

**WE'RE
BUILDING
A MORE
SUSTAINABLE
BUSINESS**

SUSTAINABILITY REPORT 2010

Brambles

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CEO Letter

Welcome to the Brambles 2010 Sustainability Report.

During the year we took the opportunity to refine the key strategic themes of the Group. These five priorities – improving customer satisfaction and quality, delivering profitable growth, ensuring cost competitiveness, focusing on our people and behaving as a socially responsible corporate citizen – form the basis of our company's detailed strategy development and are relevant to our customers, employees and shareholders.



Throughout this Sustainability Report you will see a number of examples of how these themes are represented in the work we are doing today; in particular, how we are developing our people and our efforts to ensure Brambles is a good corporate citizen.

This year we have also taken the step of developing a sustainability strategy and we have established a high level roadmap with targets and key initiatives we will be implementing over the next five years.

The areas of focus are environment, people and the community. Many of our efforts will be directed and managed at the local level, so that we are as close to our customers and our employees as possible, whilst applying corporate standards to certain items where consistency of approach is required across the Group.

We are committed to our businesses making a positive contribution to sustainable business practices and to being a global leader in corporate responsibility and sustainability. I trust that our sustainability strategy, targets and roadmap will provide customers, employees and shareholders the clarity and transparency required to track our progress over the coming years.

Sincerely,

Tom Gorman

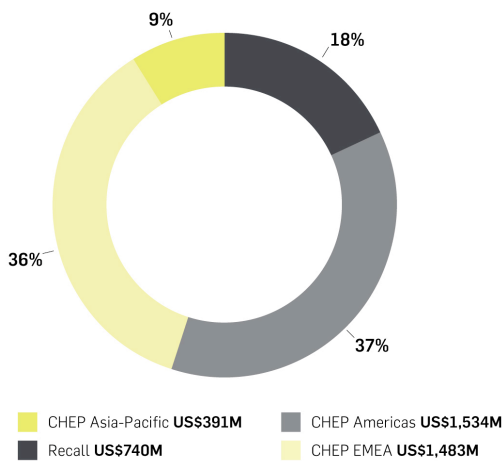
Our Presence and Reach

Brambles has two primary business units:

1. CHEP (managed as three groups: CHEP Americas, CHEP EMEA (Europe, Middle East and Africa) and CHEP Asia-Pacific); and
2. Recall.

Brambles headquarters are in Sydney, Australia. Brambles operates in 47 countries.

SALES REVENUE BY BUSINESS UNIT

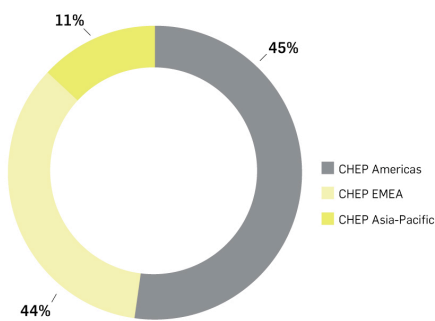


12^{K+}
EMPLOYEES

CHEP

Sales revenue

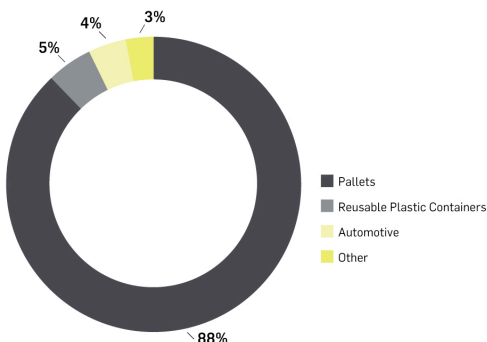
BY REGION



500^{K+}
CHEP CUSTOMER TOUCHPOINTS

294^M
CHEP PALLETS & CONTAINERS

BY SERVICE LINE

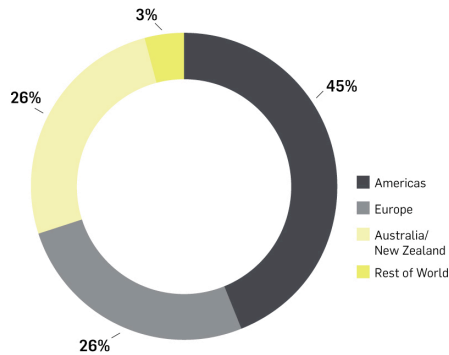


615
CHEP SERVICE CENTRES

RECALL

Sales revenue

BY REGION



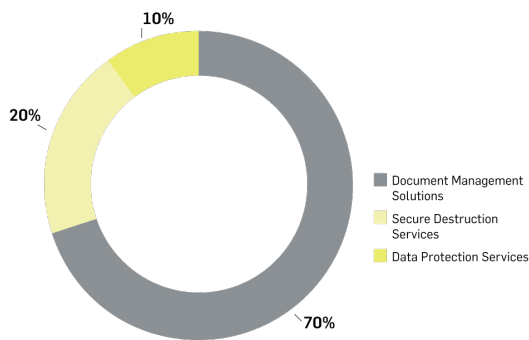
300⁺

RECALL INFORMATION CENTRES

93^M

RECALL CARTONS

BY SERVICE LINE



CHEP issues, collects, repairs and reissues 294 million pallets and containers each year to assist manufacturers, distributors and retailers to transport their products safely and efficiently.

Recall manages the secure storage, retrieval and destruction of physical and digital information for almost 80,000 customers worldwide.

Brambles has more than 12,000 employees.

Financial Performance

Brambles' sales revenue in the financial year was US\$4.15 billion. CHEP sales revenue accounted for 82% of company sales, Recall sales accounted for 18% of company sales revenue. Brambles' total market capitalisation as at 30 June 2010 was US\$6.6 billion. There were no significant changes to the structure or ownership of Brambles during the year.

Our Sustainability Strategy

1. Objective

Brambles' objective is to be recognised by its customers, employees, shareholders and the community as a global leader in corporate responsibility and sustainability.

Brambles believes it makes a positive contribution to sustainable business practices. It aims to integrate sustainability into the way it does business and the value proposition it offers to customers, employees and shareholders.

Brambles will engage with stakeholders on a regular basis to ensure it is in touch with and responsive to corporate responsibility and sustainability issues that are of key and emerging importance.

2. Areas of focus

Environment – working towards Zero Harm by reducing Brambles' environmental footprint

Brambles is committed to working towards Zero Harm – zero environmental damage – by reducing its environmental footprint and using its influence to minimise the footprint of its customers and its supply chain, with particular focus on the responsible management of lumber resources.

This includes:

- annual reductions in energy consumption and greenhouse gas emissions;
- annual improvements in water and waste management;
- responsible management of lumber resources for Brambles, its suppliers, customers and the wider community;
- engagement with supply chain participants to ensure their practices are in line with Brambles' environmental principles; and
- ensuring Brambles meets customers' sustainability expectations.

People – engaging Brambles employees and making sure they are safe

Brambles is committed to engaging with its employees, ensuring that the right systems are in place to support them and making sure they are safe.

This includes:

- annual improvement in employee engagement scores;
- annual employee survey and other frequent employee engagement activities;
- annual improvement in Zero Harm scores;
- annual increase in education, training and development opportunities, measured in training and development days; and
- improved employee metrics for diversity information, career development opportunities and equal opportunity overall.

Community – making a positive contribution to the communities we operate in

Brambles is committed to making a positive contribution to the communities in which it operates.

This includes:

- engaging with stakeholders to support causes and community initiatives which are strategically aligned to Brambles' businesses and deliver a mutual advantage, particularly in the areas of education, the environment and sound business practices;
- specific education initiatives to support the communities in which Brambles operates;
- introduction of "give as you earn" policies across the Brambles Group; and
- introduction of employment policies that increase employee involvement with the local community.

3. Governance

Brambles is conscious that it must have the right risk and governance foundations and appropriate structures in place to manage all impacts responsibly.

This includes:

- embedding sustainability into its corporate risk management framework;
- using corporate governance practices and processes to oversee Brambles' sustainability performance. This extends from the Board through the Executive Leadership Team to the Sustainability Council and the individual business representatives on the council; and
- publishing an annual sustainability report which summarises progress against its objectives and milestones with an annual assurance process by an independent, expert third party.

Brambles will continue to monitor its progress through indices such as the Dow Jones Sustainability Index and FTSE4Good.

4. How will we know if we have been successful?

There are a number of criteria that Brambles will use to assess its success. These include:

- a clearly articulated global vision, commitment and tangible targets/goals in each of its businesses and regions;
- clear evidence and feedback that it has addressed stakeholder needs and priorities;
- regional expertise and flexibility to identify and address differing regulatory, competitive, or customer driven priorities;
- an organisational structure and strategic alignment, with clear accountabilities and authority limits in each of its businesses and regions;
- alignment between Brambles' Code of Conduct policies (bribery, corruption, labour practices) and operational practices, including supplier qualification, contracting and evaluation;
- working with suppliers to help them meet Brambles' standards for corporate responsibility and sustainability; and

- setting and achieving targets.

5. Balancing global and local

Brambles intends to direct and manage much of its effort at a local level, so that it is as close to its customers, people and communities as possible, still recognising the need to apply corporate standards where consistency is required across the Brambles Group.

In practice, this means that there will be considerable latitude for businesses and regions to manage items like emissions, and working towards overall reduction targets agreed by the Executive Leadership Team.

For other items, like annual targets for the number of hours spent on educational, learning and development activities, the Executive Leadership Team will cascade targets to the businesses and ensure there is a consistency of approach across the businesses and regions. In areas like governance, there will be centrally set standards which must be complied with, as at present.

Roadmap: Five Year Plan

Brambles is developing a five year plan for each of its areas of focus. These plans will provide a high level roadmap that outline Brambles' strategic objectives, targets and key initiatives to be implemented over the next five years.

Brambles will review and report its progress in its annual sustainability report. The review will assess the progress of each target measure, see that over the medium term the target is still relevant and adequately addresses areas of key concern to stakeholders.

Below are the targets Brambles has set for the five year period to 2015 or a commitment to set a target in 2011.

Environment – working towards Zero Harm by reducing Brambles' environmental footprint

Measure	Target
<i>Lumber sourcing</i>	Chain of custody certification for CHEP lumber pallets by 2015
<i>Lumber waste</i>	Zero CHEP lumber waste to landfill by 2015
<i>Greenhouse gas emissions</i>	20% reduction on 2010 emission levels ¹ by 2015
<i>Solid waste</i>	Baseline data to be collected and solid waste reduction targets set in 2011
<i>Water management</i>	Baseline data to be collected and targets for water waste reductions, water recycling increases and/or rainwater collection to be set in 2011

¹ Based on existing businesses, new acquisitions not to be included, excluding emerging and developing economies (according to the IMF <http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/groups.htm#oem> this would include Argentina, Botswana, Brazil, Chile, China, Guatemala, Hungary, India, Indonesia, Malaysia, Mexico, Namibia, Poland, Saudi Arabia, Swaziland, Thailand, Turkey, United Arab Emirates, Zimbabwe). Target based on internally projected growth assumptions for the period.

People – engaging our people, and making sure they are safe

Measure	Target
Zero Harm	25% reduction in BIFR on 2010 levels by 2015
Brambles Engagement Survey (BES) participation	Participation rate at minimum of 90% in all businesses by 2015
BES overall engagement score	25% improvement on 2009 result by 2015
Education, Training and Development (EDT)	25% increase in EDT days on 2011 participation levels by 2015
Diversity and equal opportunity	Targets to be set in 2011

Community – making a positive contribution to the communities we operate in

Measure	Target
Introduction of “give as you earn” policies across the group	All businesses where legislation allows it by 2015
Introduction of “volunteer” time for employees	At least one volunteer hour per employee during working hours across the Brambles group by 2015

Environment

Brambles' sustainability strategy underlines its commitment to achieving Zero Harm – zero injuries and zero environmental damage. The objective is that Brambles is recognised by its customers, employees, shareholders and the community as a global leader in corporate responsibility and sustainability.

One of the areas of focus for this strategy is Brambles' environmental impact – reducing its environmental footprint and using its influence to minimise the footprint of its customers and supply chain, with particular focus on the responsible management of lumber resources. To reduce its environmental footprint, Brambles is making reductions in energy consumption and greenhouse gas (GHG) emissions, improvements in water and waste management and ensuring Brambles meets customers' sustainability expectations.

The responsible management of lumber resources and engagement with the supply chain to ensure practices are in line with Brambles' environmental principles are covered in the Supply Chain section of this report.

This year, Brambles' has set a target to minimise its environmental footprint through a 20% reduction in GHG emissions by 2015. In 2011, Brambles will be setting targets addressing solid waste, lumber waste and water.

Brambles' environmental policy is set by the Board and available on the company's website. Responsibility for the implementation of the policy lies with the Executive Leadership Team, which is assisted by the Sustainability Council. The environmental policy is communicated to all employees.

Brambles holds regular meetings with relevant regulatory bodies and government and non-government organisations. The company also conducts customer and supplier surveys and consultation forums. Representatives of Brambles' businesses attend and participate in local industry environmental issues and working groups.

Each Brambles business operates its own environmental management systems monitored by the Executive Leadership Team, which took over the Group Risk Committee function in 2010. The Group Presidents of CHEP and the Group President and Chief Operating Officer of Recall have operational responsibility for environmental management. Senior managers are required to provide a statement on environmental compliance twice each year. Each business also prepares regular environmental compliance reports for the Executive Leadership Team and the Board.

Some operations are ISO 14001-certified, including CHEP European automotive container service centres and pallet service centres in the UK and Spain; however, Brambles is not expanding the number of certified sites. Brambles is focused on improving site environmental management plans to ensure compliance with the principles of its environmental policy. Periodic audits are conducted to evaluate compliance.

Potential future costs of environmental regulations are factored into capital expenditure proposals, in accordance with their estimated likelihood of eventuation. Brambles environmental emissions are a relatively small component of its operations and investment decisions.

COMPLIANCE

Brambles complies with all material environmental laws and regulations applicable to it and its businesses. None of Brambles operations were involved in any significant adverse environmental prosecutions or were subject to significant non-monetary sanctions during the year.

Brambles does not have a regulatory obligation to participate in the EU Emissions Trading Scheme. It does not participate or anticipate participating in any trading schemes within the next two years.

CHEP UK and Recall UK have registered with the CRC (Carbon Reduction Commitment) Energy Efficiency Scheme legislation that came into force in the UK in April 2010.

Brambles is cognisant of the requirements of the Australian National Greenhouse and Energy Reporting (NGER) legislation. It did not have any reporting obligations arising from this legislation in the 2010 financial year.

For the year, Brambles operations in Australia generated 33.8 kilotonnes (kt) of carbon dioxide equivalent (CO₂-e), or 205 terajoules (TJ) of energy. This is below the NGER second-year threshold of 87.5kt CO₂-e, or 350 TJ of energy. However, in 2011, Brambles expects to trigger the third-year energy NGER threshold of 200 TJ, while remaining below the CO₂-e threshold of 50kt.

ENERGY

	Kilotonnes (kt) CO ₂ -e ²	Terajoules (TJ)
Brambles HQ	0.11	0.45
Recall	77.46	814.41
CHEP	67.45	665.31
Total	145.02	1,480.17

IMPROVING ENERGY EFFICIENCY

CHEP and Recall continually work to optimise networks and automate processes to improve plant capacity and make plants more energy efficient. Business units also operate energy saving programs.

For example, CHEP USA is focused on analysing and reducing its corporate environmental footprint through targeted energy saving projects. CHEP USA is an ENERGY STAR® partner and has made the commitment to track and reduce energy use in its buildings and facilities. Additionally, CHEP USA and LeanLogistics, are both EPA SmartWay™ partners.

CHEP USA reduced energy consumption at its headquarters building as a result of several energy saving initiatives. One initiative involves the information technology department using a virtualisation process to consolidate 203 production servers at its global data centre in Orlando, Florida into just 18 production servers, reducing energy usage significantly and cutting down on the amount of space that needs to be cooled and illuminated. In 2010, this resulted in an annual energy saving of 497,362 kilowatt hours (kwh) and a reduction in CO₂-e of 0.315 kt.

Within the CHEP USA plant network several initiatives are also underway, such as installing fluorescent light bulbs, which reduces energy consumption while providing more illumination. In addition, on Earth Day (22 April), CHEP USA announced participation in the Orange County, Florida Kilowatt Crackdown. The program seeks to cut energy use by 30% by challenging building owners and managers to reduce energy consumption and benchmark energy use with the EPA's ENERGY STAR® Portfolio Manager software.

² Carbon dioxide equivalent (CO₂-e) is the universal unit of measurement to indicate the full global warming potential (GWP) of a particular greenhouse gas emission. It takes into account the GWP of each of the six Kyoto greenhouse gases, and expresses them in terms of the equivalent units of carbon dioxide. It is used for measuring and reporting different emissions sources on a common basis. At the corporate level, CO₂-e is typically reported in kilotonnes (kt).

Recall ensures purpose-built, state-of-the-art megacentres address energy efficiency and other environmental initiatives in building design, including the use of natural light, solar panels and rainwater collection.

TRANSPORT

Network optimisation reduces transport distances and associated emissions. CHEP's Total Pallet Management (TPM) program offered to major manufacturers and retailers allows CHEP to manage all of a customer's pallet needs on-site and supply CHEP pallets without the need for additional transport. Customers' use of the TPM program helps optimise the network and also reduces the energy requirements associated with the pallet pool.

Network optimisation focuses on the number and location of service centres based on sourcing requirements and locations, location of manufacturers, transport costs and plant capacity. For instance, CHEP Europe employs a central planning team to address these issues across the whole of Europe.

CHEP Europe is currently rolling out a program to be able to measure the emissions of subcontracted transportation, which represents a significant part of the emission generated by its business. Transport emissions in the UK, Belgium, Luxembourg, Netherlands, Spain, Italy and France are currently measured. During 2011, this system will be rolled out to all European countries in which CHEP operates.

Once the measurement system is implemented throughout CHEP Europe, a CO2 reduction target will be set through comprehensive programs. Several efficiency initiatives have already commenced, such as a collaborative transportation program with 15 customers, reducing approximately one million empty road miles in 2010; a multimodal transportation program (where more than one form of transport is used for a journey, for example a combination of road, rail and sea), which will take 3.5 million miles per year off the road; and a network optimisation program to optimise more than 10 facilities every year, reducing the distances travelled.

Recall is also optimising its transport operations to deliver the most efficient, error free solution to customers. This results in reduced number of vehicle trips and error correction which require further energy expenditure. Additionally, Recall works to identify opportunities to transmit data digitally to customer sites; for example, the image of a single page rather than the entire carton physically transported. This delivers the same net result to the customer at a lower overall carbon expenditure.

CASE STUDY: CHEP Europe pallets by rail program

In 2008, CHEP Europe commenced a project to reduce dependence on road haulage by increasing rail use. The major reasons were to reduce the impact of seasonality on international transportation, minimise fuel costs, reduce CO2 emissions for exports in Europe and stabilise transport flows from the UK to Europe.

In 2008, 150,000 pallets, or 1.5% of total UK to Europe repatriations were exported as part of the program. In 2009, this was expanded to 4.5% of repatriations and rail haulage was extended to Italy. In 2010, the program was extended to Spain and a collaboration reached with Danone for 100,000 pallets to carry their products by rail. In 2010, more than 3,000 railwagons and almost one million pallets were sent by rail from the UK to Europe, which by the end of the financial year represented a run rate of more than 20% of repatriations. This saved more than 3,500 tonnes of CO2 during the year. CHEP Europe anticipates adding the cities of Sevilla, Perpignan and Bari to the program in 2011.

CASE STUDY: CHEP Australia sets transport engine emissions thresholds

In 2010, CHEP Australia redesigned its transport requirements and operations, taking the opportunity in its formal tendering to set for the first time a minimum standard for engine emissions. Prior to the tender CHEP Australia did not set minimum engine emission standards to a pool of 227 service providers with a wide range of vehicle types. More than half of the metropolitan transport fleet was below the Euro 3 exhaust and evaporative emission standard. As a result of the tender, CHEP Australia will measure, monitor and compare the fuel consumption versus kilometres travelled of its service providers on a monthly basis.

CHEP Australia's transport contract now requires any new core fleet vehicle to be minimum Euro 4 compliant. The transporters must also provide CHEP Australia a timetable of when their current non Euro 3 compliant vehicles will be upgraded within the term of its contract with CHEP Australia. As a result, less than 12% of the fleet remains non Euro 3 compliant and CHEP Australia expects that the entire fleet will be Euro 3 compliant by the end of the first year of the new contract's adoption.

Also, 10% of the CHEP Australia pallet pool is relocated using rail rather than road, which generates significantly less emissions.

EMISSIONS

Like most businesses, Brambles impacts on climate change through the consumption of energy, which entails the burning of fossil fuels.

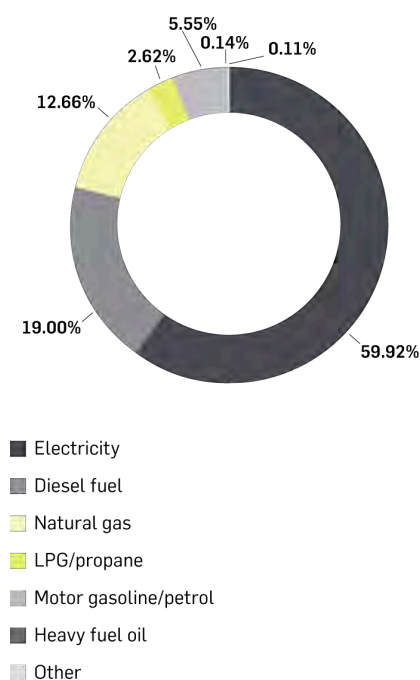
Brambles has a relatively light greenhouse gas (GHG) emissions footprint. However, the company recognises the need to improve its processes to capture GHG data and during 2009 it undertook a standardised and improved process for GHG reporting.

In 2009, third-party industry advisors were engaged to guide the use of the most appropriate and accurate measurement protocols and review Brambles' methodology. As a result, Brambles improved the completeness and accuracy of its GHG emissions data.

The improved process uses the following globally accepted conversion and emissions factors:

- The World Business Council for Sustainable Development and the World Resources Institute's GHG Protocol conversion and emissions factors for fuel and gas consumption across all global operations;
- The National Greenhouse Accounts (NGA)³ emissions factors for electricity consumption of all Australian operations;
- The Energy Information Administration (EIA)⁴ emissions factors for electricity consumption of all US operations; and
- The International Energy Agency (IEA)⁵ emissions factors (as prescribed by the GHG Protocol) for electricity consumption for all other global operations.

GREENHOUSE GAS GENERATION BY SOURCE



³ National Greenhouse Accounts (NGA) Factors (2009)

⁴ Voluntary Reporting of Greenhouse Gases Program Average Electricity Factors by State and Region (Updated April 2002)

⁵ International Energy Agency Data Services, 2009 (2007 Factor)

Brambles did not report energy data for Scope 1 (direct purchases of fuel, such as company owned transport or heating) and Scope 2 (indirect energy purchases, such as electricity) GHG emissions prior to 2009.

As a result of the improvement in collection methods in 2009 and 2010, there are differences between data reported for 2009 and 2010 compared with previous years.

In 2010, the GHG collection process was reviewed by Brambles' Internal Audit as part of its ongoing audit program cycle. A report on the process has been submitted to the Audit Committee and the Group Presidents of the operating businesses and includes recommendations on how the process can be further improved.

In January 2010, CHEP EMEA started a program to further improve emissions measurement. This system will include CHEP's emissions and those of transportation and plant operations subcontractors. Once the improved system is in place and data analysed, it is expected that specific reduction targets can be made.

Recall Secure Destruction Services business line performs route optimisation, which is continually reviewed for additional opportunities as Recall's customer patterns change. This has resulted in fewer large secure destruction centres and more depots that send material on to the centres. By increasing route density, not only are operations consolidated but emissions per tonne of paper shredded and recycled are reduced.

CHEP prefers the use of and actively sources heat-treated lumber for its pallets when required. This is in accordance with Brambles' corporate values, its customers' priorities and the ozone-depleting methyl bromide (MB) phase-out requirements set forth in the Montreal Protocol and Clean Air Act.⁶ CHEP USA strictly prohibits the use of harmful or illegal chemical preservatives, mould inhibitors or fumigation treatments, including MB. CHEP USA uses kiln drying or heat treatment to control for infestation and mould growth. In addition, the lumber used by CHEP USA in the manufacture and repair of CHEP pallets is free of detectable levels of 2, 4 and 6-tribromophenols and other forms of phenol-based fungicides.

When phytosanitary pallets are requested by a CHEP customer for international movements, CHEP treats these pallets in accordance with the requirements of the International Standards for Phytosanitary Measures Publication No. 15 (2009): Regulation of Wood Packaging Material in International Trade (ISPM No 15) and the countries of import/export.

CHEP USA and CHEP Europe specifications for new pallets do not allow the 14 substances of very high concern identified by the European Chemicals Agency's (ECHA) committee members under REACH, the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals. CHEP suppliers in these regions are required to submit a statement of conformity acknowledging and certifying compliance with these regulations and requirements. CHEP requires suppliers to certify that the regulated metals – lead, mercury, cadmium, and hexavalent chromium – were not and are not included by design in any packaging or packaging component during the manufacturing process.

⁶ MB has been designated a Class 1 ozone-depleting substance and a Class 1 acute toxin.

Brambles' global GHG emissions 2010

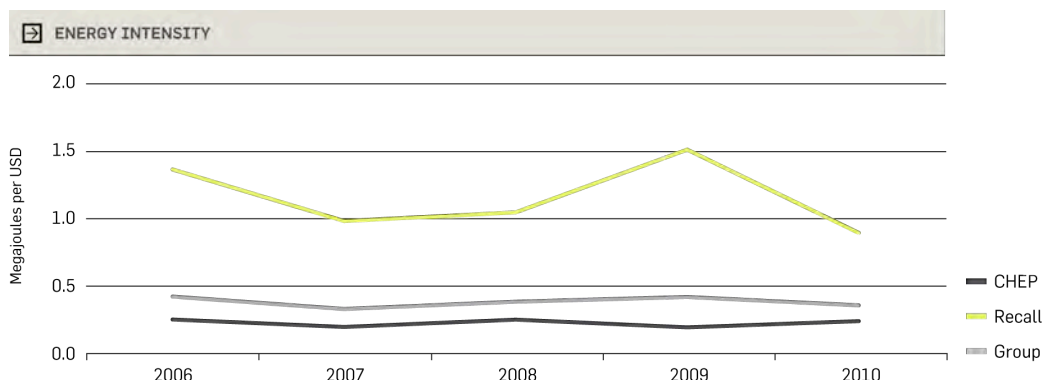
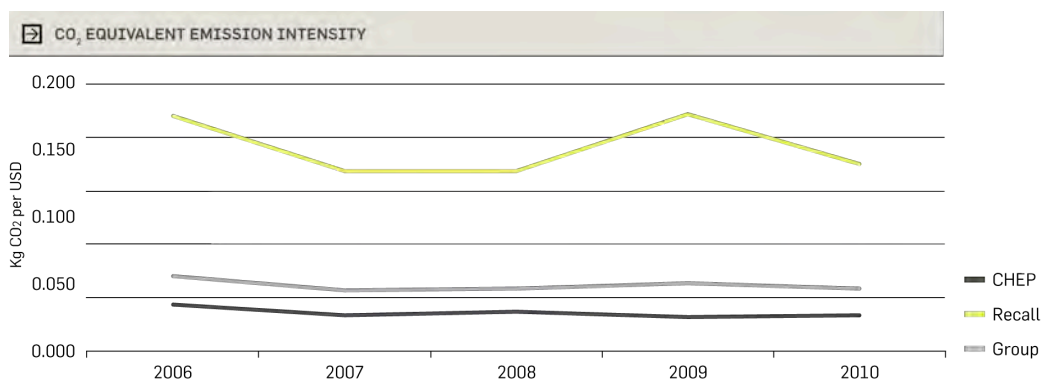
	Brambles HQ		Recall		CHEP		Total	
	kt CO2-e	TJ	kt CO2-e	TJ	kt CO2-e	TJ	kt CO2-e	TJ
Scope 1	-	-	33.25	-	24.88	-	58.13	-
	-	-	-	517.85	-	410.36	-	928.21
Scope 2	0.11	-	44.21	-	42.57	-	86.89	-
	-	0.45	-	296.56	-	254.95	-	551.96
Total	0.11	-	77.46	-	67.45	-	145.02	-
	-	0.45	-	814.41	-	665.31	-	1,480.17

In 2010, Brambles recorded an overall decline in GHG emissions and energy use. CHEP recorded an increase in GHG emissions while Recall recorded a decrease for the following reasons:

- CHEP's emission and energy consumption numbers increased because of an increase in the size of its reusable plastic container business in Australia and Zealand and more accurate reporting of data.
- Recall's emission and energy consumption decreased as a result of a global decline in the collection of paper by its Secure Destruction Services business line, site consolidations and more accurate reporting.

The table below compares the 2010 and 2009 GHG emissions and energy usage.

	CO2-e (kt)			Energy (TJ)		
	2010	2009	% change	2010	2009	% change
Brambles HQ	0.11	0.11	-	0.45	0.43	5%
CHEP	67.45	61.74	9%	665.31	641.87	3%
Recall	77.46	91.20	(15%)	814.41	1,033.10	(21%)
Total	145.02	153.05	(5%)	1,480.17	1,675.40	(12%)



CASE STUDY: CHEP Italy reduces its carbon footprint

In 2010, CHEP Italy began working with environmental consultant Lifegate to determine and then reduce its carbon footprint. The first step was to estimate CHEP Italy's existing carbon footprint, the main sources of impact being energy, heating, transport and paper. Initiatives to reduce this footprint were then put in place.

The next step was to reduce energy impact by switching from the public energy provider (Enel) to a private green energy provider (Edison). The result was a reduction of 72,630 kg of CO₂.

CHEP in Italy put in place another 13 initiatives independently. CHEP Italy estimates it has reduced its carbon impact by about 27%.

To improve its impact reduction further, in 2011 CHEP Italy will begin an additional project with Lifegate. CHEP Italy has set a 2013 target of a 50% reduction of its carbon footprint from 2010 and zero impact by 2020.

WASTE AND RECYCLING

Lumber waste and recycling

Compared with disposable pallets, pallet pooling significantly reduces the use of lumber resources and waste.

CHEP's business model is based on the principles of reduce, reuse and recycle:

REDUCE: Pooled pallets are designed for repeated use and reduces the burden on the world's lumber supply and waste streams through responsible use of lumber. Decreased pallet-related product damage as a result of using CHEP further reduces environmental burdens and contributes to the success of other supply chain packaging reduction initiatives.

REUSE: A key economic element of pallet pooling is to deploy higher quality platforms that can be reused extensively. Continuous inspection, maintenance and repair further prolong the useful life of pooled pallets.

RECYCLE: Controlled end-of-life management and a clear system of asset ownership help to ensure lumber recovery, reuse and recycling efforts are maximised to keep waste out of landfills.

In the USA, approximately 35% of lumber is reused in pallet repairs before being recycled into alternative uses such as fuel, mulch and animal bedding. CHEP USA reclaimed more than 100,000 cubic metres of lumber in 2010 for reuse within its network.

Both CHEP USA and CHEP Europe have environmental calculators that enable customers to determine how much they can reduce solid waste, GHG emissions and energy consumption by using the CHEP pallet pooling system instead of alternative shipping platforms, such as limited use or non-pooled lumber pallets and pooled plastic pallets. The environmental calculations generated by the CHEP USA website are based on an updated comprehensive life cycle inventory analysis conducted on CHEP USA's pallet pooling system in 2009. A summary of the analysis can be found on CHEP's website or requested through CHEP. The CHEP Europe calculator was developed in conjunction with Leeds University. Every CHEP European sales representative has access to the CHEP Europe environmental calculator, enabling the team to quantify the benefits of CHEP to existing and potential customers.

The life cycle environmental savings created by customers using the CHEP USA lumber pallet pool versus non-pooled lumber or pooled plastic pallets in 2010 amounted to:

- Between 54,700 to 58,300 tonnes of solid waste (equivalent to 300,000 cubic metres of landfill space or 122 Olympic-sized swimming pools);
- Between 2.8 to 3.4 trillion British thermal units (BTUs) of energy (equivalent to almost 600,000 barrels of oil); and
- Between 44,000 to 136,000 tonnes of GHG emissions, depending on the alternative for comparison.

Findings of the report included a quantified analysis of waste associated with the life-cycle of pallets in the pooled system. Total solid waste per 100,000 pallet trips was less than 27 tonnes, compared with almost 50 tonnes of solid waste (including lumber, fuel, process, etc) generated by pooled plastic and non-pooled lumber pallets.

Unlike CHEP's pallet pooling system, many other types of lumber pallets (without a clear system of ownership and accountability) end up in landfills. CHEP avoids this problem by maintaining ownership of its assets and enforcing a system of controls to ensure that its pallets are recovered and the materials are reused or recycled into other uses at the end of their useful lives.

CHEP actively manages all waste streams related to pallet pooling activities – including lumber, corrugate, steel, and plastic. CHEP minimises the impact of its internal waste generation by ensuring that scrap pallets, containers and crates are recycled. When pallets are repaired, the lumber in good condition is reused to repair other pallets. The remaining lumber is recycled into other uses such as fuel, mulch, and animal bedding.

CASE STUDY: CHEP Australia reduces lumber waste to landfill

CHEP Australia is currently undertaking a pilot program on waste streaming with a view to:

- Segregation of major waste streams, with particular focus on waste that can be recycled or reused;
- Measurement of waste in each of the streams at the site level aggregating up to national reporting; and
- Practical maximisation of recyclable/reusable material through productive outlets (ie not to landfill).

The Australian initiative involves operations management, procurement and Cleanaway, as the major waste management services provider. Pilot work has been undertaken at two sites.

CASE STUDY: Lumber recycling for CHEP UK and Ireland

A lumber reclamation project started in CHEP UK and Ireland in 2008, to save costs and reduce waste lumber sent to be shredded by a chipping machine, thereby reducing energy consumption. The project was extended to subcontracted managed sites, as well as CHEP service centres.

Lumber is reclaimed directly from repair benches and from waste belt conveyors by repairers as they remove and repair damaged lumber from pallets and by breaking down scrap pallets and recovering reusable elements from the scrap pallets. On average, 4,100 cubic metres is reclaimed annually across the UK and Ireland.

CASE STUDY: CHEP USA pallet scrapping program

In 2009, CHEP Americas announced a pallet scrapping program, recovering good quality lumber for use in future repairs and contributing to an improvement in the overall quality of the pool. The program resulted the scrapping of seven million pallets over 15 months. In total, 45.5 million boards, approximately 87,000 cubic metres of lumber, were reclaimed. A strict quality specification for reclaiming individual boards was applied. Where possible, waste lumber not used in repairs was reused as fuel, mulch and animal bedding.

Other waste and recycling

In addition to its pool of almost 240 million pallets, CHEP also operates a pool of some 40 million plastic containers. The pool provides reusable or returnable plastic containers as a substitute for disposable cardboard packaging used to transport fresh fruit and vegetables.

CHEP actively manages all waste streams related to pallet pooling activities – including lumber, corrugate, steel, and plastic. Where possible, in office locations, segregation and recycling programs are in place for recyclable items such as paper, bottles, cans, newspapers, magazines, and ink cartridges.

CHEP complies with local and federal regulations pertaining to waste handling, recycling, storage and disposal.

General solid wastes (eg office/sanitation) are handled by local solid waste management or recycling facilities. Universal wastes and used oil (both generated in limited quantities) as well as cardboard, plastic and metals are generally re-used or recycled where facilities are available.

In almost all instances when pallets are repaired, metal scrap, nails, corrugate and plastic are either recycled on site for additional pallet applications or sent to specialty recyclers. This includes all waste generated from production activities, as well as packaging and material used to protect and secure cargo during transportation.

Waste paint is generally re-used in makeup of new paint (re-used). Where that is not possible, it is treated to render it solid, but is then directed to landfill as the better of current disposal options.

CHEP did not dispose of any waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VII by shipping it internationally.

Recall collected, shredded and sent for recycling over 187,000 tonnes of paper last year.

Recall assists its customers in managing their physical and digital documents throughout their life cycles, from creation to secure destruction. Recall believes that it benefits the environment by assisting customers to reduce material usage by providing space- and paper-efficient document archival and retrieval solutions.

All the material used in the production of Recall's cartons is recyclable. Those cartons are supplied on CHEP pallets, as opposed to one way whitewood pallets.

Brambles had no significant spills during the year.

Brambles is currently examining the way it collects waste data to improve reporting capabilities. In 2011, Brambles is collecting baseline data on lumber and solid waste streams and will subsequently establish reduction targets.

CASE STUDY: CHEP UK – zero waste to landfill

CHEP Europe has run multiple initiatives internally to improve waste management. To reduce landfill, CHEP decided to use recycling companies. At the beginning of 2010, CHEP Europe has been looking to take further steps and decided that apart from what is already segregated and recycled, it may be possible to sort remaining landfill waste. In April 2010, CHEP signed a letter of intent with UK waste management company Biffa stating its joint venture to achieve zero waste to landfill in the UK. Biffa has audited all UK sites and recommended on a strategy to achieve this goal. The final terms and conditions of the agreement will be presented to CHEP during 2011.

CASE STUDY: CHEP Erskine Park Service Centre team swing into action and avoid harm to the environment

On 24th June, the team at Erskine Park put their Zero Harm training to the test when a B-Double vehicle collided with a concrete traffic island and punctured a 50mm diameter hole in the fuel tank, spilling diesel onto the driveway near a stormwater drain.

The team on the scene were assisted by other staff and contractors in deploying spill kits as part of Erskine Park's Spills Management procedure.

The Fire Department were called and arranged for Hazmat to attend due to the quantity of diesel involved in the incident.

The swift initial response prevented the diesel fuel from entering any storm water drains and averted a potentially serious environmental situation. Hazmat praised the training and actions of all staff involved in effectively containing the spill.

WATER

Brambles recognises that water is a precious resource and in many areas of its operations water supply is crucial for the environment and the community. Brambles believes it has a responsibility to use water wisely. For this reason, in 2011 Brambles is collecting baseline data on water usage and waste and will subsequently establish water sustainability targets.

The only place where CHEP uses the most water is within service centres that condition plastic containers. Many of these sites recycle and re-use water. In European service centres, occasional top-ups are required if water levels drop. CHEP Europe uses washers with a facility to filter and re-use water during the wash process. CHEP Australia uses water recycling at several of its plants.

Water discharges from CHEP facilities are equivalent to sanitary wastewater and are not considered significant.

CLIMATE CHANGE

The Board is responsible for the establishment and review of the effectiveness of the Group's system of internal control and risk management. This includes consideration of climate change risks. The Brambles Sustainability Council and the Executive Leadership Team help to formulate sustainability policies (including those impacting climate change) and the Group Presidents of CHEP and Group President and Chief Operating Officer of Recall are responsible for implementing sustainability policies across the organisation.

Brambles shares equivalent risks arising from climate change to those of the business community generally. These include the cost impacts of climate change on energy, water, insurance and transport. Brambles is actively managing its use of these elements and expects that cost impacts would most likely be recovered from the marketplace.

Brambles does not consider the company to be exposed to significant regulatory risks related to climate change. Brambles operations generally are not large energy users and as such are not considered likely to be included in current or proposed emissions trading schemes.

Brambles may be exposed to physical risks from climate change. If the impacts of climate change over the mid to long term prompt the relocation of customers' operations, or the location of served industry sectors (such as fresh produce), Brambles would need to consider the most appropriate basis for service continuity to those customers or industries.

Brambles continues to source lumber in accordance with strict lumber sourcing policies. These responsible and sustainable policies support the replenishment of natural resources, with a preference for plantations and state-managed forests with managed forest certifications. Lumber is not sourced from protected areas, parks or similar areas where harvesting operations are not complementary to responsible forestry management. 88% of lumber sourced by CHEP globally in 2010 was from suppliers who hold Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative (SFI) or Chilean System for Sustainable Forest Management Certification (CERTFOR) accreditation, globally recognised benchmarks for sustainable forestry management. Only 5% of all lumber sourced by CHEP globally is from sources not certified to a third party registered sustainable forestry program. These policies are considered effective in managing and mitigating Brambles environmental footprint. In addition, the environmental targets set in the roadmap will further reduce Brambles effect on the environment and contribution to climate change.

Regulatory requirements that may result from climate change could present opportunities for Brambles. CHEP offers its customers a sustainable business model through product stewardship and product reuse. The benefits of these products and its business model are likely to become more attractive to existing and potential customers as they address the impacts of energy, packaging and waste regulation on their businesses. The mid to long term possible physical changes arising from climate change may represent 'step change' opportunities for firms and industries to adopt the shared use of returnable and reusable supply chain packaging solutions offered by CHEP.

For example, global warming and environmental issues are top on the agenda at key CHEP multinational customers in Europe, EU Governmental and Regulatory bodies and institutions. The EU Commission and its 27 EU member states committed to reduce carbon emissions by at least 20% by the year 2020 over 1990 emissions' levels. The UK Department for Environment, Food and Rural Affairs has set a target of 30% CO₂ reduction.

The increased awareness of sustainability issues arising from the emergence of climate change as an essential element of business planning and operations presents the opportunity for the environmental benefits of CHEP's existing products to be recognised by customers and formally measured using life cycle assessments. CHEP in the USA and Europe currently offers interactive environmental calculators for prospective customers to quantify the benefits of the CHEP products and business model. Equally, it provides an opportunity for collaborative development of new products incorporating environmentally appropriate materials, and incorporating the maximum environmental benefit in their sourcing, design, conditioning and end of life recycling.

Case study: CHEP FRPC System Environmental Life Cycle Assessment (LCA)

In 2009, CHEP Australia commissioned RMIT University of Melbourne to conduct study to compare the environmental performance of Folding Reusable Plastic Containers (FRPCs) in the CHEP pooling system compared to single use cardboard cartons. The study complies with the ISO 14044 methodology for environmental systems and has been peer reviewed by two independent industry experts.

The independent lifecycle study found the CHEP RPC system generated significant benefits for customers compared with a single use corrugated cardboard packaging system. Based on the results of the study, the estimated benefits on a daily basis are:

- more than 175 tonnes of GHG emissions saved;
- more than 1.2 million litres of water saved; and
- more than 20 tonnes of solid waste avoided.

In the Australian retail produce supply chain, where stringent hygiene standards are required, the CHEP returnable packaging system has been found to deliver significant environmental advantages in the supply chain when compared to single use carton packaging:

- GHG emissions – 70% less emissions than a single-use corrugated cardboard system.
- Landfill – 95% less solid waste than the single use corrugated cardboard system because of a reduction in manufacturing process waste, even if all cardboard is recycled after use.
- Water usage – 85% less water is used to wash RPCs than is required for the manufacture and recycling of a single-use corrugated cardboard system.

More information on the LCA is available from CHEP Australia.

Supply Chain

Brambles is committed to driving efficiency and environmental sustainability in the supply chains CHEP and Recall serve.

Brambles' sustainability strategy specifically addresses responsible management of lumber resources for Brambles, its suppliers, customers and the wider community (eg products constructed from certified sustainable resources, lumber purchases monitored by external auditors). The strategy ensures Brambles engages with its supply chain to ensure their practices are in line with Brambles' environmental principles (eg help them meet high standards of forest certification). Brambles has set a target of obtaining chain of custody certification for CHEP lumber pallets by 2015, providing independent assurance that the lumber comes from sustainable sources. During 2010, CHEP achieved FSC accreditation for its own lumber plantations in South Africa.

Brambles has robust management systems for maintaining and improving relationships with customers and suppliers. Brambles policy is incorporated in the Code of Conduct and is clearly communicated to suppliers. For example, CHEP Europe purchasing contracts refer to the Code of Conduct and the Code of Conduct is passed on to suppliers. The majority of CHEP Europe purchases are under such contracts. Elements of the Code of Conduct are also included in material purchasing contracts with suppliers in CHEP Asia-Pacific. The code is available in a number of languages: Chinese (simplified), Chinese (traditional), Danish, Dutch, English, Finnish, French, French Canadian, German, Hindi, Italian, Norwegian, Portuguese, Spanish, Swedish, Tamil and Thai.

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

Brambles systematically monitors relationships with suppliers. Brambles is committed to assessing supplier environmental standards against its own and requires evidence of such systems from suppliers to ensure good environmental performance.

Both CHEP USA and CHEP Europe have environmental calculators allowing the user to enter supply chain information for their business and generate a report that shows the environmental impact and supply chain savings using CHEP's pallet pool. The environmental calculations generated by the CHEP USA website are based on an updated comprehensive Life Cycle Inventory Analysis conducted on CHEP USA's pallet pooling system in 2009. The CHEP USA Total Value website can be viewed at www.chep.com/totalvalue. A summary of the analysis can be found on the website or requested by contacting CHEP. The CHEP Europe calculator was developed in conjunction with Leeds University. Every CHEP European sales representative has access to the CHEP Europe environmental calculator, enabling the team to quantify the benefits of CHEP to existing and potential customers.

Compared with limited use pallets, pallet pooling significantly reduces the use of resources, particularly lumber.

The Zero Harm Council (created in 2010) is evaluating appropriate actions to ensure providers are focusing on safety. Previously, Brambles has excluded third party providers from its safety reporting on the basis that it does not have operational control over these activities. While there are still issues to work through with third party providers, initiatives will be developed over the coming year. Further information on the Zero Harm Council can be found in the People section.

Brambles sponsors the Nature Conservancy, a not-for-profit organisation that works around the world to protect ecologically important lands for nature and people.

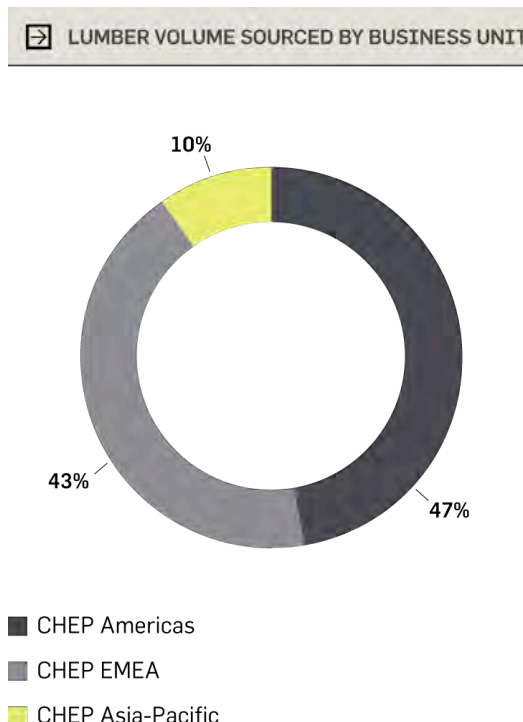
CHEP works with leading organisations aimed at promoting the use of sustainable forms of packaging in the supply chain. For example, CHEP USA is a member of the Sustainable Packaging Coalition and the Reusable Packaging Association.

CHEP Asia-Pacific is a patron of the Gottstein Trust in Australia, a leading supporter of forestry research and education.

CHEP also takes a pro-active role in assisting governments and regulatory authorities in developing processes to assist in mitigating spreads of lumber parasite infestations when these occur.

LUMBER

	Volume of lumber (m ³)
CHEP Americas	616,984
CHEP EMEA	561,760
CHEP Asia-Pacific	126,469
Total	1,305,213



LUMBER VOLUME BY FOREST SOURCE CERTIFICATION AND BUSINESS UNIT (m³)

Forest source certification ⁷	CHEP Americas	CHEP EMEA	CHEP Asia-Pacific
FSC	124,207	149,601	14,820
PEFC	-	390,862	102,690
SFI	250,825	-	-
CERTFOR	106,035	-	-
Other	83,583	12,297	-
No formal certification	52,334	9,000	8,959
Total	616,984	561,760	126,469

⁷ FSC – Forest Stewardship Council

PEFC – Programme for the Endorsement of Forest Certification

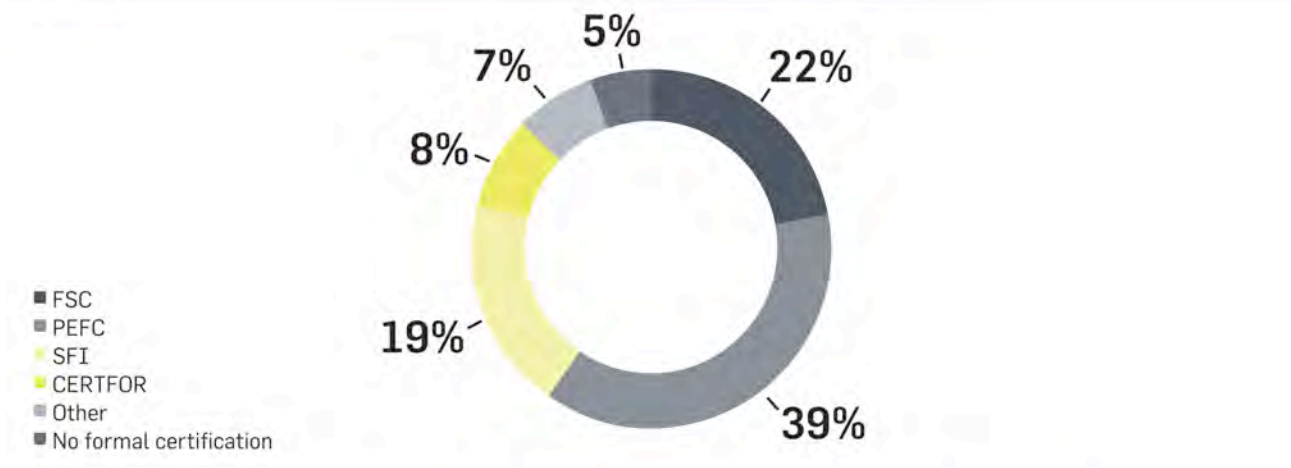
SFI – Sustainable Forestry Initiative

CERTFOR – Chilean System for Sustainable Forest Management Certification (endorsed by PEFC).

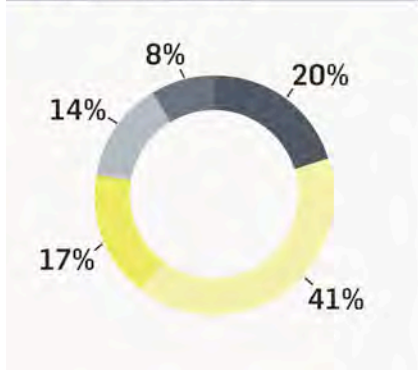
Other - Externally verified or other third-party endorsed (eg government, state, or local sustainable forestry programs)

No formal certification – Not externally verified or third-party endorsed.

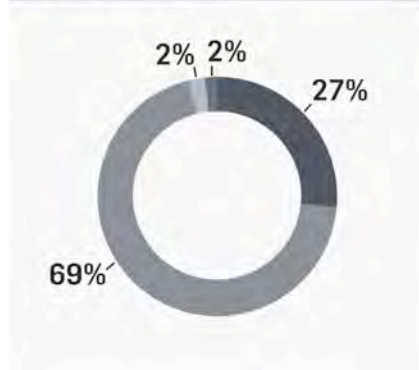
GROUP



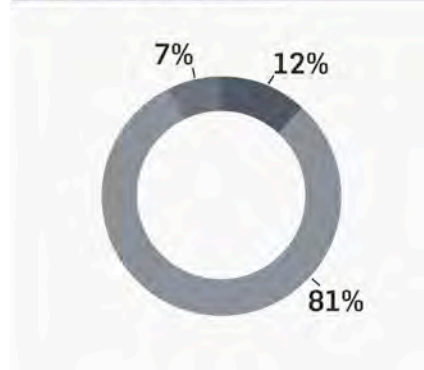
CHEP – AMERICAS



CHEP – EMEA



CHEP – ASIA-PACIFIC



CHEP maintains strict lumber sourcing policies supporting the replenishment of natural resources by sourcing lumber in a responsible and sustainable manner, with a preference for plantations and state-managed forests with recognised forest certifications. CHEP does not source from protected areas, parks or similar areas where harvesting operations are not complementary to responsible forestry management. 88% of lumber sourced by CHEP globally in 2010 was from suppliers who hold Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative (SFI) or Chilean System for Sustainable Forest Management Certification (CERTFOR) accreditation. Only 5% of all lumber sourced by CHEP globally is from sources not certified under third party forest programs.

All CHEP’s lumber suppliers are subject to, at a minimum, a due diligence process that includes site visits and establishment of a sound understanding of log sources and the certification status of source forests. CHEP implements procedures to identify tree species being used and ensure those species are acceptable and lumber is not sourced from areas where there are known pest infestation risks.

CHEP Europe is working towards certification for its pallets by PEFC and FSC, providing assurance that all the lumber used originates from sustainable sources. CHEP Europe is also working to implement a traceability system for 100% of procured lumber. Once in place, this system will ensure that every piece of lumber can be traced to its origin of supply. CHEP Europe is confident of obtaining PEFC/FSC certification and aims to begin the roll out its traceability system to key lumber suppliers in the next year.

PRODUCT AND SERVICES

Lumber is 100% recyclable and can be reused in the repair and manufacture of pallets and recycled into other uses, such as fuel, mulch and animal bedding. In Europe, the majority of lumber waste goes into the production of woodchip panels for the furniture and building industries. However, without a clear system of ownership and accountability, many other types of lumber pallets still end up in landfills. CHEP avoids this problem by maintaining ownership of its assets and enforcing a system of controls to ensure that its pallets are recovered and the materials are reused or recycled into other uses at the end of their useful lives.

Recall reclaims cartons where possible and uses recycled material in the production of its cartons.

BIODIVERSITY

The potential impact of sourcing lumber products on biodiversity include direct (deforestation, habitat destruction and degradation, land conversion for lumber plantations, introduction of non-native species) and indirect (improved access to previously undisturbed areas of forests) impacts. CHEP's responsible and sustainable lumber sourcing policies support the replenishment of natural resources.

CHEP does not source from protected areas, parks or similar areas where harvesting operations are not complementary to responsible forestry management.

While the majority of lumber sourced by CHEP comes from sources with recognised forest certifications, there are concerns that threatened lumber species may still make their way into the supply chain.⁸ CHEP's internal auditing in 2009 identified the possible inclusion of Longleaf Pine, and in 2010 also identified the possible inclusion of Virginia Pine and Sand Pine. In the USA, Longleaf Pine is a sub-specie of Southern Yellow Pine and Virginia Pine and Sand Pine are sub-species of Southern Pine. Longleaf Pine is classified as 'vulnerable', while Virginia Pine and Sand Pine are classified as 'near threatened'. The other sub-species of Southern Yellow Pine and Southern Pine are all classified as 'least concern'. The exact sub-specie of Southern Yellow Pine or Southern Pine being supplied is not always nominated by USA lumber suppliers.

Southern Yellow Pine and Southern Pine comprises 38% of lumber purchased by CHEP Americas in 2010. However, 92% of all lumber supplied to CHEP Americas comes from third party certified sources, giving assurance of sustainable forestry management. CHEP remains committed to working closely with its suppliers and continues current supply chain auditing practices to better understand and minimise the potential use of Longleaf Pine, Virginia Pine and Sand Pine; however, this issue is still outstanding.

As identified in 2009, CHEP Malaysia purchases commonly named timbers which include a variety of species as is local practice. Whilst there are no known IUCN species issues, CHEP cannot definitively exclude the possible purchase of small quantities of threatened species. The lumber sourced in Malaysia that falls into this category comprises less than 1% of all lumber purchased by CHEP globally.

During 2010, CHEP Malaysia extended its due diligence with local lumber suppliers and millers to ensure there is a Government Removal Pass supporting logs supplied to CHEP. This pass is issued at the time of harvesting and provides reasonable proof of log legality. Further, CHEP has engaged with the Malaysian Timber Certification Council regarding forest certification practice in Malaysia and the potential for CHEP to access lumber from certified forest resources. Additionally, CHEP has developed a framework for regular due diligence activities in its lumber sourcing in Malaysia.

⁸ Defined as 'threatened' by the IUCN Red List of Threatened Species™, compiled by the International Union for Conservation of Nature and Natural Resources.

SUSTAINABLE LUMBER PLANTATIONS

CHEP South Africa has invested in its own lumber plantations, which makes a significant contribution to meeting its lumber requirements in that region and contributes positively to CHEP's sustainable lumber sourcing practices.

In June 2009, CHEP completed certification for its plantations under the internationally recognised Forestry Stewardship Council (FSC) for environmentally well-managed plantations. The process included an extensive audit covering legal, land and water management, harvesting, regeneration, financial, biodiversity, pest control, monitoring, fire control, community, training, labour and other aspects related to the management of the lumber farms. FSC auditors will audit the farms every year to ensure continued compliance and can conduct additional spot checks.

CHEP owns five lumber farms in the southern Drakensberg region of KwaZulu Natal in South Africa, which cover approximately 2,500 hectares. The farms hold government tree planting permits to cover 1,700 hectares of pine tree plantations. The current standing volume of the plantations is sufficient to cover approximately 20% of CHEP South Africa's current annual lumber requirements for each of the next five years, securing the supply of lumber raw material in the region, which was becoming increasingly difficult to obtain. CHEP is currently in negotiation with other local plantation owners to match the current supply of standing trees, thereby extending supply for a further five years.

FSC certification demonstrates CHEP's commitment to manage the plantations in a sustainable manner that minimises any impact on the natural environment and enhances the community in general.

CHEP adopts the following the following 10 FSC principles in its plantation:

1. Forest management shall respect all local and national laws, as well as administrative requirements.
2. Tenure and use rights of land, as well as responsibilities should be respected.
3. Legal and customary rights of Indigenous people are recognised and respected.
4. Forest management operations shall maintain or enhance long term social and economic well being of forest workers and local communities.
5. Forest management operations shall encourage the efficient use of the forests multiple resources in order to create environmental and social benefits.
6. Forest management operations shall conserve biological diversity, the water resources, soils, unique and fragile ecosystems and landscapes, in order to maintain the ecological functions and integrity of the land.
7. A clearly defined management plan, appropriate to the scale and intensity of the operations shall be written, implemented and kept up to date.
8. Monitoring and assessment of forest yields and products, social and environmental impacts, chain of custody, forest conditions and management activities must be done.
9. Responsible management and maintenance of High Conservation Value forests and land.
10. Plantations shall be planned and managed in accordance with points 1-9.



In addition to these principles, CHEP plantations continually strive to carry out forestry operations in accordance with the Zero Harm initiative and the responsibilities outlined by the Code of Conduct. In line with this, CHEP rehabilitated the water courses on the farms to the benefit of communities downstream. For more information, see the Society section.

CHEP South Africa's investment in its own lumber farms is providing security against both future supply shortages and major raw material cost increases, while conserving natural resources.

Customers

Brambles' sustainability strategy objective is that Brambles is recognised by its customers, employees, shareholders and the community as a global leader in corporate responsibility and sustainability.

Regular dialogue with stakeholders, including customers, will determine which corporate responsibility and sustainability issues are of key and emerging importance to them.

Brambles gives evidence that it has addressed customer needs and priorities through reporting.

In 2010, Brambles created the Customer Experience and Insight Council. This council will consist of members from all regions and businesses. The aim of the council is to define and execute strategies and programs that will drive customer loyalty across the business. The implementation of Net Promoter Score (NPS) and the establishment of NPS as a key business metric is one of the council's first priorities.

During 2010, Brambles appointed long-serving Executive Leadership Team member Kevin Shuba to the new role of Customer Development Officer, with direct responsibility for analysing and improving the customer experience to transform Brambles into a customer-centric organisation. The Customer Development Officer chairs the Customer Experience and Insight Council.

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

CHEP provides a valuable service to over 500,000 customer touch points in 47 countries from a network of 615 service centres. CHEP has provided pooled pallets and containers for over 50 years.

In addition, CHEP provides value added services, some free of charge to its customers. For example, in CHEP USA this may include:

- Application engineering (on site technical support and equipment and material handling optimisation);
- Lean/Six Sigma engineering (project based solutions problem solving expertise, rigorous process and data analysis);
- Supply chain solutions expertise (comparative platform assessment, supply chain expertise and support, sales tool development);
- Use of the Innovation Centre (packaging/unit load design, simulated supply chain testing, material handling and testing);
- Transportation optimisation;
- Shared logistics collaboration; and
- Total account management.

One example of use of these services is the expertise provided to Procter & Gamble by the Six Sigma team in delivering a customised solution for its Automated Storage and Retrieval System (ASRS). The supply chain solutions team helps customers drive down damaged products in the supply chain, where billions are wasted each year. The Innovation Centre conducted over 80 packaging and unit load tests and studies for customers in the past 18 months.

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

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

These are high standards Recall endeavours to meet as a solution provider for the best in innovative information management. Overall, Recall is optimising its operations to deliver the most efficient, error-free solutions to the customer.

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

MEASURING THE CUSTOMER EXPERIENCE

Brambles is committed to continuously improving the customer experience with its products, services and people. In order to meet that commitment and best direct improvements, Brambles has introduced a significant change in its survey methodology to enable more immediate and more meaningful responses to customer feedback. It involves surveying multiple levels within customers' organisations, recognising that products and services have an impact on multiple aspects of a customer's business. This system is known as Net Promoter.

Before Net Promoter, Brambles engaged in customer satisfaction surveys using TRI*M.

TRI*M, used by CHEP and Recall for seven years, is a proprietary index that measures satisfaction and asks about past service experiences and guides service improvement. A Net Promoter program is multi dimensional, including Net Promoter Score (NPS) measurement, leadership practices that promote customer centricity, organisational strategies to ensure program adoption, integration with core business processes and operational systems geared to identify improvements in the customer experience.

Brambles believe that near real-time measurement of performance, as seen by customers, gives visibility of operational issues which might otherwise take months to emerge. Accordingly, Brambles business units use the Satmetrix system, Xperience, whereby customers receive an email after select interactions, and annual relationship measurement, with a detailed questionnaire on performance. This data is then collated and represented in a series of new metrics by which the process and operational performance is measured by customers' feedback.

These questionnaires generate enormous amounts of data about customers' views on processes and performance. This data is distilled into a single usable indicator, known as the NPS. The NPS measures the relative weight of people who are loyal enthusiasts who will keep buying and refer others, compared to those who are unhappy.

In 2010, Brambles began the transition to NPS in one region, CHEP USA. All other regions and Brambles entities will drive the implementation of NPS as determined and governed by the Customer Experience and Insight Council.

The 2010 score for CHEP USA, while respectable, shows that there is still room for improvement, and provides Brambles with a baseline and a goal by which it can measure against the best performers in the USA.

CUSTOMER HEALTH AND SAFETY: ZERO HARM

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

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

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

Recall assists customers in the safe management of their document storage requirements by clearly labelling its cartons with suggested weight restrictions and correct handling techniques, specific to the size of the carton (which varies from region to region) to ensure both customers and employees do not put themselves at risk from strain or injury of lifting heavy loads. All cartons are provided to customers flat packed. Recall has stringent processes for employees managing inbound cartons (for example, correct manual handling techniques) to ensure adequate risk management.

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

Total Pallet Management (TPM) program locations on customer premises are run to CHEP Zero Harm standards. CHEP Europe encourages logistics providers to improve safety measures with a safety scorecard.

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

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

CUSTOMER PRIVACY AND INFORMATION SECURITY

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

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

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

Recall ensures strict security is in place in terms of physical properties as well as user access – whether physically or online via its secure server. Some of the security practices at Recall include physical security design such as barriers and perimeter protection, manned entry, access points, gate houses, security guards and more, as well as security systems, such as CCTV monitoring (with remote video response, off-site monitoring, pure white and infrared lighting, etc), intruder

alarm systems, access control systems (some with biometric access) and building safety/fire management systems.

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

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

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

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

Recall fire awareness and protection includes dedicated fire reporting panel, dedicated water reservoirs, thermographic scans, multiple dedicated fire pumps, sprinkler heads, heat and smoke detectors and training for employees in all areas of fire life saving and safety. Megacentres are now built with very early smoke detection apparatus that sounds an alarm when it detects smoke to 0.001% 'particle density' per metre and identifies which sample pipe detected the smoke.

RESEARCH AND DEVELOPMENT

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

CHEP's Innovation Centre in Orlando, Florida is a world-class product testing and engineering facility. From packaging and unit load design to simulated supply chain testing, CHEP capitalises on the resources of its Innovation Centre to collaborate with customers around the globe, conduct packaging tests for customers and test new products and technologies. CHEP's engineers and other supply chain solutions specialists at the Innovation Centre are available to help customers improve the performance of their packaging and palletised unit loads to minimise product damage. This is one way that CHEP adds value and drives innovation and savings for the customer. There is no charge for these services. CHEP considers it as doing its part as a good supply chain partner.

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

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

CASE STUDY: CHEP Innovation Centre addresses water bottleneck

In the bottled water industry, correcting product quality issues is a high priority. CHEP's Innovation Centre in Orlando, Florida partnered with a major bottled water producer who was experiencing creasing problems in the neck area of some plastic water bottles during transit. In addition, some loads were so unstable they were toppling over, generating safety issues as well as additional costs.

In the Innovation Centre's lab a variety of tools, testing equipment and specialised software help customers make the best supply chain decisions for their products. The Saver shock and vibration environment recorder was very useful in the bottled water project. Much like a black box on an airplane, the unit collects data on shock, vibration, drop height, temperature and humidity. The Saver unit was packaged inside unit loads of bottles of water.

From the data, CHEP engineers determined that differences existed among the various plants, even though the company has standard procedures for bottling, packaging and stretch wrapping.

CHEP engineers determined that when the wrapping on the load is over-stretched it creates certain issues from being pulled too tight. When the wrapping is applied too loosely, insufficient containment leads to load insecurity.

The Innovation Centre used its equipment to stretch wrap the loads and to quantify and qualify the containment. Once wrapped, the units were tested to determine how well the load held together. Different types of stretch film were evaluated under a range of conditions. Compression testing was performed to validate the top-load stability of the pallet loads of bottled water.

CHEP worked closely with the water bottler and the processor who supplies the bottler with stretch film – even the manufacturer of the resin used to make the stretch film – to help determine the right balance for optimum load containment. All four parties worked together as supply chain partners to meet the challenge of getting the bottled water to the consumer in the same condition it left the plant.

CASE STUDY: Innovating with display pallets and beverage trays with CHEP Australia

Retailers are under constant pressure to make shopping easier. That's why CHEP Australia's introduction and further development, in conjunction with retailer ALDI, of a plastic display pallet capable of integrating various display modules, has attracted such interest.



Building on the success of CHEP's display pallets in Europe, the Australian display pallets allow retailers to take delivery of goods from manufacturers ready to roll on to the shopfloor – eliminating the in-store unloading and repacking that can lead to product damage, increased labour costs and packaging waste.

Working with ALDI and soft-drink manufacturers, CHEP Australia developed a beverage tray to fit neatly on to the display pallets. The trays hold either 1.25-litre soft drink bottles or 2-litre juice bottles – benefitting smaller stores that often need to fit a variety of goods into one load or display. The plastic display pallets' size – at one third the size of a traditional lumber pallet – also aids merchandising.

CHEP Australia estimates this soft drinks display system will remove around 1,250 tonnes of cardboard waste in Australia in its first year of operation.

People

EMPLOYEES BY BUSINESS UNIT⁹

	Number of employees
CHEP Americas	2,067
CHEP EMEA	3,992
CHEP Asia-Pacific	1,558
Recall	5,004
Brambles HQ	93
Total	12,714

12^{K+}

EMPLOYEES

Brambles recognises that people are its most important asset and is committed to providing a safe, rewarding and challenging environment for its employees and assisting them in reaching their potential.

Brambles' sustainability strategy underlines its commitment to achieving Zero Harm – zero injuries and zero environmental damage. The objective is that Brambles is recognised by its customers, employees, shareholders and the community as a global leader in corporate responsibility and sustainability.

One of the areas of focus for this strategy is its people – engaging Brambles employees, ensuring that the right systems are in place to support them and making sure they are safe.

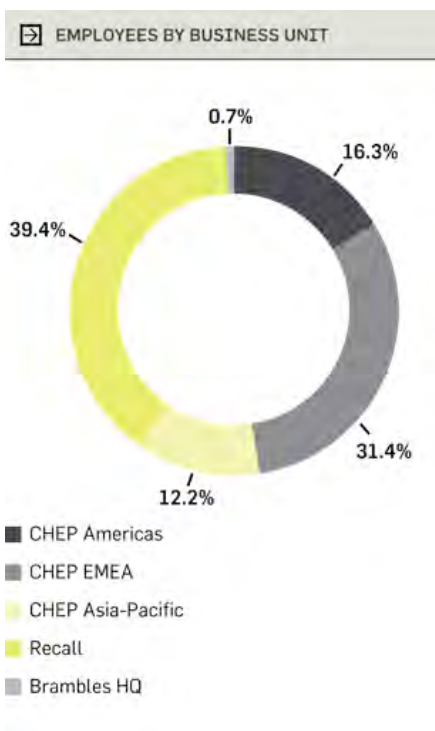
Brambles will do this by improving employee engagement scores, conducting its employee survey annually, as well as using other frequent employee engagement activities, improving its Zero Harm score every year, increasing education, training and development opportunities, measured in training and development days and improving employee metrics for diversity information, career development opportunities, equal opportunity and so on.

Brambles' has set targets for 2015 that are available in the roadmap.

Employee matters, including development and training, are the responsibility of the Group Senior Vice President – Human Resources, who reports directly to the Chief Executive Officer.

LABOUR PRACTICES

Brambles supports and upholds the United Nations Universal Declaration of Human Rights, as referenced in its Code of Conduct.



⁹ Total employee number is the 12 months average for the 2010 financial year.

Through its employment policies, Brambles is committed to:

- providing a safe working environment with an objective of achieving Zero Harm through industry best practice in health and safety management;
- being an equal opportunities employer, committed to developing a diverse workforce where everyone is treated fairly irrespective of gender, sexual orientation, age, disability, race or religion;
- creating an environment where everyone is encouraged to give their best and realise their full potential, by providing learning and development opportunities for individuals and groups; and
- ensuring employees can discuss any problem connected with their work confident that they will receive a fair, impartial and confidential review of the issue.

Under the Brambles Speaking Up policy, everyone is encouraged to notify the company of any suspicions about actual or planned breaches of the law, company policies or the Code of Conduct. Details of whom to approach, how to do so and the subsequent process are clearly explained. Brambles does not tolerate the victimisation of any employee who speaks up in such circumstances.

Brambles complies with all legislative requirements regarding superannuation and defined benefit plan obligations in the countries in which it operates.

Brambles is an equal opportunity employer. Its recruitment and selection processes are based on merit and skill competency. Brambles advertises vacancies internally via its intranet careers site. All employees are encouraged to apply for appropriate roles. The only exception to this approach is targeted succession planning for specific roles.

Less than 5% of Brambles employees are on temporary contracts.

EMPLOYEE ENGAGEMENT

One of Brambles' shared values is a commitment to safety, diversity, people and teamwork. It is fundamental that each employee is treated with integrity and respect.

All employment policies and practices are designed with this in mind.

Employee engagement is monitored through the Brambles Engagement Survey (BES). This is extended to all employees and is confidential. It surveys employees' perceptions of their workplace and the data is used to track progress from previous surveys, measure Brambles against internal and external best practice and identify key actions for improvement.

Brambles has set targets to achieve an increase in BES participation to 90% by 2015.

The BES conducted in November 2009 had a participation rate of 89%. It shows that employees are willing to provide their feedback and suggest where Brambles can improve.

Overall, the percentage of "fully engaged" employees, defined by combining a number of factors including an employee's satisfaction with, pride in and loyalty to their place of work, increased from 58% to 63%. While this is some way short of world class (which stands at 73%), this is a considerable improvement and demonstrates momentum in the right direction.

Brambles believes that the interests of employees and shareholders should be aligned. This is achieved by ensuring that the Board of Directors and Executive Leadership Team members maintain a minimum shareholding in Brambles Limited. Employee share ownership across the Group is encouraged through participation in Brambles' global employee share plan MyShare. Since its launch in 2008, more than 20% of Brambles employees from more than 25 countries

have elected to participate in MyShare. As at 1 July 2010, employees held a total of 735,302 shares.

Brambles continues to ensure that employees are informed of significant company news and strategic developments. Methods of employee communication include announcements and newsletters distributed by email, in-house publications, information posted on the intranet and face to face meetings with senior managers.

CASE STUDY: CHEP Portugal is a 'Great Place to Work'

In November 2009, CHEP Portugal took part in the 'Great Place to Work Survey', organised by the Great Place to Work® Institute, who identify the 30 best companies to work for in the country from over 100 entrants. Employees are consulted on various aspects relating to credibility, respect, pride, camaraderie and fairness.

CHEP Portugal was positioned 12th and ranked fourth in companies who provide the best environment for women at work.



This excellent rating for Portugal is reward for the intensive work completed with employee focus groups from different functions and areas across the business last year. The feedback that was received highlighted the areas necessary to make improvements.



The Portuguese team celebrates its success



Official award ceremony

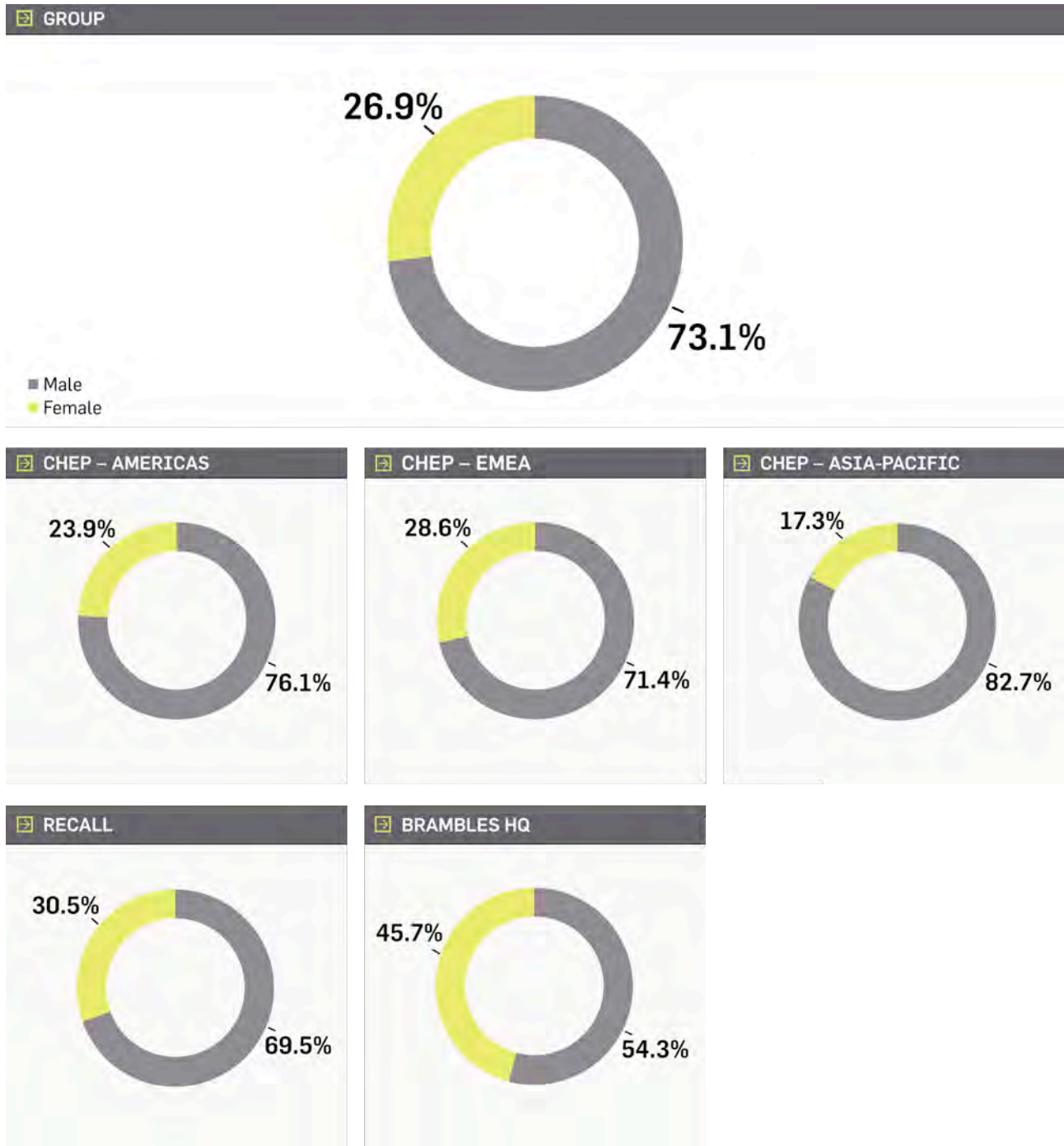
LABOUR/MANAGEMENT RELATIONS

Brambles respects the individual's right to freedom of association and relates to its people through both collective and individual agreements, according to local law, custom and practice.

Following its formation in 2004, the Brambles European Works Council meets formally on an annual basis. Its purpose is to bring together management and elected workers' representatives from all the EU Member States in which Brambles operates. Representatives are consulted, receive information and give their views on a range of issues such as health and safety, business performance, sales activity, business developments and employment trends. At the last meeting held in Madrid in July 2010 the Group President CHEP EMEA, the Group Senior Vice President – Human Resources and other senior management took part in wide-ranging discussions with the Works Council members concerning Brambles, CHEP and Recall.

DIVERSITY

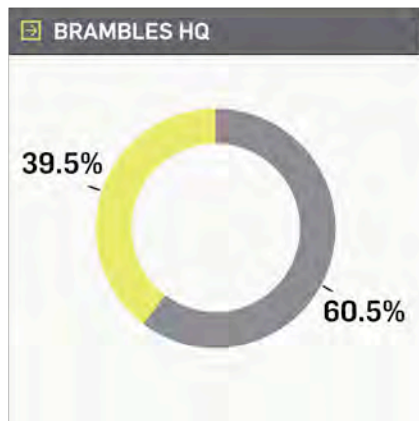
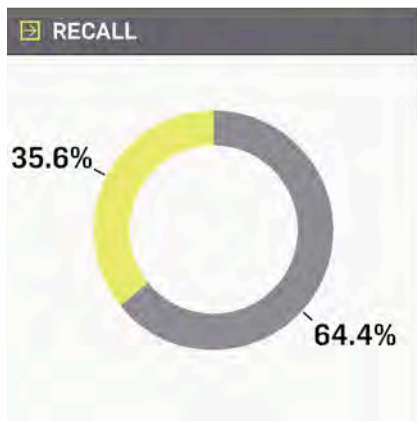
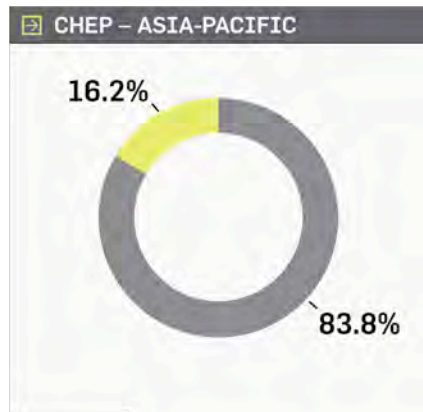
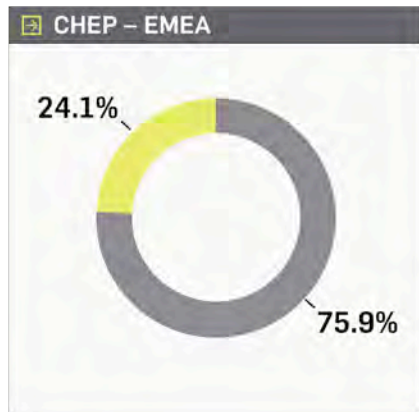
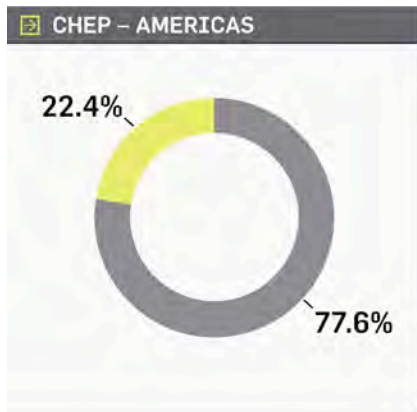
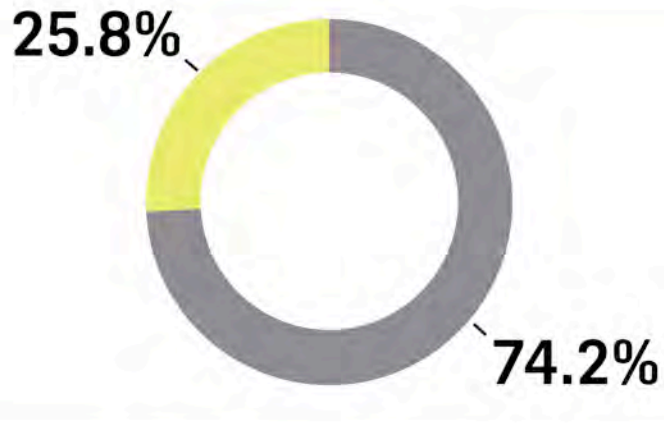
PERMANENT EMPLOYEES BY GENDER¹⁰



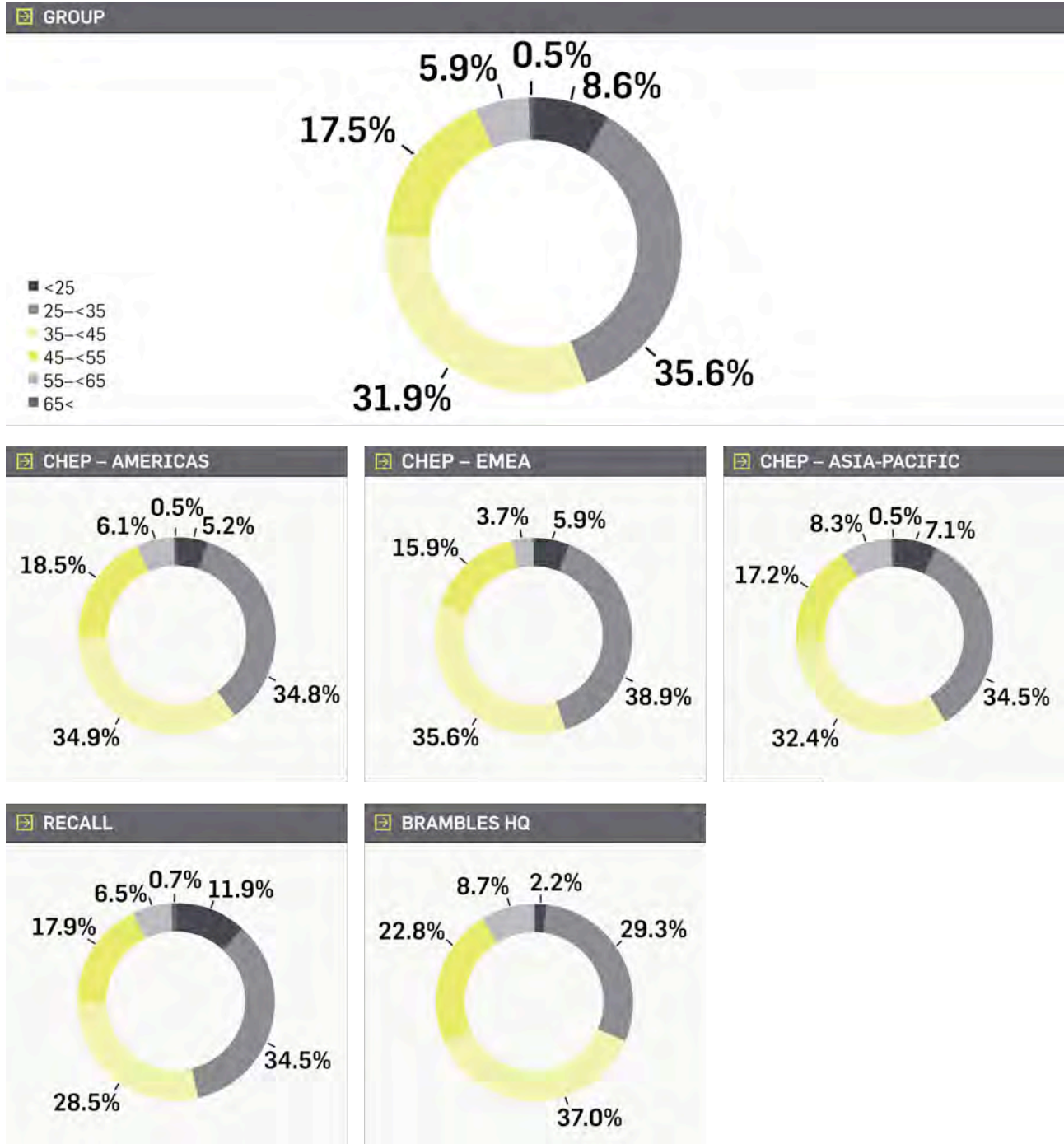
¹⁰ Diversity data, including gender and age, is based on a snapshot of employees as at 30 June 2010

MANAGEMENT POSITIONS BY GENDER

GROUP



AGE DISTRIBUTION OF EMPLOYEES ¹¹



¹¹ Excludes CHEP New Zealand and South East Asia, where age-related data has not been collected. There are less than 350 employees in these businesses.

Brambles is committed to being an equal opportunities employer and developing a diverse workforce where everyone is treated fairly irrespective of gender, sexual orientation, age, disability, race or religion.

CHEP and Recall pride themselves on promoting diversity within their teams. One example is Recall's European leadership team, which comprises seven different nationalities amongst its nine members. Recall believes that promoting diversity leads to a better understanding of local issues and cultures.

During the year, Brambles reviewed its diversity policy in the context of the 2010 amendments to the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations (CGPR). An updated diversity policy will be launched in 2011. Brambles is developing measurable gender objectives in line with the guidance provided in the CGPR.

CASE STUDY: Recall Thailand improves employment opportunities for those with a disability

In September 2009, Recall Thailand initiated a 'Million Ways for Life' program in cooperation with the Ministry of Labour and 35 of its customers in the region, promoting employment opportunities for those living with a disability.

Recall used the program to raise public awareness of the issue, raise money, encourage volunteering with a local charity for the disabled and provide training for those with a disability to develop skills in document management. Recall works with the Ministry of Labour in providing greater opportunities for job candidates with a disability to apply for and attend interviews for vacancies.



Recall Thailand currently employs two people with a disability who have successfully come through the program and expects this number to increase to five in 2011.

EDUCATION, TRAINING AND DEVELOPMENT

	Number of e-learning courses completed
CHEP Americas	4,625
CHEP EMEA	147
CHEP Asia-Pacific	1,298
Recall	5,940
Total	12,010

Brambles is committed to ensuring that all its people are fully trained and equipped to do their job.

One of the areas of focus for Brambles sustainability strategy is its people and the education, training and development opportunities available to them. Brambles is collecting the average hours of training per year per employee by employee category in 2010 and will report this data in 2011. Brambles has set targets for its business units in its roadmap for a 25% increase on the 2011 data in education, development and training days by 2015.

A large number of training courses are available to employees through a proprietary web based system, which enables Brambles to monitor the number of training days and their effectiveness.

Brambles operates a competency framework which allows employees to understand the skills and competencies required to do their job, and which ones need to be developed for higher level working.

This framework is at the core of Brambles' performance appraisal systems. Every employee has an annual appraisal with their manager.

Career progression is an important part of Brambles' employment offering and executive development activities that span the organisation. Brambles recruits from many of the best business schools for high potential executives, and provides intensive development opportunities to fast track these individuals.

Vacancies are advertised on the Brambles internal career website, which is available to all employees. Brambles launched a much improved internal career website in July 2009. Since the launch, more than 1,200 jobs have been posted on the site.

Brambles also holds a number of development centres each year to identify junior and middle managers who have the potential to move to higher levels of the organisation. In the last financial year, 35 executives went through these centres with one promoted into a VP role and others promoted into Director roles.

Brambles is a member of the CEDEP consortium. CEDEP is the European centre for leadership development, based on the campus of France's prestigious INSEAD business school in Fontainebleau.

In 2010, more than 80 Brambles senior managers participated in a CEDEP program focusing on leadership development and strategic thinking.

Another 25 high-potential executives began a program targeted at the next generation of leaders. The program prepares these executives to take on bigger and more strategic roles by giving them the tools to think and lead in a complex and increasingly global environment.

The executives went through a five-day intensive learning experience in the areas of team building, leadership, innovation, strategy and negotiation.

HEALTH AND SAFETY: ZERO HARM

Brambles' sustainability strategy underlines its commitment to achieving Zero Harm – zero injuries and zero environmental damage. The objective is that Brambles is recognised by its customers, employees, shareholders and the community as a global leader in corporate responsibility and sustainability.

Zero Harm means zero injuries to employees, contractors, customers and local communities. Brambles' Zero Harm Charter is available on the website.

The Board is responsible for setting health and safety policies. The Group Presidents of CHEP and the Group President and Chief Operating Officer of Recall are responsible for policy implementation and safety performance, within the monitoring and reporting framework governed by the Executive Leadership Team, which took over the Group Risk Committee function in 2010. More information is provided in the Directors' report – other information in the 2010 Annual Report.

Brambles' Zero Harm Charter, which sets out the vision, values and behaviours and commitment required to work safely, is provided to all employees.

Brambles' Zero Harm commitment is based on the belief that all accidents, injuries and harm can and should be prevented. To that end, every manager is accountable for achieving Zero Harm and required to demonstrate leadership in creating a culture which actively promotes Zero Harm. Everyone is responsible for committing and contributing to Zero Harm.

Brambles thinks first of Zero Harm, considering health, safety and the environment in all decisions concerning the development of projects, the selection of commercial partners and suppliers and the launch of new products or services. Economic considerations do not overrule health and safety or environmental concerns.

Brambles ensures that occupational health, safety and environment (OHS&E) management systems and training reflect its Zero Harm commitment.

During 2010, Brambles created the Zero Harm Council. The council, sponsored by the Group President and Chief Operating Officer of Recall and chaired by the Group Risk and Zero Harm Director, will comprise business leaders and the business heads of Zero Harm. The members of this council will set direction on policy and governance, coordinate the development of new Group-wide standards, promote the sharing of safety best practice and innovation and communicate progress.

While the council will monitor strategy and track performance, operational activity remains the responsibility of the businesses.

The Zero Harm Council will also champion a number of critical projects. Implementation of these projects will be managed at the business level, but the council will be directly involved in their success. These include:

- the Brambles Wellbeing program that provides information and tools to employees and their families to help them proactively seek out healthy activities and lifestyles; and
- development of three work-specific programs: Plant and Equipment Safety, Driver Safety, and Third Party Coverage.

The approach to each program will be Group-wide.

Each business has its own OHS&E management systems, including business-specific policies, procedures, risk assessment, monitoring and compliance mechanisms. These systems include hazard management, near misses and system failure reporting, recording and corrective action procedures. OHS&E management systems are designed to ensure that each employee receives the appropriate safety training.

Safety is the responsibility of each individual employee, while accountability for safety is clearly integrated into manager and supervisor job descriptions.

Measuring health and safety

Health and safety performance indicators measure compliance with corporate objectives and milestones, allow assessment of progress and comparison with industry benchmarks and provide incentive for improvement.

In 2010, Brambles rolled out a new scorecard that will replace the measurements formerly used, the lost time injury frequency rate (LTIFR) and the lost time injury severity rate (LTISR).

The scorecard will include Brambles Injury Frequency Rate (BIFR) and will take a much more comprehensive view of safety. BIFR records all fatalities and three types of injury, each at a rate of injury per million hours worked:

- Loss of a full work shift due to injury;
- Modified duties following an injury; and
- Incidents that require medical treatment.

Among the scorecard measures will be the cost of poor safety practices, audits, employee engagement and perception of Zero Harm. This scorecard will apply to all and is expected to play a key role in making Zero Harm a reality.

In addition, as part of its roadmap, Brambles has set a specific target for 2015 for a benchmark BIFR, as detailed in that section of this report.

Brambles Injury Frequency Rate

Over the last three years, Brambles has progressively introduced BIFR. This rate is akin to the Total Recordable Incident Rate used in a number of businesses. BIFR records all fatalities, lost time injuries, medical treatments and alternative work duties (as a result of work related injury or health effects).

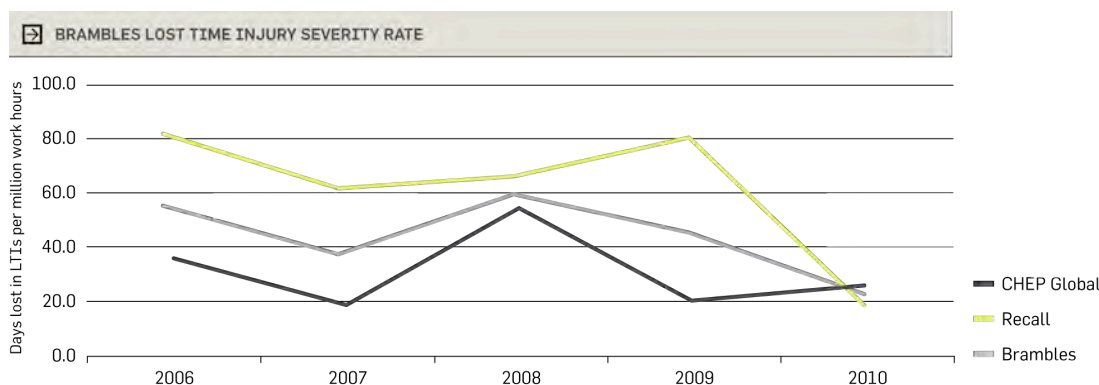
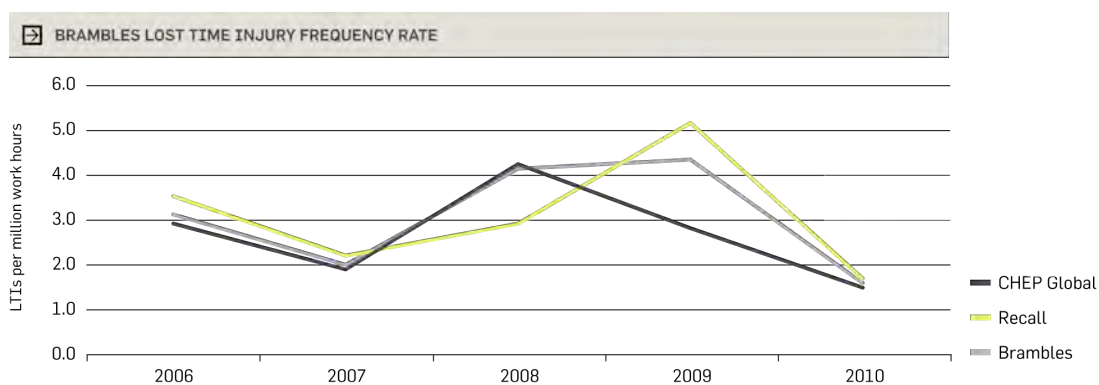
Introduced in 2007 within the CHEP businesses, in 2011 this will become the key safety measure, with the measure extended to Recall. Since 2009 the BIFR has been decreasing, reflecting Brambles efforts to improve workplace safety and health. The Group met its BIFR target reduction in 2010 for the first time.

The BIFR for the Group in 2010 was 22.0 events per million hours worked.

In 2010, significant effort was placed on developing a renewed strategy for Zero Harm. Now in place, this strategy will ensure the business continues to make step change performance improvement in health and safety and continues to drive BIFR down throughout the Group.

In 2010, two of the three CHEP businesses using BIFR achieved their goals, with only CHEP Asia Pacific missing its target. Recall met its non BIFR targets and will use BIFR from 2011 forward.

For this year only, Brambles will also publish LTIFR and LTISR for 2010, to allow comparison with previous years. As a component of Brambles renewed strategy, these two measures will be replaced by the BIFR and a balanced scorecard highlighting lead measures of Zero Harm performance will continue to reduce injury and risk.



Brambles experienced reduction in injuries across most business areas during the reporting period, as measured by the LTISR and LTIFR.

While overall the impact of workplace injury was less severe and involved a reduced level of unplanned leave as a result of injury, Brambles sustained similar levels of injury this year as experienced in the prior reporting period.

Brambles renewed strategy, internal structures and performance measurement processes are aimed specifically at the BIFR and creating breakthrough performance in addressing the underlying level of injury.

CASE STUDY: Update on Brambles' Safety Management Information System

Brambles outlined its commitment to make the Safety Management Information System (SMIS) available and easy to use for everyone in the organisation in its 2009 Sustainability Report.

After a two year roll-out program, the SMIS provides a powerful risk management framework for evaluating occupational, health, safety and environmental performance. As with any new system, there is still some work that needs to be done to make SMIS more intuitive and easy to use, but it has been rolled out live in over 800 sites across the business and can be accessed by over 9,000 users.

Some components of SMIS include:

- Report dashboards, a system that harnesses data related to safety, security and related incidents, in a way that allows better management of and, in some cases, anticipation of risk; and
- Kiosk style reporting interface that guides users step-by-step through the reporting process. The new interface is expected to be ready by the end of the year and its roll-out completed by March 2012.

The SMIS provides the capability to communicate and analyse OHS&E data, knowledge and learnings from all sites around the world.

CASE STUDY: CHEP employee awarded New Zealand's premier safety award

In June, Ed Fili, CHEP service centre supervisor in Auckland, was acknowledged as New Zealand's champion of health and safety, having a significant influence on the health and safety culture of his organisation, by being awarded the most influential employee award at the 2010 New Zealand Workplace Health and Safety Awards.

The service centre at which Ed works achieved more than 2,000 days lost-time injury free and is fast approaching one million exposure hours lost-time injury free, an excellent record for an environment that services 100 to 120 trucks a day.

Ed has demonstrated his commitment to Zero Harm outside the workplace through his contribution and involvement with the Puataunofu Pacific Island Health and Safety Committee. Ed uses his time to address health and safety issues in the community and share his knowledge and experience to benefit others.

WELLBEING

Brambles believes that the wellbeing of its staff is paramount and is committed to working with employees to create healthy life choices through education and awareness.

As a result, Brambles Zero Harm Council is championing a Wellbeing program to help employees and their families proactively seek out healthy activities and lifestyles. Brambles Wellbeing program aims to give employees information on health and wellbeing issues that go beyond the workplace and can be shared with family and friends.

Encouraging a healthy lifestyle among employees helps reduce sick leave absenteeism, health costs and workers compensation and disability claims.

A monthly bulletin 'Wellbeing News' provides information on common health and wellbeing issues. The monthly newsletter will be supplemented by events or seminars held throughout the businesses.

Brambles HQ, Recall and CHEP employees in Australia have access to an Employee Assistance Program, which provides counselling services free of charge. The program offers 24 hour telephone contact and face-to-face counselling with qualified and experienced external counsellors for employees with personal, family, or work issues.

For the past two years, Brambles employees have been participating in the Global Corporate Challenge (GCC), the world's largest corporate health and wellbeing event. The GCC was created to highlight the importance of physical activity. The World Health Organisation recommends that an individual should take 10,000 steps a day to improve their health and reduce the risks of disease.

For a period of 16 weeks, participants recorded their daily step-count using a pedometer (and/or their cycle and swimming distance) then entered their activity into the GCC website.



CEO Tom Gorman accepts a Brambles participation award from GCC Chairman Herb Elliott

Last year, 140 Brambles' employees from Australia, New Zealand and Asia participated.

This year, 665 employees took part. In a survey filled out before and at the end of the challenge, Brambles employees experienced the following changes:

- 56% reported a loss in weight, with total weight loss of 859 kg (average weight loss of 5 kg per person);
- 46% reported an increase in overall health and wellbeing;
- 49% reported an increase in their energy;
- 40% reported an increase in their ability to handle stress; and
- 49% reported an increase in quality of sleep.

CASE STUDY: Biking to the office in Brussels

CHEP Benelux (Belgium, Luxembourg and Netherlands) suggested employees leave the car at home and take the train and bike to the office. Two years ago, CHEP Benelux Headquarters in Brussels moved to a new location and management proposed a healthier and more environmental friendly way to get to the office. Today more than 10% of employees leave the car at home, take a train to Mechelen station where a fleet of yellow bikes are available for them to ride to the office and back in the evening.

Employees taking advantage of the bikes save 5,250 kg CO2 emissions per year.



CHEP Benelux employees with the bikes they use to ride to work.

Society

Brambles businesses are part of the communities in which they operate and Brambles recognises its responsibility to manage the impacts of its business on those communities.

One of the areas of focus for Brambles' sustainability strategy is community – making a positive contribution to the communities in which it operates.

Brambles will do this by engaging with stakeholders to support causes and community initiatives which are strategically aligned to its businesses and deliver mutual advantage, partnering with specific education initiatives to support the communities in which it operates, introducing 'give as you earn' policies across the Brambles Group and introducing employment policies that encourage employee involvement with local communities.

Brambles' has set targets for 2015 that are available in the roadmap.

Brambles Code of Conduct addresses areas such as business integrity, competition and human rights. Employees receive training in the Code of Conduct and these aspects. In addition, the code is now available in a number of languages: Chinese (simplified), Chinese (traditional), Danish, Dutch, English, Finnish, French, French Canadian, German, Hindi, Italian, Norwegian, Portuguese, Spanish, Swedish, Tamil and Thai.

Brambles competes fairly in the markets in which it operates.

Brambles conducts business in accordance with the laws and regulations of each country in which a Brambles business is located. Brambles did not receive any significant fines or non-monetary sanctions for noncompliance with laws and regulations.

The Audit Committee of the Board reviews and approves the internal audit plan annually. The Audit Committee also monitors financial reporting risks. Internal audits are regularly conducted at a country level and reported back to the Audit Committee.

In 2010, the Risk Committee reviewed policies on risk management to assist the Board with satisfying itself that management has developed a sound system of risk management and internal control and that the system is operating effectively and efficiently. Brambles adopted a new risk management framework during 2010. From 1 July 2010, the Group Risk Committee's risk management and reporting role has been assumed by the Executive Leadership Team, supported by the Group Vice President, Risk and Audit.

CASE STUDY: CHEP South Africa ensures clean water supply

CHEP South Africa has lumber farms in the southern Drakensberg region of KwaZulu Natal in South Africa. When it acquired the farms, extensive rehabilitation work was required. The farms have achieved FSC accreditation, recognising the extensive efforts to improve the way in which the land was managed.

One of the areas of attention by the CHEP team was the water courses that run through the farms, including streams, springs and catchment areas. Poor forestry practices in the past meant the water courses were choked with alien vegetation and overgrowth, affecting both the quality and quantity of water that flowed downstream to the local community.

CHEP invested time and money clearing the water courses, greatly improving the water quality. Ongoing management of alien species will ensure that the water courses are not choked again. The water is now regularly tested to ensure it is as clean as possible. While CHEP itself does not use the water courses for irrigation for the farm, except for fire fighting purposes, the community

downstream rely on the water supply that runs through surrounding land, including the CHEP farms. This is especially important as the area is currently in a period of drought. The control of alien vegetation has also meant the native wildlife enjoy greater protection with improved native vegetation coverage.



COUNTRIES OF OPERATION

Brambles operates in 47 countries.

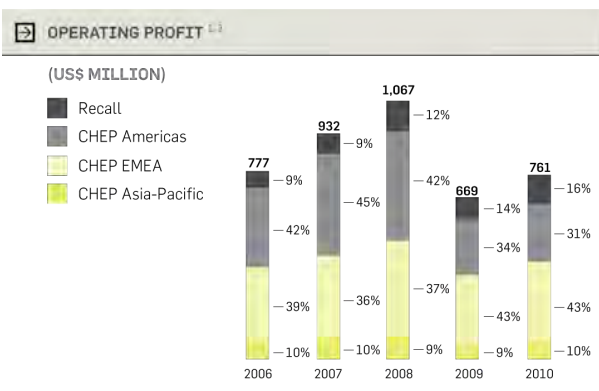
Brambles has interests in three countries that FTSE4Good nominates in its category A list 'of concern' and one in category B. The countries are:

- Category A:
 - China (both CHEP and Recall have operations and employees in China);
 - Saudi Arabia (CHEP has operations and employees in Saudi Arabia);
 - Zimbabwe (CHEP has operations and employees in Zimbabwe); and
 - Swaziland (CHEP has operations and employees in Swaziland).

- Category B:
 - United Arab Emirates (CHEP has operations and employees in the UAE).

Operations in these countries comprise less than 1% of Brambles' global sales revenue. All operations are conducted in accordance with Brambles' policies.

ECONOMIC



¹ Excludes unallocated Brambles Headquarters costs.
² Continuing operations.

Brambles' businesses benefit the local communities in which they operate directly by creating employment and indirectly, by providing high quality support services that assist customers in growing their businesses and by purchasing materials from local and national suppliers.

Brambles' total market capitalisation as at 30 June 2010 was US\$6.6 billion.

Because CHEP and Recall are multi-domestic operations, Brambles does not have a Group policy on spending on locally-based suppliers. A high percentage of supplies are procured in the regions in which the business units operate.

Local purchasing and hiring decisions are the responsibility of management within the operating businesses.

The majority of employees are hired from within the regions in which Brambles' businesses operate, including senior managers.

From time to time, CHEP provides pallets and containers free of charge to transport emergency supplies for relief efforts in times of disaster. For example, in 2010 CHEP USA donated pallets for Haiti relief efforts to a charitable organisation. Another example is CHEP Australia, which donates more than 2,700 pallets and bins every year for the collection, storage and distribution of food donated to Foodbank, a not-for-profit organisation that seeks and distributes food and grocery industry donations to welfare agencies that feed the hungry. During the year, CHEP Australia also provided 120 crates to the Mamre project retraining refugees within the produce industry, 272 pallets to St Vincent de Paul for the collection, storage and distribution of foodstuffs, wrapping machines and transport services for The Smith Family for the collection, storage and distribution of foodstuffs and clothes, and more.

Recall North America has participated in multiple CBS Atlanta Great Shredder Events. Recall trucks accept confidential documents for secure destruction, free of charge. The event provides an opportunity for the local community to get rid of sensitive documents, such as bank statements, medical records or other personal documents, with peace of mind, knowing Recall will properly and securely destroy them.

Neither Brambles nor its operating businesses are recipients of any significant or material government subsidies or grants.

CASE STUDY: CHEP demonstrates good corporate citizenship in India

CHEP launched its operation in India in June 2008, serving over 100 customers across the country today in the automotive and fast moving consumer goods markets.

In keeping with Brambles' commitment to business integrity, which includes the aim of applying industry best practice to the health, safety and wellbeing of employees, customers, suppliers and the communities in which they operate, CHEP is employing sound business practices in line with Brambles policies and is developing strategic partnerships with local non-government organisations to assist the community in its focus areas of education and health.



CHEP is sponsoring a municipal school in Mumbai

In Mumbai, CHEP is investing one million rupees into a municipal school. The donation is being used to provide basic hygiene services, meals and safe drinking water for students and the establishment of a computer lab and library.

CHEP also funds the education of 135 girls through the Nanhikali foundation and covers the school fees, books and education kit for 300 children for a year with SOS Children's Villages of India.

HUMAN RIGHTS

Brambles supports and upholds the principles contained in the United Nations Universal Declaration of Human Rights, which promotes the protection of people's human rights against violations by individuals, groups or nations. The standards declare that respect for human rights and human dignity "is the foundation of freedom, justice and peace in the world".

Brambles' support of the principles set forth in the declaration is included in Brambles policies and Code of Conduct. Brambles respects the human rights of its employees and other stakeholders. Brambles will not tolerate child labour or forced labour in its own operations or those of its suppliers.

Brambles communicates its human rights policy to all employees globally through the Code of Conduct. The code is available in Chinese (simplified), Chinese (traditional), Danish, Dutch, English, Finnish, French, French Canadian, German, Hindi, Italian, Norwegian, Portuguese, Spanish, Swedish, Tamil and Thai.

The Group Senior Vice President – Human Resources (who reports to the Chief Executive Officer and who is a member of the Executive Leadership Team) has operational responsibility for the adherence to human rights across the Brambles Group.

None of Brambles operations are believed to be at risk for incidents of child or forced labour.

Bi-annual management declarations confirm, among other matters, the adequacy of internal control procedures, the effectiveness of risk management systems and compliance with all regulatory and statutory requirements. Designated General Managers at the country level of both CHEP and Recall are required to sign the management declaration standards questionnaires, which include specific questions regarding significant, or potentially significant, allegations of human rights abuses.

There were no material breaches of human rights in the bi-annual management declarations in 2010.

All sales agents, consultants and similar advisors who act on behalf of Brambles are expected to act in accordance with Brambles' business integrity principles, as stated in the Code of Conduct. Further, all major suppliers are expected to share its social standards.

BRIBERY AND CORRUPTION

Corrupt practices are completely unacceptable to Brambles and strictly prohibited. This is clearly communicated to all employees in the Code of Conduct. No bribes or similar payments will be made to, or accepted from, any party. All of Brambles' operations are monitored for risks related to bribery and corruption. All commercial transactions must be properly and accurately recorded. Sales agents, consultants and similar advisors must be appointed in accordance with these principles and paid at a rate consistent with their services. Assets and confidential information must be fully protected and must not be used by employees for personal gain.

Employees must not engage in activities that involve, or could appear to involve, a conflict between their personal interests and the interests of Brambles. Employees receive training in the Code of Conduct, including the area of Business Integrity.

Brambles' internal practices include controls to monitor activities where there may be a risk of bribery or corruption. These internal controls have operated during the year. Internal procedures include prevention controls, such as segregation of duties (eg a manager of a project does not control the expenses for that project), specified minimum control standards, bi-annual management declarations and detect controls (eg management review of expenditure, internal audits, test procedures, monitoring of invoices and amounts close to authorisation levels, etc). In the bi-annual management declarations designated General Managers at the country level of both CHEP and Recall are required to sign off on standards questionnaires, including questions based on the Code of Conduct. This declaration includes a direct question regarding bribery and the training provided to employees on the Code of Conduct.

There were no material breaches of the Code of Conduct, including matters relating to bribery and corruption, in the bi-annual management declarations in 2010.

PUBLIC POLICY

Brambles policy is not to make donations to political parties. In the bi-annual management declarations, designated General Managers at the country level of both CHEP and Recall are required to sign off on standards questionnaires, including a direct question regarding donations to political organisations.

Brambles is a member of the Business Council of Australia (BCA), but representations by the BCA may or may not reflect Brambles' position on specific public policy issues.

COMMUNITY SUPPORT

Brambles' businesses and its people are part of the communities in which it operates, with a focus on engaging with the community in the areas of environment sustainability and education. Brambles provides financial and other forms of support to a broad range of charitable and community organisations around the world.

This support is provided in four ways:

- donations funded by Brambles' headquarters, primarily through the Community Reach program;
- contributions made by Brambles' businesses to a range of local and national charities;
- personal contributions made by Brambles' employees around the world to a range of fundraising events and activities; and
- a volunteering policy which will provide Brambles' employees with three days of paid volunteer leave per year.

In 2010, Brambles provided over A\$440,000 in grants and donations.

Under the Community Reach program, grants were made to support organisations in the USA, UK, Spain, South Africa, Ireland, India, Australia and other countries. The grants included donations to sponsor a mobile science adventure lab to travel to schools in the Pacific-northwest of the USA; funding for the High Resolves Initiative, a not-for-profit organisation that supports students, including a one-on-one mentoring program for high school indigenous students in Australia; and an environmental awareness program for an Northern Ireland cross border/cross community playgroup for disadvantaged children.

In addition, the business units provided financial support to various local charity organisations throughout the year.

The Group Senior Vice President – Human Resources is responsible for overseeing Brambles' Community Reach program and other community involvement.

Brambles has recently developed an employee volunteering policy, which will provide employees with three days of paid volunteer leave per year during usual contracted hours to provide volunteer services to community-based not-for-profit organisation, educational or environmental organisations. The policy will be formally rolled out in 2011, starting with Brambles headquarters employees in Australia, USA and UK. It will be extended throughout the business units by December 2010.

CASE STUDY: Brambles employees' personal donations to Haiti relief efforts

Brambles employees personally donated more than US\$21,000 to relief efforts for the devastating earthquake that hit Haiti in January 2010. In addition, CHEP and Recall contributed US\$25,000. Brambles headquarters donated a further US\$25,000 to the Red Cross, bringing total donations to the cause to US\$71,000.

CASE STUDY: CHEP EMEA gives up to three days of paid time off to support community

One of the shared values of Brambles and CHEP is to always act with integrity and respect for the community and the environment. As result of this policy the CHEP EMEA leadership team decided to introduce new employee benefits with effect from 1 July 2010, which allows all CHEP EMEA employees to receive up to three days of paid time off to support their involvement in local community and environmental activities.

CASE STUDY: Recall North America helps Atlanta's students Knowledge Is Power Program

Recall North America has teamed up with the Knowledge Is Power Program (KIPP), a national network of 82 free, open-enrolment, public charter schools. Recall shares KIPP Metro Atlanta's commitment to helping Atlanta's under-served students develop the knowledge, skills and character required to succeed in top quality high schools, colleges and the competitive world beyond.

KIPP has a track record of preparing students in under-served communities for success in college and in life.

Recall has made a significant contribution to KIPP Metro Atlanta, which comprises some of the highest performing public middle schools in Georgia, two of which were named the 35 "No Excuses Schools" by the Georgia Public Policy Foundation. Plans for a computer lab in Recall's name at the STRIVE Academy are underway. Future events include a Career Fair Day, mentorship opportunities and a college tour.

CASE STUDY: CHEP CARES – CHEP Middle East and Africa update 2010

CHEP Middle East and Africa (MEA) community support has expanded to the Western and Eastern Cape, where three CHEP Service Centres are reaching out, respectively, to Durbanville Children's Home, Rietberg Primary School and an association for sensory disabled children (ASD). These beneficiaries were selected by staff in these communities and CHEP volunteers are providing active support. For example, CHEP Worcester Service Centre Staff spent a day painting at the ASD in February.



The employees at CHEP MEA Head Office in KwaZulu-Natal remained committed to Ethelbert Children's Home and Intongela Primary School. CHEP volunteers participated in toddler stimulation sessions at Ethelbert this year, leading the toddlers in lessons and play based on a World Cup soccer theme.

In May the Queenswood Toddler Unit was provided with new ceiling fans, a tumble dryer, educational toys and DVDs purchased with money donated by CHEP Europe.

CHEP MEA funded a fully equipped Science Laboratory and a vibrant Library/Resource Centre for Intongela Primary School in September 2009. The opening was attended by management, volunteers and the media. Since the opening of these rooms, volunteers have purchased and collected books as donations to the new library. The book drive spread as far as CHEP Europe, which shipped more than 10 boxes of books to South Africa for the school library.



Top left: Volunteers painting rooms at the ASD.

Top right: CHEP volunteer Shane Espitalier, goal-keeping at the Ethelbert Tiny Toddler kick-off match

Bottom: Bongji Shamase (Intongela Head), Jurie Welman (CHEP MEA President) and children in the Intongela Primary School's new Library/Resource Centre

Report Parameters

This Sustainability Report covers the 2010 financial year, 1 July 2009 – 30 June 2010. Last year's Sustainability Report can be found on www.brambles.com.

Further information about Brambles' Sustainability policies, practices, performance and reporting can be obtained by contacting the Group Senior Vice President – Human Resources at sustainability@brambles.com or by phone +61 (0) 2 9256 5222.

REPORT SCOPE AND BOUNDARY

This Sustainability Report covers all Brambles business operations, including Brambles' headquarters office, CHEP sites and Recall sites, where Brambles has operational control or directly purchases materials or services. In addition, Brambles retains full operational control of policies, practices and data collection related to lumber, for both in-house and outsourced activities. Apart from lumber, the report does not include sites where Brambles does not have operational control (for example, outsourced activities). Certification status for the forest source of purchased lumber is provided to Brambles by lumber suppliers.

There have been no significant changes in the scope or boundary of Brambles' operation from the previous year.

This report considers sustainability issues that may have a material impact upon Brambles' good reputation, the health and safety of stakeholders or the general public, the natural environment, or the societies in which its businesses operate. The basis for information included has been drawn from best practice and the Global Reporting Initiative's G3 Guidelines (for a table outlining the principles and indicators and where these appear in Brambles' Sustainability Report, please refer to the GRI Content Index).

Wherever possible, Brambles has provided comparisons between this year's data and data from previous years. Some data has not been compiled in previous years, however, and comparison is not possible. Measurement techniques and methodologies are described throughout the report where data is presented. The effects of any changes in information gathering or reporting are also stated throughout the report where necessary.

COMMITMENTS TO EXTERNAL INITIATIVES

Brambles participates in the FTSE4Good, Dow Jones Sustainability Index and the Carbon Disclosure Project. Brambles is a constituent of the Australian SAM Sustainability Index.

Brambles is a member of the Business Council of Australia, an association of the CEOs of 100 of Australia's leading corporations established in 1983 as a forum for business leaders to contribute to public policy debates. Apart from this, Brambles is not a member of any national or international advocacy organisations at a corporate level.

GRI Content Index

R = Reported; PR = Partially reported; NR = Not reported; NM = Not material

GRI APPLICATION LEVELS		STATUS	WHERE TO FIND BRAMBLES' RESPONSE
GRI DISCLOSURES AND INDICATORS			
PROFILE			
1.1	Statement from the most senior decision maker of the organisation CEO Statement	R	CEO Statement
1.2	Description of key impacts, risks, and opportunities	R	'Our Impacts' sections, risks under Risk Management section on the website, opportunities under Environmental (including Climate Change) and Customers
2. ORGANISATIONAL PROFILE			
2.1	Name	R	Presence and Reach
2.2	Primary brands, products and services	R	Presence and Reach
2.3	Operational structure	R	Presence and Reach
2.4	Location of organisation's headquarters	R	Presence and Reach
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	R	Presence and Reach, Society and Where We Operate on the website Profile on website and shareholder information in the Annual Report
2.6	Nature of ownership and legal form	R	Presence and Reach
2.7	Markets served	R	Presence and Reach
2.8	Scale of the organisation, including:	R	Presence and Reach
	- Number of employees;	R	Presence and Reach and People
	- Net revenues;	R	Presence and Reach
	- Total capitalisation;	R	Presence and Reach
	- Quantity of products or services provided; and	R	Presence and Reach
	- Breakdowns by country/region of the following:	R	Presence and Reach
	• Sales/revenues by countries/regions that make up 5 percent or more of total revenues; and	R	Presence and Reach
	• Employees.	R	Presence and Reach and People
2.9	Significant changes during the reporting period regarding size, structure, or ownership	R	Report Scope and Boundary in Report Parameters
2.10	Awards received	R	Noted throughout
3. REPORT PARAMETERS			
REPORT PROFILE			
3.1	Reporting period	R	Report Parameters
3.2	Date of most recent previous report	R	Report Parameters
3.3	Reporting cycle	R	Report Parameters
3.4	Contact point for questions	R	Report Parameters
REPORT SCOPE AND BOUNDARY			
3.5	Process for defining report content, including:		
	- Determining materiality;	R	Report Scope and Boundary in Report Parameters
	- Prioritising; and	R	Report Scope and Boundary in Report Parameters
	- Identifying stakeholders.	R	Stakeholder Engagement in the Sustainability section of the website

3.6	Boundary of the report	R	Report Scope and Boundary in Report Parameters
3.7	Any specific limitations on the scope or boundary of the report	R	Report Scope and Boundary in Report Parameters
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	R	Report Scope and Boundary in Report Parameters
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques	R	Report Scope and Boundary in Report Parameters
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and the reasons	R	Report Scope and Boundary in Report Parameters
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods	R	Report Scope and Boundary in Report Parameters
GRI CONTENT INDEX			
3.12	Table/list identifying the location of the standard disclosures in the report	R	Here
ASSURANCE			
3.13	Policy and current practice with regard to seeking external assurance for the report	R	Assurance
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT			
GOVERNANCE			
4.1	Governance structure of the organisation, including committees under the Board responsible for specific tasks	R	Corporate Governance section on the website and Annual Report
4.2	Indicate whether the Chair of the Board is also an executive officer	R	Brambles has a Non-executive Chairman
4.3	The number of members of the Board that are independent and/or non-executive members	R	Board section on website and Annual Report
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the Board	R	Corporate Governance section on the website and in the Sustainability section of the website
4.5	Linkage between compensation for members of the Board, senior managers and executives and the organisation's performance (including social and environmental performance)	R	Corporate Governance Statement in Annual Report
4.6	Processes in place for the Board to ensure conflicts of interest are avoided	R	Corporate Governance Statement in Annual Report
4.7	Process for determining the qualifications and expertise of the members of the Board for guiding the organisation's strategy on economic, environmental, and social topics	R	Corporate Governance Statement in Annual Report
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance	R	Mission and Values on the website
4.9	Procedures of the Board for overseeing the organisation's identification and management of economic, environmental and social performance	R	Corporate Governance section on the website
4.10	Processes for evaluating the highest governance body's own performance	R	Corporate Governance Report in Annual Report
COMMITMENTS TO EXTERNAL INITIATIVES			
4.11	Explanation of whether and how the precautionary approach or principle is addressed (Article 15 of the Rio Principles)	R	Brambles does not explicitly reference the precautionary approach in its risk management framework. Brambles employs sound risk management practices.

	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or endorses	R	Risk Management in Corporate Governance section on the website (AS/NZS 4360), Environment (ISO14001) and Human Rights (UN Declaration)
4.12	Memberships in associations and/or national/international advocacy organisations	R	Environment, Supply Chain and Public Policy in Society
STAKEHOLDER ENGAGEMENT			
4.14	List of stakeholder groups engaged by the organisation	R	Stakeholder Engagement in the Sustainability section of the website
4.15	Basis for identification and selection of stakeholders with whom to engage	R	Stakeholder Engagement in the Sustainability section of the website
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	R	Stakeholder Engagement in the Sustainability section of the website, Supply Chain, Customers, People and Society
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	R	Supply Chain, Customer Satisfaction in Customers, Employee Engagement in People and Society
5. MANAGEMENT APPROACH AND PERFORMANCE INDICATORS			
ECONOMIC - MANAGEMENT APPROACH		R	Economic in Society
ECONOMIC PERFORMANCE INDICATORS			
ASPECT: ECONOMIC PERFORMANCE			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	R	Our Presence and Reach and Economic in Society
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	R	Climate Change in Environment
EC3	Coverage of the organisation's defined benefit plan obligations	R	Labour/Management Relations in People
EC4	Significant financial assistance received from the government	R	Economic in Society
ASPECT: MARKET PRESENCE			
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	NR	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	R	Economic in Society
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	R	Economic in Society
ASPECT: INDIRECT ECONOMIC IMPACTS			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement	R	Economic in Society
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	NR	
ENVIRONMENTAL - MANAGEMENT APPROACH		R	Environment
ENVIRONMENTAL PERFORMANCE INDICATORS			
ASPECT: MATERIALS			
EN1	Materials used by weight or volume	R	Lumber in Supply Chain
EN2	Percentage of materials used that are recycled input materials	R	Products and Services in Supply Chain

ASPECT: ENERGY

EN3	Direct energy consumption by primary energy source	R	Energy in Environment
EN4	Indirect energy consumption by primary source	R	Energy in Environment
EN5	Energy saved due to conservation and efficiency improvements	PR	Improving Energy Efficiency in Environment
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	R	Improving Energy Efficiency in Environment
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	R	Improving Energy Efficiency in Environment

ASPECT: WATER

EN8	Total water withdrawal by source	PR	Water in Environment, data being collected in 2010 and will be reported in 2011
EN9	Water sources significantly affected by withdrawal of water	R	Water in Environment
EN10	Percentage and total volume of water recycled and reused	PR	Water in Environment, data being collected in 2010 and will be reported in 2011

ASPECT: BIODIVERSITY

EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	R	Biodiversity in Supply Chain
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	R	Biodiversity in Supply Chain
EN13	Habitats protected or restored	R	Sustainable Lumber Plantations in Supply Chain and South African water case study in Society
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	R	Biodiversity in Supply Chain
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	R	Biodiversity in Supply Chain

ASPECT: EMISSIONS, EFFLUENTS AND WASTE

EN16	Total direct and indirect greenhouse gas emissions by weight	R	Emissions in Environment
EN17	Other relevant indirect greenhouse gas emissions by weight	R	Emissions in Environment
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	R	Emissions in Environment
EN19	Emissions of ozone-depleting substances by weight	R	Emissions in Environment
EN20	NO, SO and other significant air emissions by type and weight	NM	Brambles does not currently collect this data and is not aware of any material issues with these air emissions. It is investigating its operations for possible inclusion in the medium-long term, if quantities are measurable with current techniques.
EN21	Total water discharge by quality and destination	PR	Water in Environment, data being collected in 2010 and will be reported in 2011
EN22	Total weight of waste by type and disposal method	PR	Waste and Recycling in Environment, data being collected in 2010 and will be reported in 2011
EN23	Total number and volume of significant spills	R	Environment
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII and percentage of transported waste shipped internationally	R	Waste and Recycling in Environment, no waste fitting this criteria was shipped by CHEP or Recall during 2010.

	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	PR	Water in Environment, data being collected in 2010 and will be reported in 2011
EN25			
ASPECT: PRODUCTS AND SERVICES			
	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	R	Waste and Recycling in Environment and Products and Services in Supply Chain
EN26			
	Percentage of products sold and their packaging materials that are reclaimed by category	R	Waste and Recycling in Environment and Products and Services in Supply Chain
EN27			
ASPECT: COMPLIANCE			
	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	R	No significant fines or non-monetary sanctions for non-compliance in 2010
EN28			
ASPECT: TRANSPORT			
	Significant environmental impacts of transporting products and other good and materials used for the organisation's operations and transporting members of the workforce	R	Transport and Emissions in Environment
EN29			
ASPECT: OVERALL			
	Total environmental protection expenditures and investments by type	PR	Improving Energy Efficiency in Environment
EN30			
SOCIAL PERFORMANCE INDICATORS			
LABOUR PRACTICES AND DECENT WORK - MANAGEMENT APPROACH			
		R	People
LABOUR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS			
ASPECT: EMPLOYMENT			
	Total workforce by employment type, employment contract and region	R	People and Diversity in People
LA1			
	Total number and rate of employee turnover by age group, gender and region	NR	This data is being collected in 2010 and will be reported in 2011.
LA2			
	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	NR	
LA3			
ASPECT: LABOUR/MANAGEMENT RELATIONS			
	Percentage of employees covered by collective bargaining agreements	NR	This data is not collected by Brambles. Privacy legislation in some countries of operation protects individuals from having this personal information collected or reported, for example, the Federal Privacy Act 1988 in Australia, and therefore Brambles does not have systems in place to collect this information.
LA4			
	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	R	Brambles and its businesses adhere to the minimum notice and consultation periods as set out in legislation in its countries of operation. Brambles does not collect data on employee trade union membership, as per LA4.
LA5			
ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	R	Health and Safety in People
LA6			
	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region	R	Health and Safety in People
LA7			

	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	R	Education, Training and Development in People
LA8	Health and safety topics covered in formal agreements with trade unions	PR	Labour/Management Relations in People

ASPECT: TRAINING AND EDUCATION

	Average hours of training per year per employee by employee category	NR	This data is being collected in 2010 and will be reported in 2011; number of e-learning courses completed is reported in Education, Training and Development in People
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	R	Education, Training and Development in People
LA11	Percentage of employees receiving regular performance and career development reviews	R	Education, Training and Development in People

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	R	Board section on website and Annual Report and Diversity in People
LA13	Ratio of basic salary of men to women by employee category	NR	This data is being collected in 2010 and will be reported in 2011

HUMAN RIGHTS - MANAGEMENT APPROACH

**HUMAN RIGHTS PERFORMANCE INDICATORS
ASPECT: INVESTMENT AND PROCUREMENT PRACTICES**

	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	PR	Human Rights in Society, Brambles Code of Conduct addresses human rights and is clearly communicated to suppliers, sales agents, consultants and similar advisors who act on behalf of Brambles and are expected to act in accordance with Brambles' business integrity principles.
HR1	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	PR	Human Rights in Society, all sales agents, consultants and similar advisors who act on behalf of Brambles are expected to act in accordance with Brambles' business integrity principles, as stated in the Code of Conduct. Further, all major suppliers are expected to share its social standards. For example, CHEP Europe purchasing contracts refer to the Code of Conduct and the Code of Conduct is passed on to suppliers. The majority of CHEP Europe purchases are under such contracts. Elements of the Code of Conduct are also included in material purchasing contracts with suppliers in CHEP Asia-Pacific. Brambles systematically monitors relationships with suppliers.
HR2	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	PR	All employees receive training on the Code of Conduct, which includes Brambles human rights policy, at regular intervals

ASPECT: NON-DISCRIMINATION

	Total number of incidents of discrimination and actions taken	R	None of the Brambles businesses were found responsible for any incidents of discrimination in 2010.
HR4			

ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights	R	Human Rights in Society
HR5			
ASPECT: CHILD LABOUR			
	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	R	Human Rights in Society
HR6			
ASPECT: FORCED AND COMPULSORY LABOUR			
	Operations identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of forced or compulsory labour	R	Human Rights in Society
HR7			
ASPECT: SECURITY PRACTICES			
	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	R	Human Rights in Society
HR8			
ASPECT: INDIGENOUS RIGHTS			
	Total number of incidents of violations involving rights of indigenous people and actions taken	R	There were no incidents of violations involving rights of indigenous people in any of Brambles businesses in 2010.
HR9			
SOCIETY - MANAGEMENT APPROACH			
		R	Society
SOCIETY PERFORMANCE INDICATORS			
ASPECT: COMMUNITY			
	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting	R	Environment, Supply Chain and Society
SO1			
ASPECT: CORRUPTION			
	Percentage and total number of business units analysed for risks related to corruption	R	Bribery and Corruption in Society
SO2			
	Percentage of employees trained in organisation's anti-corruption policies and procedures	R	Bribery and Corruption in Society
SO3			
	Actions taken in response to incidents of corruption	R	Bribery and Corruption in Society
SO4			
ASPECT: PUBLIC POLICY			
	Public policy positions and participation in public policy development and lobbying	R	Public Policy in Society
SO5			
	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	R	Public Policy in Society
SO6			
ASPECT: ANTI-COMPETITIVE BEHAVIOUR			
	Total number of legal actions for anticompetitive behaviour, anti-trust and monopoly practices and their outcomes	NR	
SO7			
ASPECT: COMPLIANCE			
	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	R	Compliance in Environment and Society
SO8			
PRODUCT RESPONSIBILITY - MANAGEMENT APPROACH			
		R	Customers

PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

ASPECT: CUSTOMER HEALTH AND SAFETY

	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures	R	Products and Services in Supply Chain
PR1	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	NR	

ASPECT: PRODUCT AND SERVICE LABELLING

	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	R	Customers
PR3	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by types of outcomes	NR	
PR4	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	R	Customer Satisfaction in Customers

ASPECT: MARKETING COMMUNICATIONS

	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	R	Brambles adheres to all laws and regulations relating to marketing communications in the countries in which it operates. None of the CHEP businesses are signatories to any voluntary marketing codes. Recall is not aware of any voluntary marketing code requirements; however, this data is not available at a country level. Recall global marketing communications require legal review of all material at the country level.
PR6	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	R	There were no compliance issues during 2010

ASPECT: CUSTOMER PRIVACY

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	NR	
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ASPECT: COMPLIANCE

PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	R	Society
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Assurance

Brambles has not sought external assurance for non-financial content and indicators in its Sustainability Report. However, the financial data used in this report has been taken from its Annual Report , which has been verified and audited.

In 2009, Brambles used the services of an independent third party provider to develop a global approach for greenhouse gas (GHG) calculations. The Brambles methodology was externally reviewed and suggested enhancements outlined and adopted. As a result, Brambles improved the completeness and accuracy of calculations relating to GHG emissions from 2009 onwards.

Brambles' Score



REPORT APPLICATION LEVELS

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared			Report Externally Assured		Report Externally Assured		Report Externally Assured
	Third Party Checked			Report Externally Assured		Report Externally Assured		Report Externally Assured
Optional	GRI Checked			Report Externally Assured		Report Externally Assured		Report Externally Assured

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.	Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.			

*Sector supplement in final version