



**Brambles
2014
Sustainability
Review**

About Brambles

Brambles is a supply chain logistics company that operates in more than 50 countries, primarily through our CHEP and IFCO brands. We specialise in the pooling of returnable pallets, crates and containers.

Our pooling solutions services operate under three business segments: Pallets, RPCs and Containers.

Our Pallets business (under the CHEP brand) issues, collects and reissues returnable pallets through a network of service centres in multiple countries. Manufacturers, producers, distributors and retailers use our pallets to transport their products safely and efficiently through their supply chains. Pallets also provides supply chain optimisation and transport management services. In the USA, we provide a national network of pallet management services to sort, repair and reissue pallets (known as Pallets Recycling).

Our RPCs business (under the IFCO brand in Europe, North and South America and under the CHEP brand in Australia, New Zealand and South Africa) provides reusable plastic crates (RPCs) to transport fresh produce from producers to grocery retailers.

Our Containers business provides intermediate bulk, automotive and chemical and catalyst containers to customers. We also provide airline container pooling and repair and non-flight critical aviation equipment maintenance and repair through CHEP Aerospace and cargo carrying units for the offshore oil and gas industry through Ferguson.

All our businesses are subject to our Zero Harm Charter, which sets out our commitment to zero injuries, zero environmental damage and zero detrimental impact on human rights. A copy of the Charter is available on our website at www.brambles.com.

About our Review

This Sustainability Review reports on our activities in the areas assessed to be material sustainability issues for our businesses for FY14.

Further information on the boundaries, criteria, assessment of materiality and risks and opportunities, assurance process, data measurement techniques and stakeholder engagement, together with a glossary of terms, is available in our supplementary information document to this Review, available on our website. For FY14, we applied the Global Reporting Initiative's G4 reporting framework (details of which are provided in our supplementary information document). A table detailing the G4 indicators and our UN Global Compact Communication on Progress for 2014 are also available on our website.

As in previous years, we have retained KPMG to provide limited assurance on key elements of this review. The relevant information is clearly identified as being subject to assurance. The KPMG assurance report is available on our website.

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Introduction from the CEO



Tom Gorman
Chief Executive Officer



Brambles is built on principles that are inherently sustainable. We are focused on building a long-term, sustainable business that serves our customers, employees and shareholders and the communities in which we operate.

Brambles was one of the first companies to participate in the 'circular economy'. We provide reusable pallets, crates and containers that we pool through many users, our customers, in a circular model. Because our reusable products are shared we go beyond the linear model of take, make and dispose.

Customers use and reuse our pallets, crates and containers to transport their goods through their supply chains, then either return them to us or transfer them to another participant in our network for re-use.

We enhance our customers' performance by helping them transport goods through their supply chains more efficiently, sustainably and safely.

By participating in Brambles' pooling system, customers benefit from the superior scale of Brambles' network, our asset management knowledge and experience and the continuous development of innovative solutions.

We strive to apply best-practice standards throughout our operations.

Fundamental to our efficiency efforts are the principles of recover, reuse, reduce and recycle, which we can continuously improve due to maintained asset ownership and end-of-life management.

The repeated use of Brambles' higher quality equipment compared with alternative disposable or limited-use platforms reduces the material and energy requirements of the supply chain.

Our new sustainability framework

In 2014, Brambles developed a new sustainability framework to focus our efforts across the Group. This framework emphasises Brambles' sustainability activities in three areas:



Better Business



Better Planet



Better Communities

















In 2015, we will announce a new set of targets to align with these areas and our material sustainability issues.

Details and progress on our current set of targets are outlined on page 4.

To be the global leader in responsible and sustainable pooling solutions also means contributing positively to the communities in which we operate. Brambles actively supports the environment, education and the reduction of food loss and waste.

Tom Gorman
Chief Executive Officer and
Head of Brambles Sustainability Committee

Sustainability targets

Measure	Target	Progress	Commentary
Better Business - Our business model is sustainable. We provide efficient, safe and sustainable solutions in our customers' supply chains			
 Supply chain collaboration - NPS	Introduce Net Promoter Score (NPS) methodology into every country in which we operate. Once baseline is established, achieve year-on-year improvements in NPS	 On target	NPS program is embedded in most markets in which Brambles' businesses operate. Pallets, RPCs and Containers customers in 50 countries are surveyed annually. In 2014 feedback was gathered from almost 7,200 individual contacts, representing more than 3,300 companies. With improvements gained in most material markets, the program is now being used to identify high priority areas and focusing on longer term benefits.
Supply chain collaboration	Increased participation in relevant industry forums and customer advisory panels	 Achieved	Expansion of World Economic Forum membership to work on two streams; membership of Ellen McArthur Foundation's CE100; membership of the Sustainability Consortium and CEO on Board of Enactus Foundation.
Integrity	Develop and introduce a global supplier policy and framework by the end of FY13	 Achieved	The supplier policy was approved by the Board in August 2013. Currently in the first stage of communicating to all Global Procurement suppliers and engaging key suppliers.
People - Inclusion and diversity	Women to represent 30% of Brambles' Board and the Executive Leadership Team by FY15; management positions by 2018	 On target	At the end of FY14, 33% of the Board and 14% of the ELT were women. 24% of management positions were held by women.
People - Safety and wellbeing	Year-on-year improvement in Brambles Injury Frequency Rate (BIFR) (see page 11)	 Achieved	19% improvement from FY13.
People - Engagement	Participation rate in Brambles Employee Survey (BES) at minimum of 90% by 2015	 Achieved	In FY14, 90% of eligible employees responded to the BES survey.
People - Engagement	Target of 73% BES score by FY15	 On target	Brambles' employee engagement score increased to 70%, up two percentage points on the previous year.
People - Training and development	25% increase in ETD days on 2012 participation levels by FY15	 Achieved	Brambles' businesses achieved this target in FY13. In FY14, Brambles' businesses reported a total of 16,883 training days.
Better Planet - We minimise our impact on the environment through continuous improvement			
 Materials - Wood	Chain of Custody (COC) certification for 100% of wood purchased for CHEP pallets by FY15	 Progressing	In FY14, 94% of Pallets' wood came from certified sources, up from 88% the previous year. 43% of wood purchased qualified as COC certified (FY13: 33%). The remaining wood purchased is in compliance with Brambles' wood purchasing policy (see page 15). While the percentage of purchased COC certified wood will continue to improve in FY15, the limited availability of supply of commercially acceptable COC certified wood in a number of markets will see us fall short of our target of 100% COC certified by FY15.
Emissions	20% reduction on 2010 greenhouse gas (GHG) emission levels by 2015 (Based on existing businesses and sites that have reported data since 2010; acquisitions since not included, excluding those economies defined as emerging and developing by the International Monetary Fund; target based on internally-projected growth assumptions.)	 Achieved	In FY13, our GHG emissions objective was achieved, with a decrease of 24.5% from the baseline in FY10. After the demerger of Recall, which comprised 68% of applicable sites, a new target that includes recent acquisitions and addresses our complete emissions footprint will be set in FY15.
Waste - wood	Zero Pallets wood waste to landfill by FY15	 On target	75% of global sites included in this target achieved zero waste to landfill in FY14. Pallets operated service centres in North America and Europe have achieved this objective.
Waste - recycling	Year-on-year improvements in service centre recycling rates	 On target	Improvements in reporting made in FY14. Data to be used as a baseline for updated target to be set in FY15.
Better Communities - We contribute positively to the communities in which we operate			
 People - Engagement	At least one volunteer hour per employee during working hours by FY15	 On target	More than 1,000 employees volunteered 11,461 hours in FY14.



Better Business



Better Business

Pooling model

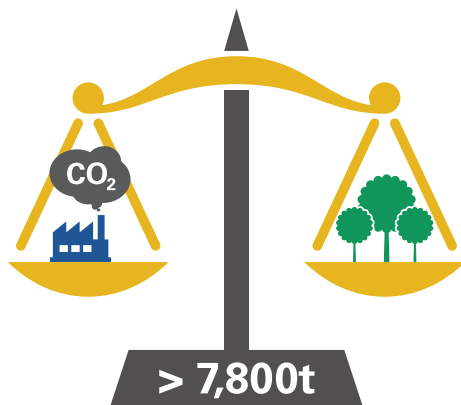
Brambles provides pallets, RPCs and containers that are used and reused or 'pooled' amongst our customers. Sharing our reusable equipment in this circular model is inherently sustainable.

POOLING MODEL

Because of its unique position, Brambles has an excellent opportunity to deliver environmental benefits in the supply chain. We help customers better understand their supply chains and minimise their environmental footprint.

Because of the environmental efficiencies of our pooling model, Pallets is able to achieve carbon neutrality for customers and some of our markets and products.

More than 7,800 tonnes of carbon offset for customers by CHEP since 2013



For example, Pallets' carbon neutral pallet program allows participating customers to offset the annual carbon footprint of their CHEP pallet movements with internationally-recognised certified credits, organised in partnership with the Carbon Neutral Company. Customers are able to reduce the carbon footprint of their supply chain and invest in reforestation projects in developing countries. For further examples, see the case study on the following page.

One of Brambles' shared values is a belief in a culture of innovation.

Our innovation program identifies and progresses new ideas faster and more efficiently. Over FY14, the innovation program developed mobile apps for Pallets in the UK and Australia, updating logistics information directly to our systems in real time, and piloted smart tracking location and sensor based information technology for North America and Europe.

The innovation program is being expanded to include RPCs, Containers and the Pallets businesses in Asia and Middle East and Africa (MEA), with a focus on collaboration and concept development with customers.

RPCs is developing specialised crates for specific fruit and produce applications; for example, bananas and meat.

Our Innovation Centre in Orlando, Florida, a world-class product testing and engineering facility, supported more than 50 projects in FY14. Using International Organisation of Standardisation (ISO), International Safe Transit Association and other testing standards, we collaborate with customers to test their packaging, new products and technologies. In FY14, six innovative pallet types were designed or evaluated and 42 wood species tested. Through these services we add value and drive innovation and savings for customers.

Pallets also runs a test track facility that simulates the pallet life-cycle, testing innovations quickly to bring new platforms to market. The activities address life-cycle, market needs, material sustainability and selection, design and repair operations. Over FY14, the test track ran five programs across multiple platforms.

7%

Reduction in product rejection and complaints by customers in FY14 (0.139% per issue)

The Pallets global quality team continued to roll out a global pallet quality specification during FY14, based on customer-focused testing to address key critical-to-quality (CTQ) aspects. CTQs were previously identified by a detailed analysis of Net Promoter Score (NPS) responses and additional customer feedback on pallet quality.

An optimal specification that reduces damage to a customer's product and meets the requirements of the pooling model has been developed to address the issues of protruding nails and missing wood from the leading edge of the pallets. The global quality team is now working with regional

POOLED PALLET SYSTEM

Pallets South Africa developed a life cycle assessment of its wooden four way entry block pallet.

Compared to self-ownership of pallets, or customer self-owned pools, the CHEP pallet:

- Produces 45% less CO₂-e emissions
- Uses more than 50% less wood
- Significantly reduces waste to landfill





Better Business | Pooling model

operations teams to implement the specification globally. Work on additional CTQ issues has commenced and will follow the same process.

In Europe, the Containers Automotive team implemented an enhanced quality control plan that subsequently reduced customer rejections and complaints by 48%.

In July 2013, Pallets India achieved independent ISO 9001:2008 certification, validating Quality Management System (QMS) in Pallets owned and operated service centres. The system includes standard operating procedures to certify and maintain the performance of all service centres, corrective action for any customer complaint or rejection.

Pallets' sites in Brazil, Spain France, UK and the USA and IFCO RPC sites are also ISO 9001 certified. Pallets Canada and Pallets Recycling are undergoing certification assessments.

CASE STUDY

Carbon neutral solutions for customers

Pallets has offered its carbon neutral pallet program since 2013, starting in Spain.

The program allows customers to offset the footprint of their CHEP pallet movements and purchase internationally recognised VCS-certified carbon credits in reforestation projects in developing countries.

In 2014, Pallets Europe announced that its pallet pool in Sweden was carbon neutral. In Germany, fast moving consumer goods producer Henkel replaced remaining white exchange pallets and took up the carbon neutral offering for all pallet movements in the country. Customers in Spain, Germany, Portugal and Belgium have also joined the carbon neutral pallet program.

In July 2014, Pallets introduced a new generation plastic quarter pallet, developed in conjunction with customers and partners. Increased recycled content, stackability and reduced weight have cut its carbon footprint by 10%. It is also Pallets' first certified carbon neutral product. The quarter pallet is being used by more than 1,400 customers in Germany.



Better Business

Supply chain collaboration

Brambles works with customers and suppliers to deliver mutually beneficial, sustainable solutions.

Brambles' first shared value is all things begin with the customer. Our businesses engage customers through industry initiatives and strategic forums through leadership meetings, face-to-face interviews, global market insights, sharing of best practice, the NPS program and customer care centres.

In 2014, feedback through the NPS program, which covers all material markets in which Brambles' businesses operate, came from almost 7,200 individual contacts, representing more than 3,300 companies.

NPS improved in over half of the markets surveyed when compared to previous year and improvement initiatives are focused on long term efforts to increase satisfaction in high priority areas.

We use our logistics knowledge to minimise the carbon footprint of our customers and their supply chains through network optimisation, reducing transport distances and associated emissions.

Network optimisation is where transportation is sourced as close as possible to customer outlets, reducing travel distance and associated emissions.

Pallets also works collaboratively with customers to eliminate unnecessary empty return truck trips, so that customers benefit from sharing transportation and fill empty space on trucks.

Since 2008, Pallets Europe has also been using multimodal (train, sea and road) solutions to move its pallets throughout its network.

Brambles' businesses are also well placed to address the environmentally important issue of food loss and waste in the supply chain.

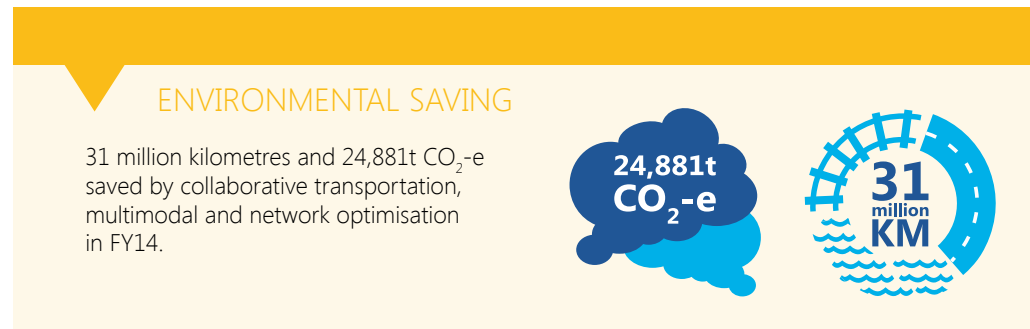
Brambles is on the steering committee of World Economic Forum (WEF) food loss and waste project alongside several of its customers (see Better Communities on page 24).

In FY14, Brambles increased its efforts with the WEF, joining the board of its Circular Economy program. Having a fundamentally circular business model, our involvement in the Circular Economy program will enable us to facilitate the adoption of circular business models in different industries and geographies.

Brambles is also a member of the project board of the WEF's New Vision for Agriculture, working to grow awareness of food loss and waste with targeted stakeholders.

Pallets' Last Mile Solutions project targets retailers and logistics and helps to address waste reduction in store for retail customers. The 'last mile' is the movement of product from a customer's distribution centre to the retail store.

We use our logistics knowledge to minimise the carbon footprint of our customers and their supply chains.



CASE STUDY

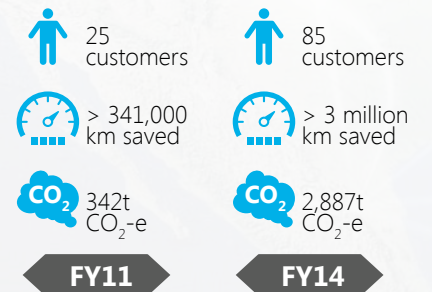
Collaborative transport in Europe

Carrefour, Nestlé Waters, Coca-Cola, P&G and Pallets are participants in a program to share road transportation in Italy. The program eliminates empty truck movements and reduces transportation costs and carbon dioxide emissions in the supply chain.

Typically, a Pallets customer delivers products to a retailer on CHEP pallets, then returns with an empty truck. Under the collaborative transportation program, the truck - managed by a third-party logistics service provider - completes a round trip loaded, collecting empty pallets or delivering pallets to customer locations from the nearest Pallets site.

The Carrefour initiative with P&G and Pallets resulted in a reduction of empty kilometres by 18%. The Nestlé Waters project reduced empty kilometres by 45%. The Coca-Cola project has resulted in a 25% reduction. In total, this initial program in Italy saves 65 tons of CO₂-e emissions per year.

Collaborative transport programs in Europe have expanded considerably since their commencement in FY11:





Better Business

Integrity

Integrity is crucial in our ability to successfully execute strategy and meet objectives.

Good governance is fundamental to the delivery of all of our sustainability strategies and targets. From FY15, Brambles is undertaking a process that includes the identification of material risks, including economic, environmental and social risks related to sustainability.

As a publicly-listed company on the Australian Securities Exchange and with operations in more than 50 countries, Brambles is subject to an extensive range of legal, regulatory and governance requirements.

Brambles' Board is conscious that best practice is continuously evolving and will continue to anticipate and respond to further corporate governance developments.

Brambles' Code of Conduct

All our businesses are subject to Brambles' Code of Conduct and training in the Code is provided to all employees regularly.

In March 2014, Brambles adopted a revised and updated Anti-Bribery and Corruption Policy.

The policy comprehensively explains what is expected of Brambles employees and provides clear guidance on what kinds of payments, gifts or hospitality are prohibited (or, in some circumstances, where pre-approval is required).

A Bribery Prevention Group has been established comprising the Company Secretary, the Group General Counsel, Regional General Counsels, and the Chief Compliance Officer.

Live and online training is helping employees identify, avoid and report suspicious or potentially illegal or corrupt activities. The current round of training will be completed by the end of 2014. Regular training will then be included with annual Code of Conduct training for all employees.

Brambles expects suppliers' practices to be in line with the principles in our Code of Conduct and we are committed to driving efficiency and environmental sustainability in the supply chains we serve.

Following the adoption of the supplier policy in August 2013, we have engaged strategic suppliers to consider its practical application.

Pallets' global procurement team distributed the policy to more than 2,400 suppliers and integrated it into a new on-boarding process. When contracts for existing suppliers come up for renewal, suppliers are asked to detail their commitment to meeting the policy's requirements.

The procurement team will continue to refine the support materials for the policy and develop Group-wide processes to foster constructive collaboration with suppliers.

A plan to further roll-out the supplier policy, beyond procurement to all functions, regions and businesses, as well as setting key performance indicators, is currently under development.

“ All our businesses are subject to Brambles' Code of Conduct and training in the Code is provided to all employees regularly. ”

CASE STUDY

Being transparent with customers

Pallets has concluded a Sedex Members' Ethical Trade Audit (SMETA) process at its European and US sites. Sedex is a not-for-profit organisation that helps organisations manage risk by driving transparency throughout the supply chain. The audit confirms that the right processes are in place and ethical trade best practices are carried out in line with our customers' needs.

SMETA is a globally respected social audit conducted on a secure, online platform and used to share and manage information related to labour standards, health and safety, the environment and business ethics.

Sedex CEO, Carmel Giblin, said: "It is really positive to see how CHEP has used Sedex and SMETA to effectively audit standards at its sites of employment and gain additional visibility of business practices and procedures. We look forward to continuing collaborating with CHEP on its efforts to drive continual improvements across its global operations."



Better Business

People - Engagement and enablement

Brambles believes an engaging, safe, tolerant and diverse work environment brings out the best in our people and helps them reach their potential.

Brambles' permanent employee population decreased by 23% during FY14, due to the demerger of Recall in December 2013.

In FY14, Brambles had a larger service-centre-based workforce than previously, especially in Pallets Americas. Higher numbers of service

centre staff impact on gender diversity, turnover rates (where employees are more likely to be transient and seasonal) and safety (due to increased physical risks related to manual labour). Brambles is working on these issues where applicable.

Engagement and Enablement

Employee engagement and enablement is tracked through the annual confidential Brambles Employee Survey (BES). Brambles uses the survey to seek feedback from employees, track progress against previous responses and identify key actions for improvement.

In FY14, 90% of eligible employees responded to the survey. Brambles' employee engagement score, which evaluates an employee's commitment and discretionary effort, increased to 70% (from 68% in FY13). We are on track to achieve our engagement score target of 73% by FY15.

Brambles' enablement score, a measure of how supportive the organisational environment is for employees to perform their best, remained constant at 67%.

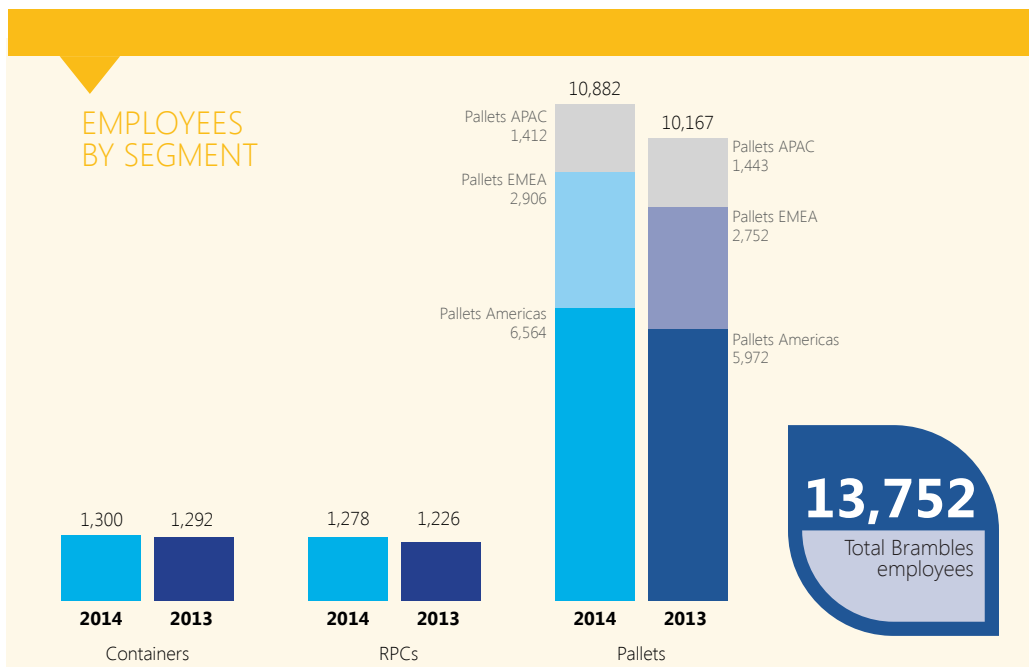
Results from the survey also showed that employees recognised that we have a strong commitment to employee safety.

Opportunities for improvement identified include reducing barriers to effective working and continual improvement on offering career development opportunities.

Brambles also encourages engagement through employee participation in our global employee share plan MyShare, launched in 2008.

Table: Voluntary turnover (%)

Segment	FY14	FY13
Brambles HQ	3.1	10.3
Pallets - Americas	45.5	43.1
Pallets - EMEA	5.3	9.4
Pallets - APAC	14.9	6.1
RPCs	12.5	10.8
Containers	6.6	8.1
Recall (Demerged)	N/A	11.9
Total Group	26.2	20.8





Better Business People - Safety

Brambles' Zero Harm Charter states that everyone has the right to be safe at work and to return home to their family and friends as healthy as when they started the day. Each and every person is expected to work safely. Brambles seeks to apply best occupational health, safety and environment practice for employees, contractors, customers and local communities. Brambles measures its safety performance through the Brambles Injury Frequency Rate (BIFR), which measures work related injuries, modified duties and incidents requiring medical treatment per million hours worked.

The FY14 BIFR result of 15.6 is a 19% improvement on the previous year.

Although the result represents a significant improvement on the prior year, safety performance continues to be a challenge, in particular in Pallets Americas. As described above, this region has a high level of employee turnover that presents a challenge to continual safety training and management.

The key risks for injury in our businesses include driving and the segregation of pedestrians from vehicles and equipment. The major types of injury include strains, nail punctures, lacerations and slips. These risks are managed through safety management systems adopted by all of our businesses. These include structures and responsibilities, identification of hazards and safety risks, safe working practices and procedures, safety induction and ongoing training. The systems are regularly audited,

internally and externally. Specific safety initiatives are also carried out.

For example, in FY14 Brambles continued to focus on improving segregation of pedestrians from vehicles and workers from machinery, which are the greatest risk for potentially fatal or life changing injuries.

A pedestrian segregation assessment tool was created and rolled out across Pallets and shared with RPCs and Containers. Pallets also focused on the development of global safety standards in machinery and forklifts. Machinery safety standards will enable standardisation across the Group and improved procurement of new machinery.

Minimum forklift safety standards have been established for legacy and temporary hire equipment and requirements for new purchase and leases have been expanded. Automated pedestrian alert systems on forklift trucks are being rolled out in Pallets' sites in Europe during FY14 and will continue in FY15.

During FY14, Brambles' business units conducted an awareness campaign on the importance of reporting near misses and minor injuries. Better reporting of minor first-aid injuries will provide a baseline for the introduction of a total injury frequency rate metric in some business units in FY16.

An independent assessment of our global online safety reporting system (iCARE) that focused on

Australia and New Zealand data found it was a significant improvement on the previous system.

In Europe, Brazil and the USA all occupational health and safety management systems in Pallets' owned and operated plants achieved OHSAS 18001 recertification. A feature of the standard includes consideration of employee health as well as workplace safety.

Brambles' businesses rely on an extensive network of outsourced service centres. In FY14, Brambles used an evaluation tool to survey 107 third party operators across the global business including Pallets, Containers and RPCs to assess whether providers have an appropriate focus on safety. The results of the survey are presented

to the provider with a series of observations and recommendations on how to improve performance.

Approximately 100 further sites will be completed in FY15, bringing the first phase of the project to an end.

From FY16, the re-evaluation of sites will commence over a rolling three year period.

19% BIFR
15.6

BRAMBLES INJURY FREQUENCY RATE

	FY14	FY13	% Change	Reasons
Pallets - Americas	31.8	38.9	18	Improved safety focus in IFCO PMS and CHEP Canada
Pallets - EMEA	3.1	3.8	18	Improved safety engagement in Middle East and Africa
Pallets - APAC	6.4	10.0	36	Implementation of robust safety management system in Asia
Pallets - Total	16.6	20.5	19	
RPCs	7.7	11.0	30	Improvements in safety in relation to wash machines and better investigations
Containers	13.6	17.7	23	Implementation of Containers Safety Council and near miss reporting
Brambles	15.6	19.3	19	



Better Business

People - Learning and development

One of the areas of focus for Brambles' sustainability strategy is our people and the learning and development opportunities available to them.

We met our target of a 25% increase on education, training and development days in FY13, which was ahead of schedule. Because of this and the demerger of Recall, we will set a new target in FY15. In FY14, Brambles' businesses reported a total of 16,883 training days.

Brambles' talent development strategy focused on the Group's continuous improvement in three areas:

- Organisational capability through strategic workforce planning that looks forward over a five-year period.
- Organisational culture that fosters talent through development programs for all levels of the business.
- Organisational effectiveness, through platforms and programs such as the roll-out of standardised and global Workday system, payroll rationalisations and the implementation of a more easily accessible learning management system for all employees.

Brambles operates a competency framework which allows employees to understand their required skills and competencies for their current role and those needed for career progression. This framework is at the core of our recruitment

efforts and performance appraisal systems. Every employee has an annual appraisal with their manager.

During FY14, 14 high potential executives from all parts of the business, chosen out of an initial group of 36 nominations, were put on an 18 month Fast Track leadership program, supporting senior level succession and executive development. All of the participants have either moved into expanded roles or been promoted.

At the manager level, 53 managers from across the organisation have participated in development courses, identifying career paths, strengths and development areas. Since the introduction of these courses in 2012, 25% of participants have been promoted.

In its six year partnership with Cedep, the European Centre for Executive Development, Brambles has continued to run high potential programs at manager and executive level, building strategic capability on understanding how we create value for our customers.

In FY14, Brambles rolled out a strategic workforce planning process. This program gives us the ability to better assess and understand what future capabilities will be required to support our business strategy.

In FY15, Brambles will roll out a new learning management system that will provide a much richer learning experience and more content to all our employees across the world. We are also establishing a Leadership Academy that will



provide management and leadership training globally in a number of languages to ensure consistency and streamlining of learning and development activities.

Function-related academies to build strategic and operational capability are also being developed. In January 2015, the Supply Chain Academy will be the first to be introduced.

16,883
Brambles training days during FY14



Better Business

People - Inclusion and diversity

Brambles is committed to selecting, recruiting, developing and supporting people solely on the basis of their professional capability and qualifications, irrespective of gender and other diversity factors. Brambles selects, retains and develops the best people for the job on the basis of merit and job related competencies.

Brambles established an Inclusion and Diversity Council in 2013, which is responsible for continuing to develop the vision, strategy and action plans for encouraging and nurturing an inclusive culture across the Group.

During FY14, pre-coded demographic data was included in the 2014 BES survey. This information, analysed at the regional business level to ensure individual confidentiality, will provide the basis to develop and provide inclusive targeted programs.

Brambles' Executive Leadership Team participated in a workshop on unconscious bias as part of the Council's 'creating awareness' phase of its strategy. These concepts and behaviours will be communicated to all employees with the development of an interactive webinar that will be rolled out during FY15.

During FY14, a target of female participation of at least 30% in all talent development programs was achieved and in some cases exceeded.

	% Taking parental leave	% Returning from leave
Female	5.5	3.6
Male	1.0	1.0
Group	1.8	1.5

FEMALE TO MALE SALARY RATIOS



AGE OF EMPLOYEES (as at 30 June 2014)

	≤25	25-34	35-44	45-54	55-64	65+
Brambles HQ	2.1%	20.3%	30.8%	29.4%	14.7%	2.8%
Pallets Americas	10.7%	30.8%	29.9%	19.9%	8.0%	0.7%
Pallets EMEA	4.4%	27.9%	37.9%	22.6%	7.1%	0.2%
Pallets APAC	6.1%	32.3%	29.9%	21.0%	9.5%	1.1%
RPCs	8.2%	30.9%	30.5%	20.7%	8.4%	1.3%
Containers	6.5%	30.1%	27.9%	23.7%	10.8%	1.0%
Group	8.2%	30.2%	31.5%	21.1%	8.3%	0.7%

PERMANENT EMPLOYEES BY GENDER

	Total%		Management %	
	Female	Male	Female	Male
Brambles HQ	36.2%	63.8%	30.9%	69.1%
Pallets Americas	9.9%	90.1%	19.6%	80.4%
Pallets EMEA	26.8%	73.2%	32.7%	67.3%
Pallets APAC	17.2%	82.8%	21.6%	78.4%
RPCs	29.0%	71.0%	22.6%	77.4%
Containers	18.9%	81.1%	21.4%	78.6%
Group	17.4%	82.6%	24.3%	75.7%

EMPLOYEE PARENTAL LEAVE

CASE STUDY

MyShare recognised as best

In FY09, Brambles adopted an employee contribution and matching share plan called MyShare. This plan enables employees to acquire Brambles shares and, subject to certain conditions, receive additional Brambles shares on a one for one basis. This gives employees the ability to participate in Brambles' growth.

In 2014, our MyShare plan was awarded 'Best International Share Plan' by the Employee Ownership Australia and New Zealand association.

Brambles' MyShare plan was chosen due to the:

- Continued and prolonged commitment to fostering the plan amongst all of our employees;
- Design and delivery of the one plan to all of our employees on the same terms;
- Amount of time and effort involved to simplify and promote the plan; and
- Provision of materials in multiple languages so that it can be understood by all employees.

Since its introduction in FY09, more than 5,300 employees in 40 countries have participated in Brambles' MyShare plan.



Better Planet



Better Planet

Materials

Our Zero Harm Charter sets our commitment to achieving zero harm to the environment. We consider social and environmental impacts in the purchasing and use of materials.

As a credible and trusted partner in our customers' supply chains, we need to continuously improve the way we source materials.

Brambles has identified five key materials that, through proactive engagement with our suppliers and customers, we can positively influence and subsequently improve our supply chain sustainability.

Wood

The ongoing, secure supply of wood is critical to Brambles. The Pallets business uses wood to make and repair reusable CHEP pallets in Brambles' pooling system.

In FY11, Brambles set a target of achieving chain-of-custody (COC) certification for 100% of wood purchased for CHEP pallets by FY15 to provide a focus for the responsible and sustainable procurement of wood. (For an explanation of COC, certified sources and other terms, please see the supplementary information document available on our website.) Pallets Europe achieved its COC certification target in FY12.

Brambles' global procurement team controls the sourcing of wood for CHEP pallets. Through their activities the team has improved wood supply chain transparency and understanding

of certification schemes within Brambles, as well as the maturity of COC certification in our key markets.

To promote responsible and sustainable procurement the team continues to work with strategic suppliers to further increase the available supply of COC certified wood.

In FY14, the increase in the volume of wood purchased by Pallets was the result of general growth in pallet pools and new pallet purchases compared to FY13. Pallets purchased 2.2 million cubic metres of new wood for pooled pallets, with 43% qualifying as COC certified (FY13: 33%). The total amount of wood purchased from certified sources was 94% (FY13: 88%).

Pallets Australia announced in June 2014 that 100% of their wood supply was now COC certified.

While the percentage of purchased COC certified wood will continue to improve in FY15, the limited availability of supply of commercially acceptable COC certified wood in a number of our markets will see us fall short of our target of 100% COC certified.

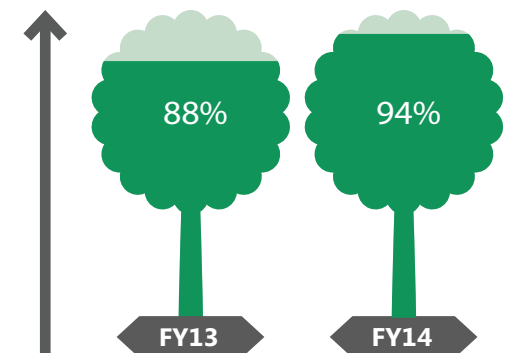
In countries where structural and market issues are hampering the development of commercial



quantities of COC certified wood, Brambles will look at collaborating with customers to determine further action. Two of these countries are the USA and Malaysia.

While COC certification schemes for wood in the USA are expanding, there is currently little domestic market demand for certified wood in the segments applicable to pallets and as a result limited supply of COC certified pallet grade wood. In Malaysia, while there is a certification program for exported wood, the forestry resources covered are primarily for higher value wood markets. Pallet grade wood is typically not certified.

Wood from certified sources (%)



The information on this page is within the scope of KPMG's limited assurance engagement – refer to online statement



Better Planet | Materials

In the absence of COC certification, Brambles' wood purchasing policy requires due diligence to be undertaken to provide confidence that the wood used in the production and repair of CHEP pallets is responsibly sourced. 100% of wood purchased for CHEP pallets is compliant with this policy.

Wood species

Identification and management of endangered species in the supply chain is an ongoing area of focus for the procurement due diligence process.

In FY14, Brambles identified 66 species of tree that are, or may be, in our wood supply. The International Union for Conservation of Nature (IUCN) Red List of Threatened Species is used

as a guide to species endangerment. One of the species, Longleaf Pine was re-classified from "vulnerable" to "endangered" due to its 30 year generation lead time (as it has a slower growth cycle than some other species, it is at risk of not being replanted).

It is estimated that less than 2.4% of the total wood volume purchased by Pallets Americas in FY14 is Longleaf Pine. Pallets Americas works with suppliers with the objective to further minimise its potential use in our supply chain.

In FY14, Pallets Americas worked with the Longleaf Alliance, a non-profit group established in 1995 to promote retention, management, and restoration of Longleaf Pine throughout its

historic range. Senior procurement leaders have been actively involved in meeting and developing relationships with this organisation to ensure solid support is offered for conservation.

Two other species, Virginia Pine and Sand Pine formerly classified as "near threatened", are now listed as "least concern". No other species identified in our wood supply have a classification higher than "least concern."

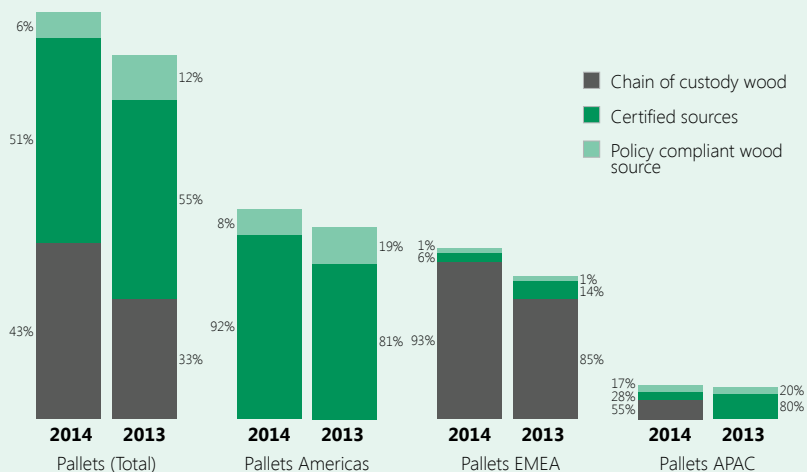
Note: This section does not include wood purchased for Pallets Recycling and Paramount Pallet.

Volume of wood purchased for the year (m³)

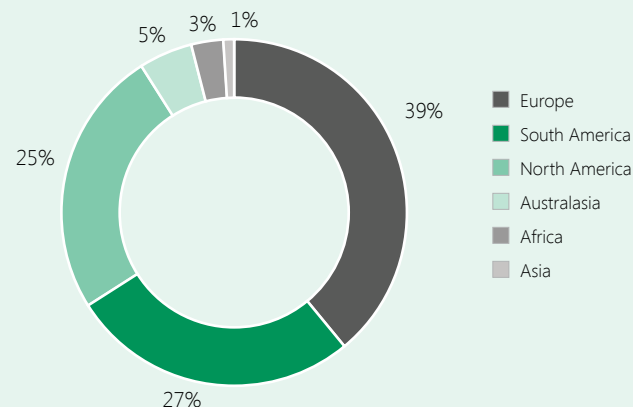
	2014	2013
CHEP Pallets Americas	1,101,620	1,043,150
CHEP Pallets EMEA	917,822	765,808
CHEP Pallets APAC	196,219	167,520
Total	2,215,661	1,976,478

Highlight:
Brambles recognised as 2013 CDP Forests sector leader

Volume of wood by classification and segment (%)



Volume of wood by continent of origin





Better Planet | Materials

Other materials

Building on the knowledge it has acquired over the past few years in wood sourcing, Brambles is looking at other key materials we use to create or service our pooling equipment. We will then work with our suppliers and customers to identify opportunities where we can improve the efficiency and sustainability of these material supply chains.

In FY15 Brambles will begin collecting data on the volume of four other key materials purchased, including:

- Plastic purchased for use in pallets, RPCs and containers;
- Metal purchased, primarily the steel used in nails and fasteners for wood pallets;
- Paint used on CHEP wood pallets; and
- Commercial quantities of detergent used in the washing of pallets, RPCs and containers. At the same time detergent suppliers' position on the sustainable sourcing of palm oil will be assessed.

CASE STUDY

WOOD - Pallets Australia achieves chain of custody certification for pallet wood purchases

Brambles has a target of achieving chain of custody certification for 100% of wood purchased for CHEP pallets by FY15.

Although the Australian wood supply was from certified forest resources, chain of custody certification was not held by any of its suppliers. During FY14, Pallets Australia worked with the nine sawmills in its hardwood supply base, to assist them in achieving chain of custody certification under the PEFC-endorsed Australian Forestry Standard.

In June 2014, Pallets Australia announced that 100% of its pooled pallet wood purchases are chain of custody certified.



Better Planet

Emissions

Brambles is committed to reducing the emissions associated with the impact from the use of our products and services through the supply chain.

Brambles is focused on continuously improving, accurately measuring and reducing our total emissions footprint, including Scope 1 (emissions from direct purchases of fuel for transport or heating), Scope 2 (emissions from indirect purchases of energy) and Scope 3 (emissions generated by a third party).

This will enable our businesses to further demonstrate to customers the environmental benefits of our product and service offerings.

While we recognise the importance of measuring and reporting our total emissions, measurement of Scope 3 emissions represents a significant challenge.

The two largest third-party or supplier activities that generate material greenhouse gas (GHG) emissions (Scope 3) are outsourced service centres (OSC) in our network and subcontracted transport carriers that move our pallets, crates and containers.

More than two-thirds of Pallets' total emissions are generated by transport carriers.

Measurement of carbon (CO₂-e) emissions by subcontracted transport carriers allows Brambles to measure the impact of transport activities, including the effectiveness of collaborative transportation, route and network optimisation

and Total Pallet Management (where customers' pallet needs are managed onsite).

Activity in FY14

Overall, Brambles recorded an increase in Scope 1 and Scope 2 emissions of 28% in FY14. This was due to additional sites in Pallets and Containers being added to the network (and measurement system), while Recall sites were removed.

While actual Scope 1 and Scope 2 energy and emissions data is collected from most sites, in Pallets Americas, Scope 1 and Scope 2 emissions are estimated for the Pallets Recycling business and for sites in Pallets Canada which

were acquired in FY13 as a consequence of the purchase of Paramount Pallets. Estimates are based on a limited sample of actual data that was extrapolated. Actual energy and emissions data is being collected from these sites in FY15.

Scope 1 and Scope 2 emissions in the Americas also rose due to the addition of a new office in Atlanta and harsh winter conditions in Canada and northern USA. However, Pallets Americas reduced emissions impact through an IT virtualisation program, removal of computer servers and by changing its fleet from all diesel to a mix of smaller trucks with a lower carbon fuel impact.

In May 2014, Pallets UK updated their energy contract to ensure sites receive electricity from cleaner sources, including energy produced from hydro, wind, tidal, wave, photovoltaic, biomass, waste gases and industrial waste sources. As a result, the UK saved over 600 tonnes of CO₂-e in FY14.

In the Containers business, emissions of owned and operated sites from recently acquired businesses have been included for the first time.

Total emissions by scope per business unit





Better Planet | Emissions

We estimate Scope 3 emissions for transport and OSC. For transport, we calculate an emissions estimate either by using a specific module developed by our LeanLogistics business or, where that module cannot be used, estimates are made based on type of fuel, place of travel, type of vehicles and travel distances. We estimate OSC emissions by applying our average internal service centre grams CO₂-e per production unit and apply to production figures for the OSCs, using country specific emission factors.

Estimates of Scope 3 emission levels increased in FY14 by approximately 10% (combined OSC and transport). This is due to increases in production levels in Pallets Americas and EMEA OSCs and improved estimation methods in Asia-Pacific. RPCs included OSCs in MEA for the first time in FY14, as well as improving data collection for IFCO RPCs. Containers' OSCs were also included for the first time in FY14. We expect the estimation methods and collection processes to continue to improve in FY15.

The Pallets USA customer storage program addresses Scope 3 transport emissions by reducing the need for transport to and from third party storage sites. The program reimburses customers for storing pallets on-site using seasonally available space, eliminating additional pallet handling and damage, as well as more than 180,000 transportation kilometres and more than 193 tonnes of CO₂-e in FY14.

Pallets eliminated transportation kilometres and associated emissions through supply chain collaboration (see page 8).

CASE STUDY

Emissions reductions projects

In FY13, Brambles exceeded our GHG emissions reduction target of 20% by FY15, two years ahead of time. A new emissions reduction target will be announced in FY15, addressing all current Brambles total emissions.

Energy reduction projects continue around the world.

For example, the Castrop service centre in Germany installed a thermal power station in FY14 that generates energy and heat with a natural gas-fuelled engine. The energy is used by our operations and the heat by-product used to heat wash water and the centre's hall.

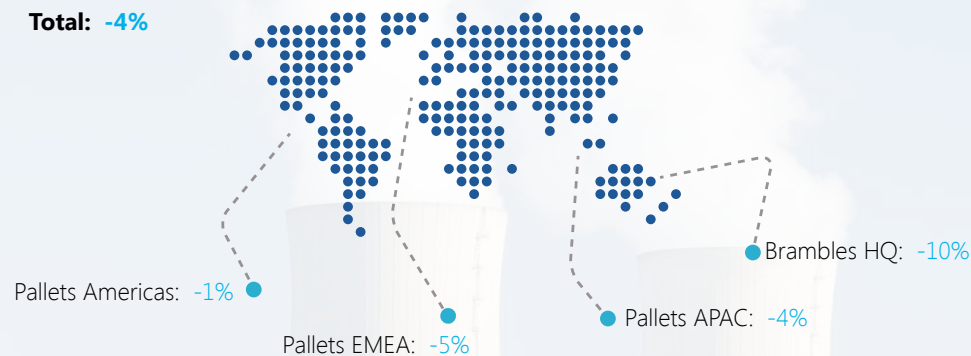
The site expects 66% of its overall energy consumption to be met by the thermal power station, covering all peak periods and avoiding some government tax costs associated with electricity usage.

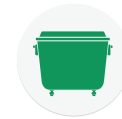
RPCs has been investigating the use of micro heat/power plants for service centres in Europe, beginning with the installation of a block heat and power station in the Crailsheim wash plant in Germany in FY12. This has led to a significant reduction of energy (gas and electricity) of approximately 30%.

RPCs will have replaced all conventional blow dryers with centrifugal dryers by FY16, which use about 80% less energy. Details on the dryers' water efficiency benefits are included in the Water section (page 22).

CO₂-e emissions reduction in FY14 (retained sites included in previous target)

Total: -4%





Better Planet

Waste

Brambles is committed to using resources efficiently and minimising waste.

WASTE

With pooling models that operate on the principles of recover, reuse, reduce and recycle, we are focused on continuously improving our performance to reduce material consumption, maintenance costs and meet stakeholders' sustainability expectations.

Brambles manages all waste streams related to pallet pooling activities including wood, corrugate, steel and plastic. RPCs recycles 100% of its crates by regrinding all damaged containers and reprocessing the granulate for use in new crates.

In FY13, we reported waste and recycling data for the first time. The detail and quality of our data continues to improve.

Pallets has a target of zero wood waste to landfill for our owned sites by FY15. This has been achieved at three quarters of applicable sites, including Pallets North America and Pallets Europe. Programs to eliminate wood waste to landfill at remaining sites are in place in order to reach this goal.

Wood re-use and recycling

Compared with disposable pallets, pallet pooling significantly reduces the use of wood and waste

by both Brambles and our customers in their supply chains. Unlike our pallet pooling system, many other types of wooden pallets (without a clear system of ownership and accountability) end up in landfill.

By maintaining ownership of our assets and enforcing a system of controls, we can maximise the re-use of materials in the pallet pool or recycle materials away from landfill at the end of the pallets' useful lives.

When a pooled pallet is returned to a service centre, the pallet is checked for quality. Undamaged pallets are returned to the pool.

Sound wooden boards are removed from damaged pallets and used for repair work; in Australia, approximately 36% of all boards used in the repair process is reclaimed wood, which means less raw wood is required.

Wood that cannot be reused is recycled for use as a fuel source, mulch, or other purpose.

The Pallets business is constantly improving reclaim capability by implementing better technologies to dismantle pallets.



General and hazardous waste

General solid waste (for example office/sanitation) is handled by local solid waste management or recycling facilities. Where possible in office locations, segregation and recycling programs are in place.

Universal waste and used oil (both generated in limited quantities), as well as cardboard, plastic and metals, are generally reused or recycled where facilities are available.

The hazardous waste volumes reported by Pallets sites predominately relate to paint, paint residues, inks, oil and contaminated water that are disposed of responsibly.

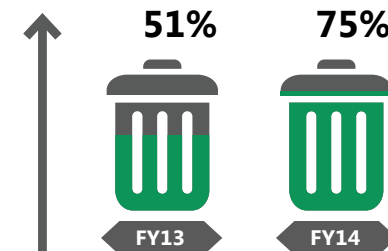
Our Containers business handles waste on behalf of its customers, providing specialist containers, on-site management and logistics support for the storage and shipment of catalysts used in petroleum refining, gas processing and petrochemicals manufacturing. While we cannot eliminate waste, steps are taken to reduce the

amount of waste handled.

In FY14, Containers handled hazardous wastes that result from cleaning residue from petrochemical and refining product from its bins. We use a third party to dispose of hazardous waste, where it is used safely and effectively as a fuel source, replacing coal and natural gas in cement kilns.

Brambles had no significant spills during FY14.

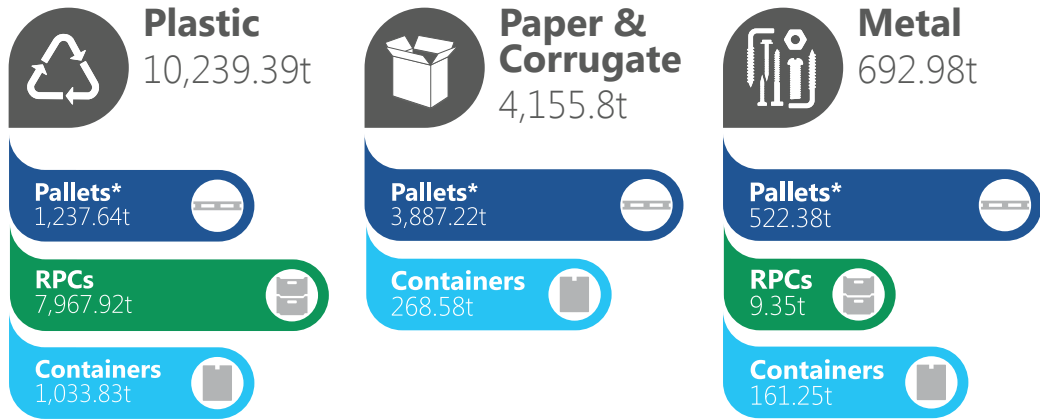
Zero wood waste to landfill (%)





Better Planet | Waste

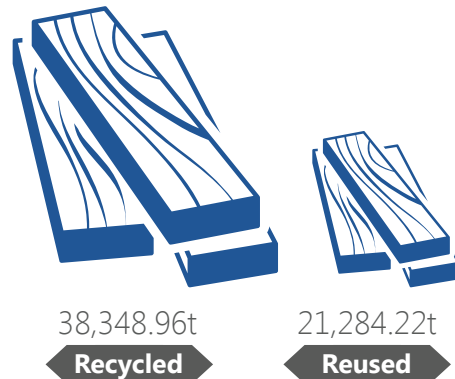
RECYCLING FY14 (METRIC TONNES)



* Excludes Pallets Recycling and Paramount Pallet

WOOD FROM PALLET OPERATIONS (METRIC TONNES)*

* Excludes Pallets Recycling and Paramount Pallet



CASE STUDY

New process recovers more wood for re-use in CHEP pallets

In early 2013, a Canadian pallet repair employee suggested a new process that would result in the recovery and re-use of additional damaged pallet components. The components being targeted for recovery account for 60% of the wood components used in repair of the Canadian hardwood pallet. The new process was implemented at all Pallets Canada Repair Service Centres by November 2013.

At the end of FY14 the project measured the recovery and re-use of 775,760 components (saving 6,012 cubic metres of wood), along with a reduction in raw materials required.

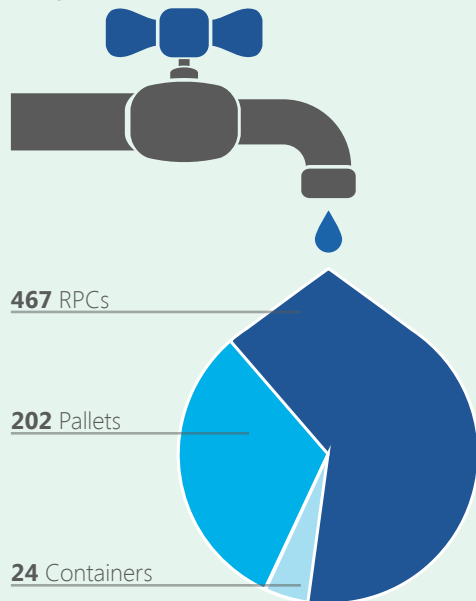
Better Planet

Water

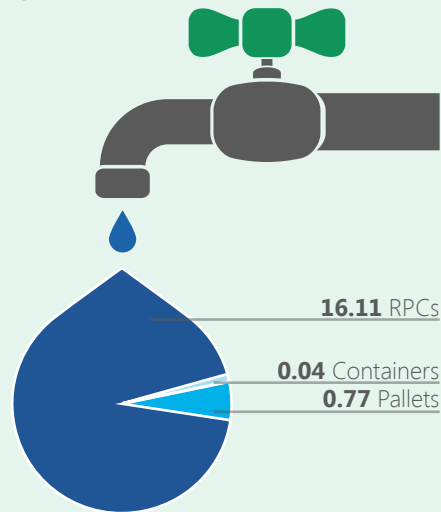
Brambles recognises that water is a precious resource. In many regions where our businesses operate, water supply is an important issue for the community. Our operations have a responsibility to use water wisely.

WATER CONSUMPTION AND RECYCLING IN FY14

Water consumption FY14
(MegaLitres)



Water recycling FY14
(MegaLitres)



The RPCs business is our largest user of water. At the end of each cycle, every crate must be washed and sanitised in line with Hazard Analysis and Critical Control Points (HACCP) standards before they are re-issued.

In FY14, we continued to improve the quality and detail of data on our water consumption. Data from businesses recently acquired by Containers are now included in that business for the first time.

There was no significant change in water use by Pallets. Data has been adjusted as RPC operations are recorded in that business (and not in Pallets, as was done in FY13) for the first time.

RPCs implements water recycling devices in the USA, Europe and South America. In Germany, a water recycling unit was installed in the Crailsheim service centre in FY14. A water recycling unit is planned for the Duisburg service centre in FY15.

In the USA, RPCs developed a water recycling prototype unit in its Atlanta, Georgia service centre in conjunction with a filtration expert. The unit captures wastewater via an inline filtering plant, removing solids and bacteria and enabling it to be reused. Previously this wastewater would have passed direct to waste drains. It is estimated approximately 30% of wastewater will be recycled by this system. The finalised design was installed in the Portland, Oregon service centre in FY13 and RPC's remaining North American plants had the system installed during FY14.

CASE STUDY

Spin dry solution saving water and energy

RPC's sites have installed centrifugal dryers, which use high-speed rotation to pump final rinse water back to the washing line for re-use.

RPCs has installed 40 centrifugal dryers around the world, including Crailsheim, Germany, Nuneaton, UK, Atlanta, USA, and other sites. Australia's RPC operations installed three centrifugal drivers in FY14. By 2016, RPCs will have replaced all conventional blow dryers with centrifugal dryers.

The dryers reduce water usage when installed in conjunction with a water treatment plant. Usually, the water spun off the crates goes back to the washing machine and then into the drain. When a water treatment plant is installed, this water can be reused. This configuration is planned for Crailsheim. Standard blower dryers merely evaporate the water into the air.



Better Communities



Better Communities

Community investment

Brambles contributes positively to the communities where we operate by supporting environment, education and food loss and waste initiatives and encouraging our people to participate in local community initiatives.

COMMUNITY INVESTMENT

Brambles recognises that by applying our supply chain logistics expertise we can help reduce food waste throughout the supply chain.

RPCs' Worldwide Responsibility program shares our expertise in collecting and transporting fruit and vegetables with Foodbanks around the world. Since the program's inception, RPCs has donated 100,000 RPCs to more than 70 Foodbank sites in Europe, North America and South America. RPCs has also helped co-finance 43 refrigerated vehicles to keep fruit and vegetables fresh within the Foodbank network.

In 2014, Brambles CEO Tom Gorman was nominated to join the board of Enactus, an international organisation dedicated to promoting entrepreneurial capabilities and capacity among young people through on-the-ground projects led by university students. Many of the projects focus on areas where we are active, such as reducing waste, reusing materials and improving energy efficiency. Enactus will be engaged in potential food loss and waste projects in Africa. Brambles has also recently made a grant to Enactus to support food loss and waste programs in Australia.

Overcoming barriers through collaboration

Brambles and Unilever worked on a WEF project addressing supply chain barriers in India's tomato fresh produce sector. Although India is the world's second-leading tomato producer, losses during harvest, transport and at local marketplaces are around 25-30%. While CHEP plastic crates significantly reduce losses during transport, further improvements in packaging and logistics are possible. Unilever and RPCs are collaborating on a pilot to test these solutions, evaluating their impacts on food loss and overall cost competitiveness.

During FY14 in-kind donations of pallets and RPCs were provided to charitable organisations such as the Smith Family in Australia and to Foodbank.

100,000
RPCs donated
to more than 70
Foodbank sites



CHARITABLE DONATIONS FOR FY14

Volunteer hour value
US \$130,000 

Financial contributions
US \$640,000 

In-kind contributions
US \$1,390,000 

Total donations
US \$2,160,000





Better Communities | Employee engagement

EMPLOYEE ENGAGEMENT

Brambles has an employee volunteering policy, which provides employees with three days of paid volunteer leave per year during usual contracted hours to provide volunteer services to community-based not-for-profit educational or environmental organisations.

During FY14, more than 1,000 employees volunteered a combined total of 11,461 hours.

Taking advantage of Brambles' employee volunteering policy, on Earth Day 2014, 26 Pallets USA employees partnered with Trees Atlanta to plant trees and prepare for future plantings on the Atlanta beltway.

Employees volunteered for projects around the world, ranging from delivering school bags and stationery to children in rural South Africa, planting trees in the UK, to providing mentoring opportunities for at-risk children in Australia.

Other volunteering examples for FY14 include projects with Foodbank, the LiV Village, the Robin Hood Foundation, Intongela Primary School, Ethelbert Child and Youth Care Centre and more.

1,216
employees



11,461
combined hours



CASE STUDY

Our leaders lend a helping hand

In April 2014, a group of our up and coming leaders took time from their leadership development program at Cedep in Fontainebleau, France, to build a playground for autistic children attending a nearby school.

In just one evening, our team worked with an organisation called Splash to deliver this very special community project.

