Brambles

Annual Report 2021

Pioneering Regenerative Supply Chains

Brambles' ambition is to pioneer regenerative supply chains.

As a leader in sustainability, Brambles is working to create a nature and people positive economy with reuse, resilience and regeneration at its core. It means breaking the link between consumption and harm to the environment and society. It means moving from degenerative systems that waste resources and pollute the environment to regenerative models that restore nature and strengthen society. In other words, putting back in more than we take from the world. By reaching zero impact and beyond, Brambles will be the company delivering the supply chains the world needs for the future.

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To view the Group's annual review for FY21, go to:

brambles.com

About this Report

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

Integrated Reporting

Brambles is adopting the Value Reporting Foundation methodology, which combines the Integrated Reporting <IR> 'capitals' framework and the Sustainable Accounting Standards Board (SASB) standards. IR, which has been adopted in this Annual Report, illustrates the interaction and interdependencies between a business' sources of value, its model and its ability to create value over time. SASB, which will be adopted in our Sustainability Review (to be released in September 2021), provides industry-specific sustainability indicators. This holistic approach aims to help Brambles' stakeholders understand its sources of value, including resource dependencies and the positive and negative impacts of its business on these sources of value. This is the first year that Brambles will align its disclosures in the Sustainability Review to SASB.

Brambles also follows the guidance provided by the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) voluntary disclosure framework (TCFD Framework). Our FY21 TCFD disclosure, within the Annual Report, details how we consider governance, risk management, strategy, metrics and targets in relation to climate change. This will be supported by a TCFD supplement on Brambles' website.

All acronyms and terminology referred to in this report are defined in the Glossary on pages 137-139.

Forward-Looking Statements

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

Brambles Limited

ABN 89 118 896 021

As a pioneer of the sharing economy,

Brambles is one of the world's most sustainable logistics businesses.

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

Through its 'share and reuse' model, Brambles moves more goods to more people in more places than any other organisation.

What Brambles does:

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

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

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

The world's largest brands trust Brambles to help them transport life's essentials more efficiently, safely and sustainably.

As at 30 June 2021, Brambles:

Operated in...
~60
countries

Owned...
~345 million
pallets, crates and containers

Employed...
~12,000
people

Through a network of...
750+
service centres

Highlights

Financial

US$5,209.8m
Sales Revenue – Up 7% at constant currency.

US$879.3m
Underlying Profit – Up 8% at constant currency.

17.8%
Return on Capital Invested – Up 1.1 percentage points at constant currency.

US$901.1m
Cash Flow from Operations – Up US$146.3m.

20.5 US cents per share
Total Dividends – Final dividend of 10.5 US cents per share.

Safety

5.0
Brambles Injury Frequency Rate (BIFR) – Down from 5.5 in FY20.

Sustainability

CIRCULYTICS™ – Ellen MacArthur Foundation (achieved A-)

MSCI – Maximum AAA rating Top 4% of companies assessed

CDP – A- in its Forests submission

Corporate Knights – 18th most sustainable company in the world

Barron's – Rated #2 most sustainable international company

Letter from the Chair & CEO

In FY21, Brambles played a critical role in keeping global supply chains open, enabling the flow of essential goods around the world. At the same time, the focus and agility of our people has allowed us to deliver on all of our financial commitments while laying the foundations for an ambitious future.

Towards a regenerative supply chain

Strong revenue growth and Underlying Profit leverage delivered in a challenging operating environment

Global supply chains have experienced significant disruptions since the COVID-19 pandemic began over a year ago. Our teams around the world have adapted to unprecedented changes in customer demands and network dynamics across our global operations. We are particularly proud of our service centre staff who have been on the frontline, working tirelessly to ensure global supply chains continued to function effectively, despite a range of COVID-19 and Brexit-related challenges.

During the Year, demand for our pallets was strong, yet volatile, as retailers and manufacturers responded to record levels of at-home consumption and increased their inventory levels to manage supply chain risk and consumer demand uncertainty. At the same time, our businesses were faced with high levels of lumber inflation, pallet availability challenges and ongoing scarcity of both labour and transport in all regions. These dynamics required a high level of agility across our operations to keep goods flowing through supply chains.

Against this challenging backdrop, we successfully completed our three-year US automation programme which has progressively added capacity to our US service centre network. In addition, our investments in US lumber and related procurement initiatives delivered efficiency and supply benefits in the period. Our teams in all regions continued to demonstrate commercial discipline, recovering cost-to-serve increases through pricing, surcharges, and underlying cost efficiencies across our network. The collective benefits of these actions offset cost increases during the Year, enabling us to meet all our financial commitments for FY21, including Group revenue growth with operating profit leverage, US margin improvement and strong Free Cash Flow generation to fully fund dividends and capital expenditure.

As a global leader in sustainability, we are also pleased to announce that in June 2021 we took our first critical step towards a regenerative business model by becoming a carbon neutral company, bringing the net CO_2 emissions derived from our own operations to zero. This is an important milestone in our decarbonisation journey; however, we acknowledge that the real challenge lies in the activities of our whole supply chain. We have started collaborative actions with customers, suppliers and external organisations to advance in our commitment for a 1.5°C future, aligned with the 2015 Paris Agreement.

With COVID-19 restrictions starting to ease around the world and developed countries entering the recovery phase of the pandemic, our priority remains the health and wellbeing of our people and being a reliable and responsible supply chain partner to our customers around the world.

Letter from the Chair & CEO continued

Foundations for an Ambitious Future

Brambles' purpose is 'to connect people with life's essentials, every day'. As we continue to contend with the challenges and complexities created by the COVID-19 pandemic this purpose continues to underpin our strategy, drive our endeavours, and motivate our people.

Brambles introduced the platform pooling model around the world. Our ambition now is to transform our business and reinvent pooling for the supply chains of tomorrow. We are investing to create new digital and data capabilities that will unlock additional value from our current platforms and networks, as well as creating new sources of value for our customers and shareholders.

As the global leader in sustainable logistics, we are committed to raising standards for customer experience, service quality, innovation and raising the bar for the whole industry. We are constantly seeking to improve asset and network productivity, with ongoing programmes of automation and process standardisation to enhance the efficiency and resilience of our operations. We are reinventing our organisation, technology, and processes to be simpler, more effective, and more customer focused. We call this ambition Shaping Our Future.

During the Year, we have undertaken a focused programme to accelerate Shaping Our Future and the transformation it will drive across our business. We have identified ambitious opportunities to improve customer value, operate more efficiently, and embed digitisation across Brambles.

Consequently, in FY22 we will be recognising increased investments in numerous initiatives, which are expected to drive a significant and sustainable uplift in shareholder value creation by supporting revenue growth with operating profit leverage and Free Cash Flow generation across the Group from FY23 onwards.

We are in the process of finalising our transformation plan and will be in a position to provide further information on specific initiatives, expected future financial outcomes and more specific guidance for FY22, including transformation programme costs, at our Investor Day on 13 and 14 September 2021.

To enable the delivery of our transformation and digital ambitions, we have created two new roles on the Executive Leadership team, with Craig Jones becoming the Group's Chief Transformation Officer and Helen Lane being appointed as the Group's Chief Data and Digital Officer. In addition, our Customer Experience transformation will be led by our Senior Vice President of Strategy and Innovation, Alasdair Hamblin (See biographies on pages 38 to 44).

Pioneering Regenerative Supply Chains

Our ambitions for the business would not be complete without recognising our responsibility to drive sustainability across global supply chains. The 2020s is the 'decade of action' on the United Nations Sustainable Development Goals and, as a global leader in sustainability and the backbone of supply chains all over the world, we believe we have a critical role to play. The time has come to transform how we get products to people. That is why we are setting the ambition to pioneer truly regenerative supply chains. It is about delivering life's essentials every day in a nature and people positive way, with reuse, resilience, and regeneration at its core. By getting to zero impact and beyond, we will be the company delivering the supply chains the world needs for the future.

To support this ambition, we launched our 2025 sustainability targets in September 2020, and we are pleased to announce that we have already started our journey towards regeneration. In addition to achieving carbon neutral status, we have made significant progress with our afforestation programme, investing in projects designed to grow the world's forest reserves while securing the essential supply of sustainable lumber for our operations into the future. More details about our sustainability performance and progress with our 2025 sustainability targets will be outlined in our 2021 Sustainability Review, that will be released in September 2021.

FY21 Performance

Notwithstanding significant challenges during the Year, our FY21 performance was above the upgraded guidance range provided to the market in February and reconfirmed in April 2021. At constant currency, sales revenue increased 7%, with volume and price realisation in the global pallets business and a progressive recovery in the Automotive business. Underlying Profit increased 8% at constant currency, reflecting increased contribution from pricing and surcharges, supply chain efficiencies and one-off net income of US$10 million in the Asia-Pacific region. These contributions to profit more than offset input-cost inflation, higher asset charges in the US business and other operating cost increases, driven by changes in network dynamics and demand patterns due to COVID-19, Brexit and pallet availability challenges in the second half of the year. Excluding timing benefits which are expected to reverse in FY22, Free Cash Flow after dividends was US$126.2 million, reflecting strong earnings, asset compensations and working capital benefits.

The capital management programme is now 78% complete

Dividend and Capital Management

Shareholders benefited from Brambles' strong performance in the Year, with the Board declaring total dividends for FY21 of 20.5 US cents per share, with the Australian dollar equivalent of 27.32 Australian cents per share. Further details of the FY21 dividend are on page 65.

In addition, Brambles continued to return IFCO sale proceeds to shareholders through the on-market share buy-back programme. At 30 June 2021, a total of 158 million ordinary shares have been bought back for a total consideration of A$1,752 million. The capital management programme is now 78% complete and is expected to be completed in FY22.

Board Renewal

In line with our Board renewal plan, Tony Froggatt and Tahira Hassan will retire at the conclusion of the 2021 AGM after 16 years' and 10 years' service respectively. Both Tony and Tahira have made outstanding contributions to Brambles throughout their time on the Board and we thank them for their service. Recruitment for their replacements on the Board has been initiated and we expect to appoint two new directors over the course of the next six months. Full Board biographies are on pages 38 to 41. Details of our Board skills matrix are in the Corporate Governance Statement on brambles.com

Conclusion

On behalf of the Board, we would like to thank Brambles' shareholders for their continued support and the whole Brambles team for their hard work and dedication during the Year.

John Mullen
Chair

Graham Chipchase
Chief Executive Officer

How Brambles Creates Value

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

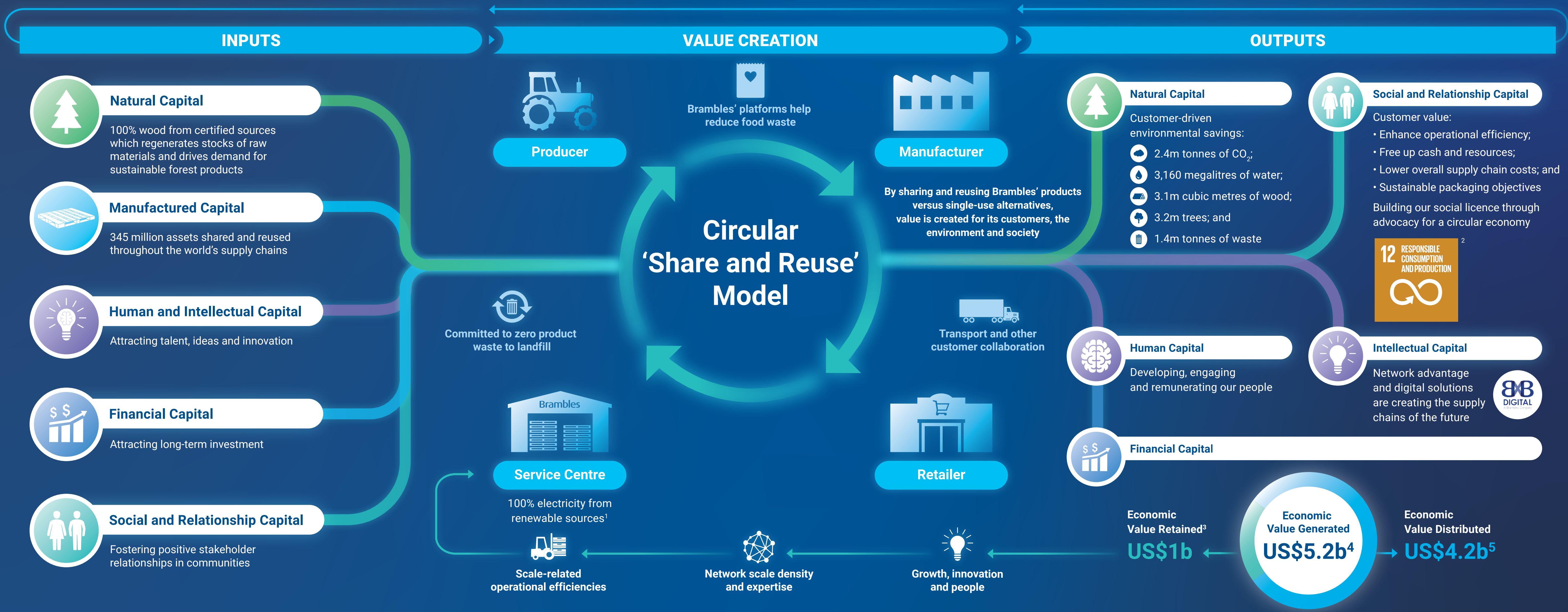
Brambles helps customers deliver life's essentials every day. Its end-to-end supply chain solutions deliver operational, financial, and environmental efficiencies not otherwise available through single-use alternatives. Further details are available on page 14.

For shareholders, Brambles 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. At the same time, Brambles provides an investment pathway into the low-carbon, circular economy while delivering consistent growth at returns well above the cost of capital.

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

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

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



[2] 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.

[3] Group cash capital expenditure.

[4] Group sales revenue.

[5] See page 18 for the breakdown of Economic Value Distributed.

[1] Brambles' renewable electricity result includes electricity from renewable electricity contracts, certified 'Greenpower' and Energy Attribute Certificates (EACs).

Operating Model

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

Inherently Sustainable Operating Model

Brambles' 'share and reuse' model follows the principles of the circular and sharing economies, creating more efficient supply chains by reducing operating costs and demand on natural resources. By promoting the 'share and reuse' of assets among multiple parties in the supply chain, Brambles offers customers a more efficient and sustainable alternative to the use of disposable single-use products or managing their own proprietary platforms.

Network Advantage and Supply Chain Expertise

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

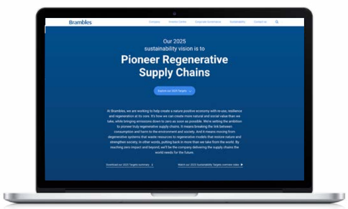
Sustainability Strategy

Brambles' sustainability strategy organises the Group's sustainability activities and goals under three broad programmes: Planet Positive; Business Positive; and Communities Positive.

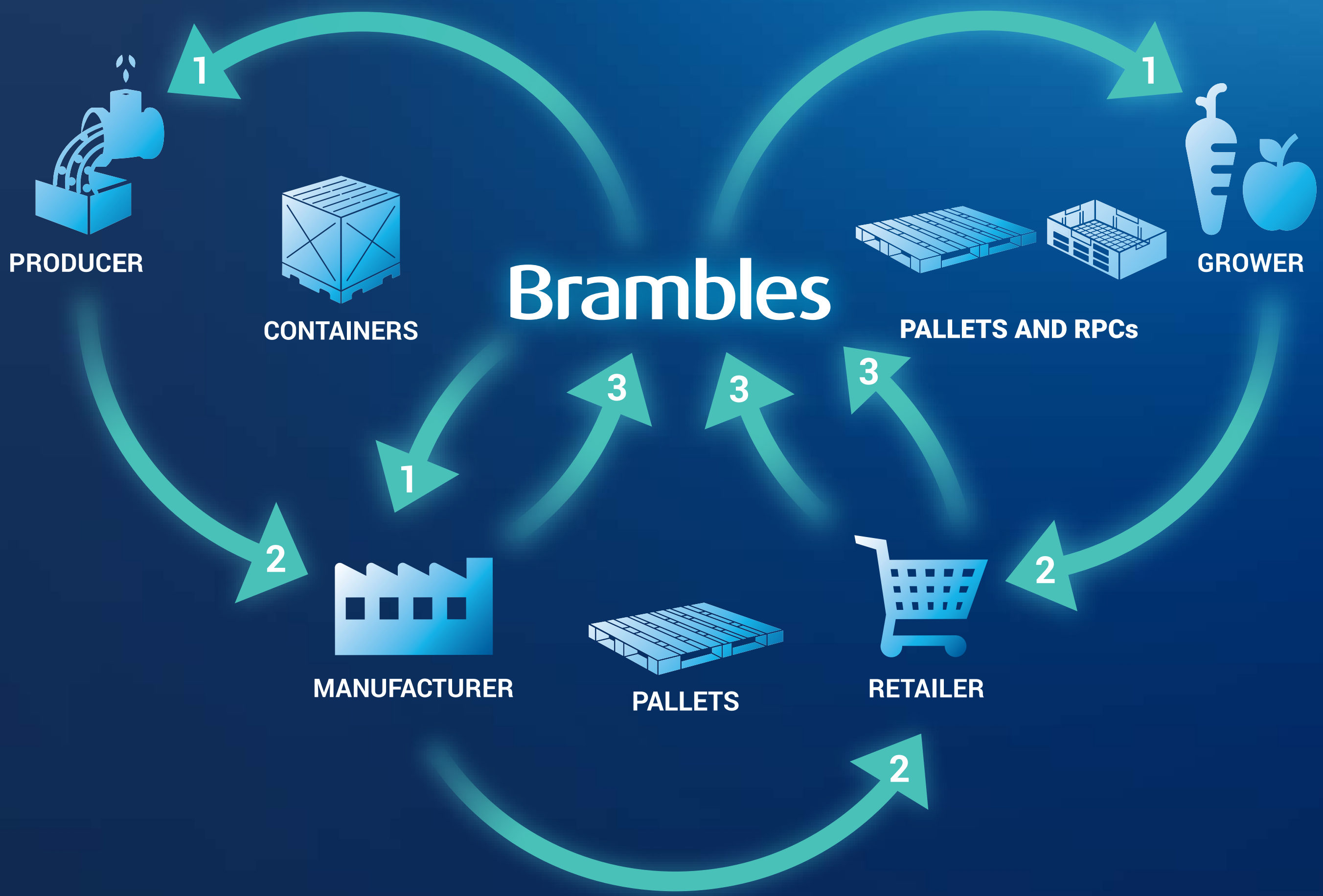
Brambles' sustainability vision to pioneer regenerative supply chains including its 2025 targets is outlined in more detail on page 20.

To view the Group's Sustainability Strategy go to:

brambles.com/2025-sustainability-targets



Share and reuse: How it works



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.

Using its network advantage and asset management expertise, Brambles seamlessly connects supply chain participants, ensuring the efficient flow of goods through the supply chain. By reducing transport distances and the number of platforms required to service the supply chain, Brambles delivers savings in which all participants share.

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

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

Strategic Priorities

Brambles is committed to being the global leader in platform pooling and insight-based solutions to fast-moving supply chains delivered through its circular 'share and reuse' model. Having introduced the platform pooling model around the world, Brambles is reinventing it for the supply chains of tomorrow.

Brambles seeks to:

- Achieve and maintain the number one position in each region of operation;
- Lead the industry in customer service, innovation and sustainability; and
- Be an employer of choice through best-in-class safety, diversity and talent development programmes.

To deliver this strategy, Brambles has identified four focus areas which leverage the power of its circular 'share and reuse' model to deliver value for customers, employees and shareholders. These four focus areas are: Customer Value; Asset Efficiency and Network Productivity; Digital Transformation; and Business Excellence.

Customer Value

Brambles is committed to delivering unrivalled value and exceptional service to its customers.

Brambles works with its manufacturing customers and supply chain partners to enhance the reliability, efficiency and sustainability of end-to-end supply chains. COVID-19 has demonstrated how critical supply chains are to customers and wider stakeholders. Brambles is committed to improving the customer experience further through simpler processes, additional services and enhanced platform quality.

Asset Efficiency and Network Productivity

Brambles constantly seeks to improve the productivity and sustainability of its assets and operations.

Brambles constantly seeks to improve the productivity and sustainability of its assets and operations. Brambles works with its customers and partners to align physical networks and working practices in order to improve asset utilisation, reduce equipment loss and lower equipment damage rates. Ongoing programmes of automation and process standardisation enhance the efficiency and resilience of Brambles' operations, allowing the Group to transfer best practices from one market to another.

Impact of COVID-19

Brambles' strategy is focused on delivering returns well in excess of the cost of capital over a sustained period. The COVID-19 pandemic has created significant uncertainty over the past 18 months. Brambles is proud of the role that its people and services have played during the pandemic, working closely with customers and partners to keep goods flowing through supply chains. The core elements of Brambles' strategy have proven robust in an unprecedented period, which has demonstrated the value of efficient and resilient supply chains.

Accelerating Shaping Our Future

Brambles has recently undertaken a focused business planning process to accelerate the Shaping Our Future programme and invested to deliver transformative outcomes in each of the focus areas discussed below. Further information on Brambles' refreshed strategic ambition and priorities will be provided at the Investor Day in September 2021.

Digital Transformation

Brambles is investing to transform information and digital insights into new sources of value for itself and for its customers.

Brambles sees data and technology as core strengths and sources of future competitive advantage. The Group's Digital and Data team brings together its in-house technology hub, BXB Digital, with business capabilities to translate technology into business outcomes. Brambles' goal is to combine supply chain data, physical assets and domain expertise to create distinctive new capabilities as well as supporting the delivery of the other strategic themes.

Business Excellence

Brambles is reinventing its organisation, technology and processes to be simpler, more effective and more efficient.

The Group is committed to fostering a culture of agility, innovation and continuous improvement, underpinned by the required processes and systems. Successfully attracting, retaining and empowering high calibre people is integral to Brambles' ongoing success and will become increasingly important as new skills are required in areas such as digital services, advanced analytics and automated supply chains.

Customer Value Proposition

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

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

Supply Chain Solutions

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

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

Platform Solutions

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

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

System-Wide Solutions

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

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

Transportation Solutions

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

Retail Store Solutions

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

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

Manufacturing, Warehouse and Distribution Centre Solutions

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

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

Sustainability Solutions

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

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

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

Zero Waste World

Brambles' Zero Waste World (ZWW) programme reinforces its commitment to collaborate with customers and create smarter and more sustainable supply chains – creating more value by using less and regenerating more resources. Brambles currently has 250 leading companies participating in its ZWW programme.

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

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

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

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

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, innovation and the development of its people to build a more resilient business.

Long-Term Value Creation and Sustainable Shareholder Returns

Brambles shares the efficiencies generated by its scale, density and expertise with its customers, providing a compelling value proposition compared to alternatives. 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 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.

Within this context, Brambles is committed to striking the right balance between growing its business and delivering sustainable shareholder returns over the long-term. By focusing on its core drivers of value, Brambles expects to deliver:

Sustainable growth at returns well in excess of the cost of capital

- Sales revenue growth[6] in the mid-single digits;
- Underlying Profit growth[6] in excess of sales revenue growth through the cycle; and
- Strong Return on Capital Invested.

Cash generation to fund growth, innovation and shareholder returns

- Free Cash Flow sufficient to fully fund capital expenditure and dividends.

[6] At constant currency.

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 20.5 US cents per share with the Australian dollar payment equivalent to 27.32 AU cents per share. This results in a payout ratio for the Year of 54%, which is broadly in line with the prior year's payout ratio. FY20 total dividends were 18.0 US cents per share or equivalent to 25.92 AU cents per share.

The final dividend for 2021 of 10.5 US cents per share is a 5% increase on the 2021 interim dividend of 10 US cents per share, and will be 30% franked. This dividend is payable in Australian dollars at 14.24 AU cents per share and will be paid on 14 October 2021 to shareholders on the Brambles register at 5.00pm on 9 September 2021. The ex-dividend date is 8 September 2021.

Capital Management Programme

At the time of the sale of its IFCO RPC business, Brambles announced that it intended to use the US$2.4 billion net proceeds to fund a A$2.8 billion (US$1.95 billion) capital management programme, through an on-market share buy-back of up to A$2.4 billion (US$1.65 billion) and a pro-rata return of cash of 29.0 AU cents per share, and to pay down debt.

The on-market share buy-back commenced on 4 June 2019 and to date 158.2 million ordinary shares have been bought back and cancelled for a total consideration of A$1,751.7 million.

On 22 October 2019 Brambles paid a 29.0 AU cents per share pro-rata cash return comprising two components: a capital return of 12.0 AU cents per share and a special unfranked dividend of 17.0 AU cents per share. The total cash payment for the pro-rata return was A$453.8 million.

At 30 June 2021, Brambles had completed A$2.2 billion, that is 78% of the A$2.8 billion capital management programme.

Dividend Reinvestment Plan

Given the on-market share buy-back programme will continue into FY22, the Board has decided to continue to suspend the Dividend Reinvestment Plan.

The Broader Benefits of Brambles

Brambles' circular business model and ambition to Pioneer Regenerative Supply Chains provides investors with an opportunity to participate in creating positive outcomes for economies, communities, and the environment.

Economic Value Generated

US$5.2b[8]

Economic Value Retained[7]

US$1b

Economic Value Distributed

US$4.2b

$0.3b Dividends paid to shareholders

$0.8b Employee costs including taxes

$0.2b Income taxes paid

$0.1b Interest paid on loans

$2.8b Payments to suppliers

Additional Value Distributed

US$0.5b

$0.5b Share buy-back

[7] Group cash capital expenditure.

[8] Group sales revenue.

Preserving and Enhancing Capital on which it Depends

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

Generating and Redistributing Financial Capital

Strong financial performance provides direct value for Brambles' employees, their families, and communities. This includes economic benefits such as dependable employment opportunities, wages and associated non-financial benefits for ~12,000 employees in approximately 60 countries. Furthermore, payments to local suppliers generate ongoing economic demand, subsequently supporting local employment and economies. Financial donations to community groups and taxes to governments help redistribute prosperity and create a fairer society. 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 2021 Tax Transparency Report, available in September 2021.

Translating Sustainability Concepts into Business Strategies

Brambles' advocacy on the benefits of a circular economy has helped translate this challenging concept into a practical business strategy, demonstrating the financial viability of a truly circular business model on a global scale. Through this leading example, Brambles and its partners provide a pathway for other industries and sectors to examine and adopt circular strategies relevant for their context. Pioneering regenerative supply chains is Brambles' next big ambition, and its initial progress on its 2025 targets is encouraging. By setting its course toward regeneration and sharing its experiences, Brambles hopes to inspire other organisations to join the regenerative revolution, accelerate action on the UN Sustainable Development Goals (SDGs) and in doing so, redefine prosperity for the post-pandemic world.

Setting an ESG Benchmark for the 'Green' Recovery

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

Shaping Brambles' Future through Models of Sustainable Development

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

Brambles' 2025 Sustainability Targets

Building on its global leadership position in sustainability, Brambles announced its ambitious 2025 sustainability vision to Pioneer Regenerative Supply Chains in FY21.

Planet Positive

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

Forest Positive

SDG 15 SDG 8 SDG 13

Brambles will sustainably grow two trees for every tree we use. One tree through our certification programme and one additional tree for the planet. We will ensure 100% sustainable sourcing of timber indefinitely, and enable the transformation of more forestry markets to Chain of Custody (CoC) certification.

2021 PROGRESS

Brambles maintained 100% sustainable sourcing and increased our CoC to 68.6%.

Business Positive

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

Supply Chain Positive

SDG 12 SDG 13 SDG 9

Continuous increases in environmental benefits in our customers' supply chains through our 'share and reuse' model.

Co-develop and improve our performance in leading circular measurement tools for industry.

2021 PROGRESS

Increased our environment impact by:

- 2.4m tonnes of CO_2;
- 3,160 megalitres of water;
- 3.1m cubic metres of wood;
- 3.2m trees; and
- 1.4m tonnes of waste.

Participated in development of leading circular measurement tools from Ellen MacArthur Foundation (achieved A-) and WBCSDs CT+ Tool.

Communities Positive

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

Food Positive

SDG 2

Collaborate with food banks to serve rescued food to 10 million people. Volunteering, in-kind donations, skills and expertise sharing and financial donations will be the catalysts for this target.

Regeneration is about delivering life's essentials every day, but in a nature and people positive way. Reuse, resilience and regeneration are at the core of this vision and are embedded in Brambles' 2025 sustainability targets.

Brambles has delivered meaningful progress in the foundational year of its regenerative journey whilst developing the plans, key milestones and measurement systems to monitor and share its progress. Collaborating on innovative projects with strategic partners, including customers, suppliers, sustainability thought leaders and solution specialists is an essential part of Brambles' integrated approach to addressing the shared sustainability challenges of our time.

Importantly, Brambles has produced tangible results, demonstrating that an ambitious regenerative vision has immediate and practical outcomes. This will motivate its teams to strive for continued success in each target area. For example, Brambles has made important investments in afforestation projects that will grow the world's forest reserves and secure sustainably certified timber for its business. Brambles' people have also spoken, helping to rank Brambles as the top employer in 17 countries and four regions. Some of Brambles' highlights for year one against its 2025 targets are shown below. All results will be published in full in Brambles' Sustainability Review in September 2021.

Performance against Brambles' 2025 targets has been assured.

Climate Positive SDG 13 SDG 7

Brambles commits to a 1.5°C climate future including a Paris Agreement aligned carbon emissions Science-Based Target (SBT) for our supply chain.

100% of our electricity will be renewable and all our operations will be carbon neutral by 2025.

2021 PROGRESS

Brambles achieved carbon neutrality for our operations (Scope 1 and 2 emission sources) and 100% of our electricity was from renewable sources[9].

Waste Positive SDG 12 SDG 6

Brambles commits to:

- **Zero product materials sent to landfills,** for all Brambles' and subcontracted locations;
- **Innovate closed loop products:** aspire to use 30% recycled or upcycled plastic waste;
- **100% of Brambles' locations** including offices and service centres **to be zero waste**; and
- **Water positive:** optimise all water use including reclaiming, recycling, replenishment and treatment.

2021 PROGRESS

Brambles deployed our first regenerative platform, the QT Wheeled Dolly, made from 100% post-consumer recycled content.

Positive Collaboration SDG 17

Brambles will expand our customer collaborations in all regions through our Zero Waste World initiative, doubling the number from 250 to 500.

Workplace Positive SDG 3 SDG 5 SDG 10 SDG 16

Brambles commits to:

- A 25% reduction in BIFR and to develop a wellbeing-at-work programme;
- At least 40% of management roles held by women and double the number of women in our plants;
- Top 20% for inclusivity and launch an accessibility programme in each region; and
- Lead on anti-corruption and human rights, including modern day slavery.

2021 PROGRESS

- In FY21, Brambles met its year-on-year improvement target, recording a BIFR performance of 5.0, which represents a 30% decrease in BIFR for the five-year period ending June 2021.
- Brambles' Modern Slavery Statement published in March 2021.
- 'Top employer accreditation' achieved in 17 countries and four regions.
- Brambles' achieved 32% of women in management roles.

Circular Economy Transformation SDG 4 SDG 12

Brambles will advocate, educate and impact one million people to become circular economy change makers.

Positive Impacts for People and Our Planet

Brambles commits to developing natural and social capital accounting approaches to transparently measure and validate our performance against all 2025 targets and confirm progress towards our regenerative status.

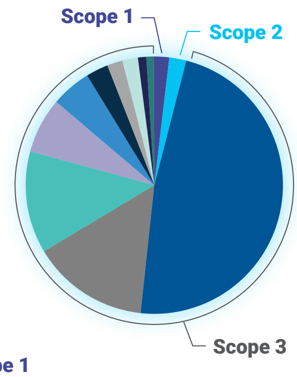
SUSTAINABLE DEVELOPMENT GOALS
Direct Impact

[9] Brambles' renewable electricity result includes electricity from renewable electricity contracts, certified 'Green Power' and Energy 'Attribute Certificates' (EACs).

Brambles' Climate Change Strategy

Brambles has embraced the low-carbon transition, leveraging its circular 'share and reuse' model to decarbonise its own and customers' supply chains.

Brambles' Carbon Profile by spend category covering Scope 1, 2 and 3



Scope 1
- Onsite Fuel + Fleet Fuel **2%**

Scope 2
- Electricity **2%**

Scope 3
- Logistics Truck **49%**
- New Pallets **15%**
- Outsourced Service Centres **13%**
- Timber Boards & Blocks, Nails & Paint **7%**
- Goods & services **5%**
- Waste **3%**
- Industrial Machinery & Equipment **2%**
- Logistics Rail **2%**
- Other transport **1%**
- Business travel & Commuting **1%**

Brambles' Scope 3 emissions accounting approach follows best practice and meets the requirements outlined in the Greenhouse Gas Protocol. Scope 3 emissions will be assured for Brambles' Sustainability Review due for release September 2021. The method takes a hybrid approach based on economic modelling using input/output analysis, direct spend data matched to physical purchases, e.g. metres cubed of wood, and indirect spend data mapped to a detailed multi-regional input/output database.

Climate-related impacts, including the financial risks and opportunities of a low-carbon economic transition, continue to lead the narrative from governments, customers, and investors in Brambles' key regions of operation. This context reinforces Brambles' sustainable business model and its newly adopted 2025 targets' ambition to Pioneer Regenerative Supply Chains as the appropriate strategy for its stakeholders as they pursue business-ready, sustainable solutions to their supply chain challenges in an environment of constant change.

The inherent low-carbon nature of circular business models is increasingly viewed as the complementary measure to decarbonising the world's energy systems in line with the 2015 Paris Climate Agreement ('Completing the Picture: How the Circular Economy Tackles Climate Change').

In essence, circular business models design out waste and pollution, keeping products and materials in use rather than using them up, and regenerating the natural systems they depend on.

Brambles' new sustainability targets strive for a sustainable equilibrium between the business' requirement for natural resources and nature's ability to regenerate this value. Beyond equilibrium is where additional value is created and is the territory where Brambles' 2025 sustainability targets seek to deliver more positive outcomes such as accelerating the transition to a low-carbon, circular economy.

During FY21, Brambles built upon its 2020 Task Force for Climate-related Financial Disclosure (TCFD) by further integrating the TCFD recommendations into its governance, risk and strategy functions and strategic business projects. Brambles' finance function has also established links from its accounting systems to Brambles' carbon emissions SBT processes laying the foundations for robust monitoring and measurement of emissions performance across its supply chain.

FY21 TCFD Timeline

Q1
- 2025 sustainability strategy and targets released
- Commitment to 1.5°C climate future announced during 'Race to Zero' campaign

Q2
- Head of Decarbonisation role approved to strategically address emission sources across the business

Q3
- Detailed carbon emissions analysis covering Scopes 1, 2 and 3 in preparation for SBT submission
- Climate-related risks reviewed by Audit & Risk Committee
- Brambles' Emerging Risks and Opportunity process defined including medium to longer-term climate-related risks

Q4
- Preparation for SBT submission
- Sustainability review with Brambles' Board covering climate issues

Brambles' FY20 TCFD outlined three climate-related themes that define its response to addressing climate change and its role in accelerating the transition to a low-carbon, circular economy. Its progress throughout FY21, against these themes, is provided below.

Brambles' Low-Carbon Advantage

The immediate and ongoing opportunities related to Brambles' low-carbon, circular business model outweigh short-term climate-related risks in the decarbonising 1.5°C and 2°C climate scenarios.

The focus on ESG throughout FY21, specifically climate issues, has never been higher, and Brambles' sustainability leadership position has created more collaboration opportunities with customers and cultivated positive interactions with its investors. For its customers, this has led to practical environmental outcomes, cutting carbon and waste from their supply chains. For its investors, the clear advantages of Brambles' model as well as its strategy to capitalise on the accelerating decarbonisation plans driven by governments and industry in Brambles' key regions of operation has been better understood. Brambles' ZWW programme increased its impact and expanded into the Asia-Pacific region through the CHEP Australia business.

Brambles also deployed its first regenerative product made from 100% post-consumer recycled plastic, demonstrating the tenacity of its innovation teams to deliver platform solutions that address multiple problems for its customers.

As more governments, customers and industry sectors adopt strategies for an increasingly climate-conscious marketplace, Brambles will continue to educate, advocate, and lead on the virtues of circular models to deliver business value and address climate change while creating more positive value for society.

Brambles' Network Resilience

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

The vital role of circular business models is accentuated in times of scarcity, and the continuation of elevated and unpredictable levels of consumer demand in FY21 provided real-world stress testing of the value Brambles brings to global supply chains. Brambles' service centre and logistics teams have not only mitigated this risk but redefined it as a climate-related opportunity, uniquely characteristic of its circular model and distributed network. Brambles' asset productivity measures combined with continued investment in automation have accelerated the efficiency of the pallet repair process. Brambles' well-established transport collaboration programme delivered heightened value in the face of cost inflation, which also serves as an essential Scope 3 transport emissions decarbonisation strategy. Looking ahead, Brambles will continue to integrate climate-related considerations across its networks and the business planning processes that underpin them. FY22 will see a deeper assessment of the resilience against potential physical climate-related risks for key service centres and related infrastructure, and linking climate assessments to our investment processes.

Raw Material Supply Security and Continuity

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

The challenges of the pandemic have impacted global timber supply chains as increased demand from housing construction combined with capacity constraints in timber mills impacted both price and availability of raw materials. Consequently, the effectiveness of Brambles' mitigation actions against the medium- to longer-term materials supply risks were tested as wood supply became constrained. Brambles' steadfast commitment to sustainable sourcing of timber has safeguarded our businesses from uncertified materials in forest product markets while improving our suppliers' efficiencies and costs. Strategic procurement programmes, including more Forest Stewardship Council certified forest acquisitions in South Africa, leveraging our scale for price, and developing new sources of materials, helped create a reliable pathway for ongoing sustainable materials supply and security. Furthermore, our partnerships with critical tier-one suppliers have delivered a step-change in sawmill yield, maximising the outputs of our increasingly valuable materials. As a carbon neutral business, Brambles closely monitors carbon offset markets and the role of carbon offsetting in potential government policies.

Brambles' Climate Change Strategy continued

Brambles is a carbon neutral operations company

Brambles' Progress on Climate

Brambles made solid progress in the first year of its regenerative strategy. Brambles' Climate Positive and Forest Positive programmes aim to decarbonise its own operations and the carbon emissions within its supply chain. Brambles' Business Positive targets are designed to cut carbon and waste from its customers' supply chains.

In October 2020, as part of the 'Race to Zero' campaign, Brambles announced its commitment to contribute to global efforts to limit global heating to 1.5°C above pre-industrial levels. This is the highest level of climate ambition and is supported by a commitment to align its carbon targets to the SBT initiative, including addressing its suppliers' emissions. Brambles' total emissions across Scope 1, 2 and 3 sources are visualised on page 22, which illustrates that 95% of our emissions are embodied in goods and services purchased from our suppliers. Action on its operational emissions includes a commitment to source 100% of its electricity from certified renewable sources by 2025 and becoming carbon neutral across its Scope 1 and 2 emissions, which was achieved in 2021.

Governance

Climate issues, including the risks and opportunities for Brambles under different climate scenarios, are part of Brambles' Audit & Risk Committee and the Brambles Board agenda. The focus of discussions included assessing emission sources in Brambles' supply chain and the new Head of Decarbonisation role within its supply chain function, tasked with developing a decarbonisation plan in FY22.

Risk Management

Climate change and carbon emissions risks are fully integrated into Brambles' Risk Management process and regularly reviewed as part of the Sustainability, Risk and Compliance Committee and the Audit & Risk Committee processes. In FY21, Brambles also developed its process for managing emerging risks and opportunities, which aims to articulate the issues driving the most relevant potential future scenarios for its business. The climate-related risks concerning carbon pricing for transport fuels and the opportunities regarding transport collaboration were assessed in this process.

Strategy

Climate considerations continue to be integrated into Brambles' strategic processes. As the market for low-carbon and circular solutions accelerates, this approach will leverage the advantages of Brambles' sustainable model and also factor in climate impacts from its regional business investment activity.

Finance

Brambles' finance function has updated Brambles' financial statement to increase climate disclosure in relevant categories. This will foster best practice transparency as its business continues to understand and integrate climate considerations.

Brambles' TCFD disclosures available at:
brambles.com/tcfd

Financial Position and Financial Risk Management

Capital Structure

Brambles manages its capital structure to maintain a solid investment grade credit rating. During FY21, Brambles held investment grade credit ratings of BBB+ from Standard & Poor's and Baa1 from Moody's Investors Service.

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

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

On 31 May 2019, Brambles divested its IFCO RPC business, generating net cash proceeds of US$2.4 billion and implemented a A$2.8 billion (US$1.95 billion) capital management programme. During the course of FY21, Brambles repurchased 66.5 million shares for a total consideration of A$702.0 million (US$523.1 million). The Capital Management Programme section on page 17 further outlines the progress of the capital management programme.

Treasury Policies

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

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

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

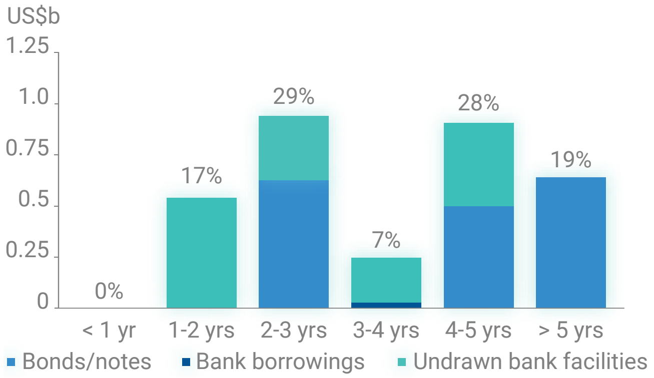
Funding and Liquidity

Brambles generally sources borrowings from relationship banks and debt capital market investors on a medium- to long-term basis. Bank borrowing facilities were either maintained or renewed throughout the Year. These facilities are generally structured on a multi-currency, revolving basis with maturities ranging to 2026. Borrowings under the facilities are floating-rate, unsecured obligations with covenants and undertakings typical for these types of arrangements.

Borrowings are also raised from debt capital markets by the issue of unsecured fixed interest notes, with interest paid either annually or semi-annually. At balance sheet date, loan notes on issue totalled US$1,690 million and had maturities out to October 2027.

As at 30 June 2021, Brambles held $0.4 billion in cash and cash equivalents, being operating cash and the balance of cash held from the net proceeds from the sale of IFCO, reduced by the capital management and debt reduction transactions over FY20 and FY21.

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



As at 30 June 2021, Brambles' total committed credit facilities were US$3.1 billion. The average term to maturity of Brambles' committed credit facilities as at 30 June 2021 was 3.7 years (2020: 4.2 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 2021, Brambles' total lease liabilities were US$0.7 billion. The rental periods vary according to business requirements.

Net Debt and Key Ratios

US$m	June 2021	June 2020	Change
Current borrowings	32.4	36.3	(3.9)
Current lease liabilities	147.5	112.8	34.7
Non-current borrowings	1,718.1	1,777.2	(59.1)
Non-current lease liabilities	565.1	591.4	(26.3)
Gross debt	**2,463.1**	**2,517.7**	**(54.6)**
Less: cash and cash equivalents	(408.5)	(737.3)	328.8
Less: term deposits	-	(68.6)	68.6
Net debt	**2,054.6**	**1,711.8**	**342.8**
Key ratios[10]	FY21	FY20	
Net debt to EBITDA	1.18x	1.10x	
EBITDA interest cover	20.4x	19.3x	

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

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

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

Key Performance Drivers and Metrics (Continuing operations[11])

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

Sales Revenue

Key Drivers

- Like-for-like volume growth in line with economic/industry trends
- Expansion with net new wins and growth with existing customers
- Movements in pricing (including indexation) and changes in mix (product/customer/region)
- FY18 to FY21 includes the impact of accounting standard AASB 15 Revenue from Contracts with Customers

5-Year Performance

Sales revenue of US$5,209.8 million in FY21, reflected a compound annual growth rate (CAGR[12]) over the five years to FY21 of 6% at fixed 30 June 2020 FX rates. Growth reflects continued expansion with both new and existing customers, new market entry, expansion of the core product offering and price realisation in both mature and emerging markets in response to increased inflation and a higher cost-to-serve. FY20 and FY21 growth includes the impact of COVID-19 on trading conditions, including elevated pallet demand levels, in the fourth quarter of FY20 and continuing into FY21, to support the sustained increase of at-home consumption in developed markets. Volume growth in the automotive businesses returned in FY21 following the impact of COVID-19 shutdowns in the fourth quarter of the prior year.

Refer to page 136 for the detailed five-year financial performance summary on a reported basis at actual FX rates.

Underlying Profit

Key Drivers

- Transport, logistics and asset management costs (including external factors such as third-party logistics and fuel prices)
- Plant operating costs in relation to management of service centre networks and the inspection, cleaning and repair of assets (including labour costs and raw material costs, predominantly lumber)
- Contribution from returns on investments in automation and supply chain initiatives
- Income from asset and site compensations and surcharge income largely related to lumber, fuel, and transport cost inflation
- Other operational expenses (primarily overheads such as selling, general and administrative expenses)
- Depreciation as well as provisioning for irrecoverable pooling equipment
- FY18 to FY21 includes the impact of accounting standard AASB 15 Revenue from Contracts with Customers
- FY20 and FY21 include ~US$24 million benefit per year from new accounting standard AASB 16 Leases

5-Year Performance

Underlying Profit of US$879.3 million in FY21, reflected a CAGR[12] over the five years to FY21 of 1% at fixed 30 June 2020 FX rates. While sales growth was a strong contributor to profit growth, Underlying Profit growth was below the rate of sales growth due to continued direct cost pressures in the business, including high inflationary pressures, higher asset charges and increased investment across the business to support growth, network efficiencies and improved commercial outcomes. These cost pressures are offset in part through pricing actions, the surcharge mechanisms and benefits from efficiency and quality programmes, particularly the US Automation programme with benefits progressively delivered from FY20 to FY22.

FY21 Underlying Profit growth of 8% at constant FX, a material uplift relative to the five-year CAGR[12], reflecting sales leverage and delivering a 1pt margin improvement over prior year. The FY21 contributions from price and volume growth, with incremental contributions from the North American lumber surcharge and supply chain efficiencies, more than offset higher operating costs.

Refer to page 136 for the detailed five-year financial performance summary on a reported basis at actual FX rates.

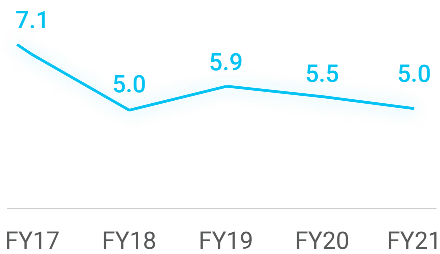
Safety

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

5-Year Performance

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

In FY21, Brambles met its year-on-year improvement target, recording a BIFR performance of 5.0, representing a 30% decrease in BIFR for the five-year period ending June 2021. Brambles remains committed to its vision of Zero Harm and this year is launching a new Safety First strategy as the key enabler for reducing residual risks across its operations. Brambles' Zero Harm Charter and safety targets align with SDG 3: Good Health and Wellbeing.



[11] Continuing operations excludes IFCO and Kegstar in all years.
[12] CAGR has been calculated on a like-for-like basis, excluding the impact of accounting policy changes.

Cash Flow from Operations

Key Drivers

- Profitability
- Capital expenditure
- Asset compensations
- Movements in working capital
- FY20 and FY21 include the impact of new accounting standard AASB 16 Leases

5-Year Performance

The five years to FY21 were a period of solid overall EBITDA growth, supported by significant investment in capital expenditure to support growth, as well as improved working capital management and increased collections of asset compensations. The improved FY18 performance included strong working capital management initiatives and US$150 million cash inflow related to the repayment of the HFG joint venture shareholder loan. FY19 included increased capital investment to support strong top line growth and to deliver on a number of efficiency programmes. FY20 Cash Flow from Operations included benefits from asset efficiency and procurement programmes, as well as favourable working capital movements.

FY21 Cash Flow from Operations included US$180m of timing benefits from the deferral of pallet purchases to FY22 due to pallet availability constraints and also included benefits relating to improvements in capex creditors and one-off compensations largely relating to the mandatory relocation of a service centre in the Asia-Pacific region.

Refer to page 136 for the detailed five-year financial performance summary on a reported basis at actual FX rates.

Return on Capital Invested (ROCI)

Key Drivers

- Underlying Profit performance
- Capital expenditure on pooling equipment to support growth in the business, which is primarily dependent on the rate of sales growth. Brambles' main capital cost exposures are raw materials, primarily wood, with material inflation in FY21 impacting pallet prices the prior year
- Asset control factors, i.e. the amount of pooling equipment not recoverable or repairable each year (and therefore requiring replacement) as well as damage rate impacting repair costs
- Recovery of compensations for lost assets funding / part funding replacements
- Asset velocity or frequency with which customers return or exchange pooling equipment
- FY18 to FY21 includes the impact of accounting standard AASB 15 Revenue from Contracts with Customers
- FY20 and FY21 includes the impact of new accounting standard AASB 16 Leases, which reduced FY20 ROCI by 1.5pts

5-Year Performance

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

Over the past five years, Brambles has delivered ROCI well in excess of the cost of capital, despite increased investments to support growth and efficiency initiatives. FY17 reported Group ROCI of 17%, includes the IFCO business, which was divested in May 2018. Reported ROCI in FY18 and FY19 of 20% and 19% respectively, excludes the IFCO business and AASB 16 introduced in July 2019. FY20 reported ROCI of 17%, including the impact of the AASB 16, which reduced reported ROCI by 1.5 points.

FY21 ROCI increased by ~1 point on a like-for-like basis to 18% reflecting improved profitability.

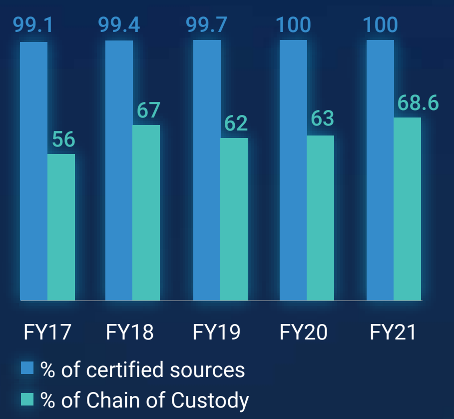
Refer to page 136 for the detailed five-year financial performance summary on a reported basis at actual FX rates.

Material Sourcing

Brambles' longer-term procurement strategy combined with short-term targeted actions were instrumental in navigating lumber supply challenges during the Year while maintaining 100% certified sustainable sourcing for all timber materials and increasing the quantity of Chain of Custody certified materials to 68.6%.

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

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



Material Risks

Brambles is exposed to a range of strategic, operational, compliance and financial related risks associated with operating in over 60 countries. Brambles' risk management framework incorporates effective risk management into its strategic planning processes and requires business operating plans to effectively manage key risks. The key risks to Brambles' ability to achieve its strategic, financial and sustainability objectives (in no order of significance), and respective mitigating actions, including its response to the COVID-19 pandemic are:

Risk	Implication	Mitigating Actions
Macro-economic conditions including, for FY21 and FY22, economic uncertainty arising from the COVID-19 pandemic	Macro-economic conditions, or economic conditions affecting the supply chain or industries in which Brambles' customers operate, may affect demand for Brambles' services and/or its financial performance. In addition, the impact of the COVID-19 pandemic on global and regional economic conditions could also affect the operations of its customers or demand for their products, which in turn, could affect the demand for Brambles' services. The pandemic is largely responsible for the unprecedented increase in demand for timber in the US and China in 2H FY21, precipitating supply shortages and hyperinflationary increases in timber prices in the US and LATAM. Similar inflationary trends are emerging in Europe. In addition, significant pressure remains on freight availability and costs in the US	• The range of actions implemented in response to the COVID-19 pandemic continue to enable Brambles to operate and respond to potential changes in the economic and business environment arising from the pandemic. Details of specific actions are described in various places in this table • Continued focus on driving growth through investment in expanded customer value proposition, targeted diversification in opportunities with attractive long-term characteristics and the expansion of plant automation projects across the Group • Adoption of pricing and cost-recovery strategies to mitigate the impact of cost inflation, with enhanced focus on cash generation (e.g. contracted surcharge mechanisms and exceptional price increases are used to recover inflationary cost increases) • Scenario-based strategic planning covering different scenarios, including identifying actions to further de-risk and exploit opportunities
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, demand for different pooling equipment materials or designs) could affect demand for Brambles' current service offerings, the value of its existing assets, and/or its financial performance	• Ongoing programmes to: • Drive customer intimacy throughout the supply chain and uncover opportunities to leverage the Group's unique global scale and value proposition • Create new products and service lines to meet customers' requirements • Drive innovation to identify and respond to emerging trends in platforms, materials sciences, new technologies and sustainability practices
Maintaining the quality of pooled equipment in line with customer needs	A failure to maintain adequate quality standards may result in reduced customer satisfaction, additional costs and affect the Group's financial performance	• Strict adherence to equipment quality standards, including continuous monitoring of critical-to-quality metrics to assess and ensure quality of products issued to customers • Continued investment in plant automation, platform design and materials science

Risk	Implication	Mitigating Actions
Maintaining control of pooling equipment	The loss of pooling equipment is inherent in Brambles' business model. Failure to maintain appropriate asset control and recovery processes may result in additional costs and affect the Group's financial performance	• Dedicated asset control teams across all business units and the creation of comprehensive processes to increase the timely collection of assets • Leveraging existing best practices, including the use of data analytics to improve asset control and reduce losses across the Group • Developing improved processes and controls using advanced data analytics and digital solutions, including Artificial Intelligence, Machine Learning and Robotics supported by deployment of targeted digital tracking devices to improve communication with key stakeholders to reduce losses and create more efficient and sustainable supply chains • Regular schedule of customer equipment inventory audits to assess key asset recovery metrics and identify potential control issues • In response to COVID-19 and lumber shortage pressures, instituted additional field collection activities to reduce cycle times and meet volatile demand, whilst complying with local social distancing and travel restrictions
Network capacity	The scale and strength of Brambles' network of service centre locations is inherent to its value proposition for customers and other stakeholders. A lack of capacity within the network in a major market could adversely impact service delivery, competitive position and financial performance	• As an essential service provider, Brambles continues to run operations and support customers and their consumers across all its markets despite economic uncertainty and social restrictions arising from the COVID-19 pandemic • Implemented a range of safety and contingency measures to ensure service centres remained fully operational • The 3-year plant automation project in CHEP Americas was completed in FY21 and has increased capacity across the US service centre network, avoiding potential disruption caused by peaks and troughs in demand caused by the pandemic
Customers and competitors	Brambles operates in competitive markets. Unmet customer expectations or increasing intensity of competitor activity could affect Brambles' market penetration and financial performance	• Leveraged Brambles' unique global scale, network advantage and sustainable business model to support customers to meet the unprecedented volatility in consumer supply chains created by the COVID-19 pandemic • Collaborating with customers to understand and meet their evolving needs and adopting digital and other technologies to innovate products and services, enhance customer experience and strengthen competitive advantage
Retailer acceptance of pooled solutions	Retailers are integral to Brambles' operating model. A reduction or loss of retailer support for pooled solutions in their supply chains could result in a loss of customers and/or market penetration and adversely impact Brambles' financial performance	• Dedicated teams with executive-level responsibility for strengthening retailer relationships, identifying retailer-specific product requirements and ensuring retailers understand Brambles' value proposition • Improving the value proposition for retailers through the implementation of joint business plans and adopting the value sharing concept to create win-win opportunities • Implementation of programmes to facilitate manufacturer advocacy of Brambles' pooled solutions

Material Risks (continued)

Risk	Implication	Mitigating Actions
Cyber security	The unauthorised access to or use of Brambles' IT systems could adversely impact Brambles' ability to serve its customers or compromise customer or employee data, resulting in reputational damage, financial loss and/or adverse operational consequences. The implications of this risk continue to increase as institutions and global supply chain companies have become a specific focus of cyber-attacks from state actors, and ransomware attacks have increased globally	• The ongoing security programme is delivering key capabilities to protect systems and to detect and promptly respond to unauthorised or inappropriate activity including ransomware attacks. Key controls include, but are not limited to, email and internet filtering, anti-virus software, multi-factor authentication, enterprise security architecture covering both offices and service centres, security awareness training, as well as the use of penetration testing across Brambles' network • In response to the COVID-19 pandemic, conducting additional risk-based assessments of Brambles' critical IT systems and services to strengthen continuity processes • Brambles continues to use the National Institute of Standards and Technologies Cyber Security Framework and the Australian Cyber Security Centre's Essential 8 advice to monitor, track and report progress to senior management
IT data governance	Brambles relies on its IT systems, and the data stored on those systems, to operate its business. The identification and classification of Brambles' key data assets are key components of its capacity to effectively carry on its businesses and of its cyber security strategy. The proper identification and classification of data assets allows Brambles to prioritise security technology implementations that offer targeted and appropriate protection. Incomplete or unsuitable identification and classification of key data assets could result in the misuse, loss of or unauthorised access to sensitive data due to incorrect storage, processing or disposal procedures. This, in turn, could result in financial loss, operational disruption and/or reputational damage	• Data Classification and Handling Policy includes guidelines on the types of data and protection protocols for each data type • Brambles has an Acceptable Use Policy which outlines the standards by which all users must use information and technology assets and services. Preventative controls are also in place to mitigate the risk of loss or misuse of data. These controls include the encryption of laptops, mobile devices, email data retention controls and the ability to store data in secure drives • Brambles has an Information Management Strategy and continues to seek opportunities to enhance the management of data and data security. A key element of the Digital Strategy is using information to power smarter, more sustainable supply chains
Timber supply	Access to sustainably certified sources of timber is essential for Brambles to carry on its business. A concentration of timber suppliers in any region, 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 the COVID-19 pandemic, dedicated global and regional timber procurement teams manage timber procurement and mitigate timber supply risks by: • Developing joint venture partnerships with local sawmills • Investigating alternative materials and species for future sources of timber • Acquisition of timber farm in South Africa • In line with Brambles' 2025 sustainability targets, 100% of timber is sourced from certified sources, and Brambles has continued to meet year-on-year improvement targets of sourcing Chain of Custody certified timber

Risk	Implication	Mitigating Actions
Regulatory compliance	Brambles operates in a large number of countries with widely differing legal regimes, legislative requirements and compliance cultures. A failure to comply with regulatory obligations and local laws could adversely affect Brambles' operational and financial performance and its reputation	• Dedicated Chief Compliance Officer responsible for monitoring the implementation and ongoing application of compliance management systems • A Code of Conduct which provides a framework for detailed policies addressing regulatory compliance • A vendor due diligence programme to assess the compliance of suppliers with various legal and regulatory requirements, such as bribery and corruption, sanctions violations, modern slavery and human rights practices • Adoption of Group-wide online compliance training programmes to supplement face-to-face training
Attraction and retention of talent	A failure to attract, develop and retain high performing individuals could adversely impact Brambles' ability to implement and manage its strategic objectives	• Detailed talent management and succession planning processes to identify high potential employees and prepare successors for senior executive positions • Adoption of development programmes for management, leadership and functional expertise through all employment levels • Formal mentoring programmes offered to all employees • Implemented a range of activities to support office-based personnel now working remotely due to the COVID-19 pandemic including, but not limited to, provision of required IT, connectivity services and mental and financial wellbeing support programmes
Digital disruption	The development of cost-effective digital supply chain solutions has the potential to materially change supply chain dynamics. If a third-party were to develop such solutions before Brambles, it could adversely impact Brambles' business models. This could result in loss of customers and/or market penetration and adversely impact Brambles' financial performance	• Brambles is innovating, developing, testing and refining digital solutions which have the potential to provide commercial digital services to its customers and to assist its businesses to manage equipment losses and asset efficiency more effectively • Through the establishment of BXB Digital, Brambles has developed unique functional capabilities and robust technical solutions to explore the role of technology in its business and customer offering and to engage in innovation of products and services in the digital space
Safety	Brambles is subject to inherent operational risks including industrial hazards, road traffic or transportation accidents that could potentially result in serious injury or fatality of employees, contractors or members of the public	• The Zero Harm Charter states that everyone has the right to be safe at work and to return home as healthy as they started the day • Appointed a new Global Executive of Health and Safety with extensive industry experience • Successfully executed a range of actions and protocols to keep people safe during the pandemic • A COVID-19 global task force, with Senior Health and Safety representation, supported by external industry and medical experts, works with regional taskforces to establish processes and protocols in accordance with government advice in different geographies • Implemented a number of processes and protocols in service centres, such as social distancing measures, more frequent cleaning and disinfecting, thermal scanning and distribution of personal protective equipment • Continued to further enhance safety management systems, including focusing on human and organisation behavioural principles and implementing additional engineering and technology-based controls • Use of safety metrics, which measure work-related injuries, lost time, modified duties and incidents requiring medical treatment, with regular reporting and monitoring to the Brambles Board

Material Risks (continued)

Risk	Implication	Mitigating Actions
Inclusion and diversity	Brambles has a diverse workforce and believes that an inclusive work environment allows employees to realise their full potential, regardless of gender, race, religion, age, disability, ethnicity, sexual orientation or any other factor that makes an individual unique. Any activities or practices within its operations or in its supply chains that could undermine this intent violate Brambles' values and are detrimental to the integrity and credibility of its brands	• Brambles fosters a diverse and inclusive environment, to be better able to relate to customers, suppliers, communities and co-workers • Established a global Inclusion and Diversity Council with programmes and initiatives to encourage, celebrate and support all forms of diversity • Continuing progress in improving gender diversity at all levels within the organisation including Board, executive leadership and management positions
Climate change	Climate change is influencing both acute short-term weather events and longer-term chronic climate trends. These climate-related physical impacts are influencing society and consumer purchasing behaviour, translating into business trends such as changes in markets, technology, policy, legal requirements and reputational expectations. Responding to the specific challenges of climate change is intimately linked to Brambles' sustainable, low-carbon circular 'share and reuse' model	• Brambles is a sustainable business because of its circular 'share and reuse' model, which reduces demand on natural resources, regenerates forests, eliminates waste for customers and reduces carbon emissions from the world's supply chains • As a leader in the circular economy, Brambles understands its potential to address climate change by focusing on both its impact on climate change and the impact of climate change on Brambles • Brambles is committed to a 1.5°C climate future aligned with the Paris Agreement and carbon emissions SBTs. As part of this objective, Brambles became carbon neutral in June 2021 and 100% of electricity used at its service centres was from renewable sources • Brambles' demand for sustainably sourced timber addresses deforestation and its impact on climate change. Through afforestation our 2025 strategy will increase forest cover • Brambles has submitted its SBT covering its direct emissions and those in its supply chain as part of its 2025 commitments • Brambles has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework with a project to assess the risks and opportunities for the business using climate scenario analysis (further details on TCFD are on page 12 with a supporting TCFD supplement on brambles.com/tcfd)

Managing Climate-Related Risks at Brambles

Brambles recognises its external operating context is changing in response to climate-related issues.

During 2021, Brambles continued the process which it first adopted in 2019 of assessing its exposure to climate change risks by reference to the recommendations of the Financial Stability Board's TCFD. Assessing Brambles' climate change risks in this manner complies with Recommendation 7.4 of the 4th Edition of the ASX Corporate Governance Principles and Recommendations.

As part of this process, climate-related risk has been identified as a stand-alone risk and will be reassessed using Brambles' risk management framework and approach. In addition, Brambles is evaluating existing strategic and operating risks in the context of climate-related risk in its external operating environment. Further details on Brambles' approach to climate-related risks are set out on pages 22 to 24, with a more detailed TCFD disclosure on brambles.com/tcfd

Financial Review

1. Financial Review

1.1 Group Overview

1.1.1 Summary of 2021 Financial Results

US$m			Change	
(Continuing operations)	FY21	FY20	Actual FX	Constant FX
CHEP Americas	2,627.5	2,449.2	7%	7%
CHEP EMEA	2,056.4	1,831.9	12%	6%
CHEP Asia-Pacific	525.9	436.8	20%	9%
Sales revenue	**5,209.8**	**4,717.9**	**10%**	**7%**
CHEP Americas	385.5	344.2	12%	15%
CHEP EMEA	462.7	410.3	13%	8%
CHEP Asia-Pacific	146.2	118.0	24%	12%
Corporate	(115.1)	(73.1)	(57)%	(45)%
Underlying Profit	**879.3**	**799.4**	**10%**	**8%**
Significant Items	-	-		
Operating profit	879.3	799.4	10%	8%
Net finance costs	(85.6)	(80.8)	(6)%	(4)%
Tax expense	(258.7)	(210.6)	(23)%	(15)%
Profit after tax from continuing operations	**535.0**	**508.0**	**5%**	**5%**
Loss from discontinued operations	(8.9)	(60.0)		
Profit after tax	**526.1**	**448.0**	**17%**	**19%**
Average Capital Invested	4,937.9	4,698.7	5%	2%
Return on Capital Invested	**17.8%**	**17.0%**	**0.8pts**	**1.1pts**
Weighted average number of shares (m)	1,475.1	1,548.7	(5)%	(5)%
Basic EPS (US cents)	**35.7**	**28.9**	**24%**	**25%**
Basic EPS from continuing operations (US cents)	**36.3**	**32.8**	**11%**	**11%**

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

FY21 Operating Environment

During the year, Brambles responded to numerous challenges associated with COVID-19, Brexit and a range of inflationary and supply pressures on key input costs**,** including lumber, transport and labour.

Customer demand for pallets was elevated and unpredictable, reflecting COVID-19 related increases in the level of at-home consumption of consumer staple products and numerous changes in restrictions impacting on-premise consumption. Brexit added further supply chain uncertainty resulting in increased inventory levels and changes in demand patterns.

Inflationary pressures accelerated in the period driven by changes to both supply and demand dynamics across the key inputs of lumber, transport and labour in all regions.

Global lumber supply challenges in the second half of the year had a material impact on pallet availability and the cost of both new pallets and lumber for repairs. This impact was particularly evident in the US market where strong lumber demand from the US housing and DIY sectors coincided with reduced sawmill capacity and transport and shipping capacity constraints. This dynamic combined with increased lumber demand in China resulted in record levels of lumber inflation and industry-wide pallet shortages in key markets. In response, manufacturers and retailers increased pallet balances across their operations to de-risk disruptions to their supply chains.

Lumber surcharges linked to market indices in North America partially recovered the impact of higher lumber costs in the Year, which was primarily reflected in the higher pallet costs included in capital expenditure and, to a lesser extent, higher lumber costs used for pallet repairs reflected in operating costs.

Collectively, demand volatility, inflationary pressures and disruptions to supply chains due to COVID-19, Brexit and pallet availability challenges resulted in higher operating and capital costs across the Group. Brambles more than offset operating cost increases and delivered operating profit leverage through a combination of pricing initiatives (including surcharges in North America), disciplined cost control and supply chain efficiency benefits from service centre automation, sawmill investments and pallet durability initiatives across the Group.

Sales revenue from continuing operations of US$5,209.8 million increased 7% at constant currency and included 4 percentage points of pricing growth and 3 percentage points of volume growth. Growth was driven by strong customer demand and price realisation across the global pallets businesses and a better than expected recovery in the automotive business, which was severely impacted by the outbreak of COVID-19 in the fourth quarter of the prior year.

Pricing contributed 4% to revenue growth, reflecting initiatives in all regions to recover input-cost inflation and cost-to-serve increases in response to the challenging operating conditions.

Like-for-like volume growth of 2% reflected increased pallet demand from existing customers in the consumer staples sector due to high levels of at-home consumption in developed markets and increased customer and retailer inventory holding to de-risk supply chains in key markets. Demand from existing customers in the automotive business increased in line with manufacturing activity.

Net new business growth of 1% was largely driven by conversion of new customers to pallet pooling across Central and Eastern Europe and rollover contribution from a large RPC contract win in Australia. Growth with new customers in the Americas region was modest as the business focused on servicing strong demand from existing customers given network capacity constraints and pallet availability challenges in the region.

Underlying Profit and **Operating Profit** of US$879.3 million increased 8% at constant currency, reflecting volume and price growth, supply chain efficiencies, income from lumber surcharges in North America of approximately US$60 million and one-off compensation payments of US$10 million primarily relating to the relocation of a service centre in the Asia-Pacific region. These contributions to profit more than offset higher operating costs and asset charges during the year.

At the Group level, the US$295 million contribution to profit from volume growth, price and North American lumber surcharges was partly offset by:

- Plant cost increases of US$74 million (excluding North American lumber surcharge income), reflecting higher repair costs due to lumber inflation and additional handling costs driven by changes in network flows and scarcity of pallets in all regions as the businesses utilised the existing pallet pool to service customer demand. These cost increases were partly offset by US$24 million of efficiencies associated with service centre automation projects and pallet durability initiatives across the Group;
- Net transport cost increases of US$56 million (including transport surcharge income), reflecting transport inflation and additional pallet collections and relocations. Other transport cost increases including additional transport miles associated with the Latin America asset management programme and Brexit-related pallet relocations in Europe, were partly offset by automation benefits in the US and efficiency gains in Latin America;
- IPEP[1] expense increases of US$39 million driven by the US business with First In First Out (FIFO) unit cost increases and higher losses due to a range of factors including an increased gap between recycler incentives to return pallets and both their costs to recover pallets and the value of pallets to third parties. Overall recoveries in the US market were also impacted by labour and transport capacity constraints and some COVID-19 related site access restrictions. In addition, variability in demand and pallet scarcity resulted in some stockpiling of pallets by retailers and manufacturers. Across the rest of the Group, lower loss rates offset higher FIFO unit pallet costs;
- Depreciation expense increases of US$29 million in line with pool growth and investments in automation programmes;
- Shaping Our Future (including BXB Digital) cost increases of US$25 million were largely driven by investments in digital, customer experience and overhead supply chain efficiency projects and consultancy costs; and
- Other indirect cost increases of US$19 million, reflecting the impact of higher unit FIFO values on pallet disposals and scraps as well as increased overhead investments in line with growth.

Profit after tax from continuing operations of US$535.0 million increased 5% at constant currency, reflecting operating profit growth offset by an increase in finance costs and tax expense.

Net finance costs increased 4% at constant currency, reflecting lower deposit balances due to the ongoing capital management programme and lower Australian dollar average deposit rates.

Tax expense was US$258.7 million, up 15% in constant currency and included a US$22.7 million Significant Item related to the revaluation of deferred tax balances in response to the announced increase in the United Kingdom corporate tax rate from 19% to 25% with effect from 1 April 2023. The effective tax rate on Underlying Profit in the period was 29.7% compared to 29.3% in FY20.

Loss from discontinued operations was US$8.9 million, largely relating to the Kegstar business with the small gain on the divestment of this business being more than offset by operating losses in the year reflecting the COVID-19 related closures of on-premise venues and the impact of cumulative FX translation losses recognised on divestment. Prior year losses relate to the operating loss in Kegstar, the impairment of Kegstar PPE and intangibles, and the impairment of the deferred consideration receivable from First Reserve.

[1] Irrecoverable Pooling Equipment Provision.

Return on Capital Invested was 17.8%, an increase of 1.1 percentage points at constant currency reflecting the strong Underlying Profit performance offsetting the increase in Average Capital Invested which increased 2% at constant currency. This increase reflected the impact of lumber inflation on pallet prices in the second half of the year combined with capital investments to support volume growth and Brexit-related stocking in Europe.

Cash Flow Reconciliation

US$m	FY21	FY20	Change
Underlying Profit	879.3	799.4	79.9
Depreciation and amortisation	665.0	607.7	57.3
IPEP expense	198.3	154.7	43.6
EBITDA	**1,742.6**	**1,561.8**	**180.8**
Capital expenditure	(1,003.3)	(916.1)	(87.2)
US supply chain investment	(51.7)	(72.7)	21.0
Proceeds from sale of PPE	145.8	103.7	42.1
Working capital movement	37.3	74.2	(36.9)
Other	30.4	3.9	26.5
Cash Flow from Operations	**901.1**	**754.8**	**146.3**
Significant Items	(0.9)	(3.4)	2.5
Discontinued operations	(7.1)	(15.5)	8.4
Financing costs and tax	(271.1)	(273.7)	2.6
Free Cash Flow	**622.0**	**462.2**	**159.8**
Dividends paid – ordinary	(280.8)	(290.7)	9.9
Free Cash Flow after ordinary dividends	**341.2**	**171.5**	**169.7**
Dividends paid – special	-	(183.2)	183.2
Free Cash Flow after special dividends	**341.2**	**(11.7)**	**352.9**

Cash Flow from Operations of US$901.1 million increased US$146.3 million on the prior year driven by higher earnings, increased compensations for lost equipment in the US and Europe, and proceeds primarily relating to the one-off compensations for the mandatory service centre relocation in the Asia-Pacific region. These increases were partly offset by higher capital expenditure and a lower contribution to cash flow generation from working capital benefits, despite ongoing improvements in the year.

On a cash basis, capital expenditure (excluding US supply chain investments) of US$1,003.3 million increased US$87.2 million, with investments to support growth and higher pallet prices due to lumber inflation being partly offset by improved payment terms on pooling equipment purchases. Operating cash flow also includes a US$180 million timing benefit relating to the delay of pallet purchases into FY22 due to lumber availability constraints. These benefits are expected to reverse in FY22.

On an accruals basis, capital expenditure increased US$220.1 million at constant currency driven by a US$228.0 million increase in pooling capital expenditure. This increase reflected lumber inflation of US$150 million and approximately US$80 million of additional pooling equipment purchases to support volume growth, lower pallet recoveries in the US and higher inventory levels, particularly evident across supply chains in Europe.

Non-pooling capital expenditure decreased US$7.9 million at constant currency as increased investments in wash facilities to support the large Australian RPC contract were largely offset by a decline in US service centre automation spend as the three-year programme announced to the market in 2018 was completed during the year. Further automation investments outside of this programme commenced during the year with minimal spend in FY21.

The year-on-year decrease in working capital movements reflected the cycling of material improvements in cash and European VAT collections in the prior year. Further improvements in working capital management contributed to additional working capital benefits in the current period.

Other cash flow items improved US$26.5 million and include increased provisions predominantly relating to employee costs.

Free Cash Flow after ordinary dividends was a surplus of US$341.2 million and increased US$169.7 million on the prior year driven by the improvement in Cash Flow from Operations. Included within Free Cash Flow were US$215 million of timing benefits relating to the delayed pallet purchases of US$180 million referenced above and tax payments of US$35.0 million. Excluding these timing benefits which are expected to reverse in FY22, the business delivered $126.2 million of positive Free Cash Flow after dividends.

Cash outflows relating to financing costs decreased US$12.0 million due to the cycling of prior year costs relating to the early termination of the US$500 million 144a bond.

Free Cash Flow after ordinary and special dividends increased US$352.9 million, reflecting the prior year payment of the US$183.2 million special dividend in October 2019.

Segment Analysis

1.1.2 CHEP Americas

US$m			Change	
	FY21	FY20	Actual FX	Constant FX
Pallets	2,590.0	2,412.5	7%	7%
Containers	37.5	36.7	2%	3%
Sales revenue	**2,627.5**	**2,449.2**	**7%**	**7%**
Underlying Profit	**385.5**	**344.2**	**12%**	**15%**
Average Capital Invested	2,449.4	2,368.6	3%	4%
Return on Capital Invested	**15.7%**	**14.5%**	**1.2pts**	**1.4pts**

Sales Revenue

Pallets sales revenue of US$2,590.0 million increased 7% at constant currency, reflecting higher levels of demand from customers in North America and price realisation in the US and Latin American businesses.

US pallets sales revenue of US$1,928.1 million increased 7% at constant currency, comprising:

- Price growth of 5% driven by actions to recover the higher cost-to-serve;
- Like-for-like volume growth of 2%, reflecting sustained strong levels of demand from customers in the consumer staples sectors during the year. The rate of growth moderated in the fourth quarter as the business cycled a strong prior year comparative which benefitted from record levels of demand following the onset of COVID-19; and
- Net new business was in line with the prior year as the business prioritised servicing strong demand from existing customers during a period of network capacity constraints and lumber availability challenges.

Canada pallets sales revenue of US$310.5 million increased 6% at constant currency, reflecting strong growth with new and existing customers.

Latin America pallets sales revenue of US$351.4 million increased 13% at constant currency, driven by pricing actions to recover the cost-to-serve and net new business growth.

Containers sales revenue was US$37.5 million, up 3% at constant currency, reflecting price mix benefits partly offset by the rollover impact of prior year losses.

Profit

Underlying Profit of US$385.5 million increased 15% at constant currency and included a 1-percentage point improvement in US margins. Underlying Profit included income from lumber surcharges in North America of approximately US$60 million which partially recovered the impact of lumber inflation reflected in both the higher costs of new pallet purchases recognised in capital expenditure, and increases in pallet repair costs which were recognised in operating expenses.

The combined revenue and gross lumber surcharge income contribution to profit of US$212 million, was partly offset by:

- Plant cost increases of US$59 million (excluding lumber surcharge income), reflecting handling and repair cost increases associated with network disruptions and higher pallet repair costs due to record levels of lumber inflation in the fourth quarter of the year. These cost increases were partly offset by US$15 million of efficiencies including damage rate improvements and increased year-on-year benefits from the US service centre automation programme;
- Net transport cost increases of US$42 million (including transport surcharge income) reflecting the impact of inflation on transport costs across the region, additional pallet collection and relocations in the US, reflecting changing network dynamics, and incremental costs to support the Latin American asset management programme;
- Depreciation cost increases of US$14 million due to pool growth and investments in US supply chain programmes;
- IPEP expense increases of US$39 million driven by increased FIFO unit pallet costs and higher losses in the US market reflecting lower pallet returns from recyclers and other market participants. This was driven by a combination of escalating pallet prices relative to recycler incentives, transport capacity and labour availability constraints and industry-wide pallet shortages which resulted in customer stockpiling of pallets. These increases were partially offset by asset efficiency improvements across the rest of the region; and
- Other cost increases of US$7 million, largely reflecting higher FIFO values on assets disposed.

Return on Capital Invested

Return on Capital Invested of 15.7% increased 1.4 percentage points at constant currency due to increased profitability in the region. Average capital invested increased 4% in constant currency, largely reflecting the impact of lumber inflation on pallet purchases.

1.1.3 CHEP EMEA

US$m			Change	
	FY21	FY20	Actual FX	Constant FX
Pallets	1,765.3	1,571.1	12%	5%
RPC	28.9	27.3	6%	3%
Containers	262.2	233.5	12%	6%
Sales revenue	**2,056.4**	**1,831.9**	**12%**	**6%**
Underlying Profit	**462.7**	**410.3**	**13%**	**8%**
Average Capital Invested	1,943.5	1,830.1	6%	-
Return on Capital Invested	**23.8%**	**22.4%**	**1.4pts**	**1.8pts**

Sales Revenue

Pallets sales revenue of US$1,765.3 million increased 5% at constant currency, reflecting strong volume growth in the European pallet business and price realisation across the region.

European pallets sales revenue of US$1,556.6 million increased 5% at constant currency, comprising:

- Net new business growth of 3% driven by contributions from current and prior year contract wins in Central & Eastern Europe;
- Like-for-like volume growth of 1%, reflecting increased demand for consumer staples and higher inventory levels across FMCG supply chains; and
- Price growth of 1% driven by indexation and other pricing initiatives to recover the cost-to-serve.

India, Middle East, Turkey, and Africa (IMETA) pallets sales revenue of US$208.7 million increased 6% at constant currency, driven by price realisation across the region to offset input cost inflation and cost-to-serve increases. Volumes were broadly in line with the prior year as growth with existing customers across most of the region was offset by a slowdown in India due to COVID-19 and the loss of high cost-to-serve customers in Turkey and India.

RPC and Containers sales revenue of US$291.1 million increased 6% at constant currency, reflecting:

- Automotive sales revenue of US$198.9 million, up 10% on the prior year, reflecting better-than-expected recovery in manufacturing activity during the year and cycling the adverse impact of COVID-19 on volumes in the second half of the prior year;
- IBC sales revenue of US$63.3 million, down 5% on the prior year, reflecting lower volumes in Europe; and
- RPC sales revenue of US$28.9 million, up 3% on the prior year, reflecting volume growth in the South African business.

Profit

Underlying Profit of US$462.7 million increased 8% at constant currency as the revenue contribution to profit of US$65 million more than offset:

- Net transport cost increases of US$12 million, reflecting inflation and scarcity in third-party transport and additional relocation costs to support demand volatility due to COVID-19 and Brexit;
- Net plant cost increases of US$9 million driven by higher input-cost inflation and additional costs relating to heat treatment of pallets. These cost increases were partly offset by lower damage rate due to pallet durability improvements;
- Depreciation increases of US$11 million in line with growth in the pallet pool; and
- Other indirect cost increases of US$2 million, reflecting inflation and additional overheads to support improved business capabilities across the region. These increases were partly offset by business productivity initiatives.

Return on Capital Invested

Return on Capital Invested of 23.8% increased 1.8 percentage points at constant currency, reflecting the strong Underlying Profit performance and asset productivity improvements.

1.1.4 CHEP Asia-Pacific

US$m			Change	
	FY21	**FY20**	**Actual FX**	**Constant FX**
Pallets	**397.5**	340.7	17%	6%
RPC	**80.9**	51.4	57%	41%
Containers	**47.5**	44.7	6%	(3)%
Sales revenue	**525.9**	**436.8**	**20%**	**9%**
Underlying Profit	**146.2**	**118.0**	**24%**	**12%**
Average Capital Invested	569.6	490.6	16%	6%
Return on Capital Invested	**25.7%**	**24.1%**	**1.6pts**	**1.2pts**

Sales Revenue

Pallets sales revenue was US$397.5 million, up 6% at constant currency, reflecting both price realisation and volume growth in the Australian pallets business and continued expansion of the timber pallets business in China.

RPC and Containers sales revenue was US$128.4 million, up 20% driven by contributions from a large Australian RPC contract won in the second half of FY20.

Profit

Underlying Profit of US$146.2 million increased 12% at constant currency and included US$10 million of one-off net benefits largely relating to the compulsory relocation of a service centre. Excluding these one-off benefits, Underlying Profit increased 3% at constant currency as the strong sales contribution to profit more than offset anticipated commencement costs associated with the onboarding of the large Australian RPC contract and additional cost increases due to inflationary pressures, lower asset compensations and COVID-19-related costs.

Return on Capital Invested

Return on Capital Invested of 25.7% increased 1.2 percentage points at constant currency, reflecting the one-off profit benefits outlined above. Excluding these one-off items, Return on Capital Invested was down (0.6) percentage points, reflecting the capital investment to support the Australian RPC contract win.

Board & Executive Leadership Team

Board of Directors

John Mullen Non-Executive Chair (Independent)

Chair of the Nominations Committee and member of the Remuneration Committee

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

Graham Chipchase Chief Executive Officer

Chair of the Executive Leadership Team

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

George El-Zoghbi Non-Executive Director (Independent)

Member of the Nominations and Remuneration Committees

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

Board & Executive Leadership Team – continued

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 re-joining 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.

Tony Froggatt Non-Executive Director (Independent)

Member of the Remuneration and Nominations Committees

Joined Brambles as a Non-Executive Director in June 2006. He is Chair of Foodbank Australia. Previously, Tony was a Non-Executive Director of Coca-Cola Amatil, AXA Asia Pacific Holdings and Billabong International and was Chief Executive Officer of Scottish & Newcastle plc from May 2003 to October 2007. He began his career with the Gillette Company and has held a wide range of sales, marketing and general management positions in many countries with major consumer goods companies including H.J. Heinz, Diageo and Seagram. He holds a Bachelor of Law from Queen Mary College, London, and a Master of Business Administration from Columbia Business School, New York.

Tahira Hassan Non-Executive Director (Independent)

*Member of the Audit & Risk and Nominations Committee*s

Joined Brambles as a Non-Executive Director in December 2011. Tahira is a Non-Executive Director of Canada Pension Plan Investments and was previously a Non-Executive Director of Recall Holdings. She had a distinguished 26-year career with Nestlé. From 2003 to 2006, she was Senior Vice President & Head of Global Supply Chain. Based in Switzerland, this was a new role created to lead the reshaping of Nestlé's global approach to supply chain management. Her other roles included Senior Vice President & Global Business Head for Nescafé Ready To Drink from 2006 to 2009, and Vice President, Deputy Operations, Zone Americas from 2001 to 2003. Previously, Tahira held various leadership positions in Nestlé Canada including President, Ice Cream and Executive Vice President, Consumer Demand Chain & Information Services. Tahira is a Fellow of the Chartered Institute of Management Accountants, UK, and a Certified Member of the Society of Management Accountants of Canada.

Ken McCall Non-Executive Director (Independent)

Member of the Audit & Risk and Nominations Committees

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

Jim Miller Non-Executive Director (Independent)

Member of the Remuneration and Nominations Committees

Joined Brambles as a Non-Executive Director in March 2019. Jim has extensive operational and cross functional supply chain experience in digital technology. He is currently Chief Technical Officer with US-based e-commerce company Wayfair Inc. In addition, Jim is currently a Non-Executive Director of The RealReal, Inc., also a US e-commerce company. Jim has held a number of senior executive roles including 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

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

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

Nora Scheinkestel Non-Executive Director (Independent)

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

Joined Brambles as a Non-Executive Director on 1 June 2020 and became Chair of the Audit Committee on 20 August 2020. Nora is currently a Non-Executive Director of Telstra, Westpac Banking Corporation and AusNet Services Limited. She is an experienced company director with more than 25 years' experience as a Non-Executive Chair and Director of companies in a wide range of industry sectors including the public, government and private sectors. A former banking executive, Nora has extensive financial and risk management expertise, including having chaired the audit and risk committees of a number of listed companies. She is a published author, has worked as an Associate Professor in the Melbourne Business School at Melbourne University and 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 38.)

Carmelo Alonso-Bernaola Senior Vice President, Global Supply Chain

Joined Brambles in 1992 and was appointed Senior Vice President Supply Chain for CHEP's global operations in February 2011. At Brambles, Carmelo has served in a range of supply chain roles, ranging from Quality Manager in Iberia, Logistics Director for South Europe, Vice President Logistics Europe, Senior Vice President Supply Chain Europe to his current global role in Supply Chain. Carmelo holds an Agro-industrial Engineering degree from the Universidad Politécnica of Madrid. He also holds a Master of Business Administration from IE Business School, Madrid, and a Diploma of Manufacturing and Production Management. After 29 years of service to Brambles, Carmelo will be leaving Brambles during the 2022 financial year.

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

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

Patrick Bradley Group Senior Vice President, Human Resources

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; and his current role in Europe. David holds a Business Studies degree from the University of Barcelona. He has also completed a General Management Programme at the IESE Business School.

Board & Executive Leadership Team – continued

Paola Floris President, CHEP Latin America

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

Robert Gerrard Group Vice President, Legal and Secretariat

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, Cairn Energy plc; General Counsel and Company Secretary of Command Petroleum Limited; and a solicitor and senior associate with Allen Allen & Hemsley. He holds a Master of Law from the University of Sydney and a Bachelor of Science and a Bachelor of Law from the University of New South Wales. He is a Solicitor of the Supreme Court of New South Wales.

Alasdair Hamblin Senior Vice President, Strategy and Innovation

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

Rodney Hefford Chief Information Officer

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

Craig Jones Chief Transformation Officer

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

Board & Executive Leadership Team – continued

Helen Lane Chief Data and 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 and since 2019 has led the digital transformation of Brambles to increase asset capabilities and drive value for our customers. Helen holds a BA (Hons) English and French from University of Leeds. She is also a graduate of the INSEAD Business School.

Laura Nador President, CHEP North America

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

Nessa O'Sullivan Chief Financial Officer

(See biography on page 40.)

Sarah Pellegrini Vice President, Internal Communications

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.

Directors’ Report – Remuneration Report

Executive Summary

This report outlines the remuneration for Brambles’ Key Management Personnel (KMP) for the financial year ended 30 June 2021 (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 8 to 37.

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 107% to 116% of Target. Half of the STI is paid as STI share awards deferred for two years from grant date. These STI outcomes were driven by Brambles’ financial performance, each Executive KMP’s achievement of specific personal objectives and after consideration of Executives’ adherence to the Brambles Code of Conduct, shared values and risk appetite.

Long-Term Incentive

The Long-Term Incentive (LTI) share awards granted during September 2018 (i.e. in FY19) had a three-year performance period ending 30 June 2021. Performance against the vesting conditions to which they were subject were:

- Brambles’ total shareholder return (TSR) was ranked at 47 out of the ASX100 peer group, resulting in 57.07% vesting for this component (25% of LTI grant); and ranked at 53 out of the MSCI peer group, resulting in 0% vesting for this component (25% of LTI grant); and
- Brambles' sales revenue compound annual growth rate (CAGR) was 6.6% and Return on Capital Invested (ROCI) was 19.1%, resulting in 100.0% vesting for this component (50% of LTI grant).

Accordingly, 64.3% of total LTI awards granted in FY19 vested. Details of LTI vesting are provided in Section 4.3.2.

Executive Leadership Team Base Salaries and Non-Executive Director fees

The base salaries of the Executive KMPs and other members of the Executive Leadership Team (ELT) were determined in accordance with the Company's Remuneration Policy described in Section 2. The Company took proactive steps during FY21 to manage costs in an uncertain pandemic environment. Accordingly, there were no salary increases in FY21, with the 1 January 2021 salary increases deferred until 1 July 2021. Therefore, effective 1 July 2021, the average base salary increase for Executive Directors was 2.1%. The average increase for other ELT members effective from 1 July 2021 was 2.8%, ranging from 0% to 7.7%. Executive KMP salaries are set out in Section 5.

There has been no increase in the Chair and Non-Executive Director base fees since 1 July 2016. There will be no increase in fees for the Chair or Non-Executive Directors for FY22. Non-Executive Director fees are detailed in Section 7.1. The next fee review will be carried out for FY23. Any fee increase arising from that review will take effect from 1 July 2022.

Remuneration Strategy

The Remuneration Committee carries out annual reviews of Brambles’ remuneration strategy, structure and policy, including share-based incentive plans. These reviews are undertaken in order to determine whether the current approach continues to strongly align executives' interests with those of the Company and its shareholders. A key focus of the annual review is to provide confirmation that the Company's remuneration structure and policy continue to provide alignment with the Company's strategic and business objectives, as well as Brambles' Code of Conduct, shared values and risk appetite. In March 2021, the Committee determined that no changes to the current LTI structure or policy were required in FY22, but it approved changes to streamline the FY22 STI plan (see Section 2.1 for details). An update of Brambles’ strategy over the coming years arising from the Company’s current project to accelerate its Shaping Our Future initiatives will be announced to the market on 13 and 14 September 2021. In 2022, the Board will consider whether the changes to the LTI plan are necessary given the updated business strategy.

Impact of COVID-19

Throughout FY21 there were no material levels of COVID-19 related furlough and the Company did not seek nor accept any COVID-19 related government grants. The STI outcomes for the Year reflect business performance against targets set at the commencement of the Year. The Board has not exercised any discretion in relation to STI outcomes, nor LTI vesting, as a result of the economic impact of COVID-19 on Brambles.

Contents

1. Background

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

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

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

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

2. Remuneration Policy and Framework

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

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

Table 3.3.1 sets out how Brambles' Remuneration Policy is directly linked to the Company's financial performance, the creation of shareholder wealth, the delivery of strategic objectives and executive behaviour.

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

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

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

2.1 Remuneration Strategy Review

Each year, the Committee conducts a review of the Company's remuneration policy to determine that it delivers a remuneration structure and levels which are consistent with the objectives outlined at the beginning of this Section 2. As a result of the review carried out in FY21, which was an in-depth review conducted with the Company's external advisor Ernst & Young (EY), no changes were made to the overall policy but a material streamlining of the STI plan for FY22 was approved by the Committee.

The STI plan changes for FY22 will reduce the number of metrics from seven company metrics plus personal objectives to a maximum of three financial metrics plus personal objectives. The balance will also shift from 90% on Company and financial metrics and 10% on personal objectives to 70% on financial metrics and 30% on personal objectives. Financial metrics will be Group and business unit Underlying Profit and Cash Flow, with personal objectives encompassing Safety, Customer, Asset Productivity, and the delivery of the company's transformation strategy.

2.2 Potential Future Changes to the Remuneration Structure to Support Business Transformation Objectives

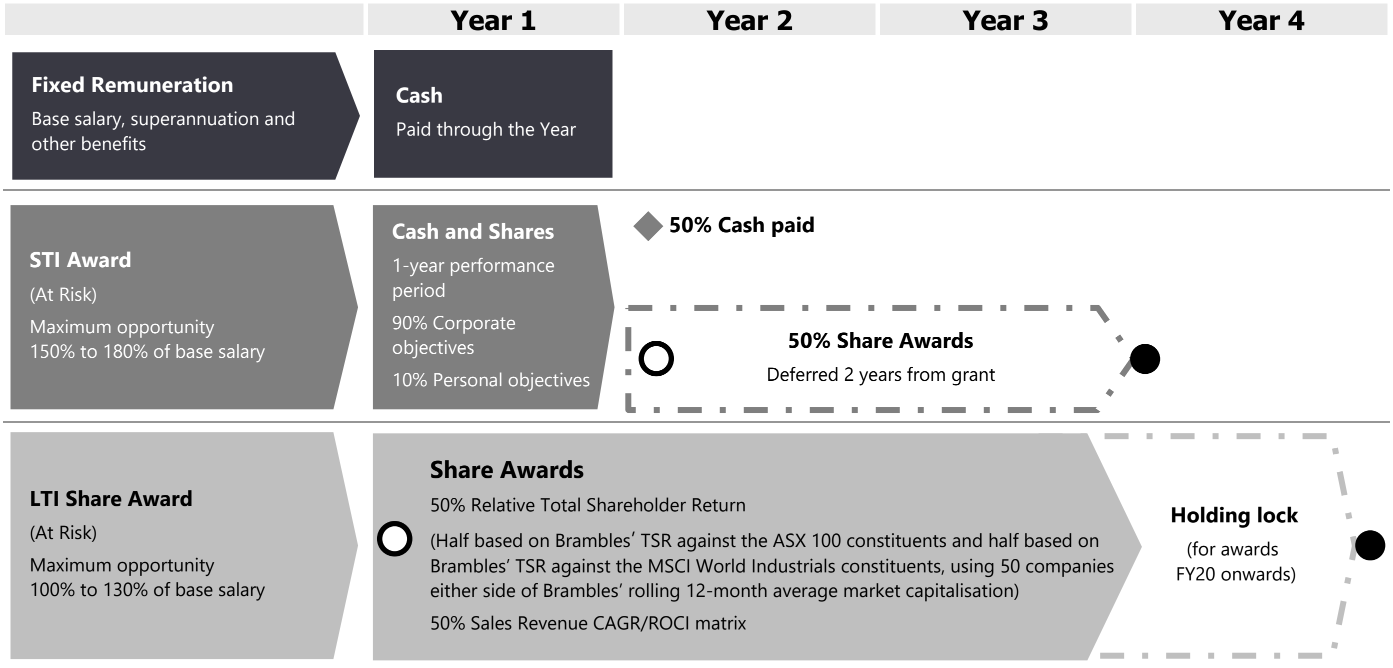
Page 13 of the Annual Report refers to the Company's current project to accelerate its Shaping Our Future initiatives and notes that an update of Brambles' strategy over the coming years arising from that project will be announced to the market on 13 and 14 September 2021. In 2022 the Board will consider whether any changes to the LTI plan are necessary, given the updated business strategy. Detailed consultation with Brambles' stakeholders will be undertaken in relation to any necessary changes to the LTI plan to implement that alignment over the next 12 months prior to seeking shareholder approval to any such changes at the 2022 AGM.

Directors’ Report – Remuneration Report – continued

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; and ● Share Awards vested/unrestricted.

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

An individual’s At Risk Remuneration is subject to the overarching discretion of the Board and the Committee. 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.

The proportion of Executive KMP total remuneration comprising At Risk Remuneration is illustrated in Table 3.4.2.

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

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

3.2 Basis of valuation of STI and LTI Share awards

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

Details of the approach are contained in Section 9.4.

3.3 Remuneration Structure Details

The Company's remuneration structure is detailed below.

Table 3.3.1: Remuneration Structure FY21

Remuneration element	Description	Purpose	Link to strategy
Fixed Remuneration			
	Base salary, superannuation and other fixed benefits.	Fixed remuneration reflects the executive's role, duties, responsibilities and level of performance, taking into account the individual's location and Brambles' size, geographic scale and complexity. Base salaries are generally referenced at the market median.	Base salaries are designed to be competitive to assist Brambles in attracting and retaining talented executives.
At Risk Remuneration			
STI Award Executive KMP are eligible to receive annual STI awards. The Committee approves annual STI corporate and personal objectives for Executive KMP. At the end of each year, the Committee assesses Executive KMPs' performance against those objectives. The amount of an STI Award will depend on whether and, if so, to what extent those objectives are achieved. Half of the STI award is delivered in cash following the end of the year to which the award relates. The other half is delivered in deferred STI Share awards which vest two years from the date they are granted, subject to the relevant Executive KMP remaining employed by the Group at the end of that period. Eligibility for STI awards is also subject to the non-financial risk assessment referred to in this table below, both at the time of the grant of the awards and, in the case of STI Share awards, during the two-year deferral period. The achievement of objectives by Executive KMP for FY21 are set out in Section 4.2.			
Corporate Objectives (comprising 90% of the STI award)	Corporate 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.	Corporate objectives are set to align an executive's At Risk Remuneration to Brambles' financial and strategic objectives. For FY21, these were: Underlying Profit growth in excess of sales revenue growth through the cycle; Free Cash Flow sufficient to fully fund capital expenditure; and dividends and operational efficiency. Financial objectives are chosen to link Executives KMPs' rewards with the financial performance of the Group, the pursuit of profitable growth, the efficient use of capital and generation of cash.	FY21 corporate objectives were: - Underlying Profit provides a focus on profitable growth; - Cash Flow from Operations is used as a measure to provide a strong focus on the generation of cash; - Asset efficiency is a key driver of business profitability and assists in maximising revenue from existing assets and reducing capital costs; - Executive KMP have a personal objective safety measure. The objectives are zero fatalities and a specified percentage improvement in the Group or applicable region's Brambles Injury Frequency Rate (BIFR) from FY20 BIFR; and - Customer satisfaction.
Personal objectives (comprising 10% of the STI award)	Personal objectives relate to non-financial operating and strategic objectives.	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 protection and efficiency, digitisation and the Brambles transformation strategy.

Directors' Report – Remuneration Report – continued

<table>
<tr><th>Remuneration element</th><th>Description</th><th>Purpose</th><th>Link to strategy</th></tr>
<tr><td colspan="4">LTI Share Award
Executive KMP are also eligible to receive an annual grant of LTI share awards vesting three years from the date the award is granted, subject to satisfaction of service and performance conditions. A one-year holding lock post-vesting applies to awards granted from FY20 onwards, during which executives cannot sell vested LTI awards other than to pay any tax obligations. 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 his or her base salary as shown in Section 4.3.</td></tr>
<tr><td>Relative TSR (comprising half of the LTI award)</td><td>Performance is measured over a 3-year performance period (Performance Period) against constituents of both the ASX100 and the MSCI World Industrials indices, with each component measured separately and comprising 25% of the total LTI award.
The vesting schedule for the portion of the LTI subject to TSR is outlined below.
<table>
<tr><th></th><th>TSR percentile</th><th>% Vesting of shares</th></tr>
<tr><td>Below Threshold</td><td>Below 50th</td><td>No vesting</td></tr>
<tr><td>Threshold</td><td>50th</td><td>50%</td></tr>
<tr><td>Between Threshold and Maximum</td><td>Between 50th and 75th</td><td>Pro-rata straight-line vesting</td></tr>
<tr><td>Maximum</td><td>75th and above</td><td>100%</td></tr>
</table></td><td>Relative TSR rewards the creation of shareholder value.
TSR measures the returns that a company has provided for its shareholders, reflecting share price movements and reinvestment of dividends over a specific period.
A relative TSR performance condition means that value is only delivered to participants if the investment return received by Brambles' shareholders is sufficiently high relative to the return they could have received by investing in a portfolio of alternative stocks over the same period.</td><td>TSR provides a direct alignment of executive rewards to the creation of shareholder value through linking executive reward with the long-term generation of returns to Brambles' shareholders.</td></tr>
<tr><td>Sales revenue CAGR and ROCI (comprising half of the LTI share award)</td><td>Each year, a sales revenue CAGR/ROCI matrix is set by the Committee for each LTI share award, based on targets approved by the Board. This allows the Committee to set targets for each LTI share award that reward strong performance in light of the prevailing and forecast economic and trading conditions.
The FY22-24 sales revenue CAGR/ROCI matrix, pertaining to the LTI share awards to be granted in October 2021, is set out in Section 4.3. The sales revenue CAGR/ROCI targets have been established based on the company's 3-year strategic plan.</td><td>This portion of the LTI share award incentivises both long-term sales revenue growth and ROCI. Vesting is based on achievement of sales revenue targets with three-year performance targets set on a CAGR basis. The sales revenue growth targets are underpinned by ROCI hurdles. This is designed to drive profitable business growth, to maintain quality of earnings and to deliver a strong Return on Capital Invested. Sales revenue CAGR is measured in constant currency.</td><td>Profitable growth is emphasised by the use of sales revenue CAGR targets with ROCI hurdles as the performance conditions that must be satisfied for half of all LTI share awards to vest.
This supports the delivery of sustainable returns to shareholders.</td></tr>
</table>

Minimum shareholding requirements	Description
Brambles requires ELT members to hold a meaningful stake in the Company to assist in aligning their interests with those of its shareholders.	The minimum shareholding requirement for the CEO is 150% of base salary and for the other ELT members is 100% of their respective base salaries, to be built up over five years. Each year, the Committee receives a report on the progress towards the attainment of the required minimum shareholding requirement. Whilst building their minimum shareholding requirement, ELT members are not permitted to sell Brambles' shares, other than to pay tax obligations they incur by reason of STI or LTI share awards vesting, until they have achieved 100% of their shareholding requirements. 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 include to protect the financial soundness of the Group, an exceptional event which has a material impact on the value of the Group, a material inaccuracy in the assessment of the performance of a participant in the PSP (including an Executive KMP) or any subsequent or adverse development regarding the personal performance of such a participant.

Remuneration Committee discretion	Description
Remuneration Committee discretion regarding At Risk Remuneration	The Committee has discretion to adjust the level of At Risk Remuneration (both STI and LTI awards) based on the financial or share price performance of the Company and the behaviours exhibited by individual ELT members, including their adherence to the Company’s Code of Conduct, shared values and risk appetite. The Committee may, at its discretion, reduce the amount of an ELT member’s STI award (regardless of the achievement of corporate or personal objectives) where his or her performance or behaviour during the year has been assessed as not warranting all or part of an incentive payment to which he or she may otherwise be entitled. The Committee determines the level of LTI share award vesting following the receipt of independent TSR analysis and audited management reports on the outcome of the sales revenue CAGR/ROCI performance over the applicable Performance Period. The Committee’s discretion can be used to increase or decrease vesting outcomes, which includes reducing vesting to zero. The Remuneration Committee adopted a principles-based approach to non-financial risk, with a framework which provides guidelines as to the types of events that may warrant an adjustment and guidance on what should be considered by the Committee. Advice is provided to the Committee by the Chair of the Audit & Risk Committee, the Group Senior Vice President, Human Resources; the Group Vice President, Legal and Secretariat; and Group Vice President, Risk & Internal Audit on any major or severe incidents to be considered by the Committee when deciding whether to exercise its discretion to adjust any year end remuneration outcomes.

3.4 Remuneration Mix for Executive KMP

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

The table below illustrates the remuneration potential for the Executive KMP, including Threshold, Target and Maximum potential.

Table 3.4.1 Remuneration Potential

Remuneration potential	CEO/CFO potential as % of base salary			President North America/Europe potential as % of base salary		
	Threshold	Target	Maximum	Threshold	Target	Maximum
STI Awards[1]	60%	120%	180%	50%	100%	150%
LTI Awards	46%	88%	130%	35%	68%	100%

The following table illustrates the level of actual remuneration received by Executive KMP compared with their respective total remuneration potential.

The respective columns labelled 'Actual' comprise:

- Base salary: base salary for FY21;
- STI awards: the STI award received in respect of FY21 performance, half of which was delivered as deferred STI share awards which vest in FY23 (see Section 4.2); and
- LTI shares: the proportion of the FY19-FY21 LTI share awards that vested at the end of the Year (see Section 4.3.2).

The Remuneration Mix represents the maximum potential value of each element of the respective Executive KMP's remuneration package mix that could be received in each case by the individual Executive KMP.

Table 3.4.2 Remuneration Mix

Remuneration mix	CEO/CFO maximum potential	CEO Actual	CFO Actual	President North America/ Europe maximum potential	President North America Actual	President Europe Actual
Base salary	24%	24%	24%	29%	29%	29%
STI Award	44%	33%	33%	42%	32%	30%
LTI Award	32%	20%	20%	29%	18%	5%
Total	**100%**	**77%**	**77%**	**100%**	**79%**	**64%**

Cash/Equity balance

Remuneration mix	CEO/CFO maximum potential	President North America/ Europe maximum potential
Base salary	24%	29%
STI Cash	22%	21%
STI Share Award	22%	21%
LTI Share Award	32%	29%
Total	**100%**	**100%**

Remuneration mix	CEO/CFO maximum potential	President North America/ Europe maximum potential
Cash potential	46%	50%
Equity potential	54%	50%
Total	**100%**	**100%**

[1] Half of the STI Award 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.

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 FY17 to FY21 and the STI and LTI award outcomes for those years. In the following table:

- financial measures relating to Kegstar are included in FY17 to FY19, but due to its divestment, not in FY20 and FY21;
- financial measures relating to IFCO are included in FY17, but due to its divestment, not in FY18 to FY21;
- the periods prior to FY20 have not been restated for the impact of new accounting standard AASB 16 Leases;
- the periods prior to FY18 have not been restated for the impact of the new accounting standards AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers;
- the Underlying Profit and Cash Flow targets and outcomes for STI purposes are adjusted figures based on budgeted FX rates at the commencement of the respective financial year; and
- financial measures related to the CHEP Recycled, Oil & Gas and Aerospace businesses have not been included in any period due to the divestment of these businesses.

Definitions for the financial metrics are provided in the Glossary on pages 137 to 139.

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

	FY21	FY20	FY19	FY18	FY17
Dividends (cents per share)[2]	US$0.205	US$0.18	A$0.29	A$0.29	A$0.29
Share price (A$): at 1 July	10.89	12.75	8.88	9.73	12.32
Share price (A$): at 30 June	11.44	10.87	12.88	8.88	9.73
STI and LTI financial measure (US$m)					
BVA[3]	-	-	-	-	235.1
STI financial measures (US$m)					
Underlying Profit[4]	879.3	799.4	803.7	826.1	957.5
Cash Flow from Operations[5]	901.1	754.8	431.8	724.8	591.5
Group Free Cash Flow[6]	622.0	462.2	238.5	554.4	224.2
Profit after tax[7]	535.0	508.0	454.1	553.5	444.9
STI outcome range for Executive KMP (% base salary)[8]	108% - 136%	62% - 112%	48% - 120%	40% - 122%	42% - 116%
STI outcome range for Executive KMP (% of Target)	107% - 116%	62% - 112%	48% - 99%	40% - 102%	41% - 97%
LTI measures					
Sales Revenue (US$m)	5,209.8	4,717.9	4,595.3	4,470.3	5,104.3
ROCI[9]	18%	17%	19%	20%	17%
3-year TSR	26.36%	21.41%	6.94%	-7.53%	16.81%
LTI outcome (% of grant)[10]	64%	89%	0%	25%	20%

[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 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] LTI and STI measure in FY17, calculated at fixed 30 June 2016 exchange rates.

[4] Underlying Profit used as an STI measure during plan years FY18 to FY21.

[5] Cash Flow from Operations used as an STI measure during plan years FY17 to FY21.

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

[7] Profit after tax used as an STI measure during plan year FY17. FY17 includes IFCO and is consistent with previously published data. Refer to Five-Year Financial Performance Summary on page 136.

[8] The range of outcomes for Executive KMP is provided, as some Executive KMP had Business Unit financial performance conditions as well as Group conditions. Financial measures comprised 70% of total STI outcome in FY17, 80% of total STI outcome in FY18 to FY20 and 90% of total STI outcome in FY21. The balance comprised personal objectives. The amount includes STI cash and STI share awards. The STI share awards are deferred for two years from grant date.

[9] ROCI used as an LTI measure during plan years FY18 to FY21.

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

4. Performance of Brambles and Remuneration Outcomes

4.1 FY21 STI Awards

The following table summarises the components and weighting of objectives for the FY21 STI awards for Executive KMP:

	Corporate objectives							
Executive KMP	Group Profit Leverage	Segment Underlying Profit	Group Cash Flow	Segment Cash Flow	Asset Efficiency	Safety	Customer	Personal Objectives
CEO, CFO	20%	25%	15%	-	10%	10%	10%	10%
Presidents North America / Europe	20%	25%	7.5%	7.5%	10%	10%	10%	10%

Executive KMP personal objectives for FY21 are shown in the table below. Recommended targets for global metrics relating to business strategy and growth objectives are set at the Group level and reviewed and approved by the Committee.

Metric	Measurement
Business strategy and growth objectives	Objectives are set for each Executive KMP which support and are aligned with the achievement of Brambles' overall business strategy and Business Unit objectives. FY21 objectives included: asset protection and efficiency; digitisation; and the Strategic Review. Quantitative metrics for achievement of each of these objectives are set, which allows the Committee to determine objectively whether they have been met.

4.2 STI Plan Structure and Performance

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

The STI metrics comprise the following:

Metric	Weighting at Target	Payment schedule
Underlying Profit	25%	12.5% at Threshold; 25% at Target; 37.5% at Maximum A sliding scale between the Threshold and Target, with a separate sliding scale between Target and Maximum.
Group Profit Leverage	20%	10% at Threshold; 20% at Target; 30% at Maximum A sliding scale between the Threshold and Target, with a separate sliding scale between Target and Maximum.
Cash Flow	15%	7.5% at Threshold; 15% at Target; 22.5% at Maximum A sliding scale between the Threshold and Target, with a separate sliding scale between Target and Maximum.
Asset Efficiency	10%	5% at Threshold; 10% at Target; 15% at Maximum The targets are all-or-nothing; there is no sliding scale between Threshold, Target and Maximum.
Safety	10%	5% at Threshold; 10% at Target; 15% at Maximum A sliding scale between the Threshold and Target, with a separate sliding scale between Target and Maximum.
Customer	10%	5% at Threshold; 10% at Target; 15% at Maximum A sliding scale between the Threshold and Target, with a separate sliding scale between Target and Maximum.
Personal Objectives	10%	Personal Objectives are individually assessed by the Board Chair, reviewed by the Committee and approved by the Board in relation to the CEO's STI. Personal Objectives of the other Executive KMP (and all ELT members) are approved by the Committee. 5% at Threshold; 10% at Target; 15% at Maximum. A sliding scale operates between the Threshold and Target, with a separate sliding scale between Target and Maximum.

Directors’ Report – Remuneration Report – continued

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

Brambles' Group Financial STI Metrics

Metric	Performance	Outcome
Underlying Profit	Result reflects strong sales revenue growth, including both pricing and volume growth, as well as increased surcharge income driven by the recovery of input cost increases. The result reflects Underlying Profit leverage in the Year, with strong returns on efficiency investments combined with the effective management of operational cost increases, including the impact of COVID-19, Brexit and material inflationary cost pressures.	Between Target and Maximum
Group Profit Leverage	Underlying Profit growth was 1% in excess of sales revenue growth. Operating cost increases were more than offset through a combination of pricing and surcharge initiatives (including surcharges in North America), disciplined cost control and supply chain efficiency benefits.	Achieved Target
Cash Flow from Operations	Strong cash flow performance, driven by earnings growth, increased compensations and working capital improvements offset by higher capital expenditure mainly driven by lumber inflation.	Above Maximum – excluding the impact of timing benefits of US$180m relating to deferred pallet purchases
Asset Efficiency	Despite asset efficiency improvements outside of the US, the overall asset efficiency measure of capex spend to sales ratio did not deliver improvement during the year due to the combined impact of lumber inflation driving a material increase in pallet prices and lower pallet recoveries in the US. Outside of the US, longer pallet cycle times due to increased stock holdings were largely offset by asset efficiency gains.	Below Threshold

Other Brambles' Group metrics

Metric	Performance	Outcome
Safety	Safety performance is measured by Brambles Injury Frequency Rate (BIFR). Results at Group level reflect a continuing focus on Safety improvement across all business units globally, with major improvements in BIFR outcomes being achieved in the North America business, in particular, over the course of FY21.	Achieved Target
Customer	The Customer metric was measured based on a reduction of detractor customers at Q4 2020 and supported by a plan to substantially increase customer participation in NPS surveys. Overall, the results were very good, with an above Target performance in aggregate across the Group.	Between Target and Maximum

The 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.

CEO and CFO FY21 STI Performance

Performance Category	Weighting at target	STI as % of base salary	Threshold	Target	Maximum	Outcome	Outcome as % of base salary
Underlying Profit (US$)	25%	30%	778.7m	810.0m	850.5m	840.3m	41.2%
Group Profit Leverage (% Underlying Profit growth is higher than sales revenue growth)	20%	24%	+0.1%	+1.0%	+2.0%	+1.0%	24%
Cash Flow from Operations (US$)	15%	18%	495.3m	521.3m	547.4m	846.2m	27%
Asset Efficiency	10%	12%	18.3%	17.5%	16.6%	20.8%	0%
Customer	10%	12%	16.7%	33.0%	50.0%	40.0%	14.5%
Safety	10%	12%	5.5	5.0	4.6	5.0	12%
CEO Personal Objectives	10%	12%	5%	10%	15%	Achieved Maximum	18%
CEO Total	**100%**	**120%**					**136.7%**
CFO Personal Objectives	10%	12%	5%	10%	15%	Achieved Maximum	18%
CFO Total	**100%**	**120%**					**136.7%**

In addition to the Brambles STI metrics shown above relating to Underlying Profit, Group Profit Leverage 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	107%
CHEP North America Cash Flow	Above Maximum	134%
CHEP North America Asset Efficiency	Below Threshold	-
CHEP North America Customer	Target	100%
CHEP North America Safety	Above Maximum	10% better than Target
Personal Objectives	Between Target and Maximum	110%
President, Europe		
CHEP Europe Underlying Profit	Above Maximum	109%
CHEP Europe Cash Flow	Above Maximum	138%
CHEP Europe Asset Efficiency	Below Threshold	-
CHEP Europe Customer	Between Target and Maximum	112.5%
CHEP Europe Safety	Below Threshold	-
Personal Objectives	Between Target and Maximum	150%

4.2.1 Actual STI Payable and Forfeited for FY21

Details of the STI award payable to Executive KMP and the STI award forfeited, as a percentage of the maximum potential STI award in respect of performance during the Year, are shown in the following table.

Name	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	137%	180%	2,205,917	76%	24%
N O'Sullivan	137%	180%	1,232,501	76%	24%
D Cuenca	107%	150%	465,694	72%	28%
L Nador	116%	150%	530,120	77%	23%

4.3 Executive KMP LTI Share Awards

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

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

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

4.3.1 Sales Revenue CAGR/ROCI LTI Performance Matrix for FY22-FY24[11]

The sales revenue CAGR/ROCI matrix for LTI share awards that will be made in October 2021 for the period FY22-FY24 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 2024. ROCI is defined as Underlying Profit divided by Average Capital Invested.

FY22-24 Sales Revenue CAGR/ROCI LTI Performance Matrix Vesting Schedule

	ROCI %		
Sales Revenue CAGR[12]	15.5%	17.0%	18.5%
4%	-	20%	60%
5%	20%	40%	80%
6%	40%	60%	100%
7%	60%	80%	100%
8%	80%	100%	100%

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

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

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

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

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

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

The Performance Period for LTI awards granted in October 2018 expired on 30 June 2021. The TSR component of these awards was tested against the TSR performance of Brambles over the Performance Period as determined by an independent consultant. The sales revenue CAGR and ROCI components of these awards were audited by Brambles' external auditors and then tested against the FY19-FY21 matrix by the Committee. No adjustments were made to the targets as a result of COVID-19. The Committee also undertook the non-financial risk assessment outlined in Table 3.3.1 and, based on that assessment, determined that no adjustment to the vesting levels for any Executive KMP was required. Based on those assessments, these awards vested as follows:

Performance condition	Performance Period	Performance condition	Vesting level
Relative TSR (ASX100)	1 July 2018 to 30 June 2021	Brambles' TSR performance against the ASX 100 TSR	57.07%
Relative TSR (MSCI)	1 July 2018 to 30 June 2021	Brambles' TSR performance against the MSCI Industrials	0%
Sales Revenue CAGR/ROCI	1 July 2018 to 30 June 2021	CAGR: 6.6% ROCI 19.1%	100%
Total LTI vesting	**1 July 2018 to 30 June 2021**		**64.3%**

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 October 2020.

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

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

US$'000	Short-term employee benefits				Post-employment benefits	Other			Actual share income	
Name	Year	Cash / salary / fees[13]	Cash bonus	Non-monetary benefits[14]	Super-annuation	Termination / sign-on payments / retirement benefits	Other[15]	Total before equity	STI / LTI / MyShare awards	Total
Executive Directors										
G Chipchase	**FY21**	**1,880**	**1,103**	**4**	**-**	**-**	**6**	**2,993**	**2,403**	**5,396**
	FY20	1,726	702	2	-	-	10	2,440	232	2,672
N O'Sullivan	**FY21**	**1,061**	**616**	**16**	**-**	**-**	**1**	**1,694**	**1,379**	**3,073**
	FY20	975	407	10	-	-	1	1,393	194	1,587
Other Executive KMP										
D Cuenca	**FY21**	**442**	**233**	**14**	**34**	**-**	**16**	**739**	**76**	**815**
	FY20	-	-	-	-	-	-	-	-	-
L Nador	**FY21**	**479**	**265**	**9**	**69**	**-**	**20**	**842**	**430**	**1,272**
	FY20	467	255	3	58	-	19	802	33	835
Totals [16]	**FY21**	**3,862**	**2,217**	**43**	**103**	**-**	**43**	**6,268**	**4,288**	**10,556**
	FY20	3,168	1,364	15	58	-	30	4,635	459	5,094

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

[14] Non-monetary benefits include annual medical assessment and tax support.

[15] Other includes health and salary continuance insurance.

[16] The year-on-year comparison of remuneration is affected by the movement of 30 June 2021 rates from A$1=US$0.6692, €1=US$1.1064 and £1=US$1.2582 for FY20 to A$1=US$0.7477, €1=US$1.1959 and £1=US$1.3538 for FY21.

5. Executive Key Management Personnel (Executive KMP)

5.1 Executive Key Management Personnel Changes

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

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

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

5.2 Service Contracts

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

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

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

Details of Executive KMP salaries are shown in Table 5.2.1.

5.2.1 Contract Terms for Executive KMP

Name and role(s)	Base salary at 30 June 2020	Base salary at 1 July 2021	Notice period
G Chipchase, Chief Executive Officer	GBP 1,192,000	GBP 1,216,000	12 months
N O'Sullivan, Chief Financial Officer	GBP 666,000	GBP 681,000	12 months
L Nador, President, North America	USD 457,000	USD 492,000	6 months
D Cuenca, President, Europe	EUR 362,500	EUR 384,500	6 months

Mr Chipchase and Ms O'Sullivan received increases reflective of market movement in the UK.

Ms Nador's and Mr Cuenca's increases reflected both market movement and their additional experience in the role.

All increases were effective 1 July 2021.

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.

In 2020, MyShare was offered in an additional 19 countries. Together with the previous 41 countries where it operated, MyShare is now a global all-employee share plan. For the 2020 MyShare plan onwards, all permanent employees of Brambles, in any country of the world, will be eligible to join the plan.

As of 30 June 2021, 4.6 million Brambles shares were held by 4,178 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, 1,104,368 Brambles shares were purchased on-market under the MyShare plan, being the Acquired Shares purchased by participants in that plan, at an average price of A$10.68 per share. The accounting share value at grant ranged from A$9.26 to A$10.97 (up to 30 June 2021) based on the monthly share price value. For further details of the share grant values, refer to Section 9.8 of the Remuneration Report and Note 22 of the Financial Report.

7. Non-Executive Directors' Disclosures

7.1 Non-Executive Directors' Remuneration Policy

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

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

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

There has been no increase in Chair and Non-Executive Director base fees since 1 July 2016. There will not be any increase in fees for the Chair or Non-Executive Directors for FY22.

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

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

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

- Supplement for members of the Audit and Remuneration Committees: A$25,000. The Board Chair does not receive the supplement if he or she is a member of either of these Committees;
- Supplement for Chair of the Audit & Risk Committee: A$50,000;
- Supplement for Chair of the Remuneration Committee: A$40,000; and
- Travel allowance of A$5,000 where a meeting involved a long-haul international trip. No travel allowances were paid in FY21.

The next fee review will take effect from 1 July 2022.

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 Annual General Meeting after their initial appointment by the Board. The 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.

Mr Mullen was appointed to the Board on 1 November 2019 and took over as Chair of the Board from 1 July 2020.

Dr Scheinkestel was appointed to the Board on 1 June 2020. Dr Scheinkestel is a member of the Audit & Risk Committee. On 20 August 2020, she assumed the role of Chair of the Audit Committee (as it was then called). The prior Audit Committee Chair, Mr Long, retired from the Board upon the conclusion of the Brambles' Annual General Meeting on 8 October 2020.

Mr McCall was appointed to the Board on 6 July 2020.

7.3 Non-Executive Directors' Shareholdings

Non-Executive Directors are required to hold shares in Brambles, equal to their annual fees after tax, within three years of their appointment.

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 2021			
G El-Zoghbi	35,000	-	35,000
E Fagan	20,000	-	20,000
A G Froggatt	14,890	-	14,890
T Hassan	15,000	-	15,000
K McCall	-	8,925	8,925
J Miller	5,150	4,300	9,450
J Mullen[18]	-	-	-
S Perkins	20,000	-	20,000
N Scheinkestel	7,134	12,640	19,774
Former Non-Executive Director			
B Long	24,000	-	24,000

[17] 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.
A G Froggatt: Of which 7,000 shares are held by Christine Joanne Froggatt and 7,890 shares are held by Anthony Grant Froggatt.
T Hassan: Held by RBC Dexia Custodian on behalf of Tahira Hassan.
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.
S Perkins: Held by Perkins Family Super Pty Ltd ATF Perkins Family S/F A/C.
N Scheinkestel: Of which 8,914 shares are held by Nora Scheinkestel and 10,860 shares are held by held by Scheinkestel Superannuation Pty Ltd.
B Long: Held by BJ Long Investments Pty Limited.

[18] Mr Mullen's current intention is to acquire his minimum Brambles shareholding requirement prior to the 2021 Annual General Meeting, subject to any regulatory issues, which would prevent him from purchasing shares. In accordance with the ASX Listing Rules, any acquisition of shares by Mr Mullen will be announced to the ASX.

7.4 Non-Executive Directors' Remuneration for the Year

Fees and other benefits provided to Non-Executive Directors during the Year and the prior year are set out in Table 7.4.1 below in US dollars. The full names of the Non-Executive Directors and the dates of any changes in Non-Executive Directors during the Year are shown in the Directors' Report – Additional Information on page 65. Non-Executive Directors do not receive any share-based payments.

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

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

US$'000		Short-term employee benefits	Post-employment benefits		
Name	Year	Directors' fees	Superannuation	Other[19]	Total
Non-Executive Directors as at 30 June 2021					
G El-Zoghbi	**FY21**	**167**	**8**	**-**	**175**
	FY20	162	8	2	172
E Fagan	**FY21**	**167**	**8**	**2**	**177**
	FY20	167	8	2	177
A G Froggatt	**FY21**	**160**	**15**	**-**	**175**
	FY20	150	13	-	163
T Hassan	**FY21**	**167**	**8**	**1**	**176**
	FY20	156	7	1	164
K McCall	**FY21**	**155**	**7**	**-**	**162**
	FY20	-	-	-	-
J Miller	**FY21**	**167**	**8**	**2**	**177**
	FY20	155	7	2	164
J Mullen	**FY21**	**428**	**41**	**-**	**469**
	FY20	95	9	-	104
S Perkins	**FY21**	**200**	**4**	**-**	**204**
	FY20	165	7	-	172
N Scheinkestel	**FY21**	**174**	**17**	**-**	**191**
	FY20	12	1	-	13
Former Non-Executive Director					
B Long[20]	**FY21**	**46**	**4**	**-**	**50**
	FY20	161	15	-	176
Totals[21]	**FY21**	**1,831**	**120**	**5**	**1,956**
	FY20	1,223	75	7	1,305

8. Remuneration Governance

8.1 Remuneration Committee

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

- Recommending overall Remuneration Policy to the Board;
- Determining and implementing a process to enable the Committee to satisfy itself that the conduct of members of the ELT is consistent with Brambles' Code of Conduct, shared values and risk appetite 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.

[19] The Other column includes tax support services.

[20] B Long retired from the Board on 8 October 2020.

[21] The year-on-year comparison of remuneration is affected by the movement of 30 June 2021 rates from A$1=US$0.6692, €1=US$1.1064 and £1=US$1.2582 for FY20 to A$1=US$0.7477, €1=US$1.1959 and £1=US$1.3538 for FY21.

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

During the Year, members of the Committee were Mr Perkins (Committee Chair), Mr El-Zoghbi, Mr Froggatt, Mr Mullen, Ms Hassan (up to 1 March 2021, when she retired from the Committee to join the Audit & Risk Committee) and Mr Miller. Other individuals are invited to attend Committee meetings as required by the Committee. This includes members of Brambles' management team including the CEO; Group Senior Vice President, Human Resources; Group Vice President, Legal and Secretariat; and Senior Vice President, Reward, as well as Brambles' external remuneration advisor, Ernst & Young (EY).

During the Year, the Committee held five meetings.

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

8.2 Securities Trading Policy and Incentive awards

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

8.3 Remuneration Advisor

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

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

9. Other Reporting requirements

9.1 Share-Based Payments – Future Potential

The table below provides annual accounting values for share awards relating to the years FY19 to FY21, which have been amortised over two to three years. These share awards are subject to conditions set out in Section 4. Remuneration will normally not be received as a result of the underlying share awards vesting unless the performance conditions to which they are subject have been met.

US$'000			Share-based payment		
Name	Year	Total before equity	Awards	Percentage of total remuneration	Total
Executive Directors					
G Chipchase	**FY21**	**2,993**	**2,467**	**45%**	**5,460**
	FY20	2,440	1,625	40%	4,065
N O'Sullivan	**FY21**	**1,694**	**1,417**	**46%**	**3,111**
	FY20	1,393	1,121	45%	2,514
Other Executive KMP					
D Cuenca	**FY21**	**739**	**273**	**27%**	**1,012**
	FY20	-	-	-	-
L Nador	**FY21**	**842**	**562**	**40%**	**1,404**
	FY20	802	329	29%	1,131
Totals	**FY21**	**6,268**	**4,719**		**10,987**
	FY20	4,635	3,075		7,710

9.2 LTI Share Awards Yet to be Tested

The following table provides details of the level of vesting for the TSR component of LTI share awards granted in FY20 and FY21 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 2021: vesting if current performance is maintained until testing date (% of original award)
FY20	Relative TSR (ASX 100)	1 July 2019	30 June 2022	N/A	0% LTI TSR awards
FY20	Relative TSR (MSCI)	1 July 2019	30 June 2022	N/A	0% LTI TSR awards
FY21	Relative TSR (ASX 100)	1 July 2020	30 June 2023	N/A	0% LTI TSR awards
FY21	Relative TSR (MSCI)	1 July 2020	30 June 2023	N/A	0% LTI TSR awards

The following table provides details of the level of vesting for the sales revenue CAGR/ROCI component of LTI share awards granted in FY20 and FY21 if the current sales revenue CAGR/ROCI performance were 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 2021: vesting if current performance is maintained until testing date (% of original award)
FY20	Sales Revenue CAGR/ROCI	1 July 2019	30 June 2022	100.0% LTI Sales Revenue ROCI awards
FY21	Sales Revenue CAGR/ROCI	1 July 2020	30 June 2023	100.0% LTI Sales Revenue ROCI awards

9.3 Summary of STI and LTI Share Awards

The table below contains details of the STI and LTI share awards granted in which former or current Executive KMP have unvested and/or unexercised awards that could affect remuneration in this or future reporting periods. STI and LTI share awards do not have an exercise price and carry no voting rights. The LTI share awards described as LTI TSR awards vest on the third anniversary of their grant date, subject to continued employment and meeting the relevant TSR performance condition set out in Section 4.3. The LTI share awards described as LTI ROCI vest on the third anniversary of their grant date, subject to continued employment and meeting a sales revenue CAGR/ROCI performance condition set out in Section 4.3.1.

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

Performance Share Plan awards	Vesting condition
STI awards	100% vesting based on continuous employment
LTI TSR awards	50% vesting if TSR is equal to the median ranked company 100% vesting if at 75th percentile
FY19-FY21 LTI ROCI award	20% vesting occurs if CAGR is 4% and ROCI is 16% over three-year period 100% vesting occurs if CAGR is 6% and ROCI is 19% over three-year period
FY20-FY22 LTI ROCI award	20% vesting occurs if CAGR is 3% and ROCI is 16.5% over three-year period 100% vesting occurs if CAGR is 4% and ROCI is 19.5% over three-year period
FY21-FY23 LTI ROCI award	20% vesting occurs if CAGR is 3% and ROCI is 15.0% over three-year period 100% vesting occurs if CAGR is 4% and ROCI is 18.0% over three-year period

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/ FY19-FY21 LTI ROCI	2 September 2018	2 September 2024	A$10.33 (STI) / A$10.02 (ROCI) / A$6.74 (TSR-ASX) / A$7.32 (TSR-MSCI)	STI - 2 September 2020 LTI - 2 September 2021
STI/LTI TSR/ FY20-FY22 LTI ROCI	15 October 2019	15 October 2025	A$11.53 (STI) / A$10.54 (ROCI) / A$4.75 (TSR-ASX) / A$5.14 (TSR-MSCI)	STI – 15 October 2021 LTI – 15 October 2022
STI/LTI TSR/ FY21-FY23 LTI ROCI	15 October 2020	15 October 2026	A$10.82 (STI) / A$10.05 (ROCI) / A$4.52 (TSR-ASX) / A$4.56 (TSR-MSCI)	STI – 15 October 2022 LTI – 15 October 2023

[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.

9.4 Basis of Valuation of STI and LTI Share Awards

Unless otherwise specified, the fair values of the STI and LTI share awards included in the tables in this report have been estimated in accordance with the requirements of AASB 2: Share-based Payments, using a Monte Carlo simulation model. Assumptions used in the evaluations are outlined in Note 22 on pages 107 and 108 of the financial statements.

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

9.5 Equity-Based Awards

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

Name	Type of award	Number	Value at grant US$'000[23]
Executive Directors			
G Chipchase	STI	94,303	726
	LTI	262,064	2,017
	MyShare Matching Shares	457	4
	Totals	**356,824**	**2,747**
N O'Sullivan	STI	54,717	421
	LTI	146,421	1,127
	MyShare Matching Shares	489	4
	Totals	**201,627**	**1,552**
Other Executive KMP			
D Cuenca	STI	17,033	131
	LTI	48,849	376
	MyShare Matching Shares	507	4
	Totals	**66,389**	**511**
L Nador	STI	33,133	255
	LTI	59,369	457
	MyShare Matching Shares	429	3
	Totals	**92,931**	**715**

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]

Ordinary shares	Balance at the start of the Year	Changes during the Year	Balance at the end of the Year
Executive Directors			
G Chipchase	48,212	172,844	221,056
N O'Sullivan	22,791	98,497	121,288
Other Executive KMP			
D Cuenca	9,086	7,902	16,988
L Nador	18,005	39,587	57,592

[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 2021, the following Executive KMP acquired ordinary shares under MyShare, which are held by Certane CT Pty Ltd: G Chipchase (36); N O'Sullivan (43); D Cuenca (41) and L Nador (32).
On 31 July 2021, the following Executive KMP received Matching Awards under MyShare: G Chipchase (36); N O'Sullivan (43); D Cuenca (41) and L Nador (32).

[25] G Chipchase: of which 17,200 shares are held by Rathbones Nominees Ltd, 14,000 shares are held by Rathbones Investment Management Ltd and 189,856 shares are held by Certane CT Pty Ltd.
N O'Sullivan: of which 9,000 shares are held in her own name and 112,288 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 53,819 are held by Certane CT Pty Ltd.

9.7 Interests in Share Rights[26]

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 23 October 2017, 2 September 2018, 15 October 2019 and 15 October 2020 under the PSP; and Matching Shares, being conditional rights awarded during the Year under MyShare.[27,28,29]

	Balance at the start of the Year	Granted during the Year	Exercised during the Year	Lapsed during the Year	Balance at the end of the Year	Vested and exercisable at the end of the Year	Value at exercise
Name	Number	Number	Number	Number	Number	Number	US$'000
Executive Directors							
G Chipchase	942,622	356,824	(314,057)	(27,722)	957,667	-	2,365
N O'Sullivan	537,911	201,627	(180,117)	(15,847)	543,574	-	1,021
Other Executive KMP							
D Cuenca	57,471	66,389	(9,330)	-	114,530	-	76
L Nador	185,849	92,931	(56,652)	(5,505)	216,623	-	430

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 2019[30]	Each month from 31 March 2019 to 28 February 2020	1 April 2021	Values range per month from A$10.75 to A$12.44	31 March 2021
MyShare 2020[31]	Each month from 31 March 2020 to 28 February 2021	1 April 2022	Values range per month from A$9.75 to A$11.18	31 March 2022
MyShare 2021[32]	Each month from 31 March 2021 to 31 July 2021	1 April 2023	Values range per month from A$10.45 to A$11.55	31 March 2023

26 Of the awards detailed in Section 9.3 and Section 6, the following plans' items are relevant to Executive KMP: G Chipchase, N O'Sullivan, L Nador (STI, LTI TSR, LTI 18-20 ROCI, LTI 19-21 ROCI, LTI 20-22 ROCI, LTI 21-23 ROCI, MyShare 2019, 2020 and 2021) and D Cuenca (STI, LTI TSR, LTI 19-21 ROCI, LTI 20-22 ROCI, LTI 21-23 ROCI, MyShare 2019, 2020 and 2021).
Lapses occurred for: G Chipchase, N O'Sullivan and L Nador (LTI 18-20 TSR, LTI 18-20 ROCI).
Exercises occurred for: G Chipchase, N O'Sullivan and L Nador (STI, FY18-20 LTI TSR, FY18-20 LTI ROCI, MyShare 2019) and D Cuenca (STI, MyShare 2019).

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

28 During the Year, 2,585,234 equity-settled performance share rights were granted under the PSP, of which 356,367 were granted to G Chipchase and 201,138 were granted to N O'Sullivan. 1,104,368 Matching Shares were granted under MyShare during the Year, of which 457 were granted to G Chipchase and 489 were granted to N O'Sullivan.

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

30 The Matching Shares granted under the MyShare 2019 Plan vested on 31 March 2021, subject to continuing employment and the retention of the associated Acquired Shares. On vesting they are automatically exercised.

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

32 The final grant under the MyShare 2021 Plan will occur on 28 February 2022. For FY21 reporting purposes, data is only available up to 31 July 2021. The remaining information will be reported in the 2022 Annual Report. The Matching Shares granted under MyShare will vest on 31 March 2023, 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 2021 (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 8 to 37.

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

Review of Operations and Results

A review of the Group's operations and of the results of those operations are given in the Letter from the Chair & CEO and the Operating & Financial Review from pages 4 to 37.

Information about the financial position of the Group is included in the Operating & Financial Review and in the Five-Year Financial Performance Summary on page 136.

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 2021 up to the date of this report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Business Strategies and Prospects for Future Financial Years

The business strategies and prospects for future financial years, together with likely developments in the operations of the Group in future financial years and the expected results of those operations known at the date of this report, are set out in the Letter from the Chair & CEO and in the Operating & Financial Review on pages 4 to 37.

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 10.5 US cents per share, to be paid in Australian dollars at 14.24 Australian cents per share, and which will be 30% franked. The dividend will be paid on 14 October 2021 to shareholders on the register on 9 September 2021.

On 8 April 2021, an interim dividend for the Year was paid, which was 10.0 US cents per share and 30% franked.

On 8 October 2020, a final dividend for the year ended 30 June 2020 was paid, which was 9.0 US cents per share and 30% franked.

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

Directors

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

The qualifications, experience and special responsibilities of Directors are set out on pages 38 to 41.

Graham Andrew Chipchase	1 July 2020 to date
George El-Zoghbi	1 July 2020 to date
Elizabeth Fagan	1 July 2020 to date
Anthony Grant Froggatt	1 July 2020 to date
Tahira Hassan	1 July 2020 to date
Brian James Long	1 July 2020 to 8 October 2020
Kenneth Stanley McCall	6 July 2020 to date
James Richard Miller	1 July 2020 to date
John Patrick Mullen	1 July 2020 to date
Nessa O'Sullivan	1 July 2020 to date
Scott Redvers Perkins	1 July 2020 to date
Nora Lia Scheinkestel	1 July 2020 to date

Secretary

Details of the qualifications and the experience of Robert Nies Gerrard, Group Vice President, Legal & Secretariat and Company Secretary of Brambles Limited, are set out on page 43.

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

Indemnities

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

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

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

The indemnity given by Brambles Limited excludes the following matters:

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

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

Directors' Meetings

Details of Board Committee memberships are given in the Directors' biographies on pages 38 to 41. 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(c)		Remuneration Committee meetings		Nominations Committee meetings(d)	
Directors	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
G A Chipchase	14	14	2	2	-	-	-	-	-	-
G El-Zoghbi	14	14	-	-	-	-	5	5	1	1
E Fagan	14	14	-	-	5	6	-	-	1	1
A G Froggatt	14	14	-	-	-	-	5	5	1	1
T Hassan	14	14	-	-	2	2	3	3	-	-
K S McCall	14	14	-	-	2	2	-	-	-	-
J R Miller	14	14	-	-	-	-	5	5	-	-
J P Mullen	14	14	2	2	-	-	5	5	1	1
N O'Sullivan	14	14	2	2	-	-	-	-	-	-
S R Perkins	14	14	-	-	6	6	5	5	1	1
N L Scheinkestel	14	14	2	2	6	6	-	-	-	-
Former Director										
B J Long	4	4	1	1	2	2	-	-	-	-

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.

c) The Audit Committee was reconstituted as the Audit & Risk Committee on 16 March 2021.

d) On 1 March 2021, all Directors were made members of the Nominations Committee. The first meeting of the Nominations Committee so constituted was held on 1 July 2021.

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 2018.

Director	Listed company	Period directorship held
G A Chipchase	AstraZeneca plc	2012 to April 2021
G El-Zoghbi	The Kraft Heinz Company	2018 to April 2021
E Fagan	None	-
A G Froggatt	None	-
T Hassan	None	-
K S McCall	Post Office Limited	2016 to current
J R Miller	The RealReal, Inc.	2019 to current
	Wayfair, Inc.	2016 to March 2020
J P Mullen	Telstra Corporation Limited	2008 to current
	Brookfield Infrastructure:	
	- Brookfield Infrastructure Partners L.P.	2017 to February 2020
	- Brookfield Infrastructure Corporation	May 2021 to current
N O'Sullivan	Molson Coors Beverage Company	May 2020 to current
S R Perkins	Woolworths Limited	2014 to current
	Origin Energy Limited	2015 to current
N L Scheinkestel	Atlas Arteria:	
	- Atlas Arteria Limited[1]	2014 to November 2020
	- Atlas Arteria International Limited[1]	2015 to November 2020
	AusNet Services Ltd	2016 to current
	Oceana Gold Corporation	2018 to 2019
	Telstra Corporation Limited	2010 to current
	Westpac Banking Corporation	March 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' 2021 Corporate Governance Statement is on Brambles' website at brambles.com/corporate-governance-overview

Interests in Securities

Pages 59, 63 and 64 of the Directors' Report – Remuneration Report include details of the relevant interests of Directors, and other Group executives whose details are required to be disclosed, in shares and other securities of Brambles Limited.

Share Capital, Options and Share Rights

Details of the changes in the issued share capital of Brambles Limited and share rights and MyShare matching share rights outstanding over Brambles Limited ordinary shares at the year end are given in Notes 21 and 22 of the Financial Report on pages 106 to 108.

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

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

- 181,498 grants under the 2021 MyShare plan offer;
- 3,413 exercises resulting in the issue of fully paid ordinary shares: 2,424 under the 2020 MyShare plan; 989 under the 2021 MyShare plan; and
- 27,972 lapses: 16,597 under the 2020 MyShare plan; 11,375 under the 2021 MyShare plan.

Share Buy-Backs

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

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

At the 2020 Annual General Meeting, shareholders approved the on-market buy-back of up to 150,400,000 fully paid ordinary shares, being 10% of the Company's issued share capital as at 26 August 2020, in the 12 month period following that resolution. Between that date and 22 June 2021, 51,648,288 ordinary shares were bought back and cancelled for a total consideration of A$543,793,996.97. No ordinary shares have been bought back from 23 June 2021 to the date of this report.

Non-Audit Services and Auditor Independence

The amount of US$43,000 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 taxation, training and 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 17 August 2021 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 135.

Annual General Meeting

Brambles' 2021 Annual General Meeting (AGM) will be held at 4.00pm (AEDT) on 19 October 2021. Details on the form of the AGM will be in the Notice of Meeting, which will be sent to shareholders and posted on brambles.com in early September 2021.

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

John Mullen	**Graham Chipchase**
Chair	**Chief Executive Officer**
17 August 2021	

Shareholder Information

Stock Exchange Listing

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

Uncertificated Forms of Shareholding

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

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

American Depository Receipts

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

Dividend

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

Annual General Meeting

The Brambles Limited 2021 AGM will be held at 4.00pm (AEDT) on 19 October 2021. Details of the form of the AGM will be in the Notice of Meeting, which will be sent to shareholders and posted on brambles.com in early September 2021.

Financial Calendar

Final Dividend 2021

Ex-dividend date – Wednesday, 8 September 2021
Record date – Thursday, 9 September 2021
Payment date – Thursday, 14 October 2021

2022 (Provisional)

Announcement of interim results – mid-February 2022
Interim dividend – mid-April 2022
Announcement of final results – mid-August 2022
Final dividend – mid-October 2022
AGM – October 2022

Company Secretaries

R N Gerrard
C Thuaux

Analysis of Holders of Equity Securities as at 30 July 2021

Substantial Shareholders

Brambles has been notified of the following substantial shareholdings:

Holder	Number of ordinary shares	% of issued ordinary share capital[1]
Blackrock Group	116,875,451	8.07[2]
The Vanguard Group, Inc.	79,118,824	5.46
State Street Corporation	72,630,126	5.01

Number of Ordinary Shares on Issue and Distribution of Holdings

	Holders	Shares
1 – 1,000	34,341	15,733,040
1,001 – 5,000	30,118	70,289,957
5,001 – 10,000	4,867	34,262,276
10,001 – 100,000	2,745	57,208,489
100,001 and over	94	1,263,677,014
Total	**72,165**	**1,441,170,776**

The number of members holding less than a marketable parcel of 43 ordinary shares (based on a market price of A$11.62 on 31 July 2021) is 1,788 and they hold a total of 22,330 ordinary shares. The voting rights of ordinary shares are described on page 72.

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

[2] Blackrock Group also holds 0.1% of issued share capital through Brambles American Depositary Receipts.

Shareholder Information – continued

Number of Share Rights on Issue and Distribution of Holdings

	Holders	Share rights
1 – 1,000	3,530	1,297,298
1,001 – 5,000	41	135,538
5,001 – 10,000	33	231,919
10,001 – 100,000	92	2,849,496
100,001 and over	13	3,283,772
Total	**3,709**	**7,795,023**

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

Twenty Largest Ordinary Shareholders

Name	Number of ordinary shares	% of issued ordinary share capital
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	629,479,527	43.68
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	241,809,881	16.78
CITICORP NOMINEES PTY LIMITED	131,173,762	9.10
NATIONAL NOMINEES LIMITED	57,561,500	3.99
BNP PARIBAS NOMS PTY LTD <DRP>	54,807,944	3.80
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	25,914,041	1.80
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	23,306,606	1.62
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	11,688,841	0.81
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	9,278,658	0.64
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	8,238,022	0.57
ARGO INVESTMENTS LIMITED	6,001,109	0.42
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	5,008,091	0.35
CERTANE CT PTY LTD <BRAMBLES - MYSHARE>	4,501,435	0.31
NATIONAL NOMINEES LIMITED <N A/C>	4,430,223	0.31
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,950,918	0.27
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	3,590,252	0.25
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	3,550,214	0.25
AMP LIFE LIMITED	1,986,166	0.14
MUTUAL TRUST PTY LTD	1,903,110	0.13
AUSTRALIAN EXECUTOR TRUSTEES LIMITED <IPS SUPER A/C>	1,723,437	0.12
Total holdings of Twenty largest holders	**1,229,903,737**	**85.34**

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

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

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

Consolidated Financial Report

for the year ended 30 June 2021

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Consolidated Statement of Comprehensive Income

for the year ended 30 June 2021

	Note	2021 US$m	2020 US$m
Continuing operations			
Sales revenue	2	**5,209.8**	4,717.9
Other income		**192.3**	130.9
Operating expenses	3	**(4,522.2)**	(4,049.4)
Share of results of associate	9	**(0.6)**	-
Operating profit		**879.3**	799.4
Finance revenue		**10.0**	25.0
Finance costs		**(95.6)**	(105.8)
Net finance costs	5	**(85.6)**	(80.8)
Profit before tax		**793.7**	718.6
Tax expense	6A	**(258.7)**	(210.6)
Profit from continuing operations		**535.0**	508.0
Loss from discontinued operations	10	**(8.9)**	(60.0)
Profit for the year attributable to members of the parent entity		**526.1**	448.0
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit pension plans		**2.7**	(6.0)
Tax benefit on items that will not be reclassified to profit or loss	6A	**3.9**	1.9
		6.6	(4.1)
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign subsidiaries[1]	23	**180.9**	(143.9)
Exchange differences released to profit on divestment of Kegstar	23	**3.3**	-
		184.2	(143.9)
Other comprehensive income/(expense) for the year		**190.8**	(148.0)
Total comprehensive income for the year attributable to members of the parent entity		**716.9**	300.0
Earnings per share (EPS) - US cents			
Continuing operations			
- basic	7	**36.3**	32.8
- diluted		**36.1**	32.7
Total			
- basic		**35.7**	28.9
- diluted		**35.5**	28.8

[1] Exchange differences on translation of foreign subsidiaries have been significantly impacted by the appreciation of the Australian dollar, British Pound and Euro net assets translated into US dollars. The 2021 spot rate relative to the US dollar strengthened by 9.5% for the Australian dollar, 12.5% for the British Pound and 5.9% for the Euro.

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

Consolidated Balance Sheet

as at 30 June 2021

	Note	2021 US$m	2020 US$m
Assets			
Current assets			
Cash and cash equivalents	25	**408.5**	737.3
Term deposits	2	**-**	68.6
Trade and other receivables	11	**851.2**	717.2
Inventories	12	**79.5**	67.5
Other assets	13	**103.0**	95.6
Total current assets		**1,442.2**	1,686.2
Non-current assets			
Other receivables	11	**23.6**	23.3
Property, plant and equipment	14	**4,933.2**	4,409.3
Right-of-use leased assets	15	**608.1**	598.8
Goodwill and intangible assets	16	**281.8**	259.6
Investments	9	**53.9**	-
Deferred tax assets	6C	**118.0**	96.3
Other assets	13	**7.1**	9.7
Total non-current assets		**6,025.7**	5,397.0
Total assets		**7,467.9**	7,083.2
Liabilities			
Current liabilities			
Trade and other payables	17	**1,607.0**	1,226.5
Lease liabilities	25C	**147.5**	112.8
Borrowings	19	**32.4**	36.3
Tax payable		**67.6**	45.8
Provisions	18	**116.3**	84.9
Total current liabilities		**1,970.8**	1,506.3
Non-current liabilities			
Lease liabilities	25C	**565.1**	591.4
Borrowings	19	**1,718.1**	1,777.2
Provisions	18	**82.5**	76.1
Retirement benefit obligations	20	**33.3**	37.7
Deferred tax liabilities	6C	**408.9**	338.1
Total non-current liabilities		**2,807.9**	2,820.5
Total liabilities		**4,778.7**	4,326.8
Net assets		**2,689.2**	2,756.4
Equity			
Contributed equity	21	**4,924.8**	5,427.2
Reserves	23	**(7,274.8)**	(7,464.3)
Retained earnings	23	**5,039.2**	4,793.5
Total equity		**2,689.2**	2,756.4

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

Consolidated Cash Flow Statement

for the year ended 30 June 2021

	Note	2021 US$m	2020 US$m
Cash flows from operating activities			
Receipts from customers		**5,966.2**	5,446.8
Payments to suppliers and employees		**(4,135.7)**	(3,786.2)
Cash generated from operations		**1,830.5**	1,660.6
Interest received		**3.6**	17.2
Interest paid		**(87.1)**	(112.7)
Income taxes paid on operating activities		**(187.6)**	(178.2)
Net cash inflow from operating activities	25B	**1,559.4**	1,386.9
Cash flows from investing activities			
Payments for property, plant and equipment		**(1,056.5)**	(1,002.8)
Proceeds from sale of property, plant and equipment[1]		**145.8**	104.4
Payments for intangible assets		**(26.7)**	(26.3)
Payments for disposal of businesses	10	**(9.5)**	(16.0)
Acquisition of forestry assets		**(15.5)**	-
Net cash outflow from investing activities		**(962.4)**	(940.7)
Cash flows from financing activities			
Proceeds from borrowings		**120.8**	554.9
Repayment of borrowings		**(257.1)**	(903.9)
Transfers from term deposits	2	**68.6**	342.6
Payment of principal component of lease liabilities		**(128.8)**	(114.1)
Net (outflow)/inflow from derivative financial instruments		**(5.3)**	26.5
Payments for share buy-back	21	**(523.1)**	(645.4)
Repayment of capital to shareholders	21	**-**	(129.3)
Dividends paid - ordinary	8	**(280.8)**	(290.7)
Dividends paid - special	8	**-**	(183.2)
Net cash outflow from financing activities		**(1,005.7)**	(1,342.6)
Net decrease in cash and cash equivalents		**(408.7)**	(896.4)
Cash and cash equivalents, net of overdrafts, at beginning of the year		**737.3**	1,690.4
Effect of exchange rate changes		**78.4**	(56.7)
Cash and cash equivalents, net of overdrafts, at end of the year	25A	**407.0**	737.3

[1] Includes compensation for lost pooling equipment of US$128.8 million in 2021 (2020: US$103.2 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 2021

	Note	Contributed equity US$m	Reserves US$m	Retained earnings US$m	Total US$m
Year ended 30 June 2020					
Opening balance at 1 July 2019		6,187.4	(7,322.5)	4,821.5	3,686.4
Profit for the year		-	-	448.0	448.0
Other comprehensive expense		-	(143.9)	(4.1)	(148.0)
Total comprehensive (expense)/income		-	(143.9)	443.9	300.0
Share-based payments:					
- expense recognised	22	-	18.4	-	18.4
- shares issued		-	(14.5)	-	(14.5)
- equity component of related tax		-	(1.8)	-	(1.8)
Transactions with owners in their capacity as owners:					
- dividends declared	8	-	-	(471.9)	(471.9)
- issue of ordinary shares, net of transaction costs	21	14.5	-	-	14.5
- share buy-back	21	(645.4)	-	-	(645.4)
- shareholder capital return	21	(129.3)	-	-	(129.3)
Closing balance as at 30 June 2020		5,427.2	(7,464.3)	4,793.5	2,756.4
Year ended 30 June 2021					
Opening balance at 1 July 2020		**5,427.2**	**(7,464.3)**	**4,793.5**	**2,756.4**
Profit for the year		**-**	**-**	**526.1**	**526.1**
Other comprehensive income		**-**	**180.9**	**6.6**	**187.5**
FCTR released to profit on divestment of Kegstar		**-**	**3.3**	**-**	**3.3**
Total comprehensive income		-	**184.2**	**532.7**	**716.9**
Share-based payments:					
- expense recognised	22	**-**	**24.9**	**-**	**24.9**
- shares issued		**-**	**(20.7)**	**-**	**(20.7)**
- equity component of related tax		**-**	**1.4**	**-**	**1.4**
- transfer to retained earnings on divestment of Kegstar		-	**(0.3)**	**-**	**(0.3)**
Transactions with owners in their capacity as owners:					
- dividends declared	8	**-**	**-**	**(287.0)**	**(287.0)**
- issues of ordinary shares, net of transaction costs	21	**20.7**	**-**	**-**	**20.7**
- share buy-back	21	**(523.1)**	**-**	**-**	**(523.1)**
Closing balance as at 30 June 2021		**4,924.8**	**(7,274.8)**	**5,039.2**	**2,689.2**

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 2021

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 2021. These financial statements have been authorised for issue in accordance with a resolution of the Directors on 17 August 2021.

References to 2021 and 2020 are to the financial years ended 30 June 2021 and 30 June 2020, 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 and financial assets at fair value through profit or loss.

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.

On 10 February 2021, Brambles entered into an agreement to combine its Kegstar keg rental business with MicroStar, a leading US beer keg solution provider, with completion of the transaction taking place on 16 April 2021. As consideration Brambles received a 16% interest in MicroStar which is accounted for as an associate using the equity method. Consequently, the results of Kegstar prior to divestment date are presented in discontinued operations in the consolidated statement of comprehensive income and all related note disclosures.

Due to a change in reporting structure, the North American automotive business is recognised in CHEP Europe, Middle East, Africa and India (CHEP EMEA), effective 1 July 2020. Comparative information has been reclassified, where appropriate, to enhance comparability.

The COVID-19 outbreak occurred during the second half of 2020 and continued throughout 2021 with ongoing outbreaks around the globe. Where COVID-19 has had a known or potential impact on the Group's financial results or position for the year, this has been highlighted in the disclosures to the financial statements.

As at 30 June 2021, Brambles has net current liabilities of US$528.6 million (2020: net current assets of US$179.9 million); however, liquidity remains strong with US$1,391.1 million of undrawn committed facilities and US$408.5 million of total cash and cash equivalents.

B) Principles of Consolidation

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

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

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

C) Presentation Currency

Brambles uses the US dollar as its presentation currency because:

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

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.

Note 1. About This Report – continued

D) Foreign Currency – continued

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. 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. 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	2021	0.7477	1.1959	1.3538
	2020	0.6692	1.1064	1.2582
Year end	30 June 2021	0.7511	1.1901	1.3845
	30 June 2020	0.6860	1.1242	1.2305

E) Investment 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 fair value and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses.

F) Other Income

Other income includes surcharges and net gains on disposal of property, plant and equipment in the ordinary course of business. The net gain on disposal is recognised when control of the asset has passed to the buyer. Amounts arising from compensation for irrecoverable pooling equipment are recognised only when it is highly probable that they will be received.

G) Critical Accounting Estimates and Judgements

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

Material estimates and judgements, including the impact of COVID-19, are found in the following notes:

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

H) Changes to Accounting Standards

At 30 June 2021, certain accounting standards and interpretations have been published or amended which will become mandatory in future reporting periods. These new or amended accounting standards and interpretations are not material 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 BXB Digital (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.

Due to a change in reporting structure, the North American automotive business is recognised in CHEP EMEA, effective 1 July 2020. Comparatives have been reclassified accordingly.

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, term deposits, borrowings and tax balances are managed centrally and are not allocated to segments.

Note 2. Segment Information – Continuing Operations – continued

	Sales revenue		Cash Flow from Operations[1]	
	2021 US$m	2020 US$m	2021 US$m	2020 US$m
By operating segment				
CHEP Americas	**2,627.5**	2,449.2	**356.8**	256.9
CHEP EMEA	**2,056.4**	1,831.9	**487.4**	426.9
CHEP Asia-Pacific	**525.9**	436.8	**137.6**	132.8
Corporate	**-**	-	**(80.7)**	(61.8)
Continuing operations	**5,209.8**	4,717.9	**901.1**	754.8

	Sales revenue	
	2021 US$m	2020 US$m
By geographic origin		
Americas	**2,650.0**	2,469.0
Europe	**1,787.1**	1,580.1
Australia	**398.6**	324.7
Other	**374.1**	344.1
Total	**5,209.8**	4,717.9

[1] Cash Flow from Operations is cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business.

	Operating profit[2]		Underlying Profit[3]	
	2021 US$m	2020 US$m	2021 US$m	2020 US$m
By operating segment				
CHEP Americas	**385.5**	344.2	**385.5**	344.2
CHEP EMEA	**462.7**	410.3	**462.7**	410.3
CHEP Asia-Pacific	**146.2**	118.0	**146.2**	118.0
Corporate[4]	**(115.1)**	(73.1)	**(115.1)**	(73.1)
Continuing operations	**879.3**	799.4	**879.3**	799.4

Underlying Profit is equal to Operating profit in 2021 and 2020 as there are no pre-tax Significant Items.

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

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

[4] The Corporate segment includes US$21.2 million of BXB Digital costs (2020: US$16.4 million) and US$35.7 million of Shaping Our Future costs (2020: US$12.4 million) relating to investment in customer experience, as well as overheads relating to supply chain efficiency projects and consultancy costs. The Corporate segment in 2020 included the benefit from a foreign exchange gain of US$4.5 million.

Note 2. Segment Information – Continuing Operations – continued

	Return on Capital Invested[5]		Average Capital Invested[6]	
	2021 US$m	**2020 US$m**	**2021 US$m**	**2020 US$m**
By operating segment				
CHEP Americas	**15.7%**	14.5%	**2,449.4**	2,368.6
CHEP EMEA	**23.8%**	22.4%	**1,943.5**	1,830.1
CHEP Asia-Pacific	**25.7%**	24.1%	**569.6**	490.6
Corporate[7]			**(24.6)**	9.4
Continuing operations	**17.8%**	17.0%	**4,937.9**	4,698.7

[5] Return on Capital Invested (ROCI) is Underlying Profit divided by Average Capital Invested. ROCI is not disclosed for the Corporate segment as it is not deemed a relevant measure for the segment. ROCI for continuing operations includes the Corporate segment.

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

[7] ACI for the Corporate segment includes US$14.4 million deferred consideration receivable from First Reserve (2020: US$14.4 million), net of the impairment recognised in June 2020 (refer Note 11). The reduction in ACI is primarily due to the full-year impact of the June 2020 impairment.

	Capital expenditure[8]		Depreciation and amortisation	
	2021 US$m	**2020 US$m**	**2021 US$m**	**2020 US$m**
By operating segment				
CHEP Americas	**709.2**	544.9	**340.9**	321.2
CHEP EMEA	**377.0**	346.1	**245.6**	221.2
CHEP Asia-Pacific	**132.8**	77.4	**73.1**	61.0
Corporate	**-**	-	**5.4**	4.3
Continuing operations	**1,219.0**	968.4	**665.0**	607.7

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

Notes to and Forming Part of the Financial Statements – continued

for the year ended 30 June 2021

Note 2. Segment Information – Continuing Operations – continued

	Segment assets		Segment liabilities	
	2021 US$m	2020 US$m	2021 US$m	2020 US$m
By operating segment				
CHEP Americas	**3,578.5**	3,205.4	**1,523.4**	1,289.9
CHEP EMEA	**2,512.0**	2,257.7	**676.5**	585.8
CHEP Asia-Pacific	**735.3**	590.1	**288.3**	204.6
Corporate	**103.0**	66.0	**63.5**	46.6
Continuing operations	**6,928.8**	6,119.2	**2,551.7**	2,126.9
Discontinued operations	**-**	52.7	**-**	2.5
Total segment assets and liabilities	**6,928.8**	6,171.9	**2,551.7**	2,129.4
Cash and borrowings	**408.5**	737.3	**1,750.5**	1,813.5
Term deposits	**-**	68.6	**-**	-
Current tax balances	**12.6**	9.1	**67.6**	45.8
Deferred tax balances	**118.0**	96.3	**408.9**	338.1
Total assets and liabilities	**7,467.9**	7,083.2	**4,778.7**	4,326.8

Non-current assets by geographic origin[9]		
Americas	**3,064.5**	2,798.6
Europe	**1,830.0**	1,716.1
Australia	**506.0**	361.3
Other	**500.1**	415.0
Total	**5,900.6**	5,291.0

9 Non-current assets exclude financial instruments of US$7.1 million (2020: US$9.7 million) and deferred tax assets of US$118.0 million (2020: US$96.3 million).

Note 3. Operating Expenses – Continuing Operations

	Note	2021 US$m	2020 US$m
Employment costs		**827.5**	730.5
Service suppliers:			
- transport		**1,253.0**	1,133.4
- repairs and maintenance[1]		**1,105.5**	1,000.0
- subcontractors and other service suppliers		**339.6**	305.6
Occupancy		**54.0**	52.4
Depreciation of property, plant and equipment	14 & 15	**646.4**	590.6
Irrecoverable pooling equipment provision expense		**198.3**	154.7
Amortisation of intangible assets		**18.6**	17.1
Net foreign exchange losses/(gains)		**4.4**	(6.0)
Other		**74.9**	71.1
		4,522.2	4,049.4

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

Note 4. Significant Items – Continuing Operations

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

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

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

	2021 US$m			2020 US$m		
	Before tax	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**
Items outside the ordinary course of business:						
- United Kingdom tax rate change[1]	**-**	**(22.7)**	**(22.7)**	-	-	-
Significant Items from continuing operations	**-**	**(22.7)**	**(22.7)**	-	-	-

[1] The United Kingdom corporate tax rate will increase from 19% to 25% with effect from 1 April 2023. As a consequence, deferred tax balances have been revalued and a $22.7 million tax charge has been recognised as a Significant Item.

Note 5. Net Finance Costs – Continuing Operations

	2021 US$m	2020 US$m
Finance revenue		
Bank accounts and short-term deposits	**3.4**	15.7
Derivative financial instruments	**6.6**	6.4
Other	**-**	2.9
	10.0	25.0
Finance costs		
Interest expense on bank loans and borrowings	**(54.5)**	(55.7)
Derivative financial instruments	**(14.4)**	(20.2)
Lease interest expense	**(26.4)**	(27.8)
Other	**(0.3)**	(2.1)
	(95.6)	(105.8)
Net finance costs	**(85.6)**	(80.8)

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

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

Note 6. Income Tax

	Note	2021 US$m	2020 US$m
A) Components of Tax Expense			
Amounts recognised in the statement of comprehensive income			
Current income tax – continuing operations:			
- income tax charge		**218.1**	199.5
- prior year adjustments		**(7.8)**	1.3
		210.3	200.8
Deferred tax – continuing operations:			
- origination and reversal of temporary differences		**18.0**	29.6
- previously unrecognised tax losses		**(2.6)**	(10.5)
- tax rate change		**23.1**	(1.3)
- prior year adjustments		**9.9**	(8.0)
		48.4	9.8
Tax expense – continuing operations		**258.7**	210.6
Tax benefit – discontinued operations	10	**(0.2)**	(8.3)
Tax expense recognised in profit or loss		**258.5**	202.3
Amounts recognised in other comprehensive income			
- on actuarial gain/loss on defined benefit pension plans[1]		**(3.9)**	(1.9)
Tax benefit recognised directly in other comprehensive income		**(3.9)**	(1.9)

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

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

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

Note 6. Income Tax – continued

	Note	2021 US$m	2020 US$m
B) Reconciliation Between Tax Expense and Accounting Profit Before Tax			
Profit before tax – continuing operations		**793.7**	718.6
Tax at standard Australian rate of 30% (2020: 30%)		**238.1**	215.6
Effect of tax rates in other jurisdictions		**(32.5)**	(30.3)
Prior year adjustments		**2.1**	(6.8)
Prior year tax losses written-off		**-**	0.1
Current year tax losses not recognised		**4.6**	3.9
Foreign withholding tax unrecoverable		**10.4**	10.3
Change in tax rates		**23.1**	(1.3)
Non-deductible expenses		**10.8**	7.3
Other taxable items[2]		**4.3**	24.3
Prior year tax losses recouped/recognised		**(2.6)**	(10.5)
Other		**0.4**	(2.0)
Tax expense – continuing operations		**258.7**	210.6
Tax benefit – discontinued operations	10	**(0.2)**	(8.3)
Total income tax expense		**258.5**	202.3

[2] Includes the impact of Base Erosion and Anti-abuse Tax (BEAT) in the US, relating to foreign payments effective 1 July 2018.

	2021 US$m		2020 US$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	**23.8**	**-**	21.6	-
Provisions and accruals	**35.5**	**-**	38.2	-
Losses available against future taxable income	**183.4**	**-**	134.3	-
Accelerated depreciation for tax purposes	**-**	**(667.7)**	-	(569.0)
Deferred revenue	**108.6**	**-**	100.1	-
Leases	**204.9**	**(160.4)**	202.0	(155.9)
Other	**52.9**	**(89.8)**	79.8	(105.8)
	609.1	**(917.9)**	576.0	(830.7)
Items recognised in other comprehensive income or directly through equity				
Actuarial losses/(gains) on defined benefit pension plans	**10.3**	**(1.3)**	7.2	(0.2)
Share-based payments	**8.9**	**-**	5.9	-
	19.2	**(1.3)**	13.1	(0.2)
Set-off against deferred tax (liabilities)/assets	**(510.3)**	**510.3**	(492.8)	492.8
Net deferred tax assets/(liabilities)	**118.0**	**(408.9)**	96.3	(338.1)

Note 6. Income Tax – continued

	2021 US$m		2020 US$m	
	Assets	Liabilities	Assets	Liabilities
D) Movements in Deferred Tax Assets and Liabilities				
At 1 July	**96.3**	**(338.1)**	73.6	(353.1)
Credited/(charged) to profit or loss	**2.9**	**(54.9)**	(105.5)	95.6
Credited/(charged) directly to equity	**5.5**	**(0.8)**	(0.2)	(0.1)
Divestment of subsidiaries	**-**	**4.4**	-	-
Adoption of new accounting standards	**-**	**-**	210.5	(166.4)
Offset against deferred tax (liabilities)/assets	**3.7**	**(3.7)**	(79.1)	79.1
Foreign exchange differences	**9.6**	**(15.8)**	(3.0)	6.8
At 30 June	**118.0**	**(408.9)**	96.3	(338.1)

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$858.9 million (2020: US$660.4 million) available for offset against future profits. A deferred tax asset of US$183.4 million (2020:US$134.3 million) has been recognised in respect of US$737.1 million (2020: US$536.5 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$121.8 million (2020: US$123.9 million) due to the unpredictability of future profit streams in the relevant jurisdictions. Tax losses of US$431.1 million (2020: US$431.1 million), which have been recognised in the balance sheet, have an expiry date between 2031 and 2038 (2020: between 2031 and 2038), however it is expected that these losses will be recouped prior to expiry. The remaining tax losses of US$306.0 million (2020: US$105.4 million), which have been recognised in the balance sheet, can be carried forward indefinitely.

Note 6. Income Tax – continued

D) Movements in Deferred Tax Assets and Liabilities – continued

At reporting date, undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised in the consolidated financial statements are US$948.9 million (2020: US$961.3 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 liabilities for uncertain tax positions in accordance with IFRS interpretation IFRIC 23. Where the final tax outcome of these matters is different from amounts provided, such differences will impact the current and deferred tax provisions in the period in which such outcome is determined.

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

G) Tax Policy

Brambles Limited has a tax policy approved by the Board of Directors, which sets out the Company’s approach to tax risk management and governance, tax planning, and dealing with tax authorities. The tax policy is included in Brambles Limited’s Code of Conduct. In addition, Brambles Limited’s Sustainability Review includes a Tax Transparency Report, prepared in accordance with the Australian Taxation Office's Voluntary Tax Transparency Code, which comprises, amongst other matters, details such as the corporate income tax paid by, and effective tax rates of, Brambles' Australian and global operations. The 2021 Tax Transparency Report is scheduled for publication in the second half of calendar year 2021 and will be posted on Brambles’ website.

Note 7. Earnings Per Share

	2021 US cents	2020 US cents
From continuing operations		
- basic	**36.3**	32.8
- diluted	**36.1**	32.7
- basic, on Underlying Profit after finance costs and tax	**37.8**	32.8
From discontinued operations		
- basic	**(0.6)**	(3.9)
- diluted	**(0.6)**	(3.9)
Total Earnings Per Share (EPS)		
- basic	**35.7**	28.9
- diluted	**35.5**	28.8

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

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

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

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

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

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

Note 7. Earnings Per Share – continued

	2021 Million	2020 Million
A) Weighted Average Number of Shares during the Year		
Used in the calculation of basic EPS	**1,475.1**	1,548.7
Adjustment for share rights	**5.1**	4.7
Used in the calculation of diluted EPS	**1,480.2**	1,553.4

	2021 US$m	2020 US$m
B) Reconciliations of Profit used in EPS Calculations		
Statutory profit		
Profit from continuing operations	**535.0**	508.0
Loss from discontinued operations	**(8.9)**	(60.0)
Profit used in calculating basic and diluted EPS	**526.1**	448.0
Underlying Profit after finance costs and tax		
Underlying Profit (Note 2)	**879.3**	799.4
Net finance costs (Note 5)	**(85.6)**	(80.8)
Underlying Profit after finance costs before tax	**793.7**	718.6
Tax expense on Underlying Profit	**(236.0)**	(210.6)
Underlying Profit after finance costs and tax	**557.7**	508.0
Which reconciles to statutory profit:		
Underlying Profit after finance costs and tax	**557.7**	508.0
Significant Items after tax (Note 4)	**(22.7)**	-
Profit from continuing operations	**535.0**	508.0

Note 8. Dividends

A) Dividends Paid during the Year

	Interim 2021	Final 2020
Dividend per share (US cents)	10.0	9.0
Cost (in US$ million)	148.3	132.5
Payment date	8 April 2021	8 October 2020

Effective from 1 July 2019, Brambles moved to a US dollar payout ratio based dividend policy, targeting a payout ratio of 45-60% of Underlying Profit after finance costs and tax, subject to Brambles' cash requirements, with the dividend per share declared in US cents and converted and paid in Australian cents based on an average exchange rate just prior to the dividend declaration.

Total dividends paid during the year of US$280.8 million (2020: US$473.9 million inclusive of a special dividend of US$183.2 million) per the consolidated cash flow statement differ from the amount recognised in the consolidated statement of changes in equity of US$287.0 million (2020: US$471.9 million) due to the impact of foreign exchange movements between the dividend record and payment dates. The Dividend Reinvestment Plan (DRP) remained suspended in 2021.

B) Dividend Declared after 30 June 2021

	Final 2021
Dividend per share (in US cents)	**10.5**
Estimated cost (in US$ million)	**151.3**
Payment date	**14 October 2021**
Dividend record date	**9 September 2021**

As this dividend had not been declared at 30 June 2021, 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 2021 were 20.5 US cents per share, representing a payout ratio of 54% which is broadly in line with the prior year payout ratio of 53%. The 2020 total ordinary dividends were 18.0 US cents per share.

C) Franking Credits

	2021 US$m	2020 US$m
Franking credits available for subsequent financial years	**61.6**	33.2

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 2021 dividend will be franked at 30%.

Note 9. Investments

On 10 February 2021, Brambles entered into an agreement to combine its Kegstar keg rental business with MicroStar, a leading US beer keg solution provider, with completion of the transaction taking place on 16 April 2021. As consideration Brambles received a 16% interest in MicroStar which is accounted for as an associate using the equity method.

The value of the investment in MicroStar at 30 June 2021, inclusive of the post-acquisition loss of US$0.6 million, is US$53.9 million.

Note 10. Discontinued Operations

Following the merger of Kegstar with MicroStar on 16 April 2021 (refer Note 9), the results of Kegstar up until the date of divestment and in the comparative period have been included in discontinued operations in the consolidated statement of comprehensive income and all related note disclosures. The assets and liabilities of Kegstar were divested at completion of the merger and the comparative balance sheet and related notes remain unchanged.
The carrying amount of Kegstar assets and liabilities at divestment date were:

	At date of divestment US$m	June 2020 US$m
Assets		
Cash and cash equivalents	**3.1**	1.7
Property, plant and equipment	**52.9**	51.3
Other assets	**2.2**	2.3
Total assets	**58.2**	55.3
Liabilities		
Trade and other liabilities	**5.3**	2.5
Total liabilities	**5.3**	2.5
Net Assets	**52.9**	52.8

Financial information for discontinued operations is summarised below:

	2021 US$m	2020 US$m
Operating results (excluding loss on divestment) relate to:		
- Kegstar[1]	**(5.6)**	(32.4)
- Impairment of receivable[2]	**-**	(33.0)
- Other discontinued operations	**(1.6)**	(2.9)
Loss before tax (excluding loss on divestment)	**(7.2)**	(68.3)
Loss on divestment of Kegstar[3]	**(1.9)**	-
Total loss before tax	**(9.1)**	(68.3)
Tax benefit	**0.2**	8.3
Loss from discontinued operations	**(8.9)**	(60.0)
Net cash outflow from operating activities	**(5.7)**	(3.7)
Net cash outflow from investing activities[4]	**(11.0)**	(29.7)
Net decrease in cash and cash equivalents	**(16.7)**	(33.4)

[1] Kegstar operating results include US$7.2 million of sales revenue (2020: US$15.7 million) and US$2.7 million of depreciation and amortisation (2020: US$4.5 million). Operating results in 2020 include a US$28.0 million impairment charge recognised as a Significant Item outside the ordinary course of business.

[2] The 2020 impairment relates to deferred consideration receivable from First Reserve and was recognised as a Significant Item outside the ordinary course of business (refer Note 11).

[3] The loss on divestment of Kegstar is recognised as a Significant Item outside the ordinary course of business and includes a loss of US$3.3 million relating to exchange differences released to profit (refer Note 23) and US$0.7 million of transaction costs.

Note 10. Discontinued Operations – continued

[4] Net cash outflow from investing activities in 2021 include US$9.5 million of costs paid on disposal of Kegstar and prior period divestments (2020: includes US$16.0 million costs paid on disposal of IFCO and the balance pertains to Kegstar).

In addition to the 2021 Kegstar divestment and the 2020 impairment adjustments, discontinued operations comprise other net adjustments relating to prior periods.

Note 11. Trade and Other Receivables

	2021 US$m	2020 US$m
Current		
Trade receivables	**640.6**	548.1
Allowance for doubtful receivables	**(17.2)**	(17.2)
Net trade receivables	**623.4**	530.9
Other debtors	**100.0**	74.5
Unbilled revenue	**127.8**	111.8
Total trade and other receivables	**851.2**	717.2
Non-current		
Other receivables[1]	**23.6**	23.3
	23.6	23.3

[1] Other receivables in 2021 and 2020 include deferred consideration receivable from First Reserve of US$14.4 million net of an impairment charge taken up in June 2020.

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

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

The allowance for doubtful receivables has been established based on AASB 9 Financial Instruments. For all eligible trade and other receivables, Brambles applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade and other receivables are grouped based on region and ageing. Customers with heightened credit risk are provided for specifically based on historical default rates and forward-looking information. Customers with normal credit risk are provided for in line with a provision matrix based on ageing and their associated risk. A lifecycle allowance is calculated on the remaining trade and other receivables balance based on historical bad debt levels. Where there is no reasonable expectation of recovery, balances are written off. Subsequent recovery of amounts previously written off are credited against other expenses in the consolidated statement of comprehensive income. An allowance of US$4.6 million (2020: US$7.3 million) has been recognised as an expense in the current year for trade and other receivables in line with the Group accounting policy.

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

Note 11. Trade and Other Receivables – continued

	Trade receivables		Other debtors	
	2021 US$m	2020 US$m	2021 US$m	2020 US$m
At 30 June, the ageing analysis of trade receivables and other debtors by reference to due dates was as follows:				
Not past due	**598.5**	489.2	**86.1**	60.6
Past due 0–30 days but not impaired	**18.0**	26.0	**6.8**	2.3
Past due 31–60 days but not impaired	**4.3**	7.6	**0.7**	1.3
Past due 61–90 days but not impaired	**2.5**	2.6	**3.3**	1.3
Past 90 days but not impaired	**0.1**	5.5	**3.1**	9.0
Impaired	**17.2**	17.2	**-**	-
	640.6	548.1	**100.0**	74.5

Refer to Note 24 for other financial instrument disclosures.

Note 12. Inventories

	2021 US$m	2020 US$m
Raw materials and consumables	**73.1**	59.2
Finished goods	**6.4**	8.3
	79.5	67.5

Inventories are valued at the lower of cost and net realisable value and, where appropriate, a provision is made for possible obsolescence.

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

Note 13. Other Assets

	2021 US$m	2020 US$m
Current		
Prepayments	**86.2**	74.4
Current tax receivable	**12.6**	9.1
Derivative financial instruments	**4.2**	12.1
	103.0	95.6
Non-current		
Derivative financial instruments	**7.1**	9.7
	7.1	9.7

Refer to Note 24 for other financial instrument disclosures.

Note 14. Property, Plant and Equipment

A) Net Carrying Amounts and Movements during the Year

	2021 US$m			2020 US$m		
	Land and buildings	Plant and equipment	Total	Land and buildings	Plant and equipment	Total
Opening carrying amount	**46.8**	**4,362.5**	**4,409.3**	43.3	4,269.9	4,313.2
Additions[1]	**16.4**	**1,203.0**	**1,219.4**	10.4	970.8	981.2
Acquisition of forestry assets	**4.7**	**10.8**	**15.5**	-	-	-
Divestment of subsidiaries	**-**	**(52.9)**	**(52.9)**	-	-	-
Disposals	**(0.1)**	**(157.6)**	**(157.7)**	(0.1)	(107.0)	(107.1)
Depreciation charge[2]	**(5.1)**	**(514.1)**	**(519.2)**	(4.5)	(473.0)	(477.5)
Impairment charge[3]	**-**	**-**	**-**	-	(3.0)	(3.0)
IPEP expense[4]	**-**	**(199.8)**	**(199.8)**	-	(155.7)	(155.7)
Foreign exchange differences	**4.8**	**213.8**	**218.6**	(2.3)	(139.5)	(141.8)
Closing carrying amount	**67.5**	**4,865.7**	**4,933.2**	46.8	4,362.5	4,409.3
At 30 June						
Cost	**119.6**	**7,065.6**	**7,185.2**	92.1	6,530.6	6,622.7
Accumulated depreciation[5]	**(52.1)**	**(2,199.9)**	**(2,252.0)**	(45.3)	(2,165.1)	(2,210.4)
Accumulated impairment[3]	**-**	**-**	**-**	-	(3.0)	(3.0)
Net carrying amount	**67.5**	**4,865.7**	**4,933.2**	46.8	4,362.5	4,409.3

1 In 2021 capital expenditure related to discontinued operations is US$0.4 million (2020: US$12.8 million).

2 In 2021 depreciation charge related to discontinued operations is U$2.5 million (2020: US$3.3 million).

3 In 2020 an impairment charge of US$3.0 million was recognised in the Kegstar keg-pooling business in relation to plant and equipment, reflecting the impact of COVID-19 and uncertainties over on-premise consumption and performance of the craft beer segment.

4 In 2021 IPEP expense related to discontinued operations is US$1.5 million (2020: US$1.0 million).

5 Includes IPEP of US$86.4 million (2020: US$105.7 million).

The net carrying amounts above include capital work in progress of US$140.3 million (2020: US$129.0 million).

B) Recognition and Measurement

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

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

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

Note 14. Property, Plant and Equipment – continued

C) Depreciation of Property, Plant and Equipment

Depreciation is recognised on a straight-line or reducing balance basis on all PPE (excluding land) over their expected useful lives. The useful economic life and residual value of PPE is reviewed on an annual basis considering key assumptions including forecast usage, changes in technology, physical condition and potential climate change implications. No material changes have been recognised in 2021 or 2020. The expected useful lives of PPE are generally:

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

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

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. The impact of COVID-19 has been considered in estimating IPEP including updating the key assumptions for the latest estimated and actual loss rates. IPEP is presented within accumulated depreciation.

E) Recoverable Amount of Non-current Assets

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

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

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

Consideration has been given to the potential financial impacts of climate change related risks on the carrying value of PPE and other non-current assets through a qualitative review of Brambles' climate change risks and mitigating actions. This review did not identify any material financial reporting impacts.

Note 15. Right-of-Use Leased Assets

A) Net Carrying Amount and Movements during the Year

	2021 US$m			2020 US$m		
	Land and buildings	**Plant and equipment**	**Total**	**Land and buildings**	**Plant and equipment**	**Total**
Opening carrying amount	**561.1**	**37.7**	**598.8**	594.5	37.5	632.0
Additions	**72.9**	**26.6**	**99.5**	51.8	18.8	70.6
Divestment of subsidiaries	**(0.5)**	**-**	**(0.5)**	-	-	-
Remeasurement of existing leases	**12.4**	**1.9**	**14.3**	27.7	(0.7)	27.0
Depreciation	**(111.1)**	**(18.6)**	**(129.7)**	(101.2)	(15.2)	(116.4)
Foreign exchange differences	**23.8**	**1.9**	**25.7**	(11.7)	(2.7)	(14.4)
Closing carrying amount	**558.6**	**49.5**	**608.1**	561.1	37.7	598.8
At 30 June						
Cost	**767.5**	**82.8**	**850.3**	662.3	52.9	715.2
Accumulated depreciation	**(208.9)**	**(33.3)**	**(242.2)**	(101.2)	(15.2)	(116.4)
Net carrying amount	**558.6**	**49.5**	**608.1**	561.1	37.7	598.8

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

	2021 US$m	2020 US$m
Short-term lease expense	**5.5**	7.2
Low-value assets lease expense	**0.4**	0.4
Exempt lease expense	**5.9**	7.6

The value of short-term lease commitments for 2022 is consistent with 2021.

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

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

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

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

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

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

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

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

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

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

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

Note 16. Goodwill and Intangible Assets

A) Net Carrying Amounts and Movements during the Year

	2021 US$m				2020 US$m			
	Goodwill	Software	Other[1]	Total	Goodwill	Software	Other[1]	Total
Opening carrying amount	**192.5**	**40.3**	**26.8**	**259.6**	220.8	36.0	29.4	286.2
Additions	**-**	**21.1**	**2.4**	**23.5**	-	15.1	7.5	22.6
Disposals	**-**	**-**	**-**	**-**	-	-	(0.1)	(0.1)
Divestment of subsidiaries	**-**	**-**	**(0.2)**	**(0.2)**	-	-	-	-
Amortisation charge[2]	**-**	**(10.7)**	**(8.1)**	**(18.8)**	-	(10.1)	(8.2)	(18.3)
Impairment charge[3]	**-**	**-**	**-**	**-**	(23.0)	(0.6)	(1.4)	(25.0)
Foreign exchange differences	**15.3**	**-**	**2.4**	**17.7**	(5.3)	(0.1)	(0.4)	(5.8)
Closing carrying amount	**207.8**	**50.7**	**23.3**	**281.8**	192.5	40.3	26.8	259.6
At 30 June								
Gross carrying amount	**207.8**	**203.4**	**78.9**	**490.1**	215.5	176.9	72.9	465.3
Accumulated amortisation	**-**	**(152.7)**	**(55.6)**	**(208.3)**	-	(136.0)	(44.7)	(180.7)
Accumulated impairment[3]	**-**	**-**	**-**	**-**	(23.0)	(0.6)	(1.4)	(25.0)
Net carrying amount	**207.8**	**50.7**	**23.3**	**281.8**	192.5	40.3	26.8	259.6

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

2 In 2021 amortisation charge related to discontinued operations is US$0.2 million (2020: US$1.2 million).

3 An impairment charge of US$25.0 million was recognised in 2020 in the Kegstar keg-pooling business reflecting the impact of COVID-19 and industry uncertainties.

Note 16. Goodwill and Intangible Assets – continued

B) Summary of Carrying Value of Goodwill by CGU

	2021 US$m	2020 US$m
CHEP Europe	**138.8**	129.4
CHEP Asia-Pacific	**57.6**	53.0
CHEP Americas	**11.4**	10.1
Total goodwill	**207.8**	192.5

C) Recognition and Measurement

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

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

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

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

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

The expected useful lives of intangible assets are generally:
- customer lists and relationships: 3–10 years; and
- computer software: 3–10 years.

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

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

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

Note 16. Goodwill and Intangible Assets – continued

D) Goodwill Recoverable Amount Testing

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

The recoverable amount of goodwill is determined based on the higher of the value in use and the fair value less costs to sell calculations undertaken at the CGU level. The value in use is calculated using a discounted cash flow methodology covering a four-year period, including the impact of COVID-19, 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 through a qualitative review of Brambles' climate change risks and mitigating actions. This review did not identify any material financial reporting impacts.

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

Cash flow forecasts

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

Revenue growth rates

Revenue growth rates used are based on management's latest four-year plan. Four-year growth rates for CHEP Europe and CHEP Asia-Pacific CGUs were 5.1% and 6.0% respectively. Sensitivity testing was performed on these CGUs and a reasonably possible decline in these rates would not cause the carrying value of the CGUs to exceed their recoverable amount.

Terminal value

The terminal value calculated is determined using the stable growth model, having regard to the weighted average cost of capital (WACC) and terminal growth rate appropriate to each CGU. The terminal growth rate used in the financial projections was 1.8% for CHEP Europe and 2.2% for CHEP Asia-Pacific.

Discount rates (pre-tax)

Discount rates used are the pre-tax WACC and include a premium for market risks appropriate to each country in which the CGU operates. Weighted average pre-tax WACC used was 7.7% (pre-tax rates: CHEP Europe 7.1% and CHEP Asia-Pacific 9.6%).

Sensitivity

The Brambles pooling equipment business has not been materially impacted by COVID-19 in 2021 as it operates in an essential services market. Downside scenarios were prepared to sensitise the models and any reasonable change to the above key assumptions would not cause the carrying value to materially exceed the recoverable amount.

Note 17. Trade and Other Payables

	2021 US$m	2020 US$m
Current		
Trade payables	**510.5**	438.4
Other payables	**334.1**	134.4
Deferred revenue	**460.3**	422.1
Accruals	**295.1**	227.3
Derivative financial instruments	**7.0**	4.3
Total trade and other payables	**1,607.0**	1,226.5

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 2020 was recognised in 2021. Deferred revenue in 2021 relates to the transaction price allocated to performance obligations that remain unsatisfied and will be satisfied in 2022.

Refer to Note 24 for other financial instrument disclosures.

Note 18. Provisions

	2021 US$m		2020 US$m	
	Current	Non-current	Current	Non-current
Employee entitlements	**99.8**	**8.5**	72.4	5.4
Other[1]	**16.5**	**74.0**	12.5	70.7
	116.3	**82.5**	84.9	76.1

[1] Other includes US$75.7 million relating to dilapidation provisions on leases (2020: US$70.9 million) as well as other provisions relating to litigation and other known exposures.

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

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

Note 18. Provisions – continued

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

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

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

Note 19. Borrowings

	2021 US$m		2020 US$m	
	Current	Non-current	Current	Non-current
Unsecured				
Bank overdrafts	**1.5**	**-**	-	-
Bank loans	**21.8**	**25.3**	27.5	149.3
Loan notes	**9.1**	**1,692.8**	8.8	1,627.9
	32.4	**1,718.1**	36.3	1,777.2

Borrowings are primarily initially recognised at fair value net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the borrowing proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

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

Financial risks and risk management strategies associated with borrowings, including financial covenants, are disclosed in Note 24.

Note 20. Retirement Benefit Obligations

A) Defined Contribution Plans

Brambles operates a number of defined contribution retirement benefit plans for qualifying employees. The assets of these plans are held in separately administered trusts or insurance policies. In some countries, Brambles' employees are members of state-managed retirement benefit plans. Brambles is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund benefits. The only obligation of Brambles with respect to defined contribution retirement benefit plans is to make the specified contributions. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

US$24.2 million (2020: US$18.0 million) has been recognised as an expense in the consolidated statement of comprehensive income, representing contributions paid and payable to these plans by Brambles at rates specified in the rules of the plans, all of which relate to continuing operations.

Note 20. Retirement Benefit Obligations – continued

B) Defined Benefit Plans

Brambles operates a small number of defined benefit pension plans, which are closed to new entrants. The majority of the plans are self-administered and the plans' assets are held independently of Brambles' finances. Under the plans, members are entitled to retirement benefits based upon a percentage of final salary. No other post-retirement benefits are provided. The plans are mostly funded plans.

A liability in respect of defined benefit pension plans is recognised in the balance sheet, measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plans' assets at that date. Pension obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the yields of high quality corporate bonds.

The plan assets and the present value of the defined benefit obligations recognised in Brambles' balance sheet are based upon the most recent formal actuarial valuations, which have been updated to 30 June 2021 by independent professionally qualified actuaries and take account of the requirements of AASB 119. For all plans, the valuation updates have used assumptions, assets and cash flows as at 31 May 2021. 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.

A net expense of US$2.4 million has been recognised in the consolidated statement of comprehensive income in respect of defined benefit plans (2020: US$2.2 million), of which US$1.7 million net expense relates to continuing operations (2020: US$1.6million). Included within the total expense recognised during the year is a one-off Guaranteed Minimum Pension equalisation adjustment of US$0.2 million (2020: nil) and net interest cost of US$0.4 million (2020: US$0.5 million).

The amounts recognised in the balance sheet are as follows:

	2021 US$m	**2020 US$m**
Present value of defined benefit obligations	**327.2**	299.6
Fair value of plan assets	**(293.9)**	(261.9)
Net liability recognised in the balance sheet	**33.3**	37.7

Currency variations and an increase in the discount rate were the key drivers for the changes in the present value of defined benefit obligations and the fair value of plan assets. Benefits paid during the period were US$8.0 million (2020: US$6.8 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 2.0% (2020: 1.6%) for the plans operating in the United Kingdom and 9.4% (2020: 9.2%) for the South African plan; the pension increase rate of 3.25% - 3.65% (2020: 2.80% - 3.45%) in the United Kingdom plans; and the inflation rate for the South African plan of 5.73% (2020: 4.75%). A change of 25 basis points in the discount rate or other key assumptions may have a material impact on the defined benefit obligation.

Brambles has no legal obligation to settle this liability with an immediate contribution or additional one-off contributions. Brambles intends to continue to make contributions to the plans at the rates recommended by the plans' actuaries when actuarial valuations are obtained. Additional annual contributions of US$6.9 million (2020: US$6.2 million) are being paid to remove the identified deficits over a period of up to seven years (2020: eight years).

Note 21. Contributed Equity

	Shares	US$m
Total ordinary shares, of no par value, issued and fully paid:		
At 1 July 2019	1,588,762,375	6,187.4
Issued during the year[1]	1,928,769	14.5
Share buy-back[2]	(85,658,579)	(645.4)
Shareholder capital return[3]	-	(129.3)
At 30 June 2020	1,505,032,565	5,427.2
At 1 July 2020	**1,505,032,565**	**5,427.2**
Issued during the year[1]	**2,655,384**	**20.7**
Share buy-back[2]	**(66,518,260)**	**(523.1)**
At 30 June 2021	**1,441,169,689**	**4,924.8**

[1] Includes shares issued on exercise of share plans and shares issued as part of the MyShare Dividend Reinvestment Plan.

[2] As announced on 25 February 2019, Brambles will perform an on-market share buy-back of up to US$1.65 billion using the proceeds from the IFCO divestment. The cumulative total of shares repurchased and cancelled to 30 June 2021 is US$1.22 billion, of which US$523.1 million occurred in 2021.

[3] A capital return of 12.0 Australian cents per share was paid on 22 October 2019 and was funded using the proceeds from the IFCO divestment.

Ordinary shares are classified as contributed equity. No gain or loss is recognised in the consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of Brambles' own equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds of issue.

Ordinary shares of Brambles Limited entitle the holder to participate in dividends and the proceeds on any winding up of the Company in proportion to the number of shares held.

Note 22. Share-Based Payments

The Remuneration Report sets out details relating to the Brambles share plans (pages 62 and 64), together with details of performance share rights and MyShare matching conditional rights issued to the Executive Directors and other Key Management Personnel (pages 63 to 64). 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
2021						
Performance share rights						
Awards granted in prior periods		5,812,644	-	(1,819,001)	(154,587)	3,839,056
27 Aug 2020	27 Aug 2026	-	16,272	(16,272)	-	-
15 Oct 2020	15 Oct 2026	-	2,570,624	-	-	2,570,624
MyShare matching conditional rights						
2019 Plan Year	31 Mar 2021	960,922	-	(914,901)	(46,021)	-
2020 Plan Year	31 Mar 2022	455,379	925,250	(30,620)	(109,438)	1,240,571
2021 Plan Year	31 Mar 2023	-	507,814	(3,142)	(11,977)	492,695
Total rights		**7,228,945**	**4,019,960**	**(2,783,936)**	**(322,023)**	**8,142,946**
2020 (summarised comparative)						
Total rights		6,629,011	3,912,987	(2,050,439)	(1,262,614)	7,228,945

Of the above grants, 289,736 were exercisable at 30 June 2021.

		2021	2020
Weighted average data:			
- fair value at grant date of grants made during the year	A$	**9.48**	10.26
- share price at exercise date of grants exercised during the year	A$	**10.64**	11.37
- remaining contractual life at 30 June	years	**3.7**	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 22. Share-Based Payments – continued

A) Grants Over Brambles Limited Shares – continued

Executives and employees in certain jurisdictions are provided cash incentives calculated by reference to the awards under the share-based compensation schemes (phantom shares). These phantom shares are fair valued on initial grant date and at each subsequent reporting date.

The cost of cash-settled share rights is charged to the consolidated statement of comprehensive income over the relevant vesting periods, with a corresponding increase in provisions.

B) Fair Value Calculations

The fair value of share rights subject to a market condition is determined at grant date using a Monte Carlo Simulation. The fair value of share rights subject to a non-market condition is determined at grant date using a risk-neutral assumption. The values calculated do not take into account the probability of rights being forfeited prior to vesting, as Brambles revises its estimate of the number of share rights expected to vest at each reporting date.

The significant inputs into the valuation models for the grants made during the year were:

	2021	2020
Weighted average share price	**A$10.74**	A$11.59
Expected volatility	**24%**	20%
Expected life	**2 – 3 years**	2 – 3 years
Annual risk-free interest rate	**0.14%**	0.68%
Expected dividend yield	**2.50%**	3.00%

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$24.9 million (2020: US$18.4 million) relating to equity-settled share-based payments and US$1.9 million (2020: US$1.7 million) relating to cash-settled share-based payments. Of the equity-settled amount, US$0.1 million (2020: US$0.2 million) related to discontinued operations.

Note 23. Reserves and Retained Earnings

A) Movements in Reserves and Retained Earnings

	Reserves					
	Share-based payments US$m	Foreign currency translation US$m	Unification US$m	Other US$m	Total US$m	Retained earnings US$m
Year ended 30 June 2020						
Opening balance	64.3	(386.2)	(7,162.4)	161.8	(7,322.5)	4,821.5
Actuarial loss on defined benefit plans	-	-	-	-	-	(4.1)
Foreign exchange differences	-	(143.9)	-	-	(143.9)	-
Share-based payments:						
- expense recognised	18.4	-	-	-	18.4	-
- shares issued	(14.5)	-	-	-	(14.5)	-
- equity component of related tax	(1.8)	-	-	-	(1.8)	-
Dividends declared	-	-	-	-	-	(471.9)
Profit for the year	-	-	-	-	-	448.0
Closing balance as at 30 June 2020	66.4	(530.1)	(7,162.4)	161.8	(7,464.3)	4,793.5
Year ended 30 June 2021						
Opening balance	**66.4**	**(530.1)**	**(7,162.4)**	**161.8**	**(7,464.3)**	**4,793.5**
Actuarial gain on defined benefit plans	**-**	**-**	**-**	**-**	**-**	**6.6**
Foreign exchange differences[1]	**-**	**180.9**	**-**	**-**	**180.9**	**-**
FCTR released to profit on divestment of Kegstar	**-**	**3.3**	**-**	**-**	**3.3**	**-**
Share-based payments:						
- expense recognised	**24.9**	**-**	**-**	**-**	**24.9**	**-**
- shares issued	**(20.7)**	**-**	**-**	**-**	**(20.7)**	**-**
- equity component of related tax	**1.4**	**-**	**-**	**-**	**1.4**	**-**
- transfer to retained earnings on divestment of Kegstar	**(0.3)**	**-**	**-**	**-**	**(0.3)**	**-**
Dividends declared	**-**	**-**	**-**	**-**	**-**	**(287.0)**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**526.1**
Closing balance as at 30 June 2021	**71.7**	**(345.9)**	**(7,162.4)**	**161.8**	**(7,274.8)**	**5,039.2**

[1] Exchange differences on translation of foreign subsidiaries have been significantly impacted by the appreciation of the Australian dollar, British Pound and Euro net assets translated into US dollars. The 2021 spot rate relative to the US dollar strengthened by 9.5% for the Australian dollar, 12.5% for the British Pound and 5.9% for the Euro.

Note 23. Reserves and Retained Earnings – continued

B) Nature and Purpose of Reserves

Share-based payments reserve

This comprises the cumulative share-based payment expense recognised in the statement of comprehensive income in relation to equity-settled options and share rights issued but not yet exercised. Refer to Note 22 for further details.

Foreign currency translation reserve

This comprises cumulative exchange differences arising from the translation of the financial statements of foreign subsidiaries and associates, net of qualifying net investment hedges. The relevant accumulated balance is recognised in the consolidated statement of comprehensive income on disposal of a foreign subsidiary or associate.

Unification reserve

On Unification, Brambles Limited issued shares on a one-for-one basis to those Brambles Industries Limited (BIL) and Brambles Industries plc (BIP) shareholders who did not elect to participate in the Cash Alternative. 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. In the consolidated financial statements, the reduction in share capital of US$8,223.4 million on 9 September 2011 by Brambles Limited in accordance with section 258F of the *Corporations Act 2001* was applied against the Unification reserve.

Other

This comprises a merger reserve created in 2001 and the hedging 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.

Note 24. Financial Risk Management

Brambles is exposed to a variety of financial risks: market risk (including the effect of fluctuations in interest rates and exchange rates), liquidity risk and credit risk.

Brambles' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Brambles. Financial risk management activities are carried out centrally by Brambles' treasury function in accordance with Board policies and guidelines, through standard operating procedures and delegated authorities.

Brambles uses interest rate swaps and forward foreign exchange contracts to manage its market risk and does not trade in financial instruments for speculative purposes.

A) Financial Assets and Liabilities

Financial assets are recognised when Brambles becomes a party to the contractual provisions of the instrument and are classified in the following two categories: financial assets at fair value through profit or loss; and amortised cost, as disclosed in the respective notes.

Derecognition occurs when rights to the asset have expired or when Brambles transfers its rights to receive cash flows from the asset together with substantially all the risks and rewards of the asset.

Refer to Note 19 for the recognition of interest bearing financial liabilities.

The fair values of all financial assets and liabilities held on the balance sheet as at 30 June 2021 equal the carrying amount, with the exception of loan notes, which have an estimated fair value of US$1,826.4 million (2020: US$1,708.9 million) compared to a carrying value of US$1,701.9 million (2020: US$1,636.7 million). Financial assets and liabilities held at fair value (other than loan notes) are estimated using Level 2 estimation techniques, which use inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The fair value of loan notes has been calculated using Level 1 valuation techniques, which use directly observable unadjusted quoted prices in active markets for identical assets or liabilities.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturities at the balance sheet date. The fair value of interest rate swap contracts is calculated as the present value of the forward cash flows of the instrument after applying market rates and standard valuation techniques.

B) Derivative and Hedging Activities

For the purposes of hedge accounting, hedges are classified as either fair value hedges, cash flow hedges or net investment hedges.

For fair value hedges, any gain or loss from remeasuring the hedging instrument at fair value is adjusted against the carrying amount of the hedged item and recognised in profit or loss.

For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Hedges for net investments in foreign operations are accounted for similarly to cash flow hedges.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

Note 24. Financial Risk Management – continued

C) Market Risk

Brambles has the following risk policies in place with respect to market risk.

Interest rate risk

Brambles' exposure to potential volatility in finance costs is predominantly in Euros and US dollars on borrowings. This is managed by maintaining a mix of fixed and floating-rate instruments within select target bands over defined periods. In some cases, interest rate derivatives are used to achieve these targets synthetically. As at 30 June 2021, Brambles also has exposure to variability in finance revenue through its holdings of cash and term deposits in Australian dollars.

The following table sets out the financial instruments exposed to interest rate risk at reporting date:

	Note	2021 US$m	2020 US$m
Financial assets (floating rate)			
Cash at bank		**378.4**	204.7
Short-term deposits		**30.1**	463.9
		408.5	668.6
Weighted average effective interest rate at 30 June		**0.0%**	0.6%
Financial assets (fixed rate)			
Short-term deposits		**-**	68.7
Term deposit	2	**-**	68.6
Other receivables	11	**23.6**	23.3
		23.6	160.6
Weighted average effective interest rate at 30 June[1]		**5.7%**	1.5%
Financial liabilities (floating rate)			
Bank overdrafts		**1.5**	-
Bank loans		**33.7**	161.6
Interest rate swaps (notional value) – fair value hedges		**178.5**	168.6
Net exposure to cash flow interest rate risk		**213.7**	330.2
Weighted average effective interest rate at 30 June		**1.4%**	1.1%
Financial liabilities (fixed rate)			
Loan notes		**1,701.9**	1,636.7
Bank loans		**13.4**	15.2
Lease liabilities		**712.6**	704.2
Interest rate swaps (notional value) – fair value hedges		**(178.5)**	(168.6)
Net exposure to fair value interest rate risk		**2,249.4**	2,187.5
Weighted average effective interest rate at 30 June		**2.9%**	3.0%

[1] 2020 is primarily weighted to short-term deposits and term deposits at an average fixed rate of 0.8%. Other receivables have a higher fixed interest rate than term deposits. 2021 only relates to other fixed rate receivables.

Note 24. Financial Risk Management – continued

C) Market Risk – continued

Interest rate swaps – fair value hedges
Brambles entered into interest rate swap transactions with various banks, swapping €150.0 million of the €500.0 million 2024 Euro medium-term fixed-rate notes (EMTN) to variable rates. The interest rate swaps and debt have been designated in a hedging relationship at a hedge ratio of 1:1. The fair value of the interest rate swaps are adjusted for credit risk, measured by reference to credit default swaps for the interest rate swap counterparties, which is a source of ineffectiveness. Movement in credit risk does not dominate the hedge relationship. The credit valuation adjustment to the swaps at 30 June 2021 is nil (2020: US$0.1 million).

In accordance with AASB 9, the carrying value of the loan notes has been adjusted to increase debt by US$10.4 million (2020: US$12.9 million) in relation to changes in fair value attributable to the hedged risk. The fair value of interest rate swaps at reporting date was US$10.6 million (2020: US$12.6 million).

The terms of the swaps match the terms of the fixed-rate bond issue for the amounts and durations being hedged.

Fair value hedge	Hedged item	Hedging instrument
Description	€150m of the €500m EMTN	€150m interest rate swaps
Nominal amount (US$m)	178.5	178.5
Carrying amount (US$m)	181.0	10.4
Change in fair value (US$m)	10.4	10.6
Hedge ineffectiveness (US$m)	Nil	0.2
Balance sheet account impacted	Non-current borrowings	Other assets
Statement of comprehensive income account impacted		Finance revenue/finance costs

The gain or loss from remeasuring the interest rate swaps at fair value is recorded in profit or loss together with any changes in the fair value of the hedged asset or liability that is attributed to the hedged risk. For 2021, all interest rate swaps were effective hedging instruments.

Sensitivity analysis
Based on the Australian dollar floating rate financial assets and floating rate financial liabilities outstanding at 30 June 2021, if Australian interest rates were to increase or decrease by 50 basis points with all other variables held constant, profit after tax for the year would have been US$0.7 million higher/lower (2020: US$2.2 million higher/lower).

Foreign exchange risk
Exposure to foreign exchange risk generally arises in either the value of transactions translated back to the functional currency of a subsidiary or associate, or the value of assets and liabilities of foreign currency subsidiaries or associates when translated back to the Group's reporting currency.

Foreign exchange hedging is used when a transaction exposure exceeds certain thresholds and as soon as a defined exposure arises. Within Brambles, exposures may arise with external parties or, alternatively, by way of cross-border intercompany transactions. Forward foreign exchange contracts are primarily used to manage exposures from normal commercial transactions such as the purchase and sale of equipment and services, intercompany interest and royalties. Given that Brambles both generates income and incurs expenses in its local currencies of operation, these exposures are not significant.

Brambles generally mitigates translation exposures by raising debt in currencies where there are matching assets.

Note 24. Financial Risk Management – continued

C) Market Risk – continued

Foreign exchange risk – continued

Currency profile

The following table sets out the currency mix profile of Brambles' financial instruments at reporting date. Financial assets include cash, term deposits, 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
2021						
Financial assets	**332.3**	**222.2**	**47.9**	**149.9**	**314.5**	**1,066.8**
Financial liabilities	**1,099.5**	**156.7**	**83.4**	**1,332.6**	**308.4**	**2,980.6**
2020						
Financial assets	301.8	643.8	14.5	155.3	266.5	1,381.9
Financial liabilities	1,234.9	105.8	76.4	1,280.2	263.1	2,960.4

Forward foreign exchange contracts – cash flow hedges

During 2021, Brambles entered into forward foreign exchange transactions with various banks in a variety of cross-currencies for terms ranging up to 18 months.

For 2021 and 2020, all foreign exchange contracts were effective hedging instruments. The fair value of these contracts at reporting date was nil (2020: 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$6.1 million (2020: net asset of US$4.9 million).

Hedge of net investment in foreign entity

At 30 June 2021, €350.5 million (US$417.1 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 2021 and 2020, 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 2021, 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. The impact on equity would have been US$29.3 million lower/higher (2020: US$27.8 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.

Note 24. Financial Risk Management – continued

D) Liquidity Risk

Brambles' objective is to maintain adequate liquidity to meet its financial obligations as and when they fall due. Brambles funds its operations through existing equity, retained cash flow and borrowings. Funding is generally sourced from relationship banks and debt capital market investors on a medium- to long-term basis.

Bank credit facilities are generally structured on a committed multi-currency revolving basis and at 30 June 2021 had maturities ranging out to January 2026. Borrowings under the bank credit facilities are floating-rate, unsecured obligations with covenants and undertakings typical for these types of arrangements.

Borrowings are raised from debt capital markets by the issue of unsecured fixed-interest notes, with interest payable semi-annually or annually. At 30 June 2021, loan notes had maturities out to October 2027.

Brambles also has access to further funding through overdrafts, uncommitted and standby lines of credit, principally to manage day-to-day liquidity.

The average term to maturity of the committed borrowing facilities and the loan notes is equivalent to 3.7 years (2020: 4.2 years). These facilities are unsecured and are guaranteed as described in Note 33B.

Borrowing facilities maturity profile

	Year 1 US$m	Year 2 US$m	Year 3 US$m	Year 4 US$m	>4 years US$m	Total US$m
2021						
Total facilities	**298.7**	**535.8**	**912.8**	**212.2**	**1,455.4**	**3,414.9**
Facilities used[1]	**(23.5)**	**(9.6)**	**(596.2)**	**(21.0)**	**(1,098.4)**	**(1,748.7)**
Facilities available	**275.2**	**526.2**	**316.6**	**191.2**	**357.0**	**1,666.2**
2020						
Total facilities	376.9	471.3	404.4	663.3	1,500.6	3,416.5
Facilities used[1]	(27.8)	(1.5)	-	(562.1)	(1,216.5)	(1,807.9)
Facilities available	349.1	469.8	404.4	101.2	284.1	1,608.6

1 Facilities used represent the principal value of loan notes and borrowings of US$1,739.9 million and letters of credit of US$8.8 million drawn against the relevant facilities to reflect the correct amount of funding headroom. The loan note and borrowings amount differs by US$10.6 million (2020: US$11.2 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 24. Financial Risk Management – continued

D) Liquidity Risk – continued

Maturities of financial liabilities

The maturities of Brambles' contractual cash flows on non-derivative financial liabilities (for principal and interest) and contractual cash flows on net and gross settled derivative financial instruments, based on the remaining period to contractual maturity date, are presented below. Cash flows on interest rate swaps and forward foreign exchange contracts are valued based on forward interest and exchange rates applicable at reporting date.

	Year 1 US$m	Year 2 US$m	Year 3 US$m	Year 4 US$m	>4 years US$m	Total contractual cash flows US$m	Carrying amount (assets)/ liabilities US$m
2021							
Non-derivative financial liabilities							
Trade payables	**510.5**	**-**	**-**	**-**	**-**	**510.5**	**510.5**
Bank overdrafts	**1.5**	**-**	**-**	**-**	**-**	**1.5**	**1.5**
Bank loans	**23.1**	**10.4**	**1.7**	**12.7**	**3.5**	**51.4**	**47.1**
Loan notes	**40.0**	**40.0**	**635.1**	**28.1**	**1,118.8**	**1,862.0**	**1,701.9**
Lease liabilities	**169.5**	**145.7**	**130.4**	**110.1**	**258.7**	**814.4**	**712.6**
	744.6	**196.1**	**767.2**	**150.9**	**1,381.0**	**3,239.8**	**2,973.6**
Financial guarantees[2]	**29.9**	**-**	**-**	**-**	**-**	**29.9**	**-**
	774.5	**196.1**	**767.2**	**150.9**	**1,381.0**	**3,269.7**	**2,973.6**
Derivative financial (assets)/liabilities							
Net settled interest rate swaps							
- fair value hedges	**(3.4)**	**(3.7)**	**(3.4)**	**-**	**-**	**(10.5)**	**(10.4)**
Gross settled forward foreign exchange contracts							
- (inflow)	**(1,135.3)**	**-**	**-**	**-**	**-**	**(1,135.3)**	**-**
- outflow	**1,141.4**	**-**	**-**	**-**	**-**	**1,141.4**	**6.1**
	2.7	**(3.7)**	**(3.4)**	**-**	**-**	**(4.4)**	**(4.3)**

Note 24. Financial Risk Management – continued

D) Liquidity Risk – continued

	Year 1 US$m	Year 2 US$m	Year 3 US$m	Year 4 US$m	>4 years US$m	Total contractual cash flows US$m	Carrying amount (assets)/ liabilities US$m
2020							
Non-derivative financial liabilities							
Trade payables	438.4	-	-	-	-	438.4	438.4
Bank loans	30.1	3.5	1.9	1.9	151.1	188.5	176.8
Loan notes	42.4	42.4	42.4	604.5	1,126.8	1,858.5	1,636.7
Lease liabilities	135.0	118.5	107.5	98.0	365.4	824.4	704.2
	645.9	164.4	151.8	704.4	1,643.3	3,309.8	2,956.1
Financial guarantees[2]	27.4	-	-	-	-	27.4	-
	673.3	164.4	151.8	704.4	1,643.3	3,337.2	2,956.1
Derivative financial (assets)/liabilities							
Net settled interest rate swaps							
- fair value hedges	(2.9)	(3.5)	(3.3)	(3.1)	-	(12.8)	(12.6)
Gross settled forward foreign exchange contracts							
- (inflow)	(462.3)	-	-	-	-	(462.3)	(4.9)
- outflow	457.4	-	-	-	-	457.4	-
	(7.8)	(3.5)	(3.3)	(3.1)	-	(17.7)	(17.5)

[2] Refer to Note 27 a) for details on financial guarantees. The amounts disclosed above are the maximum amounts allocated to the earliest period in which the guarantee could be called. Brambles does not expect these payments to eventuate.

Note 24. Financial Risk Management – continued

E) Credit Risk Exposure

Brambles is exposed to credit risk on its financial assets, which comprise cash and cash equivalents, term deposits, 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 at-call totalling US$30.1 million which are deposited with banks rated AA- by Standard & Poor's. Other than the term deposits and non-current receivables due from First Reserve totalling US$14.4 million (refer Note 11), there is no concentration of credit risk.

Brambles trades only with recognised, creditworthy third parties. Collateral is generally not obtained from customers. Customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Credit limits are set for individual customers and approved by credit managers in accordance with an approved authority matrix. These credit limits are regularly monitored and revised based on historic turnover activity and credit performance. In addition, overdue receivable balances are monitored and actioned on a regular basis.

Brambles transacts derivatives with prominent financial institutions and has credit limits in place to limit exposure to any potential non-performance by its counterparties.

F) Capital Risk Management

Brambles' objective when managing capital is to ensure Brambles continues as a going concern as well as to provide a balance between financial flexibility and balance sheet efficiency. In determining its capital structure, Brambles considers the robustness of future cash flows, potential funding requirements for growth opportunities and acquisitions, the cost of capital and ease of access to funding sources.

Brambles manages its capital structure to be consistent with a solid investment-grade credit rating. At 30 June 2021, 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:

	2021 US$m	2020 US$m
Total borrowings	**1,750.5**	1,813.5
Total lease liabilities	**712.6**	704.2
Less: cash and cash equivalents	**(408.5)**	(737.3)
Less: term deposits	**-**	(68.6)
Net debt	**2,054.6**	1,711.8
Total equity	**2,689.2**	2,756.4
Total capital	**4,743.8**	4,468.2

Under the terms of its major borrowing facilities, Brambles is required to comply with the following financial covenants:

- the ratio of net debt (excluding term deposits) to EBITDA is to be no more than 3.5 to 1; and
- the ratio of EBITDA to net finance costs is to be no less than 3.5 to 1.

Loan covenant ratios are calculated including the impact of AASB 16 Leases 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 2021 and prior years.

Note 25. Cash Flow Statement – Additional Information

A) Reconciliation of Cash

	2021 US$m	2020 US$m
For the purpose of the consolidated cash flow statement, cash comprises:		
Cash at bank and in hand	**378.4**	204.7
Short-term deposits[1]	**30.1**	532.6
Cash and cash equivalents	**408.5**	737.3
Bank overdraft (Note 19)	**(1.5)**	-
	407.0	737.3

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 (2020: 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. No amounts have been reduced from cash at bank and overdraft at 30 June 2021 (2020: US$2.3 million).

Note 25. Cash Flow Statement – Additional Information – continued

B) Reconciliation of Profit After Tax to Net Cash Flow from Operating Activities

	2021 US$m	2020 US$m
Profit after tax	**526.1**	448.0
Adjustments for:		
- depreciation and amortisation	**667.7**	612.2
- IPEP expense	**199.8**	155.7
- net loss on divestments	**1.9**	-
- net loss/(gain) on disposal of property, plant and equipment	**1.3**	(2.3)
- impairment of goodwill, intangibles and plant and equipment	**-**	28.0
- other valuation adjustments	**(3.6)**	(7.0)
- share of loss of associates	**0.6**	-
- equity-settled share-based payments	**24.9**	18.4
- net finance revenues and costs	**(0.3)**	(14.7)
Movements in operating assets and liabilities, net of acquisitions and disposals:		
- (increase)/decrease in trade and other receivables	**(78.9)**	43.9
- increase in prepayments	**(9.3)**	(33.0)
- increase in inventories	**(10.3)**	(9.6)
- increase in deferred taxes	**76.9**	15.1
- increase in trade and other payables	**133.5**	107.3
- (decrease)/increase in tax payables	**(6.2)**	9.3
- increase in provisions	**31.2**	12.8
- other	**4.1**	2.8
Net cash inflow from operating activities	**1,559.4**	1,386.9

Note 25. Cash Flow Statement – Additional Information – continued

C) Reconciliation of Movement in Net Debt

	2021 US$m	2020 US$m
Net debt at beginning of the year	**1,711.8**	97.7
Adjust for AASB 16 opening lease liabilities	**-**	741.6
Net cash inflow from operating activities	**(1,559.4)**	(1,386.9)
Net cash outflow from investing activities	**937.4**	924.7
Net payments from disposal of businesses, net of cash disposed	**9.5**	16.0
Acquisition of forestry assets	**15.5**	-
Payments for share buy-back	**523.1**	645.4
Return of capital to shareholders	**-**	129.3
Dividends paid - ordinary	**280.8**	290.7
Dividends paid - special	**-**	183.2
Net outflow/(inflow) from derivative financial instruments	**5.3**	(26.5)
Lease capitalisation, interest accruals and other	**106.5**	77.1
Foreign exchange differences	**24.1**	19.5
Net debt at end of the year	**2,054.6**	1,711.8
Being:		
Current borrowings	**32.4**	36.3
Current lease liabilities	**147.5**	112.8
Non-current borrowings	**1,718.1**	1,777.2
Non-current lease liabilities	**565.1**	591.4
Cash and cash equivalents	**(408.5)**	(737.3)
Term deposits	**-**	(68.6)
Net debt at end of the year	**2,054.6**	1,711.8

D) Non-cash Financing or Investing Activities
Apart from the Kegstar divestment and the MyShare Dividend Reinvestment Plan, there were no financing or investing transactions during the year which had a material effect on the assets and liabilities of Brambles that did not involve cash flows.

Note 26. Capital Expenditure Commitments

Capital Expenditure Commitments
Capital expenditure, principally relating to property, plant and equipment, contracted for but not recognised as liabilities at reporting date was as follows:

	2021 US$m	2020 US$m
Within one year	**184.2**	74.0
Between one and five years	**0.2**	-
	184.4	74.0

Note 27. Contingencies

a) Subsidiaries have contingent unsecured liabilities in respect of guarantees given relating to leases, workers compensation insurance and other obligations totalling US$29.8 million (2020: US$27.4 million), of which US$19.9 million (2020: US$21.1 million) is also guaranteed by Brambles Limited and US$8.8 million (2020: US$5.6 million) is also guaranteed by Brambles Limited and certain of its subsidiaries under a deed of cross-guarantee and is included in Note 33B.

b) Environmental contingent liabilities

Brambles' activities have previously included the treatment and disposal of hazardous and non-hazardous waste through subsidiaries and corporate joint ventures or associates. In addition, other activities of Brambles entail using, handling and storing materials which are capable of causing environmental impairment.

As a consequence of the nature of these activities, Brambles has incurred and may continue to incur environmental costs and liabilities associated with site and facility operation, closure, remediation, aftercare, monitoring and licensing. Provisions have been made in respect of estimated environmental liabilities at all sites and facilities where obligations are known to exist and can be reliably measured.

However, additional liabilities may emerge due to a number of factors including changes in the numerous laws and regulations which govern environmental protection, liability, land use, planning, climate change and other matters in each jurisdiction in which Brambles operates or has operated. These extensive laws and regulations are continually evolving in response to technological advances, scientific developments, climate change and other factors. Brambles cannot predict the extent to which it may be affected in the future by any such changes in legislation or regulation.

c) Brambles continues to defend a consolidated class action raised on behalf of certain shareholders who acquired shares during the period between 18 August 2016 and 20 February 2017. Brambles has filed its defence in the consolidated action. It is not possible to determine the ultimate impact, if any, of the action upon Brambles, and it continues to vigorously defend the proceedings.

In the ordinary course of business, Brambles becomes involved in litigation. Provisions have been made for known obligations where the existence of the liability is probable and can be reasonably quantified. Receivables have been recognised where recoveries, for example from insurance arrangements, are virtually certain.

As the outcomes of these matters remain uncertain, contingent liabilities exist for any potential amounts payable.

Note 28. Auditor's Remuneration

	2021 US$'000	2020 US$'000
Audit and review services:		
- PwC Australia	**2,078**	1,987
- Other PwC network firms	**3,004**	2,528
Total audit and review services	**5,082**	4,515
Other assurance services (which could be performed by other firms):		
- PwC Australia	**-**	83
- Other PwC network firms	**5**	9
Total other assurance services	**5**	92
Total remuneration for audit, review and other assurance services	**5,087**	4,607
Other services:		
- Tax advisory services - other PwC network firms	**4**	4
- Other - PwC Australia	**-**	11
- Other - other PwC network firms	**39**	6
Total other services[1]	**43**	21
Total auditor's remuneration	**5,130**	4,628

[1] Other services during 2021 and 2020 primarily related to compliance projects and tax consulting advice.

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 Committee approves any management recommendation that PwC undertakes non-audit work (with approval being delegated to the Chief Financial Officer within specified monetary limits).

Note 29. Key Management Personnel

A) Key Management Personnel Compensation

	2021 US$'000	2020 US$'000
Short-term employee benefits	**6,122**	5,203
Post-employment benefits	**103**	86
Other benefits	**43**	32
Share-based payment expense	**4,719**	2,839
	10,987	8,160

The composition of reportable Key Management Personnel in 2021 is different to 2020. Refer to the Remuneration Report for further information.

B) Other Transactions with Key Management Personnel
Other transactions with Key Management Personnel are set out in Note 30A.

Further remuneration disclosures are set out in the Directors' Report on pages 45 to 64 of the Annual Report.

Note 30. Related Party Information

A) Other Transactions
Other transactions entered into during the year with Directors of Brambles Limited, with Director-related entities, with Key Management Personnel (KMP, as set out in the Directors' 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 2021 of US$1,072,084 (2020 US$979,164) to Brambles Custodians Pty Limited, the trustee under Brambles' employee loan scheme. This scheme enabled employees to acquire shares in Brambles Industries Limited (BIL) and has been closed to new entrants since August 2002.

Note 30. Related Party Information – continued

C) Material Subsidiaries

The principal subsidiaries of Brambles during the year were:

		% interest held at reporting date	
Name	**Place of incorporation**	**2021**	**2020**
CHEP USA	USA	**100**	100
CHEP Canada Corp	Canada	**100**	100
CHEP UK Limited	UK	**100**	100
CHEP Equipment Pooling NV	Belgium	**100**	100
CHEP España SA	Spain	**100**	100
CHEP Deutschland GmbH	Germany	**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 Industries Limited	Australia	**100**	100
Brambles Finance plc	UK	**100**	100
Brambles Finance Limited	Australia	**100**	100

In addition to the list above, there are a number of other non-material subsidiaries within Brambles.

Investments in subsidiaries are primarily by means of ordinary or common shares. Shares in subsidiaries are recorded at cost, less provision for impairment.

Material subsidiaries which prepare statutory financial statements report a 30 June balance sheet date, with the exception of CHEP Mexico SRL, which reports a 31 December balance sheet date.

Note 31. Events After Balance Sheet Date

Other than those outlined in the Directors' Report or elsewhere in these financial statements, no other events have occurred subsequent to 30 June 2021 and up to the date of this report that have had a material impact on Brambles' financial performance or position.

Note 32. Net Assets Per Share

	2021 US cents	2020 US cents
Based on 1,441.2 million shares (2020: 1,505.0 million shares):		
- Net tangible assets per share	**167.0**	165.9
- Net assets per share	**186.6**	183.1

Net tangible assets per share is calculated by dividing total equity attributable to the members of the parent entity, less goodwill and intangible assets, by the number of shares on issue at year end.

Net assets per share is calculated by dividing total equity attributable to the members of the parent entity by the number of shares on issue at year end.

Note 33. Parent Entity Financial Information

A) Summarised Financial Data of Brambles Limited

	Parent entity	
	2021 US$m	2020 US$m
Loss for the year	**(23.4)**	(18.0)
Other comprehensive income/(expense) for the year[1]	**499.1**	(167.7)
Total comprehensive income/(expense)	**475.7**	(185.7)
Current assets	**4.0**	1.6
Non-current assets	**5,100.2**	5,338.1
Total assets	**5,104.2**	5,339.7
Current liabilities	**48.7**	6.0
Non-current liabilities	**22.0**	-
Total liabilities	**70.7**	6.0
Net assets	**5,033.5**	5,333.7
Contributed equity	**4,924.8**	5,427.2
Share-based payment reserve	**67.9**	54.4
Foreign currency translation reserve	**(453.8)**	(952.9)
Retained earnings	**494.6**	805.0
Total equity	**5,033.5**	5,333.7

[1] Comprises foreign currency translation movements.

Note 33. Parent Entity Financial Information – continued

A) Summarised Financial Data of Brambles Limited – continued

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements except for investments and receivables from subsidiaries. In the parent entity financial information, investments in subsidiaries are accounted for at cost and receivables from subsidiaries are held at amortised cost. Where appropriate, receivables from subsidiaries have been adjusted for expected credit losses. Dividends received from investments in subsidiaries are recognised as revenue.

B) Guarantees and Contingent Liabilities

Brambles Limited and certain of its subsidiaries are parties to a deed of cross-guarantee which supports global financing credit facilities available to certain subsidiaries. Total facilities available amount to US$1,399.9 million (2020: US$1,500.2 million), of which US$8.8 million (2020: US$140.6 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 (2020: 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 (2020: €1,000.0 million) issued by two subsidiaries in the European bond market.

Brambles Limited has guaranteed repayment of certain facilities and financial accommodations made available to certain subsidiaries. Total facilities and financial accommodations available amount to US$512.2 million (2020: US$449.6 million), of which US$69.7 million (2020: US$64.9 million) has been drawn.

Brambles Limited was served with class action proceedings in 2018 which has been disclosed as a contingent liability (refer Note 27c).

C) Contractual Commitments

Brambles Limited did not have any contractual commitments for the acquisition of property, plant and equipment at 30 June 2021 or 30 June 2020.

Directors’ Declaration

In the opinion of the Directors of Brambles Limited:

(a) the financial statements and notes set out on pages 73 to 127 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 2021 and of its performance for the year ended on that date;

(b) there are reasonable grounds to believe that Brambles Limited will be able to pay its debts as and when they become due and payable.

A statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board is included within Note 1 to the financial statements.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

J P Mullen

Chair

G A Chipchase

Chief Executive Officer

17 August 2021

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 2021 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 2021
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated cash flow statement for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757

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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 $39 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 profit before tax from continuing operations 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 eleven components of the Group. The components were selected due to their significance to the Group, either by individual size or by risk. Certain components in the Group are selected every year due to their size or nature, whilst others are included on a rotational basis.

- In addition, local PwC audit firms performed risk focused targeted audit or specified procedures on selected transactions and balances for a further thirteen components.
- The remaining components were financially insignificant and comprise more than one hundred and fifty entities. The PwC Australia Group audit team performs analytical and other specified procedures over these entities.

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. With the limitations on overseas travel, senior members of the Group audit team met virtually with management across a number of territories and local PwC audit teams throughout the year, including the two largest locations.
- The audit team both at Group and at local component levels were appropriately skilled and competent to perform an audit of a complex global business. This included specialists and experts in areas such as IT, actuarial, tax and valuations.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	***How our audit addressed the key audit matter***
Accounting for pooling equipment assets *(Refer to Note 14)* Brambles' pooling equipment is accounted for as depreciable fixed assets, classified within plant and equipment. The accounting for pooling equipment was a key audit matter due to the assets' financial size and judgement involved and is considered a significant estimate. As disclosed in Note 14 of the financial report, there is inherent risk in accounting	We performed the following procedures: • Evaluated the design effectiveness and tested a selection of key asset management controls including attending pallet audits and assessing the results of the Group's counts.

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 results of the Group's pallet audits, historical experience of pallet loss, and flows analysis as reported through the asset management system.

The determination of pallet losses is considered a significant estimate due to the subjectivity involved in estimated pallet loss rates based on historical experience.

- Tested key reconciliations between the numbers of pallets in the accounting records compared to the operations system.
- To challenge the IPEP calculation methodology and assumptions we:
    - assessed key assumptions and judgements with a particular focus on distributors who are not customers of CHEP, as losses from such distributors are historically higher;
    - assessed provision estimates for significant customers where CHEP has no access to physically count the pallets;
    - evaluated how historical pallet loss rates and flows analysis are used to estimate future losses; and
    - tested the calculations and extrapolations of provision estimates across pallet locations.
- Evaluated the reasonableness of the disclosures made in Note 14, including those related to estimation uncertainty, against the requirements of Australian Accounting Standards.

Calculation of current and deferred taxation balances
(Refer to Note 6)

The calculation of taxation balances was a key audit matter because the Group operates in a large number of jurisdictions with different laws, regulations and authorities resulting in complex tax calculations.

Judgement is involved in a number of aspects of the tax calculations, including the assessment of recorded tax losses for recoverability and determination of uncertain tax positions. The judgement relating to the determination of the uncertain tax position is considered a significant estimate due to the complexity, subjectivity and inherent risk involved.

The calculation of income taxes is disclosed in Note 6 of the financial report including the key judgements made in the assessment of the taxation provision.

We performed the following procedures:

- Assessed the rationale on which current tax was calculated and deferred tax assets and liabilities were recognised.
- Tested the Group tax analysis prepared by management, with the assistance of PwC tax specialists, who liaise directly with local PwC tax experts and specialists in other territories where required.
- For significant transactions undertaken during the year, we assessed whether the supporting tax analysis was in accordance with the tax legislation in the relevant jurisdiction and the related impact on the tax calculation.
- Challenged whether the Group had sufficient taxable temporary differences to recognise tax losses by considering when these temporary differences will become taxable income compared to the expiry of the losses. We also

assessed the rationale for and calculation of unrecognised deferred tax assets which are disclosed.

- Considered and challenged the assumptions made by the Group in making judgemental tax provisions.
- Evaluated the reasonableness of the disclosures made in Note 6, including those related to estimation uncertainty, against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 45 to 64 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Brambles Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Horl

Susan Horlin
Partner

Sydney
17 August 2021

EPenny

Eliza Penny
Partner

Sydney
17 August 2021

Auditor's Independence Declaration

As lead auditor for the audit of Brambles Limited for the year ended 30 June 2021, 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.

S. Horl

Susan Horlin
Partner
PricewaterhouseCoopers

Sydney
17 August 2021

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Five-Year Financial Performance Summary

US$m	2021	2020	2019	2018	2017
Continuing operations					
Sales revenue – CHEP[1]	**5,209.8**	4,717.9	4,595.3	4,470.3	4,133.5
Sales revenue – IFCO[2]	**-**	-	-	-	970.8
Total sales revenue[1,2]	**5,209.8**	4,717.9	4,595.3	4,470.3	5,104.3
EBITDA[1,2,3,4]	**1,742.6**	1,561.8	1,415.1	1,392.3	1,573.4
Depreciation and amortisation[1,2,3]	**(665.0)**	(607.7)	(484.3)	(464.3)	(526.7)
IPEP expense[1,2,4]	**(198.3)**	(154.7)	(127.1)	(101.9)	(89.2)
Underlying Profit – CHEP[1,3]	**879.3**	799.4	803.7	826.1	823.1
Underlying Profit – IFCO[2]	**-**	-	-	-	134.4
Total Underlying Profit[1,2,3]	**879.3**	799.4	803.7	826.1	957.5
Significant Items[1,2]	**-**	-	(62.8)	(47.4)	(186.1)
Operating profit[1,2,3]	**879.3**	799.4	740.9	778.7	771.4
Net finance costs[1,2,3]	**(85.6)**	(80.8)	(88.5)	(103.4)	(98.7)
Profit before tax[1,2,3]	**793.7**	718.6	652.4	675.3	672.7
Tax expense[1,2,3]	**(258.7)**	(210.6)	(198.3)	(121.8)	(227.8)
Profit from continuing operations[1,2,3]	**535.0**	508.0	454.1	553.5	444.9
(Loss)/profit from discontinued operations[1,2,3,5]	**(8.9)**	(60.0)	1,013.6	139.2	(262.0)
Profit for the year[1,2,3,5]	**526.1**	448.0	1,467.7	692.7	182.9
Weighted average number of shares (millions)	**1,475.1**	1,548.7	1,593.4	1,591.2	1,588.3
Earnings per share (US cents)					
Basic	**35.7**	28.9	92.1	43.5	11.5
From continuing operations[1,2,3,5]	**36.3**	32.8	28.5	34.8	28.0
On Underlying Profit after finance costs and tax[1,2,3,5]	**37.8**	32.8	31.9	33.0	38.5
ROCI[1,2,3,5]	**18%**	17%	19%	20%	17%
Capex on property, plant and equipment[1,2,5]	**1,219.0**	968.4	1,060.4	1,012.5	1,023.5
Balance sheet					
Capital employed	**4,743.8**	4,468.2	3,905.9	5,086.5	5,419.4
Net debt[3]	**2,054.6**	1,711.8	97.7	2,308.1	2,572.7
Equity	**2,689.2**	2,756.4	3,808.2	2,778.4	2,846.7
Average Capital Invested[1,2,3,5]	**4,937.9**	4,698.7	4,130.6	4,115.4	5,646.4
Cash flow					
Cash Flow from Operations[1,2,3,5]	**901.1**	754.8	431.8	724.8	591.5
Free Cash Flow[3]	**622.0**	462.2	238.5	554.4	224.2
Ordinary dividends paid, net of Dividend Reinvestment Plan	**280.8**	290.7	328.1	352.0	348.0
Free Cash Flow after ordinary dividends	**341.2**	171.5	(89.6)	202.4	(123.8)
Net debt ratios					
Net debt to EBITDA (times)[1,2,3,4]	**1.2**	1.1	0.1	1.5	1.7
EBITDA interest cover (times)[1,2,3,4]	**20.4**	19.3	14.6	15.0	15.2
Average employees	**11,569**	11,647	10,896	10,441	13,882
Dividend declared[6] (cents per share)	**20.5 US**	18.0 US	29.0 AU	29.0 AU	29.0 AU

1 The Kegstar business is presented within discontinued operations in 2021 and 2020. Periods prior to 2020 include Kegstar within continuing operations and are consistent with previously published data.

2 IFCO is presented within discontinued operations in 2019 and 2018. 2017 includes IFCO within continuing operations and is consistent with previously published data.

3 Periods prior to 2020 have not been restated for the impact of new accounting standard AASB 16 Leases. Periods prior to 2018 have not been restated for the impact of the new accounting standards AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers.

4 Effective from 2020, EBITDA has been redefined as Underlying Profit from continuing operations after adding back depreciation, amortisation and IPEP expense. Prior periods have been restated to align with the revised definition. The net debt ratios for periods prior to 2020 have not been restated to align with the revised EBITDA definition and are consistent with previously published data.

5 Discontinued operations include the Kegstar business in 2021 and 2020; CHEP Recycled business in 2018 to 2017; and Oil & Gas and Aerospace businesses in 2017.

6 Effective from 2020, Brambles changed to a payout ratio-based dividend policy, with the dividend per share declared in US cents and converted and paid in Australian cents. Prior to 2020, dividends were declared and paid in Australian cents.

Glossary

Acquired Shares	Brambles Limited shares purchased by Brambles' employees under MyShare
Actual currency/actual FX	Results translated into US dollars at the applicable actual monthly exchange rates ruling in each period
AGM	Annual General Meeting
ACI (Average Capital Invested)	A 12-month average of capital invested; capital invested is calculated as net assets before tax balances, cash, term deposits, 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
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 38 to 41
BVA (Brambles Value Added)	The value generated over and above the cost of the capital used to generate that value. It is calculated using fixed June 2020 exchange rates as: Underlying Profit; plus Significant Items that are part of the ordinary activities of the business; less Average Capital Invested, adjusted for accumulated pre-tax Significant Items that are outside the ordinary course of business, multiplied by 12%
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	Cash flow generated after net capital expenditure but excluding Significant Items that are outside the ordinary course of business
Circular economy	A circular economy regenerates and circulates key resources, ensuring products, components and materials are at their highest utility and value at all times
CGPR	The Australian Securities Exchange Corporate Governance Council Corporate Governance Principles & Recommendations, Fourth Edition
Company	Brambles Limited (ACN 118 896 021)
Constant currency/constant FX	Current period results translated into US dollars at the actual monthly exchange rates applicable in the comparable period, so as to show relative performance between the two periods
Continuing operations	Continuing operations refers to CHEP Americas, CHEP EMEA and CHEP Asia-Pacific (each primarily comprising pallet and container pooling businesses in those regions operating under the CHEP brand), and Corporate (corporate centre including BXB Digital)
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 42 to 44

Glossary – continued

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; FY21 indicates the financial year ended 30 June 2021
Group or **Brambles**	Brambles Limited and all of its related bodies corporate
Group Profit Leverage	Reflects the amount by which Underlying Profit growth exceeds sales revenue growth
IBCs (Intermediate Bulk Containers)	Palletised containers used for the transport and storage of bulk products in a variety of industries, including the food, chemical, pharmaceutical and transportation industries
IPEP (Irrecoverable Pooling Equipment Provision)	Provision held by Brambles to account for pooling equipment that cannot be economically recovered and for which there is no reasonable expectation of receiving compensation
Key Management Personnel	Members of the Board of Brambles Limited and Brambles’ Executive Leadership Team
KPI(s)	Key Performance Indicator(s)
LTI	Long-Term Incentive
Matching Awards	Matching share rights over Brambles Limited shares allocated to employees when they purchase Acquired Shares under MyShare; when an employee’s Matching Awards vest, Matching Shares are allocated
Matching Shares	Shares allocated to employees who have held Acquired Shares under MyShare for two years, and who remain employed at the end of that two-year period; one Matching Share is allocated for every Acquired Share held
MyShare	The Brambles Limited MyShare plan, an all-employee share plan, under which employees acquire ordinary shares by means of deductions from their after-tax pay and must hold those shares for a two-year period. If an employee holds those shares and remains employed at the end of the two-year period, Brambles will match the number of shares that employee holds by issuing or transferring to them the same number of shares they held for the qualifying period, at no additional cost to the employee
Operating profit	Statutory definition of profit before finance costs and tax; sometimes called EBIT (earnings before interest and tax)
Performance Period	A two-to-three-year period over which the achievement of performance conditions is assessed to determine whether STI and LTI share awards will vest
Performance Share Plan or PSP	The Brambles Limited Performance Share Plan (as amended)
Profit after tax	Profit after finance costs, tax, minority interests and Significant Items
RPCs	Reusable/returnable plastic/produce container/crate, generally used for shipment and display of fresh produce items
ROCI (Return on Capital Invested)	Underlying Profit divided by Average Capital Invested
Sharing economy	An economic system in which assets or services are shared between different agents, either free or for a fee

Glossary – continued

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 re-organisations or restructuring); or part of the ordinary activities of the business but unusual because of their size and nature
STI	Short-Term Incentive
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, 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' 2021 financial year

Notes

Contact Information

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Email: investorrelations@brambles.com

Share Registry
Access to shareholding information is available to investors through Boardroom Pty Limited

Boardroom Pty Limited
GPO Box 3993, Sydney NSW 2001, Australia

Telephone: 1300 883 073 (within Australia)
+61 (0) 2 9290 9600 (from outside Australia)

Facsimile: +61 (0) 2 9279 0664

Email: brambles@boardroomlimited.com.au

Website: www.boardroomlimited.com.au

Share Rights Registry
Employees or former employees of Brambles who have queries about the following interests:

Performance share rights under the performance share plans;

Matching share rights under MyShare; or

Shares acquired under MyShare or other share interests held through Sargon CT 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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