



Sustainability Report

In recent years, the summary of our performance in social, ethical, environmental and other non-financial areas has been called the Corporate Social Responsibility (CSR) Report.

From this year it will be called the Sustainability Report – because we believe our performance in all these areas plays a vital role in creating a sustainable company for the future and sustainable shareholder value.

While we have changed the name of this report, our Sustainability and CSR policies have been integrated into our core values for many years and remain fundamental to the way we do business around the world.

I am again proud to confirm that Brambles has retained its listing in the Dow Jones Sustainability Index, the FTSE4Good Index and several other independent measures of our Sustainability and CSR performance.

These results have been achieved because both CHEP and Recall are focused firmly on improving their Sustainability performance, including the Brambles-wide commitment to Zero Harm – which means zero injuries and zero environmental damage.

Whilst we did not deliver in 2008 the same improvement in greenhouse gas emissions and energy intensity as we have done in the previous four years, we nevertheless believe that both CHEP and Recall make a positive contribution to sustainable business practices. CHEP's pallet pooling model, for example, reduces the amount of lumber used to build pallets and the amount of lumber that goes to waste because:

- the lumber used is harvested from sustainable sources;
- CHEP pallets are higher in quality and have a longer useful life than alternative platforms;
- CHEP pallets are continuously inspected, repaired and reused; and
- the clear sense of ownership and controlled end-of-life management of our pallets maximises recycling and therefore reduces waste sent to landfills.

On the opposite page, you can see how our US and European teams are allowing our customers to calculate the environmental benefits of the CHEP pooling model.

On page 32, we provide examples of Recall's Sustainability achievements, including the recycling of paper from its Secure Destruction Services business.

As these examples show, Brambles remains committed to continuous improvement through monitoring best practice, minimising our environmental impact and supporting our local communities.



MIKE IHLEIN
CHIEF EXECUTIVE OFFICER



CASE STUDY

CHEP environmental calculators

CHEP USA has developed a website that enables any USA company to easily calculate how much they can reduce solid waste, greenhouse gas emissions and energy consumption by using the CHEP pallet pooling system instead of alternative shipping platforms such as white wood or disposable pallets.

It also shows how different platforms affect transportation and procurement costs, product damage and product handling productivity.

The environmental calculations generated by the website are based on findings from a comprehensive third-party Life Cycle Inventory Analysis conducted last year on CHEP USA's pallet pooling system. This report showed that CHEP pooled pallets produce much less solid waste, require less total energy and generate less greenhouse gas emissions than non-pooled and one-way systems. A copy of the study is available on the Brambles website. Based on these findings, in 2007, use of CHEP USA's pallet pool eliminated approximately 1.1 billion kilograms of solid waste, saved eight trillion BTUs (British Thermal Units) of energy and avoided 634 million kilograms of greenhouse gas emissions.

The US energy savings alone, when compared to one-way disposable pallets, were enough to power every household in Tampa and Orlando, Florida for an entire year. The saving in solid waste was the equivalent of more than 100,000 garbage-filled trucks while gas emission reductions equalled the annual exhaust emissions of over 118,000 cars.

In Europe, CHEP has worked with Leeds University to develop a similar calculator that demonstrates the significant environmental benefits of the CHEP pallet pooling system when compared with returnable white wood or disposable pallet alternatives over a 10 year period.

The model measures the operational and pooling efficiencies of CHEP, the responsible use and conservation of lumber during the entire pallet life cycle (including production and repair) and the ongoing environmental benefits from the trees that would otherwise be felled if non-CHEP shipping platforms were used.

The CHEP environmental calculator is installed on every CHEP Europe sales representative's laptop, enabling the team to quantify the benefits of CHEP to existing and potential customers.

To use the calculator, a range of data is inserted into the model including the number of pallet movements, cycle time, damage rate, pallet size and transportation distances. The benefits are then quantified in the number of trees saved from being cut down and reduced carbon dioxide emissions.

The calculator shows that, over a 10 year period, use of CHEP Europe's pallet pool will save more than 242 million trees from being felled when compared with one-way disposable pallets. This represents an area of 8,500 square kilometres.

According to Leeds University's Dr Darron Dixon-Hardy, who worked with CHEP to test and validate the calculator, it is "the perfect tool to demonstrate to potential customers that they can significantly reduce their environmental footprint. The solution does not necessarily lie in planting more trees, but rather in avoiding felling them in the first place – and this is where CHEP has an important role to play".

SUSTAINABILITY REPORT PARAMETERS

This Sustainability Report covers the 2008 financial year. Last year's CSR Report was contained within last year's Annual Report and is available on the Brambles website (www.brambles.com).

Where possible, Brambles has provided comparisons between this year's data and data from previous years. Some data has not been compiled in previous years, however, and therefore comparison is not possible. Where data is being provided for the first time, it will be used for comparisons in future reports.

Further information about Brambles' Sustainability and CSR policies, practices, performance and reporting can be obtained by contacting the Vice President Corporate Affairs at exchange@brambles.com.

SUSTAINABILITY AND CSR POLICIES

Brambles' policies are communicated to all employees and are available on the Brambles website.

The Brambles Executive Leadership Team (see pages 16 and 17) helps to formulate Sustainability and CSR policies and its members are responsible for implementing Sustainability and CSR policies across the organisation.

The Group Risk Committee establishes, monitors and reviews internal control and risk management systems around agreed policies, including Sustainability and CSR policies, and reports regularly to the Board.

RECOGNITION

During the year, Brambles retained its listings in the Dow Jones Sustainability Index (DJSI) and the FTSE4Good Index, two of the most authoritative international guides for socially responsible investors.

Inclusion in the FTSE4Good Index means Brambles meets globally recognised corporate responsibility standards and practices. Inclusion in the DJSI means Brambles is considered to be among the leading 10% of corporations in its sector. In fact, Brambles is ranked as a Sustainability Leader in the Support Services industrial sector.

Brambles is also a founding member of the FTSE ISS Corporate Governance Index Series, which focuses on best corporate governance practice by listed entities.

Brambles is a constituent of the Ethibel Excellence Sustainability Index, which is designed to list best-in-class companies across sectors and regions in terms of sustainable development and stakeholder involvement. Brambles was also recognised by AuSSI, the Australian SAM Sustainability Index, as being the sustainability leader of the Commercial Services and Supplies sector.

GOVERNANCE

The Corporate Governance Report on pages 44 to 53 of this Annual Report provides details of Brambles' corporate governance framework as well as risk management, internal compliance and control measures. The principal risks and uncertainties facing Brambles are set out in Section 7.2 of the Corporate Governance Report and are also on the Brambles website under the subsection 'Brambles Risk Profile'.

The Brambles Board has eight members and information on each member is provided on pages 26 to 27 of this Annual Report. The Corporate Governance Report outlines the role, composition and independence of Board members. It also provides information on how conflicts of interest are avoided and performance is reviewed.

Shareholders are encouraged to provide feedback to the Board. Opportunities to do so are outlined in the Corporate Governance Report.

Details on the remuneration of Board members, senior executives and managers are provided in the Remuneration Report on pages 60 to 72.

COMMITMENT

During the 2008 financial year, Brambles made the transition from the first edition to the second edition of the ASX Corporate Governance Council's Principles and Recommendations. As at 30 June 2008, the Board considers that Brambles was in compliance in all material respects with the second edition of those principles and recommendations.

Brambles endorses the United Nations Universal Declaration of Human Rights and has incorporated this Declaration into its policies and Code of Conduct.

ENGAGEMENT

Brambles actively seeks feedback from its key stakeholders and each key stakeholder group has a primary point of contact within Brambles who is responsible for appropriate engagement and action:

Customers	Group Presidents of CHEP President and Chief Operating Officer, Recall
Investors	Vice President Investor Relations
Employees (including contractors)	Company Secretary (human rights) Vice President Group Risk and Audit (safety)
Community and the environment	Vice President Corporate Affairs Vice President Group Risk and Audit
Suppliers	Group Presidents of CHEP President and Chief Operating Officer, Recall
Government and regulatory bodies	Company Secretary Group Presidents of CHEP President and Chief Operating Officer, Recall

Brambles holds regular meetings with regulatory bodies, government and non-government organisations and also conducts customer and supplier surveys and consultation forums, local community forums and focus groups.

Brambles follows a calendar of regular disclosure to the market on its financial and operational results. The calendar, which is available on the Brambles website, includes dates for the release of half-year and full-year results, other financial information, shareholder meetings and Brambles' involvement in major investment conferences.

Brambles recognises the importance of its relationship with investors and analysts. From time to time, Brambles holds briefings to provide information and seek feedback from analysts and investors. At least two Brambles representatives attend all briefings, one of whom is usually the Vice President Investor Relations. A record of the briefing is maintained and a copy of any presentation material is placed on the Brambles website.

During the 2008 financial year, the following presentations and teleconferences were made to analysts and the investment community:

2 August 2007	Mike Ihlein presentation Accelerating Growth: Building on Strong Foundations
22 August 2007	Full-Year Results briefing
24–29 October 2007	Operations Review presentations in New York, Orlando and London
16 November 2007	Annual General Meeting, Brisbane
21 February 2008	Half-Year Results briefing
18 April 2008	Teleconference regarding Total Pallet Management arrangements with Walmart
24 June 2008	Teleconference regarding Trading Update for the 11 months to 31 May 2008

All information and presentation materials provided at these meetings were released to the stock exchanges and are available on the Brambles website.

Brambles encourages vigorous and robust analysis by the investment community and a policy of consistent access and treatment is applied, irrespective of the views and recommendations expressed.

Brambles uses the Annual General Meeting to communicate with shareholders about its financial situation, performance, ownership, strategies and activities. General Meetings allow an opportunity for shareholder participation. The Vice President Investor Relations and Company Secretary deal with shareholder enquiries at other times.

The Brambles Engagement Survey involves all employees and is confidential. It surveys employees' perceptions of their workplace and the data is used to track progress from previous surveys, measure Brambles against internal and external best practice and identify key actions for improvement.

The most recent survey was conducted in April 2008. The response rate set a new global Brambles benchmark of 86%. The results of the survey were communicated to employees in each business and were used to identify and understand concerns at a local level and to drive action to address any concerns. The next employee survey will be conducted in April 2009.

Following its formation in 2004, the Brambles European Works Council meets formally on an annual basis. Its purpose is to bring together management and elected workers' representatives from all the EU Member States in which Brambles operates. Representatives are consulted, receive information and give their views on a range of transnational issues such as health and safety, business performance, sales activity, business developments and employment trends. At the last meeting held in Lisbon in June 2008, Tom Gorman, Group President CHEP EMEA, Nick Smith, Senior Vice President – Human Resources and other senior management attended and took part in wide-ranging discussions concerning Brambles, CHEP and Recall.

OUR SUSTAINABILITY APPROACH AND PERFORMANCE

Economic

Brambles' financial performance is reported in detail in this Annual Report.

Environmental

Protection of the environment and the Sustainability of our activities are fundamental to the way Brambles does business.

One of Brambles' Shared Values is that we always act with integrity and respect for the community and the environment. We are firmly committed to sound environmental practice in our daily operations.

Brambles is committed to achieving Zero Harm. This means zero injuries and zero environmental damage. We believe the community has the right to expect that every employee will care for the environment. We consider the environment in decisions concerning the development of projects, the selection of commercial partners and suppliers and the launch of new products or services.

Our respect for the environment means Brambles is committed to using resources more efficiently, minimising waste and encouraging the sustainable use of our products and services.

ENVIRONMENTAL POLICY

Environmental policy is set by the Board and applies in all countries where Brambles operates – even in countries that do not have comprehensive laws protecting the environment.

It is a minimum requirement that all Brambles operations comply with all relevant environmental laws and regulations. We further expect all employees to care for the environment by adopting the following principles:

- strive to achieve best environmental practices in the industry;
- continually improve the efficiency of our use of raw materials and energy per unit output;
- minimise the generation of emissions and waste per unit output;
- dispose of unavoidable waste in a responsible manner;
- minimise social impacts such as noise and loss of visual amenity;
- respond to any community environmental concerns with integrity, honesty and respect; and
- ask our contractors and suppliers to adhere to the same environmental standards that we do.

Each business sets appropriate environmental performance targets, monitors progress and reports results.

The Brambles Environmental Policy requires every business unit to ensure that it adheres to these principles. Site environmental management plans are required at all operating locations and are to include:

- appropriate containment, storage and disposal of wastes and other potential contaminants;
- management and monitoring of air emissions, waste water discharges and waste stream releases;
- effectiveness of truckwash and stormwater containment facilities;
- maintenance and monitoring of fuel storage tanks;
- containment systems in the event of accidents such as equipment fires, breakdowns and vehicle collisions;
- paint spraying emission minimisation;
- noise and dust abatement;
- preservation of visual amenity;
- regulatory and licensing requirements; and
- any other community-sensitive environmental issues.

Environmental audits are conducted periodically to evaluate compliance with applicable laws and regulations and implementation of this policy.



While Recall Australia's Information Centre in Greystanes, Sydney covers 20,000 square metres, its use of natural light, electric picking system and ability to capture rainwater mean its carbon footprint is relatively small.

ENVIRONMENTAL COMPLIANCE AND MANAGEMENT

Senior managers are required to provide a statement on environmental compliance twice each year. In addition, each business prepares regular environmental compliance reports for the Group Risk Committee and the Board.

ENVIRONMENTAL PERFORMANCE

Brambles' businesses benefit the environment by providing reusable product transport systems and recycling wood and paper.

Recall assists customers to reduce material usage by providing space- and paper-efficient document archival and retrieval solutions. As a direct benefit of its digitisation capabilities and integrated solutions, customers are likewise able to reduce their dependence on physical transportation to review information secured by Recall.

Recall also collects, shreds and sends for recycling about 225,000 tonnes of paper each year, which equates to approximately three million trees.

The CHEP pallet pooling system of reusing and recycling pallets significantly reduces customers' use of resources and waste by an estimated seven million tonnes of landfill a year in the USA alone. The solid waste reduction is the equivalent of 2.85 million Chilean Radiata pine trees, saved on an annual basis by CHEP USA operations alone.

CHEP in the USA and Europe offers customers environmental calculators that demonstrate the carbon emission savings made by using the CHEP pallet pooling system (see case study on page 29).

CHEP also operates a pool of more than 30 million reusable plastic containers. These containers are a substitute for cardboard packaging used to transport fresh fruit and vegetables and therefore reduce waste by avoiding the need for many thousands of tonnes of cardboard boxes.

Brambles is committed to improving the efficient use of its own resources and minimising generation of waste.

CASE STUDY

Recall Australia

Recall Australia's Secure Destruction Services business securely destroys and recycles about 30,000 tonnes of paper and cardboard each year, the equivalent of approximately 93,000 cubic metres of landfill space and 374,000 trees. In terms of greenhouse gas emissions, it is the same as removing 2,764 cars from the road every year.

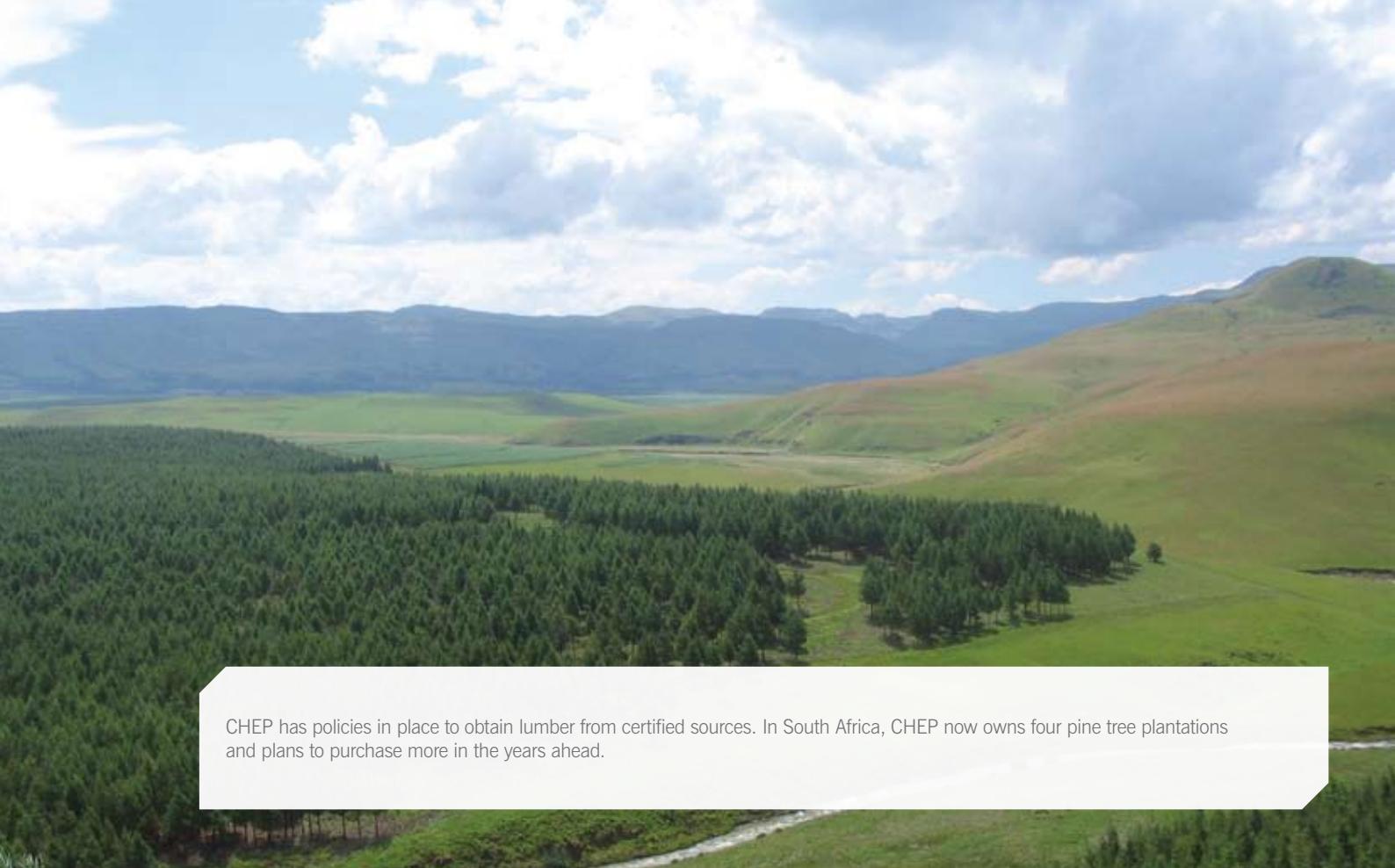
As this paper comes from customers, Recall is currently developing an invoice that includes environmental metrics, such as the volume of paper recycled, so customers can demonstrate that their waste paper has been dealt with in an environmentally efficient way.

More broadly, Recall Australia is making a concerted effort to reduce the carbon footprint of not only its customers but also itself.

An example is Recall's Information Centre in Greystanes, a Sydney suburb. This purpose-built 24 metre high building has capacity to store over six million cartons and its construction included a number of design features to reduce its carbon footprint.

For instance, it has been built to take advantage of natural light, avoiding the need to install fluorescent lighting to cover its 20,000 square metres of floor space. This has the added advantage of significantly reducing the risk of fire.

The automated electric carton picking system eliminates the need for diesel-powered forklifts and the building's large roof surface is used to capture rainwater for use on the facility's gardens and lawns.



CHEP has policies in place to obtain lumber from certified sources. In South Africa, CHEP now owns four pine tree plantations and plans to purchase more in the years ahead.

WHERE DOES OUR LUMBER COME FROM?

During the year, Brambles established a dedicated team to enhance its lumber sustainability practices. The team facilitates world class procurement governance in terms of strategic sourcing, consistent procurement processes and support of environmental sustainability efforts.

CHEP, the only purchaser of lumber within Brambles, maintains strict lumber sourcing policies. These policies support the replenishment of natural resources by sourcing lumber from plantations and state-managed forests and requiring managed forest certifications from all suppliers. Our suppliers are audited and certified against rigorous standards for responsible timber harvesting, reforestation and biodiversity preservation.

CHEP does not source lumber from forests or forest product suppliers unless it is confident that the supplier is likely to be complying with all relevant legislation relating to the trade in forest products. CHEP does not source from protected areas, parks or similar areas where harvesting operations are not complementary to responsible forestry management. Furthermore, CHEP has taken steps to assure itself of the provenance and quality of its lumber by instituting an audit program at a number of points in its lumber supply chain. CHEP Americas has a relationship with Conservation International, an organisation that specialises in global biodiversity conservation and sustainable forestry, to ensure environmental excellence in our business and sourcing practices.

CHEP South Africa has acquired four plantations in recent years with approximately 171,280 cubic metres of standing trees. The plantations have mature pine trees ready for harvesting and milling into sawn board for use as repair material for CHEP South Africa's pallet pool.

CHEP Australia is a Patron of the Gottstein Trust, a leading supporter of forestry research and education.

CHEP also minimises the impact of its internal waste generation by ensuring that scrap pallets and containers are recycled for uses including animal bedding, mulch and fuel.

HOW DOES CHEP REDUCE THE USE OF LUMBER?

CHEP's pallet pooling model reduces the amount of lumber used to build pallets and the amount of lumber that goes to waste because:

- the lumber used is harvested from sustainable sources;
- CHEP pallets are higher in quality and have a longer useful life than alternative platforms;
- CHEP pallets are continuously inspected, repaired and reused; and
- the clear ownership of the CHEP pool and the controlled end-of-life management of CHEP pallets maximises recycling and therefore reduces waste sent to landfills.

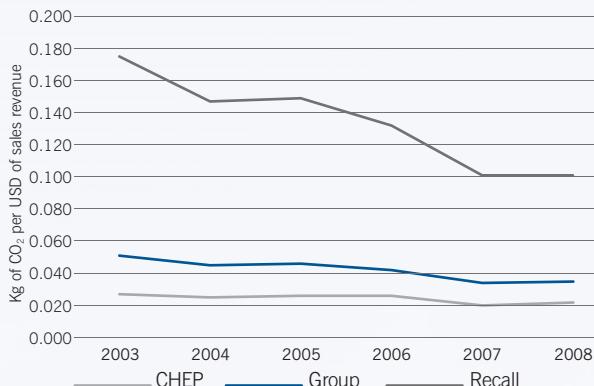
CHEP USA engaged an independent contractor in 2007 to conduct a detailed analysis of the life cycle inventory of its wood pallet systems.

The study found that CHEP USA's system generates much less production waste and recycling/disposal waste than the non-pooled exchange and one-way systems. The solid waste reduction is the equivalent of 2.85 million Chilean Radiata pine trees each year.

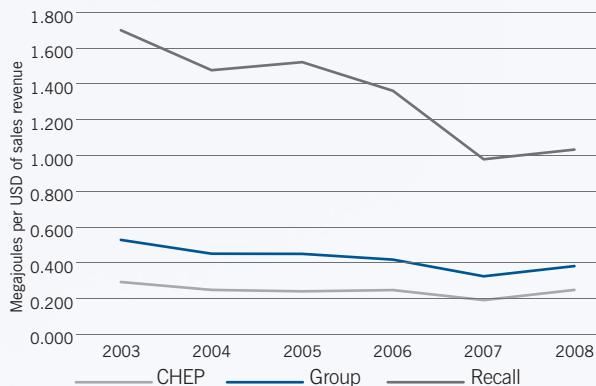
In addition, the study found that CHEP uses at least 30% less energy and produces 33% less greenhouse gas emissions than traditional exchange and 136% less than whitewood one-way systems.

Whilst this study was conducted in the USA, it is indicative of CHEP's pooled pallet system worldwide. A copy of the study is available on the Brambles website (www.brambles.com).

CO₂ equivalent emission intensity



Energy intensity



ENERGY USE AND GREENHOUSE GAS (GHG) EMISSIONS

Like most businesses, Brambles contributes to climate change through its transport operations and the consumption of electricity, both of which entail burning fossil fuels.

However, Brambles has a relatively light environmental footprint. For instance, Brambles does not expect its operations to be obliged to report under Australia's new National Greenhouse and Energy Reporting System. Nevertheless, both CHEP and Recall track their generation of GHG emissions, along with other relevant eco-efficiency measures including energy and transport fuel usage.

In 2008, Brambles did not maintain the same level of improvement in its GHG emission and energy use intensities as it demonstrated over the preceding four years. Brambles notes that, because its environmental footprint is so light, even small changes in its operational activities can have a relatively large impact on the intensity measures.

ENVIRONMENTAL COMPLIANCE

Except as set out below, the operations of the Group 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.

Brambles' businesses comply with all relevant environmental laws and regulations and none were involved in any adverse environmental prosecutions during the year.

CASE STUDY

CHEP USA

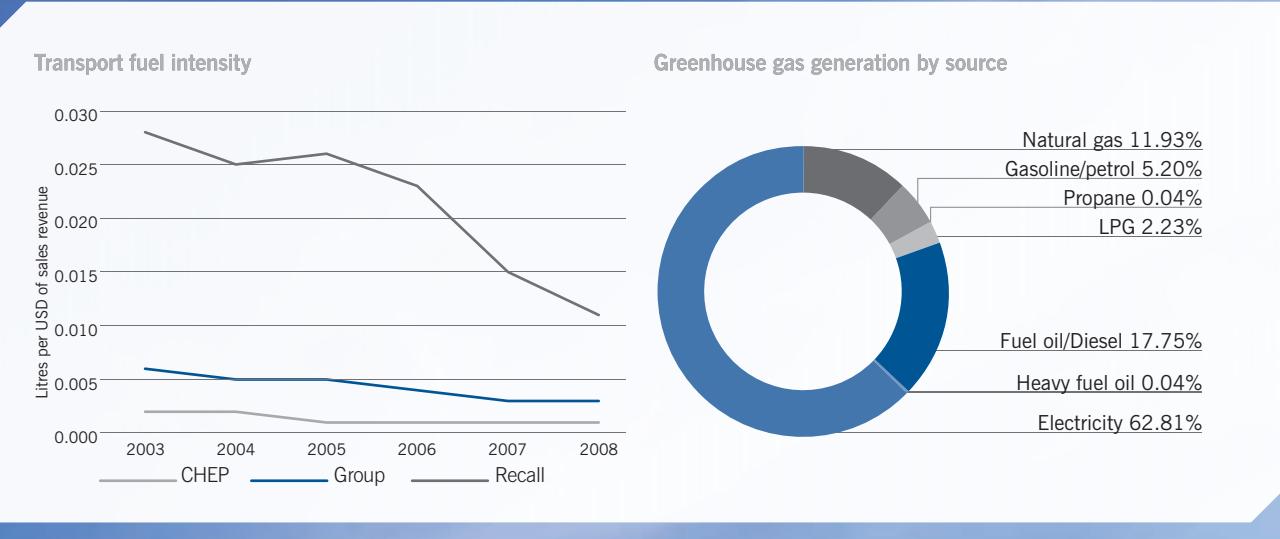
CHEP USA has implemented a number of initiatives to reduce its greenhouse gas emissions and minimise its environmental footprint.

For example, CHEP USA is an ENERGY STAR Partner with the US Environmental Protection Agency (EPA) and Department of Energy. This partnership involves a commitment by CHEP to track and reduce energy use in its buildings and facilities across the USA.

CHEP USA has also joined the SmartWay Transport Partnership, a collaboration between the US EPA and the freight industry designed to increase energy efficiency while significantly reducing greenhouse gas emissions and air pollution. CHEP is contributing to the Partnership's goal to reduce 33 to 66 million tonnes of carbon dioxide and up to 200,000 tons of nitrogen oxide per year by 2012 by improving the environmental performance of all its operations. Carbon dioxide is the most common greenhouse gas and nitrogen oxide contributes to smog.

CHEP USA also launched a Hybrid Vehicle Incentive Program in May 2008. Under the program, staff members are eligible to receive US\$2,000 if they purchase an environment-friendly vehicle, such as a hybrid car or truck. The definition of hybrid is the same as that used by the US Department of Energy and the Internal Revenue Service.

These initiatives highlight CHEP USA's commitment to reducing its impact on the environment and building a sustainable business.



SOCIAL PERFORMANCE

Labour practices

Brambles employs over 12,000 people in 45 countries.

Our employment policies commit Brambles to:

- providing a safe working environment with an objective of achieving Zero Harm through industry best practice in health and safety management (see Health and Safety section on page 36);
- being an equal opportunities employer, committed to developing a diverse workforce where everyone is treated fairly irrespective of gender, sexual orientation, age, disability, race, religion;
- creating an environment where everyone is encouraged to give their best and realise their full potential, by providing learning and development opportunities for individuals and groups; and
- ensuring employees can discuss any problem connected with their work confident that they will receive a fair, impartial and confidential review of the issue.

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

As mentioned above, the Brambles European Works Council meets formally on an annual basis. Its purpose is to bring together management and elected workers' representatives from all the EU Member States in which Brambles operates.

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

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

As mentioned above, the Brambles Employee Survey gathers employees' perceptions of their workplace and the data is used to track progress from previous surveys, measure Brambles against internal and external best practice and identify key actions for improvement.

Code of Conduct

The Brambles Code of Conduct forms part of each employee's terms and conditions and provides an ethical and legal framework for all employees in the conduct of Brambles business. It is available on the Brambles website.

The Code is not intended to be all-encompassing. There are areas in which we expect our businesses to develop detailed policies in accordance with local requirements. The Code provides a set of guiding principles that may be supplemented with additional local policies.

The Code of Conduct is regularly reviewed and updated. Senior management must provide a statement of compliance with the relevant areas of the Code of Conduct every six months or identify those areas on which they cannot sign off. The sign-offs are audited on a sample basis by Brambles Headquarters.

Health and Safety

At Brambles, we are committed to achieving Zero Harm. This means zero injuries and zero environmental damage.

The Board is responsible for setting health and safety policies. The Group Presidents of CHEP and the President and Chief Operating Officer of Recall are responsible for policy implementation and safety performance, within the monitoring and reporting framework governed by the Group Risk Committee. More information is provided in the Corporate Governance Report on pages 44 to 53.

We believe everyone has the right to be safe at work and to return home to their family and friends as healthy as when they started the day.

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

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

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

We ensure that the occupational health safety and environment (OHS&E) management systems and training reflect our Zero Harm commitment.

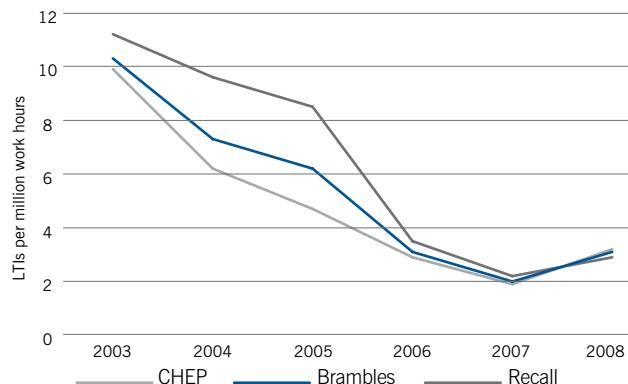
Each business has its own OHS&E management systems, including business-specific policies, procedures, risk assessment, monitoring and compliance mechanisms. These systems include hazard management, incidents, near misses and system failure reporting, recording and corrective action procedures. OHS&E management systems are designed to ensure that each employee receives the appropriate safety training. Safety is the responsibility of each individual employee, while accountability for safety is clearly integrated into manager and supervisor job descriptions.

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

Health and Safety Performance

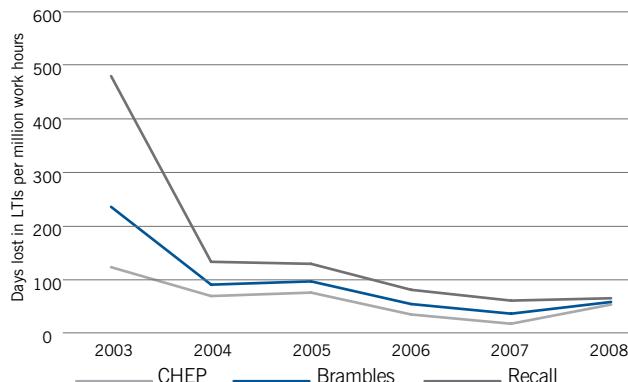
The principal safety performance measures are Lost Time Injury Frequency Rate (LTIFR) and Lost Time Injury Severity Rate (LTISR). LTIFR measures the number of injuries that result in an employee being absent from work for one or more whole shifts per million work hours. LTISR measures the number of injury days lost per million work hours.

Brambles lost time injury frequency rate



Until this year, Brambles had successfully achieved four years of over 20% compound improvement in both lost time injury frequency and severity rates. Although in 2007 Brambles got close to world-class levels (generally considered to be LTIFR less than 2.0 and LTISR less than 15.0), 2008 was disappointing and Brambles has seen its performance slip back to 2006 levels. Brambles' continuing operations recorded an LTIFR of 3.1 for 2008.

Brambles lost time injury severity rate



This year's LTISR was 59.1. Overall, although the performance in 2008 was disappointing, Brambles is encouraged by the 75% improvement in LTISR since it started measuring its global performance in 2003. However, we remain determined to make continual progress towards Zero Harm.

	2003	2004	2005	2006	2007	2008
LTIFR	10.3	7.3	6.2	3.1	2.0	3.1
LTISR	236.0	91.3	97.4	55.2	37.3	59.1

Comparison of Brambles safety measures (such as LTIFR and LTISR) with global industry averages is problematic due to varying definitions between companies, industries and countries.

However, where a comparison can be made, CHEP's performance appears to be significantly ahead of companies in similar industries. For example, in 2006, the last year for which Bureau of Labor Statistics was available, CHEP USA's LTIFR performance of 4.7 was significantly better than the Wood Pallets and Skids and Warehousing and Transportation industries' performances of 14.5 and 13.5 respectively.

Similarly, Recall USA's LTIFR performance of 3.3 compares well with the 2006 figures of the Transport and Warehousing industry as well as the Warehousing sector's performance of 13.5. Recall USA incurred a fine of \$1,125 as a result of inadequate ground markings for forklift traffic in a SDS facility by OSHA, the country's occupational health and safety regulatory authority. The shortcoming was immediately corrected in consultation with OSHA.

It is with great sadness that we note that in January 2008 Mr Ícaro Roldão Chaves de Barros Júnior, an employee of CHEP in Brazil, was fatally injured in a road traffic accident when he lost control of his vehicle in heavy rain and collided with a truck.

In response, both CHEP and Recall have enhanced their safe driving initiatives to improve safe driving and reduce vehicle accidents.

This year, CHEP Australia inaugurated the CHEP Young Driver Program as part of its commitment to the safety of employees and their families. CHEP offered to pay 50% of the cost of a one-day defensive driving course for employees' sons and daughters aged between 17 and 25.

Performance and Development

We aim to create an environment where everyone is encouraged to give their best and realise their full potential, through the provision of learning and development for individuals and groups. The Performance and Development Plan introduced in 2005 has been extended to all staff and provides the mechanism to identify and track development activities for individuals. While systems are not in place to measure the exact number of training days per employee, the majority of Brambles employees have undertaken job-specific or developmental training during the year.

Brambles is also designing company-wide key performance indicators to put in place consistent measures for all our people.

Human Rights

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

Brambles has incorporated the provisions of the declaration into its policies and Code of Conduct. We respect the human rights of our employees and other stakeholders. We will not tolerate child labour or forced labour in our own operations or those of our suppliers.

Brambles operates in four countries – China, Saudi Arabia, United Arab Emirates and Zimbabwe – that FTSE4Good classifies as "of concern". Although these are only small operations, comprising less than 0.1% of Brambles' global sales, employees in these countries, like all Brambles employees, have received training in the Brambles Code of Conduct.

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

OUR PLACE IN SOCIETY

Brambles' businesses benefit the local community by creating employment directly and indirectly, providing high quality support services that assist customers to grow their businesses and purchasing materials from local and national suppliers.

Brambles primarily operates in commercial and industrial areas. This minimises the impact of our operations, since these areas are designed for such use.

We conduct business in accordance with the laws and regulations of each country in which a Brambles business is located. We compete fairly in the markets in which we operate.

In following the Zero Harm commitment (see Health and Safety section on page 36), we remain determined to fulfil our obligation to ensure that we work without causing harm to ourselves, our colleagues or the community.

Bribery and Corruption

Corrupt practices are completely unacceptable to Brambles and strictly prohibited. No bribes or similar payments will be made to, or accepted from, any party. All commercial transactions must be properly and accurately recorded. Sales agents, consultants and similar advisers must be appointed in accordance with these principles and paid at a rate consistent with their services. Assets and confidential information must be fully protected and must not be used by employees for personal gain.

Employees must not engage in activities that involve, or could appear to involve, a conflict between their personal interests and the interests of Brambles.

Areas where conflicts might arise include share ownership, direct or indirect personal interest in contracts, seeking or accepting gifts or entertainment beyond levels considered reasonable, employment outside Brambles, or use of confidential information.

Brambles' Speaking Up policy means any employee who has a genuine belief there has been activity that is against the law or in breach of our policy on Bribery and Corruption (or any other policy) can readily identify who to go to with their concerns and how to do so. Every effort will be made to protect the reporting employee's confidence.

Competition

Brambles competes fairly in the markets in which it operates. Uncompetitive behaviour is bad for our customers and is unacceptable to the community at large. Brambles' passion for success means that we compete effectively and fairly in the markets in which we operate.

Managers are responsible for ensuring that they comply with competition laws in their area of operations and that all relevant employees receive thorough training in this area. This requires managers to identify the areas in which their businesses are most at risk from non-compliance and to deal with these in regular training sessions. Competition compliance manuals are regularly updated and prepared with local legal experts and provided to relevant employees. Training programs for employees are developed in conjunction with local legal experts, covering relevant areas of competition compliance in the particular locations of the businesses. This includes refresher training of existing employees and induction training for new recruits.

Political Donations and Public Policy

Brambles does not make donations to political parties and will not do so without the specific endorsement of shareholders.

Brambles is a member of the Business Council of Australia (BCA). From time to time, the BCA makes representations to government representatives and political parties on behalf of its members. However, such representations by the BCA may or may not reflect Brambles' position on specific issues.

Data Protection and Privacy

Brambles' Code of Conduct requires employees to keep confidential all information gained during the course of their employment.

Brambles' policy is to maintain the privacy of information relating to its employees and customers. Where there are specific local privacy laws, compliance with this policy has regard to these legal requirements.

Research and Development

Brambles carries out research and development activities in relation to both its CHEP and Recall businesses. These activities comprise continuously testing its pallets and containers to make them more durable and safer for use in the supply chain, designing and improving pallet and container repair equipment, development of radio frequency identification, development of document management processes and developing and improving software.



Brambles is a sponsor of Clean Up the World and, on the third weekend of September, Brambles volunteers join millions of people in more than 100 countries to clean up their local parks and other natural areas. In Sydney, Brambles volunteers worked with authorities to help clean up a section of the Lane Cove National Park.

OUR COMMUNITIES

Our businesses and our people are part of the communities in which they operate and Brambles provides financial and other forms of support to a broad range of charitable and community organisations around the world.

This support is provided in three ways:

- donations funded by Brambles Headquarters, primarily through the Community Reach program;
- contributions made by Brambles' businesses to a range of local and national charities; and
- personal contributions made by Brambles employees around the world to a range of fundraising events and activities.

The Brambles Community Reach program provided about US\$600,000 in grants during the year to help our people support causes that benefit health, the environment or safety – in order to reinforce these key priorities of our business and culture.

Grants were made to employees in the USA, UK, France, Spain, South Africa and Australia to support organisations in those countries and also in other countries including India and Uganda. The grants included donations to purchase clean drums for drinking water in South Africa, water purification units for orphanages in India and equipment for a rural fire brigade in Australia.

Community Reach also continued to support the Prostate Cancer Foundation of Australia, Great Barrier Reef Foundation and Clean Up the World (CUW), an organisation that mobilises 35 million people in over 100 countries each year “to clean up, fix up and conserve the environment”. Further Information about CUW and its activities can be found on its website at www.cleanuptheworld.org.

In addition to Community Reach, Brambles' businesses and people make valuable contributions to a range of organisations. In Europe, for example, CHEP's team of process improvement specialists initiated a series of workshops to assist charitable organisations and community projects. In Paris, a team worked with Coup de Pouce Humanitaire, a charity that undertakes building and aid projects in the world's poorest communities, to plan and execute a humanitarian aid mission more efficiently. In Manchester, a team worked with Christie's Hospital, one of the leading cancer treatment centres in Europe, to improve the allocation and retrieval of equipment and to improve customer service and communication. Both workshops were extremely successful.

In France, CHEP has recently formed a partnership with Restaurant du Coeur, a leading Non-Government Organisation, to deliver food and meals to homeless and needy people. CHEP contributed 400 pallets for the transport, distribution and display of hundreds of food and hot meal packages during their Winter campaign.



CHEP USA supports Habitat for Humanity, a charity that helps people in need. This year, CHEP USA volunteers built a home in Orlando for a single mother with three daughters, two of whom are disabled.

In the USA, CHEP donated over US\$215,000 during the year to organisations including the American Heart Association, America's Second Harvest, Toys for Tots, Rainforest Alliance and Habitat for Humanity as part of its CHEP Cares program.

Habitat for Humanity brings together families in need and volunteers of all faiths, in partnership with community resources, to enhance lives by building homes, strengthening neighbourhoods and improving local communities. CHEP USA volunteers spent about 1,000 hours building a home in Orlando for a single mother with three daughters, two of whom are disabled. The family was living in government housing and their new home includes features that will make caring for the girls easier.

In Australia, CHEP received a call from the Queensland State Emergency Service (SES) in January 2008 after torrential rain caused the Warrego River to flood, threatening a number of regional towns. The SES wanted to hire or buy a large number of pallets to support specially designed pallet-supported flood barriers. CHEP immediately offered to provide the pallets for free, including transport. Almost 1,000 pallets were sent to Charleville by road train, a journey that took seven hours and involved a police escort. Thankfully, the flood waters didn't reach the feared six metre level. Several towns suffered significant damage, however, and the Premier of Queensland, Anna Bligh, thanked CHEP for its response to the emergency.

Recall Global Headquarters supports Atlanta's Community Food Bank, an organisation that distributes donated food to low income families in Georgia. In June 2008, Recall volunteers filled 140 boxes of food for the Food Bank. In addition, the team collected and transported over 750 kilograms of donated food, the equivalent of more than 1,000 meals. Recall Global Headquarters also supports UNICEF.

In other parts of the world, Recall supports European charities including Red Cross and Children's Cancer Fund, two Malaysian centres for disadvantaged children and St George's Foundation in Australia.

Brambles is proud of the qualities shown by our people as they continue to support their local communities in myriad ways.