Cash flows from operating activities			
Receipts from customers		**6,358.9**	5,972.6
Payments to suppliers and employees		**(4,489.0)**	(4,147.5)
Cash generated from operations		**1,869.9**	1,825.1
Interest received		**3.0**	3.6
Interest paid		**(83.6)**	(87.1)
Income taxes paid		**(203.5)**	(187.6)
Net cash inflow from operating activities	25B	**1,585.8**	1,554.0
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,652.3)**	(1,056.5)
Proceeds from sale of property, plant and equipment[1]		**172.5**	145.8
Payments for intangible assets		**(19.8)**	(21.3)
Payments for disposal of businesses	10	**-**	(9.5)
Acquisition of forestry assets		**-**	(15.5)
Net cash outflow from investing activities		**(1,499.6)**	(957.0)
Cash flows from financing activities			
Proceeds from borrowings		**1,601.5**	120.8
Repayment of borrowings		**(1,000.3)**	(257.1)
Transfers from term deposits		**-**	68.6
Payment of principal component of lease liabilities		**(132.6)**	(128.8)
Net outflow from derivative financial instruments		**(49.0)**	(5.3)
Payments for share buy-back	21	**(443.9)**	(523.1)
Dividends paid - ordinary	8	**(304.8)**	(280.8)
Net cash outflow from financing activities		**(329.1)**	(1,005.7)
Net decrease in cash and cash equivalents		**(242.9)**	(408.7)
Cash and cash equivalents, net of overdrafts, at beginning of the year		**407.0**	737.3
Effect of exchange rate changes		**(8.2)**	78.4
Cash and cash equivalents, net of overdrafts, at end of the year	25A	**155.9**	407.0

[1] Includes compensation for lost pooling equipment of US$171.0 million in 2022 (2021: US$128.8 million).

The consolidated cash flow statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

	Note	Contributed equity US$m	Reserves US$m	Retained earnings US$m	Total US$m
Year ended 30 June 2021					
Opening balance as at 1 July 2020 as reported		5,427.2	(7,464.3)	4,793.5	2,756.4
Opening balance adjustment	1H	-	-	(4.4)	(4.4)
Revised opening balance as at 1 July 2020		5,427.2	(7,464.3)	4,789.1	2,752.0
Profit for the year		-	-	522.6	522.6
Other comprehensive income		-	180.9	6.6	187.5
FCTR released to profit on divestment of Kegstar		-	3.3	-	3.3
Total comprehensive income		-	184.2	529.2	713.4
Share-based payments:					
- expense recognised	22	-	24.9	-	24.9
- shares issued		-	(20.7)	-	(20.7)
- equity component of related tax		-	1.4	-	1.4
- released to profit on divestment of Kegstar		-	(0.3)	-	(0.3)
Transactions with owners in their capacity as owners:					
- dividends declared	8	-	-	(287.0)	(287.0)
- issue of ordinary shares, net of transaction costs	21	20.7	-	-	20.7
- share buy-back	21	(523.1)	-	-	(523.1)
Closing balance as at 30 June 2021		4,924.8	(7,274.8)	5,031.3	2,681.3
Year ended 30 June 2022					
Opening balance at 1 July 2021 as reported		**4,924.8**	**(7,274.8)**	**5,039.2**	**2,689.2**
Opening balance adjustment	1H	**-**	**-**	**(7.9)**	**(7.9)**
Hyperinflation adjustment	1H	**-**	**28.4**	**(19.8)**	**8.6**
Revised opening balance as at 1 July 2021		**4,924.8**	**(7,246.4)**	**5,011.5**	**2,689.9**
Profit for the year		**-**	**-**	**593.3**	**593.3**
Other comprehensive (expense)/income		**-**	**(167.3)**	**16.8**	**(150.5)**
Total comprehensive (expense)/income		**-**	**(167.3)**	**610.1**	**442.8**
Revaluation of reserves relating to hyperinflation	1H	**-**	**34.0**	**-**	**34.0**
Share-based payments:					
- expense recognised	22	**-**	**28.3**	**-**	**28.3**
- shares issued		**-**	**(24.9)**	**-**	**(24.9)**
- equity component of related tax		**-**	**(0.3)**	**-**	**(0.3)**
Transactions with owners in their capacity as owners:					
- dividends declared	8	**-**	**-**	**(299.7)**	**(299.7)**
- issues of ordinary shares, net of transaction costs	21	**24.9**	**-**	**-**	**24.9**
- share buy-back	21	**(443.9)**	**-**	**-**	**(443.9)**
Closing balance as at 30 June 2022		**4,505.8**	**(7,376.6)**	**5,321.9**	**2,451.1**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Note 1. About This Report

A) Basis of Preparation
These financial statements present the consolidated results of Brambles Limited (ACN 118 896 021) (Company) and its subsidiaries and associates (Brambles or the Group) for the year ended 30 June 2022. These financial statements have been authorised for issue in accordance with a resolution of the Directors on 17 August 2022.

References to 2022 and 2021 are to the financial years ended 30 June 2022 and 30 June 2021, respectively. The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the requirements of the *Corporations Act 2001*. It presents information on a historical cost basis, except for derivative financial instruments, financial assets at fair value through profit or loss and adjustments for hyperinflation.

The financial statements and all comparatives have been prepared using the accounting policies disclosed throughout the financial statements, which are consistent with the prior year unless otherwise stated in Changes to Accounting Standards (Note 1H).

As Brambles is a company of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relevant amounts in the financial statements and Directors’ Report have been rounded to the nearest hundred thousand US dollars or, in certain cases, to the nearest thousand US dollars. Amounts in cents have been rounded to the nearest tenth of a cent.

The Task Force on Climate-Related Financial Disclosures (TCFD) is a reporting framework that aims to improve and increase the level of climate-related financial information. In preparing the consolidated financial statements the impact of climate change risks has been considered. Relevant disclosures have been included in Note 14 Property, Plant and Equipment and Note 16 Goodwill and Intangible Assets. There has not been a material impact in our assessment of useful economic lives and residual values of our assets as a result of climate change. The Group continues to assess the potential long-term financial impacts of climate change. Additional information on Brambles Climate Change Strategy and TCFD disclosures can be found on pages 22 to 27 of the Annual Report.

In April 2021 Brambles combined its Kegstar keg rental business with MicroStar, a leading US beer keg solution provider. Consequently, the prior year results of Kegstar are presented in discontinued operations in the consolidated statement of comprehensive income and all related note disclosures. Brambles accounts for its 16% interest in MicroStar within share of results of associate in the consolidated statement of comprehensive income.

Comparative information has been reclassified where appropriate to enhance comparability.

As at 30 June 2022, Brambles has net current liabilities of US$915.4 million (2021: net current liabilities of US$528.6 million) of which US$476.8 million relates to deferred revenue (2021: US$460.3 million); however, liquidity remains strong with US$1,108.6 million of available facilities (refer Note 24D) and US$158.2 million of total cash and cash equivalents. Brambles continues to maintain solid investment-grade credit ratings of BBB+ from Standard & Poor’s and Baa1 from Moody’s Investors Service (refer Note 24F).

B) Principles of Consolidation
The consolidated financial statements of Brambles include the assets, liabilities and results of Brambles Limited and all its subsidiaries and associates. The consolidation process eliminates all intercompany accounts and transactions. The financial statements of subsidiaries and associates are prepared using consistent accounting policies and for the same reporting period. Changes for new accounting standards are incorporated in the financial statements of subsidiaries and associates.

The results of subsidiaries and associates acquired or disposed during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The trading results for business operations disposed during the year are disclosed separately as discontinued operations in the consolidated statement of comprehensive income. The amount disclosed includes any gains or losses arising on disposal.

C) Presentation Currency
Brambles uses the US dollar as its presentation currency because:

- a significant portion of Brambles’ activity is denominated in US dollars; and
- the US dollar is widely understood by Australian and international investors and analysts.

Note 1. About This Report – continued

D) Foreign Currency
Items included in the financial statements of each of Brambles’ entities are measured using the functional currency of each entity. Foreign currency transactions are translated into the functional currency of each entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss, except where deferred in equity as qualifying cash flow hedges, qualifying net investment hedges or where they are attributable to part of the net investment in foreign subsidiaries.

The results and cash flows of Brambles Limited and its subsidiaries and associates are translated into US dollars using the average exchange rates for the period, calculated as the average end-of-month rates across the financial year except for subsidiaries in hyperinflationary economies. Where this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, the exchange rate on the transaction date is used. The results of subsidiaries in hyperinflationary economies are translated at the foreign exchange rate at balance sheet date instead of an average exchange rate for the period. Assets and liabilities of Brambles Limited and its subsidiaries are translated into US dollars at the exchange rate ruling at the balance sheet date.

The share capital of Brambles Limited is translated into US dollars at historical rates. Exchange differences arising on the translation of Brambles’ overseas and Australian entities are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The principal exchange rates affecting Brambles were:

		A$:US$	€:US$	£:US$
Average	2022	0.7223	1.1220	1.3264
	2021	0.7477	1.1959	1.3538
Year end	30 June 2022	0.6879	1.0442	1.2124
	30 June 2021	0.7511	1.1901	1.3845

E) Investment in Associate
An associate is an arrangement in which Brambles has significant influence but not control or joint control. Associates are accounted for using the equity method. Under this method the investment is initially recognised at fair value and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses. Investment in associates are tested for impairment where an indicator of impairment exists.

F) Other Income and Other Revenue
Other income and other revenue include surcharges for fuel, lumber and transport as well as net gains on disposal of property, plant and equipment in the ordinary course of business. Surcharges are recognised when they are billed to the customer. The net gain on disposal is recognised when control of the asset has passed to the buyer. Net gains on disposal also include compensation for irrecoverable pooling equipment which are recognised only when it is highly probable that compensation will be received.

G) Critical Accounting Estimates and Judgements
In applying its accounting policies, Brambles has made estimates and assumptions concerning the future which may differ from the related actual outcomes.

Material estimates and judgements, are found in the following notes:

- Income Tax (Note 6F)
- Property, Plant and Equipment (Note 14E)
- Irrecoverable Pooling Equipment Provision (IPEP) (Note 14D)

Note 1. About This Report – continued

H) Changes to Accounting Standards

(i) First time application of accounting standard

AASB 129 *Financial Reporting in Hyperinflationary Economies* was applied by Brambles effective from 1 July 2021, primarily relating to its operations in Türkiye which has become a hyperinflationary economy for periods ending on or after 30 June 2022. The trigger for hyperinflation accounting is when the cumulative inflation rate in an economy approaches or exceeds 100% over three successive years.

The application of AASB 129 requires:

- an adjustment to opening equity reflecting the impact to historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date;
- an adjustment of the comprehensive income statement for inflation during the reporting period;
- the comprehensive income statement is translated at the foreign exchange rate at balance sheet date instead of an average exchange rate for the period; and
- an adjustment to be recognised in the comprehensive income statement to reflect the revaluation of monetary assets and liabilities impacted by inflation during the reporting period.

The impact arising from AASB 129 is a net charge of US$22.0 million recognised in the comprehensive income statement in 2022. The US$22.0 million net charge primarily relates to US$20.4 million for the hyperinflation impacts in Türkiye with the balance relating to other hyperinflationary economies in Argentina and Zimbabwe. The comparative comprehensive income statement and balance sheet have not been restated.

(ii) New accounting standards and interpretations

Software as a Service (SaaS)

In April 2021, the IFRS Interpretations Committee (IFRS IC) published its final agenda decision on accounting for implementation costs in SaaS arrangements. The decision clarified that costs of this nature can only be capitalised if the implementation activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Following this decision, Brambles revised its accounting policy for SaaS arrangements and part of the implementation costs that were previously capitalised as intangible assets have now been expensed when incurred.

The change in accounting policy has been applied retrospectively with the impact outlined below:

Consolidated Statement of Comprehensive Income	2022 US$m	2021 US$m
Subcontractors and other service suppliers	(5.5)	(5.4)
Amortisation expense	0.5	0.7
Loss before tax	**(5.0)**	**(4.7)**
Tax benefit	1.3	1.2
Loss after tax	**(3.7)**	**(3.5)**

The annual impacts on the consolidated balance sheet are shown in the table below:

Consolidated Balance Sheet	June 2022 US$m	June 2021 US$m[1]	June 2020 US$m[1]
Intangible assets	(5.0)	(4.7)	(5.9)
Deferred tax assets	1.3	1.2	1.5
Retained earnings	(3.7)	(3.5)	(4.4)

[1] The restated June 2021 consolidated balance sheet impact is the cumulative total of June 2021 and June 2020 being US$(10.6) million for intangible assets; US$2.7 million for deferred tax assets; and US$(7.9) million for retained earnings.

Note 1. About This Report – continued

H) Changes to Accounting Standards – continued

(ii) New accounting standards and interpretations – continued

Consolidated Cash Flow Statement	2022 US$m	2021 US$m
Cash flow from operating activities	(5.5)	(5.4)
Cash flow from investing activities	5.5	5.4
Total cash flow impact	-	-

(iii) Impact of accounting standards issued but not yet applied

At 30 June 2022, certain accounting standards and interpretations have been published or amended which will become mandatory in future reporting periods. These new or amended accounting standards and interpretations are either not material or not applicable to Brambles.

Note 2. Segment Information – Continuing Operations

Brambles' segment information is provided on the same basis as internal management reporting to the CEO.

Brambles has four reportable segments:

- CHEP North America and Latin America (CHEP Americas);
- CHEP Europe, Middle East, Africa and India, including the North American automotive business (CHEP EMEA);
- CHEP Australia, New Zealand and Asia, excluding India (CHEP Asia-Pacific); and
- Corporate centre, including Shaping Our Future (Corporate).

Segment performance is measured on sales revenue, Underlying Profit, Cash Flow from Operations and Return on Capital Invested (ROCI). Underlying Profit is the main measure of segment profit.

Segment sales revenue is measured on the same basis as the consolidated statement of comprehensive income. Brambles has one revenue stream, which is the provision of pooling equipment to customers for a period of time. Several fees are charged to customers including issue, transfer, transport and daily hire. The predominant billing structure for these fees is either a bundled upfront fee upon issue of pooling equipment to customers, or a daily hire fee based on the number of days the pooling equipment is used in the field by a customer. Other fees, such as transport and transfer fees, are billed when the activity occurs.

The services provided by Brambles are deemed a single performance obligation relating to the provision of an end-to-end pooling solution and the performance obligation is satisfied over time. The issue and daily hire activities are not considered distinct services. Revenue from issue activities is deferred and recognised over the estimated period that the pooling equipment is utilised by customers, referred to as the cycle time, which is an output method. Revenue based on the daily hire model is also recognised over time. Consideration that is fixed or highly probable is included in the transaction price allocated to the performance obligation. This includes issue fees, daily hire fees and bundled upfront fees. Consideration that is variable or uncertain is recognised when the activity occurs.

Segment sales revenue is allocated to segments based on product categories and physical location of the business unit that invoices the customer. Intersegment revenue during the period was immaterial. There is no single external customer who contributed more than 10% of Group sales revenue.

Assets and liabilities are measured consistently in segment reporting and in the consolidated balance sheet. Assets and liabilities are allocated to segments based on segment use and physical location. Cash, borrowings and tax balances are managed centrally and are not allocated to segments.

Note 2. Segment Information – Continuing Operations – continued

	Sales revenue		Cash Flow from Operations[1]	
	2022 US$m	**2021 US$m**	**2022 US$m**	**2021 US$m**
By operating segment				
CHEP Americas	**2,950.8**	2,627.5	**185.3**	356.8
CHEP EMEA	**2,072.5**	2,056.4	**240.2**	487.4
CHEP Asia-Pacific	**535.6**	525.9	**124.7**	137.6
Corporate	**-**	-	**(177.6)**	(80.7)
Continuing operations	**5,558.9**	5,209.8	**372.6**	901.1
By geographic origin				
Americas	**2,978.1**	2,650.0		
Europe	**1,790.1**	1,787.1		
Australia	**407.7**	398.6		
Other	**383.0**	374.1		
Total	**5,558.9**	5,209.8		

1 Cash Flow from Operations is a non-statutory measure and represents cash flow generated from operations after net capital expenditure but excluding Significant Items that are outside the ordinary course of business and discontinued operations.

	Operating profit[2]		Underlying Profit[3]	
	2022 US$m	**2021 US$m**	**2022 US$m**	**2021 US$m**
By operating segment				
CHEP Americas	**482.3**	385.5	**482.3**	385.5
CHEP EMEA	**461.2**	462.7	**461.2**	462.7
CHEP Asia-Pacific	**168.7**	146.2	**168.7**	146.2
Corporate[4]	**(182.2)**	(119.8)	**(182.2)**	(119.8)
Continuing operations	**930.0**	874.6	**930.0**	874.6

Underlying Profit is equal to Operating profit in 2022 and 2021 as there are no pre-tax Significant Items.

2 Operating profit is segment revenue less segment expense and excludes finance costs and tax.

3 Underlying Profit is a non-statutory profit measure and represents profit from continuing operations before finance costs, hyperinflation adjustments, tax and Significant Items. It is presented to assist users of the consolidated financial statements to better understand Brambles' business results.

4 The Corporate segment includes costs of US$108.6 million in 2022 relating to the Shaping Our Future project (2021: US$56.9 million), of which US$48.4 million relates to short-term transformation costs (2021: nil), US$20.8 million for BXB Digital (2021: US$21.2 million) and US$39.4 million for other projects including investments in increased digital, data analytics and customer experience capabilities to support the transformation programme (2021: US$35.7 million). The Corporate segment also includes the share of results of associate of US$4.6 million loss in 2022 (2021: US$0.6 million loss).

Note 2. Segment Information – Continuing Operations – continued

	Return on Capital Invested[5]		Average Capital Invested[6]	
	2022 US$m	2021 US$m	2022 US$m	2021 US$m
By operating segment				
CHEP Americas	**18.1%**	15.7%	**2,659.9**	2,449.4
CHEP EMEA	**23.3%**	23.8%	**1,978.7**	1,943.5
CHEP Asia-Pacific	**27.6%**	25.7%	**610.4**	569.6
Corporate[7]			**(0.8)**	(32.0)
Continuing operations	**17.7%**	17.7%	**5,248.2**	4,930.5

[5] Return on Capital Invested (ROCI) is Underlying Profit divided by Average Capital Invested. ROCI is not disclosed and measured for the Corporate segment on a stand-alone basis as corporate costs are included in the overall ROCI from continuing operations. ROCI for continuing operations is impacted by the increase in Shaping Our Future costs in 2022 which are included in the Corporate segment (refer Note 2, footnote 4).

[6] Average Capital Invested (ACI) is a 12-month average of capital invested. Capital invested is calculated as net assets before tax balances, cash, borrowings and lease liabilities, but after adjustments for pension plan actuarial gains and losses and net equity-settled share-based payments.

[7] ACI for the Corporate segment in 2022 has been impacted by the investment in MicroStar which was booked in second half 2021.

	Capital expenditure[8]		Depreciation and amortisation	
	2022 US$m	2021 US$m	2022 US$m	2021 US$m
By operating segment				
CHEP Americas	**981.2**	709.2	**361.0**	340.9
CHEP EMEA	**704.5**	377.0	**248.4**	245.6
CHEP Asia-Pacific	**125.0**	132.8	**77.2**	73.1
Corporate	**0.1**	-	**5.3**	4.7
Continuing operations	**1,810.8**	1,219.0	**691.9**	664.3

[8] Capital expenditure on property, plant and equipment is on an accruals basis. The 2022 capital expenditure includes the impact of approximately US$520.0 million of lumber inflation, of which approximately US$210.0 million relates to CHEP Americas and US$280.0 million to CHEP EMEA. The impact of lumber inflation is measured as the increase in pallet prices from 2021.

Note 2. Segment Information – Continuing Operations – continued

	Segment assets		Segment liabilities	
	2022 US$m	2021 US$m	2022 US$m	2021 US$m
By operating segment				
CHEP Americas	**4,121.4**	3,578.5	**1,720.9**	1,523.4
CHEP EMEA	**2,637.0**	2,548.1	**739.5**	712.6
CHEP Asia-Pacific	**741.6**	735.3	**267.4**	288.3
Corporate	**114.1**	92.4	**46.6**	63.5
Total segment assets and liabilities	**7,614.1**	6,954.3	**2,774.4**	2,587.8
Cash and borrowings	**158.2**	408.5	**2,162.1**	1,750.5
Current tax balances	**30.5**	12.6	**61.1**	67.6
Deferred tax balances	**128.9**	120.7	**483.0**	408.9
Total assets and liabilities	**7,931.7**	7,496.1	**5,480.6**	4,814.8
Non-current assets by geographic origin[9]				
Americas	**3,507.6**	3,053.9		
Europe	**1,979.0**	1,830.0		
Australia	**507.7**	506.0		
Other	**486.9**	500.1		
Total	**6,481.2**	5,890.0		

[9] Non-current assets exclude financial instruments of nil (2021: US$7.1 million) and deferred tax assets of US$128.9 million (2021: US$120.7 million).

Note 3. Operating Expenses – Continuing Operations

	Note	2022 US$m	2021 US$m
Employment costs		**872.3**	827.5
Transport		**1,401.5**	1,259.4
Repairs and maintenance[1]		**1,207.9**	1,105.5
Subcontractors and other service suppliers[2]		**391.5**	345.0
Occupancy		**51.7**	54.0
Depreciation of property, plant and equipment	14 & 15	**673.2**	646.4
Irrecoverable pooling equipment provision expense		**232.0**	198.3
Amortisation of intangible assets		**18.7**	17.9
Net foreign exchange (gains)/losses		**(1.0)**	4.4
Other		**67.0**	74.9
		4,914.8	4,533.3

[1] Includes the cost of raw materials used for repairs.

[2] Includes consulting costs and professional fees.

Note 4. Significant Items – Continuing Operations

Significant Items are items of income or expense which are, either individually or in aggregate, material to Brambles or to the relevant business segment and:

- outside the ordinary course of business (e.g. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or
- part of the ordinary activities of the business but unusual due to their size and nature.

Significant Items are disclosed to assist users of the financial statements to better understand Brambles' business results.

	2022 US$m			2021 US$m		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Items outside the ordinary course of business:						
- United Kingdom tax rate change[1]	-	-	-	-	(22.7)	(22.7)
Significant Items from continuing operations	-	-	-	-	(22.7)	(22.7)

[1] During 2021 it was announced that the United Kingdom corporate tax rate will increase from 19% to 25% with effect from 1 April 2023. As a consequence, deferred tax balances were revalued and a US$22.7 million tax charge was recognised as a Significant Item in 2021.

Note 5. Net Finance Costs – Continuing Operations

	2022 US$m	2021 US$m
Finance revenue		
Bank accounts and short-term deposits	**1.5**	3.4
Derivative financial instruments	**10.0**	6.6
	11.5	10.0
Finance costs		
Interest expense on bank loans and borrowings	**(57.4)**	(54.5)
Derivative financial instruments	**(16.1)**	(14.4)
Lease interest expense	**(25.2)**	(26.4)
Other	**(0.9)**	(0.3)
	(99.6)	(95.6)
Net finance costs	**(88.1)**	(85.6)

Finance revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Finance costs are recognised as expenses in the year in which they are incurred.

Note 6. Income Tax

	Note	2022 US$m	2021 US$m
A) Components of Tax Expense			
Amounts recognised in the statement of comprehensive income			
Current income tax – continuing operations:			
- income tax charge		**199.2**	218.1
- prior year adjustments		**(20.3)**	(7.8)
		178.9	210.3
Deferred tax – continuing operations:			
- origination and reversal of temporary differences		**46.5**	18.0
- previously unrecognised tax losses		**(3.1)**	(2.6)
- tax rate change		**5.7**	23.1
- prior year adjustments		**20.2**	8.7
		69.3	47.2
Tax expense – continuing operations		**248.2**	257.5
Tax expense/(benefit) – discontinued operations	10	**4.9**	(0.2)
Tax expense recognised in profit or loss		**253.1**	257.3
Amounts recognised in other comprehensive income			
- on actuarial gain on defined benefit pension plans[1]		**5.7**	(3.9)
Tax expense/(benefit) recognised directly in other comprehensive income		**5.7**	(3.9)

[1] The tax benefit on defined benefit pension plans in 2021 includes the impact of the change in the corporate tax rate in the United Kingdom (refer Note 4).

The income tax expense or benefit for the year is the tax payable or receivable on the current year's taxable income based on the national income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Current and deferred tax attributable to other comprehensive income is recognised in equity.

Note 6. Income Tax – continued

	Note	2022 US$m	2021 US$m
B) Reconciliation Between Tax Expense and Accounting Profit Before Tax			
Profit before tax – continuing operations		**819.9**	789.0
Tax at standard Australian rate of 30% (2021: 30%)		**246.0**	236.7
Effect of tax rates in other jurisdictions		**(36.5)**	(32.7)
Equity-accounted results of associate		**1.4**	0.2
Prior year adjustments		**(0.1)**	2.1
Current year tax losses not recognised		**2.6**	4.6
Foreign withholding tax unrecoverable		**11.6**	10.4
Change in tax rates		**5.7**	23.1
Non-deductible expenses		**9.1**	8.2
Prior year tax losses recouped/recognised		**(3.1)**	(2.6)
Hyperinflation adjustment for deferred tax		**6.6**	-
Other		**4.9**	7.5
Tax expense – continuing operations		**248.2**	257.5
Tax expense/(benefit) – discontinued operations	10	**4.9**	(0.2)
Total income tax expense		**253.1**	257.3

	2022 US$m		2021 US$m	
	Assets	Liabilities	Assets	Liabilities
C) Components of Deferred Tax Assets and Liabilities				
Deferred tax assets and liabilities in the balance sheet are represented by cumulative temporary differences attributable to:				
Items recognised through the statement of comprehensive income				
Employee benefits	**27.7**	**-**	23.8	-
Provisions and accruals	**37.8**	**-**	35.5	-
Losses available against future taxable income	**210.9**	**-**	183.4	-
Accelerated depreciation for tax purposes	**-**	**(741.6)**	-	(667.7)
Deferred revenue	**114.3**	**-**	108.6	-
Leases	**196.2**	**(156.5)**	204.9	(160.4)
Hyperinflation adjustment	**-**	**(7.2)**	-	-
Other	**71.2**	**(113.2)**	55.6	(89.8)
	658.1	**(1,018.5)**	611.8	(917.9)
Items recognised in other comprehensive income or directly through equity				
Actuarial losses/(gains) on defined benefit pension plans	**2.5**	**(1.2)**	10.3	(1.3)
Share-based payments	**5.0**	**-**	8.9	-
	7.5	**(1.2)**	19.2	(1.3)
Set-off against deferred tax (liabilities)/assets	**(536.7)**	**536.7**	(510.3)	510.3
Net deferred tax assets/(liabilities)	**128.9**	**(483.0)**	120.7	(408.9)

Note 6. Income Tax – continued

	2022 US$m		2021 US$m	
	Assets	Liabilities	Assets	Liabilities
D) Movements in Deferred Tax Assets and Liabilities				
At 1 July as reported	**120.7**	**(408.9)**	96.3	(338.1)
Opening adjustment for hyperinflation[2]	**-**	**(1.2)**	-	-
Revised opening balance at 1 July	**120.7**	**(410.1)**	96.3	(338.1)
Credited/(charged) to profit or loss	**35.2**	**(104.5)**	5.6	(54.9)
Credited/(charged) directly to equity	**(6.1)**	**(0.2)**	5.5	(0.8)
Divestment of subsidiaries	**-**	**-**	-	4.4
Hyperinflation adjustment[2]	**-**	**(6.0)**	-	-
Offset against deferred tax (liabilities)/assets	**(10.5)**	**10.5**	3.7	(3.7)
Foreign exchange differences	**(10.4)**	**27.3**	9.6	(15.8)
At 30 June	**128.9**	**(483.0)**	120.7	(408.9)

[2] A deferred tax liability of US$1.2 million was recognised in 2022 as an opening adjustment relating to the application of hyperinflation accounting. A further US$6.0 million of deferred tax liability was recognised during the period relating to the revaluation of non-monetary assets.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, calculated using tax rates which are enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are not recognised:

- where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- in respect of temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for carried forward tax losses to the extent that the entity has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

At reporting date, Brambles has unused tax losses of US$939.0 million (2021: US$858.9 million) available for offset against future profits. A deferred tax asset of US$210.9 million (2021: US$183.4 million) has been recognised in respect of US$846.7 million (2021: US$737.1 million) of such losses.

The benefit for tax losses will only be obtained if:

- Brambles derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- Brambles continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect Brambles in realising the benefit from the deductions for the losses.

No deferred tax asset has been recognised in respect of the remaining unused tax losses of US$92.3 million (2021: US$121.8 million) due to uncertainty of future profit streams in the relevant jurisdictions. Tax losses of US$431.1 million (2021: US$431.1 million), which have been recognised in the balance sheet, have an expiry date between 2031 and 2038 (2021: between 2031 and 2038), however it is expected that these losses will be recouped prior to expiry. The remaining tax losses of US$415.6 million (2021: US$306.0 million), which have been recognised in the balance sheet, can be carried forward indefinitely.

Notes to and Forming Part of the Financial Statements – continued
for the year ended 30 June 2022

Note 6. Income Tax – continued

D) Movements in Deferred Tax Assets and Liabilities – continued

At reporting date, undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised in the consolidated financial statements are US$864.3 million (2021: US$948.9 million). No deferred tax liability has been recognised for these amounts because Brambles controls the distributions from its subsidiaries and is satisfied that the temporary difference will not reverse in the foreseeable future.

The majority of the deferred tax assets and liabilities are expected to be recovered/realised beyond 12 months after the balance sheet date.

E) Tax Consolidation

Brambles Limited and its Australian subsidiaries formed a tax consolidated group in 2006. Brambles Limited, as the head entity of the tax consolidated group, and its Australian subsidiaries have entered into a tax sharing agreement in order to allocate income tax expense. The tax sharing agreement uses a stand-alone basis of allocation. Consequently, Brambles Limited and its Australian subsidiaries account for their own current and deferred tax amounts as if they each continue to be taxable entities in their own right. In addition, the agreement provides funding rules setting out the basis upon which subsidiaries are to indemnify Brambles Limited in respect of tax liabilities and the methodology by which subsidiaries in tax loss are to be compensated.

F) Tax Estimates and Judgements

Brambles is a global Group and is subject to income taxes in many jurisdictions around the world. Significant judgement is required in determining the provision for income taxes on a worldwide basis. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Brambles recognises deferred tax liabilities for uncertain tax positions in accordance with IFRS interpretation IFRIC 23. Where the final tax outcome of these matters is different from amounts provided, such differences will impact the current and deferred tax provisions in the period in which such outcome is determined.

In addition, Brambles regularly assesses the recognition and recoverability of deferred tax assets. This requires judgements about the application of income tax legislation in jurisdictions in which Brambles operates. Changes in circumstances may alter expectations and affect the carrying amount of deferred tax assets. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

G) Tax Policy

Brambles Limited has a tax policy approved by the Board of Directors, which sets out the Company’s approach to tax risk management and governance, tax planning, and dealing with tax authorities. The tax policy is included in Brambles Limited’s Code of Conduct. In addition, Brambles Limited’s Sustainability Review includes a Tax Transparency Report, prepared in accordance with the Australian Taxation Office's Voluntary Tax Transparency Code, which comprises, amongst other matters, details such as the corporate income tax paid by, and effective tax rates of, Brambles' Australian and global operations. The 2022 Tax Transparency Report is scheduled for publication in the second half of calendar year 2022 and will be posted on Brambles’ website.

Note 7. Earnings Per Share

	2022 US cents	2021 US cents
From continuing operations		
- basic	**40.4**	36.0
- diluted	**40.2**	35.9
- basic, on Underlying Profit after finance costs and tax	**41.9**	37.6
From discontinued operations		
- basic	**1.5**	(0.6)
- diluted	**1.5**	(0.6)
Total Earnings Per Share (EPS)		
- basic	**41.9**	35.4
- diluted	**41.7**	35.3

Basic EPS is calculated as net profit attributable to members of the parent entity, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

Diluted EPS is calculated as net profit attributable to members of the parent entity, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and finance costs associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenue or expenses during the year that would result from the dilution of potential ordinary shares;

and divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Performance share rights and MyShare matching conditional rights granted under Brambles' share plans are considered to be potential ordinary shares and have been included in the determination of diluted EPS to the extent they are considered to be dilutive.

EPS on Underlying Profit after finance costs and tax is calculated as Underlying Profit after finance costs and tax attributable to members of the parent entity, divided by the weighted average number of ordinary shares.

Note 7. Earnings Per Share – continued

	2022 Million	2021 Million
A) Weighted Average Number of Shares during the Year		
Used in the calculation of basic EPS	**1,415.7**	1,475.1
Adjustment for share rights	**5.5**	5.1
Used in the calculation of diluted EPS	**1,421.2**	1,480.2

	Note	2022 US$m	2021 US$m
B) Reconciliations of Profit used in EPS Calculations			
Statutory profit			
Profit from continuing operations		**571.7**	531.5
Profit/(loss) from discontinued operations		**21.6**	(8.9)
Profit used in calculating basic and diluted EPS		**593.3**	522.6
Underlying Profit after finance costs and tax			
Underlying Profit	2	**930.0**	874.6
Net finance costs	5	**(88.1)**	(85.6)
Underlying Profit after finance costs before tax		**841.9**	789.0
Tax expense on Underlying Profit		**(248.2)**	(234.8)
Underlying Profit after finance costs and tax		**593.7**	554.2
Which reconciles to statutory profit:			
Underlying Profit after finance costs and tax		**593.7**	554.2
Significant Items after tax	4	**-**	(22.7)
Net impact arising from hyperinflationary economies	1H	**(22.0)**	-
Profit from continuing operations		**571.7**	531.5

Note 8. Dividends

A) Dividends Paid during the Year

	Interim 2022	Final 2021
Dividend per share (US cents)	10.75	10.50
Cost (in US$ million)	150.0	154.8
Payment date	14 April 2022	14 October 2021

Brambles' dividend policy targets a payout ratio of 45-60% of Underlying Profit after finance costs and tax, subject to Brambles' cash requirements, with the dividend per share declared in US cents and converted and paid in Australian cents based on an average exchange rate just prior to the dividend declaration.

Total dividends paid during the year of US$304.8 million (2021: US$280.8 million) per the consolidated cash flow statement differ from the amount recognised in the consolidated statement of changes in equity of US$299.7 million (2021: US$287.0 million) due to the fluctuation in the Australia dollar between the dividend record and payment dates. The Dividend Reinvestment Plan (DRP) remained suspended in 2022.

B) Dividend Declared after 30 June 2022

	Final 2022
Dividend per share (in US cents)	**12.0**
Estimated cost (in US$ million)	**166.3**
Payment date	**13 October 2022**
Dividend record date	**8 September 2022**

As this dividend had not been declared at 30 June 2022, it is not reflected in these financial statements. A provision for dividends is only recognised where the dividends have been declared prior to the reporting date.

Total ordinary dividends declared for 2022 were 22.75 US cents per share, representing a payout ratio of 53% which is broadly in line with the prior year payout ratio of 54%. The 2021 total ordinary dividends were 20.5 US cents per share.

C) Franking Credits

	2022 US$m	2021 US$m
Franking credits available for subsequent financial years	**67.6**	61.6

The amounts above represent the balance of the franking account as at the end of the year, adjusted for:

- franking credits that will arise from the payment of the current tax liability;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that will arise from dividends recognised as receivable at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

The final 2022 dividend will be franked at 35%.

Note 9. Investment in Associate

On 16 April 2021, Brambles combined its Kegstar keg rental business with MicroStar, a leading US beer keg solution provider. As consideration Brambles received a 16% interest in MicroStar which is accounted for as an associate using the equity method.

The value of the investment in MicroStar at 30 June 2022 is US$44.6 million (2021: US$53.9 million). The 2022 share of results of MicroStar was a loss of US$4.6 million.

Notes to and Forming Part of the Financial Statements – continued
for the year ended 30 June 2022

Note 10. Discontinued Operations

The deferred consideration receivable from First Reserve, relating to the former Hoover Ferguson Group (HFG) investment divested in 2018, has been revalued to US$41.5 million in 2022 reflecting the current market conditions in the oil and gas industry, resulting in a revaluation gain of US$27.1 million being recognised within discontinued operations (refer Note 11). This receivable was repaid by First Reserve on 5 August 2022 (refer Note 31).

Following the merger of Kegstar with MicroStar on 16 April 2021 (refer Note 9), the results of Kegstar were presented in discontinued operations in the consolidated statement of comprehensive income and all related note disclosures.

Financial information for discontinued operations is summarised below:

	2022 US$m	2021 US$m
Operating results (excluding loss on divestment) relate to:		
- gain on revaluation of First Reserve receivable[1]	**27.1**	-
- Kegstar[2]	**-**	(5.6)
- other discontinued operations	**(0.6)**	(1.6)
Profit/(loss) before tax (excluding loss on divestment)	**26.5**	(7.2)
Loss on divestment of Kegstar[2]	**-**	(1.9)
Total profit/(loss) before tax	**26.5**	(9.1)
Tax (expense)/benefit	**(4.9)**	0.2
Profit/(loss) from discontinued operations	**21.6**	(8.9)
Net cash outflow from operating activities	**(1.8)**	(5.7)
Net cash outflow from investing activities[3]	**-**	(11.0)
Net decrease in cash and cash equivalents	**(1.8)**	(16.7)

1 The revaluation gain on the deferred consideration receivable from First Reserve of US$27.1 million (US$22.0 million post tax) is recognised as a Significant Item outside the ordinary course of business in 2022.

2 Kegstar operating results include nil sales revenue (2021: US$7.2 million) and nil depreciation and amortisation (2021: US$2.7 million). In 2021 the loss on divestment of Kegstar was recognised as a Significant Item outside the ordinary course of business and included a loss of US$3.3 million relating to exchange differences released to profit (refer Note 23) and US$0.7 million of transaction costs.

3 Net cash outflow from investing activities in 2021 includes US$9.5 million of costs paid on disposal of Kegstar and prior period divestments.

Note 11. Trade and Other Receivables

	2022 US$m	2021 US$m
Current		
Trade receivables	**675.3**	640.6
Allowance for doubtful receivables	**(16.2)**	(17.2)
Net trade receivables	**659.1**	623.4
Other debtors	**195.2**	136.1
Unbilled revenue	**124.2**	127.8
Total trade and other receivables	**978.5**	887.3
Non-current		
Other receivables[1]	**49.6**	23.6
	49.6	23.6

1 Other receivables in 2022 includes deferred consideration of US$41.5 million due from First Reserve (2021: US$14.4 million). A revaluation gain of US$27.1 million relating to this receivable has been recognised in 2022 within discontinued operations reflecting the improved market conditions in the oil and gas industry (refer Note 10).

Trade receivables with no significant financing component are recognised when services are provided and settlement is expected within normal credit terms. Trade receivables are non-interest bearing and are generally on 30–90 day terms.

Other receivables are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost.

The allowance for doubtful receivables has been established based on AASB 9 *Financial Instruments*. For all eligible trade and other receivables, Brambles applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade and other receivables are grouped based on region and ageing. Customers with heightened credit risk are provided for specifically based on historical default rates and forward-looking information. Customers with normal credit risk are provided for in line with a provision matrix based on ageing and their associated risk. A lifecycle allowance is calculated on the remaining trade and other receivables balance based on historical bad debt levels. Where there is no reasonable expectation of recovery, balances are written off. Subsequent recovery of amounts previously written off are credited against other expenses in the consolidated statement of comprehensive income. An allowance of US$1.7 million (2021: US$4.6 million) has been recognised as an expense in the current year for trade and other receivables in line with the Group accounting policy.

Other debtors primarily comprise GST/VAT recoverable and loss compensation receivables.

Note 11. Trade and Other Receivables – continued

	Trade receivables		Other debtors	
	2022 US$m	2021 US$m	2022 US$m	2021 US$m
At 30 June, the ageing analysis of trade receivables and other debtors by reference to due dates was as follows:				
Not past due	**617.6**	587.0	**178.9**	122.2
Past due 0–30 days but not impaired	**30.7**	27.0	**9.8**	6.8
Past due 31–60 days but not impaired	**6.5**	7.1	**1.1**	0.7
Past due 61–90 days but not impaired	**2.2**	2.2	**1.4**	3.3
Past 90 days but not impaired	**2.1**	0.1	**4.0**	3.1
Impaired	**16.2**	17.2	**-**	-
	675.3	640.6	**195.2**	136.1

Refer to Note 24 for other financial instrument disclosures.

Note 12. Inventories

	2022 US$m	2021 US$m
Raw materials and consumables	**90.4**	73.1
Finished goods	**4.1**	6.4
	94.5	79.5

Inventories are valued at the lower of cost and net realisable value. Where appropriate, adjustments are made for hyperinflation impacts and provisions are made for possible obsolescence.

Cost is determined on a weighted-average basis and, where relevant, includes an appropriate portion of overhead expenditure. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs to make the sale.

Note 13. Other Assets

	2022 US$m	2021 US$m
Current		
Prepayments	**56.3**	86.2
Current tax receivable	**30.5**	12.6
Derivative financial instruments	**3.6**	4.2
	90.4	103.0
Non-current		
Derivative financial instruments	**-**	7.1
	-	7.1

Refer to Note 24 for other financial instrument disclosures.

Note 14. Property, Plant and Equipment

A) Net Carrying Amounts and Movements during the Year

	2022 US$m			2021 US$m		
	Land and buildings	Plant and equipment	Total	Land and buildings	Plant and equipment	Total
Opening carrying amount as reported	**67.5**	**4,865.7**	**4,933.2**	46.8	4,362.5	4,409.3
Opening adjustment for hyperinflation[1]	**-**	**9.7**	**9.7**	-	-	-
Revised opening carrying amount	**67.5**	**4,875.4**	**4,942.9**	46.8	4,362.5	4,409.3
Additions[2]	**27.9**	**1,782.9**	**1,810.8**	16.4	1,203.0	1,219.4
Acquisition of forestry assets	**-**	**-**	**-**	4.7	10.8	15.5
Divestment of subsidiaries	**-**	**-**	**-**	-	(52.9)	(52.9)
Disposals	**(0.9)**	**(153.1)**	**(154.0)**	(0.1)	(157.6)	(157.7)
Depreciation charge[3]	**(7.7)**	**(536.0)**	**(543.7)**	(5.1)	(514.1)	(519.2)
IPEP expense[4]	**-**	**(232.0)**	**(232.0)**	-	(199.8)	(199.8)
Hyperinflation adjustment[1]	**-**	**17.8**	**17.8**	-	-	-
Foreign exchange differences	**(5.2)**	**(310.6)**	**(315.8)**	4.8	213.8	218.6
Closing carrying amount	**81.6**	**5,444.4**	**5,526.0**	67.5	4,865.7	4,933.2
At 30 June						
Cost	**135.7**	**7,576.2**	**7,711.9**	119.6	7,065.6	7,185.2
Accumulated depreciation[5]	**(54.1)**	**(2,131.8)**	**(2,185.9)**	(52.1)	(2,199.9)	(2,252.0)
Net carrying amount	**81.6**	**5,444.4**	**5,526.0**	67.5	4,865.7	4,933.2

1 An opening adjustment of US$9.7 million was recognised in 2022 relating to the application of hyperinflation accounting. A further US$17.8 million gain was recognised during the period relating to the revaluation of net pooling equipment.

2 In 2022 capital expenditure related to discontinued operations is nil (2021: US$0.4 million).

3 In 2022 depreciation charge related to discontinued operations is nil (2021: US$2.5 million).

4 In 2022 IPEP expense related to discontinued operations is nil (2021: US$1.5 million).

5 Includes IPEP of US$85.5 million (2021: US$86.4 million).

The net carrying amounts above include capital work in progress of US$140.7 million (2021: US$140.3 million).

B) Recognition and Measurement

Property, plant and equipment (PPE) is stated at cost, net of depreciation, any impairment and hyperinflation adjustments, except land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of assets and, where applicable, an initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the expenditure will flow to Brambles. Repairs and maintenance are expensed in the consolidated statement of comprehensive income in the period they are incurred.

PPE is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any net gain or loss arising on derecognition of the asset is included in the statement of comprehensive income and presented within other income/operating expenses in the period in which the asset is derecognised.

Note 14. Property, Plant and Equipment – continued

C) Depreciation of Property, Plant and Equipment

Depreciation is recognised on a straight-line or reducing balance basis on all PPE (excluding land) over their expected useful lives. The useful economic life and residual value of PPE is reviewed on an annual basis considering key assumptions including forecast usage, changes in technology, physical condition and potential climate change implications. No material changes have been recognised in 2022 or 2021. The expected useful lives of PPE are generally:

- buildings: up to 50 years;
- pooling equipment: 5–10 years; and
- other plant and equipment: 3–20 years.

The cost of improvements to leasehold properties is amortised over the unexpired portion of the lease, or the estimated useful life of the improvements to Brambles, whichever is shorter.

The impact of climate change has been considered in relation to the useful economic lives and residual values of our assets. There are no indicators of a change in the useful lives as a result of climate change given that the majority of assets relate to pooling equipment with a useful life of 5-10 years.

D) Irrecoverable Pooling Equipment Provision

Loss is an inherent risk of pooling equipment operations. Brambles' pooling equipment operations around the world differ in terms of business models, market dynamics, customer and distribution channel profiles, contractual arrangements and operational details. Brambles monitors its pooling equipment operations using detailed key performance indicators (KPIs) and conducts audits continually to confirm the existence and the condition of its pooling equipment assets and to validate its customer hire records. During these audits, which take place at Brambles' plants, customer sites and other locations, pooling equipment is counted on a sample basis and reconciled to the balances shown in Brambles' customer hire records. The irrecoverable pooling equipment provision (IPEP) is subject to a number of judgements and estimates, which are informed by historical statistical data in each market, including the outcome of audits and relevant KPIs. IPEP is presented within accumulated depreciation.

E) Recoverable Amount of Non-current Assets

At each reporting date, Brambles assesses whether there is any indication that an asset, or Cash Generating Unit (CGU) to which the asset belongs, may be impaired. Where an indicator of impairment exists, Brambles makes a formal estimate of the recoverable amount. The recoverable amount of goodwill is tested for impairment annually (refer Note 16D). The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use.

Value in use is determined as the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying value of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. The impairment loss is recognised in the consolidated statement of comprehensive income in the reporting period in which the write-down occurs.

Brambles has also performed an assessment of its property, plant and equipment, including the service centre network, to consider whether there are any indicators of material impairment arising from climate change related risks. There have been no impairments identified as a result of climate change related risks, however the Group continues to assess the potential long-term financial impacts of climate change.

Note 15. Right-of-Use Leased Assets

A) Net Carrying Amount and Movements during the Year

	2022 US$m			2021 US$m		
	Land and buildings	Plant and equipment	Total	Land and buildings	Plant and equipment	Total
Opening carrying amount	**558.6**	**49.5**	**608.1**	561.1	37.7	598.8
Additions	**70.9**	**11.4**	**82.3**	72.9	26.6	99.5
Divestment of subsidiaries	**-**	**-**	**-**	(0.5)	-	(0.5)
Remeasurement of existing leases	**83.4**	**1.1**	**84.5**	12.4	1.9	14.3
Depreciation	**(111.3)**	**(18.2)**	**(129.5)**	(111.1)	(18.6)	(129.7)
Foreign exchange differences	**(24.0)**	**(3.9)**	**(27.9)**	23.8	1.9	25.7
Closing carrying amount	**577.6**	**39.9**	**617.5**	558.6	49.5	608.1
At 30 June						
Cost	**876.4**	**85.1**	**961.5**	767.5	82.8	850.3
Accumulated depreciation	**(298.8)**	**(45.2)**	**(344.0)**	(208.9)	(33.3)	(242.2)
Net carrying amount	**577.6**	**39.9**	**617.5**	558.6	49.5	608.1

B) Leases Exempt from AASB 16 *Leases* in Accordance with the Standard

	2022 US$m	2021 US$m
Short-term lease expense	**6.0**	5.5
Low-value assets lease expense	**0.4**	0.4
Exempt lease expense	**6.4**	5.9

The value of short-term lease commitments for 2023 is consistent with 2022.

Note 15. Right-of-Use Leased Assets – continued

C) Measurement of the Right-of-Use Leased Asset and Lease Liability

The Group primarily leases offices, service centres, equipment and vehicles. Rental contracts are typically made for fixed periods, but may have extension or termination options. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

Leases are recognised as a right-of-use leased asset and a corresponding lease liability at the date the leased asset is available for use by the Group. Principal and interest payments are reflected in the consolidated cash flow statement as financing and operating activities, respectively.

Assets and liabilities arising from a lease are initially measured at present value. Lease liabilities include the present value of:

- fixed lease payments less any incentives receivable;
- variable payments based on a rate or index; and
- amounts expected to be payable relating to residual value guarantees, early termination penalties, and purchase options if reasonably certain of taking place.

Lease payments are discounted using the incremental borrowing rate calculated by geographic region. The incremental borrowing rate is the rate the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Group is required to remeasure the lease liability and make an adjustment to the right-of-use leased asset if the lease terms and conditions are modified, in which case the lease liability is remeasured by discounting the revised lease payments. The remeasurement of the lease liability is also applied against the right-of-use leased asset.

Right-of-use leased assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- dilapidation costs.

The right-of-use leased asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Note 16. Goodwill and Intangible Assets

A) Net Carrying Amounts and Movements during the Year

	2022 US$m				2021 US$m			
	Goodwill	Software	Other[1]	Total	Goodwill	Software	Other[1]	Total
Opening carrying amount as reported	**207.8**	**50.7**	**23.3**	**281.8**	192.5	40.3	26.8	259.6
Opening balance adjustment[2]	**-**	**(10.6)**	**-**	**(10.6)**	-	(5.9)	-	(5.9)
Revised opening carrying amount	**207.8**	**40.1**	**23.3**	**271.2**	192.5	34.4	26.8	253.7
Additions	**-**	**14.6**	**3.0**	**17.6**	-	15.7	2.4	18.1
Disposals	**-**	**(0.9)**	**-**	**(0.9)**	-	-	-	-
Divestment of subsidiaries	**-**	**-**	**-**	**-**	-	-	(0.2)	(0.2)
Amortisation charge[3]	**-**	**(11.6)**	**(7.1)**	**(18.7)**	-	(10.0)	(8.1)	(18.1)
Foreign exchange differences	**(23.7)**	**-**	**(2.0)**	**(25.7)**	15.3	-	2.4	17.7
Closing carrying amount	**184.1**	**42.2**	**17.2**	**243.5**	207.8	40.1	23.3	271.2
At 30 June								
Gross carrying amount	**184.1**	**192.9**	**74.6**	**451.6**	207.8	192.0	78.9	478.7
Accumulated amortisation	**-**	**(150.7)**	**(57.4)**	**(208.1)**	-	(151.9)	(55.6)	(207.5)
Net carrying amount	**184.1**	**42.2**	**17.2**	**243.5**	207.8	40.1	23.3	271.2

1 Other intangible assets primarily comprise acquired customer relationships, customer lists and agreements, and BXB Digital capitalised costs.

2 The opening balance adjustment relates to the change in accounting policy for Software as a Service arrangements which has been applied retrospectively (refer Note 1H).

3 In 2022 amortisation charge related to discontinued operations is nil (2021: US$0.2 million).

Note 16. Goodwill and Intangible Assets – continued

B) Summary of Carrying Value of Goodwill by CGU

	2022 US$m	2021 US$m
CHEP Europe	**121.8**	138.8
CHEP Asia-Pacific	**52.1**	57.6
CHEP Americas[1]	**10.2**	11.4
Total goodwill	**184.1**	207.8

1 A formal impairment assessment is not undertaken for the CHEP Americas CGU on the basis of materiality.

C) Recognition and Measurement

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Brambles' share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries and associates is included in intangible assets and investments in associates, respectively. Goodwill is carried at cost less accumulated impairment losses and is not amortised.

Upon acquisition, any goodwill arising is allocated to each CGU expected to benefit from the acquisition. On disposal of an operation, goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal.

Other intangible assets

Intangible assets acquired are capitalised at cost, unless acquired as part of a business combination, in which case they are capitalised at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less provisions for amortisation and impairment.

The costs of acquiring computer software for internal use are capitalised as intangible non-current assets where it is used to support a significant business system and the expenditure leads to the creation of an asset.

Useful lives have been established for all non-goodwill intangible assets. Amortisation charges are expensed in the consolidated statement of comprehensive income on a straight-line basis over those useful lives. Estimated useful lives are reviewed annually.

The expected useful lives of intangible assets are generally:

- customer lists and relationships: 3–10 years; and
- computer software: 3–10 years.

There are no non-goodwill intangible assets with indefinite lives.

Intangible assets are tested for impairment where an indicator of impairment exists, either individually or at the CGU level.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

Note 16. Goodwill and Intangible Assets – continued

D) Goodwill Recoverable Amount Testing

Brambles' business units undertake an impairment review process annually to ensure that goodwill balances are not carried at amounts that are in excess of their recoverable amounts. This review may be undertaken more frequently if events or changes indicate that goodwill may be impaired.

The recoverable amount of goodwill is determined based on the higher of the value in use and the fair value less costs to sell calculations undertaken at the CGU level. The value in use is calculated using a discounted cash flow methodology covering a four-year period, with an appropriate terminal value at the end of that period.

Consideration has been given to the potential financial impacts of climate change related risks on the carrying value of goodwill. Brambles' forecast cashflows includes the costs of achieving its 2025 sustainability targets as set out in pages 20 to 21 of the Annual Report. Potential long-term financial impacts of climate change, including the cost of reaching our net zero target in 2040 are continuing to be assessed, however, at this stage we do not consider the potential impacts of climate change to present a risk of impairment of the carrying value of goodwill.

Based on the impairment testing, the carrying amount of goodwill in the CGUs at reporting date was fully supported. The key assumptions on which management has based its cash flow projections were:

Cash flow forecasts

Cash flow forecasts are post-tax and based on the most recent financial projections covering a maximum period of four years. Financial projections are based on assumptions that represent management's best estimates.

Revenue growth rates

Revenue growth rates used are based on management's latest four-year plan. Four-year growth rates for CHEP Europe and CHEP Asia-Pacific CGUs were 5.8% and 7.0%, respectively. Sensitivity testing was performed on these CGUs and a reasonably possible decline in these rates would not cause the carrying value of the CGUs to exceed their recoverable amount.

Terminal value

The terminal value calculated is determined using the stable growth model, having regard to the weighted average cost of capital (WACC) and terminal growth rate appropriate to each CGU. The terminal growth rate used in the financial projections was 1.9% for CHEP Europe and 2.3% for CHEP Asia-Pacific.

Discount rates

Discount rates used for the purposes of impairment testing (as required by AASB 136 *Impairment of Assets*) are post-tax WACC and include a premium for market risks appropriate to each country in which the CGU operates. Pre-tax WACC is derived based on the effective tax rate for the purpose of disclosure. Weighted average pre-tax WACC used was 9.1% (pre-tax rates: CHEP Europe 8.5% and CHEP Asia-Pacific 11.2%).

Sensitivity

Downside scenarios were prepared to sensitise the models and any reasonable change to the above key assumptions would not cause the carrying value to materially exceed the recoverable amount.

Note 17. Trade and Other Payables

	2022 US$m	2021 US$m
Current		
Trade payables	**549.7**	510.5
Other payables	**518.7**	370.2
Deferred revenue	**476.8**	460.3
Accruals	**307.0**	295.1
Derivative financial instruments	**7.9**	7.0
Total trade and other payables	**1,860.1**	1,643.1
Non-current		
Other liabilities - derivative financial instruments	**0.8**	-
	0.8	-

Trade payables represent liabilities for goods and services provided to Brambles prior to the end of the financial year that remain unpaid at the reporting date. The amounts are unsecured, non-interest bearing and are paid within normal credit terms of 30–150 days.

Other payables include capital expenditure creditors and GST/VAT payable. Other payables (excluding derivatives) are initially measured at fair value, net of transaction costs incurred, and subsequently measured at amortised cost.

Deferred revenue primarily relates to revenue that is billed on issue of pooling equipment to customers. It is recognised in the consolidated statement of comprehensive income over the cycle time (refer Note 2). As the cycle time is less than one year, all deferred revenue from 2021 was recognised in 2022. Deferred revenue in 2022 relates to the transaction price allocated to performance obligations that remain unsatisfied and will be satisfied in 2023.

Refer to Note 24 for other financial instrument disclosures.

Note 18. Provisions

	2022 US$m		2021 US$m	
	Current	Non-current	Current	Non-current
Employee entitlements	**108.0**	**7.7**	99.8	8.5
Other[1]	**14.1**	**68.1**	16.5	74.0
	122.1	**75.8**	116.3	82.5

[1] Other includes US$67.1 million relating to dilapidation provisions on leases (2021: US$75.7 million) as well as other provisions relating to litigation and other known exposures.

Provisions for liabilities are made on the basis that, due to a past event, the business has a constructive or legal obligation to transfer economic benefits that are of uncertain timing or amount. Provisions are measured at the present value of management's best estimate at the balance sheet date of the expenditure required to settle the obligation. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks appropriate to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the consolidated statement of comprehensive income.

Note 18. Provisions – continued

Employee entitlements are provided by Brambles in accordance with the legal and social requirements of the country of employment. Principal entitlements are for annual leave, sick leave, long service leave, bonuses and contract entitlements. Annual leave and sick leave entitlements are presented within other payables.

Liabilities for annual leave, as well as those employee entitlements that are expected to be settled within one year, are measured at the amounts expected to be paid when they are settled. All other employee entitlement liabilities are measured at the estimated present value of the future cash outflows to be made in respect of services provided by employees up to the reporting date. Future cash outflows are discounted using the applicable corporate bond rates.

Employee entitlements are classified as current liabilities unless Brambles has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Note 19. Borrowings

	2022 US$m		2021 US$m	
	Current	**Non-current**	**Current**	**Non-current**
Unsecured				
Bank overdrafts	**2.3**	**-**	1.5	-
Bank loans	**43.2**	**568.8**	21.8	25.3
Loan notes	**8.2**	**1,539.6**	9.1	1,692.8
	53.7	**2,108.4**	32.4	1,718.1

Borrowings are primarily initially recognised at fair value net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the borrowing proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless Brambles has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Financial risks and risk management strategies associated with borrowings, including financial covenants, are disclosed in Note 24.

Note 20. Retirement Benefit Obligations

A) Defined Contribution Plans

Brambles operates a number of defined contribution retirement benefit plans for qualifying employees. The assets of these plans are held in separately administered trusts or insurance policies. In some countries, Brambles' employees are members of state-managed retirement benefit plans. Brambles is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund benefits. The only obligation of Brambles with respect to defined contribution retirement benefit plans is to make the specified contributions. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

US$27.9 million (2021: US$24.2 million) has been recognised as an expense in the consolidated statement of comprehensive income, representing contributions paid and payable to these plans by Brambles at rates specified in the rules of the plans, all of which relate to continuing operations.

Note 20. Retirement Benefit Obligations – continued

B) Defined Benefit Plans

Brambles operates a small number of defined benefit pension plans, which are closed to new entrants. The majority of the plans are self-administered and the plans' assets are held independently of Brambles' finances. Under the plans, members are entitled to retirement benefits based upon a percentage of final salary. No other post-retirement benefits are provided. The plans are mostly funded plans.

A liability in respect of defined benefit pension plans is recognised in the balance sheet, measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plans' assets at that date. Pension obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the yields of high quality corporate bonds.

The plan assets and the present value of the defined benefit obligations recognised in Brambles' balance sheet are based upon the most recent formal actuarial valuations, which have been updated to 30 June 2022 by independent professionally qualified actuaries and take account of the requirements of AASB 119 *Employee Benefits* . For all plans, the valuation updates have used assumptions, assets and cash flows as at 31 May 2022, which have been further updated to reflect conditions at 30 June 2022 for the two UK plans. For the non-UK plans, there has been no material change in assumptions, assets and cash flows between 31 May and 30 June. The present value of the defined benefit obligations and past service costs were measured using the projected unit credit method. Past service cost is recognised immediately to the extent that the benefits are already vested.

Actuarial gains and losses arising from differences between expected and actual returns, and the effect of changes in actuarial assumptions are recognised in full through other comprehensive income in the period in which they arise. In 2022 a net actuarial gain of US$22.5 million was recognised in other comprehensive income (2021: US$2.7 million).

A net expense of US$1.8 million has been recognised in the consolidated statement of comprehensive income in respect of defined benefit plans (2021: US$2.4 million), of which US$1.1 million net expense relates to continuing operations (2021: US$1.7million). Included within the total expense recognised during the year is a net interest cost of nil (2021: US$0.4 million).

The amounts recognised in the balance sheet are as follows:

	2022 US$m	2021 US$m
Present value of defined benefit obligations	**226.3**	327.2
Fair value of plan assets	**(224.1)**	(293.9)
Net liability recognised in the balance sheet	**2.2**	33.3

Currency variations and an increase in the discount rate were the key drivers for the changes in the present value of defined benefit obligations and the fair value of plan assets. Benefits paid during the period were US$8.5 million (2021: US$8.0 million). There are a number of principal assumptions used in the actuarial valuations of the defined benefit obligations. These principal assumptions are the discount rate of 3.8% (2021: 2.0%) for the plans operating in the United Kingdom and 10.2% (2021: 9.4%) for the South African plan; the pension increase rate of 3.30% - 3.65% (2021: 3.25% - 3.65%) in the United Kingdom plans; and the inflation rate for the South African plan of 6.54% (2021: 5.73%). A change of 25 basis points in the discount rate or other key assumptions may have a material impact on the defined benefit obligation.

Brambles has no legal obligation to settle this liability with an immediate contribution or additional one-off contributions. Brambles intends to continue to make contributions to the plans at the rates recommended by the plans' actuaries when actuarial valuations are obtained. Additional annual contributions of £5.0 million or US$6.1 million (2021: £5.0 million or US$6.9 million) are being paid to remove the identified deficits over a period of up to six years (2021: seven years).

Note 21. Contributed Equity

	Shares	US$m
Total ordinary shares, of no par value, issued and fully paid:		
At 1 July 2020	1,505,032,565	5,427.2
Issued during the year[1]	2,655,384	20.7
Share buy-back[2]	(66,518,260)	(523.1)
At 30 June 2021	1,441,169,689	4,924.8
At 1 July 2021	**1,441,169,689**	**4,924.8**
Issued during the year[1]	**3,290,746**	**24.9**
Share buy-back[2]	**(58,305,186)**	**(443.9)**
At 30 June 2022	**1,386,155,249**	**4,505.8**

1 Includes shares issued on exercise of share plans and shares issued as part of the MyShare Dividend Reinvestment Plan.

2 The on-market share buy-back announced on 25 February 2019 was completed during 2022. Proceeds from the IFCO divestment were used to repurchase and cancel a total of US$1.67 billion of shares, representing 13.6% of issued share capital at the commencement of the programme in June 2019. Of this, US$443.9 million related to 2022.

Ordinary shares are classified as contributed equity. No gain or loss is recognised in the consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of Brambles' own equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds of issue.

Ordinary shares of Brambles Limited entitle the holder to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of shares held.

Note 22. Share-Based Payments

The Remuneration Report sets out details relating to the Brambles share plans (pages 70 and 72), together with details of performance share rights and MyShare matching conditional rights issued to the Executive Directors and other Key Management Personnel (pages 71 to 72). Rights granted by Brambles do not result in an entitlement to participate in share issues of any other corporation.

Set out below are summaries of rights granted under the plans.

A) Grants over Brambles Limited Shares

Grant date	Expiry date	Balance at 1 July	Granted during year	Exercised during year	Forfeited / lapsed during year	Balance at 30 June
2022						
Performance share rights						
Awards granted in prior periods		6,409,680	-	(2,148,252)	(475,469)	3,785,959
15 Sept 2021	15 Sept 2027	-	15,995	(15,995)	-	-
21 Oct 2021	21 Oct 2026	-	3,215,035	(21,951)	(98,756)	3,094,328
MyShare matching conditional rights						
2020 Plan Year	31 Mar 2022	1,240,571	-	(1,152,897)	(87,674)	-
2021 Plan Year	31 Mar 2023	492,695	1,057,536	(24,902)	(149,668)	1,375,661
2022 Plan Year	31 Mar 2024	-	553,245	(1,861)	(14,328)	537,056
Total rights		**8,142,946**	**4,841,811**	**(3,365,858)**	**(825,895)**	**8,793,004**
2021 (summarised comparative)						
Total rights		7,228,945	4,019,960	(2,783,936)	(322,023)	8,142,946

Of the above grants, 240,774 were exercisable at 30 June 2022.

		2022	2021
Weighted average data:			
- fair value at grant date of grants made during the year	A$	**9.37**	9.48
- share price at exercise date of grants exercised during the year	A$	**10.39**	10.64
- remaining contractual life at 30 June	years	**3.8**	3.7

The cost of equity-settled share rights is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

Note 22. Share-Based Payments – continued

A) Grants Over Brambles Limited Shares – continued

Executives and employees in certain jurisdictions are provided cash incentives calculated by reference to the awards under the share-based compensation schemes (phantom shares). These phantom shares are fair valued on initial grant date and at each subsequent reporting date.

The cost of cash-settled share rights is charged to the consolidated statement of comprehensive income over the relevant vesting periods, with a corresponding increase in provisions.

B) Fair Value Calculations

The fair value of share rights subject to a market condition is determined at grant date using a Monte Carlo Simulation. The fair value of share rights subject to a non-market condition is determined at grant date using a risk-neutral assumption. The values calculated do not take into account the probability of rights being forfeited prior to vesting, as Brambles revises its estimate of the number of share rights expected to vest at each reporting date.

The significant inputs into the valuation models for the grants made during the year were:

	2022	**2021**
Weighted average share price	**A$10.39**	A$10.74
Expected volatility	**25%**	24%
Expected life	**2 – 3 years**	2 – 3 years
Annual risk-free interest rate	**0.64%**	0.14%
Expected dividend yield	**2.83%**	2.50%

The expected volatility was determined based on a three-year historic volatility of Brambles' share prices.

C) Share-Based Payments Expense

Brambles recognised a total expense of US$28.3 million (2021: US$24.9 million) relating to equity-settled share-based payments and US$2.3 million (2021: US$1.9 million) relating to cash-settled share-based payments. Of the equity-settled amount, nil (2021: US$0.1 million) related to discontinued operations.

Note 23. Reserves and Retained Earnings

A) Movements in Reserves and Retained Earnings

	Reserves					
	Share-based payments US$m	**Foreign currency translation US$m**	**Unification US$m**	**Other US$m**	**Total US$m**	**Retained earnings US$m**
Year ended 30 June 2021						
Opening balance as at 1 July 2020 as reported	66.4	(530.1)	(7,162.4)	161.8	(7,464.3)	4,793.5
Opening balance adjustment[1]	-	-	-	-	-	(4.4)
Revised opening balance as at 1 July 2020	66.4	(530.1)	(7,162.4)	161.8	(7,464.3)	4,789.1
Actuarial gain on defined benefit plans	-	-	-	-	-	6.6
Foreign exchange differences	-	180.9	-	-	180.9	-
FCTR released to profit on divestment of Kegstar	-	3.3	-	-	3.3	-
Share-based payments:						
- expense recognised	24.9	-	-	-	24.9	-
- shares issued	(20.7)	-	-	-	(20.7)	-
- equity component of related tax	1.4	-	-	-	1.4	-
- released to profit on divestment of Kegstar	(0.3)	-	-	-	(0.3)	-
Dividends declared	-	-	-	-	-	(287.0)
Profit for the year	-	-	-	-	-	522.6
Closing balance as at 30 June 2021	71.7	(345.9)	(7,162.4)	161.8	(7,274.8)	5,031.3
Year ended 30 June 2022						
Opening balance as at 1 July 2021 as reported	**71.7**	**(345.9)**	**(7,162.4)**	**161.8**	**(7,274.8)**	**5,039.2**
Opening balance adjustment[1]	**-**	**-**	**-**	**-**	**-**	**(7.9)**
Hyperinflation adjustment[2]	**-**	**-**	**-**	**28.4**	**28.4**	**(19.8)**
Revised opening balance as at 1 July 2021	**71.7**	**(345.9)**	**(7,162.4)**	**190.2**	**(7,246.4)**	**5,011.5**
Actuarial gain on defined benefit plans	**-**	**-**	**-**	**-**	**-**	**16.8**
Foreign exchange differences[3]	**-**	**(167.3)**	**-**	**-**	**(167.3)**	**-**
Revaluation of reserves relating to hyperinflation[2]	**-**	**-**	**-**	**34.0**	**34.0**	**-**
Share-based payments:						
- expense recognised	**28.3**	**-**	**-**	**-**	**28.3**	**-**
- shares issued	**(24.9)**	**-**	**-**	**-**	**(24.9)**	**-**
- equity component of related tax	**(0.3)**	**-**	**-**	**-**	**(0.3)**	**-**
Dividends declared	**-**	**-**	**-**	**-**	**-**	**(299.7)**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**593.3**
Closing balance as at 30 June 2022	**74.8**	**(513.2)**	**(7,162.4)**	**224.2**	**(7,376.6)**	**5,321.9**

1 The opening balance adjustment relates to the change in accounting policy for Software as a Service arrangements which has been applied retrospectively (refer Note 1H).

2 An opening adjustment of US$28.4 million was recognised in 2022 relating to the application of hyperinflation accounting. A further US$34.0 million gain was recognised during the period relating to the revaluation of reserves.

3 Exchange differences on translation of foreign subsidiaries have been impacted by the reduction in the British Pound, Euro and Australian dollar net assets when translated to US dollars. The 30 June 2022 spot rate relative to the US dollar at 30 June 2021 weakened by 12.4% for the British Pound, 12.3% for the Euro and 8.4% for the Australian dollar.

Note 23. Reserves and Retained Earnings – continued

B) Nature and Purpose of Reserves

Share-based payments reserve
This comprises the cumulative share-based payment expense recognised in the statement of comprehensive income in relation to equity-settled options and share rights issued but not yet exercised. Refer to Note 22 for further details.

Foreign currency translation reserve
This comprises cumulative exchange differences arising from the translation of the financial statements of foreign subsidiaries and associates, net of qualifying net investment hedges. The relevant accumulated balance is recognised in the consolidated statement of comprehensive income on disposal of a foreign subsidiary or associate.

Unification reserve
Unification refers to the amalgamation of Brambles Industries Limited (BIL) and Brambles Industries plc (BIP) to form a new entity Brambles Limited. The Unification reserve of US$15,385.8 million was established on 4 December 2006, representing the difference between the Brambles Limited share capital measured at fair value and the carrying value of the share capital of BIL and BIP at that date. Subsequently on 9 September 2011, the reduction in share capital of US$8,223.4 million by Brambles Limited in accordance with section 258F of the *Corporations Act 2001* was applied against the Unification reserve.

Other
This comprises the merger reserve created at the time of the formation of the Dual Listed Company structure in 2001, the hedging reserve and the hyperinflation reserve. The hedging reserve represents the cumulative portion of the gain or loss of cash flow hedges that are determined to be effective hedges. Amounts are recognised in the statement of comprehensive income when the associated hedged transaction is recognised or the hedge or the forecast hedged transaction is no longer highly probable. The hyperinflation reserve represents the revaluation of equity in hyperinflationary economies and any gains or losses are recognised directly in the reserve.

Note 24. Financial Risk Management

Brambles is exposed to a variety of financial risks: market risk (including the effect of fluctuations in interest rates and exchange rates), liquidity risk and credit risk.

Brambles' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Brambles. Financial risk management activities are carried out centrally by Brambles' treasury function in accordance with Board policies and guidelines, through standard operating procedures and delegated authorities.

Brambles uses interest rate swaps and forward foreign exchange contracts to manage its market risk and does not trade in financial instruments for speculative purposes.

A) Financial Assets and Liabilities
Financial assets are recognised when Brambles becomes a party to the contractual provisions of the instrument and are classified in the following two categories: financial assets at fair value through profit or loss; and amortised cost, as disclosed in the respective notes.

Derecognition occurs when rights to the asset have expired or when Brambles transfers its rights to receive cash flows from the asset together with substantially all the risks and rewards of the asset.

Refer to Note 19 for the recognition of interest bearing financial liabilities.

The fair values of all financial assets and liabilities held on the balance sheet as at 30 June 2022 equal the carrying amount, with the exception of loan notes, which have an estimated fair value of US$1,491.7 million (2021: US$1,826.4 million) compared to a carrying value of US$1,547.8 million (2021: US$1,701.9 million). Financial assets and liabilities held at fair value (other than loan notes) are estimated using Level 2 estimation techniques, which use inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The fair value of loan notes has been calculated using Level 1 valuation techniques, which use directly observable unadjusted quoted prices in active markets for identical assets or liabilities.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturities at the balance sheet date. The fair value of interest rate swap contracts is calculated as the present value of the forward cash flows of the instrument after applying market rates and standard valuation techniques.

B) Derivative and Hedging Activities
For the purposes of hedge accounting, hedges are classified as either fair value hedges, cash flow hedges or net investment hedges.

For fair value hedges, any gain or loss from remeasuring the hedging instrument at fair value is adjusted against the carrying amount of the hedged item and recognised in profit or loss.

For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Hedges for net investments in foreign operations are accounted for similarly to cash flow hedges.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

Note 24. Financial Risk Management – continued

C) Market Risk

Brambles has the following risk policies in place with respect to market risk.

Interest rate risk

Brambles' exposure to potential volatility in finance costs is predominantly in Euros and US dollars on borrowings. This is managed by maintaining a mix of fixed and floating-rate instruments within select target bands over defined periods. In some cases, interest rate derivatives are used to achieve these targets synthetically.

The following table sets out the financial instruments exposed to interest rate risk at reporting date:

	Note	2022 US$m	2021 US$m
Financial assets (floating rate)			
Cash at bank		**148.1**	378.4
Short-term deposits		**10.1**	30.1
		158.2	408.5
Weighted average effective interest rate at 30 June		**0.6%**	0.0%
Financial assets (fixed rate)			
Other receivables	11	**49.6**	23.6
Weighted average effective interest rate at 30 June		**6.0%**	5.7%
Financial liabilities (floating rate)			
Bank overdrafts		**2.3**	1.5
Bank loans		**611.5**	33.7
Interest rate swaps (notional value) – fair value hedges		**156.6**	178.5
Net exposure to cash flow interest rate risk		**770.4**	213.7
Weighted average effective interest rate at 30 June		**1.5%**	1.4%
Financial liabilities (fixed rate)			
Loan notes		**1,547.8**	1,701.9
Bank loans		**0.5**	13.4
Lease liabilities		**713.4**	712.6
Interest rate swaps (notional value) – fair value hedges		**(156.6)**	(178.5)
Net exposure to fair value interest rate risk		**2,105.1**	2,249.4
Weighted average effective interest rate at 30 June		**3.0%**	2.9%

Note 24. Financial Risk Management – continued

C) Market Risk – continued

Interest rate swaps – fair value hedges

Brambles entered into interest rate swap transactions with various banks, swapping €150.0 million of the €500.0 million 2024 Euro medium-term fixed-rate notes (EMTN) to variable rates. The interest rate swaps and debt have been designated in a hedging relationship at a hedge ratio of 1:1. The fair value of the interest rate swaps are adjusted for credit risk, measured by reference to credit default swaps for the interest rate swap counterparties, which is a source of ineffectiveness. Movement in credit risk does not dominate the hedge relationship. The credit valuation adjustment to the swaps at 30 June 2022 is nil (2021: nil).

In accordance with AASB 9, the carrying value of the loan notes has been adjusted to increase debt by US$0.3 million (2021: US$10.4 million) in relation to changes in fair value attributable to the hedged risk. The fair value of interest rate swaps at reporting date was US$0.4 million (2021: US$10.6 million).

The terms of the swaps match the terms of the fixed-rate bond issue for the amounts and durations being hedged.

Fair value hedge	Hedged item	Hedging instrument
Description	€150m of the €500m EMTN	€150m interest rate swaps
Nominal amount (US$m)	156.6	156.6
Carrying amount (US$m)	156.4	0.2
Change in fair value (US$m)	0.3	0.4
Hedge ineffectiveness (US$m)	Nil	0.2
Balance sheet account impacted	Non-current borrowings	Other assets
Statement of comprehensive income account impacted		Finance revenue/finance costs

The gain or loss from remeasuring the interest rate swaps at fair value is recorded in profit or loss together with any changes in the fair value of the hedged asset or liability that is attributed to the hedged risk. For 2022, all interest rate swaps were effective hedging instruments.

Sensitivity analysis

Based on the Euro floating rate financial assets and floating rate financial liabilities outstanding at 30 June 2022, if Euro zone interest rates were to increase by 200 basis points or decrease by 50 basis points with all other variables held constant, profit after tax for the year would have been US$6.8 million lower/US$1.7 million higher (2021: US$0.4 million higher/US$0.1 million lower).

Foreign exchange risk

Exposure to foreign exchange risk generally arises in either the value of transactions translated back to the functional currency of a subsidiary or associate, or the value of assets and liabilities of foreign currency subsidiaries or associates when translated back to the Group's reporting currency.

Foreign exchange hedging is used when a transaction exposure exceeds certain thresholds and as soon as a defined exposure arises. Within Brambles, exposures may arise with external parties or, alternatively, by way of cross-border intercompany transactions. Forward foreign exchange contracts are primarily used to manage exposures from normal commercial transactions such as the purchase and sale of equipment and services, intercompany interest and royalties. Given that Brambles both generates income and incurs expenses in its local currencies of operation, these exposures are not significant.

Brambles generally mitigates translation exposures by raising debt in currencies where there are matching assets.

Note 24. Financial Risk Management – continued

C) Market Risk – continued

Foreign exchange risk – continued

Currency profile

The following table sets out the currency mix profile of Brambles' financial instruments at reporting date. Financial assets include cash, trade receivables and derivative assets. Financial liabilities include trade payables, lease liabilities, borrowings and derivative liabilities:

	US dollar US$m	Aust. dollar US$m	British Pound US$m	Euro US$m	Other US$m	Total US$m
2022						
Financial assets	**364.5**	**35.7**	**33.7**	**141.0**	**295.6**	**870.5**
Financial liabilities	**1,168.9**	**149.3**	**69.3**	**1,693.6**	**352.8**	**3,433.9**
2021						
Financial assets	332.3	222.2	47.9	149.9	314.5	1,066.8
Financial liabilities	1,099.5	156.7	83.4	1,332.6	308.4	2,980.6

Forward foreign exchange contracts – cash flow hedges

During 2022, Brambles entered into forward foreign exchange transactions with various banks in a variety of cross-currencies for terms ranging up to six months.

For 2022 and 2021, all foreign exchange contracts were effective hedging instruments. The fair value of these contracts at reporting date was nil (2021: nil).

Other forward foreign exchange contracts

Brambles enters into other forward foreign exchange contracts for the purpose of hedging various cross-border intercompany loans to overseas subsidiaries. In this case, the forward foreign exchange contracts provide an economic hedge against exchange fluctuations on foreign currency loan balances. The face value and terms of the foreign exchange contracts match the intercompany loan balances. Gains and losses on realignment of the intercompany loans and foreign exchange contracts to spot rates are offset in the consolidated statement of comprehensive income. Consequently, these foreign exchange contracts are not designated for hedge accounting purposes and are classified as held for trading. The fair value of these contracts at reporting date was a net liability of US$5.3 million (2021: net liability of US$6.1 million).

Hedge of net investment in foreign entity

At 30 June 2022, €350.5 million (US$366.0 million) of the 2024 EMTN has been designated as a hedge of the net investment in Brambles' European subsidiaries and is being used to partially hedge Brambles' exposure to foreign exchange risks on these investments. For 2022 and 2021, there was no ineffectiveness to be recorded from such partial hedges of net investments in foreign entities.

Sensitivity analysis

Based on the financial instruments held at 30 June 2022, if exchange rates were to weaken/strengthen against the US dollar by 10% with all other variables held constant, the transaction exposure within profit after tax for the year would have been US$0.6 million lower/higher (2021: US$0.6 million lower/higher). The impact on equity would have been US$25.8 million lower/higher (2021: US$29.3 million lower/higher) as a result of the incremental movement through the foreign currency translation reserve relating to the effective portion of a net investment hedge.

Note 24. Financial Risk Management – continued

D) Liquidity Risk

Brambles' objective is to maintain adequate liquidity to meet its financial obligations as and when they fall due. Brambles funds its operations through existing equity, retained cash flow and borrowings. Funding is generally sourced from relationship banks and debt capital market investors on a medium- to long-term basis.

Bank credit facilities are generally structured on a committed multi-currency revolving basis and at 30 June 2022 had maturities ranging out to June 2027. Borrowings under the bank credit facilities are floating-rate, unsecured obligations with covenants and undertakings typical for these types of arrangements.

In August 2022, Brambles established a new five-year US$1,350.0 million committed syndicated revolving credit facility to refinance US$992.2 million of existing committed bilateral credit facilities. The syndicated credit facility incorporates sustainability-linked performance targets consistent with the Group's sustainability targets and roadmap to net-zero greenhouse gas (GHG) emissions. The pricing of loans under the facility decrease or increase depending on whether the relevant targets are met.

Borrowings are raised from debt capital markets by the issue of unsecured fixed-interest notes, with interest payable semi-annually or annually. At 30 June 2022, loan notes had maturities out to October 2027.

Brambles also has access to further funding through overdrafts, uncommitted and standby lines of credit and the issuance of commercial paper, which is backed by committed bank facilities. These agreements are principally to manage day-to-day liquidity.

At 30 June 2022, the average term to maturity of the committed borrowing facilities and the loan notes is equivalent to 3.2 years (2021: 3.7 years). These facilities are unsecured and are guaranteed as described in Note 33B.

Borrowing facilities maturity profile

	Year 1 US$m	Year 2 US$m	Year 3 US$m	Year 4 US$m	>4 years US$m	Total US$m
2022						
Total facilities	**270.3**	**910.4**	**575.9**	**711.6**	**806.1**	**3,274.3**
Facilities used[1]	**(44.2)**	**(596.4)**	**(216.1)**	**(607.2)**	**(701.8)**	**(2,165.7)**
Facilities available	**226.1**	**314.0**	**359.8**	**104.4**	**104.3**	**1,108.6**
2021						
Total facilities	298.7	535.8	912.8	212.2	1,455.4	3,414.9
Facilities used[1]	(23.5)	(9.6)	(596.2)	(21.0)	(1,098.4)	(1,748.7)
Facilities available	275.2	526.2	316.6	191.2	357.0	1,666.2

[1] Facilities used represent the principal value of loan notes and borrowings of US$2,157.9 million and letters of credit of US$7.8 million drawn against the relevant facilities to reflect the correct amount of funding headroom. The loan notes and borrowings amounts differ by US$4.2 million (2021: US$10.6 million) from loan notes and borrowings as shown in the balance sheet, which are measured on the basis of amortised cost as determined under the effective interest method and include accrued interest, transaction costs and fair value adjustments on certain hedging instruments.

Note 24. Financial Risk Management – continued

D) Liquidity Risk – continued

Maturities of financial liabilities

The maturities of Brambles' contractual cash flows on non-derivative financial liabilities (for principal and interest) and contractual cash flows on net and gross settled derivative financial instruments, based on the remaining period to contractual maturity date, are presented below. Cash flows on interest rate swaps and forward foreign exchange contracts are valued based on forward interest and exchange rates applicable at reporting date.

	Year 1 US$m	Year 2 US$m	Year 3 US$m	Year 4 US$m	>4 years US$m	Total contractual cash flows US$m	Carrying amount (assets)/ liabilities US$m
2022							
Non-derivative financial liabilities							
Trade payables	**549.7**	**-**	**-**	**-**	**-**	**549.7**	**549.7**
Bank overdrafts	**2.3**	**-**	**-**	**-**	**-**	**2.3**	**2.3**
Bank loans	**48.8**	**79.7**	**212.2**	**109.1**	**180.5**	**630.3**	**612.0**
Loan notes	**40.9**	**563.0**	**28.5**	**518.1**	**537.7**	**1,688.2**	**1,547.8**
Lease liabilities	**164.2**	**144.7**	**126.9**	**112.3**	**278.1**	**826.2**	**713.4**
	805.9	**787.4**	**367.6**	**739.5**	**996.3**	**3,696.7**	**3,425.2**
Financial guarantees[2]	**24.0**	**-**	**-**	**-**	**-**	**24.0**	**-**
	829.9	**787.4**	**367.6**	**739.5**	**996.3**	**3,720.7**	**3,425.2**
Derivative financial (assets)/liabilities							
Net settled interest rate swaps							
- fair value hedges	**(1.0)**	**0.8**	**-**	**-**	**-**	**(0.2)**	**(0.2)**
Gross settled forward foreign exchange contracts							
- (inflow)	**(807.7)**	**-**	**-**	**-**	**-**	**(807.7)**	**-**
- outflow	**813.0**	**-**	**-**	**-**	**-**	**813.0**	**5.3**
	4.3	**0.8**	**-**	**-**	**-**	**5.1**	**5.1**

Note 24. Financial Risk Management – continued

D) Liquidity Risk – continued

	Year 1 US$m	Year 2 US$m	Year 3 US$m	Year 4 US$m	>4 years US$m	Total contractual cash flows US$m	Carrying amount (assets)/ liabilities US$m
2021							
Non-derivative financial liabilities							
Trade payables	510.5	-	-	-	-	510.5	510.5
Bank overdrafts	1.5	-	-	-	-	1.5	1.5
Bank loans	23.1	10.4	1.7	12.7	3.5	51.4	47.1
Loan notes	40.0	40.0	635.1	28.1	1,118.8	1,862.0	1,701.9
Lease liabilities	169.5	145.7	130.4	110.1	258.7	814.4	712.6
	744.6	196.1	767.2	150.9	1,381.0	3,239.8	2,973.6
Financial guarantees[2]	29.9	-	-	-	-	29.9	-
	774.5	196.1	767.2	150.9	1,381.0	3,269.7	2,973.6
Derivative financial (assets)/liabilities							
Net settled interest rate swaps							
- fair value hedges	(3.4)	(3.7)	(3.4)	-	-	(10.5)	(10.4)
Gross settled forward foreign exchange contracts							
- (inflow)	(1,135.3)	-	-	-	-	(1,135.3)	-
- outflow	1,141.4	-	-	-	-	1,141.4	6.1
	2.7	(3.7)	(3.4)	-	-	(4.4)	(4.3)

[2] Refer to Note 27 a) for details on financial guarantees. The amounts disclosed above are the maximum amounts allocated to the earliest period in which the guarantee could be called. Brambles does not expect these payments to eventuate.

Note 24. Financial Risk Management – continued

E) Credit Risk Exposure

Brambles is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, trade and other receivables and derivative financial instruments. The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments, including the mark-to-market of hedging instruments where they represent an asset in the balance sheet. Brambles has short-term deposits available within seven days totalling US$10.1 million which are deposited with banks rated A+ by Standard & Poor's. Other than the non-current receivables due from First Reserve totalling US$41.5 million (refer Note 11), there is no concentration of credit risk.

Brambles trades only with recognised, creditworthy third parties. Collateral is generally not obtained from customers. Customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Credit limits are set for individual customers and approved by credit managers in accordance with an approved authority matrix. These credit limits are regularly monitored and revised based on historic turnover activity and credit performance. In addition, overdue receivable balances are monitored and actioned on a regular basis.

Brambles transacts derivatives with prominent financial institutions and has credit limits in place to limit exposure to any potential non-performance by its counterparties.

F) Capital Risk Management

Brambles' objective when managing capital is to ensure Brambles continues as a going concern as well as to provide a balance between financial flexibility and balance sheet efficiency. In determining its capital structure, Brambles considers the robustness of future cash flows, potential funding requirements for growth opportunities and acquisitions, the cost of capital and ease of access to funding sources.

Brambles manages its capital structure to be consistent with a solid investment-grade credit rating. At 30 June 2022, Brambles held investment-grade credit ratings of BBB+ from Standard & Poor's and Baa1 from Moody's Investors Service.

Initiatives available to Brambles to achieve its desired capital structure include adjusting the amount of dividends paid to shareholders, returning capital to shareholders, buying back share capital, issuing new shares, selling assets to reduce debt, varying the maturity profile of its borrowings and managing discretionary expenses.

Brambles considers its capital to comprise:

	2022 US$m	2021 US$m
Total borrowings	**2,162.1**	1,750.5
Total lease liabilities	**713.4**	712.6
Less: cash and cash equivalents	**(158.2)**	(408.5)
Net debt	**2,717.3**	2,054.6
Total equity	**2,451.1**	2,681.3
Total capital	**5,168.4**	4,735.9

Under the terms of its major borrowing facilities, Brambles is required to comply with the following financial covenants:

- the ratio of net debt to EBITDA is to be no more than 3.5 to 1; and
- the ratio of EBITDA to net finance costs is to be no less than 3.5 to 1.

Loan covenant ratios are calculated including the impact of lease liabilities and on a 12-month rolling basis. EBITDA for the purpose of loan covenant calculations is Underlying Profit before interest, tax, IPEP, depreciation and amortisation for continuing and discontinued operations.

Brambles has complied with these financial covenants for 2022 and 2021.

Note 25. Cash Flow Statement – Additional Information

A) Reconciliation of Cash

	2022 US$m	2021 US$m
For the purpose of the consolidated cash flow statement, cash comprises:		
Cash at bank and in hand	**148.1**	378.4
Short-term deposits[1]	**10.1**	30.1
Cash and cash equivalents	**158.2**	408.5
Bank overdraft (Note 19)	**(2.3)**	(1.5)
	155.9	407.0

[1] Short-term deposits recognised within cash and cash equivalents have maturities of three months or less and are measured at amortised cost.

Cash and cash equivalents include deposits with financial institutions and other highly liquid investments which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value. Bank overdrafts are presented within borrowings in the balance sheet.

Cash and cash equivalents include balances of US$0.2 million (2021: US$0.2 million) used as security for various contingent liabilities and are not readily accessible.

Brambles has various master netting and set-off arrangements covering cash pooling. An amount of US$3.5 million has been reduced from cash at bank and overdraft at 30 June 2022 (2021: nil).

Note 25. Cash Flow Statement – Additional Information – continued

B) Reconciliation of Profit After Tax to Net Cash Flow from Operating Activities

	2022 US$m	2021 US$m
Profit after tax	**593.3**	522.6
Adjustments for:		
- depreciation and amortisation	**691.9**	667.0
- IPEP expense	**232.0**	199.8
- net loss on divestments	**-**	1.9
- net (gain)/loss on disposal of property, plant and equipment	**(15.7)**	1.3
- other valuation adjustments	**(5.2)**	(3.6)
- share of results of associate	**4.6**	0.6
- equity-settled share-based payments	**28.3**	24.9
- hyperinflation adjustment	**22.0**	-
- net finance revenue and costs	**7.5**	(0.3)
Movements in operating assets and liabilities, net of acquisitions and disposals:		
- increase in trade and other receivables	**(160.2)**	(115.0)
- decrease/(increase) in prepayments	**25.7**	(9.3)
- increase in inventories	**(18.9)**	(10.3)
- increase in deferred taxes	**69.3**	75.7
- increase in trade and other payables	**120.9**	169.6
- decrease in tax payables	**(19.7)**	(6.2)
- increase in provisions	**15.5**	31.2
- other	**(5.5)**	4.1
Net cash inflow from operating activities	**1,585.8**	1,554.0

Notes to and Forming Part of the Financial Statements – continued
for the year ended 30 June 2022

Note 25. Cash Flow Statement – Additional Information – continued

C) Reconciliation of Movement in Net Debt

	2022 US$m	2021 US$m
Net debt at beginning of the year	**2,054.6**	1,711.8
Net cash inflow from operating activities	**(1,585.8)**	(1,554.0)
Net cash outflow from investing activities	**1,499.6**	932.0
Net payments from disposal of businesses, net of cash disposed	**-**	9.5
Acquisition of forestry assets	**-**	15.5
Payments for share buy-back	**443.9**	523.1
Dividends paid - ordinary	**304.8**	280.8
Net outflow from derivative financial instruments	**49.0**	5.3
Lease capitalisation, interest accruals and other	**125.7**	106.5
Foreign exchange differences on borrowings and cash	**(174.5)**	24.1
Net debt at end of the year	**2,717.3**	2,054.6
Being:		
Current borrowings	**53.7**	32.4
Current lease liabilities	**140.0**	147.5
Non-current borrowings	**2,108.4**	1,718.1
Non-current lease liabilities	**573.4**	565.1
Cash and cash equivalents	**(158.2)**	(408.5)
Net debt at end of the year	**2,717.3**	2,054.6

D) Non-cash Financing or Investing Activities

Apart from the MyShare Dividend Reinvestment Plan, there were no financing or investing transactions during the year which had a material effect on the assets and liabilities of Brambles that did not involve cash flows.

Note 26. Capital Expenditure Commitments

Capital Expenditure Commitments

Capital expenditure, principally relating to property, plant and equipment, contracted for but not recognised as liabilities at reporting date was as follows:

	2022 US$m	2021 US$m
Within one year	**380.2**	184.2
Between one and five years	**1.9**	0.2
	382.1	184.4

Note 27. Contingencies

a) Subsidiaries have contingent unsecured liabilities in respect of guarantees given relating to leases, workers compensation insurance and other obligations totalling US$24.0 million (2021: US$29.8 million), of which US$15.1 million (2021: US$19.9 million) is guaranteed by Brambles Limited and US$7.8 million (2021: US$8.8 million) is also guaranteed by Brambles Limited and certain of its subsidiaries under a deed of cross-guarantee and is included in Note 33B.

b) Environmental contingent liabilities

Brambles' activities have previously included the treatment and disposal of hazardous and non-hazardous waste through subsidiaries and corporate joint ventures or associates. In addition, other activities of Brambles entail using, handling and storing materials which are capable of causing environmental impairment.

As a consequence of the nature of these activities, Brambles has incurred and may continue to incur environmental costs and liabilities associated with site and facility operation, closure, remediation, aftercare, monitoring and licensing. Provisions have been made in respect of estimated environmental liabilities at all sites and facilities where obligations are known to exist and can be reliably measured.

However, additional liabilities may emerge due to a number of factors including changes in the numerous laws and regulations which govern environmental protection, liability, land use, planning, climate change and other matters in each jurisdiction in which Brambles operates or has operated. These extensive laws and regulations are continually evolving in response to technological advances, scientific developments, climate change and other factors. Brambles cannot predict the extent to which it may be affected in the future by any such changes in legislation or regulation.

c) Brambles continues to defend a consolidated class action raised on behalf of certain shareholders who acquired shares during the period between 18 August 2016 and 20 February 2017. Brambles has filed its defence in the consolidated action and has been preparing for the trial in the action, which will take place from 8 August 2022 to 8 September 2022. The criteria for recognising a provision with respect to this action is not met in accordance with the accounting policy set out in Note 18.

In the ordinary course of business, Brambles becomes involved in litigation, tax and indirect tax audits and other commercial disputes. Provisions have been made for known obligations where the existence of the liability is probable and can be reasonably quantified. Receivables have been recognised where recoveries, for example from insurance arrangements, are virtually certain.

As the outcomes of these matters remain uncertain, contingent liabilities exist for any potential amounts payable.

Note 28. Auditor's Remuneration

	2022 US$'000	2021 US$'000
Audit and review services:		
- PwC Australia	**2,203**	2,078
- Other PwC network firms	**2,659**	3,004
Total audit and review services	**4,862**	5,082
Other assurance services (which could be performed by other firms):		
- PwC Australia	**-**	-
- Other PwC network firms	**32**	5
Total other assurance services	**32**	5
Total remuneration for audit, review and other assurance services	**4,894**	5,087
Other services:		
- Tax advisory services - other PwC network firms	**-**	4
- Other - PwC Australia	**12**	-
- Other - other PwC network firms	**1**	39
Total other services[1]	**13**	43
Total auditor's remuneration	**4,907**	5,130

[1] Other services during 2022 primarily related to corporate administration (2021: primarily related to compliance projects).

From time to time, Brambles employs PwC on assignments additional to its statutory audit duties where PwC, through its detailed knowledge of the Group, is best placed to perform the services from an efficiency, effectiveness and cost perspective. The performance of such non-audit related services is always balanced with the fundamental objective of ensuring PwC's objectivity and independence as auditors. To ensure this balance, Brambles' Charter of Audit Independence outlines the services that can be undertaken by the auditors and requires that the Audit and Risk Committee approves any management recommendation that PwC undertakes non-audit work (with approval being delegated to the Chief Financial Officer within specified monetary limits).

Note 29. Key Management Personnel

A) Key Management Personnel Compensation

	2022 US$'000	2021 US$'000
Short-term employee benefits	**6,068**	6,122
Post-employment benefits	**131**	103
Other benefits	**38**	43
Share-based payment expense	**5,045**	4,719
	11,282	10,987

B) Other Transactions with Key Management Personnel

Other transactions with Key Management Personnel are set out in Note 30A.

Further remuneration disclosures are set out in the Directors' Report on pages 52 to 72 of the Annual Report.

Note 30. Related Party Information

A) Other Transactions

Other transactions entered into during the year with Directors of Brambles Limited, with Director-related entities, with Key Management Personnel (KMP, as set out in the Remuneration Report), or with KMP-related entities, were on terms and conditions no more favourable than those available to other employees, customers or suppliers and include transactions in respect of the employee option plans, contracts of employment, service agreements with Non-Executive Directors and reimbursement of expenses. Any other transactions were trivial in nature.

B) Other Related Parties

A subsidiary has a non-interest bearing advance outstanding as at 30 June 2022 of US$1,054,928 (2021: US$1,072,084) to Brambles Custodians Pty Limited, the trustee under Brambles' employee loan scheme. This scheme enabled employees to acquire shares in Brambles Industries Limited (BIL) and has been closed to new entrants since August 2002.

Note 30. Related Party Information – continued

C) Material Subsidiaries

The principal subsidiaries of Brambles during the year were:

		% interest held at reporting date	
Name	Place of incorporation	2022	2021
CHEP USA	USA	**100**	100
CHEP Canada Corp	Canada	**100**	100
CHEP UK Limited	UK	**100**	100
CHEP Equipment Pooling NV	Belgium	**100**	100
CHEP España SA	Spain	**100**	100
CHEP South Africa (Proprietary) Limited	South Africa	**100**	100
CHEP Australia Limited	Australia	**100**	100
CHEP Mexico SRL	Mexico	**100**	100
Brambles USA Inc.	USA	**100**	100
Brambles Finance plc	UK	**100**	100
Brambles Finance Limited	Australia	**100**	100

In addition to the list above, there are a number of other non-material subsidiaries within Brambles.

Investments in subsidiaries are primarily by means of ordinary or common shares. Shares in subsidiaries are recorded at cost, less provision for impairment.

Material subsidiaries which prepare statutory financial statements report a 30 June balance sheet date, with the exception of CHEP Mexico SRL, which reports a 31 December balance sheet date.

Note 31. Events After Balance Sheet Date

On 5 August 2022, Brambles received US$41.5 million from First Reserve as final settlement of the receivable relating to the divestment of the Hoover Ferguson Group (HFG) investment in 2018.

Other than the above and those outlined in the Directors' Report or elsewhere in these financial statements, no other events have occurred subsequent to 30 June 2022 and up to the date of this report that have had a material impact on Brambles' financial performance or position.

Note 32. Net Assets Per Share

	2022 US cents	2021 US cents
Based on 1,386.2 million shares (2021: 1,441.2 million shares):		
- Net tangible assets per share[1]	**159.3**	167.2
- Net assets per share[1]	**176.8**	186.1

[1] The movement from June 2021 primarily reflects higher net debt used to fund the share buy-back programme.

Net tangible assets per share is calculated by dividing total equity attributable to the members of the parent entity, less goodwill and intangible assets, by the number of shares on issue at year end.

Net assets per share is calculated by dividing total equity attributable to the members of the parent entity by the number of shares on issue at year end.

Note 33. Parent Entity Financial Information

A) Summarised Financial Data of Brambles Limited

	Parent entity	
	2022 US$m	2021 US$m
Loss for the year	**(7.2)**	(23.4)
Other comprehensive (expense)/income for the year[1]	**(381.6)**	499.1
Total comprehensive (expense)/income	**(388.8)**	475.7
Current assets	**0.1**	4.0
Non-current assets	**4,531.7**	5,100.2
Total assets	**4,531.8**	5,104.2
Current liabilities	**34.5**	48.7
Non-current liabilities	**570.9**	22.0
Total liabilities	**605.4**	70.7
Net assets	**3,926.4**	5,033.5
Contributed equity	**4,505.8**	4,924.8
Share-based payment reserve	**68.3**	67.9
Foreign currency translation reserve	**(835.4)**	(453.8)
Retained earnings	**187.7**	494.6
Total equity	**3,926.4**	5,033.5

[1] Comprises foreign currency translation movements.

Note 33. Parent Entity Financial Information – continued

A) Summarised Financial Data of Brambles Limited – continued

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements except for investments and receivables from subsidiaries. In the parent entity financial information, investments in subsidiaries are accounted for at cost and receivables from subsidiaries are held at amortised cost. Where appropriate, receivables from subsidiaries have been adjusted for expected credit losses. Dividends received from investments in subsidiaries are recognised as revenue.

B) Guarantees and Contingent Liabilities

Brambles Limited and certain of its subsidiaries are parties to a deed of cross-guarantee which supports global financing credit facilities available to certain subsidiaries. At 30 June 2022, total facilities available amount to US$1,421.3 million (2021: US$1,399.9 million), of which US$538.6 million (2021: US$8.8 million) has been drawn.

Brambles Limited and certain of its subsidiaries are parties to a guarantee which supports loan notes of US$500.0 million (2021: US$500.0 million) issued by a subsidiary to qualified institutional buyers in accordance with Rule 144A and Regulation S of the United States Securities Act.

Brambles Limited and certain of its subsidiaries are parties to a guarantee which supports loan notes of €1,000.0 million (2021: €1,000.0 million) issued by two subsidiaries in the European bond market.

Brambles Limited and certain of its subsidiaries are parties to a guarantee which supports a programme of Euro commercial paper available to certain subsidiaries. At 30 June 2022, total programme availability amounts to €750.0 million (2021: nil), of which nil has been drawn.

Brambles Limited has guaranteed repayment of certain facilities and financial accommodations made available to certain subsidiaries. At 30 June 2022, total facilities and financial accommodations available amount to US$477.0 million (2021: US$512.2 million), of which US$95.6 million (2021: US$69.7 million) has been drawn.

Brambles Limited was served with class action proceedings in 2018 which has been disclosed as a contingent liability (refer Note 27c).

C) Contractual Commitments

Brambles Limited did not have any contractual commitments for the acquisition of property, plant and equipment at 30 June 2022 or 30 June 2021.

Directors' Declaration

In the opinion of the Directors of Brambles Limited:

(a) the financial statements and notes set out on pages 81 to 137 are in accordance with the *Corporations Act 2001,* including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated financial position of Brambles Limited as at 30 June 2022 and of its performance for the year ended on that date;

(b) there are reasonable grounds to believe that Brambles Limited will be able to pay its debts as and when they become due and payable.

A statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board is included within Note 1 to the financial statements.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the Directors.

J P Mullen
Chair

G A Chipchase
Chief Executive Officer

17 August 2022

Independent Auditor's Report

to the Members of Brambles Limited

Independent auditor's report

To the members of Brambles Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Brambles Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2022
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated cash flow statement for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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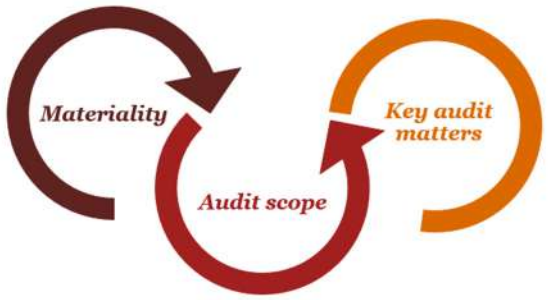
Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of $40 million, which represents approximately 5% of the Group's profit before tax from continuing operations.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured and it is a generally accepted benchmark.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group's financial results comprise the consolidation of a network of pooled pallet, crate and container businesses which are geographically widespread. We tailored the scope of our audit so that we performed sufficient work to be able to provide an opinion on the financial report as a whole, taking into account the structure of the Group, the significance and risk profile of each business, the accounting processes and controls, and the industry in which the Group operates.

Audit of locations, transactions and balances

- Separate PwC firms in the relevant locations ("local PwC audit firms") performed an audit of the financial information prepared for consolidation purposes for ten components of the Group. The components were selected due to their significance to the Group, either by individual size or by risk. Certain components in the Group are selected every year due to their size or nature, whilst others are included on a rotational basis.
- In addition, local PwC audit firms performed risk focused targeted audit or specified procedures on selected transactions and balances for a further nine components.
- The remaining components were financially insignificant. These components are considered as part of Group analytical procedures and other specified procedures.

Audit of shared services functions

- Our procedures on IT, tax and certain finance processes were performed by local PwC audit firms based in various territories, reflecting the location of the Group's shared services functions. This included some audit procedures performed at the Group's finance process outsourced services provider. The PwC Australia Group audit team (the Group audit team) performed audit procedures over centrally managed areas such as the impairment assessment of goodwill, share based payments, retirement benefit obligations, treasury and the consolidation process.

Direction and supervision by the Group Audit team

- The audit procedures were performed by PwC Australia and local PwC audit firms operating under the Group audit team's instructions. The Group audit team determined the level of involvement needed in the audit work of local PwC audit firms to be satisfied that sufficient audit evidence had been obtained for the purpose of the opinion. The Group audit team kept in regular communication with the local PwC audit firms throughout the year through phone calls, discussions and written instructions. Senior members of the Group audit team visited certain businesses throughout the year and met with management and local PwC audit teams including the two largest locations. The audit team both at Group and at local component levels were appropriately skilled and competent to perform an audit of a complex global business. This included specialists and experts in areas such as IT, actuarial, tax and valuations.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Accounting for pooling equipment assets *(Refer to Note 14)* Brambles' pooling equipment is accounted for as depreciable fixed assets, classified within plant and equipment. The accounting for pooling equipment was a key audit matter due to the assets' financial size and judgement involved. As disclosed in Note 14 of the financial report, there is inherent risk in accounting for pooling equipment	We performed the following procedures: • Evaluated the design and operating effectiveness of key controls. Tested a selection of asset management controls including attending pallet audits and assessing the results of the Group's counts.

Key audit matter	How our audit addressed the key audit matter

due to the high volume of asset movements through a complex network, and a limitation on the Group's ability to physically verify the quantity of the pallets, crates and containers due to access and cost prohibitions. The largest category of pooling equipment is pallets.
 	
The key area of judgement in relation to pooled pallets is the quantity of lost pallets. The irrecoverable pooling equipment provision (IPEP) is calculated by considering the current and historical experience of pallet loss and pallet flows analysis, as reported through the asset management system.
 	
The determination of pallet losses is a significant estimate due to the subjectivity involved in the estimated pallet loss rates.
	• Tested key reconciliations for pallets in accounting records and the asset management system.
	• In auditing the IPEP provision calculation methodology we:
	  o assessed key assumptions and judgements for distributors who are not customers of CHEP, as losses from such distributors are historically higher than those of direct customers;
	  o assessed provision estimates for significant customers where CHEP has no access to physically count the pallets;
	  o evaluated how historical pallet loss rates and flows analysis are used to estimate current losses; and
	  o tested the calculations and extrapolations of provision estimates across pallet locations.
	• Evaluated the disclosures made in note 14, including those related to estimation uncertainty, against the requirements of Australian Accounting Standards.

Calculation of current and deferred taxation balances *(Refer to Note 6)* The calculation of taxation balances was a key audit matter because the Group operates in a large number of jurisdictions with different laws, regulations and authorities resulting in complex tax calculations. Judgement is involved in a number of aspects of the tax calculations, including the assessment of recorded tax losses for recoverability and determination of uncertain tax positions. The calculation of income taxes is disclosed in Note 6 of the financial report including the key judgements made in the assessment of the taxation provision.	We performed the following procedures: • Tested the calculation of current tax and the basis upon which deferred tax assets and liabilities were recognised. • Tested the Group tax analysis prepared by management, with the assistance of PwC tax specialists, who liaised directly with local PwC tax experts and specialists in other territories where required. • For significant transactions undertaken during the year, we assessed whether the supporting tax analysis was in accordance with the tax legislation in the relevant jurisdiction and the related impact on the tax calculation. • Challenged whether the Group had sufficient taxable temporary differences to recognise tax losses by considering when these temporary differences will become taxable income compared to the expiry of the losses.

Key audit matter	How our audit addressed the key audit matter
	• Considered and challenged the assumptions made by the Group in the calculation of uncertain tax provisions. • Evaluated the disclosures made in note 6, including those related to estimation uncertainty, against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 52 to 72 of the directors' report for the year ended 30 June 2022.

In our opinion, the remuneration report of Brambles Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Debbie Smith
Partner

Brisbane
17 August 2022

Eliza Penny
Partner

Sydney
17 August 2022

Auditor's Independence Declaration

As lead auditor for the audit of Brambles Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Brambles Limited and the entities it controlled during the period.

Debbie Smith
Partner
PricewaterhouseCoopers

Brisbane
17 August 2022

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Five-Year Financial Performance Summary

US$m	2022	2021	2020	2019	2018
Continuing operations					
Sales revenue[1]	**5,558.9**	5,209.8	4,717.9	4,595.3	4,470.3
EBITDA[1,2,3]	**1,853,9**	1,737.2	1,561.8	1,415.1	1,392.3
Depreciation and amortisation[1,2]	**(691.9)**	(664.3)	(607.7)	(484.3)	(464.3)
IPEP expense[1,2,3]	**(232.0)**	(198.3)	(154.7)	(127.1)	(101.9)
Underlying Profit[1,2]	**930.0**	874.6	799.4	803.7	826.1
Significant Items[1]	**-**	-	-	(62.8)	(47.4)
Operating profit[1,2]	**930.0**	874.6	799.4	740.9	778.7
Net finance costs[1,2]	**(88.1)**	(85.6)	(80.8)	(88.5)	(103.4)
Net impact arising from hyperinflationary economies[4]	**(22.0)**	-	-	-	-
Profit before tax[1,2,4]	**819.9**	789.0	718.6	652.4	675.3
Tax expense[1,2,4]	**(248.2)**	(257.5)	(210.6)	(198.3)	(121.8)
Profit from continuing operations[1,2,4]	**571.7**	531.5	508.0	454.1	553.5
Profit/(loss) from discontinued operations[1,2,5]	**21.6**	(8.9)	(60.0)	1,013.6	139.2
Profit for the year[1] **above**[1,2,4,5]	**593.3**	522.6	448.0	1,467.7	692.7
Weighted average number of shares (millions)	**1,415.7**	1,475.1	1,548.7	1,593.4	1,591.2
Earnings per share (US cents)					
Basic	**41.9**	35.4	28.9	92.1	43.5
From continuing operations[1,2,4,5]	**40.4**	36.0	32.8	28.5	34.8
On Underlying Profit after finance costs and tax[1,2,5]	**41.9**	37.6	32.8	31.9	33.0
ROCI[1,2,4,5]	**18%**	18%	17%	19%	20%
Capex on property, plant and equipment[1,5]	**1,810.8**	1,219.0	968.4	1,060.4	1,012.5
Balance sheet					
Capital employed	**5,168.4**	4,735.9	4,468.2	3,905.9	5,086.5
Net debt[2]	**2,717.3**	2,054.6	1,711.8	97.7	2,308.1
Equity[2]	**2,451.1**	2,681.3	2,756.4	3,808.2	2,778.4
Average Capital Invested[1,2,4,5]	**5,248.2**	4,930.5	4,698.7	4,130.6	4,115.4
Cash flow					
Cash Flow from Operations[1,2,5]	**372.6**	901.1	754.8	431.8	724.8
Free Cash Flow[2]	**86.2**	622.0	462.2	238.5	554.4
Ordinary dividends paid, net of Dividend Reinvestment Plan	**304.8**	280.8	290.7	328.1	352.0
Free Cash Flow after ordinary dividends	**(218.6)**	341.2	171.5	(89.6)	202.4
Net debt ratios					
Net debt to EBITDA (times)[1,2,3]	**1.5**	1.2	1.1	0.1	1.5
EBITDA interest cover (times)[1,2,3]	**21.0**	20.4	19.3	14.6	15.0
Average employees	**11,894**	11,569	11,647	10,896	10,441
Dividend declared[6] (cents per share)	**22.75 US**	20.5 US	18.0 US	29.0 AU	29.0 AU

1 The Kegstar business is presented within discontinued operations in 2021 and 2020. Periods prior to 2020 include Kegstar within continuing operations and are consistent with previously published data.
2 2021 has been restated for the change in accounting policy relating to Software as a Service arrangements. Periods prior to 2021 have not been restated for the impact of this change in accounting policy. Periods prior to 2020 have not been restated for the impact of new accounting standard AASB 16 *Leases*.
3 Effective from 2020, EBITDA has been redefined as Underlying Profit from continuing operations after adding back depreciation, amortisation and IPEP expense. Prior periods have been restated to align with the revised definition. The net debt ratios for periods prior to 2020 have not been restated to align with the revised EBITDA definition and are consistent with previously published data.
4 A net impact of US$22.0 million was recognised in 2022 arising from the application of AASB 129 *Financial Reporting in Hyperinflationary Economies*.
5 Discontinued operations include the Kegstar business in 2021 and 2020; and CHEP Recycled business in 2018.
6 Effective from 2020, Brambles changed to a payout ratio-based dividend policy, with the dividend per share declared in US cents and converted and paid in Australian cents. Prior to 2020, dividends were declared and paid in Australian cents.

Glossary

Acquired Shares	Brambles Limited shares purchased by Brambles' employees under MyShare
Actual currency/actual FX	Results translated into US dollars at the applicable actual monthly exchange rates ruling in each period
AGM	Annual General Meeting
ACI (Average Capital Invested)	A 12-month average of capital invested; capital invested is calculated as net assets before tax balances, cash, borrowings and lease liabilities, but after adjustment for pension plan actuarial gains or losses and net equity adjustments for equity-settled share-based payments
AU cents	Australian cents
BIFR (Brambles Injury Frequency Rate)	Safety performance indicator that measures the combined number of fatalities, lost-time injuries, modified duties and medical treatments per million hours worked
BIL	Brambles Industries Limited, which was one of the two listed entities in the previous dual-listed companies structure
Biogenic carbon	Carbon that is sequestered from the atmosphere during biomass growth and may be released back to the atmosphere later due to combustion of the biomass or decomposition
BIP	Brambles Industries plc, which was one of the two listed entities in the previous dual-listed companies structure
Board	The Board of Directors of Brambles Limited, details of which are on pages 45 to 48
CAGR (Compound Annual Growth Rate)	The annualised percentage at which a measure (e.g. sales revenue) would have grown over a period if it grew at a steady rate
Cash Flow from Operations	A non-statutory measure of cash flow generated from operations after net capital expenditure but excluding Significant Items that are outside the ordinary course of business and discontinued operations
Circular economy	A circular economy regenerates and circulates key resources, ensuring products, components and materials are at their highest utility and value at all times
CGPR	The Australian Securities Exchange Corporate Governance Council Corporate Governance Principles & Recommendations, Fourth Edition
Company	Brambles Limited (ACN 118 896 021)
Constant currency/constant FX	Current period results translated into US dollars at the actual monthly exchange rates applicable in the comparable period, so as to show relative performance between the two periods
Continuing operations	Continuing operations refers to CHEP Americas, CHEP EMEA and CHEP Asia-Pacific (each primarily comprising pallet and container pooling businesses in those regions operating under the CHEP brand), and Corporate (corporate centre including Shaping Our Future)
Discontinued operations	Operations which have been divested/demerged, or which are held for sale
DRP (Dividend Reinvestment Plan)	The Brambles Dividend Reinvestment Plan, under which Australian and New Zealand shareholders can elect to apply some or all of their dividends to the purchase of shares in Brambles Limited instead of receiving cash
Economic value	A measure of the broader financial benefit provided by an organisation
EPS (Earnings Per Share)	Profit after finance costs, tax, minority interests and Significant Items, divided by the weighted average number of shares on issue during the period
EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation)	Underlying Profit from continuing operations after adding back depreciation, amortisation and IPEP expense
ELT	Brambles' Executive Leadership Team, details of which are on pages 49 to 51

Emission scope	Scope 1: carbon emissions from fuel combustion at Brambles' operations and under Brambles' direct control Scope 2: carbon emissions resulting from grid electricity used in Brambles' operations. While considered 'indirect', Brambles' level of control is considered high. Scope 3: carbon emissions resulting from goods and services purchased. Also considered 'supply chain' emissions. Source: https://ghgprotocol.org/
Free Cash Flow	Cash flow generated after net capital expenditure, finance costs and tax, but excluding the net cost of acquisitions and proceeds from business disposals
FY (Financial Year)	Brambles' financial year is 1 July to 30 June; FY22 indicates the financial year ended 30 June 2022
Group or **Brambles**	Brambles Limited and all of its related bodies corporate
Group Profit Leverage	Reflects the amount by which Underlying Profit growth exceeds sales revenue growth
IBCs (Intermediate Bulk Containers)	Palletised containers used for the transport and storage of bulk products in a variety of industries, including the food, chemical, pharmaceutical and transportation industries
IPEP (Irrecoverable Pooling Equipment Provision)	Provision held by Brambles to account for pooling equipment that cannot be economically recovered and for which there is no reasonable expectation of receiving compensation
Key Management Personnel	Members of the Board of Brambles Limited and Brambles' Executive Leadership Team
KPI(s)	Key Performance Indicator(s)
LTI	Long-Term Incentive
Matching Awards	Matching share rights over Brambles Limited shares allocated to employees when they purchase Acquired Shares under MyShare; when an employee's Matching Awards vest, Matching Shares are allocated
Matching Shares	Shares allocated to employees who have held Acquired Shares under MyShare for two years, and who remain employed at the end of that two-year period; one Matching Share is allocated for every Acquired Share held
MyShare	The Brambles Limited MyShare plan, an all-employee share plan, under which employees acquire ordinary shares by means of deductions from their after-tax pay and must hold those shares for a two-year period. If an employee holds those shares and remains employed at the end of the two-year period, Brambles will match the number of shares that employee holds by issuing or transferring to them the same number of shares they held for the qualifying period, at no additional cost to the employee
Operating profit	Statutory definition of profit before finance costs and tax; sometimes called EBIT (earnings before interest and tax)
Performance Period	A two-to-three-year period over which the achievement of performance conditions is assessed to determine whether STI and LTI share awards will vest
Performance Share Plan or PSP	The Brambles Limited Performance Share Plan (as amended)
Profit after tax	Profit after finance costs, tax, minority interests and Significant Items
RPCs	Reusable/returnable plastic/produce container/crate, generally used for shipment and display of fresh produce items
ROCI (Return on Capital Invested)	Underlying Profit divided by Average Capital Invested
SBT (Science-Based Targets)	Targets that provide a clearly-defined pathway for companies and financial institutions to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth
SBTi (Science Based Targets initiative)	Initiative that drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets

Sharing economy	An economic system in which assets or services are shared between different agents, either free or for a fee
Significant Items	Items of income or expense which are, either individually or in aggregate, material to Brambles or to the relevant business segment and: outside the ordinary course of business (e.g. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or part of the ordinary activities of the business but unusual because of their size and nature
STI	Short-Term Incentive
TCFD (Task Force for Climate-related Financial Disclosures)	A framework to help organisations disclose climate-related risks and opportunities
TSR (Total Shareholder Return)	Measures the returns that a company has provided for its shareholders, reflecting share price movements and reinvestment of dividends over a specified performance period
Underlying EPS	Profit after finance costs, tax and minority interests but before Significant Items, divided by the weighted average number of shares on issue during the period
Underlying Profit	Profit from continuing operations before finance costs, hyperinflation adjustments, tax and Significant Items
Unification	The unification of the dual-listed companies structure (between Brambles Industries Limited and Brambles Industries plc) under a new single Australian holding company, Brambles Limited, which took place in December 2006
Year	Brambles' 2022 financial year

Notes

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Contact Information

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Email: investorrelations@brambles.com

Share Registry
Access to shareholding information is available to investors through Boardroom Pty Limited

Boardroom Pty Limited
GPO Box 3993, Sydney NSW 2001, Australia

Telephone: 1300 883 073 (within Australia)
+61 (0) 2 9290 9600 (from outside Australia)
Facsimile: +61 (0) 2 9279 0664
Email: brambles@boardroomlimited.com.au
Website: www.boardroomlimited.com.au

Share Rights Registry
Employees or former employees of Brambles who have queries about the following interests:

Performance share rights under the performance share plans;

Matching share rights under MyShare; or

Shares acquired under MyShare or other share interests held through Certane SPV Management Pty Ltd, may contact Boardroom Pty Limited, whose contact details are set out above.

American Depository Receipts Registry
Deutsche Bank Shareholder Services
American Stock Transfer & Trust Company Operations Centre
6201 15th Avenue Brooklyn NY 11219 USA

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