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Brambles

Annual Report 2023

Resilience

& Regeneration

Resilience & Regeneration

In a Year marked by ongoing uncertainty and volatility, Brambles has demonstrated the quality and inherent resilience of its business as well as the increasing importance of its ambitious regeneration agenda. Through its transformation programme, Brambles is investing to further strengthen the resilience and performance of its current business while building the 'Brambles of the Future'. This underpins Brambles' strategy of providing a step change in the value it creates for customers, employees and shareholders and allowing it to deliver on its ambition of pioneering regenerative supply chains.

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To view the Group's annual review for FY23, go to:

brambles.com/ar2023

About this Report

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

Integrated Reporting

Brambles' leading approach to reporting and disclosure references best practice frameworks, including the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), the Global Reporting Initiative and the International Financial Reporting Standards Foundation framework, which combines the Integrated Reporting <IR> 'capitals' framework and the Sustainable Accounting Standards Board (SASB) standards. The Annual Report on pages 1 to 33 has been prepared with reference to the <IR> Framework to illustrate the interaction and interdependencies between a business's sources of value, its model and its ability to create value over time. SASB industry-specific sustainability indicators will be available on Brambles' website from mid-September 2023.

This holistic approach to reporting and disclosure aims to help Brambles' stakeholders understand its sources of value, including resource dependencies and the positive and negative impacts of its business on these sources of value. Brambles also follows the guidance provided by the TCFD voluntary disclosure framework. Brambles' FY23 TCFD disclosure, within the Annual Report, provides a summary of how we consider governance, risk management, strategy, metrics and targets in relation to climate change. This will be supported by a TCFD supplement on Brambles' website.

All acronyms and terminology referred to in this report are defined in the Glossary on pages 141 to 143.

Forward-Looking Statements

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

Brambles Limited
ABN 89 118 896 021

Brambles' purpose is to connect people with life's essentials, every day.

As a pioneer of the sharing economy, Brambles is one of the world's most sustainable logistics businesses. The world's largest brands trust Brambles to help them transport the goods that matter more efficiently, safely and sustainably.

What Brambles does:

Brambles' platforms form the invisible backbone of global supply chains. Through its CHEP brand, Brambles primarily serves the fast-moving consumer goods, fresh produce, beverage, retail and general manufacturing industries.

Its circular business model facilitates the 'share and reuse' of the world's largest pool of reusable pallets, crates and containers.

This enables Brambles to serve its customers while minimising impacts on the environment and improving the efficiency and safety of supply chains around the world.

As at 30 June 2023, Brambles:

Operated in...
~60
countries

Owned...
~353 million
pallets, crates and containers

Employed...
~12,000
people

Through a network of...
750+
service centres

Highlights

Financial

Sales Revenue

US$6,076.8m

↑ Up 14% at constant currency[1]

Underlying Profit

US$1,067.0m

↑ Up 19% at constant currency[1]

Return on Capital Invested

18.5%

↑ Up 0.5 percentage points at constant currency[1]

Cash Flow from Operations

US$789.8m

↑ Up US$398.0m

Total Dividends

26.25 US ¢/share

Final dividend of 14.00 US cents per share

Safety

Brambles Injury Frequency Rate (BIFR)

3.8

↓ Down from 4.1 in FY22

Sustainability

Dow Jones Sustainability Indices: 1st in industry category

MSCI: Maximum AAA rating. Top 9% of companies assessed in our industry category

Corporate Knights Global 100: 3rd most sustainable company of ~7,000 analysed

CDP: Top 'A' rating in Forests and Climate submission

Circulytics: 'A' score over the last two years

Top Employer: Top Employer status globally, and across four regions and 25 countries

1 Current period results (excluding hyperinflationary economies) translated into US dollars at the actual monthly exchange rates applicable in the comparable period, so as to show relative performance between the two periods. Results for hyperinflationary economies are not retranslated and remain at their reported actual exchange rates (period-end spot exchange rates).

Letter from the Chair & CEO

Resilience & Regeneration

We are extremely proud of what we have achieved this Year. Our teams around the world have worked hard, improving pallet availability and service levels to keep customers' goods flowing across their supply chains. At the same time, we delivered impressive financial and sustainability outcomes while investing in the future success of the business. Our ambitious transformation and regeneration agendas continue to progress, strengthening our competitive advantage and underpinning the long-term sustainability and value creation potential of our business.

In a Year marked by macroeconomic uncertainty and persistent cost pressures, we have demonstrated the quality and inherent resilience of our business. Combined with the benefits of our transformation programme, this has enabled us to deliver strong financial results and to support our customers better as we collectively navigate an ever evolving environment.

Among the most notable developments has been the improvement in pallet availability during the second half of the Year, allowing us to remove allocation protocols across our major markets and improve customer service levels in all regions. These improvements reflect a combination of the benefits of our asset productivity initiatives, investment in our asset pool and evidence of progressive inventory optimisation by retailers and manufacturers.

Although inflationary pressures persist, we have begun to see improvements in the cost and availability of some key elements to delivering pooling solutions to our customers, including lumber in all geographies and transport in North America. As a result of improved global lumber availability, the capital cost of new pallets in most regions has also begun to moderate from the record levels reported in the second half of FY22.

While uncertainty remains about the broader economic outlook, input-cost inflation and overall supply chain dynamics, we are confident that we can grow our business and successfully navigate these challenges. This will allow us to continue delivering for our customers, shareholders, employees and other stakeholders over the medium to long term.

This confidence is underpinned by a strong growth pipeline in our major markets and structural improvements already made to increase our agility in responding to rapid changes in our customers' needs, the cost environment and operating conditions more broadly. These include better alignment of commercial terms to the cost-to-serve, increased productivity across our operations and our pallet pool, as well as improvements in our customer value proposition.

These changes and our disciplined approach to capital allocation have already been integral in delivering our investor value proposition this Year, with total shareholder value creation exceeding the stated objective of above 10%, with EPS growth of 26%[2] and a dividend yield of ~3%. This was supported by double-digit revenue growth with Underlying Profit leverage and positive Free Cash Flow after dividends while generating strong return on capital for shareholders. We are particularly pleased to have delivered these outcomes while strengthening our global leadership position in sustainability and continuing to invest for the future through our transformation programme.

2 At constant currency.

FY23 Financial Performance

Our sales revenue for the Year increased 14% on a constant-currency basis and reflected our pricing discipline and improved commercial terms in both current and prior-year periods to recover significant cost-to-serve increases, including record levels of inflation in pallet prices and other input-cost increases.

Our volume performance remained challenged primarily due to pallet availability constraints, particularly in the first half of the Year, slowing underlying consumer demand for our customers' products owing to macroeconomic pressures and some inventory optimisation across global supply chains.

With pallet availability improving across North America and Europe in the second half of the Year, our teams have been actively pursuing new business. Pleasingly, we have already started to see early signs of success with new business wins in both the US and Europe, supporting our confidence in the value our share and reuse solutions can unlock across customers' supply chains.

Underlying Profit for the Year increased 19% at constant currency as strong pricing more than offset input-cost inflation and incremental overhead investments to support the transformation programme.

In FY23, we saw the return to strong positive Free Cash Flow generation after a number of years of significant pallet price inflation. Despite higher cash capital expenditure this Year due to the impact of payments for pallets purchased in the prior year at elevated prices, we delivered Free Cash Flow after dividends of US$180 million. This outcome reflected increased pricing to recover the cost-to-serve and the combined benefit of asset efficiency initiatives, working capital improvements and some progressive inventory optimisation across supply chains. With Free Cash Flow after dividends positive, we are now focused on driving successive years of sustainable Free Cash Flow generation combined with

Letter from the Chair & CEO continued

delivery of operating leverage, in line with our investor value proposition.
The ability to consistently deliver this outcome will be supported by the investments to transform our business through our Shaping Our Future transformation programme.

Accelerating Transformation Benefits

The progress of our transformation has improved the performance and resilience of our business, setting a strong foundation for us to enhance our customer value proposition and our commercial business model. This is being achieved through leveraging investments in technology and data analytics combined with automation and platform innovations to provide superior pooling solutions to support our customer and investor value propositions, while also delivering on our ambitious sustainability agenda.

Delivering an excellent customer experience and creating additional value for our customers is integral to our success. We are seeing early signs of improvements in our customer engagement and satisfaction scores as a result of better pallet availability and investments to improve our systems and deliver additional insights to our customers. In addition, we are currently trialling several innovative digital initiatives that leverage our unique position in the supply chain to remove waste from our customers' operations.

Significant progress has also been made in our asset efficiency with an additional ~10 million pallets recovered and salvaged this Year through various asset productivity improvements. There are multiple benefits to the business including reducing our demand on natural resources, improving customer pallet availability and delivering positive financial outcomes.

Importantly, these outcomes are being enabled by our digital transformation which has already started delivering business improvements by supporting commercial decision making, greater visibility and control of our assets and identifying new sources of value for our customers.

By continuing to raise our data and analytics capabilities across the organisation, we have also expanded our ability to generate, capture and analyse information, which we can convert to insights that improve the efficiency of our customers' supply chains and our own operations.

This has been further enhanced by the deployment of pallet tracking technology including through our continuous diagnostics trials in North America and the UK. We have now deployed ~450,000 autonomous tracking devices in over 30 countries that have collectively created one billion data readings and uniquely tagged approximately one million pallets in Chile with QR codes. Using enhanced data analytics, we have turned this data into information and insights to improve our operations and asset control practices.

We continue to test, learn and adapt our approach to deploying and extracting value from smart assets while assessing the potential for these technologies to be scaled in other regions based on successful pilots.

As the transformation programme progresses, we remain disciplined and flexible in how capital is deployed to optimise value. Our decision to revise downwards the number of automated repair process installations across the network from 70 to 50 by the end of FY25 reflects changes in the current operating environment and macroeconomic conditions and our disciplined approach to capital allocation. Accordingly, we have identified alternative and less capital intensive projects to generate the efficiency benefits originally attributable to the 20 automated repair process installations not being pursued.

We will apply the same rigour and transparency to all transformation investments, with trials a key part of our methodology to stage-gate investments and adapt our plans depending on trial outcomes and identification of new opportunities. Scaling of investments will be conditional on clear links to value creation and supporting the delivery of our customer and investor value propositions.

The key streams and activities during the Year have been summarised on pages 10 and 11.

We are confident the continued progress of our transformation programme will generate sustainable value over the long term for our customers, shareholders and employees as well as take us one step closer to pioneering regenerative supply chains.

Pathway to Regeneration

This Year delivered progress towards our 2025 sustainability targets, the increased recognition of the importance of integrating financial and sustainability processes and greater acknowledgement of the inherent resilience of Brambles' circular business model.

Our vision to become a regenerative and nature-positive business is evident through practical actions such as our expanding reforestation initiatives and launching more reusable plastic products made with upcycled post-consumer materials. A prime example is our FY25 Forest Positive target, which is to enable the sustainable growth of two trees for every tree we require for our timber pallets by FY25. We have started actions on large-scale projects with partners in Mexico and Zambia, while separately in CHEP South Africa, we have successfully enabled the sustainable growth of 3.85 million additional trees.

Critically, these initiatives have been co-designed with the respective local communities resulting in nature-centric economic pathways that connect the restoration of forests to their livelihoods, while in the case of Mexico, also securing future certified lumber sources for our business. It is initiatives like this that illustrate how regenerative programmes can deliver practical outcomes for people, business and the planet.

We are equally proud of our commitment to diversity, equity and inclusion, as evidenced by our increased representation of women in leadership roles, which is now 36%. Our Workplace Positive programmes also go beyond gender equity with safety being a key focus area. It is pleasing to see the Brambles Injury Frequency Rate (BIFR) decrease for the fourth year, reducing to 3.8, which represents a 24% improvement against our FY21 baseline.

Our circular business model, reinforced by our sustainability programme, has demonstrated unparalleled resilience in the face of multiple challenges this Year, including severe weather events which have increased across our network as the impact of climate change intensifies.

Brambles is approaching the dynamic challenge of climate change, and its impacts, through a complementary strategy of adaptation and mitigation. The highlights of this work are shared on pages 20-22. During this period, we initiated a comprehensive analysis of the potential climate-related physical risks to material parts of our network and sourcing supply chains. This will inform regional-specific climate adaptation plans for our service centres that will be integrated into our business continuity planning programmes. With the assistance of external expertise and climate modelling, we have initiated a programme to gain a better understanding of the potential forestry-specific impacts from climate change across our diverse materials sourcing portfolio.

Leveraging the benefits of our low-carbon business model is the foundation of Brambles' climate mitigation strategy. Introducing more customers to a circular share and reuse system results in lower environmental impacts in their supply chains. Building on this is our comprehensive decarbonisation programme which has yielded a 5.2% reduction in greenhouse gases across Scope 1, 2 and 3 emission sources and positive progress against our verified science-based 2030 targets. This is not only delivering efficiencies for our business but is educating our supply chain teams to integrate sustainability analysis into their decision making and business planning processes.

Our leadership position in sustainability was at the centre of two essential funding initiatives undertaken by Brambles during the Year. Specifically, we accessed a US$1.35 billion sustainability-linked revolving credit facility with pricing connected to performance across four key sustainability metrics linked to our published targets. We also issued a €500 million green bond with a 4.25% coupon rate that was strongly supported by sustainability focused investors.

We received numerous ESG recognitions during the Year, covering many aspects of our sustainability programme, demonstrating excellent performance against our most material ESG goals. Our results in the Dow Jones Sustainability Index, CDP Forests and CDP Climate Change and Global Top Employer certification, coupled with our internal employee engagement results, highlight the dedication of our people to making our regenerative vision a reality. We look forward to sharing more information around our sustainability progress in the 2023 Sustainability Review, due for release in September 2023.

Dividends

The strong earnings performance by Brambles during the Year, has also benefited shareholders with the Board declaring total dividends for FY23 of 26.25 US cents per share, an increase of 15% over the prior year. This represents an Australian dollar equivalent of 39.50 Australian cents per share. The Board has also increased the payout ratio for FY23 to 55% reflecting the strong balance sheet and liquidity position as well as the return to positive Free Cash Flow generation in FY23.

The non-underwritten Dividend Reinvestment Plan (DRP) remains in place for shareholders. The DRP will not attract a discount and any dilutive impacts on earnings per share will be neutralised. Shareholders wishing to participate in the DRP should confirm their election status before 5pm Sydney time on Friday 15 September 2023 with Brambles Limited's Share Registrar, Boardroom Pty Limited.

Board Renewal and CFO Succession

In line with our Board renewal plan, we appointed Priya Rajagopalan in November 2022 as a North American-based Non-Executive Director. Priya has over two decades of experience in product management, marketing and strategy, most recently in digital platforms for global supply chains. Priya brings detailed knowledge and experience of digital based supply chain product development and marketing. With Priya's appointment, we have now exceeded our FY25 target of 40% female representation on the Board.

In February this year, Nessa O'Sullivan informed the Board of her intention to step down as Chief Financial Officer (CFO) and as an Executive Director of Brambles. Following a thorough process to find a successor, with both internal and external candidates being considered, we are delighted to announce that Joaquin Gil, currently Deputy CFO of Brambles, will succeed Nessa as CFO and join Brambles' Executive Leadership Team on 13 October 2023.

Joaquin joined Brambles in 2019 as CFO of CHEP Europe and held the role of Group Vice President of Financial Planning & Analysis before being appointed Deputy CFO of Brambles in June this year. During his time at Brambles, Joaquin has played a key role in delivering the Shaping Our Future transformation, particularly the asset efficiency initiatives across the Group. Prior to joining Brambles, Joaquin held senior finance and management roles with Coca-Cola Amatil and Keurig Green Mountain, and has worked in Australia, Indonesia, Mexico and the UK. He holds a Bachelor of Commerce from the University of Canberra and is a Member of the Institute of Chartered Accountants, Australia and New Zealand.

To ensure a smooth transition, Nessa will be staying on in an advisory role until 31 January 2024. On behalf of the Board, we want to thank Nessa for her outstanding contribution over the past seven years. She has been instrumental in delivering our strategy and moving our company forward during a period of significant volatility. We wish her all the best for the future.

Full Board biographies are on pages 40 to 43. Details of our Board Skills Matrix are in the 2023 Corporate Governance Statement on brambles.com.

Outlook

Subject to there being no material change in economic and operating conditions, in FY24 we expect to deliver in constant currency, sales revenue growth between 6-8%, Underlying Profit growth between 9-12% and positive Free Cash Flow before dividends of between US$450-550 million.

These financial outcomes are dependent on a number of factors, including material unknowns. These factors include, but are not limited to, prevailing macroeconomic conditions, customer demand, the price of lumber and other key inputs, the efficiency of global supply chains, including the extent of destocking, and movements in FX rates.

Conclusion

We are proud of our achievements this Year, including the progress made across the transformation programme to improve the resilience of the business, as well as delivering another Year of strong financial performance and a strengthened leadership position in sustainability. This would not be possible without the energy and drive our people bring every day, to deliver positive outcomes for our customers in uncertain and challenging times.

On behalf of the Board, we would like to thank our ~12,000 employees for their efforts during the Year and Brambles' shareholders for their continued support.

John Mullen
Chair

Graham Chipchase
Chief Executive Officer

The Value Brambles Creates

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

For customers, Brambles' pooling solutions play an integral role in ensuring the efficient flow of goods through their supply chains and delivering operational, financial and environmental efficiencies not available through single-use alternatives.

Brambles also leverages its unique position to generate positive outcomes throughout its value chain. This includes enabling customer collaboration, optimising transport networks and addressing food security while promoting the circular economy and sustainable forest certification.

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

For its ~12,000 employees in approximately 60 countries, Brambles provides a safe and inclusive work environment with exciting career opportunities. By fostering a culture of innovation and agility, Brambles seeks to attract, retain and develop the talent to shape a sustainable future and deliver value for customers, shareholders and communities around the world. This is underpinned by strong financial performance, which provides direct value for Brambles' employees through employment and associated non-financial benefits, for their families and communities.

Brambles' regenerative vision seeks to create positive outcomes for communities, economies and the environment on local, regional and national scales, directly and indirectly.

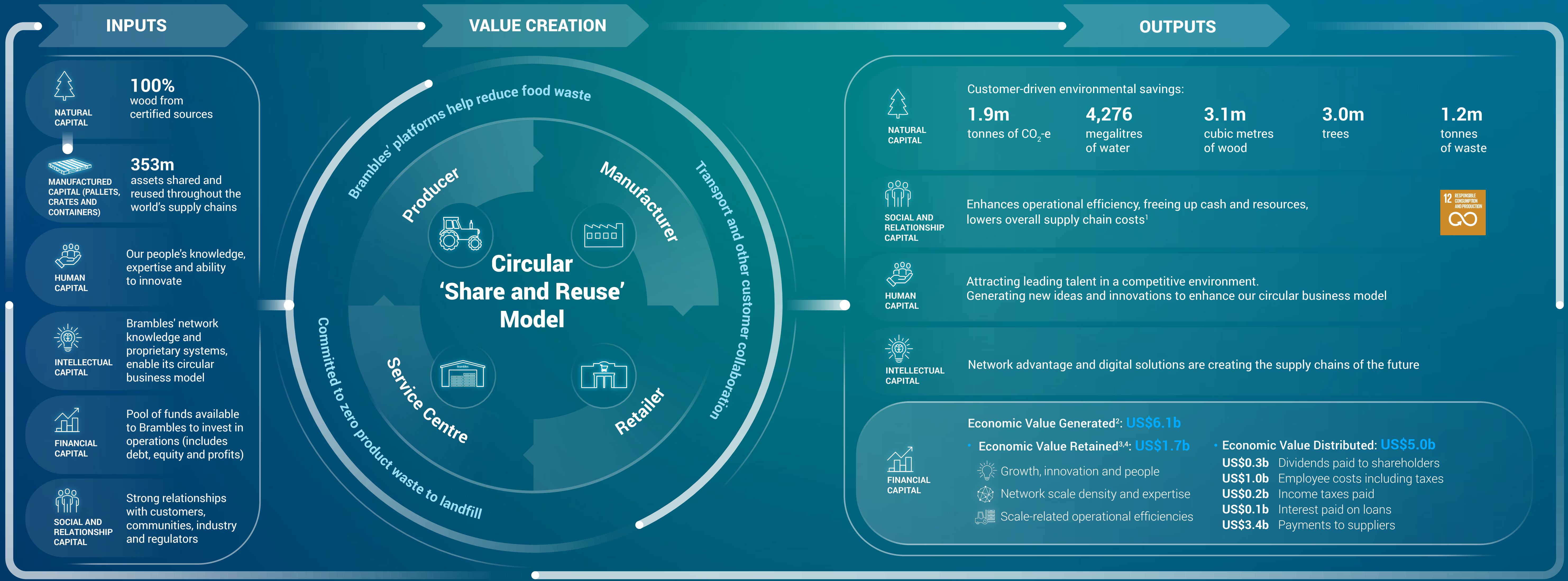
For regional economies and communities, Brambles provides income for local suppliers, generating ongoing demand and supporting local employment, and offers financial donations to community groups such as food banks.

On a national scale, Brambles' contributions through taxes to governments help redistribute prosperity and promote equality. More information on how Brambles manages its tax obligations and the tax contributions it makes to the countries in which it operates can be found in Brambles 2023 Tax Transparency Report, which will be published in the second half of calendar year 2023.

For the environment, Brambles' commitment to regenerate more than it needs and provide its products via a service helps reduce the pressure on natural capital, including forest ecosystems and the climate, while reducing the resource waste associated with conventional single-use, linear business models.

For other industries, Brambles demonstrates the financial viability of a truly circular business model on a global scale. In an increasingly resource, climate and nature-conscious world, low-carbon, circular business models represent a practical pathway to balance the needs of people and the planet. Brambles' advocacy on the benefits of a circular economy provides a template for other industries and governments to examine and adopt circular strategies and regulations to accelerate the achievement of the 2030 UN Sustainable Development Goals (SDGs).

In these ways, Brambles creates value for a wide range of stakeholders while delivering life's essentials every day, in a nature and people-positive way.



1 The United Nations Sustainable Development Goals (SDGs) are a set of 17 interconnected goals that form a global benchmark for achieving a sustainable future for all. While many of the SDGs intersect with Brambles' operations, the SDG it assesses as most material to its operations is SDG 12 – Responsible Consumption and Production.
2 Group sales revenue.
3 Group cash capital expenditure.
4 Under normalised conditions, the 'economic value retained' is approximately equal to the 'economic value generated' less the 'economic value distributed'. In FY23 these amounts do not reconcile due to lumber inflation on group cash capital expenditure, surcharge income and pallet compensations.

Operating Model

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

Inherently Sustainable Operating Model

Brambles' operating model follows the principles of the circular economy. By promoting the 'share and reuse' of assets among multiple parties in the supply chain, Brambles offers customers a more efficient, cost-effective and sustainable alternative to disposable single-use products or their own proprietary platforms.

This inherently sustainable business model, which reduces demand on natural resources, combined with Brambles' sustainable sourcing strategy, which regenerates its resource base, underpins Brambles' position as a global leader in sustainability. This has consistently been recognised by ESG research and ratings providers around the world, as outlined on page 2.

To view the Group's Sustainability Strategy, go to:

brambles.com/2025-sustainability-targets

Network Advantage and Supply Chain Expertise

Brambles' sustainable operating model is underpinned by its:

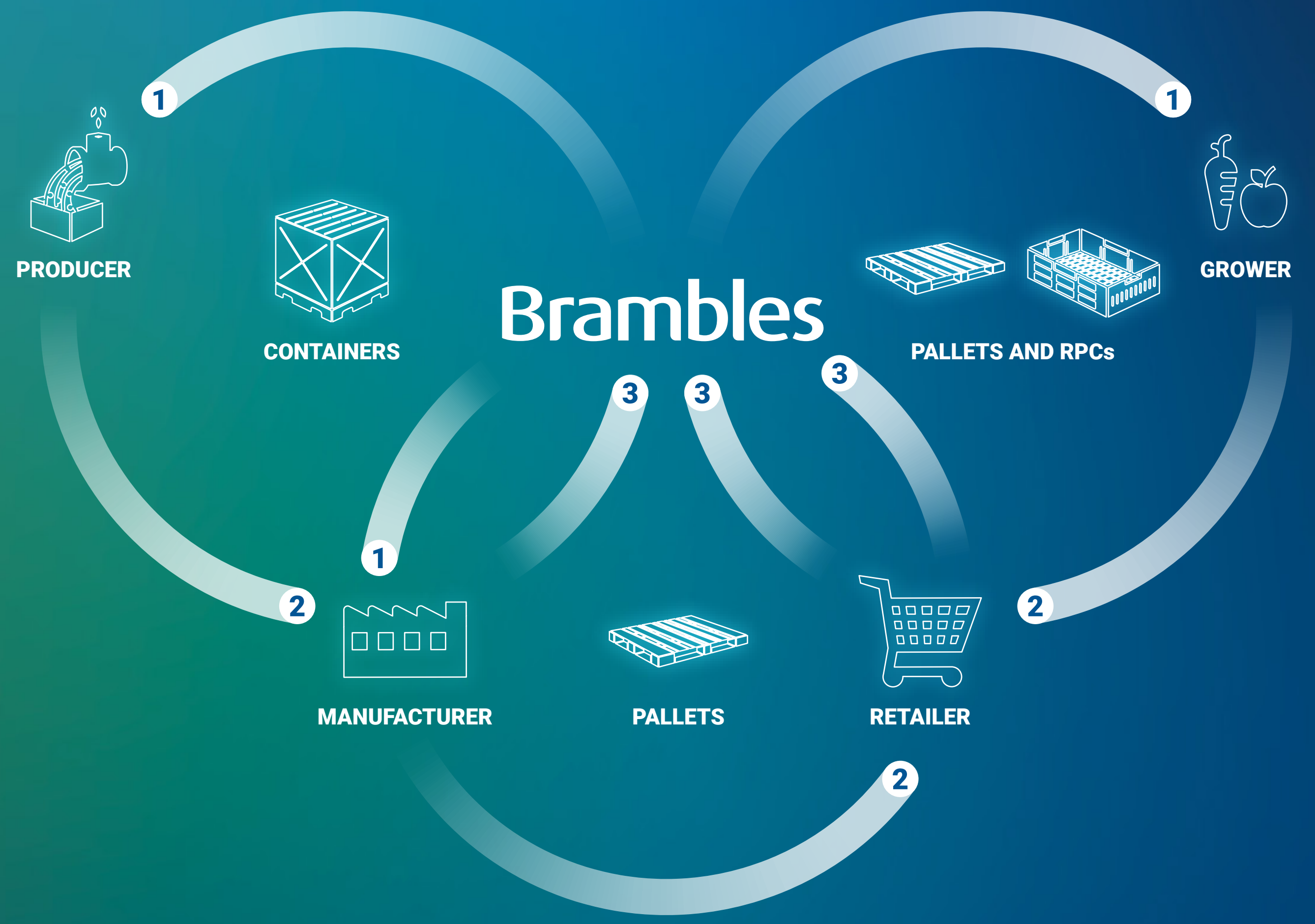
- superior network advantage that comprises the scale and density of its service centre network and the strength of its customer relationships in every major market in which it operates; and
- industry-leading supply chain expertise, developed over 70 years of managing customers' supply chains around the world.

This means Brambles can be faster and more responsive to its customers' needs, and in times of uncertainty and increased volatility, more resilient and more reliable.

Transformation to Strengthen Competitive Advantage

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

Share and reuse: How it works



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

By reducing transport distances and the number of platforms required to service the supply chain, Brambles delivers savings in which all participants share. Brambles retains ownership of its equipment at all times, inspecting, cleaning and repairing to maintain appropriate quality levels and durability standards. In addition, Brambles continues to enhance its platforms including innovation in the materials used to further improve its sustainability credentials.

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

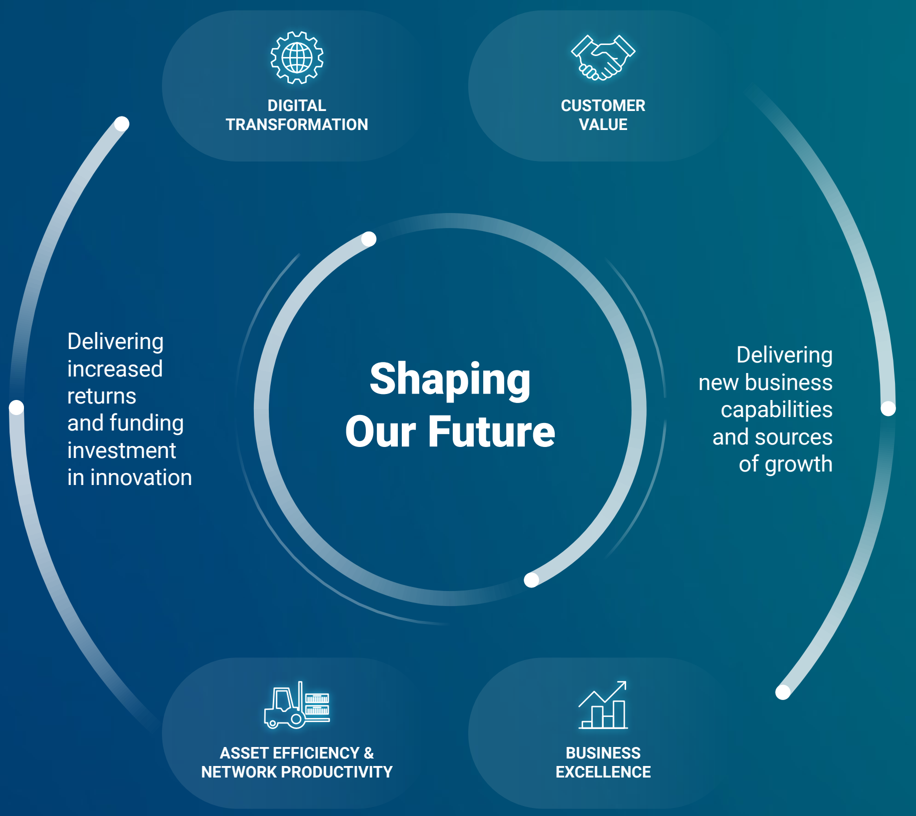
1. Brambles provides standardised pallets, crates and containers to customers from its service centres as and when the customer requires.
2. Customers use this equipment and Brambles' support services to transport goods through the supply chain.
3. Customers either arrange for the equipment's return to Brambles or transfer it to another participant for reuse.

Shaping Our Future Transformation

Building from strong foundations, Brambles is transforming its business through its Shaping Our Future transformation programme to meet its strategic ambition of reinventing pooling solutions for the supply chains of tomorrow and further strengthen its value proposition with stakeholders.

The Shaping Our Future transformation programme is making Brambles even better, driving a step change in value creation. It is making Brambles better for its customers, its employees, its shareholders and the societies in which it operates.

With over 1,300 employees involved in the transformation, Shaping Our Future encompasses every aspect of Brambles' business and seeks to transform the performance of the current business model while investing to create the Brambles that will continue to be an industry leader for many years to come.



Strengthening Global Leadership in Sustainability

The ambition of our transformation programme will set new benchmarks for circular business models by preserving and enhancing our sources of value while creating new value.

A world leader in ESG, Brambles is uniquely positioned to lead the transition to regenerative supply chains. Its circular business model with reuse, resilience and regeneration at its core aligns financial, social and environmental value to the aspirations of Brambles' stakeholders.

Brambles has a vision to pioneer the first global regenerative supply chain, which is supported by its ambitious sustainability targets for 2025 and a net-zero commitment by 2040. Further details on the sustainability initiatives can be found on pages 18 to 19.

Preserving manufactured capital | Enhancing intellectual capital | Conserving natural capital | Enhancing customer relationships

Approach to Transformation

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

The goal for optimising the existing business is to deliver increased returns and fund investment in innovation through higher productivity, better ways of working and improved capabilities. The performance to date highlights the success of these initiatives as the transformation programme shifts towards the next phase, building the 'Brambles of the Future'. This aims to create new business capabilities and identify new sources of growth to increase the resilience of Brambles' business and the value it brings to fast-moving supply chains around the world.

Digital Transformation

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

- Reimagining a digitally enabled pooling model to transform the customer experience and simplify Brambles
- Driving data analytics as a core competency of Brambles
- Deploying asset digitisation and advanced analytics to provide visibility into its asset pools and networks
- Developing a business building capability to create new customer solutions focused on improving business performance and sustainability
- Identifying and addressing causes of inefficiency in end-to-end supply chains, driving value for customers and for Brambles

FY23 key initiatives

- ~450,000 smart pallets with autonomous tracking devices now deployed in over 30 countries. Combined with enhanced data analytics, these devices have provided data and insights to deliver asset efficiency benefits and new commercial opportunities by identifying uncompensated flows. Capability and infrastructure established in these countries to rollout further smart asset diagnostics as the business continues to test, learn and adapt its approach to deploying smart assets
- Progressed serialisation+ trial to individually identify pallets in Chile with ~1 million unique tags installed, enabling the business to trial and adapt its data collection technologies and processes
- Scalable data infrastructure being developed to rapidly deploy advanced analytics and machine learning solutions across the business including improved predictive capabilities to optimise collections, detect and resolve anomalies and proactively identify asset inefficiencies for early resolution
- Continued to build digital capabilities across the organisation, upskilling existing employees and onboarding specialist expertise across data science, data engineering and product management

Customer Value

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

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

FY23 key initiatives

- Transactions on the myCHEP platform increased 11% including additional collection and transfer activity, driven by improving self-service functionality
- Improvements to on-time pallet delivery performance against service level agreements in the second half of the Year
- Improvements to transactional surveys to gauge customer satisfaction, faster customer response and resolution times and increase in pallet quality based on customer survey
- Achieved 80% dynamic pallet delivery notifications (real-time tracking) target in Latin America and US
- Developed several prototype customer solutions to remove supply chain inefficiencies, enabled by digital capabilities

Business Excellence

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

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

FY23 key initiatives

- 5,000 roles trained in data analytics across the organisation
- Reduced Brambles Injury Frequency Rate to 3.8 in FY23 representing a reduction of 24% to the FY21 baseline
- 36% of managerial roles held by women and on track for at least 40% by FY25
- Recognition in the Bloomberg Gender Equality Index which tracks the performance of companies committed to transparency in gender-data reporting and advancing gender equality
- Top Employer status across four regions and 25 countries

Asset Efficiency & Network Productivity

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

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

FY23 key initiatives

- ~10 million pallets recovered and salvaged through pallet remanufacturing processes and a range of asset productivity initiatives supported by data analytics and the deployment of smart assets
- 15 automated repair processes implemented during the Year with a total of 22 now installed and delivering benefits across the network
- Roll-out of the durability programme across four pallet platforms resulting in a 118bps reduction in damage rate compared with FY21 baseline
- Sharing and embedding of optimal practices across service centre network to improve reliability, productivity and standardisation. 37 continuous improvement events identified in FY23 to increase operational efficiency including improvement to repair equipment and settings as well as more efficient processing of pallet orders to customers

Progress on Shaping Our Future

	Digital Transformation	Customer value	Asset Efficiency & Network Productivity	Business Excellence	Sustainability & ESG
	Enabler of Underlying Profit growth[5]	~55% of Underlying Profit growth[5]	~45% of Underlying Profit growth[5]		Enabler of long-term value

Metrics and Measures

Digital Transformation

Better for Brambles

- Deploy asset productivity analytics solutions across 20 markets by end FY22 and 30 markets by end FY23 (Completed and no further work required)
- Deploy analytics solutions to identify stray assets and predictive analytics to recover assets across 5 markets by end FY23 (Completed and no further work required)

Better for customers

- Launch 2 commercial optimisation and 2 proactive Customer Experience digital solutions by end FY23 (Completed and no further work required)

Data capability and culture

- First 4 priority domains[6] managed through data hub by end FY22 (Completed and no further work required)
- Train 300 leaders in digital and analytics skills by end FY22; 5,000 roles across company by end FY23 (Completed and no further work required)

Smart assets

- Deploy full smart asset solution in 2 markets by end FY24 (Progressing and on-track)

Customer value

Customer engagement

- Increase customer NPS by 8-10pts by end FY25[7] (Tracking below target)
- Increase % of customer orders placed through electronic channels by 1-2pts p.a. (Progressing and on-track)

Revenue growth

- 1-2% net volume growth p.a. with existing customers[7] (Tracking below target)
- 1-2% net new wins p.a. (Progressing and on-track)
- 2-3% price/mix p.a. in line with value-based pricing (Progressing and on-track)

Product quality

- Reduce customer reported defects per million pallets by 15% by end FY25 compared with FY20 baseline[7] (Progressing and on-track)

Customer collaborations

- Double number of customer collaborations on sustainability from 250 to 500 by end FY25 (Progressing and on-track)

Context for metrics below target

NPS and volume growth below target, mainly due to pallet availability challenges in 1H23, softening consumer demand and inventory optimisation at retailers and manufacturers. Asset productivity initiatives, destocking and ongoing investment in the pallet pool contributed to improved pallet availability and service levels across the network in 2H23. NPS scores improved in 2H23 in line with restored service levels in most markets and overall customer experience enhancements including better performance on product quality, and on-time pallet deliveries.

Asset Efficiency & Network Productivity

Asset efficiency

- Reduce uncompensated pallet losses by ~30% by end FY25[7] (Tracking below target)
- Reduce pallets scrapped by ~15% by end FY25 (Progressing and on-track)
- Improve pallet pool utilisation: reduce pooling capex / sales ratio by at least 3pts through FY25[7] (Tracking below target)

Context for metrics below target

'Uncompensated pallet losses' and 'pallet pool utilisation' metrics below target due to pallet availability challenges in 1H23, lumber inflation impact on pooling capex and ongoing inefficiencies across global supply chains which have resulted in longer cycle times and increased loss rates. In response, Brambles' asset productivity initiatives resulted in ~10 million pallets being recovered and salvaged during the Year. In addition to these initiatives the business continued to price to recover the increased cost-to-serve and also increased the level of asset compensations for lost assets. Collectively, these pricing and asset productivity initiatives resulted in a 6pt improvement in the pooling capex to sales ratio to 23%. The business expects to deliver its FY25 capex to sales target of ~17% and FY25 uncompensated pallet loss target.

Network productivity

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

Context for network productivity metrics below target

Durability programme has delivered a cumulative 118bps reduction in damage rates against the FY21 baseline versus the FY23 target of 150bps. The reason for the shortfall relates to increased wear of pallets due to longer cycle times. Ongoing durability initiatives such as new pallet design and other platform innovations as well as improving cycle times are expected to support further damage rate reductions and meet the FY25 objective.

Automated repair installations across the network by the end of FY25 revised from 70 to 50 sites following a site-by-site return assessment and reflects capital allocation discipline. Expected returns from 20 sites not being pursued will be achieved through other efficiency and supply chain initiatives.

Business Excellence

Organisation

- 25% reduction in BIFR by end FY25 and developed wellbeing-at-work programme (Progressing and on-track)
- At least 40% of management roles held by women by end FY25 (Progressing and on-track)

Technology

- Migration of priority applications to the Cloud by end FY22 (Completed and no further work required)
- CRM transition to Salesforce completed in FY22 as part of ongoing CRM improvements (Completed and no further work required)

Sustainability & ESG

Environment

- Carbon neutral Brambles operations and 100% renewable electricity continued indefinitely (Scope 1 & 2) (Completed and on-going)
- 100% sustainable sourcing of timber continued indefinitely (Completed and on-going)
- 30% recycled or upcycled plastic in new closed loop platforms by end FY25 (Progressing and on-track)

Social

- Advocate, educate and impact 1,000,000 people to become circular economy change makers by end FY25 (Completed and on-going)

Governance

- Create leading industry circularity indices with strategic partners by end FY25 (Completed and on-going)
- Operationalise annual supplier certification across all markets by end FY22 (Completed and on-going)

Key

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

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

Investor Value Proposition

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

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

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

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

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

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

Dividend Policy and Payment

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

This Year, the Board declared total dividends of 26.25 US cents per share with the Australian dollar payment equivalent to 39.50 Australian cents per share, an increase of 22% on the prior year. This results in a payout ratio for the Year of 55%, 2 pts above the prior year's payout ratio of 53%. FY22 total dividends were 22.75 US cents per share or equivalent to 32.31 Australian cents per share.

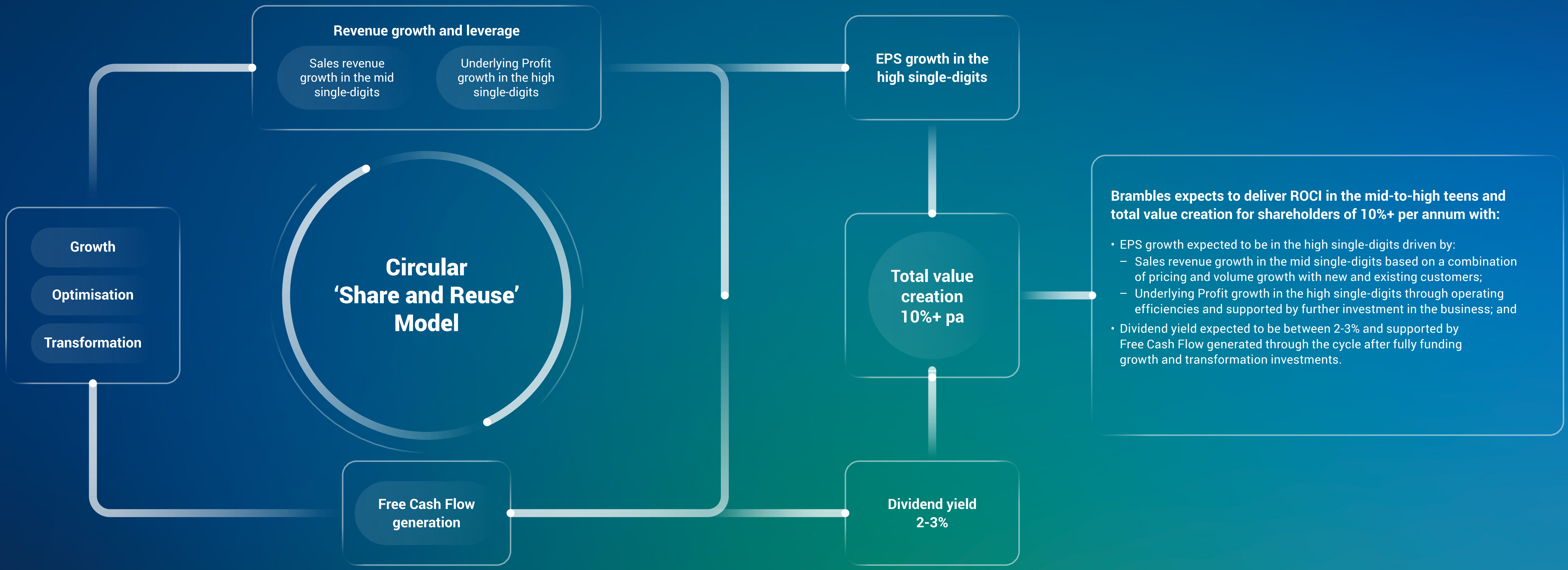
The final dividend for 2023 of 14.00 US cents per share is a 14% increase on the 2023 interim dividend of 12.25 US cents per share, and will be 35% franked. This dividend is payable in Australian dollars at 21.83 Australian cents per share.

This represents an increase of 27% compared with the 2022 final dividend in Australian cents per share and reflects strong earnings growth. The 2023 final dividend will be paid on 12 October 2023 to shareholders on the Brambles register at 5.00pm on 14 September 2023. The ex-dividend date is 13 September 2023.

Dividend Reinvestment Plan

The non-underwritten Dividend Reinvestment Plan (DRP) was reinstated during FY23 and remains in place. Shares under the DRP will not attract a discount and the dilutive impact on earnings per share of the DRP will be neutralised. Eligible shareholders wishing to participate in the DRP should confirm their election status before 5pm Sydney time on Friday 15 September 2023 with Brambles Limited's Share Registrar, Boardroom Pty Limited.

Investor value propostion
expected financial outcomes



Customer Value Proposition

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

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

Supply Chain Solutions

Brambles is integral to its customers' supply chains, working closely with all participants including manufacturers, producers, growers and retailers. With end-to-end involvement, Brambles has clear insights into what impacts the safe, efficient, reliable and sustainable operation of global supply chains. By leveraging these insights and its unmatched expertise, Brambles offers customers comprehensive solutions that improve the performance of the supply chain. This includes Brambles stress testing its network against climate-related severe weather events to improve its understanding of network vulnerabilities, improve planning and reduce disruption. This helps address the challenges associated with the increasing complexity, rapid evolution and, at times, uncertainty of modern supply chains.

Platform Solutions

Brambles offers customers the widest range of supply chain platforms including: pallets (timber and plastic); Reusable Plastic Crates (RPCs); bins; and specialised containers. By eliminating the need for customers to purchase and manage their own platforms, Brambles reduces the capital requirements and complexity of customers' operations while simultaneously reducing waste throughout their supply chains. 100% of the wood used for timber pallets is certified as sustainably sourced and in FY23 Brambles sourced recycled material for 20% of its plastic platforms. Brambles' progress against its FY25 sustainability target of zero product waste sent to landfill is helping customers meet their sustainable packaging goals.

System-Wide Solutions

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

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

Transportation Solutions

Brambles' superior network scale provides a unique capability to coordinate collaboration between multiple supply chain participants to deliver transport efficiencies. This includes matching and eliminating empty transport lanes, sharing transport and contracting transport for and from customers. The FY23 results of Brambles' Positive Collaboration programmes are available on pages 18-19.

Retail Store Solutions

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

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

Manufacturing, Warehouse and Distribution Centre Solutions

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

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

Sustainability Solutions

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

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

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

Zero Waste World

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

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

1. **Eliminating waste**
   By using its circular economy expertise to convert customers to more sustainable 'share and reuse' solutions which save resources and reduce costs.
2. **Eradicating empty transport miles**
   By using its network scale with density and expertise to facilitate collaborative transport solutions, bringing manufacturers and retailers together to reduce the environmental impact of their operations and save money.
3. **Reducing inefficiencies**
   By using its end-to-end supply chain solutions and digital technology to enhance customers' visibility of their supply chains so they can make better decisions.

Data covered by KPMG assurance.

Brambles' 2025 Sustainability Targets

Brambles' roadmap to regeneration is driven by progress against the ambitious 2025 sustainability targets. Brambles' performance against the targets is provided here. Further information will be available upon the release of Brambles' Sustainability Review in September 2023.

Planet Positive

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

Target		UN SDG Alignment	FY23 Progress		Since FY22
Forest Positive	• 100% sustainable sourcing of timber • Transformation of more forestry markets to Chain-of-Custody (CoC) certification • Enable the sustainable growth of two trees for every tree used	SDG 15, SDG 8, SDG 13	Sustainably sourced timber	100%	Achieved
			CoC sourced timber	72.6%	1 pt improvement
			Trees replanted through certified sustainable forestry programmes[8]	3,383,951	Decrease
			Enabled the sustainable growth of second tree[9]	3.85m trees	Increase
Climate Positive	• SBTi verified climate targets for full value chain aligned to a 1.5°C climate • 100% renewable electricity and all our operations will be carbon neutral by 2025	SDG 13, SDG 7	Carbon neutrality for operations (Scope 1 and 2 emission sources)		Achieved
			Electricity from renewable sources[10]	100%	Achieved
			Performance against SBT (includes Scope 1, 2 and 3 emissions FY23 vs FY22)[11]	1,439 ktCO_2-e	5.2% improvement
Waste Positive	• Zero product materials sent to landfills for all Brambles and subcontracted locations • 30% recycled or upcycled plastic waste in plastic products	SDG 12, SDG 6	Number of Brambles new and next generation platforms containing recycled content[12]	13	44.4% increase
			Brambles' total recycled plastic material purchased[13]	20.2%	3 pts improvement
			Percentage of plants diverting product waste from landfill:		
			• Brambles managed plants	94.2%	20 pts improvement
			• Third-party plants	71.7%	17 pts improvement
			• All plants	74.4%	16 pts improvement

Business Positive

Brambles will pioneer regenerative supply chains by improving our circular model every year, increasing the environmental benefits in our customers' supply chains. Build a safe, inclusive and respectful workplace.

Target		UN SDG Alignment	FY23 Progress		Since FY22
Supply Chain Positive	• Increase environmental benefits in our customers' supply chains through circular model	SDG 12, SDG 13, SDG 9	Increased our positive environmental impact across our customers' supply chains[14]	1.9m tonnes of CO_2-e	3.0% decrease
				4,276 megalitres of water	2.4% decrease
				3.1m cubic metres of wood	1.9% decrease
				3.0m trees	1.9% decrease
				1.2m tonnes of waste	2.9% decrease
			Ellen MacArthur Foundation (EMF) Circulytics score	A	Achieved
Positive Collaboration	• Double the number of customer collaborations through our ZWW from 250 to 500	SDG 12, SDG 13, SDG 9, SDG 17	Customers in collaboration[15]	358	3.2% decrease
			Collaborative initiatives	1,762	18.4% increase
			CO_2-e saved[16]	92,375 tonnes	12.8% decrease
Workplace Positive	• 25% reduction in BIFR • At least 40% women in management roles	SDG 3, SDG 5, SDG 10, SDG 16	BIFR performance	3.8	7.3% improvement
			Top Employer accreditation	Achieved in 25 countries	Achieved
			Women on the Board	45.5%	5 pts improvement
			Women in management roles	36.3%	3 pts improvement

Communities Positive

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

Target		UN SDG Alignment	FY23 Progress		Since FY22
Food Positive	• Collaborate with food banks to serve rescued food to at least 10 million people per year	SDG 2	People receiving meals through Brambles' support for food rescue organisations	19,716,653 globally	Achieved
Circular Economy Transformation	• Advocate, educate and impact one million people to become circular economy change makers	SDG 4, SDG 12	People reached through our communications, training and advocacy	903,500 (Cumulative result since FY21)	Improvement
Positive Impacts for People and Our Planet	• Adopt leading natural and social capital accounting approaches		Brambles has trialled and applied a draft carbon accounting approach developed by the GHG Protocol to understand the biogenic[17] carbon that flows through our full value chain. More information will be provided in Brambles' Sustainability Review due for release in September 2023.		

Performance above FY22. Performance below FY22.

8 This metric is directly connected to certified sourcing volumes each year. In FY23 reduced capital expenditure on new pallets compared to FY22 reduced the number of trees used and replanted.

9 In FY21, Brambles acquired 10 timber farms in South Africa, totalling 3,950 hectares and 3.85 million trees. Introducing new sustainable practices and a certification process, Brambles will ensure the ongoing regeneration of trees. More detail on the calculation methodology will be available in the 2023 Sustainability Review.

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

11 See Brambles GHG emissions performance on page 22.

12 This datapoint is not assured.

13 Brambles purchase of recycled material has increased as new product innovations have been launched in FY23.

14 Environmental benefit metrics are directly linked to volume of products issued compared to previous period. Lower product issue volumes in FY23 compared to FY22 have resulted in lower environmental benefit estimations. FY22 environmental benefits have been restated to reflect an updated LCA for Australia. Further details will be available in the Brambles Sustainability Review 2023 – Supplementary Information.

15 Fewer customers in collaboration resulted from reduced transport orchestration between customers, and more focus on asset availability discussions.

16 Total kilometres saved increased by 5%. Reduced CO_2-e savings are due to improved logistics emissions factors since FY22.

17 Biogenic carbon refers to carbon that is sequestered from the atmosphere during biomass growth and may be released back to the atmosphere later due to combustion of the biomass or decomposition.

Brambles' Climate Change Strategy

Brambles is at the forefront of the low-carbon transition, demonstrating how a regenerative vision can result in tangible business benefits. Its share and reuse business model minimises Brambles' environmental impact and helps customers decarbonise their supply chain. Moreover, Brambles' transformation programme is enhancing the capabilities of circular business models and is redefining expectations for a sustainable future.

This is Brambles' fourth climate-related disclosure, communicating its efforts to address climate change through its innovative circular business model. It includes a summary of its progress against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and a standalone report will be available in September 2023 for those seeking more detailed information on Brambles' efforts to mitigate climate change and adapt to potential risks and opportunities. Further context on how Brambles leverages its circular model to address climate change is available in previous TCFD disclosures which are available on Brambles' website.

Climate Governance

Brambles' Board of Directors, directly and through authority delegated to the Audit and Risk Committee (ARC), oversees the Executive Leadership Team's (ELT) strategy delivery, developed to mitigate and adapt to the increasing risks and opportunities associated with climate change. Brambles' circular business model has enabled the rapid integration of climate change risks and opportunities into its processes. In FY23, the ELT sought to increase decarbonisation efforts and test key parts of the network and timber sourcing supply chain for resilience against potential climate risks.

The Board is informed about upcoming *International Sustainability Standards Board* sustainability and climate-related disclosure changes and has been briefed on progress in climate risk assessments and decarbonisation.

Integrated Risk Management

Brambles has a dedicated ARC that reports to the Board. The Chief Executive Officer oversees the strategic response to climate change, while the day-to-day management falls under the Chief Operations Officer (COO) and the Chief Financial Officer (CFO). The COO is responsible for the decarbonisation portfolio and the operational implementation of risk and opportunity management, while the CFO has oversight of the sustainability function. The Sustainability Risk and Compliance Management Committee carries out sustainability risk assessments and reviews risk management initiatives which are incorporated into the risk reviews presented to the ARC and Board. In FY22, Brambles established a Global Decarbonisation Governance Framework encompassing Climate Positive and Waste Positive targets, which has delivered solid progress in FY23 with further details available on pages 18 to 19.

Brambles' Climate Governance

Board
Frequency of meetings: Biannually

- Overall responsibility for Brambles' strategic response to climate change including approval of the overall strategy, policies and disclosures
- Sets climate-related targets
- Monitors performance against the targets

Audit and Risk Committee of the Board
Frequency of meetings: Biannually

- Consideration of current and scenario climate-related risks and opportunities
- Monitors risks and opportunities including business resilience
- Monitors controls and control effectiveness

Management

Sustainability Risk and Compliance Management Committee
Frequency of meetings: Biannually

- Executive leaders and functional specialists
- Sustainability risk assessments and reviews risk management initiatives, incorporated into the risk reviews presented to the ARC and Board

Chief Executive Officer

Chief Operations Officer | **Chief Financial Officer**

Responsibility for implementing and managing Brambles' risk management framework including its strategic response to climate change

Global Head of Decarbonisation | **Chief Sustainability Officer** | **Group Head of Risk**

Climate Strategy and FY23 Progress

Brambles has set a pathway to net-zero greenhouse gas (GHG) emissions by 2040, and its 2020 commitment to a 1.5°C climate future was an essential driving force behind its five-year sustainability targets. Brambles delivered on its carbon-neutral operations target four years early and reached 100% renewable electricity in its own operation in FY23[18].

Brambles' progress against its Climate Positive commitments focuses on three main areas: decarbonisation; network resilience; and timber sourcing risk analysis. All our decarbonisation efforts enhance Brambles' Low-Carbon Advantage and this Year deeper engagement with suppliers in our most emissions-intensive activities has uncovered further opportunities to cooperate on shared objectives. For network resilience, investigations included stress testing our material networks against potential severe weather hazards. For raw material supply and security, a project assessed forestry-specific climate scenario analyses.

The results have helped progress our Low-Carbon Advantage, supported our resilience programmes and increased our knowledge of the risks and mitigations in our network and raw material supply chains.

Three climate themes TCFD Identified in 2020 TCFD analysis

1. **Low-Carbon Advantage** (Opportunity assessment)
2. **Network Resilience[19]** (Risk and opportunity assessment)
3. **Raw Material Supply[20]** (Risk assessment)

Low-Carbon Advantage

In FY23, Brambles continued to consolidate its sustainability leadership and advance its decarbonisation strategy. This includes Shaping Our Future transformation programme initiatives and supply chain engagement on Scope 3 emission sources such as transport carriers and outsourced service centres.

Brambles' decarbonisation teams have utilised their regional decarbonisation roadmaps to deliver progress. In FY23 this includes electrifying forklift trucks, prioritising more onsite solar projects, and creating sustainability guidelines for decision-making processes. Brambles has integrated decarbonisation targets into key leaders' personal objectives and is engaging with the business to integrate sustainability criteria into procurement processes. Sustainability certificates[21] continue to showcase the benefits of using circular reusable pallets for customers. Brambles' product development teams are committed to regenerative innovation by initiating the product design process with recycled and upcycled materials.

Brambles' Network Resilience

In FY23, Brambles initiated an assessment to stress test its network against a range of severe weather scenarios, covering the most operationally material networks. This work assessed the operational and financial impacts of flooding and bushfire events of differing severity on its assets, operations, products and workforce. The impacts from these simulated stress tests ranged from insignificant to major and are influenced by factors such as duration, location and site-specific conditions. Brambles will use the findings to inform a more integrated approach to network resilience, including tailoring of plans to the vulnerabilities of individual sites and geographic areas. To prepare for potential disruptions from climate-related severe weather, Brambles will continue conducting stress tests during FY24 across key regions and incorporate mitigations into its Business Continuity Management plans.

Materials Sourcing Supply and Security

Brambles created the Timber Supply Climate Risk Tool to assess climate risks in key geographic areas related to its timber-sourcing supply chains. The tool currently covers locations in Brazil and Mexico, approximately 25% of timber volumes, and will expand to other areas in FY24. The tool will assist climate-related discussions with suppliers, assess regionally specific sourcing risks, and provide a combined portfolio-wide view by FY24. Importantly, the tool will help identify areas with lower climate risk to enhance overall sourcing continuity for certified wood and improve our understanding of each region's resilience to climate impacts. Based on the tool's findings, Brambles will incorporate relevant improvements into its due diligence processes.

18 See Brambles GHG emissions performance on page 22.
19 Network resilience – Physical climate risk and hazard assessment by stress testing service centres and networks.
20 Raw material supply – Forestry-related sourcing climate risk analysis over short, medium and long-term timeframes.
21 The sustainability certificates quantify environmental advantages of Brambles' circular business model for customers by calculating the carbon emissions, waste and material savings over typical single-use or one-way alternatives. The savings shown in the sustainability certificates are independently verified to ISO 14040 LCA standard.

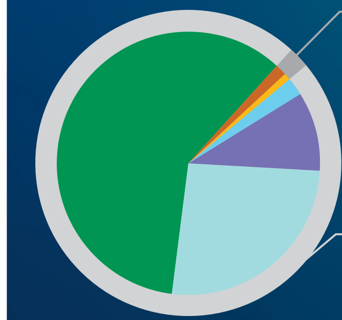
Brambles' Climate Change Strategy continued

Integrating Climate Change Considerations in Financial Processes

Brambles is taking action to adapt to the evolving financial and sustainability reporting landscape by incorporating climate and sustainability considerations deeper into its finance function. This involves enhancing its data and accounting systems to measure GHG emissions and performance across its supply chain. These developments supported the creation of a new role, Global ESG Finance Lead, tasked with integrating and streamlining our data and reporting processes, while preparing the business for upcoming reporting and disclosure changes. Brambles is working towards integrating climate and sustainability factors into its strategic and financial decision-making processes to align with its Science-based Targets and net-zero commitment. This involves initiatives across multiple teams, such as Financial Planning and Analysis, Treasury, Group Financial Control, Asset Productivity and Investor Relations.

To fulfil its decarbonisation commitments and improve business performance and resilience, Brambles is using the Shaping Our Future transformation programme as a strategic vehicle. In FY23, a cross-functional task force conducted diagnostics and is now focusing on developing appropriate mechanisms to align capital allocation with sustainability targets and incorporate this during FY24. The Global Head of Decarbonisation is supporting regional teams in estimating the emissions impact of their initiatives to inform business decisions. Brambles has a focus on decarbonisation activities that reduce its carbon emissions and also have the potential to drive efficiencies across supply chains.

Science-based Targets performance: Scope 1, 2 and 3 GHG emissions[22]



	Emission by source ($ktCO_2$-e) FY23	FY22	Change FY23 vs FY22	Change FY23 vs FY20 baseline	2030 targets verified by SBTi (on FY20 levels)
Scope 1 & 2					
CHEP site fuel	**21**	23	**-5.8%**	**7.1%**	
CHEP fleet fuel	**11**	11	**1.5%**	**32.7%**	
CHEP electricity	**0**	4	**-100%**	**-100%**	
Total Scope 1 & 2	**32**	38	**-13.1%**	**-25.2%**	2030 target: ↓**42% reduction**
Scope 3					
Waste	**33**	39	**-15.9%**	**-24.4%**	
Outsourced service centres	**139**	149	**-6.4%**	**-6.7%**	
Capital goods (product materials)	**376**	412	**-8.9%**	**5.9%**	
Logistics[23]	**859**	880	**-2.5%**	**-11.3%**	
Total Scope 3	**1,407**	1,480	**-5.0%**	**-7.2%**	2030 target: ↓**17% reduction**
Total emissions	**1,439**	1,518	**-5.2%**	**-7.7%**[24]	

GHG emissions decreased across all sources in FY23, with a 5.2% decrease compared to FY22. This was driven by the operating environment as well as the planning and delivery of the comprehensive decarbonisation strategy, which is aligned with projections against the validated SBT. This reduction equates to a 7.7% decrease on Brambles' 2020 baseline.

Increased uptake of renewable electricity and increased diversion of product waste from landfill in both CHEP and outsourced locations demonstrate delivery against Climate Positive targets. Contributing to the reductions were the operating environment which led to lower product issue volumes and some progressive inventory optimisation, as well as asset productivity initiatives to reduce capital expenditure on new pallets (accruals basis) and repair timber.

This activity also led to a decrease in emissions related to upstream transport for our raw materials supply chains. While there was a slight decrease in emissions from downstream transport due to lower product volumes, extreme weather-related disruptions in multimodal lanes in Australia increased its road transport activity. Additionally, product volume growth in LATAM and IMETA regions increased transport needs in regions where multimodal solutions and alternative fuels are less readily available to offset volume growth. Despite these challenges, our US business was able to reduce its absolute transport emissions at a regional level through increased multimodal activity, while Europe achieved a total reduction of over 4% in its transport emissions through optimisation initiatives and growth in multimodal lanes.

22 Scope 1, 2 and 3 emissions have been restated for FY20, FY21 and FY22 to reflect revised assumptions and improved data quality. Restated Scope 1, 2 and 3 emission totals are: FY20 1,559 tCO_2-e (1% increase), FY21 1,521 tCO_2-e (1% increase) and FY22 1,518 tCO_2-e (3% increase).

23 Includes both upstream and downstream transport.

24 The total emission reduction since FY20 of 7.7% is a weighted average of savings across Scope 1, 2 and 3, noting materiality of Scope 3 on the overall total.

Financial Position and Financial Risk Management

Capital Structure

Brambles manages its capital structure to maintain a solid investment grade credit rating. During FY23, Brambles held investment grade credit ratings of BBB+ (stable outlook) from Standard & Poor's and Baa1 (stable outlook) from Moody's Investors Service.

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

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

Treasury Policies

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

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

Brambles manages foreign exchange risk by raising debt in currencies where there are matching assets and by using forward foreign exchange contracts to hedge exposure for material commercial transactions and cross-border intercompany loans. Brambles' exposure to interest rate volatility is mitigated by maintaining a mix of fixed and floating-rate instruments, including the use of interest rate derivatives, within select target bands over defined periods.

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

Funding and Liquidity

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

Brambles generally sources borrowings from relationship banks, with current investment grade ratings ranging from single A to AA, and debt capital market investors across a range of maturities and currencies. As at 30 June 2023, committed bank facilities totalled US$1.8 billion with maturities ranging to 2027. Borrowings under the facilities are floating-rate, unsecured obligations with covenants and undertakings typical for these types of arrangements. Borrowings from debt capital markets are through the issue of unsecured fixed interest notes, with interest paid either annually or semi-annually. At 30 June 2023, loan notes on issue totalled US$2.1 billion with maturities out to March 2031.

In August 2022, the Group entered into a new US$1.35 billion 5-year sustainability-linked syndicated revolving credit facility (RCF) agreement to refinance approximately US$1 billion of bilateral bank facilities which were cancelled. The facility provided US$350 million of increased liquidity and extended the Group's debt maturity profile. The RCF pricing is linked to performance against elements of the Group's 2025 sustainability targets including decarbonisation, which remain on track. The RCF has two one-year extension options which may extend the maturity of the facility to 2029, subject to banks' consent. The first option was exercised and approved in July 2023 extending the maturity to August 2028.

In December 2022, Brambles established a €2.5 billion Euro Medium Term Note (EMTN) shelf programme to facilitate future bond issuance in debt capital markets. The programme is listed on Singapore Exchange Securities Trading Limited.

In March 2023, Brambles issued a €500 million green bond under the recently established EMTN shelf programme and Green Finance Framework in support of its circular economy business model. The bond has a term of eight years with an interest rate of 4.25%. The proceeds have been allocated against Brambles' portfolio of eligible green assets including pallets, crates and containers used within its share and reuse business model.

As at 30 June 2023, Brambles held US$0.2 billion in cash and cash equivalents.

Financial Position and Financial Risk Management continued

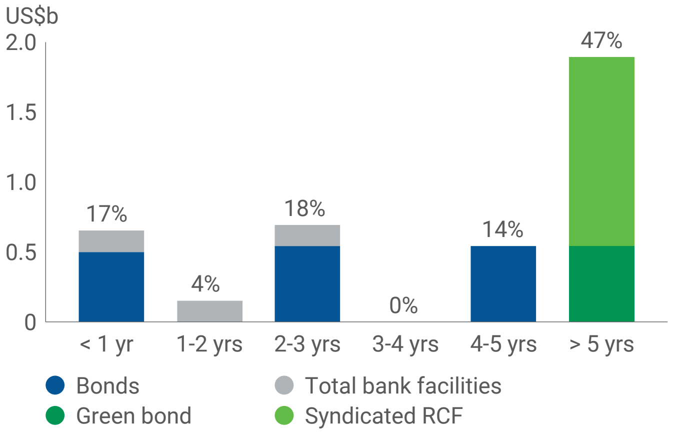
Net Debt and Key Ratios

US$m	Jun-23	Jun-22[25]	Change
Current borrowings	562.1	53.7	508.4
Current lease liabilities	110.2	140.0	(29.8)
Non-current borrowings	1,592.8	2,108.4	(515.6)
Non-current lease liabilities	619.2	573.4	45.8
Gross debt	**2,884.3**	**2,875.5**	**8.8**
Less: cash and cash equivalents	(160.7)	(158.2)	(2.5)
Net debt	**2,723.6**	**2,717.3**	**6.3**
Key ratios[26]	FY23	FY22	
Net debt to EBITDA	1.31x	1.47x	
EBITDA interest cover	18.2x	21.0x	
Fixed rate debt[27]	91%	64%	

Brambles' financial policy is to target a net debt to EBITDA ratio of less than 2.0x. As at 30 June 2023, the ratio was 1.31x and remains well within the financial covenant included in Brambles' major bank facilities.

Interest cover of 18.2x is 2.8x lower than FY22. Despite EBITDA growth, interest costs have increased reflecting higher interest rates on variable-rate debt and higher average borrowings largely due to the impact of the completion of the share buy-back programme in FY22 and the phasing of cash flow generation weighted to the second half of FY23.

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



RCF included in > 5 years category as bank facility extended to August 2028 in July 2023.

As at 30 June 2023, Brambles' total committed credit facilities were US$3.9 billion.

The average term to maturity of Brambles' committed credit facilities as at 30 June 2023 was 3.7 years (2022: 3.2 years). On a proforma basis, including the RCF extension to August 2028 effective from July 2023, the average term to maturity of committed credit facilities is 4.0 years.

In addition to these facilities, Brambles has entered into leases for office and operational locations and certain plant and equipment to achieve flexibility in the use of its assets. As at 30 June 2023, Brambles' total lease liabilities were US$0.7 billion. The rental periods vary according to business requirements.

25 As reported.
26 Brambles defines EBITDA as Underlying Profit after adding back depreciation, amortisation and IPEP expense.
27 Fixed rate borrowings as a percentage of total interest-bearing debt excluding leases and overdrafts. On a forward basis, the effective ratio of the Group's fixed rate borrowings is 74% adjusting for the refinancing of the €500 million EMTN maturing in June 2024.

Key Performance Drivers and Metrics

(Continuing operations)

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

Sales Revenue

- Like-for-like volume growth in line with economic/ industry trends
- Expansion with net new wins and growth with existing customers
- Pricing (including indexation) to recover cost-to-serve increases and changes in mix (product/customer/region)

Cash Flow from Operations

- Profitability
- Capital expenditure including the impact of lumber inflation on pallet purchases
- Asset compensations
- Movements in working capital and other provisions

Underlying Profit

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

Return on Capital Invested (ROCI)

- Underlying Profit performance
- Capital expenditure on pooling equipment
- Brambles' main capital cost exposures are raw materials, primarily lumber, with inflation impacting pallet prices in recent years
- Asset control factors, i.e. the amount of pooling equipment not recoverable or repairable each year (and therefore requiring replacement), as well as damage rate impacting repair costs
- Asset velocity or frequency with which customers return or exchange pooling equipment
- Investment in business transformation initiatives – both operating cost and capital investment

Safety

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

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

In FY23, Brambles accomplished an 8% year-on-year improvement and successfully achieved a 3.8 BIFR target. The Safety First strategy, introduced in FY22 and integrated through FY23, empowers Brambles by aligning organisational objectives with new leading indicators that serve as the foundation for next phase of the strategy. These new and varied approaches are designed to enhance safety performance and further strengthen our Safety First culture, bringing us closer to achieving Zero Harm.

Material Sourcing

Brambles is continuing its efforts to strengthen the collaboration between its regions and external stakeholders, to ensure the highest performance on timber sustainability.

Through supporting suppliers across the regions, Brambles maintained 100% certified sustainable sourcing for all timber materials while slightly improving the quantity of Chain-of-Custody certified materials to 73%.

Brambles continues to leverage its position as a global customer, providing its partners secure business opportunities and a commitment to support their efforts and investments on maintaining sustainable business practices.

Material Risks

Brambles is exposed to a range of strategic, operational, compliance and financial risks, as well as environmental and social risks, associated with operating in ~60 countries.

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

Risk	Implication	Mitigating Actions
Strategic, Operational, Compliance and Financial Risks		
Geopolitical and macroeconomic conditions including volatile inflation, low economic growth environment, and global supply chain disruptions, as well as the continuing economic uncertainty arising from ongoing geopolitical conflicts and tensions in trade relations	Geopolitical and macroeconomic conditions such as the war in Eastern Europe, ongoing tensions between China and the United States, the ongoing volatility in the inflationary environment, and the prevailing low economic growth could impact the supply chains or industries in which Brambles' customers operate, and may consequently affect demand for Brambles' services, its financial performance and/or the operation of its business models. In parallel, potential for geopolitically motivated trade barriers and sanctions may affect the operations of its customers or demand for their products through shifting consumer behaviours, which in turn, could affect the demand for Brambles' services. Future geopolitical events may also impact Brambles' ability to source cost-effective supplies of sustainable timber (see Timber Risk)	• Monitoring of geopolitical and macroeconomic trends • Strategic planning, including scenario planning, identifying actions to mitigate risks related to continuity of supply to customers and pallet availability • Continued focus on driving investment in improved asset efficiency and expanding the customer value proposition, targeted diversification in opportunities with attractive long-term characteristics, such as strategic partnerships with sawmills (see Timber Risk), and the expansion of plant automation projects across the Group • Adoption of changes to business models and pricing to recover increased cost-to-serve and incentivise reduced cycle times, with enhanced focus on cash generation. For example, contracted surcharge mechanisms and exceptional price increases are used to recover inflationary cost increases or irresponsible asset use • In addition to the actions taken to improve Brambles' access to cost-effective supplies of sustainable timber (see Timber Risk), local pallet collection activity has been increased to reduce potential pallet losses and repair protocols enhanced to reduce the number of scrapped pallets. Transportation procurement teams manage the relationships and contractual arrangements with transporters to mitigate transportation supply risks • The protocols and measures established in response to the war in Eastern Europe, and the lessons learned, remain in place to enable Brambles to operate and respond to the changes and uncertainties in the economic and business environment. Details of specific further actions are described in various places in this table • Developments in sustainability legislation across the markets in which Brambles operates provide support for its business model. In addition, as a sustainable business (see Climate Change Risk), Brambles continues to work with governments and regulators to encourage sustainable business models and reduce waste in supply chains
Industry trends in the retail, grocery, and consumer goods supply chains	Industry trends (e.g., fragmentation of the retail supply chain, rapid acceleration of e-commerce and growth in hard discounters, increased automation in supply chains, demand for different pooling equipment materials or designs) could affect demand for Brambles' current service offerings, the value of its existing assets, and/or its financial performance	Ongoing programmes to: • Drive customer advocacy throughout the supply chain and uncover opportunities to leverage the Group's unique global scale and value proposition; • Create new products and service lines to meet customers' requirements; and • Drive innovation to identify and respond to emerging trends in platforms, materials sciences, new technologies and sustainability practices
Maintaining the quality of pooling equipment in line with customer needs	A failure to maintain adequate quality standards may result in reduced customer satisfaction, additional costs and affect the Group's financial performance	• Strict adherence to equipment quality standards, including continuous monitoring of critical-to-quality metrics to assess and ensure quality of products issued to customers • Customer engagement to understand current and future needs, and acting on feedback to improve quality performance • Continuous monitoring of customer and market trends to evaluate relevant quality investments, supported by ongoing inspection and quality assurance processes • Continued investment in plant automation, platform design and material sciences
Maintaining control of pooling equipment	Pooling equipment losses, cycle times or damage rates which exceed Brambles' commercially acceptable range may cause adverse impacts to its business model and on its ability to deliver its customer value proposition, resulting in lower than expected financial returns and cashflows, and constraining its ability to operate a sustainable business model that delivers value to its customers and Brambles stakeholders. The increased raw materials associated with additional replacement assets could negatively impact Brambles' decarbonisation targets	• Dedicated Group-wide function and asset control teams across all business units, enabled by comprehensive processes to increase the timely collection of assets • Leveraging existing best practices, including the use of data analytics to improve asset control and reduce losses across the Group • Developing improved processes and controls using advanced data analytics and digital solutions, supported by deployment of targeted digital tracking devices to improve communication with key stakeholders to reduce losses and create more efficient and sustainable supply chains • Shaping Our Future transformation programme includes development and testing of data and digital solutions to assist in the control of its pooling equipment • Regular schedule of customer equipment inventory audits to assess key asset recovery metrics and identify potential control issues • In response to various disruption events (including war in Eastern Europe, natural events, and global supply chain challenges) and consequent demand volatility, Brambles continues to invest in additional field collection activities to reduce cycle times and control losses • Engagement and influencing with customers and retailers to improve pallet returns and reduce unauthorised reuse by emphasising the sustainability impact of Brambles' circular business model and its contribution to customer sustainability objectives • Pricing mechanisms to reflect asset losses in higher risk lanes/flows and compensation programmes to recover the cost of asset losses and to change behaviour, while protecting the business from economic harm • Promoting legal and regulatory changes to assist Brambles in enforcing its legal title to its pooling equipment and to control misuse and black market activity

Material Risks continued

Risk	Implication	Mitigating Actions
Network capacity	The scale and strength of Brambles' network of service centre locations is inherent to its value proposition for customers and other stakeholders. A lack of capacity within the network in a major market could adversely impact service delivery, competitive position, and financial performance	• Brambles has contingency plans in place to enable it to run operations and support customers and their consumers despite economic uncertainty and restrictions arising from physical and geopolitical events • Automation within service centres drives both capacity and capability across the network • Ongoing investment in innovations in automation continue to be made across the global network; for example, the touchless repair unit called Integrum • As part of the Task Force on Climate-related Financial Disclosures framework response, Brambles conducted an assessment of service centres to evaluate the network's resilience against physical climate change events and using those findings to inform a more integrated approach to network resilience (see page 21 for more details)
Customers and competitors	Brambles operates in competitive markets. A failure to meet customer expectations could erode Brambles' customer value proposition and competitive differentiation which could cause current and prospective customers to use alternative supply chain solutions, resulting in adverse impacts on current market share, growth, financial performance and overall brand reputation	• Leveraging Brambles' unique global scale, network advantage and sustainable business model to support customers with meeting the ongoing volatility in consumer supply chains • Collaborating with customers to understand and meet their evolving needs. Adopting digital and other technologies to innovate products and services, enhance customer experience and strengthen competitive advantage • Investment in customer facing technology to improve the customer experience • Implementation of programmes to facilitate customer advocacy of Brambles' pooled solutions • Supporting customer sustainability objectives by leveraging Brambles' sustainability credentials and circular business model • Adoption of customer experience scorecards to measure the impact of customer initiatives to reduce friction points • Adoption of net promoter score and 'delivery in full, on time' performance metrics for short-term incentive based remuneration
Retailer acceptance of pooled solutions	Retailers are integral to Brambles' operating model. A failure to maintain and/or improve retailer advocacy for Brambles' pooling solutions could result in a loss of customers and/or missed opportunities to increase market penetration, and consequently result in an adverse impact on Brambles' financial performance, market share and brand reputation	• Dedicated teams with executive-level responsibility for strengthening retailer relationships, identifying retailer-specific product requirements and ensuring retailers understand Brambles' value proposition • Improving the value proposition for retailers through the implementation of joint business plans and adopting the value sharing concept to create win-win opportunities • Implementation of programmes to facilitate retailer advocacy of Brambles' pooled solutions • Supporting retailer sustainability objectives by leveraging Brambles' sustainability credentials and circular business model

Risk	Implication	Mitigating Actions
Technology security (including cyber security)	The Group's security and monitoring of information and operational technologies and key operational and sensitive business, customer and employee data assets may be insufficient and allow motivated outside attackers or insiders to gain unauthorised access which may lead to non-availability of systems and/or loss of integrity of data. This in turn could result in the inability of the Group to conduct its business effectively or at all resulting in financial loss and/or adverse operational, employee safety, customer trust and/or reputational consequences	• The ongoing security programme is delivering key capabilities to protect systems and to detect and promptly respond to unauthorised or inappropriate activity including ransomware attacks. Key controls include, but are not limited to, email and internet filtering, anti-virus software and security patching, multi-factor authentication, enterprise security architecture covering both offices and plants, 24/7 security operations centre, mandatory security awareness training, as well as the use of penetration testing across Brambles' network • Cyber incident response playbooks and table-top exercises are conducted to test and improve Brambles' readiness to respond and recover in the event of a cyber security incident • Brambles continues to use the National Institute of Standards and Technologies Cyber Security Framework and the Australian Cyber Security Centre's Essential Eight advice to independently assess, monitor, track, and report progress to Brambles' Board • Whilst these actions are enhancing Brambles' management of this risk, there are ongoing risk mitigation steps being developed and implemented to assist in reducing the likelihood of this risk arising
Data governance	Brambles relies on its IT, digital and analytics systems and technologies, and the data stored on those systems and technologies to operate its business and achieve its strategic objectives. The improper disclosure of highly confidential or confidential data due to incomplete or unsuitable identification, handling, usage, storage, processing or disposal procedures could lead to adverse employee privacy and/or reputational consequences or financial loss and operational disruption	• Process to identify and classify data assets to allow Brambles to prioritise security technology implementations that offer targeted and appropriate protection • Data Classification and Handling Policy includes guidelines on the types of data and protection protocols for each data type • Regular training (including refresher training) on data classification and handling is provided to all employees and contractors • Brambles has an Acceptable Use Policy which outlines the standards by which all users must use information and technology assets and services. Preventative controls are also in place to mitigate the risk of loss or misuse of data. These controls include the encryption of laptops, mobile devices, email data retention controls and the ability to store data in secure drives • Brambles has an Information Management Strategy and Data Governance Framework with which it continues to seek opportunities to enhance the management of data and data security

Material Risks continued

Risk	Implication	Mitigating Actions
Timber supply (including access to sustainable timber sources)	Access to sustainably certified sources of timber is essential for Brambles to carry on its business. In addition, timber supply requires a balance between raw material availability, sawmill and pallet manufacturer capacity. There is a risk that a concentration at any of the three levels of the timber supply chain in any region, or a shortage of available certified sources of timber, could adversely impact Brambles' ability to maintain its timber pallet pool at levels that will enable it to meet customer demand for those products. This could result in loss of customers and/or market penetration and adversely impact Brambles' financial performance. Climate-related risks for forests and timber supply, including market, regulatory and physical risks, will emerge over a five-to-ten-year period	• In response to the timber supply shortages and cost inflation caused by various disruption events (including the war in Eastern Europe and global supply chain challenges), dedicated global and regional timber procurement teams manage timber procurement and mitigate timber supply risks. This includes onboarding new suppliers of FSC/PEFC accredited timber and expanding the availability of FSC/PEFC accredited timber in the market by working with non-accredited timber farms to obtain the certification • The timber procurement strategy is aimed at improving supply security of certified timber while decoupling the procurement of timber from market price volatility. This includes activities such as: – Building strategic partnerships with timber supplier networks globally, including forests, sawmills, and new pallet manufacturers; – Creating the Timber Supply Climate Risk Tool to assess climate risks in key geographic areas related to its timber-sourcing supply chains; and – Developing a sustainable sourcing model to create a dependable pipeline of sustainably certified timber • In line with Brambles' 2025 sustainability targets, 100% of timber is sourced from certified sources. Brambles has continued to meet year-on-year improvement targets of sourcing Chain-of-Custody certified timber
Regulatory compliance	Brambles operates in a large number of countries with widely differing legal regimes, legislative requirements, and compliance cultures. In addition, the regulatory landscape continues to evolve rapidly in areas such as privacy, human rights and ESG related matters. A failure to comply with regulatory obligations and local laws could adversely affect Brambles' operational and financial performance and its reputation	• Dedicated Chief Compliance Officer responsible for monitoring the implementation and ongoing application of compliance management systems • A Code of Conduct provides a framework for detailed policies addressing regulatory compliance • A vendor due diligence, ESG compliance scorecard and ongoing audit programme to assess the compliance of suppliers with various legal and regulatory requirements, such as bribery and corruption, sanctions violations, modern slavery and human rights practices, privacy, and environmental risks • Adoption of Group-wide online compliance training programmes to supplement face-to-face training • Regular cadence of Board reporting on regulatory matters, whistleblowing incidents, and ESG matters against an ESG scorecard
People and capability	Brambles' employee value proposition and culture may fail to attract, develop and/or retain diverse, motivated and high performing individuals with the capabilities to support the delivery of our current and future strategic objectives. This could adversely impact Brambles' ability to implement and manage its strategic objectives and transformation plans	• Detailed talent management and succession planning processes to identify high-potential employees and prepare successors for senior executive positions • Adoption of development programmes for management, leadership, and functional expertise through all employment levels • Formal mentoring programmes offered to employees • A policy of hybrid working and a global wellbeing strategy to empower and enable all employees to thrive • A digital employee value proposition to attract data and digitally skilled talent in support of our transformation programme • Developing new skills internally through training and development • Providing pathways for service centre employees to progress their careers

Risk	Implication	Mitigating Actions
Digital disruption	The development of value-generating and cost-effective digital supply chain solutions has the potential to materially change supply chain dynamics. If a third-party were to develop such solutions before Brambles, it could adversely impact Brambles' business models. This could result in loss of customers and/or market penetration and adversely impact Brambles' financial performance	• Brambles is leveraging digital and analytics capabilities to assist its businesses in managing asset losses and driving asset efficiency more effectively • The Brambles Digital Function continues to develop capabilities and technical solutions to expand the application of data and digital across Brambles' business and customer offering including innovation of products and services in the digital space • The Digital Function is also innovating, developing, testing, and refining digital solutions, which have the potential to provide commercial digital services to its customers
Safety	Brambles is subject to inherent safety risks associated with its operations including industrial hazards and road traffic or transportation accidents that could potentially result in serious injury or fatality to employees, contractors, customers, suppliers, or members of the public	• The Zero Harm Charter states that everyone has the right to be safe at work and to return home as healthy as they started the day. Brambles is committed to delivering on its ambition of Zero Harm to anyone in the course of its business undertakings • Adoption of Safety First strategy to help navigate Brambles to its Zero Harm ambition • Continuing enhancement of safety management systems, including focusing on human and organisation behavioural principles and implementing additional engineering and technology-based controls • The ongoing investment in automation across the network reduces the risk of injury; for example, the development of touchless repair units, such as Integrum • Use of leading and lagging safety metrics, which measure work-related injuries, lost time, modified duties, and incidents requiring medical treatment, and near misses with regular reporting and monitoring to the Brambles Board • All third parties that support Brambles' business operations are contractually required to comply with applicable safety laws and regulations
Transformation execution	Brambles is currently undergoing a Group-wide transformation through the Shaping Our Future programme. If the strategic priorities and objectives of that programme are not successfully executed, Brambles may be prevented from realising its long-term potential and continuing competitive advantage. This could adversely impact Brambles' ability to deliver against its customer, investor, and sustainability value propositions and could lead to a loss of market confidence in Brambles' ability to create future shareholder value	• Twin-track approach to transformation driving increased performance and resilience of the current business while increasing investment to create the 'Brambles of the Future' • Dedicated Transformation Office, led by the Chief Transformation Officer, to assure, enable and drive rigorous governance and cadence, developing transformational capabilities and tools across the business, actively solving problems, and co-owning the transformation together with the operating businesses • Active ownership and leadership of the transformation programme by the ELT • Detailed scorecard to progressively measure outcomes across the transformation journey, with a balance of financial and non-financial, and leading and lagging metrics • Dedicated Chief Digital Officer responsible for the Brambles Digital Function • Enabling effective change delivery by building transformation capabilities across the Group, fostering company-wide shared ownership, and creating an agile culture of testing, learning, adapting, and improving • Leveraging existing best practice, as well as a strong pipeline of new initiatives to drive future value creation • Investment in training and skills to support delivery of transformation programme • Embedding a culture of test and learn, necessary to evolve new business models and customer solutions

Material Risks continued

Risk	Implication	Mitigating Actions
Environmental and Social Risks		
Climate change	Climate change is influencing both acute short-term weather events and longer-term chronic climate trends. These climate-related impacts are influencing society, business and consumer purchasing behaviour both in terms of physical acute or chronic severe weather-related events and/or transitional risks including changes in markets, technology, policy, legal requirements, and reputational expectations. Responding to the specific challenges of climate change is intimately linked to Brambles' sustainable, low-carbon circular 'share and reuse' model	• Brambles is intrinsically a low-carbon intensity business • Brambles is a sustainable business because of its circular 'share and reuse' model, which reduces carbon emissions, demand on natural resources, and eliminates waste for customers in the world's supply chains • As a leader in the circular economy, Brambles understands the potential to address climate change by focusing on both its impact on climate change and the impact of climate change on Brambles • Brambles' network density and dispersed footprint provides inherent resilience against extreme climate events such as floods, droughts, wildfires etc. Brambles continues to evaluate the impact of such events on its network and implement robust mitigations • Brambles has adopted the TCFD framework with an ongoing project to assess the risks and opportunities for the business using climate scenario analysis (further details on TCFD are on pages 20-22) • Brambles is committed to a 1.5°C climate future aligned with the Paris Agreement and carbon emissions SBT. It has established its 2030 SBT covering its Scope 1, 2 and 3 emissions. Brambles has also committed to achieving net-zero carbon emissions by 2040 • As part of its Climate Positive targets, Brambles has maintained its carbon-neutral position since June 2021 and 100% of the electricity used at its service centres is from renewable sources. This includes electricity from renewable contracts 39%, on-site generation 3% and Energy Attribute Certificates (EACs) 58% • Brambles' demand for sustainably sourced timber addresses deforestation and its impact on climate change through its 2025 afforestation target • Brambles' climate change reporting (as part of the wider sustainability reporting) is in line with the requirements of the TCFD. Plans are in place to progressively align with the standards issued by the International Sustainability Standards Board over FY24/25 • Compliance and control systems in place to mitigate the risk of greenwashing
Emissions targets	As a part of its climate change risk management and sustainability goals, Brambles has set publicly stated 2030 SBT for its Scope 1, 2 and 3 emissions. If Brambles fails to achieve those targets, or does not comply with greenhouse gas emissions laws, it may incur financial loss, be subject to legal or regulatory action or suffer reputational damage	• In addition to the actions in the Climate Change Risk, Brambles has a dedicated decarbonisation function and has developed an actionable roadmap to assist it in achieving this goal with 2030 targets for each of its regions

Risk	Implication	Mitigating Actions
Diversity, equity and inclusion (DE&I)	Brambles has a diverse workforce and believes that an inclusive work environment allows employees to realise their full potential, regardless of gender, race, religion, age, disability, ethnicity, sexual orientation, or any other factor that makes an individual unique. Brambles harnesses the unique and diverse strengths of its employees to better serve its customers and to grow its business. Any activities or practices within its operations or in its supply chains that could undermine this intent violates Brambles' values and are detrimental to the integrity and credibility of its brands	• Brambles fosters a diverse, equitable and inclusive environment, to be better able to relate to customers, suppliers, communities, and co-workers • Continuing progress in improving gender diversity at all levels within the organisation, including Board, executive leadership, and management positions • Brambles' Global Inclusion and Diversity Council coordinates programmes and initiatives to encourage, celebrate and support all forms of diversity • Employee Resource Groups focus on a wide variety of DE&I topics including race, gender balance, disability, veterans support, ethnic minorities, neurodiversity and LGBTQIA+
Human rights	Brambles conducts operations in ~60 countries. There is a risk that human rights violations (including modern slavery) may occur in its operations or across its supply chains. This could result in financial loss, legal and regulatory action and damage to its reputation	• A Code of Conduct which sets out behavioural requirements relating to human rights • A separate Human Rights Policy which sets out Brambles' commitment to respecting all internationally recognised human rights • Mandatory training programmes • Third Party Due Diligence Programme which focuses, amongst other things, on suppliers' human rights policies and processes • Implementation of a Supplier Academy to assist suppliers in understanding Brambles' human rights requirements • Launch of a human rights audit programme • Standard Operating Procedure governing the management of modern slavery risk in third party plant operations
Sustainable timber sourcing	See page 30	• See page 30
Safety	See page 31	• See page 31

1. Financial Review

1.1 Group Overview

1.1.1 Summary of 2023 Financial Results

US$m			Change	
(Continuing operations)	FY23	FY22	Actual FX	Constant FX
CHEP Americas	3,371.0	2,950.8	14%	14%
CHEP EMEA	2,191.1	2,072.5	6%	14%
CHEP Asia-Pacific	514.7	496.5	4%	11%
Sales revenue	**6,076.8**	**5,519.8**	**10%**	**14%**
Other income and other revenue	**318.9**	**287.7**	**11%**	**12%**
CHEP Americas	573.3	482.3	19%	19%
CHEP EMEA	506.5	461.2	10%	18%
CHEP Asia-Pacific	180.5	169.0	7%	15%
Corporate	(193.3)	(182.5)	(6)%	(11)%
Underlying Profit	**1,067.0**	**930.0**	**15%**	**19%**
Significant Items	-	-		
Operating profit	**1,067.0**	**930.0**	**15%**	**19%**
Net finance costs	(114.1)	(86.3)	(32)%	(34)%
Net impact from hyperinflationary economies[1]	(18.7)	(22.0)	15%	15%
Tax expense	(287.1)	(247.9)	(16)%	(20)%
Profit after tax from continuing operations	**647.1**	**573.8**	**13%**	**18%**
Profit from discontinued operations	56.2	19.5		
Profit after tax	**703.3**	**593.3**	**19%**	**24%**
Average Capital Invested	5,763.6	5,150.5	12%	16%
Return on Capital Invested	**18.5%**	**18.1%**	**0.4 pts**	**0.5 pts**
Weighted average number of shares (millions)	1,388.0	1,415.7	(2)%	(2)%
Basic EPS (US cents)	**50.7**	**41.9**	**21%**	**26%**
Basic EPS from continuing operations (US cents)	**46.6**	**40.5**	**15%**	**20%**

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

FY23 Operating Environment

During the Year, Brambles and its customers continued to face uncertain macroeconomic conditions, inflationary cost pressures and inefficiencies across global supply chains.

Inflationary cost pressures remained challenging during the Year with the cost of raw materials remaining above historic levels, despite some moderation in lumber costs globally and US transport costs in 2H23. Brambles' weighted average cost of new pallets in FY23 remained above FY22 levels although, consistent with the trend in lumber costs, the cost of new pallets trended downwards in most regions in 2H23.

In addition to inflationary pressures, ongoing inefficiencies across supply chains also contributed to cost-to-serve increases in all regions. Elevated inventory levels held by customers and retailers to de-risk their supply chains and pallet availability challenges, most evident in 1H23, resulted in increased pallet cycle times, unauthorised reuse of pallets and higher loss rates.

In response to these market conditions, Brambles continued to work with its customers and retailer partners to improve pallet availability. It also adapted its commercials terms, increased pricing and asset compensations to reflect the increased operating and capital cost-to-serve and invested in numerous asset productivity initiatives which resulted in ~10 million pallets being recovered and salvaged during the Year.

During 2H23, as anticipated, there was evidence of progressive inventory optimisation across manufacturer and retailer supply chains with ~5 million additional pallets returned across Brambles' major markets. Brambles expects an

[1] The net impact of US$18.7 million (2022: US$22.0m) reflects the application of AASB 129 *Financial Reporting in Hyperinflationary Economies*.

additional ~5-7 million pallet returns in FY24 due to progressive destocking at retailers and manufacturers.

Collectively, these additional pallet recoveries and returns, together with investment in the pallet pool, contributed to improved pallet availability and increased service levels across the network in 2H23. The increased pallet availability across major markets enabled the businesses to rebuild plant stock levels to support improved operational efficiencies and remove or materially reduce allocation protocols during 2H23.

Specifically, in North America and Europe, the improvement in pallet availability has also allowed these businesses to pursue new customer wins. The focus is on converting whitewood users to pooled solutions in the US, and to target both lane expansions as well as new customer wins in Europe.

Despite some early signs of new customer wins in 2H23 in our major markets, the volume impact of this did not offset weakness in underlying pallet demand given macroeconomic pressures on consumption and the impact of inventory destocking on volume.

Given the uncertain operating conditions, the strong financial results, including ROCI expansion, demonstrate the quality and inherent resilience of Brambles' business. The results also reflect operating cost and capital investments in the transformation programme, which delivered material benefits in the Year and is also supporting future value creation. Benefits include improvements in commercial terms to support recovery of cost-to-serve, delivery of operational efficiencies and asset productivity benefits.

Impact of Hyperinflation economies on actual and constant FX translations

At actual FX rates, the results for Argentina, Türkiye and Zimbabwe have been retranslated from local currency to USD using the 30 June 2023 period-end spot rate.

During 4Q23, Brambles updated its constant-currency methodology for hyperinflation, eliminating any FX impact arising from retranslating the financial results for Brambles' hyperinflationary economies of Argentina, Türkiye and Zimbabwe. The impact on previously reported constant currency growth rates during FY23 are as follows:

- ~2 percentage points reduction in the 15% revenue growth reported for the first nine months of FY23;
- ~1 percentage point reduction in the 14% revenue growth reported for 1H23.

Sales revenue from continuing operations of US$6,076.8 million increased 14% at constant currency driven by price growth of 16% reflecting commercial discipline in recovering both operating and capital cost-to-serve increases in all regions. This price realisation reflected contributions from contractual repricing and indexation initiatives taken in both the current and prior year as well as specific pricing actions to address high-risk lanes.

Overall volumes declined (2)% with lower like-for-like volumes of (3)% partially offset by net new business growth of 1% in the period.

Like-for-like volumes declined (3)% due to a combination of pallet availability challenges in 1H23 and lower underlying demand in the European and US pallet businesses, reflecting macroeconomic pressures on consumer demand and some inventory optimisation across retailer and manufacturer supply chains. These declines were partly offset by growth with existing customers in the Asia-Pacific pallet and RPC business and the global Automotive business.

Net new business growth of 1% was driven by the European pallet business. This primarily reflected rollover contributions of prior year contract wins and, to a lesser extent, customer conversions in 2H23, as improved pallet availability allowed the business to recommence pursuing new customers.

Other income and other revenue of US$318.9 million increased by US$36 million at constant currency and included US$217.4 million of income relating to North American surcharges, which are pricing mechanisms to recover the impact of fuel, transport and lumber inflation on the operating and capital cost-to-serve in the region.

North American surcharge income in the Year decreased US$7 million at constant currency reflecting lower lumber surcharge income in line with lower market lumber price indices. This was largely offset by the impact of higher fuel prices on transport surcharges.

The balance of other income and the year-on-year increase of US$43 million relates primarily to the profit on disposal of assets and includes the Australian flood insurance proceeds of US$8 million recognised in 1H23.

Underlying Profit and **Operating profit** of US$1,067.0 million increased 19% at constant currency as contributions from pricing actions offset cost-to-serve increases including input-cost inflation and higher asset charges, and incremental overhead investments to support growth and the delivery of benefits from the transformation programme.

The ~US$35 million of plant and transport cost benefits recognised in 1H23 due to lower pallet return rates, largely reversed in 2H23 in line with the ~5 million additional pallet returns across Brambles' major markets, driven by progressive inventory optimisation across retailer and manufacturer supply chains.

At the Group level, the sales revenue contribution to profit[2] of US$815 million more than offset:

- Plant cost increase of US$226 million, reflecting input-cost inflation (including repair lumber) of US$139 million, investments in quality improvement initiatives, additional repair and handling costs to remanufacture pallets and service customer demand with sub-optimal plant stock levels during the Year. These cost increases were partly offset by efficiency benefits from automation investments

[2] Sales revenue contribution to profit is defined as the sales revenue growth net of demand-related activity costs. In FY23, sales growth included a (2)% decline in volume with the associated profit impact being partially offset by lower demand-related plant and transport costs.

in the major pallet markets and the Australian RPC business, damage rate reductions and other supply chain improvements in the US and European pallet businesses;
- Transport cost increases of US$93 million, reflecting fuel and transport inflation of US$46 million and additional relocations associated with sub-optimal plant stock levels, higher pallet return rates and additional recovery activity which delivered asset efficiency benefits across the Group;
- North American surcharge income decreased US$7 million as lower lumber surcharge income was partly offset by higher fuel and transport surcharges;
- Depreciation expense increases of US$73 million reflecting growth in the pallet pool and the impact of pallet price inflation;
- IPEP expense increase of US$56 million, largely driven by higher losses in the US and to a lesser extent in the European pallet businesses, due to supply chain dynamics;
- Shaping Our Future transformation cost increases of US$5 million as incremental investments of US$31 million in digital transformation, customer experience and other productivity initiatives were partly offset by a US$26 million decrease in short-term transformation costs; and
- Other cost increases of US$177 million included cost inflation and overhead investments to support growth and the delivery of transformation benefits in the Year and future value creation initiatives across the Group. These increases were partly offset by higher asset compensations and one-off insurance proceeds in Australia of US$8 million.

Profit after tax from continuing operations of US$647.1 million increased 18% at constant currency, driven by the strong operating profit result.

Net finance costs increased US$29 million at constant currency, mainly reflecting higher interest rates on variable-rate debt as well as higher average net debt following the completion of the share buy-back programme at the end of the prior year.

The net charge of US$18.7 million arising from hyperinflationary economies mainly relates to Brambles' operations in Türkiye and Argentina.

Tax expense of US$287.1 million increased 20% at constant currency, reflecting higher earnings. The FY23 underlying effective tax rate of 30.1% increased 0.7pts on prior year levels reflecting increased Base Erosion and Anti-Abuse Tax (BEAT) in the US, and the mix of global earnings.

Profit from discontinued operations of US$56.2 million relates to the gain on divestment of CHEP China which is recognised as a discontinued operation following the completion of the merger with Loscam (Greater China) in March 2023. Prior year profit from discontinued operations includes the revaluation gain on the loan receivable from First Reserve with the related funds received in 1H23.

Brambles Basic EPS of 50.7 US cents increased 26% at constant currency, reflecting the Group profit after tax growth of 24% and ~2 percentage point benefit from the share buy-back programme which was completed in FY22.

Return on Capital Invested was 18.5%, up 0.5 percentage points at constant currency as the strong Underlying Profit performance more than offset a 16% constant currency increase in Average Capital Invested. The increase in Average Capital Invested includes the full-year impact of pallets purchased at record prices in 2H22 and higher than historical prices in 1H23 compared to the prior year.

Cash Flow Reconciliation

US$m	FY23	FY22	Change
Underlying Profit	1,067.0	930.0	137.0
Depreciation and amortisation	730.1	679.5	50.6
IPEP expense	285.1	232.0	53.1
Underlying EBITDA	**2,082.2**	**1,841.5**	**240.7**
Capital expenditure (cash basis)	(1,659.2)	(1,625.1)	(34.1)
Proceeds from sale of PP&E	189.8	168.3	21.5
Working capital movement	57.6	(40.2)	97.8
Purchase of intangibles	(16.1)	(19.8)	3.7
Other	135.5	67.1	68.4
Cash Flow from Operations	**789.8**	**391.8**	**398.0**
Significant Items	-	(0.5)	0.5
Discontinued operations	34.7	(21.0)	55.7
Financing and tax costs	(326.4)	(284.1)	(42.3)
Free Cash Flow before dividends	**498.1**	**86.2**	**411.9**
Dividends paid	(318.6)	(304.8)	(13.8)
Free Cash Flow after dividends	**179.5**	**(218.6)**	**398.1**

Cash Flow from Operations of US$789.8 million increased US$398.0 million on the prior year as higher earnings and favourable working capital movements were partly offset by slightly higher cash capital expenditure in the period.

On a cash basis, capital expenditure of US$1,659.2 million increased US$34.1 million, reflecting the reversal of abnormally high capex creditors in the prior year, driven by both record pallet prices and the timing of pallet purchases in the fourth quarter of FY22 and paid for in FY23. This was largely offset by an ~8 million reduction in the number of pallet purchases in the Year which equated to ~US$200 million of pooling capex savings in the Year.

On an accruals basis, capital expenditure decreased US$159.7 million at constant currency, due to a reduction in the total number of pallets purchased in FY23, driven by lower volume-related growth in the Year relative to the prior year, incremental asset recovery and scrap reduction initiatives as well as benefits from inventory destocking, primarily in the US and Europe. These savings more than offset ~US$60 million impact of lumber inflation on pallets purchased in the Year as well as additional pallet investments in response to higher loss rates in the US and European businesses.

Non-pooling capital expenditure increased US$5.2 million, reflecting incremental investments in automation initiatives in Europe, partly offset by reductions in North America and Australia, as the businesses cycled higher investments in the prior year.

Proceeds from the sale of PP&E increased US$21.5 million reflecting improved pallet compensation recoveries in the period and the one-off Australian flood insurance proceeds.

The year-on-year favourable movement in working capital of US$97.8 million largely reflected lower inventory holdings in North America and timing of payments across the Group. Approximately US$50 million of this benefit is expected to reverse in FY24.

Other increase of US$68.4 million largely reflects deferred revenue driven by increased sales and longer cycle times and higher provisions including employee benefits partly offset by non-cash adjustments mainly relating to asset disposals. This includes ~US$40 million of timing benefits that are expected to reverse in FY24.

Free Cash Flow before dividends of US$498.1 million increased US$411.9 million on the prior year largely reflecting the Cash Flow from Operations performance.

Cash flow from discontinued operations increased US$55.7 million and included the US$41.5 million final settlement from First Reserve received in 1H23, and the operating cash flow from CHEP China, which is recognised as discontinued operations following the completion of the merger with Loscam (Greater China) in March 2023.

Cash outflows relating to financing costs and tax increased US$42.3 million reflecting higher net finance costs due to increased interest rates on variable-rate debt, as well as higher average borrowings following the completion of the share buy-back programme in FY22, and the phasing of cash flow generation weighted to 2H23. Net tax paid increased US$11.2 million due to higher BEAT costs in the US.

Free Cash Flow after dividends of US$179.5 million increased US$398.1 million on the prior year.

Dividend payments in the period increased US$13.8 million as higher dividends per share were partly offset by a reduction in the shares on issue following the completion of the share buy-back programme in FY22 and FX movements.

Segment Analysis

1.1.2 CHEP Americas

US$m			Change	
	FY23	FY22	Actual FX	Constant FX
Pallets	3,335.4	2,914.2	14%	14%
Containers	35.6	36.6	(3)%	(2)%
Sales revenue	**3,371.0**	**2,950.8**	**14%**	**14%**
Underlying Profit	**573.3**	**482.3**	**19%**	**19%**
Average Capital Invested	3,033.3	2,659.9	14%	14%
Return on Capital Invested	**18.9%**	**18.1%**	**0.8pts**	**0.7pts**

Sales Revenue

Pallets sales revenue of US$3,335.4 million increased 14% at constant currency reflecting contributions from pricing initiatives taken in the current and prior year to recover cost-to-serve increases across the region. Pallet volumes decreased (3)% as like-for-like volume declines in the US were partly offset by expansion with new customers in Latin America.

US pallets sales revenue of US$2,424.3 million increased 13%, made up of:

- Price growth of 18% driven by a combination of rollover benefits from prior year pricing actions and additional pricing initiatives taken in the current year to recover cost-to-serve increases;
- Net new business contributions in line with the prior year given pallet availability challenges in 1H23. With improving pallet availability in 2H23, the business recommenced pursuing new business growth in 2H23; and
- Like-for-like volume decline of (5)% due to softening consumer demand, the impact of pallet availability challenges in 1H23, progressive inventory optimisation at manufacturers and retailers, and some managed loss of flows unsuited to pooled solutions. Like-for-like volume performance improved in 4Q23 to a year-on-year decline of (2)% compared to the 9M23 run rate of a (6)% decline year-on-year. This improvement in 4Q23 was driven by increased beverage, dairy and seasonal produce volumes.

Canada pallets sales revenue of US$375.5 million increased 12% at constant currency due to strong pricing growth and customer mix benefits. Volumes were broadly in line with the prior year.

Latin America pallets sales revenue of US$535.6 million increased 23% at constant currency driven by strong pricing growth to reflect the increased cost-to-serve as well as volume growth with new customers.

Containers sales revenue of US$35.6 million declined (2)% at constant currency due to lower volumes more than offsetting price growth in the North American Intermediate Bulk Container (IBC) business.

Profit

Underlying Profit of US$573.3 million increased 19% at constant currency as a combination of pricing initiatives and efficiency gains offset cost-to-serve increases and transformation investments.

The sales revenue contribution to profit of US$479 million more than offset:

- Plant cost increases of US$172 million including input-cost inflation of US$106 million. Other plant cost increases were largely driven by additional investments in quality improvement initiatives, remanufacturing costs to salvage pallets, additional handling costs due to sub-optimal plant stock balances throughout the Year and international freight costs on repair lumber, partly offset by damage rate improvements and efficiency gains in the US business;
- Transport cost increases of US$43 million, largely attributable to additional relocation of pallets to rebalance the network, as well as increased pallet recoveries including costs associated with using smaller trucks with higher frequency pickups in the US business;
- Surcharge income decreases of US$7 million as lower lumber surcharge income in line with falling lumber prices was partly offset by higher contributions from fuel and transport surcharges;
- Depreciation expense increases of US$38 million from higher cost of pallets purchased over the preceding 12 months;
- IPEP expense increases of US$40 million reflecting higher pallet loss rates as industry dynamics continued to impact pallet return rates and cycle times, which was partly offset by benefits from asset productivity initiatives including increased collections and repair of pallets that would otherwise have been scrapped; and
- Other cost increases of US$88 million reflecting growth-related overhead investments including transformation and asset recovery initiatives, partly offset by increased pallet compensations and reduced pallet scraps.

Return on Capital Invested

Return on Capital Invested of 18.9% increased 0.7 percentage points at constant currency as strong Underlying Profit growth was partially offset by an increase of 14% in Average Capital Invested. This primarily reflects the addition of higher priced pallets to the pool due to lumber inflation and investments to support longer pallet cycle times and customer demand.

1.1.3 CHEP EMEA

US$m	FY23	FY22	Change Actual FX	Change Constant FX
Pallets	1,909.6	1,789.9	7%	15%
RPC	27.2	30.3	(10)%	3%
Containers	254.3	252.3	1%	7%
Sales revenue	**2,191.1**	**2,072.5**	**6%**	**14%**
Underlying Profit	**506.5**	**461.2**	**10%**	**18%**
Average Capital Invested	2,218.6	1,990.9	11%	19%
Return on Capital Invested	**22.8%**	**23.2%**	**(0.4)pts**	**(0.3)pts**

Sales Revenue

Pallets sales revenue of US$1,909.6 million increased 15% at constant currency, driven by continued price momentum to recover cost-to-serve increases and net new business growth across the region.

Europe pallets sales revenue of US$1,710.9 million increased 16% at constant currency, comprising:

- Price growth of 18% reflecting pricing actions and contributions from contractual indexation to recover cost-to-serve increases;
- Net new business growth of 3% predominantly in Southern, Central and Eastern Europe which benefited from rollover contributions from prior year wins as well as modest benefits from new contract wins in 2H23; and
- Like-for-like volume declines of (5)% due to softening consumer demand driven by cost-of-living pressures, macroeconomic headwinds and progressive inventory optimisation at manufacturers.

India, Middle East, Türkiye and Africa (IMETA) pallets sales revenue of US$198.7 million, up 4% at constant currency, reflecting growth in both price and volumes.

RPCs and Containers revenue of US$281.5 million increased 7% at constant currency, comprising:

- Automotive sales revenue of US$194.0 million up 10%, primarily driven by volume growth in both the North American and European businesses;
- IBCs sales revenue of US$60.3 million in line with the prior year; and
- RPCs sales revenue of US$27.2 million up 3%, driven by pricing initiatives to recover cost-to-serve increases.

Profit

Underlying Profit of US$506.5 million increased 18% at constant currency. The sales revenue contribution to profit of US$292 million more than offset:

- Plant cost increases of US$48 million largely driven by input-cost inflation including labour and lumber of US$26 million. The balance of the increase in plant costs was predominantly attributable to increased repair and handling costs associated with higher pallet return rates in 2H23 and increased pallet remanufacturing activity;

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- Transport cost increases of US$45 million primarily due to fuel and other transport cost inflation across the region and including some localised truck fleets used to increase pallet recollections;
- Depreciation expense increases of US$32 million from impact of higher unit cost of pallets purchased in the preceding 12 months;
- IPEP expense increases of US$16 million primarily reflecting higher pallet loss rates as industry dynamics continued to impact pallet return rates and cycle times, which more than offset benefits from asset productivity initiatives; and
- Other cost increases of US$68 million due to increased overhead investments, largely related to additional personnel to support transformation initiatives and delivery of related benefits, with these costs partly offset by increased pallet compensations in the European business.

Return on Capital Invested

Return on Capital Invested of 22.8% decreased 0.3 percentage points at constant currency largely reflecting the full-year impact on Average Capital Invested of pallets purchased at elevated prices in 2H22 as well as FY23 pallet purchases to support demand, largely offset by the increase in Underlying Profit in the Year.

1.1.4 CHEP Asia-Pacific

US$m	FY23	FY22	Change Actual FX	Change Constant FX
Pallets	378.0	363.3	4%	12%
RPC	94.4	94.2	-	8%
Containers	42.3	39.0	8%	17%
Sales revenue	**514.7**	**496.5**	**4%**	**11%**
Underlying Profit	**180.5**	**169.0**	**7%**	**15%**
Average Capital Invested	530.4	512.7	3%	11%
Return on Capital Invested	**34.0%**	**33.0%**	**1.0 pts**	**1.1 pts**

Corporate actions

CHEP China (formerly part of CHEP Asia-Pacific), has been recognised in discontinued operations in FY23 following the completion of the merger with Loscam (Greater China) in March 2023. Prior year comparatives for CHEP Asia-Pacific have been restated.

Sales Revenue

Pallets sales revenue of US$378.0 million, increased 12% at constant currency reflecting continued elevated levels of demand from existing customers primarily in the Australian business, and price realisation to recover cost-to-serve increases. The like-for-like growth reflects increased daily hire revenue as pallet demand continues to offset the improvements to pallet returns in 2H23, with cycle times remaining elevated due to sustained high levels of inventory balances across manufacturer and retailer supply chains.

RPCs and Containers sales revenue of US$136.7 million increased 10% at constant currency driven by like-for-like volume growth in both the RPC and IBC businesses in Australia.

Profit

Underlying Profit of US$180.5 million increased 15% at constant currency and includes one-off net income of US$8 million from insurance proceeds relating to the impact of floods in Australia. The 1H23 benefit of deferred pallet repairs, as a result of lower pallet return rates, largely unwound in 2H23. Excluding the one-off benefit from insurance proceeds, Underlying Profit increased 10% at constant currency, as the sales contribution to profit and automation efficiencies in the Australian RPC business more than offset plant and transport cost inflation, increased damage rates due to longer cycle times, and increased overhead investments, primarily relating to employee costs.

Return on Capital Invested

Return on Capital Invested of 34.0% increased 1.1 percentage points at constant currency and included a 1.4 percentage point benefit from the one-off insurance proceeds.

Excluding the insurance proceeds, Return on Capital Invested decreased 0.3 percentage points at constant currency driven by the 11% increase in Average Capital Invested as a result of the additional investment in pallets to support higher inventory balances and demand across Australian supply chains as well as the material reinvestment in the business infrastructure over the last three years.

1.1.5 Corporate

US$m	FY23	FY22	Change Actual FX	Change Constant FX
Short-term transformation costs	(22.5)	(48.4)	25.9	25.8
Ongoing transformation costs	(88.1)	(60.2)	(27.9)	(31.0)
Shaping our Future transformation costs	**(110.6)**	**(108.6)**	**(2.0)**	**(5.2)**
Corporate Costs	(82.7)	(73.9)	(8.8)	(15.5)
Underlying Profit	**(193.3)**	**(182.5)**	**(10.8)**	**(20.7)**

Shaping Our Future costs of US$110.6 million increased US$5.2 million at constant currency, as increased investment in the transformation was largely offset by a US$25.8 million reduction in short-term transformation costs. The short-term costs are broadly consistent with the outlook provided in August 2022 and include consulting fees as well as internal resources supporting the delivery of transformation benefits.

Ongoing corporate transformation costs of US$88.1 million increased US$31.0 million at constant currency, which includes investments in digital transformation and initiatives to support asset productivity and customer experience.

Corporate costs of US$82.7 million increased US$15.5 million at constant currency, primarily reflecting labour-related cost increases including wage inflation.

Governance Overview

The Board has overall responsibility for:

- Overseeing the effective management and control of the Group on behalf of Brambles' shareholders; and
- Supervising executive management's conduct of the Group's affairs within a control and authority framework that is designed to enable risk to be prudently and effectively assessed and monitored.

The Board executes its responsibilities with the assistance of three standing committees, being the Audit & Risk Committee, the Remuneration Committee, and the Nominations Committee. The Board has also delegated responsibility for the day-to-day management of the business and affairs of the Group to the Executive Leadership Team (ELT) subject to the levels of authority set by the Board and the matters reserved for the decision of the Board.

The skills and experience of each of Brambles' Directors are set out below. This breadth of business, financial and international experience gives the Board the range of skills, knowledge and experience essential to govern Brambles, including an understanding of the health, safety, environmental and community-related issues it faces.

Further details on the Board skills matrix and the responsibilities of the Board, its Committees and the ELT can be found in Brambles' 2023 Corporate Governance Statement, which is on Brambles' website at brambles.com/corporate-governance-overview.

Board of Directors

John Mullen Non-Executive Chair (Independent)

Chair of the Nominations Committee and member of the Remuneration Committee

Joined Brambles as a Non-Executive Director and Chair-elect in November 2019 and became Chair on 1 July 2020. He is currently a Non-Executive Director and Chair of Telstra, Non-Executive Director and Chair-elect of Treasury Wine Estates, a Director of Brookfield Infrastructure Partners LP and Senior Advisor of the unlisted entity, Toll Group. John will retire from the Telstra Board on 17 October 2023. Previously, John was CEO of Asciano, Australia's largest ports and rail operator, from 2011 to 2016. Prior to that, John had a distinguished career with the DHL Group from 1994 to 2009, ultimately becoming CEO of DHL Express in 2006. He also served as a Director of Deutsche Post World Net, the parent company of DHL Express. Before joining DHL, John spent 10 years with the TNT Group, culminating in the role of CEO of TNT Express Worldwide, which he held from 1990 to 1994. He was formerly a Non-Executive Director of Brambles (from 2009 to 2011), and has also served as Chair of Toll Group and a director on the boards of Macquarie Airports Corporation, Embarq LLC (USA), Transportes Guipuzcoana (Spain) and Ducros Services Rapides (France). He was also Chair of the US National Foreign Trade Council in Washington from 2008 to 2010. John holds a Bachelor of Science from the University of Surrey.

Kendra Banks Non-Executive Director (Independent)

Member of the Nominations Committee

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

Graham Chipchase Chief Executive Officer

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

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

George El-Zoghbi Non-Executive Director (Independent)

Member of the Nominations and Remuneration Committees

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

Elizabeth Fagan CBE Non-Executive Director (Independent)

Member of the Audit & Risk and Nominations Committees

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

Ken McCall Non-Executive Director (Independent)

Member of the Audit & Risk and Nominations Committees

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

Jim Miller Non-Executive Director (Independent)

*Member of the Nominations and Remuneration Committee*s

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

Nessa O'Sullivan Chief Financial Officer

Member of the Nominations Committee

Joined Brambles in October 2016 and was appointed to the role of CFO on 17 November 2016. She became an Executive Director of Brambles in April 2017. Prior to joining Brambles, Nessa worked for 10 years at Coca-Cola Amatil in a number of senior financial and operating roles, including Group CFO from 2010 to May 2015. She was also Group CFO for Operations and CFO for Australia and New Zealand. Nessa began her career working as an auditor at Price Waterhouse in Dublin, New York and Sydney. She spent two years at Tyco Grinnell Asia Pacific before joining PepsiCo/Yum! Restaurants in 1995. Over a 10-year period at Yum! Restaurants International, she held a number of senior finance, IT and strategy roles, including five years as CFO for the South Pacific Region. She is also a Non-Executive Director of Molson Coors Beverage Company. Nessa is a Fellow of the Institute of Chartered Accountants in Ireland. She holds a Bachelor of Commerce from University College Dublin and is a graduate of the Australian Institute of Company Directors. Nessa will retire as a Director and as CFO on 13 October 2023.

Board & Executive Leadership Team – continued

Scott Perkins Non-Executive Director (Independent)

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

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

Priya Rajagopalan Non-Executive Director (Independent)

Member of the Nominations Committee

Joined Brambles as a Non-Executive Director on 1 November 2022. Priya is currently Chief Product Officer for FourKites, a leading logistics technology firm based in Chicago, USA, which provides real-time supply chain visibility solutions to its global customers. Priya was a founding product leader of FourKites and has led its product and sales growth strategies since 2016. She has over two decades of experience in product management, marketing and strategy, most recently in digital platforms for global supply chains. Previously, she held a number of product management roles for the Metadata Business Group of TiVo (previously Rovi) and Flexera Software. Priya holds a Bachelor of Mathematics from the University of Madras and an MBA from the Kellogg School of Management at Northwestern University.

Nora Scheinkestel Non-Executive Director (Independent)

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

Joined Brambles as a Non-Executive Director in June 2020 and became Chair of the Audit & Risk Committee on 20 August 2020. Nora is currently a Non-Executive Director of Westpac Banking Corporation and Origin Energy. She is an experienced company director with 30 years' experience as a Non-Executive Chair and Director of companies in a wide range of industry sectors, including the public, government and private sectors. A former banking executive, Nora has extensive financial and risk management expertise, including having chaired the audit and risk committees of a number of listed companies. She is a published author, has worked as an Associate Professor in the Melbourne Business School at Melbourne University and is a former member of the Takeovers Panel. She was awarded a centenary medal for services to Australian society in business leadership. Nora holds a Doctor of Philosophy and a Bachelor of Law (Hons) from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors.

Executive Leadership Team

Graham Chipchase Chief Executive Officer

Chair of the Executive Leadership Team

(See biography on page 41.)

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

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

Patrick Bradley Chief People Officer

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

David Cuenca President, CHEP Europe

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

Paola Floris President, CHEP Latin America

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

Board & Executive Leadership Team – continued

Enrique Montanes Garcia Chief Operations Officer

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

Robert Gerrard Chief Legal Officer & Company Secretary

Joined Brambles in 2003 as Senior Counsel, Brambles Group. He was appointed Group Company Secretary in February 2008 and Group Vice President, Legal and Secretariat in February 2017. Prior to joining Brambles, Robert was General Counsel and Company Secretary of Roc Oil Company Limited; Group Legal Manager of Cairn Energy plc; General Counsel and Company Secretary of Command Petroleum Limited; and a solicitor and senior associate with Allen Allen & Hemsley. He holds a Master of Law from the University of Sydney, and a Bachelor of Science and a Bachelor of Law from the University of New South Wales. He is a Solicitor of the Supreme Court of New South Wales. Robert will retire as Chief Legal Officer on 14 October 2023.

Craig Jones Chief Transformation Officer

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

Helen Lane Chief Digital Officer

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

Laura Nador President, CHEP North America

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

Board & Executive Leadership Team – continued

Nessa O'Sullivan Chief Financial Officer

(See biography on page 42.)

Sarah Pellegrini Chief Communications Officer

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

Harry Winstanley Chief Information Officer

Joined Brambles in December 2022 as Chief Information Officer. Prior to Brambles, Harry led the Information Technology function for complex global organisations, including Chief Information Officer at Meggitt PLC, a leading international company specialising in high-performance components and sub-systems for the aerospace, defence, and energy markets; and Unipart Group, a multinational logistics, supply chain manufacturing and consultancy company. Before that, he held senior leadership positions for Volvo Construction Equipment in Information Technology, Process and Systems, Distribution Development and as Regional Chief Information Officer.

Directors' Report – Remuneration Report

Executive Summary

The Remuneration Report outlines the remuneration for Brambles' Key Management Personnel (KMP) for the financial year ended 30 June 2023 (the Year). It should be read in conjunction with the information provided on Brambles' results and continued execution of Brambles' business strategy, as detailed in the Operating & Financial Review on pages 6 to 39.

Annual Short-Term Incentive

Based on performance against the corporate and personal objectives set for the Year, the annual Short-Term Incentive (STI) for Executive KMP (see Section 1) ranged from 135% to 143% of Target. Half of the STI is paid as STI share awards deferred for two years from grant date. These STI outcomes were driven by Brambles' financial performance, each Executive KMP's achievement of specific personal objectives and after consideration of their adherence to the Brambles Code of Conduct, shared values and risk appetite.

Long-Term Incentive

The Long-Term Incentive (LTI) share awards granted during October 2020 (i.e. in FY21) had a three-year performance period ending 30 June 2023. Performance against the vesting conditions to which they were subject is:

- Brambles' total shareholder return (TSR) was ranked at 57 out of the ASX100 peer group, resulting in 0% vesting for this component (25% of LTI grant), and ranked at 69 out of the MSCI peer group, resulting in 0% vesting for this component (25% of LTI grant); and
- Brambles' sales revenue CAGR was 9.7% and Return on Capital Invested (ROCI) was 17.8%, resulting in 100.0% vesting for this component (50% of LTI grant).

Accordingly, 50% of total LTI awards granted in FY21 vested. Details of LTI vesting are provided in Section 4.3.2.

Executive Leadership Team (ELT) Base Salaries and Non-Executive Director Fees

The base salaries of the Executive KMPs and other members of the ELT were determined in accordance with the Company's Remuneration Strategy described in Section 2.

The shift towards more digital and automation roles, in line with Brambles' strategic plan, coupled with continued high inflation in many of Brambles' operating countries, led the Remuneration Committee to review the Group's data sources for market benchmarking across its regions. Brambles now uses three market-leading providers of salary data to determine fair compensation for roles, as well as giving it additional data related to executive pay. Base salaries are reviewed in June of each year and take effect from 1 July the following financial year.

Brambles has senior executives located in different geographies and their remuneration is a blend of local and Australian practice. Following the Year's remuneration strategy review, effective from 1 July 2023, it was decided to make an adjustment to executives' remuneration in line with observed benchmarking. Long-term incentives were under-represented as a component of the executive team's reward package. The Remuneration Committee decided to increase the LTI opportunity by 25 percentage points for ELT team members, and not increase their base salary for a period of two years. This will create a reward structure that moves executive remuneration into greater alignment with current benchmarking. Any new members of the executive team will enter under the new structure, and ELT base salaries will, after that two-year period, continue to be reviewed in accordance with Brambles' standard methodology for all roles. More detail is given in section 2.1.

Nessa O'Sullivan is retiring during FY24 and received a base salary increase instead of receiving an LTI grant during FY24. Executive KMP salaries for FY23 are set out in Section 5.

There have been no movements in the Chair and Non-Executive Director base fees since 1 July 2016. This Year however, to keep fees in line with market median, we have increased the Chair's fees by 3.7% and similarly applied a 3.8% increase in base fees for Non-Executive Directors for FY24. Non-Executive Director fees are detailed in Section 7.1.

Remuneration Strategy

The Remuneration Committee carries out annual reviews of Brambles' remuneration strategy, including share-based incentive plans. These reviews are to ensure the Company's remuneration structure and policy continue to align with the Company's strategic and business objectives, and that its incentive plans do not reward conduct that is contrary to Brambles' Code of Conduct, shared values and risk appetite (Non-Financial Risks).

Contents

1. Background

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

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

In this report, references to the ELT include Executive KMP.

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

2. Remuneration Policy and Framework

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

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

Section 3.1 summarises Brambles' Remuneration Policy and Section 3.3 sets out how remuneration is directly linked to the Company's financial performance, the creation of shareholder value, the delivery of strategic objectives and executive behaviour. This link is achieved through Brambles' short and long-term incentive plans and the assessment by the Board Remuneration Committee (Remuneration Committee) of the behaviours of executives for Non-Financial Risks during the applicable year.

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

The Group's Remuneration Policy is to set target remuneration opportunity around the median level of a comparator group of companies but with upper-quartile total potential rewards for outstanding performance and proven capability. For ELT roles, the Remuneration Committee performs annual global remuneration benchmarking reviews against that comparator group to ensure that Brambles maintains its ability to attract and retain the right talent.

Brambles' global remuneration framework, which applies to all salaried employees, is underpinned by its banding structure. This classifies roles into specific bands, each incorporating roles with broadly equivalent work value. Pay ranges for each band are determined under the same framework globally and are based on the local market rates for the roles falling within each band.

One of Brambles' Human Resources Department's key strategic projects for the Year relates to Brambles' remuneration and grading structure and policies. This project incorporates remuneration transparency and equity and will enable Brambles' banding structure to continue to support its organisation structure and strategy.

2.1 Remuneration Strategy Review

The Remuneration Committee carries out annual reviews of Brambles' remuneration strategy, including share-based incentive plans. These reviews are undertaken to determine whether the current approach continues to strongly align executives' interests with those of the Company and its shareholders. The focus of the annual review is to provide confirmation that the Company's remuneration structure and policies advance the Company's strategic and business objectives, as well as Brambles' Code of Conduct, shared values, and risk appetite (Non-Financial Risks).

The Remuneration Committee carried out its annual review during the Year and decided, after a review of appropriate benchmarks, that from 1 July 2023, the following changes should be made to the 'At Risk' components (see Section 3.1) of executive remuneration:

- to enable the STI plan to better reflect the key value drivers emerging from Brambles' transformation programme, executives will now have the 30% component of their STI that was previously allocated to 'personal scorecard objectives' allocated to Customer Satisfaction and Asset Efficiency metrics; and
- to better align with current benchmarking on the proportion of total remuneration opportunities, the LTI should assume a higher weighting of executives' total remuneration opportunity. It has therefore been increased by 25 percentage points. To offset this LTI increase, it was decided to implement a base salary freeze for ELT members for a period of two years.

In addition, to more explicitly capture other important dimensions of executive performance, all ELT members will have a performance modifier applied to their STI outcome which incorporates Brambles' performance against certain published sustainability targets, its health and safety performance, as well as individual performance against the behaviours in Brambles' leadership framework. This modifier can increase or decrease an executive's STI outcome, but the maximum STI outcome for each executive remains unchanged. Application of the modifier will be reviewed and approved by the Remuneration Committee.

Further details on the elements of the modifier are as follows:

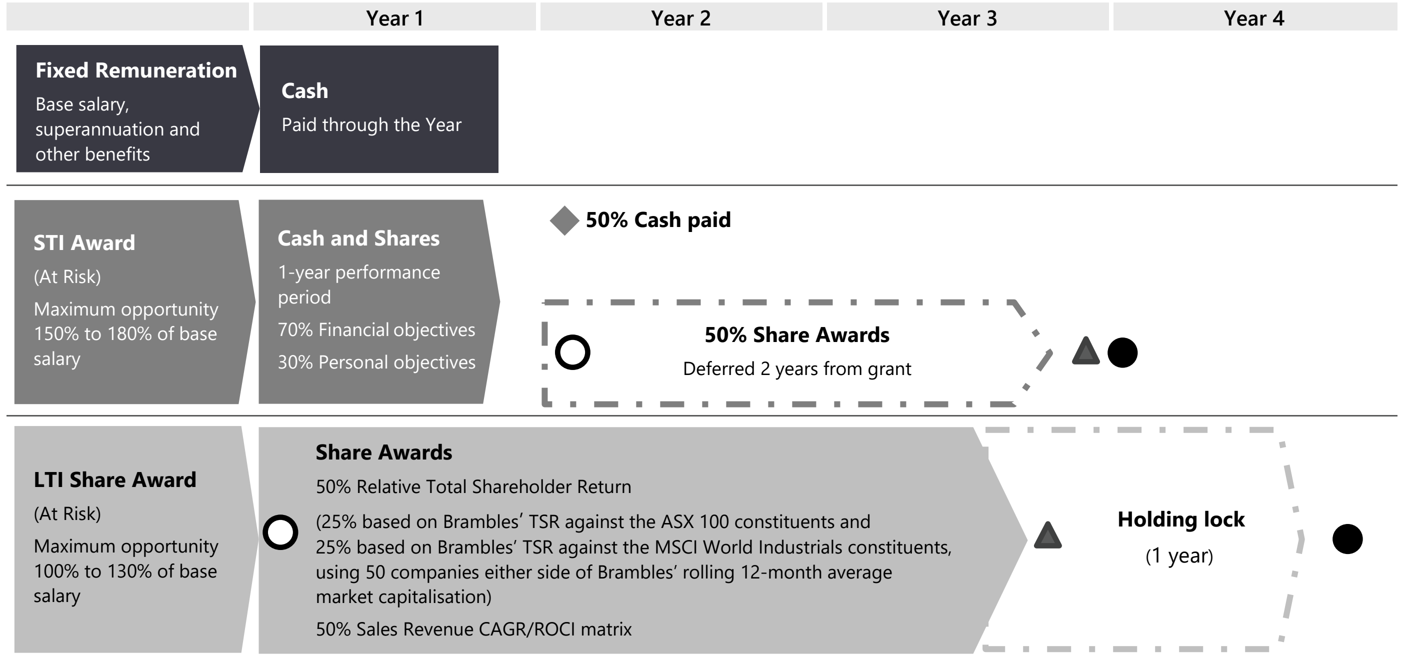
- Sustainability targets: this will measure performance against the following four components of the Green Bond issued by Brambles on 22 March 2023: timber certification; GHG emissions; gender diversity in management positions; and zero product waste to landfill;
- Health and safety targets: this will measure performance against the BIFR metric, which measures work-related incidents resulting in fatalities, lost time, modified duty or medical treatment per million hours worked; and
- Brambles' leadership framework: this will assess an executive's performance against four leadership framework behaviours: cares for our customers; disrupts our business model; delivers for Brambles; and inspires our people.

The STI weighting on Brambles' Underlying Profit (40%) and Cash Flow from Operations (30%) will remain unchanged for FY24.

3. Remuneration Structure

3.1 Overview

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



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

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

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

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

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

3.2 Basis of Valuation of STI and LTI Share Awards

Details of the approach are contained in Section 9.4.

3.3 Remuneration Structure Details

The Company's remuneration structure is detailed below.

3.3.1: Remuneration Structure FY23

Remuneration element	Description	Purpose	Link to strategy
Fixed Remuneration			
	Base salary, superannuation, and other fixed benefits.	Fixed remuneration reflects the executive's role, duties, responsibilities, and level of performance, taking into account the individual's location and Brambles' size, geographic scale and complexity. Base salaries are generally referenced at the market median.	Base salaries are designed to be competitive to assist Brambles in attracting and retaining talented executives.
At Risk Remuneration			
STI Award Executive KMP are eligible to receive annual STI awards. The Remuneration Committee approves annual STI financial and personal objectives for Executive KMP. At the end of each year, the Remuneration Committee assesses Executive KMPs' performance against those objectives. The amount of an STI Award will depend on whether and, if so, to what extent those objectives are achieved. Half of the STI award is delivered in cash following the end of the year to which the award relates. The other half is delivered in deferred STI Share awards which vest two years from the date they are granted, subject to the relevant Executive KMP remaining employed by the Group at the end of that period. Eligibility for STI awards is also subject to the Remuneration Committee's discretion, described below, on Financial and Non-Financial Risks, both at the time of the grant of the awards and during the two-year deferral period. The achievement of objectives by Executive KMP for FY23 are set out in Section 4.2.			
Financial objectives (comprising 70% of the STI award)	Financial objectives are set at a Threshold (the minimum necessary to qualify for the awards), Target (when the performance target is met) and Maximum (when targets have been significantly exceeded and the award has reached its upper limit) level. For Underlying Profit, Threshold levels are set at or above the prior year's outcome for the relevant objective, except where extenuating circumstances exist.	Financial objectives are set to align an executive's At Risk Remuneration to Brambles' financial and strategic objectives. For FY23, these were: Business Unit and Group Underlying Profit, Cash flow sufficient to fully fund capital expenditure and dividends, and operational efficiency. Financial objectives are chosen to link Executive KMPs' rewards with the financial performance of the Group, the pursuit of profitable growth, the efficient use of capital and generation of cash.	FY23 financial objectives: - Underlying Profit provides a focus on profitable growth that links to Brambles' strategy of delivering Underlying Profit growth in excess of sales revenue growth through the cycle; and - Cash Flow from Operations is used as a measure to provide a strong focus on the generation of cash, which links to Brambles' strategy of generating Free Cash Flow sufficient to fully fund capital expenditure and dividends.
Personal objectives (comprising 30% of the STI award)	Personal objectives relate to a mix of performance conditions aligned to customer, productivity, transformation and people.	Personal objectives provide the opportunity to tailor individual Executive KMP performance expectations, having regard to their role and function, to specific non-financial operating and strategic goals.	Personal objectives are linked to the delivery of Brambles' strategic and operating priorities, such as: - Asset Efficiency; - Safety; - Customer Satisfaction; and - Transformation goals.

Remuneration element	Description	Purpose	Link to strategy
LTI Share Award Executive KMP are also eligible to receive an annual grant of LTI share awards vesting three years from the date the award is granted, subject to satisfaction of service and performance conditions. A one-year holding lock post-vesting applies to awards granted from FY20 onwards, during which executives cannot sell vested LTI awards other than to pay any tax obligations arising from awards vesting or the exercise of vested awards. Eligibility for LTI awards is also subject to the Non-Financial Risks assessment referred to below, both at the time of the grant of the awards and during their three-year performance period (Performance Period). The number of LTI share awards to which an Executive KMP is entitled is an amount, calculated using the face value approach, equal to a specified proportion of their base salary as shown in Section 4.3.			
Relative TSR (comprising half of the LTI Share award)	Performance is measured over a three-year performance period against constituents of both the ASX100 and the MSCI World Industrials indices, using 50 companies either side of Brambles' rolling 12-month average market capitalisation. Each component is measured separately and comprises 25% of the total LTI Award. The vesting schedule for the portion of the LTI subject to TSR is outlined below.	Relative TSR rewards the creation of shareholder value. TSR measures the returns that a company has provided for its shareholders, reflecting share price movements and reinvestment of dividends over a specific period. A relative TSR performance condition means that value is only delivered to participants if the investment return received by Brambles' shareholders is sufficiently high relative to the return they could have received by investing in a portfolio of alternative stocks over the same period.	TSR provides a direct alignment of executive rewards to the creation of shareholder value through linking executive reward with the long-term generation of returns to Brambles' shareholders.
Sales revenue CAGR and ROCI (comprising half of the LTI Share Award)	Each year, a sales revenue CAGR/ROCI matrix is set by the Remuneration Committee for each LTI share award, based on targets approved by the Board. This allows the Remuneration Committee to set targets for each LTI share award that reward superior performance in light of the prevailing and forecast economic and trading conditions. The FY24–FY26 sales revenue CAGR/ROCI matrix, pertaining to the LTI share awards to be granted in October 2023, is set out in Section 4.3. The sales revenue CAGR/ROCI targets have been established based on the Group's three-year strategic plan.	This portion of the LTI share award incentivises both long-term sales revenue growth and ROCI. Vesting is based on achievement of sales revenue targets with three-year performance targets set on a CAGR basis. The sales revenue growth targets are underpinned by ROCI hurdles. Sales revenue CAGR is measured in constant currency.	The sales revenue CAGR/ROCI matrix is designed to drive profitable business growth, to maintain quality of earnings and to deliver a strong ROCI. This links to Brambles' strategy of delivering long-term value creation and sustainable shareholder returns.

TSR vesting schedule:

	TSR percentile	% Vesting of shares
Below Threshold	Below 50th	No vesting
Threshold	50th	50%
Between Threshold and Maximum	Between 50th and 75th	Pro-rata straight-line vesting
Maximum	75th and above	100%

Minimum shareholding requirements	Description
Brambles requires ELT members to hold a meaningful stake in the Company to assist in aligning their interests with those of its shareholders.	The minimum shareholding requirement (MSR) is to acquire and maintain Brambles' shares to be built up over five years. From 1 July 2023 the CEO has agreed to increase their MSR to 300% of base salary and for the other ELT members their MSR will increase to 125% of their respective base salaries to reflect the LTI uplift. Each year, the Remuneration Committee receives a report on the progress towards the attainment of the required MSR. While building their MSR, ELT members are not permitted to sell Brambles shares, other than to pay tax obligations they incur by reason of STI or LTI share awards vesting (or upon exercise of vested awards), until they have achieved 100% of their shareholding requirements. Thereafter, they are required to maintain their respective MSR. Where Executive Directors step down from their Executive Director position but continue to be employed by the Company, they will, under the Company's Securities Trading Policy, need the Chair's approval to sell or otherwise deal in Brambles' shares. Executive Directors who cease to be employees of the Company are required to retain at least 50% of their minimum shareholding for the 12 months following their cessation of employment.

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

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

3.4 Remuneration Structure and Mix for Executive KMP

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

3.4.1 FY23 STI Plan Structure and Performance

As detailed in Section 3.3.1, the FY23 STI Plan comprises Financial Objectives and Personal Objectives, all components of which are assessed against their respective performance targets to provide an overall assessment.

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

3.4.2 Remuneration Mix

The table below illustrates the remuneration potential for the Executive KMP showing Target and Maximum potential as a percentage of base salary.

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

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

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

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

3.5 Brambles' Five-Year Performance and Remuneration Outcomes

The table below sets out the dividends paid, Brambles' share price at the beginning and the end of the financial year, the financial performance conditions for the STI and LTI share awards, and the Company's performance for continuing operations for the period FY19 to FY23 and the STI and LTI award outcomes for those years. The table below shows the following:

- financial measures relating to CHEP China are excluded from FY23 and FY22 following its divestment, however it is included in FY19 to FY21;
- Underlying Profit for FY21 has been restated for the change in accounting policy relating to Software as a Service arrangements. Periods prior to FY21 have not been restated for the impact of this change in accounting policy;
- the periods prior to FY20 have not been restated for the impact of new accounting standard AASB 16 *Leases*; and
- Underlying Profit and Cash Flow from Operations are presented at actual foreign exchange rates consistent with the amounts in the consolidated financial statements for the applicable year.

Definitions for the financial metrics are provided in the Glossary on pages 141 to 143.

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

	FY23	FY22	FY21	FY20	FY19
Dividends (cents per share)[2]	US$0.2625	US$0.2275	US$0.205	US$0.18	A$0.29
Share price (A$): at 1 July	11.05	11.30	10.89	12.75	8.88
Share price (A$): at 30 June	14.41	10.71	11.44	10.87	12.88
STI financial measures (US$m)					
Underlying Profit[3]	1,067.0	930.0	874.6	799.4	803.7
Cash Flow from Operations[4]	789.8	391.8	901.1	754.8	431.8
STI outcome range for Executive KMP (% base salary)[5]	135%-171%	78%–135%	108%–136%	62%–112%	48%–120%
STI outcome range for Executive KMP (% of Target)	135%-143%	78%–132%	107%–116%	62%–112%	48%–99%
LTI measures					
Sales Revenue (US$m)	6,076.8	5,519.8	5,209.8	4,717.9	4,595.3
ROCI	19%	18%	18%	17%	19%
Cumulative three-year TSR growth	37.11%	-4.87%	26.36%	21.41%	6.94%
LTI outcome (% of grant)[6]	50%	50%	64%	89%	0%

2 Effective from 2020, Brambles changed to a payout ratio-based dividend policy, with the dividend per share declared in US cents and converted and paid in Australian cents. Prior to 2020, dividends were declared and paid in Australian cents. The Australian dollar equivalent of the FY23 dividend of US$0.2625 per share is A$0.3950 per share. The Australian dollar equivalent of the FY22 dividend of US$0.2275 per share is A$0.3231 per share. The Australian dollar equivalent of the FY21 dividend of US$0.205 per share is A$0.27 per share. The Australian dollar equivalent of the FY20 dividend of US$0.18 per share is A$0.26 per share.

3 Underlying Profit relating to CHEP China are excluded from FY23 and FY22 following its divestment, however it is included in FY19 to FY21.

4 Cash Flow from Operations is a non-statutory measure (refer Note 2 of the Consolidated Financial Report).

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

6 LTI outcome is for the Performance Period ending in the relevant year. For example, the FY23 LTI outcome relates to the FY21 to FY23 Performance Period.

4. Performance of Brambles and Remuneration Outcomes

4.1 FY23 STI Awards

The following table summarises the components and weighting of objectives for the FY23 STI awards for Executive KMP:

	Financial Objectives				
Executive KMP	Group Underlying Profit	Business Unit Underlying Profit	Group Cash Flow from Operations	Business Unit Cash Flow from Operations	Personal Objectives
CEO, CFO	40%	-	30%	-	30%
Presidents North America / Europe	20%	20%	15%	15%	30%

Executive KMP personal objectives for FY23 are shown in Section 4.2. Recommended targets for global metrics relating to business strategy and growth objectives are set at the Group level and reviewed and approved by the Remuneration Committee. Objectives are set for each Executive KMP, which support and are aligned with the achievement of Brambles' overall business strategy and business unit objectives.

FY23 objectives included: customer; productivity; transformation strategy; and people. Quantitative metrics for achievement of each of these objectives are set, which allows the Remuneration Committee to determine objectively whether they have been met. For customer, this was a specified percentage increase in net promoter scores (a metric used to measure customer satisfaction). For productivity, this was a specified improvement in the applicable pooling capital expenditure to sales ratio. For people, this was a specified percentage improvement in the BIFR. For transformation strategy, this was the achievement of specified FY23 milestones in the Shaping Our Future transformation programme.

4.2 FY23 STI Group Financial Objectives Outcomes

The following table outlines performance against Brambles' FY23 STI Group Financial Objectives against the targets shown.

Brambles' Group Financial Objectives

Metric	Performance	Outcome
Group Underlying Profit	Underlying Profit increased 19% at constant currency as contributions from pricing actions offset cost-to-serve increases including input-cost inflation, lost equipment charges and incremental overhead investments to support growth and the delivery of transformation programme benefits.	Above Maximum
Cash Flow from Operations	Cash Flow from Operations performance reflects higher earnings and favourable working capital movements partly offset by higher cash capital expenditure in the period	Above Maximum

Brambles' Group Personal Objectives Metrics for Executive KMP

Executive KMP	Customer	Productivity	Transformation	People
CEO	Group Customer NPS 5%	Group Asset Productivity 10%	Group Transformation Goals 10%	Group BIFR 5%
CFO	Group Customer NPS 5%	Group Asset Productivity 12.5%	Group Transformation Goals 12.5%	
President North America	North America Customer NPS 7.5%	North America Asset Productivity 7.5%	North America Transformation Goals 7.5%	North America BIFR 7.5%
President Europe	Europe Customer NPS 7.5%	Europe Asset Productivity 7.5%	Europe Transformation Goals 5%	Europe BIFR and Engagement survey 10%

The Remuneration Committee assessed the outcome of these objectives by reference to the quantitative metrics outlined above for their achievement set at the beginning of the Year. The outcome of that assessment is shown on page 56.

CEO and CFO FY23 STI Performance

The FY23 STI outcomes for the CEO and CFO are shown below based on performance against their STI objectives. As indicated earlier in this report, half of the STI award is delivered in deferred STI share awards, which vest two years from the date of grant, subject to the applicable Executive remaining employed by the Group at the end of that period.

In the following table, the outcomes for Underlying Profit and Cash Flow from Operations are based on 30 June 2022 foreign exchange rates. This allows relative performance between FY22 and FY23 to be assessed so that participants neither benefit or experience detriment from foreign exchange movements.

Performance Objective	Weighting	Threshold	Target	Maximum	Outcome	Outcome as % of base salary	Outcome as % of target
Underlying Profit (US$)	40%	954.6m	984.1m	1,013.6m	1,092.9m	72%	150%
Cash Flow from Operations (US$)	30%	427.0m	461.6m	496.3m	779.3m	54%	150%
CEO Personal Objectives	30%	18%	36%	54%	Achieved between Target and Maximum	42%	117%
CEO Total	**100%**					**168%**	**140%**
CFO Personal Objectives	30%	18%	36%	54%	Achieved between Target and Maximum	45%	125%
CFO Total	**100%**					**171%**	**143%**

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

Business Unit Metrics

Business Unit	Outcome	Achievement vs. Target
President, North America		
CHEP North America Underlying Profit	Above maximum	105%
CHEP North America Cash Flow from Operations	Above maximum	162%
Personal Objectives	Between Threshold and Target	99%
President, Europe		
CHEP Europe Underlying Profit	Between Target and Maximum	103%
CHEP Europe Cash Flow from Operations	Above maximum	118%
Personal Objectives	Between Target and Maximum	108%

4.2.1 Actual STI Payable and Forfeited for FY23

Details of the FY23 STI award payable to Executive KMP and the FY23 STI award forfeited, as a percentage of the maximum potential FY23 STI award in respect of performance during the Year, are shown in the following table. The Remuneration Committee also undertook the Non-Financial Risk assessment outlined in Section 3.3.1 and, based on that assessment, determined that no adjustment to the vesting levels for any Executive KMP was required.

Name	Total STI target % of base salary	Actual STI payable as % of base salary	Maximum STI as % of base salary	Total STI payable (US$)	% of maximum STI payable	% of maximum STI forfeited
G Chipchase	120%	168%	180%	2,546,145	93%	7%
N O'Sullivan	120%	171%	180%	1,451,623	95%	5%
D Cuenca	100%	137%	150%	584,858	91%	9%
L Nador	100%	135%	150%	701,398	90%	10%

4.3 Executive KMP LTI Share Awards

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

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

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

4.3.1 Sales Revenue CAGR/ROCI LTI Performance Matrix for FY24-FY26[7]

The sales revenue CAGR/ROCI matrix for LTI share awards that will be made in October 2023 for the period FY24-FY26 is set out below. The sales revenue and ROCI components of the matrix are calculated on a Group basis. The prospective vesting date is in October 2026. ROCI is defined as Underlying Profit divided by Average Capital Invested.

FY24-26 Sales Revenue CAGR/ROCI LTI Performance Matrix Vesting Schedule

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

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

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

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

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

8 Three-year CAGR over base year.

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

The Performance Period for LTI awards granted in October 2020 ended on 30 June 2023. The TSR component of these awards was tested against the TSR performance of Brambles over the Performance Period as determined by an independent consultant. The calculations of the sales revenue CAGR and ROCI components of these awards are based on the audited financial information and then tested against the FY21 to FY23 matrix by the Remuneration Committee. The Committee also undertook the Non-Financial Risks assessment outlined in Section 3.3.1 and, based on that assessment, determined that no adjustment to the vesting levels for any Executive KMP was required. Based on those assessments, these awards vested as follows:

Performance condition	Performance Period	Performance condition	Vesting level
Relative TSR (ASX100)	1 July 2020 to 30 June 2023	Brambles' TSR performance against the ASX 100	0%
Relative TSR (MSCI)	1 July 2020 to 30 June 2023	Brambles' TSR performance against the MSCI Industrials	0%
Sales revenue CAGR/ROCI	1 July 2020 to 30 June 2023	CAGR: 9.7% ROCI: 17.8%	100%
Total LTI vesting	**1 July 2020 to 30 June 2023**		**50%**

4.4 Executive KMP Remuneration and Benefits for the Year

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

Statutory disclosures relating to share-based payments expense are shown in Section 9.1. Unvested share awards may result in 'Actual share income' in future years and, if so, the income will be reported in the table below in the Remuneration Report for the relevant year.

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

US$'000		Short-term employee benefits			Post-employment benefits	Other			Actual share income[9]	
Name	Year	Cash salary / fees[10]	Cash bonus	Non-monetary benefits[11]	Super-annuation	Termination / sign-on payments / retirement benefits	Other[12]	Total before equity[13]	STI / LTI / MyShare awards	Total[14]
Executive Directors										
G Chipchase	**FY23**	**1,765**	**1,273**	**-**	**-**	**-**	**34**	**3,072**	**1,603**	**4,675**
	FY22	1,879	1,037	1	-	-	7	2,924	2,245	5,169
N O'Sullivan	**FY23**	**998**	**726**	**35**	-	-	**2**	**1,761**	**914**	**2,675**
	FY22	1,063	611	17	-	-	1	1,692	1,306	2,998
Other Executive KMP										
D Cuenca	**FY23**	**428**	**292**	**17**	**56**	**-**	**3**	**796**	**192**	**988**
	FY22	433	167	21	57	-	10	688	550	1,238
L Nador	**FY23**	**543**	**351**	**2**	**78**	**-**	**21**	**995**	**453**	**1,448**
	FY22	514	324	1	74	-	20	933	418	1,351
Totals[15]	**FY23**	**3,734**	**2,642**	**54**	**134**	**-**	**60**	**6,624**	**3,162**	**9,786**
	FY22	3,889	2,139	40	131	-	38	6,237	4,519	10,756

[9] Actual share income column represents the non-statutory vested share income and it is a non-IFRS measure.

[10] Cash salary/Fees includes base salary and allowances.

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

[12] Other includes health insurance and salary continuance insurance.

[13] Total before equity column represents the statutory remuneration excluding share-based payments.

[14] The Total column represents the non-statutory remuneration.

[15] The year-on-year comparison of remuneration is affected by the movement of 30 June 2023 rates from A$1=US$0.7223, £1=US$1.3264 and €1=US$1.1220 for FY22 to A$1=US$0.6750, £1=US$1.2110 and €1=US$1.0510 for FY23.

5. Executive Key Management Personnel

5.1 Executive Key Management Personnel Changes

The following executives comprise the Year's Executive Key Management Personnel (Executive KMP):

- Graham Chipchase, Executive Director and Chief Executive Officer;
- Nessa O'Sullivan, Executive Director and Chief Financial Officer;
- Laura Nador, President, North America; and
- David Cuenca, President, Europe.

There were no changes to Executive KMP during the Year.

5.2 Service Contracts

Graham Chipchase and Nessa O'Sullivan are on continuing contracts, which may be terminated without cause by the employer giving 12 months' notice or by the employee giving six months' notice, with payments in lieu of notice calculated by reference to annual base salary. As previously announced to the ASX, Nessa O'Sullivan will be retiring in FY24.

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

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

Details of Executive KMP salaries are shown below.

5.2.1 Contract Terms for Executive KMP

Name and role(s)	Base salary at 1 July 2022	Base salary at 1 July 2023	Notice period
G Chipchase, CEO	GBP 1,251,500	GBP 1,251,500	12 months
N O'Sullivan, CFO	GBP 701,000	GBP 730,000	12 months[16]
L Nador, President, North America	USD 521,000	USD 521,000	6 months
D Cuenca, President, Europe	EUR 407,000	EUR 407,000	6 months

No increases are being made for the next two years effective 1 July 2023, except for N O'Sullivan.

6. Employee Share Plan

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

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

As of 30 June 2023, 4.74 million Brambles shares were held by 4,565 MyShare participants.

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

During the Year, 1,149,365 Brambles shares were purchased on-market under the MyShare plan, being the Acquired Shares purchased by participants in that plan, at an average price of A$12.66 per share. The fair value at grant ranged from A$10.90 to A$13.60 (up to 30 June 2023) based on the monthly share price value. For further details of the share grant values, refer to Section 9.8 of the Remuneration Report and Note 21 of the Consolidated Financial Report.

7. Non-Executive Directors' Disclosures

7.1 Non-Executive Directors' Remuneration Policy

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

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

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

The base fees for the Chair and Non-Executive Directors for FY23 were as follows:

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

[16] Nessa O'Sullivan will be retiring in FY24 and received a base salary increase instead of the LTI increase.

The Chair and Non-Executive Director base fees have not increased since 1 July 2016. After conducting the reviews outlined above, there will be an increase in base fees for the Chair and Non-Executive Directors for FY24 as follows:

- Chair: A$650,000; and
- Non-Executive Directors: A$217,000.

Non-Executive Directors are also entitled to the following travel allowances and Committee member fees, which were not increased during the Year. These fees will not be increased for FY24:

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

The next fee review will take effect from 1 July 2024.

7.2 Non-Executive Directors' Appointment Letters

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

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

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

Ms Priya Rajagopalan was appointed to the Board on 1 November 2022.

7.3 Non-Executive Directors' Shareholdings

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

The following table contains details of Brambles Limited ordinary shares in which Non-Executive Directors held relevant interests, being issued shares held by them and their related parties:[17]

Ordinary shares	Balance at the start of the Year	Changes during the Year	Balance at the end of the Year
Non-Executive Directors as at 30 June 2023			
K Banks	-	4,000	4,000
G El-Zoghbi	35,000	-	35,000
E Fagan	20,000	-	20,000
K McCall	8,925	9,500	18,425
J Miller	9,450	-	9,450
J Mullen	31,400	20,000	51,400
S Perkins	20,000	-	20,000
P Rajagopalan	-	8,068	8,068
N Scheinkestel	19,774	251	20,025

[17] K Banks: Held by Kendra Fowler Banks.
G El-Zoghbi: Held by The George El-Zoghbi Trust Agreement on behalf of George El-Zoghbi.
E Fagan: Held by LG Vestra, Bank of New York Mellon on behalf of Elizabeth Fagan.
K McCall: Held by BNP Paribas Nominees Australia Pty Limited on behalf of Ken McCall.
J Miller: Of which 5,150 shares are held by The Miller Family Revocable Trust on behalf of James Miller and 4,300 shares are held by James Richard Miller
J Mullen: 51,400 shares are held by Hederaberry Pty Limited as trusted for the Mullen Family Trust.
S Perkins: Held by Perkins Family Super Pty Ltd ATF Perkins Family S/F A/C.
P Rajagopalan: 8,068 ordinary shares held through 4,034 Brambles Limited American Depositary Receipts (Brambles ADRs), acquired by E*Trade Security LLC on behalf of Priya Rajagopalan and Harish Devarajan.
N Scheinkestel: Of which 9,165 shares are held by Nora Scheinkestel and 10,860 shares are held by held by Scheinkestel Superannuation Pty Ltd.

7.4 Non-Executive Directors' Remuneration for the Year

Fees and other benefits provided to Non-Executive Directors during the Year and the prior year are set out in Section 7.4.1 below in US dollars. The full names of the Non-Executive Directors and the dates of any changes in Non-Executive Directors during the Year are shown in the Directors' Report – Additional Information on page 67. Non-Executive Directors do not receive any share-based payments.

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

7.4.1 Non-Executive Directors' Remuneration for the Year

US$'000		Short-term employee benefits	Post-employment benefits		
Name	Year	Directors' fees	Superannuation	Other[18]	Total
Non-Executive Directors as at 30 June 2023					
K Banks	**FY23**	**137**	**14**	**-**	**151**
	FY22	23	2	-	25
G El-Zoghbi	**FY23**	**152**	**16**	**-**	**168**
	FY22	157	16	-	173
E Fagan	**FY23**	**184**	**5**	**3**	**192**
	FY22	183	3	2	188
K McCall	**FY23**	**167**	**4**	**2**	**173**
	FY22	170	3	2	175
J Miller	**FY23**	**171**	**-**	**3**	**174**
	FY22	162	7	2	171
J Mullen	**FY23**	**427**	**-**	**-**	**427**
	FY22	457	-	-	457
S Perkins	**FY23**	**195**	**-**	**-**	**195**
	FY22	188	10	-	198
P Rajagopalan	**FY23**	**101**	**-**	**1**	**102**
	FY22	-	-	-	-
N Scheinkestel	**FY23**	**167**	**18**	**-**	**185**
	FY22	167	17	-	184
Totals[19]	**FY23**	**1,701**	**57**	**9**	**1,767**
	FY22	1,507	58	6	1,571

[18] Other includes tax support services.

[19] The year-on-year comparison of remuneration is affected by the movement of 30 June 2023 rates from A$1=US$0.7223, £1=US$1.3264 and €1=US$1.1220 for FY22 to A$1=US$0.6750, £1=US$1.2110 and €1=US$1.0510 for FY23. The FY22 comparative has been restated by US$104,000 to exclude former Non-Executive Directors who left in FY22.

8. Remuneration Governance

8.1 Remuneration Committee
The Remuneration Committee operates under delegated authority from Brambles’ Board. Its responsibilities include:

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

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

During the Year, members of the Remuneration Committee were Mr Perkins (Committee Chair), Mr El-Zoghbi, Mr Mullen, Ms Fagan and Mr Miller. Other individuals are invited to attend Remuneration Committee meetings as required by the Committee. This includes members of Brambles’ management team including the CEO, Chief People Officer, the Chief Legal Officer & Company Secretary, and Senior Vice President, Reward, as well as external remuneration advice as required.

During the Year, the Remuneration Committee held six meetings.

Details of the Remuneration Committee’s Charter can be found on the Corporate Governance page of Brambles' website.

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

8.3 Remuneration Advisors
The Remuneration Committee seeks external advice as required from specialist remuneration advisors who do not provide recommendations.

9. Other Reporting requirements

9.1 Share-Based Payments – Statutory Remuneration
The table below provides information on statutory remuneration for share awards relating to the years FY21 to FY23, which have been amortised over two to three years. These share awards are subject to conditions set out in Section 4. Remuneration will be received as a result of the underlying share awards vesting if the performance conditions have been met.

US$'000			Share-based payment		
Name	Year	Total before equity[13]	Awards	Percentage of total remuneration	Total[20]
Executive Directors					
G Chipchase	**FY23**	**3,072**	**2,428**	**44%**	**5,500**
	FY22	2,924	2,560	47%	5,484
N O'Sullivan[21]	**FY23**	**1,761**	**1,704**	**49%**	**3,465**
	FY22	1,692	1,448	46%	3,140
Other Executive KMP					
D Cuenca	**FY23**	**796**	**468**	**37%**	**1,264**
	FY22	688	418	38%	1,106
L Nador	**FY23**	**995**	**669**	**40%**	**1,664**
	FY22	933	619	40%	1,552
Totals	**FY23**	**6,624**	**5,269**		**11,893**
	FY22	6,237	5,045		11,282

9.2 LTI Share Awards still to be tested against performance conditions
The following table provides details of the level of vesting for the TSR component of LTI share awards granted in FY22 and FY23 if the current TSR performance was to be maintained until the end of the applicable Performance Period:

Awards made during	Performance condition	Start of Performance Period	End of Performance Period	Out-performance of median company’s TSR (%)[22]	Period to 30 June 2023: vesting if current performance is maintained until testing date (% of original award)
FY22	Relative TSR (ASX 100)	1 July 2021	30 June 2024	N/A	100% LTI TSR awards
FY22	Relative TSR (MSCI)	1 July 2021	30 June 2024	N/A	100% LTI TSR awards
FY23	Relative TSR (ASX 100)	1 July 2022	30 June 2025	N/A	100% LTI TSR awards
FY23	Relative TSR (MSCI)	1 July 2022	30 June 2025	N/A	100% LTI TSR awards

The following table provides details of the level of vesting for the sales revenue CAGR/ROCI component of LTI share awards granted in FY22 and FY23 if the current sales revenue CAGR/ROCI performance was to be maintained until the end of the applicable Performance Period:

Awards made during	Performance condition	Start of Performance Period	End of Performance Period	Period to 30 June 2023: Vesting if current performance is maintained until testing date (% of original award)
FY22	Sales Revenue CAGR/ROCI	1 July 2021	30 June 2024	100% LTI Sales Revenue ROCI awards
FY23	Sales Revenue CAGR/ROCI	1 July 2022	30 June 2025	95% LTI Sales Revenue ROCI awards

[20] The Total column represents the Total statutory remuneration.

[21] The statutory remuneration presented reflects Nessa O'Sullivan's retirement in FY24 including impact on STI awards, and LTI awards on a pro-rata basis, relating to the years FY21 to FY23.

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

9.3 Summary of STI and LTI Share Awards

The table below contains details of the STI and LTI share awards granted in which Executive KMP have unvested and/or unexercised awards that could affect remuneration in this or future reporting periods. STI and LTI share awards do not have an exercise price and carry no voting rights. The LTI share awards described as LTI TSR awards vest on the third anniversary of their grant date, subject to continued employment and meeting the relevant TSR performance condition set out in Section 3.3.1. The LTI share awards described as LTI ROCI vest on the third anniversary of their grant date, subject to continued employment and meeting a sales revenue CAGR/ROCI performance condition set out in Section 3.3.1.

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

Performance Share Plan awards	Vesting condition
STI awards	100% vesting based on continuous employment
LTI TSR awards (ASX and MSCI)	50% vesting if TSR is equal to the median ranked company 100% vesting if at 75th percentile
Dividend Equivalent	From 2019 onwards, STI Awards that vest and are exercised entitle holders to a dividend equivalent payment equal to the dividends declared by Brambles during the period commencing on the day the award was granted and ending on the day the award vests or is exercised. The dividend equivalent payment is paid either in cash or shares
FY21–FY23 LTI ROCI award	20% vesting occurs if CAGR is 3% and ROCI is 15.0% over three-year period 100% vesting occurs if CAGR is 4% and ROCI is 18.0% over three-year period
FY22–FY24 LTI ROCI award	20% vesting occurs if CAGR is 5% and ROCI is 15.5% over three-year period 100% vesting occurs if CAGR is 8% and ROCI is 17.0% over three-year period
FY23–FY25 LTI ROCI award	20% vesting occurs if CAGR is 5% and ROCI is 17.5% over three-year period 100% vesting occurs if CAGR is 8% and ROCI is 19.0% over three-year period

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

Performance Share Plan Awards	Grant date	Expiry date	Value at grant	Status/vesting date
STI/LTI TSR/ FY21-FY23 LTI ROCI	15 October 2020	15 October 2026	A$10.82 (STI) / A$10.05 (ROCI) / A$4.52 (TSR-ASX) / A$4.56 (TSR-MSCI)	STI – 15 October 2022 LTI – 15 October 2023
STI/LTI TSR/ FY22-FY24 LTI ROCI	21 October 2021	21 October 2027	A$10.32 (STI) / A$9.50 (ROCI) / A$4.50 (TSR-ASX) / A$4.92 (TSR-MSCI)	STI – 21 October 2023 LTI – 21 October 2024
STI/LTI TSR/ FY23-FY25 LTI ROCI	21 October 2022	21 October 2028	A$11.13 (STI) / A$10.15 (ROCI) / A$6.48 (TSR-ASX) / A$6.90 (TSR-MSCI)	STI – 21 October 2024 LTI – 21 October 2025

9.4 Basis of Valuation of STI and LTI Share Awards

The fair values of the STI and LTI share awards included in the above table have been estimated in accordance with the requirements of AASB 2 *Share-based Payments*, using a Monte Carlo simulation model for share rights subject to a market condition and a risk-neutral assumption for non-market conditions. The assumptions used in the valuations are outlined in Note 21 of the Consolidate Financial Report.

This fair value is not used to calculate the number of STI and LTI share awards granted to executives. The number of share awards granted is based on the market value of Brambles' shares which, under the PSP rules, is the volume weighted average share price during the five trading days up to and including the grant date. This is termed as a 'face value approach'.

Directors' Report – Remuneration Report – continued

9.5 Equity-Based Awards

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

Name	Type of award	Number	Value at grant US$'000[23]
Executive Directors			
G Chipchase	STI	126,991	914
	LTI	254,064	1,828
	MyShare Matching Shares	383	3
	Totals	**381,438**	**2,745**
N O'Sullivan	STI	74,790	538
	LTI	142,308	1,024
	MyShare Matching Shares	467	4
	Totals	**217,565**	**1,566**
Other Executive KMP			
D Cuenca	STI	21,158	152
	LTI	55,364	398
	MyShare Matching Shares	473	4
	Totals	**76,995**	**554**
L Nador	STI	46,805	337
	LTI	72,417	521
	MyShare Matching Shares	419	4
	Totals	**119,641**	**862**

9.6 Shareholdings

The following table shows details of Brambles Limited ordinary shares in which the Executive KMP held relevant interests, being issued shares held by them and their related parties.[24,25,26]

Ordinary shares	Balance at the start of the Year	Changes during the Year	Balance at the end of the Year
Executive Directors			
G Chipchase	361,383	117,659	479,042
N O'Sullivan	204,713	67,308	272,021
Other Executive KMP			
D Cuenca	33,637	15,742	49,379
L Nador	92,576	25,805	118,381

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

[24] On 31 July 2023, the following Executive KMP acquired ordinary shares under MyShare, which are held by Certane CT Pty Ltd: G Chipchase (30), N O'Sullivan (39), D Cuenca (38), and L Nador (43).
On 31 July 2023, the following Executive KMP received Matching Awards under MyShare: G Chipchase (30), N O'Sullivan (39), D Cuenca (38), and L Nador (43).

[25] G Chipchase: of which 31,200 shares are held by Multrees Investor Services and 447,842 shares are held by Certane CT Pty Ltd.
N O'Sullivan: of which 9,000 shares are held in her own name and 263,021 shares are held by Certane CT Pty Ltd.
D Cuenca: all of his shares are held by Certane CT Pty Ltd.
L Nador: of which 3,773 shares are held in her own name and 114,608 are held by Certane CT Pty Ltd.

[26] The applicable total includes dividend equivalent shares acquired under the PSP.

9.7 Interests in Share Rights[27]

The following table shows details of rights over Brambles Limited ordinary shares in which the Executive KMP held relevant interests being STI and LTI share awards made on 15 October 2019, 15 October 2020, 21 October 2021 and 21 October 2022 under the PSP; and Matching Shares, being conditional rights awarded during the Year under MyShare.[26,28]

Executive KMP	Balance at the start of the Year	Granted during the Year	Exercised during the Year[29]	Lapsed during the Year[30]	Balance at the end of the Year	Vested and exercisable at end of the Year	Value at exercise (US$'000)
Executive Directors							
G Chipchase	1,035,303	381,438	(224,918)	(125,260)	1,066,563	-	1,637
N O'Sullivan	581,291	217,565	(128,127)	(70,008)	600,721	-	933
Other Executive KMP							
D Cuenca	170,558	76,995	(26,849)	(8,400)	212,304	-	192
L Nador	247,260	119,641	(63,490)	(28,186)	275,225	-	453

9.8 Employee Share Plan

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

Plan	Grant date	Expiry date	Value at grant	Matching Shares / vesting date
MyShare 2021[31]	Each month from 31 March 2021 to 28 February 2022	1 April 2023	Values range per month from A$9.24 to A$11.53	31 March 2023
MyShare 2022[32]	Each month from 31 March 2022 to 28 February 2023	1 April 2024	Values range per month from A$9.41 to A$12.19	31 March 2024
MyShare 2023[33]	Each month from 31 March 2023 to 31 July 2023	1 April 2025	Values range per month from A$12.66 to A$13.60	31 March 2025

27 Of the awards detailed in Section 9.3 and Section 6, the following plan items are relevant to Executive KMP: G Chipchase, N O'Sullivan, D Cuenca, L Nador (STI, LTI TSR, LTI 20-22 ROCI, LTI 21-23 ROCI, LTI 22-24 ROCI, LTI 23-25 ROCI, MyShare 2021, 2022 and 2023).
Lapses occurred for: G Chipchase, N O'Sullivan, D Cuenca and L Nador (LTI 20-22 TSR).
Exercises occurred for: G Chipchase, N O'Sullivan, D Cuenca and L Nador (STI, FY20-22 LTI ROCI, MyShare 2021).

28 During the Year, 3,320,050 equity-settled performance share rights were granted under the PSP, of which 381,055 were granted to G Chipchase and 217,098 were granted to N O'Sullivan. 1,149,365 Matching Shares were granted under MyShare during the Year, of which 383 were granted to G Chipchase and 467 were granted to N O'Sullivan.

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

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

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

32 The Matching Shares granted under the MyShare 2022 Plan vest on 31 March 2024, subject to continuing employment and the retention of the associated Acquired Shares. On vesting, they are automatically exercised.

33 The final grant under the MyShare 2023 Plan will occur on 29 February 2024. For FY23 reporting purposes, data is only available up to 31 July 2023. The remaining information will be reported in the 2024 Annual Report. The Matching Shares granted under MyShare will vest on 31 March 2025, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

Directors' Report – Additional Information

The information presented in this report relates to the consolidated entity, the Brambles Group, consisting of Brambles Limited and the entities it controlled at the end of, or during, the year ended, 30 June 2023 (the Year).

Principal Activities

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

Further details of the Group's activities are set out in the Operating & Financial Review on pages 6 to 39.

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

Review of Operations and Results

A review of the Group's operations and of the results of those operations are given in the Letter from the Chair & CEO on pages 3 to 5 and the Operating & Financial Review on pages 6 to 39.

Information about the financial position of the Group is included in the Operating & Financial Review on pages 6 to 39 and in the Five-Year Financial Performance Summary on page 140.

Significant Changes in State of Affairs

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

Matters Since the End of the Financial Year

The Directors are not aware of any matter or circumstance that has arisen since 30 June 2023 up to the date of this report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Business Strategies and Prospects for Future Financial Years

The business strategies and prospects for future financial years, together with likely developments in the operations of the Group in future financial years and the expected results of those operations known at the date of this report, are set out in the Letter from the Chair & CEO on pages 3 to 5 and in the Operating & Financial Review on pages 6 to 39.

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

Dividends

The Directors have declared a final dividend for the Year of 14.0 US cents per share, to be paid in Australian dollars at 21.83 Australian cents per share, and which will be 35% franked. The dividend will be paid on 12 October 2023 to shareholders on the register on 14 September 2023.

On 13 April 2023, an interim dividend for the Year was paid, which was 12.25 US cents per share and 35% franked.

On 13 October 2022, a final dividend for the year ended 30 June 2022 was paid, which was 12 US cents per share and 35% franked.

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

Directors

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

The qualifications, experience and special responsibilities of Directors are set out on pages 40 to 43.

Kendra Fowler Banks	1 July 2022 to date
Graham Andrew Chipchase	1 July 2022 to date
George El-Zoghbi	1 July 2022 to date
Elizabeth Fagan	1 July 2022 to date
Kenneth Stanley McCall	1 July 2022 to date
James Richard Miller	1 July 2022 to date
John Patrick Mullen	1 July 2022 to date
Nessa O'Sullivan	1 July 2022 to date
Scott Redvers Perkins	1 July 2022 to date
Priya Rajagopalan	1 November 2022 to date
Nora Lia Scheinkestel	1 July 2022 to date

Secretary

Details of the qualifications and the experience of Robert Nies Gerrard, Chief Legal Officer & Company Secretary of Brambles Limited, are set out on page 45.

Details of the qualifications and experience of Carina Thuaux, Deputy Group Company Secretary & Corporate Counsel of Brambles Limited, are as follows: Carina joined Brambles in January 2014 as Assistant Company Secretary, and was most recently appointed as Deputy Group Company Secretary & Corporate Counsel in April 2023. She has also held the position of Legal Counsel in Australia and the UK. Prior to joining Brambles, she was a solicitor with King & Wood Mallesons. She holds a Bachelor of Commerce and a Bachelor of Law from the University of New South Wales. She is a Solicitor of the Supreme Court of New South Wales.

Indemnities

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

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

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

The indemnity given by Brambles Limited excludes the following matters:

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

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

Directors' Meetings

Details of Board Committee memberships are given in the Directors' biographies on pages 40 to 43. The following table shows the actual Board and Committee meetings held during the Year and the number attended by each Director or Committee member.

	Board meetings									
	Regular		Special Committees		Audit & Risk Committee meetings		Remuneration Committee meetings		Nominations Committee meetings	
Directors	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
K F Banks	12	12	-	-	-	-	-	-	3	3
G A Chipchase	12	12	2	2	-	-	-	-	3	3
G El-Zoghbi	12	12	-	-	-	-	6	6	3	3
E Fagan	12	12	-	-	6	6	6	6	3	3
K S McCall	12	12	2	2	6	6	-	-	3	3
J R Miller	12	12	-	-	-	-	6	6	3	3
J P Mullen	11	12	2	2	-	-	5	6	3	3
N O'Sullivan	12	12	4	4	-	-	-	-	3	3
S R Perkins	11	12	-	-	6	6	6	6	3	3
P Rajagopalan	9	9			-	-	-	-	2	2
N L Scheinkestel	12	12	4	4	6	6	-	-	3	3

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

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

Directors' Directorships of Other Listed Companies

The following lists the directorships held by the Directors in listed companies (other than Brambles Limited) since 30 June 2020.

Director	Listed company	Period directorship held
K F Banks	None	-
G A Chipchase	AstraZeneca plc	2012 to April 2021
G El-Zoghbi	The Kraft Heinz Company	2018 to April 2021
	Goodman Group:	
	- Goodman Limited	April 2023 to current
	- Goodman Funds Management Limited	April 2023 to current
E Fagan	None	-
K S McCall	Post Office Limited	2016 to January 2022
J R Miller	The RealReal, Inc.	2019 to current
	LivePerson, Inc.	January 2023 to current
J P Mullen	Telstra Corporation Limited	2008 to current
	Brookfield Infrastructure Corporation	2021 to current
	Treasury Wine Estates	May 2023 to current
N O'Sullivan	Molson Coors Beverage Company	2020 to current
S R Perkins	Woolworths Group Limited	2014 to current
	Origin Energy Limited	2015 to current
P Rajagopalan	None	-
N L Scheinkestel	Atlas Arteria:	
	- Atlas Arteria Limited[1]	2014 to November 2020
	- Atlas Arteria International Limited[1]	2015 to November 2020
	AusNet Services Ltd	2016 to February 2022
	Origin Energy Limited	2022 to current
	Telstra Corporation Limited	2010 to October 2022
	Westpac Banking Corporation	2021 to current

[1] Stapled entities.

Environmental Regulation

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

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

Corporate Governance Statement

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

During the Year, the Board believes Brambles met all the requirements of the Fourth Edition of the CGPR. Brambles' 2023 Corporate Governance Statement is on Brambles' website at brambles.com/corporate-governance-overview.

Interests in Securities

Pages 60 and 65 of the Directors' Report – Remuneration Report include details of the relevant interests of Directors, and other Group executives whose details are required to be disclosed, in shares and other securities of Brambles Limited.

Share Capital and Share Rights

Details of the changes in the issued share capital of Brambles Limited and performance share rights and MyShare matching share rights over unissued Brambles Limited ordinary shares at the year end are given in Notes 20 and 21 of the Consolidated Financial Report on pages 110 to 112.

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

Since the end of the Year to the date of this report:

- 5,025 fully paid Brambles Limited ordinary shares were issued as a result of the exercise of 3,287 MyShare matching share rights under the 2022 MyShare Plan and the exercise of 1,738 MyShare matching share rights under the 2023 MyShare plan;
- 99,271 MyShare matching share rights have been issued under the 2023 MyShare Plan; and
- 8,762 MyShare matching share rights lapsed under the 2022 MyShare Plan, 9,664 MyShare matching share rights lapsed under the 2023 MyShare Plan and 62,573 performance share rights lapsed.

Non-Audit Services and Auditor Independence

The amount of US$14,000 was paid or is payable to PwC, the Group's auditors, for non-audit services provided during the Year by them (or another person or firm on their behalf). These services primarily related to corporate administration.

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

The auditors have also provided the Audit & Risk Committee with a letter confirming that, in their professional judgement, as at 18 August 2023 they have maintained their independence in accordance with their firm's requirements, with the provisions of APES 110 – *Code of Ethics for Professional Accountants* and with the applicable provisions of the Act. On the same basis, they also confirmed that the objectivity of the audit engagement partners and the audit staff is not impaired.

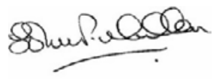
Auditor's Independence Declaration

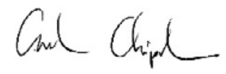
A copy of the auditor's independence declaration as required under Section 307C of the Act is set out on page 139.

Annual General Meeting

Brambles' 2023 Annual General Meeting (AGM) will be held at 2.00pm (AEDT) on 12 October 2023. The AGM will be held as a hybrid meeting. Full details on the AGM will be in the Notice of Meeting, which will be sent to shareholders and posted on brambles.com in early September 2023.

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





John Mullen
Chair
30 August 2023

Graham Chipchase
Chief Executive Officer

Shareholder Information

Stock Exchange Listing

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

Uncertificated Forms of Shareholding

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

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

American Depository Receipts

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

Dividend

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

Annual General Meeting

The Brambles Limited 2023 AGM will be held at 2.00pm (AEDT) on 12 October 2023. The AGM will be held as a hybrid meeting. Full details of the AGM will be in the Notice of Meeting, which will be sent to shareholders and posted on brambles.com in early September 2023.

Financial Calendar

Final Dividend 2023

Ex-dividend date – Wednesday, 13 September 2023
Record date – Thursday, 14 September 2023
Payment date – Thursday, 12 October 2023

2024 (Provisional)

Announcement of interim results – mid-February 2024
Interim dividend – mid-April 2024
Announcement of final results – mid-August 2024
Final dividend – mid-October 2024
AGM – October 2024

Company Secretaries

R N Gerrard
C Thuaux

Analysis of Holders of Equity Securities as at 18 August 2023

Substantial Shareholders

Brambles has been notified of the following substantial shareholdings:

Holder	Number of ordinary shares	% of issued ordinary share capital[1]
Blackrock Group	116,622,353	8.12[2]
State Street Corporation	85,129,663	6.14
Vanguard Group	69,541,291	5.01[3]

Number of Ordinary Shares on Issue and Distribution of Holdings

	Holders	% of issued ordinary share capital
1–1,000	34,545	1.05
1,001–5,000	27,797	4.63
5,001–10,000	4,421	2.23
10,001–100,000	2,468	3.66
100,001 and over	83	88.43
Total	**69,314**	**100**

There are 1,389,309,081 Brambles Limited ordinary shares on issue. The number of members holding less than a marketable parcel of 35 ordinary shares (based on a closing market price of A$14.07 on 18 August 2023) is 1,928 and they hold a total of 19,505 ordinary shares. The voting rights of ordinary shares are described on page 73.

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

[2] Blackrock Group also holds 1,774,136 ordinary shares (0.12% of issued share capital) through Brambles American Depositary Receipts.

[3] Vanguard Group also holds 42,205 ordinary shares through Brambles American Depositary Receipts.

Shareholder Information – continued

Unquoted equity securities: Number of Share Rights over Unissued ordinary shares and Distribution of Holdings

	Holders	% of issued share rights
1–1,000	3,960	15.07
1,001–5,000	25	0.74
5,001–10,000	21	1.81
10,001–100,000	113	39.52
100,001 and over	15	42.86
Total	**4,134**	**100**

There are 8,945,931 share rights over unissued ordinary shares. The voting rights of those share rights are described below.

Twenty Largest Ordinary Shareholders

Name	Number of ordinary shares	% of issued ordinary share capital
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	585,269,930	42.13
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	247,012,849	17.78
CITICORP NOMINEES PTY LIMITED	160,509,783	11.55
BNP PARIBAS NOMS PTY LTD <DRP>	68,003,771	4.90
NATIONAL NOMINEES LIMITED	37,100,135	2.67
BNP PARIBAS NOMS PTY LTD DEUTSCHE BANK TCA <DRP>	23,506,534	1.69
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	21,836,208	1.57
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	9,436,487	0.68
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	6,460,826	0.47
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	6,200,000	0.45
ARGO INVESTMENTS LIMITED	5,639,109	0.41
CERTANE SPV MANAGEMENT PTY LTD <BRAMBLES - MYSHARE A/C>	4,718,428	0.34
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,053,979	0.29
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	4,033,972	0.29
BNP PARIBAS NOMS (NZ) LTD <DRP>	3,023,949	0.22
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	2,756,428	0.20
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	2,319,954	0.17
BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>	2,271,105	0.16
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING COLLATERAL >	2,086,200	0.15
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,023,829	0.15
Total holdings of 20 largest holders	**1,198,263,476**	**86.25**

Voting Rights: Ordinary Shares

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

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

Voting Rights: Share Rights

Share rights over unissued ordinary shares do not carry any voting rights.

Consolidated Financial Report

for the year ended 30 June 2023

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Consolidated Statement of Comprehensive Income

for the year ended 30 June 2023

	Note	2023 US$m	2022 US$m
Continuing operations			
Sales revenue	2	**6,076.8**	5,519.8
Other income and other revenue		**318.9**	287.7
Operating expenses	3	**(5,324.0)**	(4,872.9)
Share of results of associates	8	**(4.7)**	(4.6)
Operating profit		**1,067.0**	930.0
Finance revenue		**16.0**	11.5
Finance costs		**(130.1)**	(97.8)
Net finance costs	4	**(114.1)**	(86.3)
Net impact arising from hyperinflationary economies	1H	**(18.7)**	(22.0)
Profit before tax		**934.2**	821.7
Tax expense	5A	**(287.1)**	(247.9)
Profit from continuing operations		**647.1**	573.8
Profit from discontinued operations	9	**56.2**	19.5
Profit for the year attributable to members of the parent entity		**703.3**	593.3
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on defined benefit pension plans	19	**(17.4)**	22.5
Tax benefit/(expense) on items that will not be reclassified to profit or loss	5A	**4.4**	(5.7)
		(13.0)	16.8
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign subsidiaries	22	**(5.4)**	(167.3)
Exchange differences released to profit on divestment of CHEP China	22	**(1.2)**	-
		(6.6)	(167.3)
Other comprehensive loss for the year		**(19.6)**	(150.5)
Total comprehensive income for the year attributable to members of the parent entity		**683.7**	442.8
Earnings per share (EPS) – US Cents			
Continuing operations			
- basic	6	**46.6**	40.5
- diluted		**46.4**	40.4
Total			
- basic		**50.7**	41.9
- diluted		**50.4**	41.7

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

Consolidated Balance Sheet

as at 30 June 2023

	Note	2023 US$m	2022 US$m
Assets			
Current assets			
Cash and cash equivalents	24	**160.7**	158.2
Trade and other receivables	10	**1,126.4**	978.5
Inventories	11	**83.9**	94.5
Other assets	12	**73.9**	90.4
Total current assets		**1,444.9**	1,321.6
Non-current assets			
Other receivables	10	**21.2**	49.6
Property, plant and equipment	13	**6,062.0**	5,526.0
Right-of-use leased assets	14	**637.7**	617.5
Goodwill and intangible assets	15	**241.3**	243.5
Investments in associates	8	**156.9**	44.6
Deferred tax assets	5C	**154.5**	128.9
Total non-current assets		**7,273.6**	6,610.1
Total assets		**8,718.5**	7,931.7
Liabilities			
Current liabilities			
Trade and other payables	16	**2,074.9**	1,860.1
Lease liabilities	24C	**110.2**	140.0
Borrowings	18	**562.1**	53.7
Tax payable	2	**66.5**	61.1
Provisions	17	**174.7**	122.1
Total current liabilities		**2,988.4**	2,237.0
Non-current liabilities			
Lease liabilities	24C	**619.2**	573.4
Borrowings	18	**1,592.8**	2,108.4
Provisions	17	**75.3**	75.8
Retirement benefit obligations	19	**16.3**	2.2
Deferred tax liabilities	5C	**556.5**	483.0
Other liabilities	16	**-**	0.8
Total non-current liabilities		**2,860.1**	3,243.6
Total liabilities		**5,848.5**	5,480.6
Net assets		**2,870.0**	2,451.1
Equity			
Contributed equity	20	**4,531.6**	4,505.8
Reserves	22	**(7,341.8)**	(7,376.6)
Retained earnings	22	**5,680.2**	5,321.9
Total equity		**2,870.0**	2,451.1

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

Consolidated Cash Flow Statement

for the year ended 30 June 2023

	Note	2023 US$m	2022 US$m
Cash flows from operating activities			
Receipts from customers		**7,038.9**	6,358.9
Payments to suppliers and employees		**(4,721.4)**	(4,489.0)
Cash generated from operations		**2,317.5**	1,869.9
Interest received		**5.6**	3.0
Interest paid[1]		**(117.3)**	(83.6)
Income taxes paid		**(214.7)**	(203.5)
Net cash inflow from operating activities	24B	**1,991.1**	1,585.8
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,668.3)**	(1,652.3)
Proceeds from sale of property, plant and equipment[2]		**191.5**	172.5
Payments for intangible assets		**(16.2)**	(19.8)
Payments relating to divested businesses and cash disposed	9	**(12.4)**	-
Net cash outflow from investing activities		**(1,505.4)**	(1,499.6)
Cash flows from financing activities			
Proceeds from borrowings		**2,570.0**	1,601.5
Repayment of borrowings		**(2,603.2)**	(1,000.3)
Payment of principal component of lease liabilities		**(125.4)**	(132.6)
Net inflow/(outflow) from derivative financial instruments		**1.1**	(49.0)
Payments for share buy-back	20	**-**	(443.9)
Dividends paid – ordinary	7	**(318.6)**	(304.8)
Net cash outflow from financing activities		**(476.1)**	(329.1)
Net increase/(decrease) in cash and cash equivalents		**9.6**	(242.9)
Cash and cash equivalents, net of overdrafts, at beginning of the year		**155.9**	407.0
Effect of exchange rate changes		**(8.9)**	(8.2)
Cash and cash equivalents, net of overdrafts, at end of the year	24A	**156.6**	155.9

[1] Includes interest paid on leases of US$28.2 million in 2023 (2022: US$24.1 million).

[2] Includes compensation for lost pooling equipment of US$184.2 million in 2023 (2022: US$171.0 million).

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

	Note	Contributed equity US$m	Reserves US$m	Retained earnings US$m	Total US$m
Year ended 30 June 2022					
Opening balance as at 1 July 2021		4,924.8	(7,246.4)	5,011.5	2,689.9
Profit for the year		-	-	593.3	593.3
Other comprehensive (loss)/income		-	(167.3)	16.8	(150.5)
Total comprehensive (loss)/income		-	(167.3)	610.1	442.8
Revaluation of reserves relating to hyperinflation		-	34.0	-	34.0
Share-based payments:					
- expense recognised	21	-	28.3	-	28.3
- shares issued		-	(24.9)	-	(24.9)
- equity component of related tax		-	(0.3)	-	(0.3)
Transactions with owners in their capacity as owners:					
- dividends declared	7	-	-	(299.7)	(299.7)
- issue of ordinary shares, net of transaction costs	20	24.9	-	-	24.9
- share buy-back	20	(443.9)	-	-	(443.9)
Closing balance as at 30 June 2022		4,505.8	(7,376.6)	5,321.9	2,451.1
Year ended 30 June 2023					
Opening balance at 1 July 2022		**4,505.8**	**(7,376.6)**	**5,321.9**	**2,451.1**
Profit for the year		**-**	**-**	**703.3**	**703.3**
Other comprehensive loss		**-**	**(5.4)**	**(13.0)**	**(18.4)**
FCTR released to profit on divestment of CHEP China		**-**	**(1.2)**	**-**	**(1.2)**
Total comprehensive (loss)/income		**-**	**(6.6)**	**690.3**	**683.7**
Revaluation of reserves relating to hyperinflation		**-**	**36.2**	**-**	**36.2**
Share-based payments:					
- expense recognised	21	**-**	**27.5**	**-**	**27.5**
- shares issued		**-**	**(25.8)**	**-**	**(25.8)**
- equity component of related tax		**-**	**3.5**	**-**	**3.5**
Transactions with owners in their capacity as owners:					
- dividends declared	7	**-**	**-**	**(332.0)**	**(332.0)**
- issue of ordinary shares, net of transaction costs	20	**25.8**	**-**	**-**	**25.8**
Closing balance as at 30 June 2023		**4,531.6**	**(7,341.8)**	**5,680.2**	**2,870.0**

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

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2023

Note 1. About This Report

A) Basis of Preparation

These financial statements present the consolidated results of Brambles Limited (ACN 118 896 021) (Company) and its subsidiaries and associates (Brambles or the Group) for the year ended 30 June 2023. These financial statements have been authorised for issue in accordance with a resolution of the Directors on 30 August 2023.

References to 2023 and 2022 are to the financial years ended 30 June 2023 and 30 June 2022, respectively. The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the requirements of the *Corporations Act 2001*. It presents information on a historical cost basis, except for derivative financial instruments, financial assets at fair value through profit or loss and adjustments for hyperinflation.

The financial statements and all comparatives have been prepared using the accounting policies disclosed throughout the financial statements, which are consistent with the prior year.

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

The Task Force on Climate-related Financial Disclosures (TCFD) is a reporting framework that aims to improve and increase the level of climate-related financial information. In preparing the consolidated financial statements the impact of climate change risks has been considered. Relevant disclosures have been included in Note 13 Property, Plant and Equipment and Note 15 Goodwill and Intangible Assets. There has not been a material impact in our assessment of useful economic lives and residual values of our assets as a result of climate change. The Group continues to assess the potential long-term financial impacts of climate change. Additional information on Brambles Climate Change Strategy and TCFD disclosures can be found on pages 20 to 22 of the Annual Report.

On 28 November 2022, Brambles entered into an agreement to combine the pallet and automotive pooling operations of CHEP China with Loscam (Greater China) Holdings Limited, with completion of the transaction taking place on 31 March 2023. As consideration Brambles received a 20% interest in the combined entity (Loscam China) which is accounted for as an associate using the equity method (refer Note 8). Consequently, the results of CHEP China prior to the divestment date are presented in discontinued operations in the consolidated statement of comprehensive income and all related note disclosures.

Comparative information has been reclassified where appropriate to enhance comparability.

As at 30 June 2023, Brambles has net current liabilities of US1,543.5 million (2022: net current liabilities of US$915.4 million). The increase in net current liabilities largely reflects the maturity of Euro Medium Term Note (EMTN) in June 2024. Liquidity remains strong with US$2,051.7 million of available facilities (refer Note 23D) and US$160.7 million of total cash and cash equivalents. Brambles continues to maintain solid investment-grade credit ratings of BBB+ from Standard & Poor's and Baa1 from Moody's Investors Service (refer Note 23F).

B) Principles of Consolidation

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

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

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

Note 1. About This Report – continued

C) Presentation Currency

Brambles uses the US dollar as its presentation currency because:

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

D) Foreign Currency

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

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

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

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

		A$:US$	€:US$	£:US$
Average	**2023**	**0.6750**	**1.0510**	**1.2110**
	2022	0.7223	1.1220	1.3264
Year end	**30 June 2023**	**0.6615**	**1.0867**	**1.2614**
	30 June 2022	0.6879	1.0442	1.2124

E) Investments in Associates

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

F) Other Income and Other Revenue

Other income and other revenue include surcharges for fuel, lumber and transport, as well as net gains on disposal of property, plant and equipment in the ordinary course of business. Fuel and transport surcharges are recognised when they are billed to the customer, while lumber surcharges are deferred and recognised over the estimated period that the pooling equipment is utilised by customers, referred to as the cycle time. The net gain on disposal is recognised when control of the asset has passed to the buyer. Net gains on disposal also includes compensation for irrecoverable pooling equipment which is recognised when it is received.

Note 1. About This Report – continued

G) Significant Items

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

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

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

H) Hyperinflationary Economies

AASB 129 *Financial Reporting in Hyperinflationary Economies* relates to Brambles' operations in Türkiye, Argentina and Zimbabwe, which have been designated as hyperinflationary economies. The trigger for hyperinflation accounting is when the cumulative inflation rate in an economy approaches or exceeds 100% over three successive years.

The application of AASB 129 requires:

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

The impact arising from AASB 129 is a net charge of US$18.7 million recognised in the comprehensive income statement in 2023 (2022: US$22.0 million net charge). The US$18.7 million net charge relates to the hyperinflation impacts of US$9.8 million loss in Türkiye, US$9.2 million loss in Argentina and a US$0.3 million gain in Zimbabwe.

I) Critical Accounting Estimates and Judgements

In applying its accounting policies, Brambles has made estimates and assumptions concerning the future which may differ from the related actual outcomes.

Material estimates and judgements are found in the following notes:

- Income Tax (Note 5F)
- Property, Plant and Equipment (Note 13E)
- Irrecoverable Pooling Equipment Provision (IPEP) (Note 13D)

J) Changes to Accounting Standards

At 30 June 2023, certain accounting standards and interpretations have been published or amended which will become mandatory in future reporting periods. The International Sustainability Standards Board (ISSB) issued sustainability disclosure standards IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures,* which will become effective for Brambles from 1 July 2024. Brambles will continue to evaluate the requirements in this area and enhance its sustainability disclosures accordingly. Other new or amended accounting standards and interpretations are either not material or not applicable to Brambles.

Note 2. Segment Information – Continuing Operations

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

Brambles has four reportable segments:

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

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

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

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

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

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

Notes to and Forming Part of the Financial Statements – continued
for the year ended 30 June 2023

Note 2. Segment Information – Continuing Operations – continued

	Sales revenue		Cash Flow from Operations[1]	
	2023 US$m	**2022 US$m**	**2023 US$m**	**2022 US$m**
By operating segment				
CHEP Americas	**3,371.0**	2,950.8	**463.5**	185.3
CHEP EMEA	**2,191.1**	2,072.5	**333.0**	240.2
CHEP Asia-Pacific	**514.7**	496.5	**150.1**	144.2
Corporate	**-**	-	**(156.8)**	(177.9)
Continuing operations	**6,076.8**	5,519.8	**789.8**	391.8
By geographic origin				
Americas	**3,406.2**	2,978.1		
Europe	**1,922.0**	1,790.1		
Australia	**425.7**	407.7		
Other	**322.9**	343.9		
Total	**6,076.8**	5,519.8		

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

	Operating profit[2]		Underlying Profit[3]	
	2023 US$m	**2022 US$m**	**2023 US$m**	**2022 US$m**
By operating segment				
CHEP Americas	**573.3**	482.3	**573.3**	482.3
CHEP EMEA	**506.5**	461.2	**506.5**	461.2
CHEP Asia-Pacific	**180.5**	169.0	**180.5**	169.0
Corporate[4]	**(193.3)**	(182.5)	**(193.3)**	(182.5)
Continuing operations	**1,067.0**	930.0	**1,067.0**	930.0

Underlying Profit is equal to Operating profit in 2023 and 2022 as there are no Significant Items.

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

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

[4] The Corporate segment includes costs of US$110.6 million in 2023 relating to the Shaping Our Future project (2022: US$108.6 million), of which US$22.5 million relates to short-term transformation costs (2022: US$48.4 million), US$65.9 million for digital transformation (2022: US$35.0 million) and US$22.2 million on remaining transformation initiatives, including improving the customer experience and resources to support the delivery of the transformation programme (2022: US$25.2 million). The Corporate segment also includes the share of results of associates of US$4.7 million loss in 2023 (2022: US$4.6 million loss) – refer Note 8.

Note 2. Segment Information – Continuing Operations – continued

	Return on Capital Invested[5]		Average Capital Invested[6]	
	2023 US$m	2022 US$m	2023 US$m	2022 US$m
By operating segment				
CHEP Americas	**18.9%**	18.1%	**3,033.3**	2,659.9
CHEP EMEA	**22.8%**	23.2%	**2,218.6**	1,990.9
CHEP Asia-Pacific	**34.0%**	33.0%	**530.4**	512.7
Corporate			**(18.7)**	(13.0)
Continuing operations	**18.5%**	18.1%	**5,763.6**	5,150.5

[5] Return on Capital Invested (ROCI) is Underlying Profit divided by Average Capital Invested. ROCI is not calculated for the Corporate segment since it is not an operating business unit. Corporate costs are included in the overall ROCI from continuing operations. ROCI for continuing operations is impacted by the Shaping Our Future costs, which are included in the Corporate segment (refer Note 2, footnote 4).

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

	Capital expenditure[7]		Depreciation and amortisation	
	2023 US$m	2022 US$m	2023 US$m	2022 US$m
By operating segment				
CHEP Americas	**904.2**	981.2	**398.9**	361.0
CHEP EMEA	**546.5**	704.5	**262.9**	248.4
CHEP Asia-Pacific	**116.1**	101.2	**63.8**	64.8
Corporate	**0.3**	0.1	**4.5**	5.3
Continuing operations	**1,567.1**	1,787.0	**730.1**	679.5

[7] Capital expenditure on property, plant and equipment is on an accruals basis.

Note 2. Segment Information – Continuing Operations – continued

	Segment assets		Segment liabilities	
	2023 US$m	2022 US$m	2023 US$m	2022 US$m
By operating segment				
CHEP Americas	**4,540.6**	4,121.4	**1,918.1**	1,720.9
CHEP EMEA	**3,054.9**	2,637.0	**808.6**	739.5
CHEP Asia-Pacific	**674.0**	622.9	**269.9**	248.4
Corporate	**112.3**	114.1	**74.0**	46.6
Continuing operations	**8,381.8**	7,495.4	**3,070.6**	2,755.4
Discontinued operations	**-**	118.7	**-**	19.0
Total segment assets and liabilities	**8,381.8**	7,614.1	**3,070.6**	2,774.4
Cash and borrowings	**160.7**	158.2	**2,154.9**	2,162.1
Current tax balances	**21.5**	30.5	**66.5**	61.1
Deferred tax balances	**154.5**	128.9	**556.5**	483.0
Total assets and liabilities	**8,718.5**	7,931.7	**5,848.5**	5,480.6
Non-current assets by geographic origin[8]				
Americas	**3,855.5**	3,507.6		
Europe	**2,288.2**	1,979.0		
Australia	**593.8**	507.7		
Other	**381.6**	486.9		
Total	**7,119.1**	6,481.2		

[8] Non-current assets exclude deferred tax assets of US$154.5 million (2022: US$128.9 million).

Note 3. Operating Expenses – Continuing Operations

	Note	2023 US$m	2022 US$m
Employment costs		**985.1**	863.1
Transport		**1,445.6**	1,396.9
Repairs and maintenance[1]		**1,274.7**	1,200.8
Subcontractors and other service suppliers[2]		**454.8**	388.4
Occupancy		**56.9**	48.4
Depreciation of property, plant and equipment	13 & 14	**713.7**	660.8
Impairment of property, plant and equipment	13	**16.6**	-
Irrecoverable pooling equipment provision expense		**285.1**	232.0
Amortisation of intangible assets		**16.4**	18.7
Net foreign exchange losses/(gains)		**1.8**	(0.8)
Other		**73.3**	64.6
		5,324.0	4,872.9

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

[2] Includes consulting costs and professional fees.

Notes to and Forming Part of the Financial Statements – continued
for the year ended 30 June 2023

Note 4. Net Finance Costs – Continuing Operations

	2023 US$m	2022 US$m
Finance revenue		
Bank accounts and short-term deposits	**3.1**	1.5
Derivative financial instruments	**12.2**	10.0
Other	**0.7**	-
	16.0	11.5
Finance costs		
Interest expense on bank loans and borrowings	**(73.1)**	(55.6)
Derivative financial instruments	**(26.5)**	(16.1)
Lease interest expense	**(29.3)**	(25.2)
Other	**(1.2)**	(0.9)
	(130.1)	(97.8)
Net finance costs	**(114.1)**	(86.3)

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

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

Note 5. Income Tax

	Note	2023 US$m	2022 US$m
A) Components of Tax Expense			
Amounts recognised in the statement of comprehensive income			
Current income tax – continuing operations:			
- income tax charge		**231.6**	198.9
- prior year adjustments		**(1.5)**	(20.3)
		230.1	178.6
Deferred tax – continuing operations:			
- origination and reversal of temporary differences		**51.7**	45.9
- previously unrecognised tax losses		**(2.2)**	(2.5)
- tax rate change		**5.5**	5.7
- prior year adjustments		**2.0**	20.2
		57.0	69.3
Tax expense – continuing operations		**287.1**	247.9
Tax expense – discontinued operations	9	**4.6**	5.2
Tax expense recognised in comprehensive income		**291.7**	253.1
Amounts recognised in other comprehensive income			
- on actuarial (loss)/gain on defined benefit pension plans		**(4.4)**	5.7
Tax (benefit)/expense recognised directly in other comprehensive income		**(4.4)**	5.7

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

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

Note 5. Income Tax – continued

	Note	2023 US$m	2022 US$m
B) Reconciliation Between Tax Expense and Accounting Profit Before Tax			
Profit before tax – continuing operations		**934.2**	821.7
Tax at standard Australian rate of 30% (2022: 30%)		**280.3**	246.5
Effect of tax rates in other jurisdictions		**(39.5)**	(36.3)
Equity-accounted results of associates		**1.4**	1.4
Prior year adjustments		**0.5**	(0.1)
Current year tax losses not recognised		**0.7**	1.0
Foreign withholding tax unrecoverable		**12.9**	11.6
Change in tax rates		**5.5**	5.7
Non-deductible expenses		**7.0**	9.1
Prior year tax losses recouped/recognised		**(2.2)**	(2.5)
Hyperinflation adjustment		**5.4**	6.6
Other[1]		**15.1**	4.9
Tax expense – continuing operations		**287.1**	247.9
Tax expense – discontinued operations	9	**4.6**	5.2
Total income tax expense		**291.7**	253.1

[1] Includes the impact of Base Erosion and Anti-abuse Tax (BEAT) in the US, relating to foreign payments.

	2023 US$m		2022 US$m	
	Assets	Liabilities	Assets	Liabilities
C) Components of Deferred Tax Assets and Liabilities				
Deferred tax assets and liabilities in the balance sheet are represented by cumulative temporary differences attributable to:				
Items recognised through the statement of comprehensive income				
Employee benefits	**33.4**	**-**	27.7	-
Provisions and accruals	**63.0**	**-**	37.8	-
Losses available against future taxable income	**187.6**	**-**	210.9	-
Accelerated depreciation for tax purposes	**-**	**(807.8)**	-	(741.6)
Deferred revenue	**135.3**	**-**	114.3	-
Leases	**200.2**	**(161.4)**	196.2	(156.5)
Hyperinflation adjustment	**-**	**(16.2)**	-	(7.2)
Other	**71.1**	**(123.6)**	71.2	(113.2)
	690.6	**(1,109.0)**	658.1	(1,018.5)
Items recognised in other comprehensive income or directly through equity				
Actuarial losses/(gains) on defined benefit pension plans	**5.0**	**(1.0)**	2.5	(1.2)
Share-based payments	**12.4**	**-**	5.0	-
	17.4	**(1.0)**	7.5	(1.2)
Set-off against deferred tax (liabilities)/assets	**(553.5)**	**553.5**	(536.7)	536.7
Net deferred tax assets/(liabilities)	**154.5**	**(556.5)**	128.9	(483.0)

Note 5. Income Tax – continued

	2023 US$m		2022 US$m	
	Assets	Liabilities	Assets	Liabilities
D) Movements in Deferred Tax Assets and Liabilities				
At 1 July	**128.9**	**(483.0)**	120.7	(410.1)
Credited/(charged) to profit or loss	**28.7**	**(85.7)**	35.2	(104.5)
Credited/(charged) directly to equity	**6.9**	**0.3**	(6.1)	(0.2)
Divestment of subsidiaries	**(0.1)**	**0.2**	-	-
Hyperinflation adjustment	**-**	**(9.0)**	-	(6.0)
Offset against deferred tax (liabilities)/assets	**(16.8)**	**16.8**	(10.5)	10.5
Foreign exchange differences	**6.9**	**3.9**	(10.4)	27.3
At 30 June	**154.5**	**(556.5)**	128.9	(483.0)

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

Deferred tax assets and liabilities are not recognised:

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

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

At reporting date, Brambles has unused tax losses of US$802.5 million (2022: US$939.0 million) available for offset against future profits. A deferred tax asset of US$187.6 million (2022: US$210.9 million) has been recognised in respect of US$752.0 million (2022: US$846.7 million) of such losses.

The benefit for tax losses will only be obtained if:

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

No deferred tax asset has been recognised in respect of the remaining unused tax losses of US$50.5 million (2022: US$92.3 million) due to uncertainty of future profit streams in the relevant jurisdictions. Tax losses of US$344.6 million (2022: US$431.1 million), which have been recognised in the balance sheet, have an expiry date between 2031 and 2038 (2022: between 2031 and 2038); however, it is expected that these losses will be recouped prior to expiry. The remaining tax losses of US$407.4 million (2022: US$415.6 million), which have been recognised in the balance sheet, can be carried forward indefinitely.

Note 5. Income Tax – continued

D) Movements in Deferred Tax Assets and Liabilities – continued

At reporting date, undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised in the consolidated financial statements are US$885.2 million (2022: US$864.3 million). No deferred tax liability has been recognised for these amounts because Brambles controls the distributions from its subsidiaries and is satisfied that the temporary difference will not reverse in the foreseeable future.

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

E) Tax Consolidation

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

F) Tax Estimates and Judgements

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

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

Brambles has applied the mandatory exception from recognising and disclosing information regarding deferred tax assets and liabilities related to OECD Pillar Two Global Anti-Base Erosion Rules.

G) Tax Policy

Brambles Limited has a tax policy approved by the Board of Directors, which sets out the Company’s approach to tax risk management and governance, tax planning, and dealing with tax authorities. The tax policy is included in Brambles Limited’s Code of Conduct. In addition, Brambles Limited’s Sustainability Review includes a Tax Transparency Report, prepared in accordance with the Australian Taxation Office's Voluntary Tax Transparency Code, which comprises, amongst other matters, details such as the corporate income tax paid by, and effective tax rates of, Brambles' Australian and global operations. The 2023 Tax Transparency Report is scheduled for publication in the second half of calendar year 2023 and will be posted on Brambles’ website.

Note 6. Earnings Per Share

	2023 US cents	2022 US cents
From continuing operations		
- basic	**46.6**	40.5
- diluted	**46.4**	40.4
- basic, on Underlying Profit after finance costs and tax	**48.0**	42.1
From discontinued operations		
- basic	**4.1**	1.4
- diluted	**4.0**	1.3
Total Earnings Per Share (EPS)		
- basic	**50.7**	41.9
- diluted	**50.4**	41.7

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

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

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

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

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

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

Note 6. Earnings Per Share – continued

	2023 Million	2022 Million
A) Weighted Average Number of Shares during the Year		
Used in the calculation of basic EPS	**1,388.0**[1]	1,415.7
Adjustment for share rights	**6.2**	5.5
Used in the calculation of diluted EPS	**1,394.2**	1,421.2

[1] The weighted average number of shares in 2023 decreased reflecting the impact of the share buy-back programme completed in June 2022.

	Note	2023 US$m	2022 US$m
B) Reconciliations of Profit used in EPS Calculations			
Statutory profit			
Profit from continuing operations		**647.1**	573.8
Profit from discontinued operations		**56.2**	19.5
Profit used in calculating basic and diluted EPS		**703.3**	593.3
Underlying Profit after finance costs and tax			
Underlying Profit	2	**1,067.0**	930.0
Net finance costs	4	**(114.1)**	(86.3)
Underlying Profit after finance costs before tax		**952.9**	843.7
Tax expense on Underlying Profit		**(287.1)**	(247.9)
Underlying Profit after finance costs and tax		**665.8**	595.8
Which reconciles to statutory profit:			
Underlying Profit after finance costs and tax		**665.8**	595.8
Net impact arising from hyperinflationary economies	1H	**(18.7)**	(22.0)
Profit from continuing operations		**647.1**	573.8

Note 7. Dividends

A) Dividends Paid during the Year

	Interim 2023	Final 2022
Dividend per share (US cents)	12.25	12.0
Dividends paid (US$ million)	164.2	154.4
Payment date	13 April 2023	13 October 2022

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

Total dividends paid during the year of US$318.6 million (2022: US$304.8 million) per the consolidated cash flow statement differ from the amount recognised in the consolidated statement of changes in equity of US$332.0 million (2022: US$299.7 million) due to the fluctuation in the Australian dollar between the dividend record and payment dates.

The Dividend Reinvestment Plan (DRP) was reinstated in 2023. The impact of the DRP for the dividend payments made during the year was neutralised by way of on-market share buy-backs.

B) Dividend Declared after 30 June 2023

	Final 2023
Dividend per share (US cents)	**14.0**
Estimated cost (US$ million)	**194.5**
Payment date	**12 October 2023**
Dividend record date	**14 September 2023**

As this dividend had not been declared at 30 June 2023, it is not reflected in these financial statements. A provision for dividends is only recognised where the dividends have been declared prior to the reporting date.

Total ordinary dividends declared for 2023 were 26.25 US cents per share, representing a payout ratio of 55% which is higher than the prior year payout ratio of 53%. The 2022 total ordinary dividends were 22.75 US cents per share.

C) Franking Credits

	2023 US$m	2022 US$m
Franking credits available for subsequent financial years	**73.6**	67.6

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

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

The final 2023 dividend will be franked at 35%.

Note 8. Investments in Associates

Brambles has investments in the following associates, which are accounted for using the equity method.

Name	Place of incorporation	% interest held at reporting date 2023	2022
Loscam China[1]	Hong Kong	**20%**	-
MicroStar	USA	**16%**	16%

[1] During the year, Brambles entered into an agreement to combine CHEP China with Loscam China - refer to Note 9 for further disclosure relating to this transaction.

	2023 US$m	2022 US$m
Share of results of associates recognised in comprehensive income		
Loscam China	**0.1**	-
MicroStar	**(4.8)**	(4.6)
	(4.7)	(4.6)
Carrying value of investments in associates		
Loscam China	**119.0**	-
MicroStar	**37.9**	44.6
	156.9	44.6

Summarised financial information for Loscam China:

	2023 US$m
Summarised balance sheet as at 30 June 2023	
Total assets	**446.9**
Net assets	**215.7**
Summarised statement of comprehensive income for the three months ending 30 June 2023	
Profit after tax	**1.6**

Note 9. Discontinued Operations

On 28 November 2022, Brambles entered into an agreement to combine CHEP China with Loscam China, with completion of the transaction taking place on 31 March 2023. Under the agreement, CHEP China was sold to Loscam (Greater China) Holdings Limited for an enterprise value of US$113.0 million, with Loscam (Greater China) Holdings Limited issuing shares to Brambles as consideration. Brambles has deconsolidated the net assets of CHEP China and recognised a 20% equity investment in Loscam (Greater China) Holdings Limited at its fair value. The transaction resulted in a non-cash gain on divestment, being the difference between the consideration and net assets disposed, net of transaction costs.

The results of CHEP China up until the date of divestment and in the comparative period have been included within discontinued operations in the consolidated statement of comprehensive income and all related note disclosures. The assets and liabilities of CHEP China were divested at the completion of the merger and the comparative balance sheet and related notes remain unchanged.

The carrying amount of CHEP China assets and liabilities at divestment date were:

	At date of divestment US$m	June 2022 US$m
Assets		
Cash and cash equivalents	**8.5**	12.7
Trade and other receivables	**9.9**	8.9
Inventories	**6.5**	6.8
Property, plant and equipment	**94.9**	102.2
Other assets	**0.9**	0.8
Total assets	**120.7**	131.4
Liabilities		
Trade and other payables	**25.7**	17.2
Borrowings	**51.8**	48.5
Lease liabilities	**0.2**	0.6
Other liabilities	**1.5**	1.8
Total liabilities	**79.2**	68.1
Net Assets	**41.5**	63.3

Note 9. Discontinued Operations – continued

Financial information for discontinued operations is summarised below:

	2023 US$m	2022 US$m
Operating results (excluding gain on divestment) relate to:		
- CHEP China[1]	**(4.2)**	-
- gain on revaluation of First Reserve receivable[2]	**-**	27.1
- other discontinued operations	**(0.5)**	(0.6)
Operating profit	**(4.7)**	26.5
Gain on divestment of CHEP China[3]	**67.3**	-
Net finance costs	**(1.8)**	(1.8)
Total profit before tax	**60.8**	24.7
Tax expense	**(4.6)**	(5.2)
Profit from discontinued operations	**56.2**	19.5
Net cash inflow from operating activities[4]	**40.4**	0.2
Net cash outflow from investing activities[5]	**(19.9)**	(23.0)
Net cash inflow from financing activities[6]	**4.0**	25.7
Net increase in cash and cash equivalents	**24.5**	2.9

1 CHEP China operating results include US$27.5 million of sales revenue (2022: US$39.1 million) and US$8.3 million of depreciation charge (2022: US$12.4 million).

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

3 The gain on divestment of CHEP China is recognised as a Significant Item outside the ordinary course of business and includes a profit of US$1.2 million relating to exchange differences released to profit (refer Note 22) and US$5.0 million of transaction costs.

4 Net cash inflow from operating activities in 2023 includes US$41.5 million received from First Reserve as final settlement of the receivable relating to the divestment of the Hoover Ferguson Group (HFG) investment in 2018.

5 Net cash outflow from investing activities in 2023 includes US$3.9 million of transaction costs paid and US$8.5 million of cash disposed relating to the divestment of CHEP China. The remaining balance relates to CHEP China's net capital expenditure (2022: the balance relates to CHEP China's net capital expenditure).

6 Net cash inflow from financing activities in 2023 and 2022 includes CHEP China's net proceeds from borrowings.

Note 10. Trade and Other Receivables

	2023 US$m	2022 US$m
Current		
Trade receivables	**772.4**	675.3
Allowance for doubtful receivables	**(14.1)**	(16.2)
Net trade receivables	**758.3**	659.1
Other debtors	**225.8**	195.2
Unbilled revenue	**142.3**	124.2
Total trade and other receivables	**1,126.4**	978.5
Non-current		
Other receivables[1]	**21.2**	49.6
	21.2	49.6

[1] 2023 includes a US$14.0 million non-current shareholder loan receivable from Loscam China. Other receivables in 2022 included the US$41.5 million deferred consideration receivable from First Reserve relating to the divestment of the Hoover Ferguson Group (HFG) investment in 2018, which was repaid on 5 August 2022.

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

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

The allowance for doubtful receivables has been established based on AASB 9 *Financial Instruments*. For all eligible trade and other receivables, Brambles applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

To measure the expected credit losses, trade and other receivables are grouped based on region and ageing. Customers with heightened credit risk are provided for specifically based on historical default rates and forward-looking information, and customers with normal credit risk are provided for in line with a provision matrix based on ageing and their associated risk. A lifecycle allowance is calculated on the remaining trade and other receivables balance based on historical bad debt levels. Where there is no reasonable expectation of recovery, balances are written off. Subsequent recovery of amounts previously written off are credited against other expenses in the consolidated statement of comprehensive income.

An allowance for doubtful receivables of US$4.1 million (2022: US$1.7 million) has been recognised as an expense in line with the Group's accounting policy.

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

Note 10. Trade and Other Receivables – continued

	Trade receivables		Other debtors	
	2023 US$m	2022 US$m	2023 US$m	2022 US$m
At 30 June, the ageing analysis of trade receivables and other debtors by reference to due dates was as follows:				
Not past due	**728.1**	617.6	**218.6**	178.9
Past due 0–30 days, but not impaired	**20.5**	30.7	**1.0**	9.8
Past due 31–60 days, but not impaired	**6.0**	6.5	**1.0**	1.1
Past due 61–90 days, but not impaired	**3.2**	2.2	**1.8**	1.4
Past 90 days, but not impaired	**0.5**	2.1	**3.4**	4.0
Impaired	**14.1**	16.2	**-**	-
	772.4	675.3	**225.8**	195.2

Refer to Note 23 for other financial instrument disclosures.

Note 11. Inventories

	2023 US$m	2022 US$m
Raw materials and consumables	**79.1**	90.4
Finished goods	**4.8**	4.1
	83.9	94.5

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

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

Note 12. Other Assets

	2023 US$m	2022 US$m
Current		
Prepayments	**50.0**	56.3
Current tax receivable	**21.5**	30.5
Derivative financial instruments	**2.4**	3.6
	73.9	90.4

Refer to Note 23 for other financial instrument disclosures.

Note 13. Property, Plant and Equipment

A) Net Carrying Amounts and Movements during the Year

	2023 US$m			2022 US$m		
	Land and buildings	Plant and equipment	Total	Land and buildings	Plant and equipment	Total
Opening carrying amount	**81.6**	**5,444.4**	**5,526.0**	67.5	4,875.4	4,942.9
Additions[1]	**22.7**	**1,549.0**	**1,571.7**	27.9	1,782.9	1,810.8
Divestment of subsidiaries	**-**	**(94.7)**	**(94.7)**	-	-	-
Disposals	**(1.2)**	**(145.0)**	**(146.2)**	(0.9)	(153.1)	(154.0)
Depreciation charge[2]	**(10.0)**	**(585.2)**	**(595.2)**	(7.7)	(536.0)	(543.7)
Impairment charge[3]	**-**	**(16.6)**	**(16.6)**	-	-	-
IPEP expense	**-**	**(285.1)**	**(285.1)**	-	(232.0)	(232.0)
Hyperinflation adjustment	**-**	**26.5**	**26.5**	-	17.8	17.8
Foreign exchange differences	**(0.7)**	**76.3**	**75.6**	(5.2)	(310.6)	(315.8)
Closing carrying amount	**92.4**	**5,969.6**	**6,062.0**	81.6	5,444.4	5,526.0
At 30 June						
Cost	**150.6**	**8,196.6**	**8,347.2**	135.7	7,576.2	7,711.9
Accumulated depreciation[4]	**(58.2)**	**(2,210.4)**	**(2,268.6)**	(54.1)	(2,131.8)	(2,185.9)
Accumulated impairment[3]	**-**	**(16.6)**	**(16.6)**	-	-	-
Net carrying amount	**92.4**	**5,969.6**	**6,062.0**	81.6	5,444.4	5,526.0

[1] In 2023, capital expenditure related to discontinued operations is US$4.6 million (2022: US$23.8 million).

[2] In 2023, depreciation charge related to discontinued operations is US$7.9 million (2022: US$11.5 million).

[3] An impairment charge of US$16.6 million was recognised during the year relating to assets that are not expected to be fully recovered.

[4] Includes IPEP provision of US$124.2 million (2022: US$85.5 million).

The net carrying amounts above include capital work in progress of US$137.9 million (2022: US$140.7 million).

B) Recognition and Measurement

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

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

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

Note 13. Property, Plant and Equipment – continued

C) Depreciation of Property, Plant and Equipment

Depreciation is recognised on a straight-line or reducing balance basis on all PPE (excluding land) over their expected useful lives. The useful economic life and residual value of PPE is reviewed on an annual basis considering key assumptions, including forecast usage, changes in technology, physical condition and potential climate change implications. No material changes have been recognised in 2023 or 2022. The expected useful lives of PPE are generally:

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

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

The impact of climate change has been considered in relation to the useful economic lives and residual values of our assets. There are no indicators of a change in the useful lives as a result of climate change at this time. Brambles will continue to monitor the impact of climate change for any indicators of changes in asset lives or residual values.

D) Irrecoverable Pooling Equipment Provision

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

E) Recoverable Amount of Non-Current Assets

At each reporting date, Brambles assesses whether there is any indication that an asset, or Cash Generating Unit (CGU) to which the asset belongs, may be impaired. Where an indicator of impairment exists, Brambles makes a formal estimate of the recoverable amount. The recoverable amount of goodwill is tested for impairment annually (refer Note 15D). The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use.

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

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

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

Note 14. Right-of-Use Leased Assets

A) Net Carrying Amount and Movements during the Year

	2023 US$m			2022 US$m		
	Land and buildings	Plant and equipment	Total	Land and buildings	Plant and equipment	Total
Opening carrying amount	**577.6**	**39.9**	**617.5**	558.6	49.5	608.1
Additions	**38.9**	**19.3**	**58.2**	70.9	11.4	82.3
Divestment of subsidiaries	**(0.2)**	**-**	**(0.2)**	-	-	-
Remeasurement of existing leases	**89.0**	**4.5**	**93.5**	83.4	1.1	84.5
Depreciation charge[1]	**(107.3)**	**(19.5)**	**(126.8)**	(111.3)	(18.2)	(129.5)
Foreign exchange differences	**(5.3)**	**0.8**	**(4.5)**	(24.0)	(3.9)	(27.9)
Closing carrying amount	**592.7**	**45.0**	**637.7**	577.6	39.9	617.5
At 30 June						
Cost	**993.3**	**109.3**	**1,102.6**	876.4	85.1	961.5
Accumulated depreciation	**(400.6)**	**(64.3)**	**(464.9)**	(298.8)	(45.2)	(344.0)
Net carrying amount	**592.7**	**45.0**	**637.7**	577.6	39.9	617.5

[1] In 2023, depreciation charge related to discontinued operations is US$0.4 million (2022: US$0.9 million).

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

	2023 US$m	2022 US$m
Short-term lease expense	**2.8**	6.0
Low-value assets lease expense	**0.3**	0.4
Exempt lease expense	**3.1**	6.4

The value of short-term lease commitments for 2024 is consistent with the 2023 short-term lease expense.

Note 14. Right-of-Use Leased Assets – continued

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

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

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

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

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

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

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

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

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

The right-of-use leased asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or lease term.

Note 15. Goodwill and Intangible Assets

A) Net Carrying Amounts and Movements during the Year

	2023 US$m				2022 US$m			
	Goodwill	Software	Other[1]	Total	Goodwill	Software	Other[1]	Total
Opening carrying amount	**184.1**	**42.2**	**17.2**	**243.5**	207.8	40.1	23.3	271.2
Additions	**-**	**9.2**	**3.5**	**12.7**	-	14.6	3.0	17.6
Disposals	**-**	**-**	**(1.5)**	**(1.5)**	-	(0.9)	-	(0.9)
Divestment of subsidiaries	**-**	**(0.2)**	**-**	**(0.2)**	-	-	-	-
Amortisation charge	**-**	**(10.3)**	**(6.1)**	**(16.4)**	-	(11.6)	(7.1)	(18.7)
Foreign exchange differences	**3.4**	**-**	**(0.2)**	**3.2**	(23.7)	-	(2.0)	(25.7)
Closing carrying amount	**187.5**	**40.9**	**12.9**	**241.3**	184.1	42.2	17.2	243.5
At 30 June								
Gross carrying amount	**187.5**	**158.7**	**76.2**	**422.4**	184.1	192.9	74.6	451.6
Accumulated amortisation	**-**	**(117.8)**	**(63.3)**	**(181.1)**	-	(150.7)	(57.4)	(208.1)
Net carrying amount	**187.5**	**40.9**	**12.9**	**241.3**	184.1	42.2	17.2	243.5

1 Other intangible assets primarily comprises product development costs.

Note 15. Goodwill and Intangible Assets – continued

B) Summary of Carrying Value of Goodwill by CGU

	2023 US$m	2022 US$m
CHEP Europe	**126.7**	121.8
CHEP Asia-Pacific	**50.4**	52.1
CHEP Americas[1]	**10.4**	10.2
Total goodwill	**187.5**	184.1

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

C) Recognition and Measurement

Goodwill

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

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

Other intangible assets

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

The costs of acquiring computer software for internal use are capitalised as intangible assets where it is used to support a significant business system and the expenditure leads to the creation of an asset. In Software as a Service (SaaS) arrangements, implementation costs are capitalised if the implementation activities create an intangible asset that Brambles controls and the intangible asset meets the recognition criteria.

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

The expected useful lives of intangible assets are generally:

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

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

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

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

Note 15. Goodwill and Intangible Assets – continued

D) Goodwill Recoverable Amount Testing

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

The recoverable amount of goodwill is determined based on the higher of the value in use and the fair value less costs to sell calculations undertaken at the CGU level. The value in use is calculated using a discounted cash flow methodology covering a four-year period, with an appropriate terminal value at the end of that period.

Consideration has been given to the potential financial impacts of climate change related risks on the carrying value of goodwill. Brambles' forecast cashflows includes the costs of achieving its 2025 sustainability targets as set out in pages 18 to 19 of the Annual Report. Potential long-term financial impacts of climate change, including the cost of reaching our net-zero target in 2040, are continuing to be assessed; however, at this stage we do not consider the potential impacts of climate change to present a risk of impairment to the carrying value of goodwill.

Based on the impairment testing, the carrying amount of goodwill in the CGUs at reporting date was fully supported. The key assumptions on which management has based its cash flow projections were:

Cash flow forecasts

Cash flow forecasts are post-tax and based on the most recent financial projections covering a maximum period of four years. Financial projections are based on assumptions that represent management's best estimates.

Revenue growth rates

Revenue growth rates used are based on management's latest four-year plan. Four-year growth rates for CHEP Europe and CHEP Asia-Pacific CGUs were 6.3% and 5.5%, respectively. Sensitivity testing was performed on these CGUs and a reasonable change in these rates would not cause the carrying value of the CGUs to exceed their recoverable amount.

Terminal value

The terminal value calculated is determined using the stable growth model, having regard to the weighted average cost of capital (WACC) and terminal growth rate appropriate to each CGU. The terminal growth rate used in the financial projections was 1.5% for CHEP Europe and 2.4% for CHEP Asia-Pacific.

Discount rates

Discount rates used for the purposes of impairment testing (as required by AASB 136 *Impairment of Assets)* are post-tax WACC and include a premium for market risks appropriate to each country in which the CGU operates. Pre-tax WACC is derived based on the effective tax rate for the purpose of disclosure. Weighted average pre-tax WACC used was 8.8% (pre-tax rates: CHEP Europe 8.6% and CHEP Asia-Pacific 9.7%).

Sensitivity

Downside scenarios were prepared to sensitise the models and any reasonable change to the above key assumptions would not cause the carrying value to materially exceed the recoverable amount.

Notes to and Forming Part of the Financial Statements – continued
for the year ended 30 June 2023

Note 16. Trade and Other Payables

	2023 US$m	2022 US$m
Current		
Trade payables	**626.1**	549.7
Other payables	**497.7**	518.7
Deferred revenue	**579.4**	476.8
Accruals	**362.6**	307.0
Derivative financial instruments	**9.1**	7.9
Total trade and other payables	**2,074.9**	1,860.1
Non-current		
Other liabilities - derivative financial instruments	**-**	0.8
	-	0.8

Trade payables represent liabilities for goods and services provided to Brambles prior to the end of the financial year that remain unpaid at the reporting date. The amounts are unsecured, non-interest bearing and are paid within normal credit terms of 30–150 days.

Other payables include capital expenditure creditors and GST/VAT payable. Other payables (excluding derivatives) are initially measured at fair value, net of transaction costs incurred, and subsequently measured at amortised cost.

Deferred revenue primarily relates to revenue that is billed on issue of pooling equipment to customers. It is recognised in the consolidated statement of comprehensive income over the cycle time (refer Note 2). As the cycle time is less than one year, all deferred revenue from 2022 was recognised in 2023. Deferred revenue in 2023 relates to the transaction price allocated to performance obligations that remain unsatisfied and will be satisfied in 2024.

Refer to Note 23 for other financial instrument disclosures.

Note 17. Provisions

	2023 US$m		2022 US$m	
	Current	Non-current	Current	Non-current
Employee entitlements	**143.4**	**7.1**	108.0	7.7
Other[1]	**31.3**	**68.2**	14.1	68.1
	174.7	**75.3**	122.1	75.8

[1] Other includes US$68.2 million relating to dilapidation provisions on leases (2022: US$67.1 million), as well as other provisions relating to litigation and other known exposures.

Movements in each class of provision during the year are set out below:

	Employee entitlements US$m	Other US$m	Total US$m
Carrying amount at 1 July 2022	**115.7**	**82.2**	**197.9**
Additional provisions:			
- charged to profit or loss	**132.1**	**14.0**	**146.1**
- recognised for dilapidation and other provisions	**-**	**8.0**	**8.0**
Amounts utilised	**(93.6)**	**(3.2)**	**(96.8)**
Divestment of subsidiaries	**(0.9)**	**(0.2)**	**(1.1)**
Foreign exchange differences	**(2.8)**	**(1.3)**	**(4.1)**
Carrying amount at 30 June 2023	**150.5**	**99.5**	**250.0**

Note 17. Provisions – continued

Provisions for liabilities are made on the basis that, due to a past event, the business has a constructive or legal obligation to transfer economic benefits that are of uncertain timing or amount. Provisions are measured at the present value of management's best estimate at the balance sheet date of the expenditure required to settle the obligation. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks appropriate to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the consolidated statement of comprehensive income.

Employee entitlements are provided by Brambles in accordance with the legal and social requirements of the country of employment. Principal entitlements are for annual leave, sick leave, long service leave, bonuses and contract entitlements. Annual leave and sick leave entitlements are presented within trade and other payables.

Liabilities for annual leave, as well as those employee entitlements that are expected to be settled within one year, are measured at the amounts expected to be paid when they are settled. All other employee entitlement liabilities are measured at the estimated present value of the future cash outflows to be made in respect of services provided by employees up to the reporting date. Future cash outflows are discounted using the applicable corporate bond rates.

Employee entitlements are classified as current liabilities unless Brambles has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Note 18. Borrowings

	2023 US$m		2022 US$m	
	Current	Non-current	Current	Non-current
Unsecured				
Bank overdrafts	**4.1**	**-**	2.3	-
Bank loans	**4.0**	**14.1**	43.2	568.8
Loan notes	**554.0**	**1,578.7**	8.2	1,539.6
	562.1	**1,592.8**	53.7	2,108.4

Borrowings are primarily initially recognised at fair value net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the borrowing proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless Brambles has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Financial risks and risk management strategies associated with borrowings, including financial covenants, are disclosed in Note 23.

Note 19. Retirement Benefit Obligations

A) Defined Contribution Plans

Brambles operates a number of defined contribution retirement benefit plans for qualifying employees. The assets of these plans are held in separately administered trusts or insurance policies. In some countries, Brambles' employees are members of state-managed retirement benefit plans. Brambles is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund benefits. The only obligation of Brambles with respect to defined contribution retirement benefit plans is to make the specified contributions. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

US$28.6 million (2022: US$27.9 million) has been recognised as an expense in the consolidated statement of comprehensive income, representing contributions paid and payable to these plans by Brambles at rates specified in the rules of the plans, all of which relate to continuing operations.

Note 19. Retirement Benefit Obligations – continued

B) Defined Benefit Plans

Brambles operates a small number of defined benefit pension plans, which are closed to new entrants. The majority of the plans are self-administered and the plans' assets are held independently of Brambles' finances. Under the plans, members are entitled to retirement benefits based upon a percentage of final salary. No other post-retirement benefits are provided. The plans are mostly funded plans.

A liability in respect of defined benefit pension plans is recognised in the balance sheet, measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plans' assets at that date. Pension obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the yields of high quality corporate bonds.

The plans' assets and the present value of the defined benefit obligations recognised in Brambles' balance sheet are based upon the most recent formal actuarial valuations, which have been updated to 30 June 2023 by independent professionally qualified actuaries and take account of the requirements of AASB 119 *Employee Benefits*. For all plans, the valuation updates have used assumptions, assets and cash flows as at 31 May 2023. There has been no material change in assumptions, assets and cash flows between 31 May and 30 June. The present value of the defined benefit obligations and past service costs were measured using the projected unit credit method. Past service cost is recognised immediately to the extent that the benefits are already vested.

Actuarial gains and losses arising from differences between expected and actual returns, and the effect of changes in actuarial assumptions are recognised in full through other comprehensive income in the period in which they arise. In 2023, a net actuarial loss of US$17.4 million was recognised in other comprehensive income (2022: net actuarial gain of US$22.5 million).

A net expense of US$2.2 million has been recognised in the consolidated statement of comprehensive income in respect of defined benefit plans (2022: US$1.8 million), of which US$1.6 million net expense relates to continuing operations (2022: US$1.1million). Included within the total expense recognised during the year is a net interest income of US$0.3 million (2022: nil).

The amounts recognised in the balance sheet are as follows:

	2023 US$m	2022 US$m
Present value of defined benefit obligations	**194.7**	226.3
Fair value of plan assets	**(178.4)**	(224.1)
Net liability recognised in the balance sheet	**16.3**	2.2

A decline in asset values, an increase in the discount rate and currency variations were the key drivers for the changes in the present value of defined benefit obligations and the fair value of plan assets. Benefits paid during the period were US$10.7 million (2022: US$8.5 million). There are a number of principal assumptions used in the actuarial valuations of the defined benefit obligations. These principal assumptions are the discount rate of 5.25% (2022: 3.80%) for the plans operating in the United Kingdom and 12.11% (2022: 10.24%) for the South African plan; the pension increase rate of 3.15%–3.70% (2022: 3.30%–3.65%) in the United Kingdom plans, and the inflation rate for the South African plan of 7.47% (2022: 6.54%). A change of 25 basis points in the discount rate or other key assumptions may have a material impact on the defined benefit obligation.

Brambles has no legal obligation to settle this liability with an immediate contribution or additional one-off contributions. Brambles intends to continue to make contributions to the plans at the rates recommended by the plans' actuaries when actuarial valuations are obtained. Annual contributions of £5.0 million or US$6.3 million (2022: £5.0 million or US$6.1 million) are being paid to remove the identified deficits over a period of up to five years (2022: six years).

Note 20. Contributed Equity

	Shares	US$m
Total ordinary shares, of no par value, issued and fully paid:		
At 1 July 2021	1,441,169,689	4,924.8
Issued during the year[1]	3,290,746	24.9
Share buy-back[2]	(58,305,186)	(443.9)
At 30 June 2022	1,386,155,249	4,505.8
At 1 July 2022	**1,386,155,249**	**4,505.8**
Issued during the year[1]	**3,148,807**	**25.8**
At 30 June 2023	**1,389,304,056**	**4,531.6**

1 Includes shares issued on exercise of share rights granted under employee share plans and dividend shares issued under those plans.

2 The on-market share buy-back announced on 25 February 2019 was completed during 2022. Proceeds from the IFCO divestment were used to repurchase and cancel a total of US$1.67 billion of shares, representing 13.6% of issued share capital at the commencement of the programme in June 2019.

Ordinary shares are classified as contributed equity. No gain or loss is recognised in the consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of Brambles' own equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds of issue.

Ordinary shares of Brambles Limited entitle the holder to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of shares held.

Note 21. Share-Based Payments

The Remuneration Report sets out details relating to the Brambles share plans (pages 64 and 66), together with details of performance share rights and MyShare matching conditional rights issued to the Executive Directors and other Key Management Personnel (pages 65 to 66). Rights granted by Brambles do not result in an entitlement to participate in share issues of any other corporation.

Set out below are summaries of rights granted under the plans.

A) Grants Over Brambles Limited Shares

Grant date	Expiry date	Balance at 1 July	Granted during year	Exercised during year	Forfeited / lapsed during year	Balance at 30 June
2023						
Performance share rights						
Granted in prior periods		6,880,287	-	(1,922,359)	(645,142)	4,312,786
18 Aug 2022	18 Aug 2028	-	9,558	-	-	9,558
15 Sept 2022	15 Sept 2028	-	13,768	(13,768)	-	-
21 Oct 2022	21 Oct 2028	-	3,288,835	(21,289)	(10,826)	3,256,720
31 Jan 2023	31 Jan 2029	-	2,599	-	-	2,599
31 May 2023	31 May 2029	-	975	-	-	975
1 June 2023	1 June 2029	-	14,000	-	-	14,000
MyShare matching conditional rights						
2021 Plan Year	31 Mar 2023	1,375,661	-	(1,298,540)	(77,121)	-
2022 Plan Year	31 Mar 2024	537,056	993,816	(83,721)	(124,659)	1,322,492
2023 Plan Year	31 Mar 2025	-	470,248	(9,648)	(9,765)	450,835
Total rights		**8,793,004**	**4,793,799**	**(3,349,325)**	**(867,513)**	**9,369,965**
2022 (summarised comparative)						
Total rights		8,142,946	4,841,811	(3,365,858)	(825,895)	8,793,004

Of the above grants, 192,123 were exercisable at 30 June 2023.

		2023	2022
Weighted average data:			
- fair value at grant date of grants made during the year	A$	**10.68**	9.37
- share price at exercise date of grants exercised during the year	A$	**12.41**	10.39
- remaining contractual life at 30 June	Years	**3.9**	3.8

The cost of equity-settled share rights is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

Note 21. Share-Based Payments – continued

A) Grants Over Brambles Limited Shares – continued

Executives and employees in certain jurisdictions are provided cash incentives calculated by reference to the awards under the share-based compensation schemes (phantom shares). These phantom shares are fair valued on initial grant date and at each subsequent reporting date.

The cost of cash-settled share rights is charged to the consolidated statement of comprehensive income over the relevant vesting periods, with a corresponding increase in provisions.

B) Fair Value Calculations

The fair value of share rights subject to a market condition is determined at grant date using a Monte Carlo Simulation. The fair value of share rights subject to a non-market condition is determined at grant date using a risk-neutral assumption. The values calculated do not take into account the probability of rights being forfeited prior to vesting, as Brambles revises its estimate of the number of share rights expected to vest at each reporting date.

The significant inputs into the valuation models for the grants made during the year were the following:

	2023	2022
Weighted average share price	**A$11.60**	A$10.39
Expected volatility	**25%**	25%
Expected life	**2–3 years**	2–3 years
Annual risk-free interest rate	**3.75%**	0.64%
Expected dividend yield	**3.11%**	2.83%

The expected volatility was determined based on a three-year historic volatility of Brambles' share prices.

C) Share-Based Payments Expense

Brambles recognised a total expense of US$27.5 million (2022: US$28.3 million) relating to equity-settled share-based payments and US$2.5 million (2022: US$2.3 million) relating to cash-settled share-based payments. Of the equity-settled amount, US$0.9 million (2022: US$0.6 million) related to discontinued operations.

Note 22. Reserves and Retained Earnings

A) Movements in Reserves and Retained Earnings

	Reserves					
	Share-based payments US$m	Foreign currency translation US$m	Unification US$m	Other US$m	Total US$m	Retained earnings US$m
Year ended 30 June 2022						
Opening balance as at 1 July 2021	71.7	(345.9)	(7,162.4)	190.2	(7,246.4)	5,011.5
Actuarial gain on defined benefit plans	-	-	-	-	-	16.8
Foreign exchange differences	-	(167.3)	-	-	(167.3)	-
Revaluation of reserves relating to hyperinflation	-	-	-	34.0	34.0	-
Share-based payments:						
- expense recognised	28.3	-	-	-	28.3	-
- shares issued	(24.9)	-	-	-	(24.9)	-
- equity component of related tax	(0.3)	-	-	-	(0.3)	-
Dividends declared	-	-	-	-	-	(299.7)
Profit for the year	-	-	-	-	-	593.3
Closing balance as at 30 June 2022	74.8	(513.2)	(7,162.4)	224.2	(7,376.6)	5,321.9
Year ended 30 June 2023						
Opening balance as at 1 July 2022	**74.8**	**(513.2)**	**(7,162.4)**	**224.2**	**(7,376.6)**	**5,321.9**
Actuarial loss on defined benefit plans	**-**	**-**	**-**	**-**	**-**	**(13.0)**
Foreign exchange differences	**-**	**(5.4)**	**-**	**-**	**(5.4)**	**-**
FCTR released to profit on divestment of CHEP China	**-**	**(1.2)**	**-**	**-**	**(1.2)**	**-**
Revaluation of reserves relating to hyperinflation	**-**	**-**	**-**	**36.2**	**36.2**	**-**
Share-based payments:						
- expense recognised	**27.5**	**-**	**-**	**-**	**27.5**	**-**
- shares issued	**(25.8)**	**-**	**-**	**-**	**(25.8)**	**-**
- equity component of related tax	**3.5**	**-**	**-**	**-**	**3.5**	**-**
Dividends declared	**-**	**-**	**-**	**-**	**-**	**(332.0)**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**703.3**
Closing balance as at 30 June 2023	**80.0**	**(519.8)**	**(7,162.4)**	**260.4**	**(7,341.8)**	**5,680.2**

Note 22. Reserves and Retained Earnings – continued

B) Nature and Purpose of Reserves

Share-based payments reserve
This comprises the cumulative share-based payment expense recognised in the statement of comprehensive income in relation to equity-settled options and share rights issued but not yet exercised. Refer to Note 21 for further details.

Foreign currency translation reserve
This comprises cumulative exchange differences arising from the translation of the financial statements of foreign subsidiaries and associates, net of qualifying net investment hedges. The relevant accumulated balance is recognised in the consolidated statement of comprehensive income on disposal of a foreign subsidiary or associate.

Unification reserve
Unification refers to the amalgamation of Brambles Industries Limited (BIL) and Brambles Industries plc (BIP) to form a new entity Brambles Limited. The Unification reserve of US$15,385.8 million was established on 4 December 2006, representing the difference between the Brambles Limited share capital measured at fair value and the carrying value of the share capital of BIL and BIP at that date. Subsequently on 9 September 2011, the reduction in share capital of US$8,223.4 million by Brambles Limited in accordance with section 258F of the *Corporations Act 2001* was applied against the Unification reserve.

Other
This comprises the merger reserve created at the time of the formation of the Dual Listed Company structure in 2001, the hedging reserve and the hyperinflation reserve. The hedging reserve represents the cumulative portion of the gain or loss of cash flow hedges that are determined to be effective hedges. Amounts are recognised in the statement of comprehensive income when the associated hedged transaction is recognised or the hedge or the forecast hedged transaction is no longer highly probable. The hyperinflation reserve represents the revaluation of equity in hyperinflationary economies and any gains or losses are recognised directly in the reserve.

Note 23. Financial Risk Management

Brambles is exposed to a variety of financial risks: market risk (including the effect of fluctuations in interest rates and exchange rates), liquidity risk and credit risk.

Brambles' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Brambles. Financial risk management activities are carried out centrally by Brambles' treasury function in accordance with Board policies and guidelines, through standard operating procedures and delegated authorities.

Brambles uses interest rate swaps and forward foreign exchange contracts to manage its market risk and does not trade in financial instruments for speculative purposes.

A) Financial Assets and Liabilities
Financial assets are recognised when Brambles becomes a party to the contractual provisions of the instrument and are classified in the following two categories: financial assets at fair value through profit or loss; and amortised cost, as disclosed in the respective notes.

Derecognition occurs when rights to the asset have expired or when Brambles transfers its rights to receive cash flows from the asset together with substantially all the risks and rewards of the asset.

Refer to Note 18 for the recognition of interest bearing financial liabilities.

The fair values of all financial assets and liabilities held on the balance sheet as at 30 June 2023 equal the carrying amount, with the exception of loan notes, which have an estimated fair value of US$2,055.2 million (2022: US$1,491.7 million) compared to a carrying value of US$2,132.7 million (2022: US$1,547.8 million). Financial assets and liabilities held at fair value (other than loan notes) are estimated using Level 2 estimation techniques, which use inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The fair value of loan notes has been calculated using Level 1 valuation techniques, which use directly observable unadjusted quoted prices in active markets for identical assets or liabilities.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturities at the balance sheet date. The fair value of interest rate swap contracts is calculated as the present value of the forward cash flows of the instrument after applying market rates and standard valuation techniques.

B) Derivative and Hedging Activities
For the purposes of hedge accounting, hedges are classified as either fair value hedges, cash flow hedges or net investment hedges.

For fair value hedges, any gain or loss from remeasuring the hedging instrument at fair value is adjusted against the carrying amount of the hedged item and recognised in profit or loss.

For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Hedges for net investments in foreign operations are accounted for similarly to cash flow hedges.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

Note 23. Financial Risk Management – continued

C) Market Risk

Brambles has the following risk policies in place with respect to market risk.

Interest rate risk

Brambles' exposure to potential volatility in finance costs is predominantly in Euros and US dollars on borrowings. This is managed by maintaining a mix of fixed and floating-rate instruments within select target bands over defined periods. In some cases, interest rate derivatives are used to achieve these targets synthetically.

The following table sets out the financial instruments exposed to interest rate risk at reporting date:

	Note	2023 US$m	2022 US$m
Financial assets (floating rate)			
Cash at bank	24	**139.3**	148.1
Short-term deposits	24	**21.4**	10.1
		160.7	158.2
Weighted average effective interest rate at 30 June		**1.0%**	0.6%
Financial assets (fixed rate)			
Other receivables	10	**21.2**	49.6
Weighted average effective interest rate at 30 June		**4.7%**	6.0%
Financial liabilities (floating rate)			
Bank overdrafts	18	**4.1**	2.3
Bank loans[1]	18	**18.1**	611.5
Interest rate swaps (notional value) – fair value hedges		**163.0**	156.6
Net exposure to cash flow interest rate risk		**185.2**	770.4
Weighted average effective interest rate at 30 June		**7.5%**	1.5%
Financial liabilities (fixed rate)			
Loan notes	18	**2,132.7**	1,547.8
Bank loans	18	**-**	0.5
Lease liabilities	24C	**729.4**	713.4
Interest rate swaps (notional value) – fair value hedges		**(163.0)**	(156.6)
Net exposure to fair value interest rate risk		**2,699.1**	2,105.1
Weighted average effective interest rate at 30 June		**3.4%**	3.0%

[1] Bank loans in 2023 primarily consist of regional borrowings where local rules and regulations restrict intercompany lending. Regional borrowings have a higher weighting in 2023 due to nil bank loans held by central financing entities at 30 June 2023.

Note 23. Financial Risk Management – continued

C) Market Risk – continued

Interest rate swaps – fair value hedges

Brambles entered into interest rate swap transactions with various banks, swapping €150.0 million of the €500.0 million fixed-rate 2024 Euro Medium Term Note (EMTN) to variable rates. The interest rate swaps and debt have been designated in a hedging relationship at a hedge ratio of 1:1. The fair value of the interest rate swaps is adjusted for credit risk, measured by reference to credit default swaps for the interest rate swap counterparties, which is a source of ineffectiveness. Movement in credit risk does not dominate the hedge relationship. The credit valuation adjustment to the swaps at 30 June 2023 is nil (2022: nil).

In accordance with AASB 9, the carrying value of the loan notes has been adjusted to reduce debt by US$3.6 million (2022: US$0.3 million) in relation to changes in fair value attributable to the hedged risk. The fair value of interest rate swaps at reporting date was a liability of US$4.0 million (2022: an asset of US$0.2 million).

The terms of the swaps match the terms of the fixed-rate bond issue for the amounts and durations being hedged.

Fair value hedge	Hedged item	Hedging instrument
Description	€150m of the €500m EMTN	€150m interest rate swaps
Nominal amount (US$m)	163.0	163.0
Carrying amount (US$m)	161.9	(4.0)
Change in fair value (US$m)	(3.6)	(3.4)
Hedge ineffectiveness (US$m)	Nil	0.2
Balance sheet account impacted	Current borrowings	Other payables
Statement of comprehensive income account impacted	–	Finance revenue/finance costs

The gain or loss from remeasuring the interest rate swaps at fair value is recorded in profit or loss together with any changes in the fair value of the hedged asset or liability that is attributed to the hedged risk. For 2023, all interest rate swaps were effective hedging instruments.

Sensitivity analysis

Based on the Euro floating-rate financial assets and floating-rate financial liabilities outstanding at 30 June 2023, if Euro zone interest rates were to increase/decrease by 200 basis points with all other variables held constant, profit after tax for the year would have been US$1.9 million lower/higher (2022: US$6.8 million lower from a 200 basis point increase and US$1.7 million higher from a 50 basis point decrease).

Foreign exchange risk

Exposure to foreign exchange risk generally arises in either the value of transactions translated back to the functional currency of a subsidiary or associate, or the value of assets and liabilities of foreign currency subsidiaries or associates when translated back to the Group's reporting currency.

Foreign exchange hedging is used when a transaction exposure exceeds certain thresholds and as soon as a defined exposure arises. Within Brambles, exposures may arise with external parties or, alternatively, by way of cross-border intercompany transactions. Forward foreign exchange contracts are primarily used to manage exposures from normal commercial transactions such as the purchase and sale of equipment and services, intercompany interest and royalties. Given that Brambles both generates income and incurs expenses in its local currencies of operation, these exposures are not significant.

Brambles generally mitigates translation exposures by raising debt in currencies where there are matching assets.

Note 23. Financial Risk Management – continued

C) Market Risk – continued

Foreign exchange risk – continued

Currency profile

The following table sets out the currency mix profile of Brambles' financial instruments at reporting date. Financial assets include cash, trade receivables and derivative assets. Financial liabilities include trade payables, lease liabilities, borrowings and derivative liabilities:

	US dollar US$m	Aust. dollar US$m	British Pound US$m	Euro US$m	Other US$m	Total US$m
2023						
Financial assets	**360.5**	**41.5**	**54.2**	**161.7**	**324.7**	**942.6**
Financial liabilities	**1,185.2**	**154.9**	**81.6**	**1,788.9**	**308.9**	**3,519.5**
2022						
Financial assets	364.5	35.7	33.7	141.0	295.6	870.5
Financial liabilities	1,168.9	149.3	69.3	1,693.6	352.8	3,433.9

Forward foreign exchange contracts – cash flow hedges

During 2023, Brambles entered into forward foreign exchange transactions with various banks in a variety of cross-currencies for terms ranging up to seven months.

For 2023 and 2022, all foreign exchange contracts were effective hedging instruments. The fair value of these contracts at reporting date was nil (2022: nil).

Other forward foreign exchange contracts

Brambles enters into other forward foreign exchange contracts for the purpose of hedging various cross-border intercompany loans to overseas subsidiaries. In this case, the forward foreign exchange contracts provide an economic hedge against exchange fluctuations on foreign currency loan balances. The face value and terms of the foreign exchange contracts match the intercompany loan balances. Gains and losses on realignment of the intercompany loans and foreign exchange contracts to spot rates are offset in the consolidated statement of comprehensive income. Consequently, these foreign exchange contracts are not designated for hedge accounting purposes and are classified as held for trading. The fair value of these contracts at reporting date was a net liability of US$2.7 million (2022: net liability of US$5.3 million).

Hedge of net investment in foreign entity

At 30 June 2023, €350.5 million (US$380.9 million) of the 2024 EMTN has been designated as a hedge of the net investment in Brambles' European subsidiaries and is being used to partially hedge Brambles' exposure to foreign exchange risks on these investments. For 2023 and 2022, there was no ineffectiveness to be recorded from such partial hedges of net investments in foreign entities.

Sensitivity analysis

Based on the financial instruments held at 30 June 2023, if exchange rates were to weaken/strengthen against the US dollar by 10% with all other variables held constant, the transaction exposure within profit after tax for the year would have been US$0.6 million lower/higher (2022: US$0.6 million lower/higher). The impact on equity would have been US$26.6 million lower/higher (2022: US$25.8 million lower/higher) as a result of the incremental movement through the foreign currency translation reserve relating to the effective portion of a net investment hedge.

Notes to and Forming Part of the Financial Statements – continued
for the year ended 30 June 2023

Note 23. Financial Risk Management – continued

D) Liquidity Risk

Brambles' objective is to maintain adequate liquidity to meet its financial obligations as and when they fall due. Brambles funds its operations through existing equity, retained cash flow and borrowings. Funding is generally sourced from relationship banks and debt capital market investors on a medium to long-term basis.

Bank credit facilities are generally structured on a committed multi-currency revolving basis and at 30 June 2023 had maturities ranging out to August 2027. Borrowings under the bank credit facilities are floating-rate, unsecured obligations with covenants and undertakings typical for these types of arrangements.

In August 2022, Brambles established a new five-year US$1,350.0 million committed syndicated revolving credit facility to refinance US$992.2 million of existing committed bilateral credit facilities. The syndicated revolving credit facility incorporates sustainability-linked performance targets consistent with the Group's sustainability targets and roadmap to net-zero greenhouse gas (GHG) emissions, which remain on track. The pricing of loans under the facility decreases or increases depending on whether the relevant targets are met. The facility has two one-year extension options subject to banks' consents, the first of which was exercised in July 2023 to extend the term to August 2028.

Borrowings are raised from debt capital markets by the issue of unsecured fixed-interest notes, with interest payable semi-annually or annually. In December 2022, the Group established a €2.5 billion EMTN shelf programme to facilitate future issuance in debt capital markets. The programme is listed on the Singapore stock exchange. Alongside this, the Group published a Green Finance Framework, supported by an independent Environmental, Social and Corporate Governance (ESG) rating report, to facilitate bond issuance in a 'green' format. In March 2023, Brambles issued a €500.0 million eight-year green bond to cover the repayment of the €500.0 million EMTN maturing in June 2024 and in support of its circular economy business model. At 30 June 2023, loan notes had maturities out to March 2031.

Brambles also has access to further funding through overdrafts, uncommitted and standby lines of credit and the issuance of commercial paper, which is backed by committed bank facilities. These agreements are principally to manage day-to-day liquidity. The Euro Commercial Paper (ECP) programme commenced in June 2022 and consists of large volume, high frequency transactions with a weighted average term to maturity of 1.2 months. ECP cash flows are recorded on a net basis in the consolidated cash flow statement. At 30 June 2023, there was nil ECP outstanding (2022: nil).

At 30 June 2023, the average term to maturity of the committed borrowing facilities and the loan notes is equivalent to 3.7 years (2022: 3.2 years). These facilities are unsecured and are guaranteed as described in Note 32B.

Borrowing facilities maturity profile

	Year 1 US$m	Year 2 US$m	Year 3 US$m	Year 4 US$m	>4 years US$m	Total US$m
2023						
Total facilities	**967.5**	**153.4**	**650.0**	**-**	**2,436.7**	**4,207.6**
Facilities used[1]	**(552.0)**	**(17.2)**	**(500.0)**	**-**	**(1,086.7)**	**(2,155.9)**
Facilities available	**415.5**	**136.2**	**150.0**	**-**	**1,350.0**	**2,051.7**
2022						
Total facilities	270.3	910.4	575.9	711.6	806.1	3,274.3
Facilities used[1]	(44.2)	(596.4)	(216.1)	(607.2)	(701.8)	(2,165.7)
Facilities available	226.1	314.0	359.8	104.4	104.3	1,108.6

1 Facilities used represent the principal value of loan notes and borrowings of US$2,155.9 million. This differs by US$1.0 million (2022: US$4.2 million) from loan notes and borrowings as shown in the balance sheet, which are measured on the basis of amortised cost as determined under the effective interest method and include accrued interest, transaction costs and fair value adjustments on certain hedging instruments.

Note 23. Financial Risk Management – continued

D) Liquidity Risk – continued

Maturities of financial liabilities

The maturities of Brambles' contractual cash flows on non-derivative financial liabilities (for principal and interest) and contractual cash flows on net and gross settled derivative financial instruments, based on the remaining period to contractual maturity date, are presented below. Cash flows on interest rate swaps and forward foreign exchange contracts are valued based on forward interest and exchange rates applicable at reporting date.

	Year 1 US$m	Year 2 US$m	Year 3 US$m	Year 4 US$m	>4 years US$m	Total contractual cash flows US$m	Carrying amount (assets)/ liabilities US$m
2023							
Non-derivative financial liabilities							
Trade payables	**626.1**	**-**	**-**	**-**	**-**	**626.1**	**626.1**
Bank overdrafts	**4.1**	**-**	**-**	**-**	**-**	**4.1**	**4.1**
Bank loans	**7.1**	**18.3**	**-**	**-**	**-**	**25.4**	**18.1**
Loan notes	**608.2**	**51.9**	**541.6**	**31.2**	**1,187.2**	**2,420.1**	**2,132.7**
Lease liabilities	**139.1**	**123.5**	**110.9**	**102.8**	**396.7**	**873.0**	**729.4**
	1,384.6	**193.7**	**652.5**	**134.0**	**1,583.9**	**3,948.7**	**3,510.4**
Financial guarantees[2]	**25.1**	**-**	**-**	**-**	**-**	**25.1**	**-**
	1,409.7	**193.7**	**652.5**	**134.0**	**1,583.9**	**3,973.8**	**3,510.4**
Derivative financial (assets)/liabilities							
Net settled interest rate swaps							
- fair value hedges	**3.7**	**-**	**-**	**-**	**-**	**3.7**	**4.0**
Gross settled forward foreign exchange contracts							
- (inflow)	**(742.9)**	**-**	**-**	**-**	**-**	**(742.9)**	**-**
- outflow	**745.6**	**-**	**-**	**-**	**-**	**745.6**	**2.7**
	6.4	**-**	**-**	**-**	**-**	**6.4**	**6.7**

Note 23. Financial Risk Management – continued

D) Liquidity Risk – continued

	Year 1 US$m	Year 2 US$m	Year 3 US$m	Year 4 US$m	>4 years US$m	Total contractual cash flows US$m	Carrying amount (assets)/ liabilities US$m
2022							
Non-derivative financial liabilities							
Trade payables	549.7	-	-	-	-	549.7	549.7
Bank overdrafts	2.3	-	-	-	-	2.3	2.3
Bank loans	48.8	79.7	212.2	109.1	180.5	630.3	612.0
Loan notes	40.9	563.0	28.5	518.1	537.7	1,688.2	1,547.8
Lease liabilities	164.2	144.7	126.9	112.3	278.1	826.2	713.4
	805.9	787.4	367.6	739.5	996.3	3,696.7	3,425.2
Financial guarantees[2]	24.0	-	-	-	-	24.0	-
	829.9	787.4	367.6	739.5	996.3	3,720.7	3,425.2
Derivative financial (assets)/liabilities							
Net settled interest rate swaps							
- fair value hedges	(1.0)	0.8	-	-	-	(0.2)	(0.2)
Gross settled forward foreign exchange contracts							
- (inflow)	(807.7)	-	-	-	-	(807.7)	-
- outflow	813.0	-	-	-	-	813.0	5.3
	4.3	0.8	-	-	-	5.1	5.1

[2] Refer to Note 26a for details on financial guarantees. The amounts disclosed above are the maximum amounts allocated to the earliest period in which the guarantee could be called. Brambles does not expect these payments to eventuate.

Note 23. Financial Risk Management – continued

E) Credit Risk Exposure

Brambles is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, trade and other receivables and derivative financial instruments. The exposure to credit risks arises from the potential failure of counterparties to meet their obligations. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments, including the mark-to-market of hedging instruments where they represent an asset in the balance sheet. Brambles has short-term deposits available within seven days totalling US$21.4 million which are deposited with banks rated A- by Standard & Poor's. Following the merger of CHEP China with Loscam China (refer Note 9), Brambles has a non-current shareholder loan receivable from Loscam China, totalling US$14.0 million (refer Note 10). Other than this, there is no concentration of credit risk.

Brambles trades only with recognised, creditworthy third parties. Collateral is generally not obtained from customers. Customers are subject to credit verification procedures, including an assessment of their independent credit rating, financial position, past experience and industry reputation. Credit limits are set for individual customers and approved by credit managers in accordance with an approved authority matrix. These credit limits are regularly monitored and revised based on historic turnover activity and credit performance. In addition, overdue receivable balances are monitored and actioned on a regular basis.

Brambles transacts derivatives with prominent financial institutions and has credit limits in place to limit exposure to any potential non-performance by its counterparties.

F) Capital Risk Management

Brambles' objective when managing capital is to ensure Brambles continues as a going concern, as well as to provide a balance between financial flexibility and balance sheet efficiency. In determining its capital structure, Brambles considers the robustness of future cash flows, potential funding requirements for growth opportunities and acquisitions, the cost of capital and ease of access to funding sources.

Brambles manages its capital structure to be consistent with a solid investment-grade credit rating. At 30 June 2023, Brambles held investment-grade credit ratings of BBB+ from Standard & Poor's and Baa1 from Moody's Investors Service.

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

Brambles considers its capital to comprise:

	2023 US$m	2022 US$m
Total borrowings	**2,154.9**	2,162.1
Total lease liabilities	**729.4**	713.4
Less: cash and cash equivalents	**(160.7)**	(158.2)
Net debt	**2,723.6**	2,717.3
Total equity	**2,870.0**	2,451.1
Total capital	**5,593.6**	5,168.4

Under the terms of its major borrowing facilities, Brambles is required to comply with the following financial covenants:

- the ratio of net debt to EBITDA is to be no more than 3.5 to 1; and
- the ratio of EBITDA to net finance costs is to be no less than 3.5 to 1. The ratio of EBITDA to net finance costs is not applicable to the new five-year US$1,350.0 million committed syndicated revolving credit facility.

Loan covenant ratios are calculated including the impact of lease liabilities and on a 12-month rolling basis. EBITDA for the purpose of loan covenant calculations is Underlying Profit before interest, tax, IPEP, depreciation and amortisation for continuing and discontinued operations.

Brambles has complied with these financial covenants for 2023 and 2022.

Notes to and Forming Part of the Financial Statements – continued
for the year ended 30 June 2023

Note 24. Cash Flow Statement – Additional Information

A) Reconciliation of Cash

	Note	2023 US$m	2022 US$m
For the purpose of the consolidated cash flow statement, cash comprises:			
Cash at bank and in hand		**139.3**	148.1
Short-term deposits[1]		**21.4**	10.1
Cash and cash equivalents		**160.7**	158.2
Bank overdraft	18	**(4.1)**	(2.3)
		156.6	155.9

[1] Short-term deposits recognised within cash and cash equivalents have maturities of three months or less and are measured at amortised cost.

Cash and cash equivalents include deposits with financial institutions and other highly liquid investments which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value. Bank overdrafts are presented within borrowings in the balance sheet.

Cash and cash equivalents include balances of US$0.2 million (2022: US$0.2 million) used as security for various contingent liabilities and are not readily accessible.

Brambles has various master netting and set-off arrangements covering cash pooling. An amount of US$1.7 million has been reduced from cash at bank and overdraft at 30 June 2023 (2022: US$3.5 million).

Note 24. Cash Flow Statement – Additional Information – continued

B) Reconciliation of Profit After Tax to Net Cash Flow from Operating Activities

	2023 US$m	2022 US$m
Profit after tax	**703.3**	593.3
Adjustments for:		
- depreciation and amortisation	**738.4**	691.9
- IPEP expense	**285.1**	232.0
- gain on divestment of CHEP China	**(67.3)**	-
- net gain on disposal of property, plant and equipment	**(49.6)**	(15.7)
- impairment of property, plant and equipment	**16.6**	-
- other valuation adjustments	**(3.5)**	(5.2)
- share of results of associates	**4.7**	4.6
- equity-settled share-based payments	**27.5**	28.3
- hyperinflation adjustment	**18.7**	22.0
- net finance revenue and costs	**4.2**	7.5
Movements in operating assets and liabilities, net of acquisitions and disposals:		
- increase in trade and other receivables	**(124.8)**	(160.2)
- decrease in prepayments	**5.5**	25.7
- decrease/(increase) in inventories	**3.5**	(18.9)
- increase in deferred taxes	**57.2**	69.3
- increase in trade and other payables	**214.0**	80.6
- increase in deferred revenue	**91.4**	40.3
- increase/(decrease) in tax payables	**19.9**	(19.7)
- increase in provisions	**50.1**	15.5
- other	**(3.8)**	(5.5)
Net cash inflow from operating activities	**1,991.1**	1,585.8

Note 24. Cash Flow Statement – Additional Information – continued

C) Reconciliation of Movement in Net Debt

	2023 US$m	2022 US$m
Net debt at beginning of the year	**2,717.3**	2,054.6
Net cash inflow from operating activities	**(1,991.1)**	(1,585.8)
Net cash outflow from investing activities	**1,493.0**	1,499.6
Net payments from disposal of businesses, net of cash disposed	**12.4**	-
Divestment of CHEP China's gross debt	**(52.0)**	-
Payments for share buy-back	**-**	443.9
Dividends paid – ordinary	**318.6**	304.8
Net (inflow)/outflow from derivative financial instruments	**(1.1)**	49.0
Lease capitalisation, interest accruals and other	**135.0**	125.7
Foreign exchange differences on borrowings and cash	**91.5**	(174.5)
Net debt at end of the year	**2,723.6**	2,717.3
Being:		
Current borrowings	**562.1**	53.7
Current lease liabilities	**110.2**	140.0
Non-current borrowings	**1,592.8**	2,108.4
Non-current lease liabilities	**619.2**	573.4
Cash and cash equivalents	**(160.7)**	(158.2)
Net debt at end of the year	**2,723.6**	2,717.3

D) Non-Cash Financing or Investing Activities

There were no financing or investing transactions during the year which had a material effect on the assets and liabilities of Brambles that did not involve cash flows.

Note 25. Capital Expenditure Commitments

Capital Expenditure Commitments

Capital expenditure, principally relating to property, plant and equipment, contracted for but not recognised as liabilities at reporting date was as follows:

	2023 US$m	2022 US$m
Within one year	**191.2**	380.2
Between one and five years	**1.0**	1.9
	192.2	382.1

Note 26. Contingencies

a) Subsidiaries have contingent unsecured liabilities in respect of guarantees given relating to leases, workers compensation insurance and other obligations totalling US$25.1 million (2022: US$24.0 million), of which US$23.5 million (2022: US$15.1 million) is guaranteed by Brambles Limited.

b) Environmental contingent liabilities

Brambles' activities have previously included the treatment and disposal of hazardous and non-hazardous waste through subsidiaries and corporate joint ventures or associates. In addition, other activities of Brambles entail using, handling and storing materials which are capable of causing environmental impairment.

As a consequence of the nature of these activities, Brambles has incurred and may continue to incur environmental costs and liabilities associated with site and facility operation, closure, remediation, aftercare, monitoring and licensing. Provisions have been made in respect of estimated environmental liabilities at all sites and facilities where probable outflow of resources have been identified.

However, additional liabilities may emerge due to a number of factors including changes in the numerous laws and regulations which govern environmental protection, liability, land use, planning, climate change and other matters in each jurisdiction in which Brambles operates or has operated. These extensive laws and regulations are continually evolving in response to technological advances, scientific developments, climate change and other factors. Brambles cannot predict the extent to which it may be affected in the future by any such changes in legislation or regulation.

c) Brambles defended a consolidated class action raised on behalf of certain shareholders who acquired shares during the period between 18 August 2016 and 20 February 2017. The trial took place from 8 August 2022 to 8 September 2022 and on 26 and 27 October 2022, and a decision from the trial judge is pending.

In the ordinary course of business, Brambles becomes involved in litigation, tax and indirect tax audits and other commercial disputes. Provisions have been made for known obligations where the existence of the liability is probable and can be reasonably quantified. Receivables have been recognised where recoveries, for example from insurance arrangements, are virtually certain.

As the outcomes of these matters remain uncertain, contingent liabilities exist for any potential amounts payable.

Notes to and Forming Part of the Financial Statements – continued
for the year ended 30 June 2023

Note 27. Auditor's Remuneration

	2023 US$'000	2022 US$'000
Audit and review services:		
- PwC Australia	**2,368**	2,203
- Other PwC network firms	**3,083**	2,659
Total audit and review services	**5,451**	4,862
Other assurance services (which could be performed by other firms):		
- PwC Australia	**135**	-
- Other PwC network firms	**6**	32
Total other assurance services	**141**	32
Total remuneration for audit, review and other assurance services	**5,592**	4,894
Other services:		
- Other – PwC Australia	**13**	12
- Other – other PwC network firms	**1**	1
Total other services[1]	**14**	13
Total auditor's remuneration	**5,606**	4,907

[1] Other services in 2023 and 2022 primarily related to corporate administration.

From time to time, Brambles employs PwC on assignments additional to its statutory audit duties where PwC, through its detailed knowledge of the Group, is best placed to perform the services from an efficiency, effectiveness and cost perspective. The performance of such non-audit related services is always balanced with the fundamental objective of ensuring PwC's objectivity and independence as auditors. To ensure this balance, Brambles' Charter of Audit Independence outlines the services that can be undertaken by the auditors and requires that the Audit & Risk Committee approves any management recommendation that PwC undertakes non-audit work (with approval being delegated to the Chief Financial Officer within specified monetary limits and reported to the Audit & Risk Committee).

Note 28. Key Management Personnel

A) Key Management Personnel Compensation

	2023 US$'000	2022 US$'000
Short-term employee benefits	**8,131**	7,575
Post-employment benefits	**191**	189
Other benefits	**69**	44
Share-based payment expense	**5,269**	5,045
	13,660	12,853

B) Other Transactions with Key Management Personnel

Other transactions with Key Management Personnel are set out in Note 29A.

Further remuneration disclosures are set out in the Directors' Report on pages 47 to 66 of the Annual Report.

Note 29. Related Party Information

A) Other Transactions

Other transactions entered into during the year with Directors of Brambles Limited, with Director-related entities, with Key Management Personnel (KMP, as set out in the Remuneration Report), or with KMP-related entities, were on terms and conditions no more favourable than those available to other employees, customers or suppliers and include transactions in respect of the employee option plans, contracts of employment, service agreements with Non-Executive Directors and reimbursement of expenses. Any other transactions were trivial in nature.

B) Other Related Parties

A subsidiary has a non-interest bearing advance outstanding as at 30 June 2023 of US$944,193 (2022: US$1,054,928) to Brambles Custodians Pty Limited, the trustee under Brambles' employee loan scheme. This scheme enabled employees to acquire shares in Brambles Industries Limited (BIL) and has been closed to new entrants since August 2002.

Note 29. Related Party Information – continued

C) Material Subsidiaries

The principal subsidiaries of Brambles during the year were:

		% interest held at reporting date	
Name	**Place of incorporation**	**2023**	**2022**
CHEP USA	USA	**100**	100
CHEP Canada Corp	Canada	**100**	100
CHEP UK Limited	UK	**100**	100
CHEP Equipment Pooling NV	Belgium	**100**	100
CHEP South Africa (Proprietary) Limited	South Africa	**100**	100
CHEP Australia Limited	Australia	**100**	100
CHEP Mexico SRL	Mexico	**100**	100
Brambles USA Inc.	USA	**100**	100
Brambles Finance plc	UK	**100**	100
Brambles Finance Limited	Australia	**100**	100

In addition to the list above, there are a number of other non-material subsidiaries within Brambles.

Investments in subsidiaries are primarily by means of ordinary or common shares. Shares in subsidiaries are recorded at cost, less provision for impairment.

Material subsidiaries which prepare statutory financial statements report a 30 June balance sheet date, with the exception of CHEP Mexico SRL, which reports a 31 December balance sheet date.

Note 30. Events After Balance Sheet Date

Other than those outlined in the Directors' Report or elsewhere in these financial statements, no other events have occurred subsequent to 30 June 2023 and up to the date of this report that have had a material impact on Brambles' financial performance or position.

Note 31. Net Assets Per Share

	2023 US cents	2022 US cents
Based on 1,389.3 million shares (2022: 1,386.2 million shares):		
- Net tangible assets per share	**189.2**	159.3
- Net assets per share	**206.6**	176.8

Net tangible assets per share is calculated by dividing total equity attributable to the members of the parent entity, less goodwill and intangible assets, by the number of shares on issue at year end.

Net assets per share is calculated by dividing total equity attributable to the members of the parent entity by the number of shares on issue at year end.

Note 32. Parent Entity Financial Information

A) Summarised Financial Data of Brambles Limited

	Parent entity	
	2023 US$m	2022 US$m
Profit/(loss) for the year[1]	**1,654.2**	(7.2)
Other comprehensive loss for the year[2]	**(146.2)**	(381.6)
Total comprehensive income/(loss)	**1,508.0**	(388.8)
Current assets	**0.2**	0.1
Non-current assets	**5,188.8**	4,531.7
Total assets	**5,189.0**	4,531.8
Current liabilities	**37.3**	34.5
Non-current liabilities	**20.2**	570.9
Total liabilities	**57.5**	605.4
Net assets	**5,131.5**	3,926.4
Contributed equity	**4,531.6**	4,505.8
Share-based payment reserve	**71.6**	68.3
Foreign currency translation reserve	**(981.6)**	(835.4)
Retained earnings	**1,509.9**	187.7
Total equity	**5,131.5**	3,926.4

1 Profit for the year in 2023 includes dividend income received from subsidiaries.

2 Comprises foreign currency translation movements.

Note 32. Parent Entity Financial Information – continued

A) Summarised Financial Data of Brambles Limited – continued

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements except for investments and receivables from subsidiaries. In the parent entity financial information, investments in subsidiaries are accounted for at cost and receivables from subsidiaries are held at amortised cost. Where appropriate, receivables from subsidiaries have been adjusted for expected credit losses. Dividends received from investments in subsidiaries are recognised as revenue.

B) Guarantees and Contingent Liabilities

Brambles Limited and certain of its subsidiaries are parties to a deed of cross-guarantee which supports global financing credit facilities available to certain subsidiaries. At 30 June 2023, total facilities available amount to US$1,781.6 million (2022: US$1,421.3 million), of which nil (2022: US$538.6 million) has been drawn.

Brambles Limited and certain of its subsidiaries are parties to a guarantee which supports loan notes of US$500.0 million (2022: US$500.0 million) issued by a subsidiary to qualified institutional buyers in accordance with Rule 144A and Regulation S of the *United States Securities Act* .

Brambles Limited and certain of its subsidiaries are parties to a guarantee which supports loan notes of €1,000.0 million (2022: €1,000.0 million) issued by two subsidiaries in the European bond market.

Brambles Limited and certain of its subsidiaries are parties to a guarantee which supports a €2.5 billion Euro Medium Term Note (EMTN) programme, of which €500.0 million relating to a green bond financing instrument, was drawn in March 2023.

Brambles Limited and certain of its subsidiaries are parties to a guarantee which supports a programme of Euro commercial paper available to certain subsidiaries. At 30 June 2023, total programme availability amounts to €750.0 million (2022: €750.0 million), of which nil (2022: nil) has been drawn.

Brambles Limited has guaranteed repayment of certain facilities and financial accommodations made available to certain subsidiaries. At 30 June 2023, total facilities and financial accommodations available to subsidiaries amount to US$427.0 million (2022: US$477.0 million), of which US$45.1 million (2022: US$95.6 million) has been drawn.

As part of its normal funding arrangements, Brambles Limited has guaranteed US$48.0 million of bank borrowings of CHEP China. In accordance with the Business Combination Agreement between Brambles and Loscam China, the parties have refinanced the borrowings of CHEP China and released the Brambles guarantee in August 2023.

Brambles Limited was served with class action proceedings in 2018 which has been disclosed as a contingent liability (refer Note 26c).

C) Contractual Commitments

Brambles Limited did not have any contractual commitments for the acquisition of property, plant and equipment at 30 June 2023 or 30 June 2022.

Directors' Declaration

In the opinion of the Directors of Brambles Limited:

(a) the financial statements and notes set out on pages 74 to 131 are in accordance with the *Corporations Act 2001,* including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated financial position of Brambles Limited as at 30 June 2023 and of its performance for the year ended on that date.

(b) there are reasonable grounds to believe that Brambles Limited will be able to pay its debts as and when they become due and payable.

A statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board is included within Note 1 to the financial statements.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the Directors.

J P Mullen
Chair

G A Chipchase
Chief Executive Officer

30 August 2023

Independent Auditor's Report

to the Members of Brambles Limited

Independent auditor's report

To the members of Brambles Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Brambles Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2023
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated cash flow statement for the year then ended
- the notes to and forming part of the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality

- For the purpose of our audit, we used overall Group materiality of $46 million, which represents approximately 5% of the Group's profit before tax from continuing operations.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured and it is a generally accepted benchmark.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group's financial results comprise the consolidation of a network of pooled pallet, crate and container businesses which are geographically widespread. We tailored the scope of our audit so that we performed sufficient work to be able to provide an opinion on the financial report as a whole, taking into account the structure of the Group, the significance and risk profile of each business, the accounting processes and controls, and the industry in which the Group operates.

Audit of locations, transactions and balances

- Separate PwC firms in the relevant locations ("local PwC audit firms") performed an audit of the financial information prepared for consolidation purposes for ten components of the Group. The components were selected due to their significance to the Group, either by individual size or by risk. Certain components in the Group are selected every year due to their size or nature, whilst others are included on a rotational basis.

Independent Auditor's Report - continued

to the Members of Brambles Limited

- In addition, local PwC audit firms performed risk focused targeted audit or specified procedures on selected transactions and balances for a further nine components.
- The remaining components were financially insignificant. These components are considered as part of Group analytical procedures and other specified procedures.

Audit of shared services functions

- Our procedures on IT, tax and certain finance processes were performed by local PwC audit firms based in various territories, reflecting the location of the Group's shared services functions. This included some audit procedures performed at the Group's finance process outsourced services provider. The PwC Australia Group audit team (the Group audit team) performed audit procedures over centrally managed areas such as the impairment assessment of goodwill, share based payments, retirement benefit obligations, treasury and the consolidation process.

Direction and supervision by the Group Audit team

- The audit procedures were performed by PwC Australia and local PwC audit firms operating under the Group audit team's instructions. The Group audit team determined the level of involvement needed in the audit work of local PwC audit firms to be satisfied that sufficient audit evidence had been obtained for the purpose of the opinion. The Group audit team kept in regular communication with the local PwC audit firms throughout the year through phone calls, discussions and written instructions. Senior members of the Group audit team visited certain businesses throughout the year and met with management and local PwC audit teams including the two largest locations. The audit team both at Group and at local component levels were appropriately skilled and competent to perform an audit of a complex global business. This included specialists and experts in areas such as IT, actuarial, tax and valuations.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Accounting for pooling equipment assets *(Refer to Note 13)* Brambles' pooling equipment is accounted for as depreciable fixed assets, classified within property, plant and equipment. The accounting for pooling equipment was a key audit matter due to the assets' financial size and judgement involved. As disclosed in Note 13 of the financial report, there is inherent risk in accounting for pooling equipment due to the high volume of asset movements through a complex network, and a limitation on the Group's ability to physically verify the quantity of the pallets, crates and containers due to access and cost prohibitions. The largest category of pooling equipment is pallets. The key area of judgement in relation to pooled pallets is the quantity of lost pallets. The irrecoverable pooling equipment provision (IPEP) is calculated by considering the current and historical experience of pallet loss and pallet flows analysis, as reported through the asset management system. The determination of pallet losses is a significant estimate due to the subjectivity involved in the estimated pallet loss rates.	We performed the following procedures over pooling equipment assets, amongst others: • Evaluated the design and operating effectiveness of key controls. Tested a selection of asset management controls including attending pallet audits and assessing the results of the Group's counts. • Reperformed key reconciliations for pallet balances between the accounting records and the asset management system. • In auditing the IPEP provision calculation methodology we: ○ assessed appropriateness of significant assumptions and judgements for distributors who are not customers of CHEP, as losses from such distributors are historically higher than those of direct customers; ○ assessed provision estimates for significant customers where CHEP has no access to physically count the pallets; ○ evaluated how historic pallet loss rates and flows are used to estimate current losses; and ○ for a selection of locations, reviewed the calculations and extrapolations of provision estimates across pallet locations. • Evaluated the reasonableness of disclosures made in Note 13, including those related to estimation uncertainty, against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Independent Auditor's Report - continued

to the Members of Brambles Limited

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 47 to 66 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Brambles Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

pwc

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Debbie Smith
Partner

Sydney
30 August 2023

Eliza Penny
Partner

Sydney
30 August 2023

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Brambles Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Brambles Limited and the entities it controlled during the period.

Debbie Smith
Partner
PricewaterhouseCoopers

Sydney
30 August 2023

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Five-Year Financial Performance Summary

US$m	2023	2022	2021	2020	2019
Continuing operations[1]					
Sales revenue	**6,076.8**	5,519.8	5,209.8	4,717.9	4,595.3
EBITDA[2,3]	**2,082.2**	1,841.5	1,737.2	1,561.8	1,415.1
Depreciation and amortisation[2]	**(730.1)**	(679.5)	(664.3)	(607.7)	(484.3)
IPEP expense	**(285.1)**	(232.0)	(198.3)	(154.7)	(127.1)
Underlying Profit	**1,067.0**	930.0	874.6	799.4	803.7
Significant Items	**-**	-	-	-	(62.8)
Operating profit	**1,067.0**	930.0	874.6	799.4	740.9
Net finance costs	**(114.1)**	(86.3)	(85.6)	(80.8)	(88.5)
Net impact arising from hyperinflationary economies[4]	**(18.7)**	(22.0)	-	-	-
Profit before tax	**934.2**	821.7	789.0	718.6	652.4
Tax expense	**(287.1)**	(247.9)	(257.5)	(210.6)	(198.3)
Profit from continuing operations	**647.1**	573.8	531.5	508.0	454.1
Profit/(loss) from discontinued operations[1]	**56.2**	19.5	(8.9)	(60.0)	1,013.6
Profit for the year	**703.3**	593.3	522.6	448.0	1,467.7
Weighted average number of shares (millions)	**1,388.0**	1,415.7	1,475.1	1,548.7	1,593.4
Earnings per share (US cents)					
Basic	**50.7**	41.9	35.4	28.9	92.1
From continuing operations	**46.6**	40.5	36.0	32.8	28.5
On Underlying Profit after finance costs and tax	**48.0**	42.1	37.6	32.8	31.9
ROCI[2,4]	**19%**	18%	18%	17%	19%
Capex on property, plant and equipment[1]	**1,567.1**	1,787.0	1,219.0	968.4	1,060.4
Balance sheet					
Capital employed	**5,593.6**	5,168.4	4,735.9	4,468.2	3,905.9
Net debt[2]	**2,723.6**	2,717.3	2,054.6	1,711.8	97.7
Equity	**2,870.0**	2,451.1	2,681.3	2,756.4	3,808.2
Average Capital Invested[1,2]	**5,763.6**	5,150.5	4,930.5	4,698.7	4,130.6
Cash flow					
Cash Flow from Operations - continuing[2]	**789.8**	391.8	901.1	754.8	431.8
Free Cash Flow[2]	**498.1**	86.2	622.0	462.2	238.5
Ordinary dividends paid, net of Dividend Reinvestment Plan	**(318.6)**	(304.8)	(280.8)	(290.7)	(328.1)
Free Cash Flow after ordinary dividends	**179.5**	(218.6)	341.2	171.5	(89.6)
Key financing ratios[2,3]					
Net debt to EBITDA (times)	**1.3**	1.5	1.2	1.1	0.1
EBITDA interest cover (times)	**18.2**	21.3	20.4	19.3	14.6
Average employees	**12,262**	11,894	11,569	11,647	10,896
Dividend declared[5] (cents per share)	**26.25 US**	22.75 US	20.5 US	18.0 US	29.0 AU

1 The CHEP China business is presented within discontinued operations in 2023 and 2022. Periods prior to 2022 included the CHEP China business within continuing operations and are consistent with previously published data. The Kegstar business is presented within discontinued operations in 2021 and 2020. Periods prior to 2020 include Kegstar within continuing operations and are consistent with previously published data.

2 2021 has been restated for the change in accounting policy relating to Software as a Service arrangements. Periods prior to 2021 have not been restated for the impact of this change in accounting policy. Periods prior to 2020 have not been restated for the impact of new accounting standard AASB 16 *Leases*.

3 Effective from 2020, EBITDA has been redefined as Underlying Profit from continuing operations after adding back depreciation, amortisation and IPEP expense. Prior periods have been restated to align with the revised definition. The key financing ratios for periods prior to 2020 have not been restated to align with the revised EBITDA definition and are consistent with previously published data.

4 Brambles applied AASB 129 *Financial Reporting in Hyperinflationary Economies* from 2022.

5 Effective from 2020, Brambles changed to a payout ratio-based dividend policy, with the dividend per share declared in US cents and converted and paid in Australian cents. Prior to 2020, dividends were declared and paid in Australian cents.

Glossary

Acquired Shares	Brambles Limited shares purchased by Brambles' employees under MyShare
Actual currency/actual FX	Results translated into US dollars at the applicable actual monthly exchange rates ruling in each period. Results for hyperinflationary economies are translated to US dollars at the period end spot FX rates
AGM	Annual General Meeting
ACI (Average Capital Invested)	A 12-month average of capital invested; capital invested is calculated as net assets before tax balances, cash, borrowings and lease liabilities, but after adjustment for pension plan actuarial gains or losses and net equity adjustments for equity-settled share-based payments
AU cents	Australian cents
BIFR (Brambles Injury Frequency Rate)	Safety performance indicator that measures the combined number of fatalities, lost-time injuries, modified duties and medical treatments per million hours worked
BIL	Brambles Industries Limited, which was one of the two listed entities in the previous dual-listed companies structure
Biogenic carbon	Carbon that is sequestered from the atmosphere during biomass growth and may be released back to the atmosphere later due to combustion of the biomass or decomposition
BIP	Brambles Industries plc, which was one of the two listed entities in the previous dual-listed companies structure
Board	The Board of Directors of Brambles Limited, details of which are on pages 40 to 43
CAGR (Compound Annual Growth Rate)	The annualised percentage at which a measure (e.g. sales revenue) would have grown over a period if it grew at a steady rate
Cash Flow from Operations	A non-statutory measure of cash flow generated from operations after net capital expenditure but excluding Significant Items that are outside the ordinary course of business and discontinued operations
Circular economy	A circular economy regenerates and circulates key resources, ensuring products, components and materials are at their highest utility and value at all times
CGPR	The Australian Securities Exchange Corporate Governance Council Corporate Governance Principles & Recommendations, Fourth Edition
Company	Brambles Limited (ACN 118 896 021)
Constant currency/constant FX	Current period results (excluding hyperinflationary economies) translated into US dollars at the actual monthly exchange rates applicable in the comparable period, so as to show relative performance between the two periods. Results for hyperinflationary economies are not retranslated and remain at their reported actual exchange rates (period-end spot exchange rates).
Continuing operations	Continuing operations refers to CHEP Americas, CHEP EMEA and CHEP Asia-Pacific (each primarily comprising pallet and container pooling businesses in those regions operating under the CHEP brand), and Corporate (corporate centre including Shaping Our Future)
CRM (Client Relationship Management)	Software tool for managing relationships and interactions with customers and potential customers
Discontinued operations	Operations which have been divested/demerged, or which are held for sale
DRP (Dividend Reinvestment Plan)	The Brambles Dividend Reinvestment Plan, under which Australian and New Zealand shareholders can elect to apply some or all of their dividends to the purchase of shares in Brambles Limited instead of receiving cash
Economic value	A measure of the broader financial benefit provided by an organisation
EPS (Earnings Per Share)	Profit after finance costs, tax, minority interests and Significant Items, divided by the weighted average number of shares on issue during the period

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation)	Underlying Profit from continuing operations after adding back depreciation, amortisation and IPEP expense
ELT	Brambles' Executive Leadership Team, details of which are on pages 44 to 46
Emission scope	Scope 1: carbon emissions from fuel combustion at Brambles' operations and under Brambles' direct control Scope 2: carbon emissions resulting from grid electricity used in Brambles' operations. While considered 'indirect', Brambles' level of control is considered high Scope 3: carbon emissions resulting from goods and services purchased. Also considered 'supply chain' emissions Source: https://ghgprotocol.org/
Free Cash Flow	Cash flow generated after net capital expenditure, finance costs and tax, but excluding the net cost of acquisitions and proceeds from business disposals
FY (Financial Year)	Brambles' financial year is 1 July to 30 June; FY23 indicates the financial year ended 30 June 2023
Group or **Brambles**	Brambles Limited and all of its related bodies corporate
Group Profit Leverage	Reflects the amount by which Underlying Profit growth exceeds sales revenue growth
IBCs (Intermediate Bulk Containers)	Palletised containers used for the transport and storage of bulk products in a variety of industries, including the food, chemical, pharmaceutical and transportation industries
IPEP (Irrecoverable Pooling Equipment Provision)	Provision held by Brambles to account for pooling equipment that cannot be economically recovered and for which there is no reasonable expectation of receiving compensation
Key Management Personnel	Members of the Board of Brambles Limited and Brambles' Executive Leadership Team
KPI(s)	Key Performance Indicator(s)
LTI	Long-Term Incentive
Matching Awards	Matching share rights over Brambles Limited shares allocated to employees when they purchase Acquired Shares under MyShare; when an employee's Matching Awards vest, Matching Shares are allocated
Matching Shares	Shares allocated to employees who have held Acquired Shares under MyShare for two years, and who remain employed at the end of that two-year period; one Matching Share is allocated for every Acquired Share held
MyShare	The Brambles Limited MyShare plan, an all-employee share plan, under which employees acquire ordinary shares by means of deductions from their after-tax pay and must hold those shares for a two-year period. If an employee holds those shares and remains employed at the end of the two-year period, Brambles will match the number of shares that employee holds by issuing or transferring to them the same number of shares they held for the qualifying period, at no additional cost to the employee
NPS (Net Promoter Score)	Measure used to gauge customer experience and satisfaction
Operating profit	Statutory definition of profit before finance costs and tax; sometimes called EBIT (earnings before interest and tax)
Performance Period	A two-to-three-year period over which the achievement of performance conditions is assessed to determine whether STI and LTI share awards will vest
Performance Share Plan or PSP	The Brambles Limited Performance Share Plan (as amended)
Profit after tax	Profit after finance costs, tax, minority interests and Significant Items
RPCs	Reusable/returnable plastic/produce container/crate, generally used for shipment and display of fresh produce items

Glossary – continued

ROCI (Return on Capital Invested)	Underlying Profit divided by Average Capital Invested
SBT (Science-based Targets)	Targets that provide a clearly-defined pathway for companies and financial institutions to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth
SBTi (Science-based Targets initiative)	Initiative that drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets
Sharing economy	An economic system in which assets or services are shared between different agents, either free or for a fee
Significant Items	Items of income or expense which are, either individually or in aggregate, material to Brambles or to the relevant business segment and: outside the ordinary course of business (e.g. gains or losses on the sale or termination of operations, the cost of significant reorganisations or restructuring); or part of the ordinary activities of the business but unusual because of their size and nature
STI	Short-Term Incentive
TCFD (Task Force for Climate-related Financial Disclosures)	A framework to help organisations disclose climate-related risks and opportunities
TSR (Total Shareholder Return)	Measures the returns that a company has provided for its shareholders, reflecting share price movements and reinvestment of dividends over a specified performance period
Underlying EPS	Profit after finance costs, tax and minority interests but before Significant Items, divided by the weighted average number of shares on issue during the period
Underlying Profit	Profit from continuing operations before finance costs, hyperinflation adjustments, tax and Significant Items
Unification	The unification of the dual-listed companies structure (between Brambles Industries Limited and Brambles Industries plc) under a new single Australian holding company, Brambles Limited, which took place in December 2006
Year	Brambles' 2023 financial year

Notes

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Contact Information

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Email: investorrelations@brambles.com

Share Registry
Access to shareholding information is available to investors through Boardroom Pty Limited

Boardroom Pty Limited
GPO Box 3993, Sydney NSW 2001, Australia

Telephone: 1300 883 073 (within Australia)
+61 2 9290 9600 (from outside Australia)
Facsimile: +61 2 9279 0664
Email: brambles@boardroomlimited.com.au
Website: www.boardroomlimited.com.au

Share Rights Registry
Employees or former employees of Brambles who have queries about the following interests:

Performance share rights under the performance share plans;

Matching share rights under MyShare; or

Shares acquired under MyShare or other share interests held through Certane SPV Management Pty Ltd, may contact Boardroom Pty Limited, whose contact details are set out above.

American Depository Receipts Registry
Deutsche Bank Shareholder Services
American Stock Transfer & Trust Company Operations Centre
6201 15th Avenue Brooklyn NY 11219 USA

Telephone: +1 866 706 0509 (toll free)
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