Bunzl plc

Group tax strategy for Financial Year 2024

This document has been approved by the Board for publication in accordance with Schedule 19 of the Finance Act 2016.

The Group tax strategy is focused on two areas: pre-transaction planning and post-transaction compliance.

Our objectives are:

1. to comply with tax laws in each country where we operate; and
2. to balance our responsibilities for controlling the Group's tax costs with our responsibilities to paying tax where we do business. Therefore management of taxes is carried out within the following parameters:
    a) aligning with the commercial and economic activity of the business;
    b) taking a conservative approach to risk;
    c) being mindful of reputational impact; and
    d) taking a long-term approach.

Tax risk management and governance arrangements

The Board is responsible for the Group's tax strategy and tax risks. Day to day responsibility is delegated to the Chief Financial Officer who works with the Head of Tax to manage tax risk through the Group tax department and through the operational accounting functions of the group.

The Board reviews and approves the Group's tax strategy annually. In addition, the Audit Committee monitors the Group's tax risks and receives annual reports on the principal tax risks from the Head of Tax.

The Group governance framework sets minimum controls for tax and appropriate additional procedures are adopted and managed within each business. Adherence to Group policies is monitored through annual self-assessment and risk reviews.

The Group tax department additionally monitors international tax developments to identify the potential impact for the Group and liaises with the relevant finance personnel to address any changes required.

Our Code of conduct makes clear that all companies and employees must observe the laws and regulations of each country in which they operate.

Tax planning

We believe it is important to plan our business operations so that we can comply with tax obligations and we believe it is important to consider the tax consequences of significant transactions before carrying them out.

Where we have alternative methods to achieve the same commercial result we will consider all relevant factors including taxation before deciding on the best method.

The Group tax department is consulted on the tax consequences of major potential transactions including acquisitions and disposals. It advises on the preferred routes to minimise the potential tax risk and tax cost.

The Group tax department decides when to consult external advisors on the tax implications of a potential transaction. Typically, they will do this where the transaction is of a new type to the Group, or is of significant scale, or where they are aware of recent or pending changes in relevant tax legislation.

Level of tax risk

In accordance with the strategy approved by the Board, the Group takes a conservative approach to tax risk as it does to other risks in the business.

We recognise there is always some level of risk on taxation due to:

- the complexity of taxes including frequent changes in laws;
- the scope for disagreement over the interpretation of laws meaning that tax authorities may take a different view of the application of legislation; and
- the variety and volume of different taxes that affect the Group's activities.

Dealings with tax authorities

We seek to establish an open and constructive relationship with tax authorities and to maintain a professional and courteous approach in our discussions with them.

If disputes arise, we aim to work in a collaborative manner to resolve areas of contention or uncertainty in the interpretation of tax laws. We pursue tax litigation when advised that we have a strong technical position and where it is justified from a commercial and economic perspective.

Approved by the Board of Bunzl plc
13 December 2023