

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

TCFD index

The Task Force on Climate-related Financial Disclosures ('TCFD') has developed a climate-related financial risk disclosure framework for companies to provide information to investors, lenders, insurers and other stakeholders.

Our climate-related disclosures are consistent with the TCFD recommendations and recommended disclosures as set out in the TCFD framework published in June 2017 and the updated 'Annex' published in 2021. The index table to the right provides a reference to where these disclosures can be found throughout our Annual Report.

Topic	Disclosure summary	Disclosure	Bunzl response
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	Governance report: pages 92-93, 96-97, 100, 103-105 Principal risks: pages 68-70, 76 Sustainability report: page 62
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	Governance report: pages 92-93, 96-97, 100, 103-105 Principal risks: pages 68-70, 76 Sustainability report: page 62 EGS appendix 213-215
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Principal risks: page 76 EGS appendix 213-215
		b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Principal risks: page 76 Sustainability report 54-55 EGS appendix 213-215
		c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower temperature scenario.	Principal risks: page 76 Sustainability report 54-55 EGS appendix 213-215
Risk management	Disclose how the organisation identifies, assesses and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Principal risks: pages 68-70, 76 Sustainability report 54-55 EGS appendix 213-215
		b) Describe the organisation's processes for managing climate-related risks.	Principal risks: pages 68-70, 76 Sustainability report 54-55 EGS appendix 213-215
		c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Principal risks: pages 68-70, 76 Sustainability report 54-55 EGS appendix 213-215
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	ESG Appendix: pages 215-216 Key Performance indicators: page 41 Sustainability report: pages 48-54
		b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas ('GHG') emissions and the related risks.	ESG Appendix: pages 215-216 Key Performance indicators: page 41 Sustainability report: pages 48-54
		c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	ESG Appendix: pages 216 Key Performance indicators: page 41 Sustainability report: pages 48-54

SASB REPORTING FOR BUNZL'S SUSTAINABILITY METRICS

The Sustainability Accounting Standards Board ("SASB") has industry-specific sustainability standards which identify material topics and associated metrics. The table below summarises where relevant SASB disclosures can be found throughout Bunzl's annual reporting. This is based on several standards from the materiality map as Bunzl does not fall within one clear sector. We have based our disclosure on the most relevant standards for the business that align to and cover the key sustainability themes arising from our recent materiality assessment. All of the data provided below is from 2023 unless otherwise stated.

SASB Metric	Bunzl Disclosures
Product lifecycle management	
Revenue from products that are reusable, recyclable, and/or compostable	In 2023, £2.2bn revenue was generated from packaging and products made from materials that are recyclable, compostable, reusable or made from renewable sources.
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	We have discussed how we work with our suppliers and customers to reduce the environmental impact of packaging and products in both our Annual Report and Insight Series presentations. Pages 56 to 57. CE Insights series pages 23 to 24. BNA Insights series pages 13 to 18.
Greenhouse Gas Emissions	
Gross global Scope 1 emissions	89,806 tonnes of CO ₂ e
Discussion of long term and short term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Our climate change/carbon strategy has been detailed in the sustainability section of our Annual Report on pages 48 to 55. A comprehensive view into how we understand, assess and manage the risks and opportunities associated with climate change can be found in our TCFD index and associated reporting. Pages 48 to 55. Our integrated process for identifying and assessing risks is detailed in the strategic report section of our Annual Report on pages 68 to 76. Our carbon reduction targets can be found on pages 48 to 49 of our Annual Report with our performance shown on pages 52 to 53. The targets are (baseline year: 2019): <ul style="list-style-type: none"> • Scope 1 & 2 – 50% more carbon efficient (equivalent to a 27.5% absolute reduction by 2030)* • Scope 3 – 79% of suppliers by emissions will have science-based targets by 2027* • Scope 1, 2 & 3 – 90% absolute reduction in emissions by 2050 • Net zero emissions by 2050 at the latest We have committed to the Business Ambition for 1.5°C initiative & Race to Zero campaign. We have submitted our Net Zero plan to the SBTi for approval in 2023. * These targets have been approved by the Science-Based Targets Initiative (SBTi).

SASB Metric	Bunzl Disclosures
Greenhouse Gas Emissions	
(1) Total fuel consumed, (2) percentage natural gas, (3) percentage renewable	(1) Total fuel consumed: 1,442,669 GJ (2) percentage natural gas: 24% (3) percentage renewable fuel: 1.3%
(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	(1) Operational energy consumed: 1,776,617 GJ (2) percentage grid electricity: 18% (3) percentage renewable: 5.7% (total energy), 25% (total electricity)
Labour conditions in the supply chain	
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, (3) percentage of total audits conducted by a third-party auditor	Our auditing process is our first line of defence to prevent defective products being shipped and to ensure products comply with our ethical standards. (1) Tier 1 suppliers: All products supplied directly from Asia are through suppliers that are verified by our Global Supply Chain Solutions team and our audits typically cover c.98% of Bunzl spend across 13 Asian countries every two years. We will take a proactive, risk-based approach to responsible sourcing, identifying common issues in our supply chain and working closely with suppliers to reduce the future incidences of these. The spend coverage above (representing c.15% of our global supply chain) relates to our suppliers based in regions identified as very high risk in international rankings of human rights issues (e.g. Global Slavery Index). (2) Tier 2 suppliers: None audited as we are taking a risk based approach to working through our supply chain with our programme (and focusing on Tier 1 as a priority). Our audits and Supplier Code of Conduct demand that our Tier 1 suppliers ensure that the Code is maintained and enforced within their own supply chains, including by any sub-contractors used in executing any orders received from our Company. (3) Percentage of total audits conducted by a third-party auditor: 16%. For more information see: Pages 58 to 59 Bunzl Supplier Code of Conduct Bunzl Modern Slavery Statement

SASB REPORTING FOR BUNZL'S SUSTAINABILITY METRICS continued

SASB Metric	Bunzl Disclosures
Labour conditions in the supply chain	
Priority non-conformance rate and associated corrective action rate for suppliers' labour code of conduct audits	<p>During 2023, our Global Supply Chain Solutions team audited 1,022 suppliers:</p> <ul style="list-style-type: none"> • 956 had no critical issues (c.94% suppliers audited). • 66 underwent remediation efforts to bring them up to the required standard (c.6% suppliers audited). • Following these remediation efforts, we terminated relationships with 10 suppliers who failed to make enough progress (c.1% of suppliers audited, c.15% of suppliers requiring remediation). • Corrective action rate for suppliers requiring remediation: c.85%.
Description of the greatest (1) labour and (2) environmental, health, and safety risks in the supply chain	<p>Our Global Supply Chain Solutions team have identified the following risks:</p> <p>(1) Labour:</p> <ul style="list-style-type: none"> • Child Labour. • Forced Labour (Modern Slavery) – including the use of recruitment fees. • Unfair discrimination. • Wages not meeting local legal minimum requirements. • Continuous work for more than 30 consecutive days without at least one day's rest. <p>(2) Environmental, health and safety risks:</p> <ul style="list-style-type: none"> • Whether the supplier has an Environmental Policy and an appointed business owner. • Are evacuation routes and safety exits kept clear and unblocked, and is firefighting equipment easy to access. • Whether the dormitory is located in a building separate from the workshops and warehouses. • Are the production/warehouse buildings structurally safe.

SASB Metric	Bunzl Disclosures
Workforce diversity and inclusion	
Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	<p>We monitor the percentage of our workforce by gender and have total workforce of c.24,500 employees, 62% of them are male and 38% are female. In our senior management population (c. 500 leaders) there are 22% females and 78% males.</p> <p>We cannot monitor ethnicity of our total workforce or senior management population due to restrictions on capturing data in certain countries in which we operate.</p>
Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	No compensation costs were paid in 2023.
Voluntary and involuntary turnover rates for employees	Voluntary turnover was 15.3%.

ESG APPENDIX

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Double materiality methodology

1. Defining the boundaries and business context

Bunzl's operations connect our distributed, flexible supply chain with customers across multiple industries including retail, foodservice, grocery, construction and healthcare. As a result our double materiality assessment has considered the ESG impacts present across the entire value chain with appropriate consideration given to impacted stakeholders at each stage.

It is not only our value chain that is complex and dynamic, but so are the solutions we source and supply. The goods we provide to our customers cover a wide range of target sectors, product types and materials. Our assessment has recognised that these different products and materials have different associated sustainability impacts, risks and opportunities as shown in the table below.

ESG issues relating to PPE, medical equipment and workwear

- Connected with ESG topics such as biodiversity and ecosystems and workers in the value chain.
- Positive ESG impacts and opportunities such as increasing access to healthcare and user health & safety.

Furthermore, our assessment has been designed to consider the impacts, risks and opportunities that might relate to the individual geographies and/or market sectors in which we operate. These impacts are not always material when aggregated at a central level but we have given some examples of regional and market specific issues that were of interest to our stakeholders on page 46.

2. Identification of potentially material topics, impacts, risks and opportunities

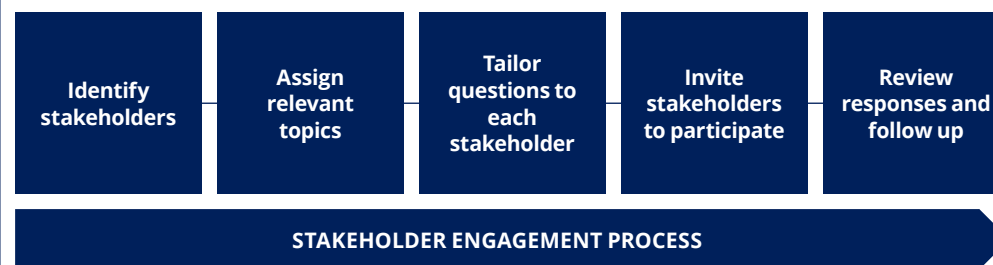
We used the ESRS list of sustainability topics, sub-topics and sub-sub-topics as a starting point for our double materiality assessment. This list was supplemented with information from other resources including: our previous materiality assessment, SASB reporting standards, legal requirements in our markets, widely accepted sector-specific best practice and peer benchmarking.

The desktop research was then reviewed by a cross-functional senior team and resulted in a list of:

- potentially material impacts where Bunzl's business activities and relationships could potentially affect people and the environment, and;
- risks and opportunities that could have a negative or positive financial impact on Bunzl.

3. Engagement with relevant stakeholders

During the assessment we sought insights on the potentially material impacts, risks and opportunities from different stakeholders across our value chain, including our largest suppliers of key commodities (e.g. paper & pulp, plastics and chemicals), customers from across all of our business areas, key investors and other stakeholders such as members of the Bunzl team and relevant charities.



We assigned relevant sustainability topics to each stakeholder group and to ensure we received the best quality responses, tailored the questions to each stakeholder to match those who were expected to be impacted by a sustainability issue or were in a position to provide unique insight on a particular topic.

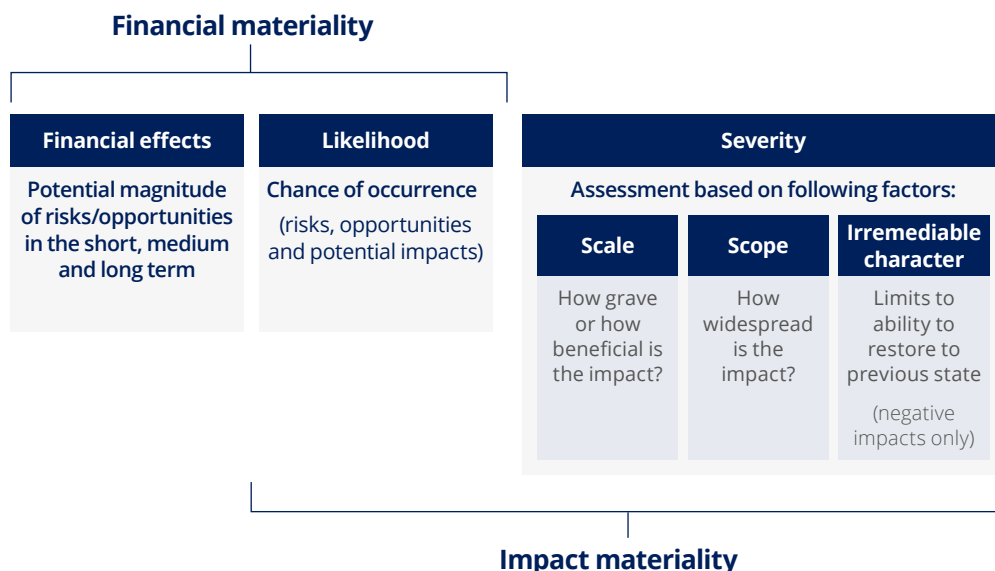
This 'tailoring' was based on the business relationship with Bunzl (different stakeholders would contribute different insights depending on their position in the supply chain) and the stakeholders business activities (for example a plastic packaging supplier may not be able to comment authentically on the sustainability issues relating to paper and pulp raw material sourcing).

4. Determining materiality using a defined scoring methodology and thresholds

We have used a quantitative approach to determine whether an impact, risk or opportunity is material for Bunzl. We developed a scoring criteria, aligned to Bunzl's risk assessment process, that was used by our stakeholders to analyse the lists of impacts, risks and opportunities to establish whether they were material or not.

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Materiality has been assessed by using the following key factors:



Impact materiality has been assessed based on two factors: severity and likelihood. Severity can be considered as a combination of the factors of scale (how grave or beneficial an impact is), scope (how widespread an impact is), and its irremediable character (how difficult it is to undo negative changes). Financial materiality has been assessed by using two factors; potential magnitude of financial effects and likelihood. The scoring and thresholds relating to financial materiality have been aligned with the Bunzl risk assessment process and methodology.

Packaging categories

- Packaging refers to packaging and other products within the foodservice, grocery and retail sectors which are facing legislation or consumer pressure.
- We have exercised our judgement to allocate sales to the packaging and non-packaging categories as explained in the table to the right.
- In future years packaging and products may move between categories and/or may be added or removed (for example, as legislation changes, recyclability improves or if a new line of products is launched).
- We review the categorisation of our products and packaging on a quarterly basis as part of our internal controls process and have made one change this year. Food containers made from other types of plastic (e.g. PS) that are not covered by other reporting categories have been moved from category 3 to category 2. These products serve a functional purpose and we are seeing customers transition away from these products to alternatives on a like-for-like basis. As such we have positioned these sales in 'Consumable plastics likely to transition'.

Category detail and name applied by Bunzl	Description	Example products in category
Category detail: Single-use plastic products facing restriction Bunzl name: Consumable plastics facing regulation	1 The single-use plastic products most commonly facing restriction – i.e. outright bans or complete restriction on placing into the market within the majority of the countries in which we operate – this is the category where we expect to see some volume reduction and transition may not happen on a like-for-like basis. We have expanded these specific regulations to all Business Areas where such products are sold. This is to provide consistency, as it can be reasonably expected that legislation will follow to those areas where it does not currently apply.	Including but not limited to: Plastic cutlery Plastic plates, bowls, platters, and lids
Category detail: Single-use plastic products facing regulation (not outright restriction) Bunzl name: Consumable plastics likely to transition	2 Single-use plastic products that have existing measures in place (either legislative in countries we operate or voluntarily by some brands/businesses we sell to) to control their usage. As the use of these products across our Group is not completely restricted (i.e. there are no consistent bans as with category 1) and the products themselves serve a functional purpose, customers typically transition away from these products to alternatives on a like-for-like basis (including reusable options). We have expanded these specific regulations to all Business Areas where such products are sold to provide consistency.	Including but not limited to: Single-use plastic cups Paper cups and soup containers with plastic lining Lightweight plastic carrier bags EPS food containers

ESG APPENDIX continued

Category detail and name applied by Bunzl	Description	Example products in category
<p>Category detail: Single-use plastic products where plastic is an appropriate material for the job, where alternatives are not commercially available or where substitution could cause unintended environmental consequences</p> <p>Bunzl name: Packaging and products with an important purpose</p>	<p>3 Single-use plastic products where plastic is an appropriate material for the job from a functional perspective, where alternatives do not currently exist at scale or where unmitigated, careless substitution of plastic could lead to significant negative, unintended consequences such as higher carbon emissions, water use and food waste.</p>	<p>Including but not limited to: Plastic food containers Plastic pouches, packets, and wrappers Baking paper and parchment</p>
<p>Category detail: Recyclable, reusable, compostable products, and those made from renewable resources</p> <p>Bunzl name: Packaging and products made from alternative materials</p>	<p>4 These represent the alternative solutions our customers typically transition their single-use packaging and products to. These are products that are typically recyclable or compostable, made from a renewable resource, for example palm leaf or sugar cane, plastic products containing a proportion of recycled content (where these products are also recyclable) and reusable products such as 'bags for life' or refillable coffee cups that are products specifically designed to be used more than once. National guidance (where it exists) has been used to determine the recyclability of a product. Due to the huge variation in recycling provisions globally we have expanded these criteria to all Business Areas where such products are sold to provide consistency.</p>	<p>Including but not limited to: PET and rPET food containers Cardboard or paperboard containers Compostable plastic cups Reusable cups Alternative materials cutlery Alternative materials plates, bowls, platters, and lids Paper bags Reusable carrier bags</p>

Climate change scenarios

Our climate change scenarios align with the environmental and economic conditions represented in the Network for Greening the Financial System ('NGFS') scenario framework. This framework was used as the basis for the Bank of England's 2021 Biennial Exploratory Scenario on climate risks and is based on the following assumptions:

Scenario 1 - 'Orderly'

This reflects Net Zero 2050 commitments from COP26 which limit global warming to 1.5°C through stringent climate policies and innovation and assumes those jurisdictions which have committed to Net Zero (including US, EU, UK, Canada, Australia and Japan) will achieve those goals. This scenario assumes climate policies are introduced early and become gradually more stringent and that physical and transition risks increase gradually. Carbon prices increase steadily in key Bunzl countries and the use of internal combustion engine 'ICE' vehicles will be limited by regulations and market pressures. Physical and transition risks are both relatively low, however carbon prices are initially higher than the Disorderly scenario in order to encourage an earlier curbing of emissions. Customers may also increasingly express their preferences relating to the type of transportation used by Bunzl to deliver their products.

Scenario 2 - 'Disorderly'

This scenario assumes a lack of coordinated response to climate change and therefore emissions reductions are limited until 2030. Climate policies are delayed or divergent across countries and since actions are taken relatively late and are limited by available technologies, emissions reductions need to be greater than in the Orderly scenario to limit warming to below 2°C. The result is higher transition risks and higher carbon prices.

Scenario 3 - 'Hothouse world'

The final scenario assumes that Governments fail to introduce the policies needed to address climate change beyond those that are already in place. Climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Global average carbon prices remain low and emissions grow until 2080 leading to +3°C of warming with severe physical risks and irreversible global impacts.

Evaluating potential impacts of climate change on our business

The Group has considered three possible outcomes (best, medium, worst) across our key potential climate-related business impacts, under the three climate scenarios. We have assessed the impacts on a short term (to 2025) mid term (to 2030) and long term (to 2050) basis.

Shifting customer expectations

The timing of the emissions reductions required varies significantly between the Orderly, Disorderly and Hothouse scenarios. Many customers have committed to dramatically reduce carbon emissions by 2050 (with some committing to net zero) and they expect suppliers such as Bunzl to contribute to achieving these targets. Bunzl has already established a science-based reduction target in line with an Orderly scenario and will assess on an ongoing basis whether this emissions trajectory continues to meet customers' ambitions.

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Environmental impacts of technology

Whilst the transition to electric and plug-in hybrid vehicles has begun, the pace and breadth of change will depend upon the climate scenarios above. Bunzl is aware of relevant current trends including the deployment of electric ('EV') and plug-in hybrid electric vehicles ('PHEV'), the energy density and range limitations of batteries for long haul trucks and the likely future cost of biofuels, which represent an important transition fuel. We considered whether a rapid increase in carbon pricing after 2030 in the Disorderly scenario could leave Bunzl with stranded assets, if trucks were to become uneconomical to run. Consideration of the environment in which we may operate under each of the climate scenarios above has led us to conclude that Bunzl will implement a fleet strategy that ensures a timely transition to alternative fuels at a cost that is comparable to the current cost, or that any increase in costs is marketwide and can be incorporated into sales prices. We also conclude that the risk of stranded assets is minimal, as the average life remaining on our truck and car leases is limited (estimated to 3 to 4 years).

Adaptation to extreme weather

The business impact of extreme weather is already included in our climate model, as it could be a driver of lower GDP growth. Bunzl monitors the current impact of extreme weather on our operations to ensure we remain well prepared for worsening conditions in the future. In recent years we have seen disruptions due to extreme weather in North America (hurricanes and wildfires) and Australasia (wildfires and flooding). These events were predominantly regional and in most cases we were able to serve customers from a different location. If this was not possible, then it is expected revenue would recover in a short time after conditions normalise. We have concluded that extreme weather conditions currently do not represent a material financial risk to Bunzl in excess of the impacts already modelled by considering the impact climate change will have on GDP.

Changing market dynamics

We have modelled the business impact of changing market conditions, by considering the potential for climate change to lead to lower GDP growth and higher carbon taxes:

Global GDP: Bunzl's revenue is to some extent correlated with the health and progress of the global economy. Economic damage from climate change could be caused by a number of outcomes, including shocks from extreme weather events, losses in agricultural productivity, temperature effects on labour productivity and human health, energy demands, and flows of tourism. All impacts are considered within our scenarios.

Carbon pricing is a cost levied by governments to encourage polluters to reduce the amount of greenhouse gases they emit. The Orderly scenario assumes increased carbon pricing in key Bunzl countries as a result of Government intervention and sustained consumer pressure. The Disorderly scenario reflects moderate pressure from consumers for climate action, resulting in a much lower carbon price than the Orderly scenario until 2030, when the substantial financial impacts of extreme weather events leads to a rapid policy response from Governments. A high carbon price is required from this point to drive large emissions reductions to limit global warming. Within the Hot House scenario, increases in carbon pricing remain negligible up to and beyond 2050.

Thematic area	Risk & opportunities	Response measures
Shifting customer expectations Bunzl's customers are setting more stringent environmental targets. Bunzl is increasingly expected to help customers achieve their ambitions and goals.	Risks Failing to align with our customers' ambitions could lead to reputational damage and loss of sales. Opportunities Aligning with customers' ambitions could strengthen customer relationships, build resilience to new environmental legislation and policy, and create brand differentiation. The risks and opportunities are applicable for all time horizons and are most significant in the short and medium term.	Proactive scanning of customer trends and expectations. Our customers demand a wide range of solutions from Bunzl. We will build on our role as a material-agnostic distributor to provide customers with: <ul style="list-style-type: none"> information on less carbon intensive products; expert advice on the sustainability impact of products sourced; a broad range of product solutions suited to the application they need; options to reduce the impact of our deliveries (see page 43); and setting emissions reduction targets to decarbonise our operations and supply chain in line with climate science (see page 49).
Environmental impacts of technology Technological advances will drive decarbonisation of Bunzl's commercial fleet and shipping suppliers. The extent to which technological change presents a risk or opportunity for Bunzl will be determined by factors such as the development of low carbon technology for large commercial goods vehicles and deployment of charging infrastructure. Increased regulatory pressure on the use of fossil fuels for mobility is expected.	Risks Bunzl may need to upgrade to less carbon intensive technologies such as electric vehicle technology in our commercial goods vehicles. Regulations could limit Bunzl's access to major urban areas for last mile deliveries. Opportunities New technologies such as energy efficient measures in warehouses. Proactive implementation of electric vehicle technology presents opportunities for strengthened customer relationships and brand differentiation, in addition to emissions reductions. The risks and opportunities are applicable for all time horizons and are most significant in the medium term.	Continuing and accelerating the introduction of technology in our warehouse operations with a focus on implementation of energy efficient lighting and solar photovoltaic panels (see page 53). Piloting new low carbon transport technologies (such as electric vehicle technology and biofuels) for use in our commercial fleet, ahead of full adoption once large vehicle technologies become technically and economically viable.

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Thematic area	Risk & opportunities	Response measures
<p>Adaptation to extreme weather</p> <p>Bunzl's suppliers and operations have already experienced the impacts of extreme weather. For example, hurricanes in North America have disrupted Bunzl's distribution activities and wildfires have threatened Bunzl's Australian operations. In both cases, we have been able to mitigate the risks to ensure supply.</p>	<p>Risks</p> <p>The severity and frequency of extreme weather events could increase in the future. While the flexibility of Bunzl's supply chain has provided good operational resilience to the physical impacts of climate change, there could be an impact if several key customers in a high risk region were impacted simultaneously. More chronic impacts of climate change, such as drought or increased rainfall may, in certain circumstances, also lead to resource shortages and price volatility of raw materials and packaging.</p> <p>Opportunities</p> <p>Our supply chain flexibility and lack of fixed manufacturing assets provide an opportunity to quickly respond to changing operating conditions such as flooding and erosion caused by changed weather patterns.</p> <p>The risks and opportunities are applicable for all time horizons and are most significant in the medium and long term.</p>	<p>Proven business continuity plans have ensured continued service to customers.</p> <p>Resilience through supply chain flexibility and lack of fixed manufacturing assets.</p>
<p>Changing market dynamics</p> <p>The direct (physical) and indirect (transitional) risk may change the dynamics of the markets in which Bunzl operates. A key potential impact could come from carbon pricing, leading to some increase in costs of carbon intensive products.</p> <p>Climate change may create a demand for low carbon products or the supply of products which help mitigate the physical impacts of climate change. Certain markets may also be increasingly affected by extreme weather.</p>	<p>Risks</p> <p>Bunzl may face the risk of some increases in indirect costs from carbon intensive products. Certain markets may be increasingly affected by extreme weather (i.e. disruption to the hospitality industry in areas impacted by wildfires and flooding) which could impact our commercial strategy.</p> <p>Opportunities</p> <p>Our material agnostic business model and flexible supply chain allows us to benefit from opportunities to source and supply specialist low carbon products, or to acquire business and/or supply products which help mitigate the physical impacts of climate change.</p> <p>The risks and opportunities are applicable for all time horizons and are most significant in the medium and long term.</p>	<p>Bunzl is agnostic to the type of products it sources and supplies. This allows us to follow broader environmental, social and economic trends, entering new markets and seeking new customers where there is a business case for doing so.</p> <p>The ability to effectively pass through any increased costs of products in our supply chain (for example due to carbon pricing mechanisms) to our customers.</p>

Emissions reporting and environmental performance

Greenhouse gas emissions scope 1 and scope 2 data (Group)

Data for the period 1 October to 30 September	2019	2020	2021	2022	2023
Scope 1					
Total emissions (tonnes of CO ₂ e)	99,193	90,568	87,125	93,405	89,806^o
Emission intensity (tonnes of CO ₂ e/£m revenue)	10.7	9.5	8.5	8.1	7.6^o
Natural gas usage (m ³)	8,912,413	8,082,813	8,272,123	9,650,228	8,658,861
Fuel usage (ltr)	31,523,097	29,306,537	28,060,702	29,099,858	29,216,415
Fuel intensity (ltr/£m revenue)	3.4	3.1	2.7	2.5	2.4
Scope 2					
Emissions location-based (tonnes of CO ₂ e)	29,594	27,421	25,043	27,895	28,011^o
Emission intensity location-based (tonnes of CO ₂ e/£m revenue)	3.2	2.9	2.4	2.4	2.3^o
Emissions market-based (tonnes of CO ₂ e)	29,835	26,183	25,025	27,337	25,576^o
Emission intensity market-based (tonnes of CO ₂ e/£m revenue)	3.2	2.7	2.4	2.4	2.1^o
Electricity usage (MWh)	83,062	80,276	79,057	93,224	90,221
% renewable electricity	NA	15	14	17	25^o
Total scope 1 and 2 emissions					
Emissions location-based (tonnes of CO ₂ e)	128,787	117,989	112,168	121,300	117,817^o
Emission intensity location-based (tonnes of CO ₂ e/£m revenue)	13.9	12.4	10.9	10.5	9.9^o
Emissions market-based (tonnes of CO ₂ e)	129,028	116,751	112,150	120,742	115,382^o
Emission intensity market-based (tonnes of CO ₂ e/£m revenue)	13.9	12.2	10.9	10.5	9.7^o
Total energy (MWh) (including self-generated)	516,775	480,711	470,941	510,524	493,505

^o Included in the external auditors limited assurance scope. See Data Assurance statement, which is available on our website, www.bunzl.com. The location-based emissions and intensity data for previous years was also assured as detailed in the respective Annual Reports.

Scope 1 and 2 emissions data requires significant time to collect and categorise and as a result there is a three-month time lag between our financial data and scope 1 and 2 emissions data.

Our absolute carbon emissions decreased by 4% during the year. The divestment of the Healthcare business reduced our emissions by 1%, which was offset by an increase by 1% due to acquisitions. The remaining decrease was driven by an increased uptake of electric vehicles (particularly in UK & Ireland and Continental Europe), energy efficiency improvements and increased procurement of renewable energy (from 17 to 25%).

ESG APPENDIX continued

Fuel used for transportation remains our highest source of operational emissions, contributing c.80% of our scope 1 emissions. Of those emissions relating to transportation, c.81% are generated by our fleet of commercial vehicles.

Performance against carbon reduction targets

Data for the period 1 October to 30 September	2019	2023	2022 % reduction (vs 2019)	2030 target (vs 2019)
Total scope 1 and scope 2 emissions market-based (tonnes of CO ₂ e)	141,320 ¹	115,382^o	18	27.5%
Emission intensity market-based (tonnes of CO ₂ e/£m revenue)	13.8	9.7^o	30	50%

1. Emissions and emissions intensity in our baseline year have been recalculated to reflect the impact of acquisitions.
^o Included in the external auditors' limited assurance scope. See the data assurance statement on the Company's website, www.bunzl.com.

Greenhouse gas emissions data (UK)*

Data for the period 1 October to 30 September	2019	2022	2021	2022	2023
Scope 1 emissions (tonnes of CO ₂ e)	17,211	15,261	14,845	15,479	14,165
Scope 2 emissions (tonnes of CO ₂ e) (location-based)	2,660	2,847	2,511	2,215	2,161
Total scope 1 and 2 emissions (tonnes of CO ₂ e)	19,871	18,108	17,356	17,694	16,325
Emission intensity (tonnes of CO ₂ e/£m revenue)	17.0	14.9	14.6	13.4	12.9
Natural gas usage (m ³)	469,573	486,661	419,138	425,053	480,585
Fuel usage (ltr)	6,271,182	5,606,760	5,572,556	5,716,256	5,326,859
Electricity usage (MWh)	10,405	11,140	9,823	11,292	10,340
Total energy consumption (MWh)	82,084	75,812	73,815	76,744	71,064

* Energy usage and carbon emissions disclosed separately to adopt to the requirements of the UK Streamlined Energy and Carbon Reporting ('SECR') policy.

Our reported environmental data includes all businesses that are subsidiaries of the Group for financial reporting purposes, except for recent acquisitions where there has been insufficient opportunity for the businesses to adopt our reporting guidelines. The revenue from these businesses is not included when calculating the indexed emissions. The reported data covers 99.4% of the Group by revenue.

Bunzl has a Group wide approach to recording, measuring and reporting energy and climate change data. Business Areas are responsible for data input and monitoring progress against targets and providing commentary on significant variances and on the implementation of projects aimed at improving EHS performance. All data is reported in the Group's central EHS reporting and consolidation system. More details can be found in the Group reporting guidelines on our website www.bunzl.com/sustainability/sustainability-reporting.

Scope 3:

In 2023, we assessed the scope 3 Forest, Land, and Agriculture ('FLAG') emissions relevant to Bunzl. FLAG emissions are the emissions associated with land use change and other land-related activities. In Bunzl's supply chain these emissions are relevant within the scope 3 category Purchased Goods & Services (particularly paper and textile products). We have screened the relevant materials and engaged a third party to identify the emission factors required to calculate our FLAG emissions.

In 2023, we have also introduced minor changes to the calculation of scope 3 transport emissions. These changes have also been applied to our 2019 and 2021 emissions calculations. We have also rebased our 2019 emissions to take account of acquisitions made after 2019 (our baseline year). Scope 3 emissions are summarised in the table below. The calculation of the emissions associated with purchased goods and services, which is our largest scope 3 emission source, is based on supplier spend. The economic emission intensity factors that we use for this calculation do not account for the inflation increase in 2021 and 2022, which is why the reported emissions associated with purchased goods and services have increased significantly.

We are reporting on all material scope 3 categories of emissions. Our scope 3 carbon emissions are reported based on the previous financial year ended 31 December 2022. The scope 3 emissions calculation is complex and requires data from a large number of supply chain partners and service providers, such as third-party carriers and other logistics services providers. As a result, there is a one-year time-lag between our financial data and the scope 3 emissions data in our Annual Report. We are working to develop our access to high quality scope 3 data and to reduce the time required to calculate our scope 3 emissions. Once complete, this will allow us to report our scope 3 emissions in better alignment with our financial reporting year.

More information on the scope 3 data methodology can be found in our EHS Reporting Guidelines which are available in the Sustainability section of our website.

Greenhouse gas emissions scope 3 data (Group)

Scope 3 category	2019 (kt CO ₂ e)	2021 (kt CO ₂ e)	2022 (kt CO ₂ e)
Purchased goods and services*	5,337	6,348	6,826
Capital goods	18	18	24
Fuel and energy-related activities not included in scope 1 or scope 2	29	30	31
Upstream transportation and distribution**	299	346	456
Waste generation in operations	5	5	5
Business travel	20	11	23
Employee commuting	21	20	23
Downstream transportation and distribution**	92	81	112
Use of sold products	20	13	55
End-of-life treatment of sold products	468	483	696
Total scope 3 emissions	6,309	7,355	8,251
Rebase	557		
Total scope rebased emissions	6,866	7,355	8,251

* Includes FLAG emissions.

** 2019 and 2021 restated due to applied methodology changes.

ESG APPENDIX continued

Waste

The amount of waste generated in our facilities in 2023 was estimated to be 22,200 tonnes which is unchanged compared to last year. We have continued to increase completeness and accuracy of reporting, particularly by moving to centralized waste management services in certain areas.

The recycling rates strongly depend on the locally available waste recycling options. In 2023, the recycling rate remained stable at approximately 50% of the generated waste. This excludes any post-disposal waste treatment and recycling carried out by waste handlers. The reported waste data covers more than 99% of the Group by revenue although accurate waste measurement remains challenging in geographies with less advanced waste management infrastructures.

Water

Direct water usage is not a significant environmental impact for our business as it is principally confined to staff hygiene and workplace cleaning, with the exception of a very small number of sites where we process gel or ice packs which contain water. Water discharges, apart from internal sanitation, are limited to rainwater run-off from the yards of our locations. Our estimated water usage is 224,000 m3 of water per year. Despite the increase in employees in the Group, the usage is slightly lower than last year due to increased accuracy of reporting.

Environmental management system certification

We have developed an internal EHS management system standard that is based on ISO 14001 and ISO 45001. Some parts of the business, mainly in UK & Ireland, Asia Pacific and Continental Europe, have elected to become formally certified. These businesses cover approximately 25% of the Group's operations (measured by revenue).

Health & safety

Health & safety indicators	2019	2020	2021	2022	2023
Average number of incidents per month per 100,000 employees	96	85	86	80	88*
Average number of days lost per month per 100,000 employees	3,110	3,040	2,615	2,441	2,338*
Fatalities	0	0	0	0	0

◇ Included in the external auditors' limited assurance scope. See the data assurance statement on the Company's website, www.bunzl.com. The data for previous years was also assured as detailed in the respective Annual Reports.

Targets for 2023:

Reduce the Group accident incidence rate by 3% from 2022. Reduce the Group accident severity rate by 3% from 2022.

The 2023 Group accident incidence rate of 88 represents a 10% increase versus 2022. The 2023 Group accident severity rate of 2,338 represents a 4% improvement versus 2022.

Injuries relating to the operation of our warehouses and vehicles, such as manual handling, falling, slipping and tripping and impact with equipment remain the highest causes of accidents. In addition to the number of accidents, we use a variety of leading indicators, such as near misses, the number of safety meetings and the number of inspections to measure our performance and to identify areas for ongoing improvement. Despite this, we have not been able to achieve our incidence reduction target for reporting year 2023. We have carried out an in-depth review of this increase to identify root causes and to ensure that our accident reduction programmes remain adequate. In 2024, we aim to update our global Health & Safety standards and focus on enhancing a proactive safety culture across the Group. We are currently introducing a new global integrated EHS data management system. We plan

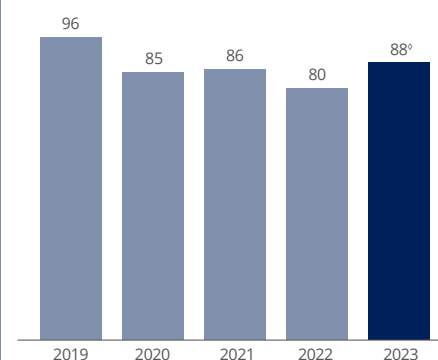
to complete this process in 2024. The new system will provide one platform globally to report data, carry out audits and inspections and to record and monitor actions. It is a key element of our programme going forward.

Targets for 2024:

Reduce the Group accident incidence rate by 3% from 2023
Reduce the Group accident severity rate by 3% from 2023

Incidence rate

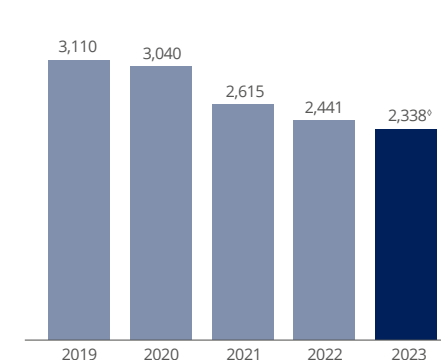
Average number of incidents per month per 100,000 employees



12 months to 30 September.

Severity rate

Average number of days lost per month per 100,000 employees



12 months to 30 September.

◇ Included in the external auditors' assurance scope
See data assurance statement which is available on our website, www.bunzl.com
The data for previous years was also assured as detailed in the respective Annual Reports

External assurance

We engaged PricewaterhouseCoopers LLP 'PwC' to undertake a limited assurance engagement, reporting to Bunzl plc only, using International Standard on Assurance Engagements 'ISAE' 3000 (Revised): 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and ISAE 3410: 'Assurance Engagements on Greenhouse Gas Statements' over the two non-financial KPIs highlighted on page 41 and the selected data on page 52 of the Sustainability Report and in the ESG Appendix. In each case that has been highlighted with the symbol '◇'.

PwC has provided an unqualified opinion in relation to the relevant KPIs and data and their full assurance opinion is available in the Sustainability section of our Group website, www.bunzl.com. Non-financial performance information, including greenhouse gas quantification in particular, is subject to more inherent limitations than financial information. It is important to read the selected information contained in this Annual Report in the context of PwC's full limited assurance opinion and the Company's EHS Reporting Guidelines which are also available in the Sustainability section of our website.

ESG APPENDIX continued

Supply chain risk assessment

To guide our responsible sourcing work effectively, we partnered with the Non-Governmental Organisation ('NGO') Stop the Traffik which has applied its methodology to rank the inherent modern slavery and human rights risks in our supply chain. This work was based on a combination of the sourcing country and market sector applicable to the products and services being procured.

In our supplier risk assessment work we place primary focus on the inherent modern slavery risks in the countries that we source our products from (see Category A below for examples). However, we are aware that lower risk countries can contain industry sectors with an increased risk of modern slavery issues (see Category B below for examples and our approach to mitigation).

The table below provides an overview of how we categorise the modern slavery risks associated with our suppliers and the risk mitigations we apply.

Category	Description	Countries and product sectors	Risk mitigation
Category A (low overall spend)	Suppliers operating in very high or high risk countries regardless of product risk sector. Our responsible sourcing target to 2025 covers this category.	Most Asian countries. Key countries outside of Asia are Brazil, Turkey, Mexico, Poland and Israel.	<ul style="list-style-type: none"> Standard or enhanced Bunzl audit process in Asia. Risk-based assessment and audit process outside Asia (self-assessment will be used to determine the most appropriate approach). Type of audit (standard or enhanced) to be determined by product risk sector and other leverage factors such as spend and number of employees at supplier location.
Category B (low overall spend)	Suppliers operating in lower risk countries but operating in a very high or high product risk sector. Very high and high risk product sectors: <ul style="list-style-type: none"> Manufacturing of wearing apparel Manufacturing of textiles Manufacture of leather products 	In various countries such as USA, UK and France.	Similar assessment and auditing techniques to Category A but targeting specific sectors in these countries. These will be conducted at a lower frequency or by using proactive spot checks.

Category	Description	Countries and product sectors	Risk mitigation
Category C (high overall spend)	Suppliers operating in lower risk countries and operating in lower risk product sectors. Lower risk product sectors: <ul style="list-style-type: none"> Manufacture of rubber and plastic products Manufacture of paper and paper products Manufacture of chemicals and chemical products 	In various countries such as USA, UK, France and the Netherlands.	These suppliers are provided with Bunzl's Supplier Code of Conduct.

Code of conduct

The Group's business code of conduct is a guide for every employee explaining how they are expected to conduct themselves both from a corporate and individual perspective.

	2021	2022	2023	Comment
Material breaches of code of conduct	0	0	4	In 2023, 4 material breaches of our code of conduct were recorded.
Speak up	33	83	141	In 2023 we received 141 reports through our confidential whistle blowing process, 'Speak Up', 17 of which related to the 4 material breaches of our code of conduct. The increase in cases is likely due to several factors; an increase in the number of clustered reports relating to the same issue; new acquisitions and greater awareness of the policy following the global Fraud Investigation Toolkit training sessions.

ESG APPENDIX continued

Employees

Engaging with our employees with clear communications and the provision of learning and development opportunities

	2021	2022	2023	What we said we would do in 2023	What we did	What we plan to do in 2024
Employee turnover: Voluntary	17.3%	17.1%	15.3%	Ensure that we have a competitive employment proposition which reflects the local labour market. Continue our strategy of listening to understand employee engagement in more detail.	Continued to strengthen our employer brand both internally and externally to elevate ourselves as an employer of choice. Used data from the Great Place To Work survey to further understand levels of engagement of new staff.	Pilot to gather targeted feedback from new joiners to understand early views on employee experience. Analyse employee survey engagement consolidated data from leavers to understand any barriers to staying at Bunzl. Build on our employer brand work.
Gender diversity: Women at senior management level	19%	20%*	22%	Promote female role models through a focused programme of communications and extended networking events such as female leadership conferences in North America and Latin America.	Expanded our Inspiring Women in Bunzl programme and other programmes aimed at future female leaders. Continued to use feedback from listening sessions.	Continue to report on percentage of females at senior leadership level to ensure we maintain or increase current levels. Further expand networks and female-focused development programmes.
Employee engagement index score	86%	85%	69%**	Extend the pilot of Great Place To Work in our Continental Europe region. Undertake pulse surveys with specific teams to monitor progress on action plan and impact on results.	Extended the pilot of Great Place To Work to approx. 45% of our employees across all regions. Local and regional action plans were put into place following the survey results to drive continuous improvement.	Extend the Great Place To Work survey to do a full global survey for all employees in 2024 and continue to make improvements through the monitoring of actions plans.

* 2022 gender diversity figure has been restated to ensure comparison of like for like population.

** The measure used for 2023 is the overall Trust Index score from the Great Place To Work pilot survey. This is a very different measure from the previous sustainable engagement score so cannot be compared directly. This was the overall score from the 2023 pilot survey (covering approximately 45% of our employees).

Senior management (%) and employees			Total workforce (%) and employees			Average number of employees (%)		Total workforce age profile (%)	
Males	78%	393	Males	62%	14,668	North America	38%	Under 30	18%
Females	22%*	113	Females	38%	9,082	Continental Europe	26%	30–39	24%
						UK & Ireland	17%	40–54	37%
						Rest of the World	19%	Over 55	21%

* 33.3% of the Executive Committee's direct reports are female (nine employees).

Source:

HR from September 2023 (senior management group defined as the individuals who receive share awards as part of their remuneration)

Source: HR from BRMS

Source: Note 26 on page 185

Source: HR from BRMS

ESG APPENDIX continued

Charitable contributions

Bunzl's operations are international but our strength lies in the local nature of our businesses. We support the communities where our employees live and work and encourage fundraising activities championed by our businesses and their employees locally. In 2019, we realigned our corporate charity programme to focus on environmental projects related to recycling, litter prevention, clean-up and waste management infrastructure.

During 2023 we continued to support activities in these three areas:

- charitable projects that encourage packaging reuse and recycling, and work to educate consumers;
- litter clean-up and prevention initiatives operating in our markets, giving our employees the opportunity to get involved; and
- projects that build new waste management infrastructure and develop recycling skills in some of the world's poorest places, often in areas where plastic leakage to the natural environment is highest.

Example initiatives

Charity name	Project
WasteAid	Working with local associations, WasteAid and Bunzl have provided tailored training in business skills for up to 50 waste pickers in Johannesburg, South Africa to enable them to increase their earning potential. The training was followed by the opportunity to pitch for microgrants to support their activities, for example for the purchase of handcarts or compactors, or rental of a premises for aggregating material.
Hubbub	An engagement campaign aimed at encouraging commuters in major UK cities to reduce waste and save money by remembering their reusable cups, water bottles, and lunchboxes. The campaign employed a digital approach, featuring advertisements and collaborations with social media influencers.

Group wide, Bunzl donated a total of c.£1.8m to charitable causes during 2023. This does not include amounts donated by Bunzl in matching funds raised by employees for local charities.

FIVE YEAR REVIEW

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Revenue	11,797.1	12,039.5	10,285.1	10,111.1	9,326.7
Operating profit	789.1	701.6	623.3	618.5	528.4
Finance income	60.4	22.3	10.7	10.4	12.4
Finance expense	(150.9)	(90.2)	(65.3)	(73.2)	(87.5)
Disposal of businesses	-	0.9	-	-	-
Profit before income tax	698.6	634.6	568.7	555.7	453.3
Income tax	(172.4)	(160.2)	(125.9)	(125.7)	(104.1)
Profit for the year attributable to the Company's equity holders	526.2	474.4	442.8	430.0	349.2
Basic earnings per share	157.1p	141.7p	132.7p	128.8p	104.8p

Alternative performance measures[†]

Adjusted operating profit	944.2	885.9	752.8	778.4	653.3
Adjusted profit before income tax	853.7	818.0	698.2	715.6	578.2
Adjusted profit for the year	640.3	616.8	542.5	550.5	440.6
Adjusted earnings per share	191.1p	184.3p	162.5p	164.9p	132.2p

[†] See Note 3 on page 160 for further details of the alternative performance measures.

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