

Directors' report

Proactive leadership deepens our customer relationships and our employees are at the heart of our business.

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Introduction from Peter Ventress, Chairman of the Board



Peter Ventress
Chairman

“We believe that in order to effectively monitor, guide and advise, we must be open to director training, upskilling and evolving our governance structure.”

On behalf of the Board, I am pleased to present the Corporate governance report for the year ended 31 December 2022. The report that follows, in conjunction with the Nomination, Audit and Remuneration Committee reports, seeks to demonstrate our robust governance framework, prudent risk management, open engagement with stakeholders and compliance with the principles and provisions of the UK Corporate Governance Code (the ‘Code’).

In July, following an extensive recruitment process, we announced the appointment of Pam Kirby, who joined the Board as a non-executive director with effect from 1 August 2022. Having considered the succession planning priorities for future appointments, the Nomination Committee recommended Pam’s appointment to the Board due to her prior leadership in complex multinational businesses, international distribution, strategic and listed company experience. Her skill set has proved valuable to Board discussions and to her roles on the Nomination, Audit, Remuneration and Board Sustainability Committees.

On 7 February 2023 we announced that Jacky Simmonds will be appointed to the Board and its Committees effective 1 March 2023, further details of which will be provided in our 2023 report. I look forward to welcoming Jacky to the Company.

Having an inclusive and diverse culture starts from the top and the Board is pleased to report that following Jacky’s appointment, the proportion of female directors on the Board will exceed the Financial Conduct Authority’s new diversity target (which applies to financial years starting on or after 1 April 2022), that at least 40% of a company’s board should be women. We recognise that in order to achieve greater diversity at senior management level, greater representation needs to be achieved across all levels of the organisation and nurturing a diverse pipeline of talent has been an area of focus throughout the business. Further information can be found on page 42.

The Board met seven times during the year and the June and October meetings were held near group locations in North America and the Netherlands, respectively. We were pleased to be able to connect with employees around the world and be afforded the opportunity

to visit sites in person once again. The Board also used these visits as an opportunity to engage with staff at all levels of the organisation and assess the culture of the Company.

We believe that in order to effectively monitor, guide and advise, we must be open to director training, upskilling and evolving our governance structure in line with Bunzl's strategy and changes to the regulatory and risk landscape. During the year, the Board received training on internal controls and cyber security. In addition, to further cultivate Bunzl's risk-aware culture, employees across the business continued to receive training on cyber security and digital risks. In recognition of the importance of sustainability to Bunzl's strategy and in order to improve Board-level oversight of environmental, social and governance ('ESG') matters, the Board approved the formation of the Board Sustainability Committee, which I am pleased to Chair. The Board approved the Committee's terms of reference in June, which include providing strategic advice to the Board on the principal objectives, targets and priorities of the Company's sustainability strategy. Further information on the Board Sustainability Committee can be found on page 68.

The Board is mindful of the difficulties faced by employees worldwide due to the economic and political climate. Inflation and a cost of living crisis have changed the landscape within which we work and the Company has engaged with the workforce and implemented measures to assist colleagues in navigating this climate. For more information, please see page 109.

The Board is pleased to report compliance with the principles and provisions of the Code for the year ended 31 December 2022, with the exception of provision 38 which has been complied with effective 1 January 2023. For more information regarding Bunzl's compliance, see page 104.

The 2022 Annual General Meeting ('AGM') was held in person and, on behalf of the Board, I would like to thank those who attended. The 2023 meeting will be held at 60 Victoria Embankment, London, EC4Y 0JP on 26 April 2023 and we look forward to welcoming shareholders once again.

Peter Ventress
Chairman
27 February 2023

On the Board's mind in 2022

Talent management and development, including succession planning for both executive and non-executive members of the Board

The Board is committed to ensuring that it is balanced, diverse and representative of the markets in which it operates and during the year, Pam Kirby was appointed to the Board and brings with her valuable knowledge and experience. Further, in 2022 the Board started the recruitment process for a new director in line with its succession planning priorities, which concluded in 2023 with the appointment of Jacky Simmonds.

Succession planning for executives is still high on the agenda and was noted as a recommendation to be carried forward into the next financial year. Information on succession planning can be found in the Nomination Committee report.

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Focusing on digitalisation and IT security

2022 has been a year of improving and evolving Bunzl's digitalisation strategy and cyber security. Digital tools are crucial to Bunzl's proposition to tailor products to individual customer needs and enable Bunzl's customers to find better solutions, while knowledge of the risks and opportunities associated with cyber is essential for our workforce. The Board is acutely aware of the risks posed by cyber crime and both the Board and the wider workforce have been upskilled in managing digital risks. The Audit Committee report contains further information on digital security.

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Continued challenge and support on the progress of the strategic pillars, with a focus on sustainability

The Board has continued to develop the Company's sustainability strategy and oversee its implementation throughout the year. In 2022, the Company:

- supported customers with innovative products better suited to a circular economy; and
- received approval of Bunzl's ambitious carbon emissions reduction targets by the Science Based Targets initiative ('SBTi').

See the Sustainability report for further information on Bunzl's strategy.

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Driving and monitoring the success of acquisitions

In line with the Company's acquisition growth strategy, the Board approved the acquisition of 12 businesses in 2022. The Board drives and monitors the success of acquisitions through:

- Bunzl's decentralised model which allows previous company owners to retain an entrepreneurial culture and drive further success;
- providing management with training;
- providing acquired companies with support, resources and operational excellence; and
- frequently reviewing the performance of acquired companies against projections.

Further information regarding Bunzl's acquisition strategy can be found in the Strategic report.

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Defining strategic success over the short/medium term for Bunzl:

Growth	See page 16
ESG success	See page 48
Technology	See page 15
Financial performance	See page 86
People and talent	See page 40

The right balance of skills and experience



Peter Ventress
Chairman



Frank van Zanten
Chief Executive Officer



Richard Howes
Chief Financial Officer



Vanda Murray OBE
Senior Independent Director

Appointment

Chairman of the Board since April 2020, having been appointed Chairman designate in June 2019. Chair of the Nomination Committee and Board Sustainability Committee.

Chief Executive Officer since April 2016, having been appointed as an executive director in February 2016.

Chief Financial Officer and a member of the Board since January 2020, having been appointed Chief Financial Officer designate in September 2019.

Non-executive director since February 2015, Senior Independent Director and Chair of the Remuneration Committee.

Experience

He was formerly Chairman of Galliford Try Holdings plc and a non-executive director of Premier Farnell plc, Staples Solutions NV and Softcat plc. He was Chief Executive Officer of Berendsen plc from 2010 to 2016, prior to which he held several senior executive roles, including International President of Staples Inc and Chief Executive Officer of Corporate Express NV, a Dutch quoted company which was subsequently acquired by Staples. Peter is currently Chairman of Howden Joinery Group Plc.

He joined Bunzl in 1994 when Bunzl acquired his family owned business in the Netherlands and he subsequently assumed responsibility for a number of businesses in other countries. In 2002 he became Chief Executive Officer of PontMeyer NV, a listed company in the Netherlands, before rejoining Bunzl in 2005 as the Managing Director of the Continental Europe business area. He is a member of the Supervisory Board of Koninklijke Ahold Delhaize N.V.

He qualified as a Chartered Accountant with Ernst & Young before moving to the investment bank Dresdner Kleinwort Benson. During his career he has held a number of senior positions at Geest plc and Bakkavor Group plc, including that of Chief Financial Officer of Bakkavor Group. He was Chief Financial Officer of Coats Group plc between 2012 and 2016 and prior to joining Bunzl was Chief Financial Officer of Inchcape plc. He is currently a non-executive director of Smiths Group plc.

Formerly Chief Executive Officer of Blick plc from 2001 to 2004, she subsequently became UK Managing Director of Ultraframe PLC from 2004 to 2006 and was appointed OBE in 2002 for Services to Industry and Export. She is currently Chair of Marshalls plc.

Committee

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Committee membership

- Member of the Audit Committee
- Member of the Remuneration Committee
- Member of the Nomination Committee
- Member of the Board Sustainability Committee
- Independent director
- Denotes Chairman



Lloyd Pitchford
Non-executive director



Stephan Nanninga
Non-executive director



Vin Murria OBE
Non-executive director



Pam Kirby
Non-executive director

Non-executive director since March 2017 and Chair of the Audit Committee.

Non-executive director since May 2017.

Non-executive director since June 2020.

Non-executive director since August 2022.

Having previously held a number of senior finance positions with BG Group plc, latterly as Group Financial Controller, he subsequently joined Intertek Group plc, where he was Chief Financial Officer from 2010 to 2014. He is presently Chief Financial Officer of Experian plc.

After holding a number of positions with Sonepar and Royal Dutch Shell, he subsequently became Managing Director, Distribution Europe of CRH plc in 1999. He then joined the Board of SHV Holdings NV in 2007, where he was initially responsible for the Makro and Dyas businesses, before becoming Chief Executive in 2014, a position he held until 2016. He is a member of the Supervisory Boards of CM.com and Cabka N.V. and a non-executive director of IMCD N.V.

Formerly Chief Executive Officer of Computer Software Group plc from 2002 until 2007, she subsequently founded and was Chief Executive Officer of Advanced Computer Software Group plc from 2008 until 2015. She was appointed OBE in 2018 for services to the digital economy. She is Chair of AdvancedAdvT Limited and a non-executive director of Softcat plc.

Formerly Chief Executive Officer of Quintiles Transnational Corporation, having previously held senior executive positions at AstraZeneca PLC and F. Hoffmann-La Roche Ltd. She was also previously a non-executive director of DCC plc, Hikma Pharmaceuticals PLC and Senior Independent Director of Victrex plc. She is presently a non-executive director of Reckitt Benckiser Group PLC and a member of the Supervisory Board of AkzoNobel N.V.



Governance overview

Board Meetings

The table below sets out directors' attendance at the scheduled Board and Committee meetings held during 2022. Additional meetings of the Board were also held as and when circumstances required it to meet at short notice.

	Board (7)	Audit (4)	Nomination (4)	Remuneration (3)	Board Sustainability (2)
Chairman					
Peter Ventress	7		4		2
Executive directors					
Frank van Zanten	7				
Richard Howes	7				
Independent non-executive directors					
Vanda Murray OBE	7	4	4	3	2
Lloyd Pitchford	7	4	4	3	2
Stephan Nanninga	7	4	4	3	2
Vin Murria OBE	7	4	4	3	2
Maria Fernanda Mejía*	-	-	-	-	-
Pam Kirby*	3	2	0	2	2

* Maria Fernanda Mejía resigned from the Board effective 2 February 2022. Due to a potential conflict of interest, she did not attend the Board nor the Nomination Committee meetings held between 1 January 2022 and 2 February 2022.

* Pam Kirby joined the Board effective 1 August 2022 and attended all Board and Committee meetings held between that date and the end of the year.

Skills held by each director	Frank van Zanten	Richard Howes	Peter Ventress	Vanda Murray OBE	Lloyd Pitchford	Stephan Nanninga	Vin Murria OBE	Pam Kirby
Core industry experience (logistics and distribution)	✓	✓	✓	✓		✓		✓
Digital/cyber security		✓			✓	✓	✓	
International	✓	✓	✓	✓	✓	✓	✓	✓
Sustainability	✓		✓	✓	✓		✓	✓
M&A	✓	✓	✓	✓	✓	✓	✓	✓
Strategy	✓	✓	✓	✓	✓	✓	✓	✓
Remuneration/people	✓	✓	✓	✓	✓	✓	✓	✓
Finance		✓	✓		✓	✓	✓	✓

Legal: The Board has access to the services of the General Counsel and Company Secretary, who is a qualified solicitor.

Matters reserved for the Board

The table below summarises some of the matters which are required to be brought to the Board for consideration:

Shareholders

- Matters requiring shareholder approval
- Circulars and significant shareholder communications

Capital allocation and structure

- Significant capital expenditure/disposals
- Significant business acquisitions/disposals
- Material changes to the Group's capital structure
- Major property leases
- Material increases in borrowing and loan facilities

Policies and statements

- Material Group policies, statements and major changes thereto, for example:
 - Tax Strategy;
 - Treasury Policy;
 - Modern Slavery Statement;
 - Diversity, Equity and Inclusion Policy; and
 - Risk Appetite.

People and leadership

- Appointment/removal of directors and Company Secretary
- Non-executive directors' remuneration
- Executive directors' remuneration
- Board Committee constitution and terms of reference

Strategy and management

- The Group's strategic aims and objectives
- Annual budget and strategic plan

Financial reporting, risk and controls

- Financial results and announcements relating thereto
- Final and interim dividends
- Auditor appointment/removal
- Risk management and internal controls

Tenure (non-executive directors, incl. Chairman) (year ended 31 December 2022)



● 0 - 3 years	2
● 3 - 6 years	3
● 6+ years	1

Executive and non-executive directors (year ended 31 December 2022)



● Executive	2
● Non-executive (incl. Chairman)	6

Board gender (year ended 31 December 2022)



● Male	5
● Female	3

Independent directors (excl. Chairman) (year ended 31 December 2022)



● Independent	5
● Other	2

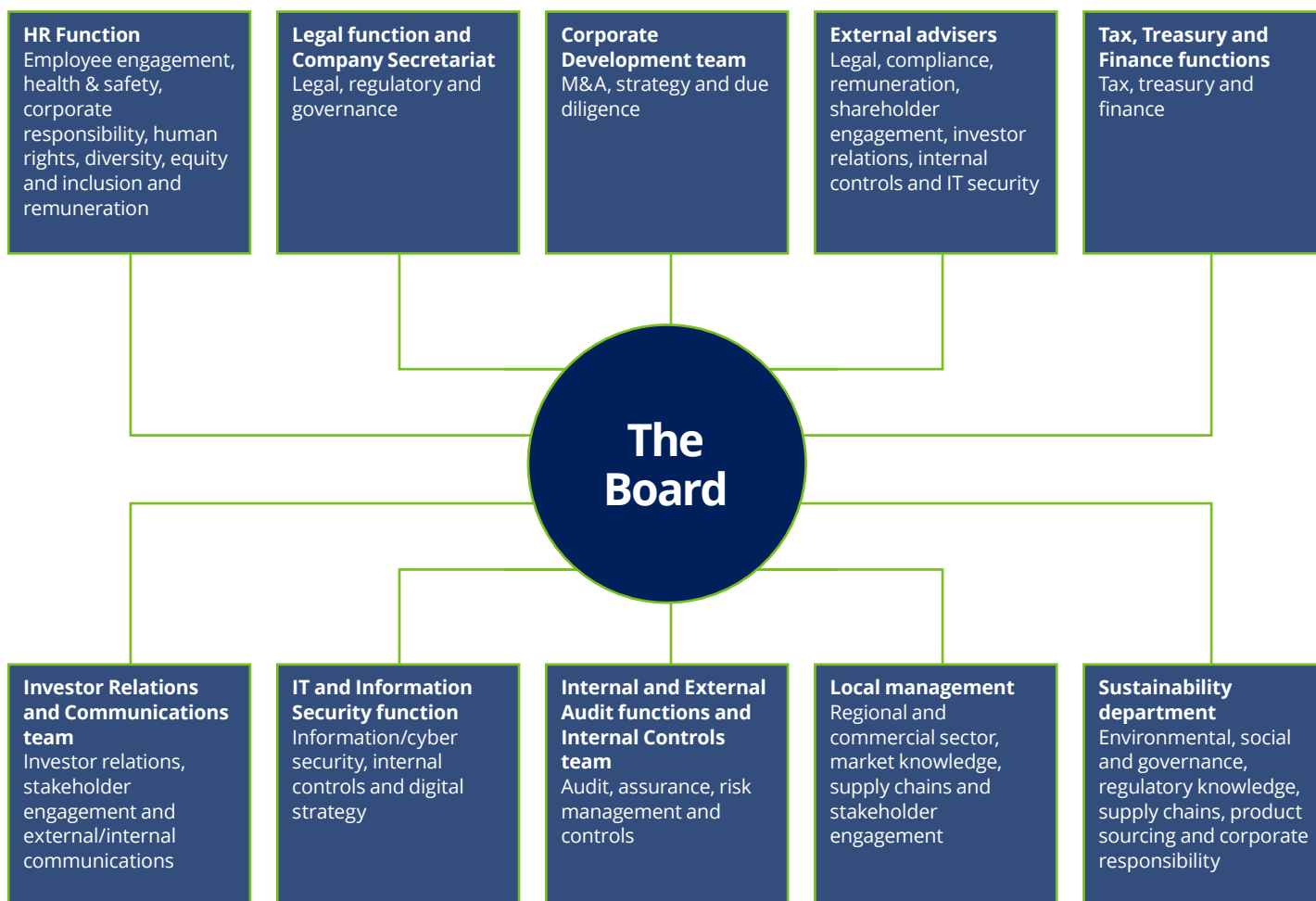
Ethnic diversity (year ended 31 December 2022)



● Director from minority ethnic group	1
● Other	7

Knowledge sharing, upskilling and continual development

The Board understands the importance of knowledge sharing, upskilling and continual development. Therefore, senior management, members of different corporate functions and external parties are frequently invited to attend meetings to present to the Board on their respective areas of expertise, aiding better decision making.



Key activities and decisions of the Board

January

- Results of the employee engagement survey
- Presentation on feedback from employee listening groups
- Group risk assessment
- Strategic plan proposal
- Update on climate change, the Group's carbon road map, the Group's new targets and net zero ambitions

February

- Results for the year ended 31 December 2021
- Update on cyber security
- Risk management, internal controls and disclosure of information to auditors
- Re-appointment of auditor
- Approval of 2022 Fraud Policy
- Presentations on acquisition pipeline
- Final dividend for the year ended 31 December 2021
- Fraud risk assessment
- Update on accident statistics
- Presentation on feedback from employee listening groups

April

- Q1 trading update
- Revision of the Modern Slavery Statement
- Approval of updates to the Board Diversity Policy
- Formation of the Board Sustainability Committee

June

- Pre-close trading statement
- Presentation on treasury policies and funding proposals
- Approval of the policy for the prevention of the facilitation of tax evasion
- Review of acquisitions made in 2020
- Presentation on the updated Group Information Security Policy
- Update on corporate responsibility and supplier performance
- Update on whistle blowing reports
- Site visits in the US

August

- Results for the half year ended 30 June 2022
- 2022 interim dividend
- Update on contract with a key customer
- Race to Zero update
- Update on accident statistics

October

- Q3 trading update
- Update on the Euro Medium Term Note programme
- Digital update
- Presentation on the results of the 2022 investor perception audit
- Presentations on acquisition pipeline
- Update on the Continental Europe Insight Day
- Site visits in the Netherlands

December

- Pre-close trading statement
- Board evaluation review
- 2023 budget
- Presentation on acquisition pipeline
- Accident statistics
- Tax strategy statement
- Supplier audit statistics
- Update on whistle blowing reports
- Investor relations presentation
- Review of Committee terms of reference

UK Corporate Governance Code (the 'Code') compliance statement

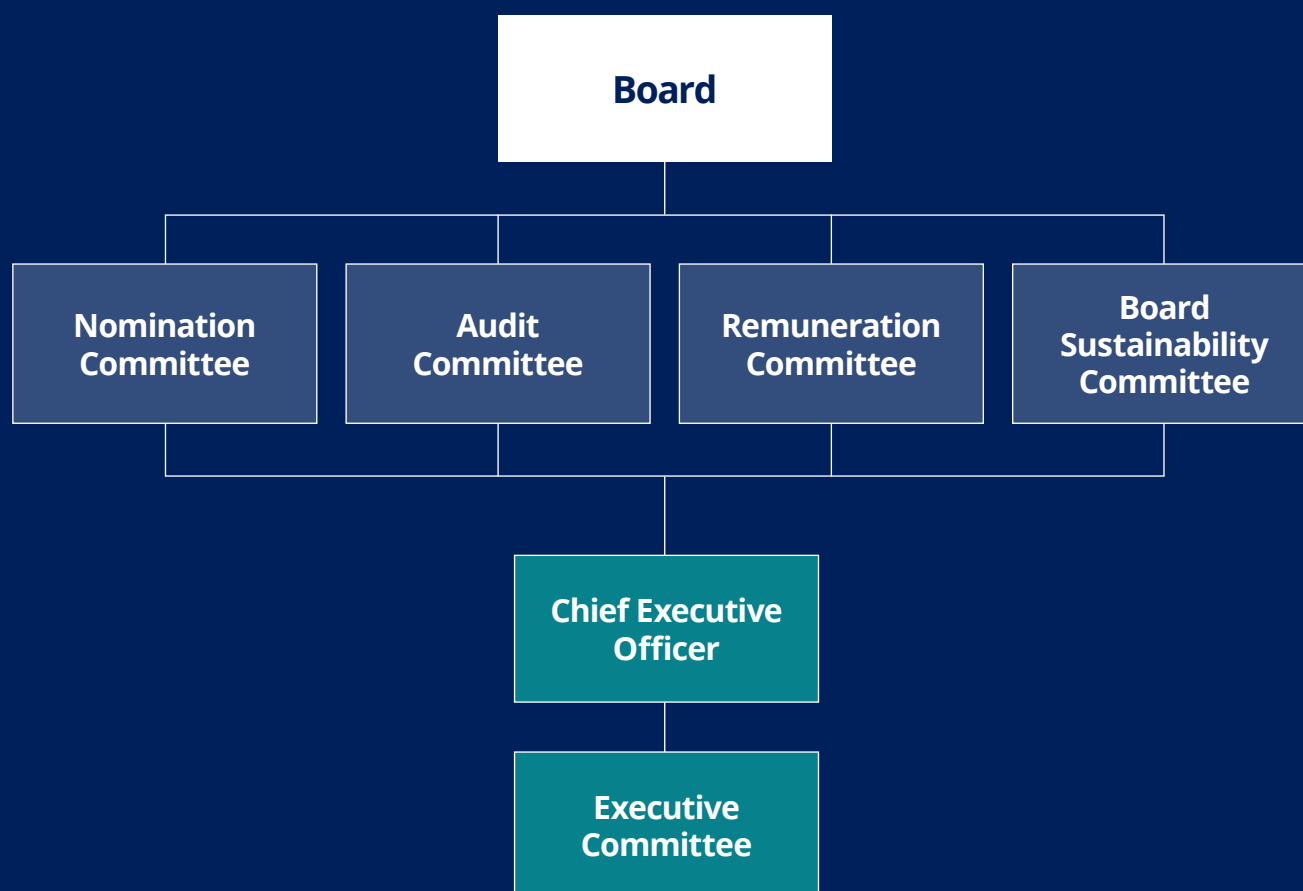
It is the Board's view that, for the year ended 31 December 2022, the Company has been fully compliant with the relevant principles and provisions set out in the Code with the exception of provision 38, which states that the pension contribution rates for executive directors, or payments in lieu, should be aligned with those available to the workforce.

As previously reported, a programme of reductions was agreed which has brought the cash allowance in lieu of pension contributions for Frank van Zanten in line with the wider workforce, effective January 2023. Further information concerning the Company's approach to pension contribution rates for executive directors can be found on page 150 of the Directors' remuneration report.

The Company's auditors, PricewaterhouseCoopers LLP, are required to review whether this statement reflects the Company's compliance with those provisions of the Code specified for their review by the Financial Conduct Authority's Listing Rules and to report if it does not reflect such compliance. No such report has been made.

Board leadership and company purpose	Relevant section of the Annual Report	Page
Effective Board	Biographies of the Board of directors	100 and 101
Purpose, values and strategy	Our purpose, values and strategy	30 to 39
Culture	How the Board monitors culture	108
Prudent and effective controls	Risk management and internal control	111 and 112
Engagement with shareholders	Section 172 statement	70 to 73
S.172 statement and engagement with stakeholders	Section 172 statement	70 to 73
Engagement with employees	Employee engagement statement	109
Workforce policies and practices	Other statutory information	156
Division of responsibilities	Relevant section of the Annual Report	Page
Division of responsibilities	Board roles and responsibilities	107
Board independence	Director independence chart	102
Board attendance and time commitments	Board attendance table	102
Composition, succession and evaluation	Relevant section of the Annual Report	Page
Appointment procedure	Nomination Committee report	114 to 118
Succession plans	Nomination Committee report	114 to 118
Composition of the Board and its Committees	Biographies of the Board of directors	100 and 101
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Audit, risk and internal control	Relevant section of the Annual Report	Page
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Development of executive remuneration policy	Remuneration Committee report	132 to 155
Independent judgement and discretion	Remuneration Committee report	132 to 155

Governance structure



Governance structure

The Board has ultimate responsibility for the overall leadership of the Group. To ensure the directors maintain overall control over strategic, financial, operational and compliance issues, the Board meets regularly throughout the year and has formally adopted a schedule of matters which are required to be brought to it for consideration. Further details of the matters reserved for the Board can be found on page 102.

The Board has established four Committees to which it delegates certain matters, all of which comply with the provisions of the Code and play an

important governance role through the detailed work they carry out to fulfil the responsibilities delegated to them. The Board recognises the importance of evolving the governance structures of the Company in line with the development of the Company's strategy and, in 2022, the Board Sustainability Committee was formed with a mandate to provide strategic advice to the Board on the principal objectives, targets and priorities of Bunzl's sustainability strategy. All Committees meet at least three times a year, with the exception of the Audit Committee which meets at least four times a year, and briefing papers are prepared and circulated to Committee

members in advance of each meeting. Further information relating to the Board Committees is set out below and in the Committee reports which follow this Corporate governance report.

The terms of reference for each Committee can be found on the Company's website, www.bunzl.com.

Board composition

As at 31 December 2022, the Board was made up of eight members comprising a Chairman, a Chief Executive Officer, a Chief Financial Officer and five non-executive directors.

Brief biographical details of the directors in office at the date of this report are given on pages 100 and 101 and further information on the Nomination Committee's approach to succession planning can be found in its report on pages 114 to 118.

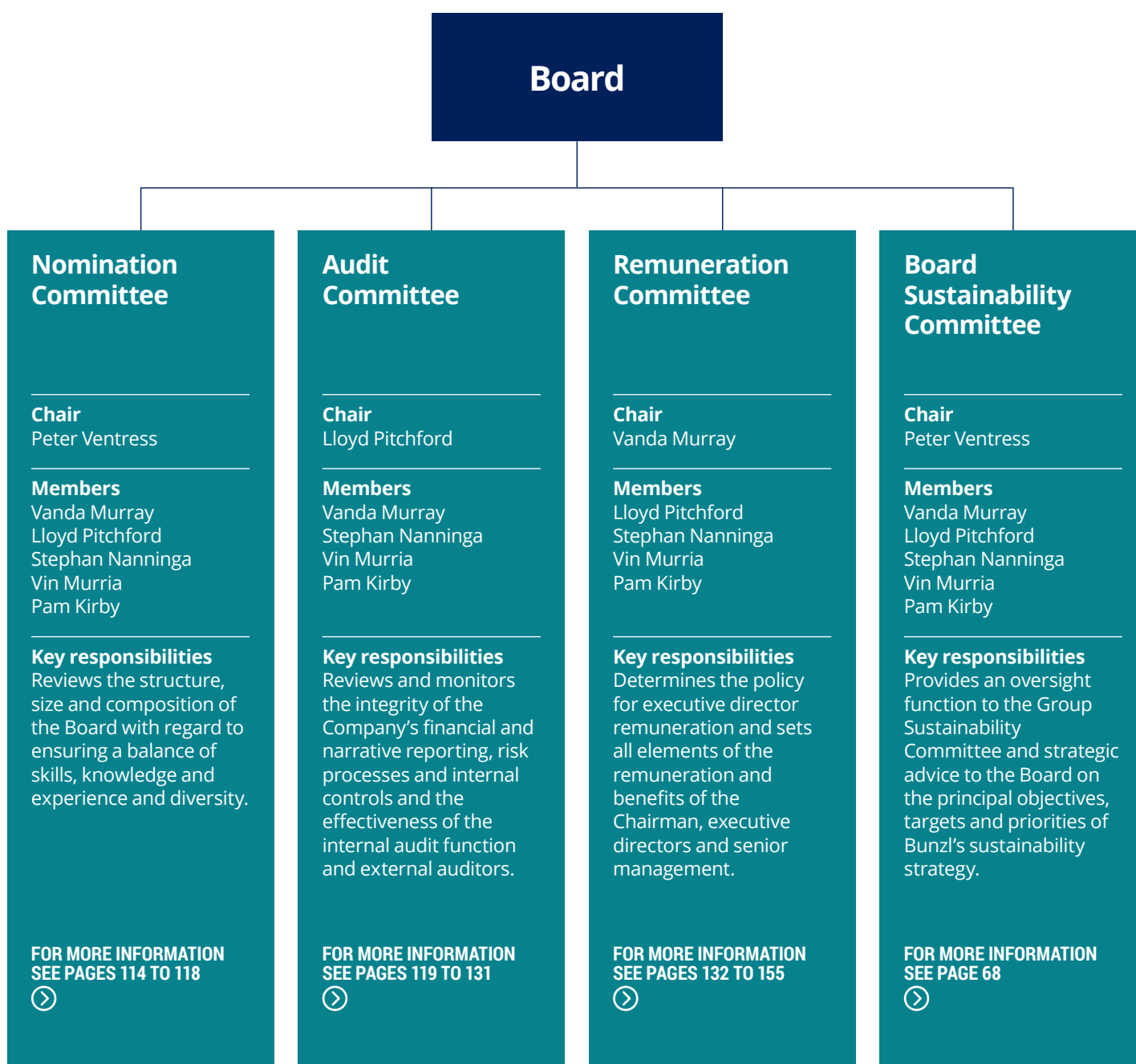
None of the Company's non-executive directors had any previous connection with the Company or its executive

directors on appointment to the Board and all of them are considered by both the Board and the criteria set out in the Code to be independent. Each of the non-executive directors is considered to have a breadth of strategic, management and financial experience gained in each of their own fields in a range of multinational businesses, further details of which can be found in the skills matrix on page 102.

The Board is satisfied that each non-executive director dedicates appropriate time to their role, continues to contribute effectively to Board decision making and executes their responsibilities to challenge, monitor, advise and guide the Company to a high standard for the

benefit of Bunzl's stakeholders as a whole. Further details relating to the time commitments of the directors can be found on page 110.

In accordance with the terms of the Code and Bunzl's Articles of Association, each of the directors in office at the date of this Annual Report will be subject to re-election at the 2023 AGM and the reasons for each director's re-election will be set out in the forthcoming Notice of Meeting.



Board roles and responsibilities

The following table summarises the role and responsibilities of the different members of the Board:

Role	Responsibilities	
Chairman	<p>The primary job of the Chairman is to be responsible for the leadership of the Board and to ensure its effectiveness in all aspects of its role. The Chairman:</p> <ul style="list-style-type: none"> • takes overall responsibility for the composition and capability of the Board and its Committees; • organises the annual evaluation of the Board, its Committees and each individual director; • consults regularly with the Chief Executive Officer and is available on a flexible basis to provide advice, counsel and support to the Chief Executive Officer; and • ensures corporate governance is conducted in accordance with current best practice, as appropriate to the Group. <p>The Chairman is also viewed by investors as the ultimate steward of the Group and the guardian of the interests of all the shareholders.</p>	<p>There is a clear division of responsibilities between the Chairman and the Chief Executive Officer, which is set out in writing and has been agreed by the Board.</p>
Chief Executive Officer	<p>The Chief Executive Officer is responsible for the leadership and the operational and performance management of the Company within the strategy agreed by the Board. The Chief Executive Officer:</p> <ul style="list-style-type: none"> • manages the executive director and the Group's management and day-to-day activities; • prepares and presents to the Board the strategy for growth in shareholder value; • sets the operating plans and budgets required to deliver the agreed strategy; • ensures that the Group has in place appropriate risk management and control mechanisms; and • communicates with the Company's shareholders on a day-to-day basis as necessary. 	
Chief Financial Officer	<p>The Chief Financial Officer supports the Chief Executive Officer and is responsible for managing the Group's funding strategy, financial reporting, non-financial reporting, risk management and internal controls, investor relations programme and the leadership of the Finance, Tax and Treasury functions. The Chief Financial Officer communicates with the Company's analysts on a day-to-day basis as necessary.</p>	
Senior Independent Director	<p>A key role of the Senior Independent Director is to be available to shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive Officer or Chief Financial Officer has failed to resolve or for which such contact is inappropriate. The Senior Independent Director is also available to the other directors should they have any concerns which are not appropriate to raise with the Chairman or which have not been satisfactorily resolved by the Chairman.</p>	
Independent non-executive directors	<p>The non-executive directors play an important role in corporate governance and accountability through both their attendance at Board meetings and their membership of the various Board Committees. The non-executive directors bring a broad range of business and financial expertise and experience to the Board which complements and supplements the experience of the executive directors. This enables them to offer strategic guidance, evaluate information provided and constructively challenge management's viewpoints, assumptions and performance.</p>	

Board activity in 2022

The Board meets formally at least seven times a year with two Board meetings held at or near Group locations around the world. During 2022, the Board held meetings in North America and in the Netherlands which gave the directors the opportunity to meet with colleagues and assess the culture of the Company.

At each meeting, Bunzl's operational and financial performance is discussed and presentations are made by the Chief Executive Officer, the Chief Financial Officer and, by invitation, the Business Area Heads. The importance of bringing management into meetings to present on their respective area of expertise, share knowledge and provide updates on the performance of the business is well recognised by the Board. The Director of Corporate Development frequently presents to the Board on potential

acquisitions and the Board receives regular updates from management on risk, health & safety, digital strategy, information security, environment, sustainability, governance and people matters.

Board agendas are set by the Chairman in consultation with the Chief Executive Officer and with the assistance of the Company Secretary, who maintains a rolling programme of items for discussion by the Board. This ensures that all matters reserved for the Board and other key issues are considered at the appropriate time.

Each Board meeting is structured to accommodate sufficient challenge and contribution by all participants. The Board is supplied with full and timely information, including detailed financial information, to enable the directors to

discharge their responsibilities. Briefing papers are prepared and circulated to directors approximately one week before the scheduled Board meeting to enable informed decision making. All directors have access to the advice and services of the Company Secretary who ensures that Board procedures are complied with, and the Board is fully briefed on relevant legislative, regulatory and corporate governance developments. Directors may also take independent professional advice at the Company's expense where they judge this to be necessary in the furtherance of their duties to discharge their responsibilities as directors.

Purpose, values and how we monitor culture

Bunzl's purpose is to deliver essential business solutions around the world and create long term sustainable value for the benefit of all stakeholders. It is the responsibility of the Board to set the purpose, values and strategy of the Company and ensure that these align with the desired culture. In order to achieve the Company's purpose, the Board recognises the importance of a healthy corporate culture where colleagues can reach their potential and everyone is working towards a common goal. Bunzl has a unique and valued entrepreneurial culture which is critical to delivering the Company's strategy and is enabled by its decentralised structure and a focus on developing local talent. As the Group continues to grow, the Board ensures that the culture of Bunzl is sustained and protected.

At the centre of Bunzl's corporate culture are our championed values which underly the way Bunzl conducts its business. Bunzl's strong culture is a key source of competitive advantage and helps the Group to attract and retain the best talent.

Our culture is evidenced by what our people most value about life at Bunzl:

- Our working relationships
- Work/life balance for colleagues
- Respect and ethics
- The atmosphere on the ground
- Teamwork and support
- The skills of employees
- Development opportunities
- Our customer-focused attitude
- Empowerment of colleagues
- Representation of leaders

The Company's values are at the centre of our culture and are reflected in the way we work and interact with stakeholders:

Reliability in action

Bunzl's knowledge, flexibility and expertise in product innovation means it becomes more than just a supplier, but a reliable business partner to its customers. It is this ability to form long-lasting relationships that enables Bunzl to reliably provide a tailored, value-added service.

READ ABOUT OUR RELATIONSHIP WITH CEVA LOGISTICS AND WATCH THE CEVA TESTIMONIAL VIDEO ON PAGE 36

Humility in action

Bunzl's social and environmental work is diverse and spans the globe. In 2022, two employees from Bunzl went to South Africa to join Bunzl's charity partner, WasteAid, in supporting workers in the informal waste collection industry to enhance and build their business skills.

SCAN TO SEE THE WASTE AID INTERVIEW WITH BUNZL'S MELANIE HARRIS



Transparency in action

Bunzl's honest culture engenders confidence in the Company and Bunzl aims to be as transparent as possible in its reporting. The Sustainability report includes extensive reporting on Bunzl's scientifically approved targets and progress, while the Remuneration report details the values and rationale underlying the remuneration policy.

READ THE SUSTAINABILITY REPORT ON PAGE 48

READ THE REMUNERATION REPORT ON PAGE 132

Responsiveness in action

Bunzl provides tailored and innovative solutions to customer needs. Bunzl's digital offering is a key component of its success and during the year, Bunzl assisted customers by creating customised digital solutions.

READ MORE ABOUT THIS ON PAGE 15



Our values guide our culture and impact Company decision making:

Nomination Committee

Actively manages the composition of the Board and the pipeline of diverse talent, embracing a representative Board and inclusive culture for all employees to thrive. **See page 114**

Audit Committee

Ensures the honesty and transparency of the Group's financial and narrative reporting and promotes the healthy risk-focused culture within which the Company operates. **See page 119**

Board Sustainability Committee

Provides recommendations to the Board on the Group's sustainability strategy, endorsing a culture of continuous improvement. **See page 68**

Remuneration Committee

Aligns executive remuneration with Bunzl's culture to encourage desired behaviours, and ties remuneration targets for executives to building the desired inclusive culture at Bunzl. In addition, the Committee monitors gender pay gaps and CEO pay ratio to ensure that remuneration aligns with Bunzl's values. **See page 132**

Human Resources team

Creates a work environment within which individuals can thrive. The team implements programmes to enhance inclusivity at Bunzl and monitors employee sentiment through engagement surveys. The team introduces compulsory training modules to upskill colleagues and reviews employee policies to protect the culture of Bunzl. **See page 40**

Our culture is measured through our culture metrics:

- Employee voluntary turnover rate: 17.4%
- Employee engagement index score: 85%
- Non-executive director engagement meetings held: 4
- Number of material breaches of Code of Conduct: 0
- Accident/incident rate: 7% improvement versus 2021

Our culture is monitored through:

- Diversity, equity and inclusion ('DEI') activities
- Health & safety data
- Employee forums
- Dialogue with executives and senior management
- Employee survey results
- Regular Board reporting on people matters
- Non-executive director listening groups
- Site visits

Employee engagement statement

In accordance with Provision 5 of the Code, the Board has decided to use alternative arrangements to engage with our colleagues. Bunzl is a global, decentralised business with operations in multiple locations and our employees fulfil a broad range of roles with many different perspectives. It is therefore essential that our engagement methods suit the nature of our business, the culture of the Company and our workforce. This holistic approach to engagement is the most effective method and allows the Board to understand, monitor and assess employee sentiment.

Some of the mechanisms used to engage with employees during the year are described in the following section. Employees are also encouraged to get involved with the Company's performance through a variety of different means, including the operation of all employee share plans, bonus and commission schemes and other incentive arrangements.

CEO listening sessions

The Chief Executive Officer alongside the Director of Group HR held listening sessions with female colleagues and colleagues from ethnically diverse backgrounds across the Bunzl Group in order to review progress against the Company's diversity objectives, inform future actions of the Board and gain further insights into the results of the employee pulse survey.

What was said in 2021:	What we did in 2022:
The creation of strong role models is critical for diversity, local leaders need to be accessible and local management behaviour is critical.	The Company has increased its communications throughout 2022 to publicise success stories of colleagues across the Group. Further, DEI initiatives were previously organised at regional level; however, during 2022 it was agreed that these initiatives should be localised and managed at divisional/operating company level in order to improve accessibility and deliver on the Inspiring Women in Bunzl and Inspiring Ethnicity in Bunzl purpose, mission and vision.
Following up with real action is important.	<ul style="list-style-type: none"> • Statements and action from executive directors • Executives calling out bias in external providers • Commitment by the Board to seek at least one female candidate for all senior leadership roles • High-potential female employees given access to a business coach or mentor
The acceptance of different cultural approaches to work is critical, and national cultures matter.	<ul style="list-style-type: none"> • National Inclusion Week celebrated by Bunzl UK & Ireland • Unconscious bias training extended to further levels of the organisation

The meetings in 2022 involved open and honest conversations on the following topics, which will inform the diversity and employee agendas for 2023:

- What are the actual/perceived barriers to females progressing in our organisation?
- What should our number one priority be for 2023?
- What can we best do as a leadership team to support colleagues?

Non-executive director listening groups

During 2022, four non-executive director listening groups were held by Vanda Murray, Vin Murria, Stephan Nanninga and Lloyd Pitchford who spoke directly with colleagues from the UK & Ireland, Continental Europe, North America and Asia Pacific. The comments raised by colleagues from each geographical location were then presented to the Board by each participating director and the Board used this feedback to inform its actions.

What was said:	What we did:
Colleagues in the UK & Ireland were concerned about the cost of living crisis.	The Board approved one-off support payments to employees below senior leader level throughout the UK & Ireland to assist with the rising cost of living.
Colleagues across the business suggested a more targeted approach to communications, including increased usage of social media.	The Board used this feedback to drive an initiative to increase its inclusive communications. In particular, social media channels were used to showcase ESG initiatives across the Group, talent, success stories, strategic decisions, acquisitions joining the Bunzl Group and the Company's financial results.

MONITORING EMPLOYEE SENTIMENT: SEE THE RESULTS OF THE EMPLOYEE PULSE SURVEY ON PAGE 40



VISITS TO THE NETHERLANDS AND NORTH AMERICA SITES: READ MORE ABOUT THE DIRECTORS' VISITS TO GROUP LOCATIONS ON PAGE 111



Engagement with customers, suppliers and others

Understanding the views of the Company's stakeholders is a key priority for the Board and Bunzl as a whole. It helps to focus the Company's resources, engagement and reporting activities by addressing those issues that matter most to the Group's businesses and to the Company's wider stakeholders. Fostering strong business relationships is an intrinsic part of the Company's long established and successful compounding strategy and a key consideration in all decision making. More information about Bunzl's engagement with its suppliers, customers and wider stakeholder groups can be found on pages 70 to 73 and in the Sustainability report on pages 48 to 68.

External appointments and time commitment of directors

The Board takes the time commitment of directors seriously and the time expected of directors is set out in their letters of appointment. Each director must notify the Chairman prior to accepting a new appointment, and the Chairman must notify the Board. During the year, the Board considered the following external appointments:

- Richard Howes as a non-executive director of Smiths Group plc
- Peter Ventress as non-executive chairman of Howden Joinery Group plc
- Stephan Nanninga as a member of the Supervisory Board of Cabka N.V.

The Board recognises the benefits in terms of director knowledge and experience that external appointments can bring to Board deliberations. When considering the new appointments, the Board considered whether the relevant appointment would impact the time required for each director to prepare for and attend meetings of the Company, engage with stakeholders, undertake any training or personal development and execute their duties to the Company effectively. In addition, the Board considered the current portfolio of each director, the type of company that the director intended to join, whether there were any conflicts or potential conflicts, the time commitment required with the new appointment and whether the appointment would cause the number of directorships held to exceed those set out in the Code or institutional investor and proxy adviser guidance.

The Board is satisfied that each director devotes sufficient time to their role at Bunzl and continues to discharge their duties effectively.

Performance evaluation

The Board is aware of the need to continually review its performance and each year the Board, its Committees and each individual director undergo a formal evaluation process which is overseen by the Chairman. This year, an external evaluation was carried out by Lintstock which included a detailed questionnaire and the Chairman also held individual discussions with each director. A number of key priorities to improve the Board's performance further were subsequently agreed and any progress in respect of such priorities will be reported on formally in next year's Annual Report. Details of the priorities identified as part of this year's evaluation, and progress in respect of the key priorities identified in 2021, are set out below.

Key priorities identified during 2021	Progress made
<ol style="list-style-type: none"> 1. Talent management and development, including succession planning for both executive and non-executive members of the Board. 2. Focusing on digitalisation and IT security. 3. Continued challenge and support on the progress of the strategic pillars, with a focus on sustainability. 4. Driving and monitoring the success of acquisitions. 	<p>The Board is satisfied that the priorities identified following the evaluation carried out in 2021 have been adequately addressed during 2022.</p> <p>See page 99 for how these priorities were addressed in 2022.</p>

Key priorities identified during 2022	Outcome of evaluation
<ol style="list-style-type: none"> 1. Focusing on management succession planning and enhancing the Group's organisational structure, talent management, and diversity and inclusion processes. 2. Continuing Bunzl's focus on sustainability and building this into customer relationships. 3. Supporting management in acquisition and organic growth strategies. 4. Continued Board oversight of strategic priorities and the execution of Bunzl's strategic plans. 	<p>As a result of the performance evaluation process carried out in 2022, the Board concluded that both it and its Committees are operating effectively.</p>

A comprehensive external evaluation, including interviews with every Board member and the Company Secretary, was carried out for the year ended 31 December 2020 by Lintstock and will be carried out for the year ending 31 December 2023. Lintstock has assisted with the Board's external evaluation for a number of years to ensure that there is consistency and continuity in the presentation of the results from year to year and Lintstock does not provide any other services to, or have any other connection with, the Company.

Led by the Senior Independent Director, the non-executive directors also meet without the Chairman present at least annually to appraise the Chairman's performance, including a review of his other commitments to ensure that he is able to allocate sufficient time to the Company to discharge his responsibilities effectively. The Chairman also periodically holds meetings with the non-executive directors without the executive directors present. All of these processes were carried out satisfactorily during the year.

Induction

Upon appointment, all new directors undertake a formal induction programme which is designed to facilitate their understanding and awareness of the Group's businesses, people and processes and of their roles and responsibilities as directors of the Company. The induction programme is regularly reviewed and is tailored to each director's individual needs.

A typical induction programme normally includes:

- a detailed information pack which includes details of directors' duties and responsibilities, procedures for dealing in Bunzl plc's shares and a number of other governance related issues;
- one-to-one meetings with the other members of the Board and the Company Secretary;
- meetings with Committee chairs, as appropriate;
- meetings with senior management;
- visits to some of the Group's locations;
- information on the main areas of the Company's business activity and risks; and
- information on the Company's approach to sustainability and stakeholder engagement.

During the year, the Board welcomed Pam Kirby, whose induction programme covered the aforementioned areas and included a trip to the Netherlands. While there, Pam received presentations on Bunzl's operations in the Netherlands and central Europe and undertook site visits to King Nederland and Bunzl Retail & Industry, where she had the opportunity to speak with managers and non-managerial members of the workforce.

The Board believes good decision making is enabled by a deep understanding of the Group's operations and people. During the course of the year, directors receive training and presentations to keep their knowledge current and enhance their experience. They are updated continually on the Group's businesses, their markets and changes to the competitive and regulatory environments in which they operate. In addition, the Board is kept informed of relevant legal, regulatory and financial developments or changes by the Company Secretary and the Chief Financial Officer. The Company's legal advisers and auditors give presentations and training to the Board on any specific topics of interest.

Training and development needs of the Board are kept under review and directors attend external courses where it is considered appropriate for them to do so.

Pam Kirby's induction



October 2022 Netherlands tour

- Presentation on Bunzl's operations in central Europe
- Presentation on Bunzl's operations in the Netherlands
- Site visit to King Nederland
- Site visit to Bunzl Retail & Industry

2022 training and development activities

- Internal Control Essentials programme updates at every Audit Committee meeting
- Updates on the proposed UK Corporate Governance and Audit reforms
- External adviser training on information security, including:
 - the current state of cyber risk and the threat landscape;
 - the growing threat of ransom attacks; and
 - how to protect Bunzl.
- Internal sustainability updates, including on:
 - focus areas for 2023;
 - ESG governance;
 - UK sustainability reporting standards and preparations for the proposed EU mandatory sustainability reporting;
 - results of Bunzl's sustainability audit; and
 - focus on TCFD reporting.
- Presentation on the findings of an investor perception study conducted by an external party

Conflicts of interest

The directors are required to avoid situations in which they have, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. In accordance

with the Companies Act 2006, the Company's Articles of Association allow the Board to authorise potential conflicts of interest that may arise and to impose such limits or conditions as it thinks fit.

Directors are required to give notice of any potential situational and/or transactional conflicts, which are then considered by the Board and, if deemed appropriate, authorised accordingly. A director is not however permitted to participate in such considerations or to vote in relation to their own conflicts.

The Board has considered and authorised a number of potential situational conflicts all of which relate to the holding of external directorships and have been entered on the Company's conflicts register. No actual conflicts have been identified during the year and the Board considers that these procedures operate effectively.

Risk management and internal control

In accordance with the Code, the Board acknowledges that it has overall responsibility for identifying, evaluating, managing and mitigating the principal and emerging risks, including in respect of cyber and climate risks, faced by the Group and for monitoring the Group's risk management and internal control systems. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

In accordance with the Code and the related guidance, the Company has established the procedures necessary to ensure that there is an ongoing process for identifying, evaluating, managing and mitigating the principal risks faced by the Group and for determining the nature and extent of the principal risks it is willing to take to achieve its strategic objectives (its 'risk appetite'). The directors confirm that such procedures have been in place for the year ended 31 December 2022 and up to the date of approval of these financial statements and that the Group's risk management and internal control systems have been monitored during the year.

Further information about the Group's approach to risk management and the principal risks and uncertainties facing the Group can be found on pages 74 to 82.

The Board has delegated to an Executive Committee, consisting of the Chief Executive Officer, Chief Financial Officer and other functional managers, the initial responsibility for identifying, evaluating, managing and mitigating the risks facing the Group and for deciding how these are best managed, as well as responsibility for establishing a system of internal control appropriate to the business environments in which the Group operates. The principal features of this system include:

- a procedure for monitoring the effectiveness of the internal control system through a tiered management structure with clearly defined lines of responsibility and delegation of authority;
- a new second line internal control team was established in 2022 to further develop the Group's framework and approach to internal controls over financial reporting;
- formal standards of business conduct (including code of conduct, anti-bribery and corruption, fraud investigations and reporting, and whistle blowing policies) based on honesty, integrity, fair dealing and compliance with the local laws and regulations of the countries in which the Group operates;
- strategic plans and comprehensive budgets which are prepared annually by the business areas and approved by the Board;
- clearly defined authorisation procedures for capital investment and acquisitions;
- a well-established consolidation and reporting system for the statutory accounts and monthly management accounts;
- detailed manuals covering Group accounting policies and procedures for the Group's treasury operations supplemented by internal control procedures at a business area level; and
- periodic IT risk assessment aligned with the Group's IT security standard, as well as continual investment in IT systems and security to ensure the security of information systems and data, business continuity and the production of timely and accurate management information.

Some of the procedures carried out in order to monitor the effectiveness of the internal control system and to identify, manage and mitigate business risk are:

- central management holds regular meetings with business area management to discuss strategic, operational and financial issues, including a review of the principal risks affecting each of the business areas and the policies and procedures by which these risks are managed;
- the Executive Committee reviews the outcome of the discussions held at business area meetings on internal control and risk management issues;
- the Board in turn reviews the outcome of the Executive Committee discussions on internal control and risk management issues, which ensures a documented and auditable trail of accountability;

- each business area, the Executive Committee and the Board carry out an annual fraud risk assessment. Reporting protocols are in place to identify, analyse and respond to actual or potential fraud incidents;
- an annual self-assessment of the status of internal controls measured against a prescribed list of minimum standards is performed by every business and action plans are agreed where remedial action is required. The minimum standard and the self-assessment process were further enhanced during 2022;
- actual results are reviewed monthly against budget, forecasts and the previous year and explanations are obtained for all significant variances;
- all treasury activities, including in relation to the management of foreign exchange exposures and Group borrowings, are reported and reviewed monthly. The Group's bank balances around the world are monitored on a weekly basis and significant movements are reviewed centrally;
- developments in tax, treasury and accounting are continually monitored by Group management in association with external advisers;
- regular meetings are held with insurance and risk advisers to assess the risks throughout the Group;
- systems are in place to monitor IT security incidents, analyse and remediate any identified weaknesses. Findings are used to continually improve defences across all Group companies;
- the internal audit department periodically performs business and risk-themed audit work, makes recommendations to improve processes and controls and follows up to ensure that management implements the recommendations made. The internal audit department's work is determined on a risk assessment basis and its findings are reported to Group and business area management as well as to the Audit Committee and the external auditors;
- the Audit Committee, which comprises all of the independent non-executive directors of the Company, meets regularly throughout the year. Further details of the work of the Committee, which includes a review of the effectiveness of the Company's internal financial controls and the assurance procedures relating to the Company's risk management system, are set out in the Audit Committee report on pages 119 to 131;
- management committees (known as the Group Sustainability Committee, the Environment, Health & Safety Committee and the Supply Chain Committee) which oversee issues relating principally to environment, health & safety and business continuity planning matters, set relevant policies and practices and monitor their implementation; and
- health & safety risk assessments, safety audits and a regular review of progress against objectives established by each business area are periodically carried out.

Financial and business reporting

The responsibilities of the directors in respect of the preparation of the Group and parent company financial statements are set out on page 222 and the auditors' report on pages 223 to 229 includes a statement by the external auditors about their reporting responsibilities. In accordance with provision 30 of the Code and as set out on page 168, the directors are of the opinion that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

The process of preparing the Annual Report has included the following:

- comprehensive reviews undertaken at different levels of the Group in order to ensure the accuracy, consistency and overall balance of the Annual Report; and
- procedures to verify the factual accuracy of the Annual Report.

Assessment of the prospects of the Company and its viability statement

In accordance with provision 31 of the Code, details of how the directors have assessed the prospects of the Company, over what period the prospects have been assessed and the Company's formal viability statement are included in the Strategic report on page 83.

By order of the Board

Suzanne Jefferies
Secretary
27 February 2023

Fair, balanced and understandable – Bunzl's assurance framework

In accordance with provision 27 of the Code, the Board confirms that taken as a whole, the 2022 Annual Report is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy. Considerations of the Board when reviewing whether the 2022 Annual Report, taken as a whole, is fair, balanced and understandable and provides sufficient information to enable the reader to assess the Group's position and performance, business model and strategy, are shown below:

Independent review process

A review was carried out by a senior executive who was not involved in the preparation of the Annual Report.

Senior executive management team

Members of the senior executive management team reviewed and challenged the content and messaging of the Annual Report.

Internal audit

The Board considered the information and assurances provided by the ongoing work of the internal audit function.

External audit

The Board considered reports from external auditors and any significant issues identified in relation to the Annual Report and financial statements.

Audit Committee

The Board considered the work and recommendations of the Audit Committee in relation to its formal processes concerning the Annual Report and financial statements.

Nomination Committee report



To support the creation of long term value for our stakeholders, it is vital that we continue to build and promote a culture of openness and integrity.”

Peter Ventress

Chairman and Chair of the Nomination Committee

Introduction from Peter Ventress

On behalf of the Board, I am pleased to present the Nomination Committee's report for the financial year ended 31 December 2022, which outlines the Committee's role and responsibilities, as well as our activities and areas of focus during the year.

The development and execution of our long term strategic objectives, embedding of our culture and values and promotion of the interests of our stakeholders are all dependent upon effective leadership at both Board and executive level. This report highlights the significant role that the Committee plays in ensuring the Board is sufficiently diverse and has the appropriate balance of skills, knowledge, experience, and background to provide the breadth, depth, diversity of thinking and perspective needed to support our consistent and proven strategy and deliver our purpose.

To support the creation of long term value for our stakeholders, it is vital that we continue to build and promote a culture of openness and integrity. The Committee's activities during the year were conducted within the context of our unwavering commitment to improving inclusion and diversity across the Group and we are committed to the diversity of the Board, just as Bunzl is committed to equal opportunities for all employees at all levels of the Group.

As demonstrated in the following report, we have made significant progress against the priorities identified following

the Committee's 2021 performance evaluation. Our work in 2022 has focused on reviewing the composition of the Board and the Executive Committee and the recruitment of an additional non-executive director following the departure of Maria Fernanda Mejía, who stepped down from the Board and its Committees on 2 February 2022.

I am pleased to report that the recruitment process was a success and culminated in the appointment of Pam Kirby as a non-executive director on 1 August 2022. Pam Kirby brings with her a wealth of experience that has further enhanced the knowledge and skills of the Board as a whole. In addition, as announced on 7 February 2023, we will also be welcoming Jacky Simmonds to the Board and its Committees with effect from 1 March 2023. Further detail regarding Jacky Simmonds' appointment will be included in next year's Annual Report.

Additional information concerning the search and selection process for Pam Kirby is included in the report that follows and information concerning her skills and experience is set out on page 101. An overview of Pam Kirby's induction process can be found on page 111.

As described later in this report, other areas of Committee focus during 2022 included succession planning, Board tenure and talent development. The Committee seeks to balance the composition and tenure of the Board and that of its Committees, and to refresh them over time. This enables the Board to benefit from the experience of longer serving directors and the fresh

perspectives and insights from newer appointees. Given the Board changes during 2022, it is felt that there is a good balance of newer appointees and longer serving directors who provide consistency of Bunzl knowledge and experience.

We are fully compliant with the requirements of the Parker Review on ethnic diversity and the diversity targets outlined in the Hampton-Alexander Review. The Committee and the Board are also aware of, and fully support, the new diversity targets set by the Financial Conduct Authority (which apply to financial years starting on or after 1 April 2022), including the target that at least 40% of the board should be women (including individuals self-identifying as women). I am pleased to confirm that, following Jacky Simmonds' appointment on 1 March 2023, we will exceed this target.

We end the year satisfied that we have a Board with the right skills and experience to continue providing the highest standards of leadership and oversight in the years ahead.

If you wish to discuss any aspect of the Committee's activities or our priorities for the coming year, I will be attending Bunzl's forthcoming Annual General Meeting ('AGM') and would welcome your questions. Questions relating to the AGM can also be submitted via our dedicated AGM email address, BunzlAGM@bunzl.com.

Peter Ventress

Chairman and Chair of the Nomination Committee
27 February 2023

Composition

During 2022, the Nomination Committee comprised the Chairman of the Company, who chairs the Committee (unless the Committee is dealing with the matter of succession of the Chairman of the Company) and all of the independent non-executive directors. In accordance with the provisions of the UK Corporate Governance Code, all of the members are independent non-executive directors. The Secretary to the Committee is the Company Secretary.

Nomination Committee meetings

The Committee meets as necessary throughout the year to discharge its responsibilities.

The table below sets out directors' attendance at the four scheduled Committee meetings held during 2022.

	Meetings attended
Peter Ventress	4
Vanda Murray	4
Lloyd Pitchford	4
Stephan Nanninga	4
Vin Murria	4
Maria Fernanda Mejía ¹	–
Pam Kirby ²	–

- 1 Maria Fernanda Mejía resigned as a director on 2 February 2022. Due to a potential conflict of interest, she did not attend the Committee meeting held in January 2022.
2 Pam Kirby was appointed as a director on 1 August 2022. No Committee meetings were held between that date and the end of the year.

Key areas of focus in 2023

- Succession planning, with a particular focus on executive succession and further enhancing the Committee's insight into the development plans related thereto
- Gaining greater exposure to management below Board level
- Talent management and development, including leadership development
- Continuing to support the journey towards greater diversity

Role and support

The Committee's principal role is to lead the process for appointments to the Board, whether to fill any vacancies that may arise or to change the number of Board members, ensure plans are in place for orderly succession to both the Board and senior management positions and oversee the development of a diverse pipeline for succession. The senior management succession plans take into account the views of all Board members to ensure the plans encompass the benefit of all their skills and experience. In the performance of its duties, the Committee has been authorised to enlist the services of external executive search firms to assist with the recruitment process, including the identification of potential candidates, to fill Board positions and vacancies.

It is the Committee's role to ensure that the Board and its Committees maintain the appropriate balance of skills, knowledge, experience and diversity to ensure their continued effectiveness. Information concerning the training and development activities undertaken by the directors during the year can be found on page 111.

The Committee meets as necessary throughout the year to discharge its responsibilities. The Committee's terms of reference, which were reviewed in 2022, are available on the Company's website, www.bunzl.com.

Performance evaluation

The Committee's performance and effectiveness are reviewed annually by both the Committee and as part of the Board performance evaluation. The Chair of the Committee also meets with each Committee member independently to ensure that their individual views about the operation of the Committee are taken into account. Additional information concerning the results of the 2022 performance evaluation is set out on page 110.

Principal responsibilities of the Committee

Board structure

- Reviewing the structure, size and composition of the Board with regard to maintaining a balance of skills, experience, knowledge and diversity

Succession

- Considering succession planning, taking into account the challenges and opportunities facing the Company and the skills and expertise required by the Board and senior management in the future
- Reviewing annually a succession planning presentation in relation to the Company's senior management

Appointments

- Identifying and nominating appropriate individuals to fill Board vacancies as they arise
- Approving the appointment of any senior executive who is to report directly to the Chief Executive Officer
- Making recommendations to the Board as to the continuation in office and/or re-appointment of directors

Evaluation

- Considering the commitment required of non-executive directors and reviewing their performance

Activities

Recruitment

During 2022, the Committee undertook an extensive search and selection process to recruit a new non-executive director, which resulted in the successful appointment of Pam Kirby on 1 August 2022.

As part of the planning process, the Committee reviewed the Board skills matrix and capability gaps identified and agreed on the areas of experience which would be beneficial to and complement the composition of the Board (the role specification). The Committee also agreed that the behaviours and values of any prospective director should align with the values and culture of the Group.

The Committee subsequently engaged Russell Reynolds Associates to undertake an extensive external search based on the aforesaid role specification, following which a longlist of candidates was compiled. Having reviewed the list, the Committee agreed on a shortlist of candidates to take through to the next stage of the recruitment process, which involved informal meetings between each of the shortlisted candidates and the Committee members to gauge the appetite for the role, likely cultural fit, experience and location/availability considerations. Following feedback from the meetings, it was recommended that those candidates that best met the role specifications be taken forward to meet other members of the Board and members of the Executive Committee. A thorough due diligence and referencing process was then undertaken.

The Committee held a debrief following the conclusion of the interviews and referee meetings, taking account of each candidate's individual attributes, skill sets, knowledge and experience and concurred that a recommendation to appoint Pam Kirby as a non-executive director be put to the Board for approval.

The Committee seeks to follow best practice in all the appointments it recommends, agreeing the criteria for each role and the most appropriate interview panel, before considering a comprehensive and diverse list of candidates. Shortlisted candidates are interviewed and assessed against the chosen criteria and due diligence is then undertaken before the Committee makes its final recommendation. Executive search firms are appointed based on their expertise relative to each role and the Committee seeks to engage only those search firms that are signatories to the Voluntary Code of Conduct of Executive Search Firms on gender diversity and best practice.

Succession planning

The need to refresh the Board but at the same time maintain a knowledgeable and experienced team of non-executive directors is something that we continued to address in our succession planning discussions during 2022.

The Committee recognises that having the right directors and senior management, with the right capabilities, experience and Company and industry knowledge, is fundamental to the Group's long term, sustainable success. In furtherance of this, a key responsibility of the Committee is to satisfy itself that a robust and rigorous succession planning process is in place, over both the medium and long term, to ensure there is the right mix of skills and experience on the Board as the Company evolves. The Company's succession plans, together with the Board skills matrix and tenure tracker are considered regularly. This allows the Committee to identify potential gaps, including in relation to director rotation and in respect of the skills needed to deliver the Group's strategic priorities. Effective and proactive succession planning and assessment also enable the Committee and the Board to ensure that changes to the Board are proactively planned and coordinated.

Enhancing the Committee's oversight of executive succession planning and strengthening executive succession continued to be a key priority for the Committee in 2022 and one which will continue to receive considerable attention in 2023. The Committee also plans to deepen its discussions concerning succession timelines, the various options available and planning.

Recruitment process of Pam Kirby

Role specification	The Committee developed a role specification and list of characteristics deemed essential for the new non-executive director.
Election of external search firm	Following a final review of the role specification, Russell Reynolds Associates was engaged as the external search firm.
Collation of candidate list	Following consultation with the Chairman and the CEO, Russell Reynolds Associates prepared a longlist of potential candidates, which was subsequently reviewed by the Committee and a shortlist agreed.
Candidate interviews	Preliminary interviews with each of the shortlisted candidates were held by the Committee, following which the Committee agreed on the candidates that best met the role specification.
Final stage interviews	The preferred candidates attended additional meetings with the executive directors and members of the Executive Committee.
Candidate references	The Committee sought references for the preferred candidates and held virtual meetings with the associated referees.
Committee recommendation	The Committee held a debrief following the conclusion of all of the interviews and referee meetings and made a recommendation to the Board that Pam Kirby be appointed to the Board and its Committees with effect from 1 August 2022.
Board decision and announcement	The Board accepted the recommendation of the Committee and approved Pam Kirby's appointment, following which an announcement was made via the London Stock Exchange.

Talent

As part of its remit, the Committee continued to monitor the development of Bunzl's Executive Committee, which sits below the Board, to ensure that there is a diverse supply of senior executives and potential future Board members with appropriate skills and experience.

During the year, the Chief Executive Officer provided regular updates to the Committee on any changes to the composition of the Executive Committee and presented his annual management succession plan to the Committee for its consideration. This included information on people review processes, functional talent development, specific emerging talent pipelines, diversity, equity and inclusion, and learning and development initiatives. This process ensures that high performing individuals within senior management can be developed and nurtured in order to strengthen the succession pipeline further, while at the same time increasing diversity in senior roles across the Group. The Committee also maintained regular interaction with senior management across the Group and within each business area. Such interaction enables the Committee to familiarise itself with the teams, thereby facilitating the identification of high performing talent and informing succession planning. It is the Committee's intention to gain even greater insight into the Group's internal talent pipeline by increasing its exposure to management below Board level in 2023.

Committee composition

Another area of Committee focus during the year related to the composition of a new Board Sustainability Committee ('BSC'). As part of this process, the Committee took account of matters such as the Group's sustainability strategy and objectives in the near and long term, the skills and experience of the executive and non-executive directors, prevailing and future legislation and governance requirements, and market best practice. The Committee also had regard to the directors' skills matrix and Conflicts of Interest register, as well as the directors' training and development priorities identified as part of the 2021 performance evaluation. The Committee's recommendation, that each of the non-executive directors be appointed as members of the BSC and that the Chairman of the Board be appointed as its Chair, was subsequently presented to, and approved by, the Board at its meeting in June 2022.

Inclusion and diversity

It is a well-established fact that boards with an appropriate mix of age, experience, backgrounds and perspectives tend to foster better debate and decision making and less group-think. The Committee strives to embed inclusion in everything that it does, and succession planning and the appointment process are key in promoting diversity in a way that is consistent with Bunzl's long term strategy.

The Committee embraces the importance of diversity and inclusion in all Board and senior management recruitment and challenges external search consultants where necessary to ensure that diversity of gender, social and ethnic backgrounds and cognitive and personal strengths is always considered in the selection of candidates. In addition, the Committee seeks to engage firms that are signatories to the Voluntary Code of Conduct of Executive Search Firms and encourages them to look further afield and access talent from wide and diverse pools.

While taking the important considerations of gender and diversity into account, the Committee will continue to recommend appointments to the Board based on merit and the individual skills and experience of each candidate. It is nevertheless clear that gender, ethnicity, race and other forms of diversity and inclusion must remain key parts of our succession planning discussions and are critical to the long term sustainable success of the business.

The Board and the Committee's approach to inclusion and diversity in the composition of the Board and senior management is set out in the Board Diversity Policy, which is reviewed regularly and can be found on page 118. Additional information concerning diversity and inclusion in Bunzl can be found in the Sustainability report on pages 48 to 69 and in the Corporate governance report on pages 98 to 113.

Evaluation and independence

During the year, the Committee reviewed and took account of the balance of skills, knowledge, experience and diversity of the Board, the time commitment expected of the non-executive directors and the conclusions of the formal performance evaluation process, which was undertaken when considering and recommending the nomination of directors for re-election at the 2022 AGM.

The Committee also conducted a review of individual director conflict authorisations as recorded in the Conflicts of Interest register. The register is maintained by the General Counsel and Company Secretary and sets out any actual or potential conflict of interest situations which a director has disclosed to the Board in line with their statutory duties. In order to form a view of a director's independence, consideration was also given to other external appointments held by each director.

Non-executive directors' independence of thought and judgement is vital to facilitating constructive and challenging debate in the boardroom and is essential to the operational effectiveness of the Board and its Committees. The Committee determines a non-executive director's independence in line with the relevant provisions of the Code and is satisfied that all of the non-executive directors meet the criteria for independence and that the Chairman of the Board met the criteria on appointment to that role.

Further details concerning the Board evaluation process that was carried out during 2022, together with information on the key priorities identified as part of the review, can be found in the Corporate governance report on pages 98 to 113.

Board Diversity Policy

Within the Group's businesses, the Board is committed to greater diversity in its broadest sense, whether in terms of ideas, skills, knowledge, experience, education, gender, social and ethnic backgrounds, cognitive and personal strengths, or any other relevant measure.

When considering director appointments, one of the objectives is to maintain a diverse Board. While the Board will continue to follow a policy of ensuring that the best people are appointed for the relevant roles, based on merit by assessing candidates against objective criteria, the directors recognise the benefits of greater diversity and will take account of this when considering any particular appointment. However, the primary responsibility when making new appointments is to ensure the strength of the Board's composition. The overriding aim is to select and recommend the best candidate for the position, having regard to all of the different stakeholders that Bunzl has as a global organisation, while ensuring that the Board members are able to provide a range of perspectives, insights and challenge required to support effective decision making.

Looking beyond the Board to the Group's wider workforce, Bunzl is committed to treating people fairly and equally by accepting and embracing their diversity and ensuring there is an inclusive and positive working environment for all

employees. For a number of years in the annual succession planning reviews, there has been a particular focus on diversity within the business areas and one of the key objectives is to ensure there are no barriers preventing talented people from succeeding. There is also a range of initiatives within the Group to help provide learning and development opportunities for female executives and to ensure unbiased career progression opportunities. The Board has formally approved a Diversity, Equity and Inclusion Policy, which applies to the wider workforce of the Group. A copy of the policy can be found on the Company's website, www.bunzl.com.

Monitoring and reporting

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board, including the skills, knowledge, experience and diversity of the directors. It is also responsible for identifying and nominating appropriate individuals to fill Board vacancies as they arise. The Committee will report annually, in the Company's Annual Report, on the process followed in relation to any Board appointments made during the relevant period. The Board is responsible for keeping its diversity policy under review and making changes thereto when appropriate to do so.

Audit Committee report



“
Successful management of risks and uncertainties enables us to deliver on our purpose and be more resilient across our corporate, financial and operational structures.”

Lloyd Pitchford
 Chair of the Audit Committee

Introduction from Lloyd Pitchford

I am pleased to present our Audit Committee report for the year ended 31 December 2022 and welcome Pam Kirby, who was appointed on 1 August 2022, as a Committee member. The report provides an overview of the Committee's role and demonstrates how our work contributes to the achievement of the Group's purpose. Further information on our purpose-led strategy can be found on pages 30 and 31.

Acting ethically, lawfully and with integrity is critical to our long term success and operating responsibly is fundamental to the protection of stakeholder value and the delivery of our purpose. The Committee has a significant role to play in this, with one of its primary responsibilities being to assist the Board in fulfilling its responsibilities by monitoring areas such as the integrity of financial reporting and non-financial reporting measures, the effectiveness of the risk management framework and system of internal controls, as well as the consideration of ethics and compliance matters.

During the year, we continued to discharge our duties effectively and to the highest standards, providing appropriate challenge to and oversight of the decisions, assumptions and key judgements made by management to ensure that stakeholder interests are protected. I believe that this, together

with the Board's efforts in harnessing and promoting a strong, risk focused culture, play an essential role in assuring the long term viability of the Company.

The Committee has made good progress on the 2022 priorities that were identified in last year's Annual Report, with particular attention being paid to the matters set out below. A summary of the Committee's priorities for the forthcoming year can be found on page 121.

Audit and corporate governance reforms

In its May 2022 response to the BEIS consultation on 'Restoring Trust in Audit and Corporate Governance', the government set out wide-ranging reforms to the UK's audit and corporate governance framework. While the timing of many of the reforms and the precise detail surrounding them is still unclear, preparatory work has already commenced ahead of any changes coming into effect. The Committee has been reassured by the work undertaken to date by management in response. An overview of some of the proposed reforms, and how we anticipate responding, can be found later in this report.

The Committee welcomes those developments which aim to improve transparency in governance and trust in our disclosures and we will continue to monitor the enactment of the government's reforms closely and the Group's proposed response thereto.

Risk management, internal controls, and fraud risk

Successful management of risks and uncertainties enables us to deliver on our purpose and be more resilient across our corporate, financial and operational structures. During 2022, the Committee increased its focus on the Group's Enterprise Risk Management ('ERM') framework and engaged a professional services firm to assess Bunzl's risk management procedures and identify opportunities for improvement. The output from the external review has been used to develop the ERM framework further and set goals for the future.

The Group has continued to strengthen its framework and approach to controls governance and assurance with the establishment of the Internal Control Essentials programme, investment made in the internal control team, and the build out of a network of control professionals embedded in each of the business areas. The work of the programme, which was initially supported by an external consultancy firm, is overseen by the Committee.

In addition, greater Committee scrutiny and challenge of the Group's processes and controls relating to fraud risk has been facilitated by more extensive and frequent reporting of fraud risk under the Internal Control Essentials programme. We have also focussed on strengthening the Group's anti-bribery and corruption procedures during the year.

More information on the Group's ERM framework and internal controls can be found in the Corporate governance report on pages 98 to 113. Readers will also find a Q&A with the Head of Internal Controls on page 126.

Information security

Given their criticality to the successful execution of the Group's strategy and operations, the oversight and scrutiny of information security and cyber security programmes remained key areas of focus for the Committee during the year. The Committee's scrutiny and intervention supported the recruitment of a new Group Chief Information Security Officer ('Group CISO') and additional investment in Bunzl's global IT security resource and capabilities in 2022. I am encouraged by management's plans to reinforce Bunzl's IT security framework further.

Information concerning the Group's approach to information security, and the Committee's responsibilities and activities in relation thereto, can be found later in this report and in an interview with the Group CISO on page 125.

Internal auditors

During 2022, we increased headcount in the Group's internal audit function, including the addition of one IT internal auditor, with further recruitment activity underway. This is a welcome development, which I believe will bolster the function's audit and assurance capacity and support its continued development and effectiveness. Details of Bunzl's assessment of the effectiveness of the Company's internal audit function can be found on page 129.

Financial and non-financial reporting

Another area of focus in 2022 concerned the resilience of the Group finance function, which I am pleased to report was enhanced further during the year. This is a result of the additional resource that has been recruited and the continued development of a systems-based approach to the analysis and reporting of data from across the Group. I would like to acknowledge the quality of PwC's audit of our 2022 financial statements but also the quality of Bunzl's finance resource, processes, approach and transparency in its communication with the external auditors, which are all critical to high quality financial reporting and the delivery of an effective audit. Information concerning external auditor independence and Bunzl's assessment of the effectiveness of the external audit process for the 2021 financial statements can be found later in this report.

During the year, a letter was received from the Conduct Committee of the Financial Reporting Council ('FRC') relating to its limited scope review of the Company's Taskforce on Climate-related Financial Disclosures in the 2021 Annual Report and I am pleased to report that no questions or queries were raised. The letter included suggestions concerning areas where the FRC believes users of the accounts would benefit from improvements to the Company's existing disclosures. These suggestions have been considered in preparing this Annual Report. The Company recognises that the FRC's review was based on a review of its Annual Report for the year ended 31 December 2021 and did not benefit from detailed knowledge of the Company's business or an understanding of the underlying transactions entered into. The FRC's review provides no assurance that the Company's Annual Report is correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

The Committee has increased its scrutiny of non-financial reporting and updated its terms of reference to include the review and challenge of non-financial reporting measures, and the review of the Group's assurance activities relating thereto within its remit. The Group's internal audit team and an external professional services firm reviewed the Group's strategy to assess whether its existing governance, processes, controls and management activities support the consistent production of accurate Environmental, Social and Governance ('ESG') data and reporting. The recommendations will be used to enhance the Group's governance, processes, controls and management activities to ensure accurate reporting of ESG data and to prepare for the introduction of further mandatory sustainability reporting.

Performance evaluation

I am pleased to report that, based on the results of the 2022 evaluation, the Board members continue to consider the Committee to be thorough and effective in fulfilling its responsibilities. Further information concerning the evaluation process can be found in the Corporate governance report on pages 98 to 113 and examples of the priorities identified as part of the 2022 Audit Committee review are set out on page 121.

Additional information concerning the Committee's activities during 2022 and the key areas of focus in 2023 can be found later in this report. The Committee will keep its activities under review to ensure that they remain appropriate and continue to meet the changing needs of the business.

Lloyd Pitchford

Chair of the Audit Committee
27 February 2023

Composition and experience

The Committee comprises all of the independent non-executive directors, who were appointed to the Committee by the Board following recommendations by the Nomination Committee. The Secretary to the Committee is the Company Secretary.

All members contribute to the work of the Committee and bring an appropriate balance of financial, risk management, commercial acumen and experience in multinational organisations, combined with a good understanding of the Company's business and are therefore considered by the Board to be collectively competent in the sector in which the Company operates.

As the serving Chief Financial Officer of Experian plc, the Chair of the Committee, Lloyd Pitchford, is considered by the Board to have recent and relevant financial experience. The Committee members are of an independent mindset and bring a diversity of perspectives, knowledge and experience to the Committee's deliberations, which in turn ensures that the Committee is able to provide an appropriate amount of scrutiny, challenge and support to management. Independent thinking is an essential aspect of the Committee's role and is crucial in assessing the work of management and the assurance provided by the internal and external audit functions. Further information concerning the directors' skills and experience can be found in the Corporate governance report on pages 98 to 113.

Audit Committee meetings

The table below sets out the Committee's composition and its members' attendance at the four scheduled Committee meetings held during 2022.

	Meetings attended*
Lloyd Pitchford	4
Vanda Murray	4
Stephan Nanninga	4
Vin Murria	4
Maria Fernanda Mejía**	–
Pam Kirby***	2

* While the Company Chairman and the executive directors are not members of the Committee, they normally attend Committee meetings by invitation, together with the Head of Internal Audit and Risk, Head of Internal Controls, representatives from the external auditors and members of the Group finance team.

** Maria Fernanda Mejía resigned as a director on 2 February 2022. No Committee meetings were held between 1 January 2022 and 2 February 2022.

*** Pam Kirby was appointed as a director on 1 August 2022 and attended all of the Committee meetings held between that date and the end of the year.

Key areas of focus in 2023

Alongside the regular cycle of matters that the Committee schedules for consideration each year, we are planning over the next 12 months to focus on the following areas:

- response to pending legislation and pronouncements from the FRC/ARGA following the BEIS consultation;
- monitoring new workstreams on internal controls projects;
- tracking the Group's information security programme;
- overseeing the external audit tender;
- overseeing the external review of the internal audit function; and
- a review of non-financial reporting and assurance.

Role and support

The role of the Audit Committee is to act independently of management to safeguard the interests of stakeholders in relation to the Company's financial reporting and internal control arrangements. A fundamental part of this role is ensuring that the Company has effective governance over the Group's financial reporting, including the adequacy of related disclosures, the performance of both the internal and external audit functions and the management of the Group's systems of internal control and business risk management and related compliance activities.

The Committee provides appropriate oversight, review and challenge of the decisions and approach taken by management in respect of the content and disclosures within the Company's financial reports, including considering whether such disclosures are set properly in context.

In the performance of its duties, the Committee has independent access to the services of the Company's internal audit function and to the external auditors and may obtain outside professional advice as necessary.

The Committee's terms of reference, which were reviewed by both Committee and the Board in 2022, are available on the Company's website, www.bunzl.com.

Training and briefings

Throughout 2022, the Committee considered market updates and developments in order to ensure that it was fully cognisant of matters which may affect the Group and its operations. This included:

- training from external specialists on information and cyber security;
- technical accounting updates on developments in financial reporting and accounting policy;
- updates on regulatory and governance changes, including the government's response to the BEIS consultation on audit and corporate governance; and
- briefings on specific topics, including tax risk and information security.

Stakeholder engagement

Our relationship with our stakeholders is a fundamental driver of value creation and we place considerable importance on ensuring that we are aware of and understand their views and sentiments. The Committee Chair avails himself of all opportunities to engage with Bunzl's stakeholders when appropriate in order to obtain their feedback and discuss any concerns that they may have concerning the Committee's operations and oversight.

While the results of the Company's proactive engagement with stakeholders during the year did not identify any concerns relating to the Group's risk profile and management thereof, or the Committee's discharge of its responsibilities, this is not taken for granted and the Committee will continue to monitor stakeholder sentiment closely and ensure that engagement is sought whenever it is needed. The Chair of the Committee will also be attending the Company's forthcoming AGM to answer any questions that shareholders may have. Further information concerning stakeholder engagement can be found on pages 70 to 73.

Principal responsibilities of the Committee

Financial and narrative reporting

- Monitoring and reviewing the integrity of the Group's financial and narrative reporting and the significant judgements contained therein
- Reviewing non-financial reporting measures, including non-financial KPIs, for inclusion in the Annual Report

Risk management and internal control

- Reviewing:
 - the Group's risk management processes, procedures and controls;
 - the effectiveness of the Company's internal control systems including operational, compliance and financial controls; and
 - the assurance activities relating to financial and non-financial reporting matters.

Internal audit

- Overseeing the Company's internal audit activities
- Monitoring and reviewing the effectiveness of the internal audit function

External audit

- Making recommendations to the Board in relation to the appointment/re-appointment/removal of the external auditors
- Reviewing the Company's relationship with the external auditors and monitoring their independence and objectivity
- Agreeing the scope, terms of engagement and fees for the statutory audit
- Initiating and supervising a competitive tender process for the external audit as required from time to time
- Developing and implementing a policy on the engagement of the external auditors to supply non-audit services

Financial statements and significant accounting matters

During the year and prior to the publication of the Group's results for 2022, the Committee spent considerable time reviewing and scrutinising the 2022 half yearly financial report and related news release, the 2022 Annual Report (including the financial statements), the 2022 annual results news release and the reports from the external auditors on the outcomes of their half year review and their audit relating to 2022. Management was challenged, where appropriate, on matters such as the appropriateness of accounting policies, critical accounting judgements and key accounting estimates. The appropriateness of the Group's external reporting framework

and use of alternative performance measures ('APMs') were also assessed, with the Committee concluding that it is satisfied that the APMs reviewed are consistent with market practice, and that disclosure and reconciliation to statutory measures is appropriate. In conjunction with the Board, the Committee reviewed the financial modelling and stress testing conducted for the going concern assessment, as well as the viability assessment process undertaken in support of the long term viability statement. The Committee also challenged the assumptions and scenarios, noting the effect they would have during the viability period, further details of which can be found on page 83.

As part of its work, the Committee considered a number of significant accounting matters in relation to the Company's financial statements, together with the adequacy of the associated disclosures. These significant accounting matters are summarised in the table below and further information can be found in the relevant Notes to the consolidated financial statements. The Committee believes that the significant accounting matters have been properly recorded in the Company's books and records and accounted for appropriately, including relevant disclosure in the Annual Report.

Significant matters considered in relation to the financial statements

Issue	Review and conclusion
Accounting for business combinations	<p>For business combinations, the Group has a long-standing process for the identification of the fair values of the assets acquired and liabilities assumed, including separate identification of intangible assets using external valuation specialists where required. The Committee reviewed this process and discussed with management and the external auditors the methodology and assumptions used to value the assets and liabilities of the acquisitions completed in 2022, noting that, following the acquisition of Hygi.de, the Group has also recognised a separate technology intangible asset. The Committee concluded that it was satisfied with management's valuations of these assets and liabilities, including the degree to which such valuations are supported by professional advice from external advisers. For business combinations where less than 100% of the issued share capital of a subsidiary is acquired and the acquisition includes an option to purchase the remaining share capital of the subsidiary, the Group has an established process to assess whether a non-controlling interest should be recognised. There were eight such business combinations during the year. The Committee reviewed the Group's assessment of these eight business combinations, noting that no non-controlling interest had been recognised. The Committee concurred with management's conclusion that the risks and rewards associated with the options to purchase the remaining shares had transferred to the Group on each acquisition. Details of the Company's approach to accounting for acquisitions are set out in Note 9 to the consolidated financial statements.</p>
The carrying value of goodwill, customer relationships and brands intangible assets	<p>Goodwill is allocated to cash generating units ('CGUs') and is tested annually for impairment. The Committee critically reviewed and discussed management's report on the impairment testing of the carrying value of goodwill of each of the Group's CGUs. The Committee also critically reviewed and discussed management's consideration of the impairment risk relating to customer relationships and brands intangible assets. In both regards, the Committee considered the sensitivity of the outcome of impairment testing to the use of different assumptions and considered the external auditors' testing thereof.</p> <p>The Committee noted that an impairment charge of £13.0 million had been recognised in the year in relation to the customer relationships intangible assets of two businesses based in Turkey within the Rest of Continental Europe CGU. After due challenge and debate, the Committee concluded that it was satisfied with the assumptions and judgements applied in relation to the impairment testing and agreed that there was no other impairment of goodwill or customer relationships and brands intangible assets. Details of the key assumptions and judgements used are set out in Note 13 to the consolidated financial statements.</p>
Defined benefit pension schemes	<p>The Committee considered reports from management and the external auditors in relation to the valuation of the defined benefit pension schemes and reviewed the key actuarial assumptions used in calculating the defined benefit pension liabilities, especially in relation to discount rates, inflation rates and mortality/life expectancy. The Committee discussed the reasons for the movement in the net pension surplus and was satisfied that the assumptions used were appropriate and were supported by independent actuarial experts.</p> <p>The Committee considered the Company's withdrawal from three multi-employer pension plans ('MEPPs') relating to the Group's US entities, for which a provision for the withdrawal liability had been made in 2020. The Committee noted that, in 2021, the Group had paid a lump sum of £3.2 million to settle the liability in respect of one of the plans. It was acknowledged that negotiations concerning the withdrawal liability for the remaining two plans were ongoing and that the Group carried a provision of £13.8 million for the estimated withdrawal liability on these two plans. The Committee noted that no provision was held in relation to three other MEPPs to which the Group's US entities continue to contribute. Having considered these matters thoroughly and following discussions with the external auditors, the Committee concluded that it agreed with the accounting treatment and disclosures made in relation thereto. Further information on these matters and the key assumptions used are given in Note 25 to the consolidated financial statements.</p>
Taxation	<p>The Committee reviewed a report and received a presentation from the Head of Tax highlighting the principal tax risks that the Group faces and a detailed risk assessment relating to the tax risks identified, including the judgements underpinning the provisions for potential tax liabilities.</p> <p>The Committee also reviewed the results of the external auditors' assessment of provisions for income taxes.</p> <p>Following appropriate debate and challenge, the Committee was satisfied with the key judgements and proposed disclosures related to tax made by management.</p>
Inventory and receivable provisions	<p>The Committee noted that, during 2022 the Group has seen a net utilisation of approximately £5 million in trade receivables and slow moving inventory provisions, with usage of these provisions exceeding net charges to increase the provisions.</p> <p>The Committee also noted that the Group has seen some utilisation of the additional provisions set up in the prior year as a result of market price movements on certain Covid-19 products.</p>
Hyperinflation accounting	<p>The Committee noted that, during 2022, IAS 29 'Financial Reporting in Hyperinflationary Economies' became applicable for entities with a functional currency of the Turkish Lira. As a result of this, the Group's financial statements include the results and financial position of its Turkish operations restated to the measuring unit current at the end of the year, with hyperinflationary gains and losses in respect of monetary items being reported in finance expense. The Committee noted that the total impact on the Consolidated income statement was a charge of £31.7 million.</p> <p>Having considered the aforesaid matters fully, and following discussions with the external auditors, the Committee concluded that it agreed with the accounting treatment and disclosures made. Further details concerning these matters and the key assumptions used are given in Note 1 to the consolidated financial statements.</p>

Risk management

The Board approves the Group’s risk management framework and sets the risk appetite, which in turn guides management to proactively identify, monitor, and manage the material and emerging risks that could impact Bunzl. During 2022, the Committee continued its regular review of risk reporting to ensure the balance between risk and opportunity remained in line with the Group’s risk appetite and tolerance.

As mentioned earlier in this report, the Committee is responsible for reviewing, on behalf of the Board, the effectiveness of the Company’s internal financial controls and the assurance procedures relating to the Company’s risk management system. The Group has a culture of effective risk management and risk aware decision making is embedded in our key processes.

During the year, the Committee reviewed the process by which significant current and emerging risks had been identified by management and the Board, the key controls and other processes designed to manage and mitigate such risks, including the assurance provided by the internal audit function, the external auditors and other oversight from management and the Board. The Committee uses a number of tools to review the Group’s risk management processes, including the Group’s Risk and Assurance Map. These tools are reviewed regularly to ensure that they remain fit for purpose and continue to meet the needs of the business. In addition, during 2022, the Committee engaged a professional services firm to undertake an external assurance review of the maturity of the Group’s risk management procedures. The output from the review has been used to develop the Group’s ERM framework further and set goals for the future.

Cyber risk

Cyber threat and information security remained a major focus for the Committee in 2022 given the importance of technology for the Group’s strategy and operations and the evolving risks in this area. Our cyber security controls and governance have been strengthened considerably in recent years in response to the increasing threat this poses to our businesses, including further developing our security policies, practices and training. We have remained focused on increasing the maturity of our cyber security capabilities and have invested heavily in the resources and initiatives necessary to maintain and improve our information security framework, including preventative technologies such as end point detection systems, user training and carrying out regular health checks and testing.

Cyber security at Bunzl

Identify

Know what we have, what we do, and what’s important

**Asset Management
Business Environment
Governance
Risk Assessment
Risk Management**

Protect

Stop the things we should and do the basics well

**Identity Management
Awareness and Training
Data Security
Information Protection**

Detect

Quickly, simply, and efficiently find what needs to be stopped

**Anomalies and Events
Detection Processes
Security Continuous
Monitoring**

Respond

Implement processes to deal with events in real time

**Analysis
Mitigation
Improvements
Communications
Response Planning**

Recover

Return to known good state and focus on continuous improvement

**Disaster Recovery
Continuous Improvement
Communications**

We believe that having an overlapping strategy based on security tools, people, and processes yields the most effective defences. Our layered approach to cyber security provides multiple opportunities for threats to be identified and addressed before they can cause significant harm.

Fundamental to the success of our digital security and strategy is our digital security culture, which is fostered and embedded through several channels. We recognise that a culture of security has to start at the top and the Board and Committees lead by example by dedicating considerable time and attention to the risks associated with cyber and information security. The Group Chief Information Officer ('Group CIO'), Group CISO and the Head of Internal Audit and Risk are regularly invited to Committee meetings to give an assessment of cyber risk and provide updates on the measures being taken by management to mitigate the cyber and information security risks and other evolving threats faced by the business.

Making security a part of everyone's responsibilities is a key part of instilling Bunzl's security culture and seeing senior management embody the security culture through their words and actions has been an important part of this. Regular communications and presentations from the Group CIO and Group CISO also increase employees' awareness and understanding of cyber risks and reinforce the significance security has for the entire Group. A Q&A with the Group CISO can be found in the adjacent section of this page.

The Group experienced a number of cyber-attacks during 2022, none of which were considered material and all of which were effectively managed through our Group Information Security teams. The Company regularly monitors its information security KPIs to ensure a process of continual improvement and development, and during the year an external professional services firm was engaged to assess how the Group's cyber security controls could be enhanced further.

Additional information concerning the principal risks and uncertainties facing the Group can be found on pages 74 to 82.

Q&A

Interview with Moses Bulus, Group Chief Information Security Officer



Q. What is Bunzl's strategy on digital security and how is the strategy communicated throughout the organisation?

We have a multi-stage information security strategy that scales to both the larger and smaller operating companies across the Group. This strategy was developed through collaboration with industry experts, Group technology resources and the executive team, with support from the Board of directors. Proactive communications between the business areas, technology directors, and corporate development teams is key to our strategy. We have further embedded this strategy throughout the organisation by deploying cyber security awareness campaigns across all regions to enhance the knowledge of Bunzl personnel and their resilience to cyber threats.

Q. What has the Board done to foster a culture of digital security?

The Board has been actively engaged with the information security programme from the start. During 2022, the Board supported investments in technology, process support, and the development and acquisition of talent into the organisation. Its support and regular review of information security KPIs also ensures that we continue to foster a culture of measurement and continuous improvement.

Q. What training is provided to the directors in relation to digital security?

The Board is provided with annual training on digital security, which is delivered by the Group CIO and me. The training is adapted based on the ever changing threat environment and external expertise is leveraged whenever necessary to ensure the Board has sufficient knowledge to effectively monitor the Group's digital security strategy and risks. This year, training covered topics including global trends, threat intelligence and risk mitigation strategies.

Q. What role does the Audit Committee play in relation to digital security, digital transformation and strategy risks?

The Committee is proactive in addressing the principal and emerging risks facing the Group, including information security risks. We are continually making improvements to the information security programme thanks to the Committee's regular engagement, auditing and management of mitigation strategies (as necessary). The Committee also plays a key role in evaluating and selecting external advisers to assist with programme management, implementing best practice, and benchmarking in line with industry standards, which are critical to the successful delivery of a programme such as this.

Internal controls

The Group has an internal control environment designed to protect the business from the material risks which have been identified. Management is responsible for establishing and maintaining adequate internal controls and the Committee has responsibility for ensuring the effectiveness of those controls. These controls and procedures are designed to manage, but not eliminate, the risk of failure of the Company to meet its business objectives and, as such, provide reasonable, but not absolute, assurance against material misstatement or loss.

The Committee monitored the effectiveness of the internal financial controls framework through reports from the Chief Financial Officer ('CFO'), the Head of Internal Controls, the Head of Internal Audit and Risk and the external auditors. In particular, the Committee considered the scope and results of the work of internal audit, the findings of the external auditors in relation to the year end audit, management's assessment of fraud risk, the controls over the Company's financial consolidation and reporting process, treasury controls, tax risks and the process for monitoring the ongoing performance of the Company. It is the responsibility of management to provide confirmation that the controls and processes are being adhered to throughout the business and this is continually tested by the work of the internal audit function as part of its annual plan of work, which the Committee approves. Compliance with the internal control system is monitored via an annual internal controls self-assessment with sign off and review of key financial and non-financial controls for all businesses. Self-assessed responses are challenged locally by business area internal control teams, reviewed centrally and audited on a sample basis by the internal audit function, and reported to the Committee.

As previously mentioned, the Committee also oversaw the Group's Internal Control Essentials programme which is influenced by the audit and governance reforms and aims to further develop the Group's internal control framework for financial reporting. As part of this programme, a Group Steering Committee has been established to further the strategy and monitor progress against key programme deliverables. The Committee received the results of a deep dive on control enhancement work within our largest Bunzl North America business and challenged management on the initial test

Q&A

**with Ian Burrows,
Head of Internal Controls**



Q. How has the internal controls framework evolved over the past few years at Bunzl?

I joined Bunzl in 2021 to help implement a Group wide internal control programme. With the help of an external consultancy, we launched the Bunzl Internal Control Essentials programme early in 2022, designed to continuously improve and strengthen risk management and the internal control framework at Bunzl.

Our work has accelerated throughout the past year with the expansion of our global team of internal control specialists, the majority of whom are embedded in each of our business areas so that we remain close business partners and we mirror the organisational structure of Bunzl. Our team now consists of a range of colleagues with broad experience in internal controls, IT general controls, assurance, and risk management. Allied to our investment in the team is our investment in technology. We are progressively rolling out a technology platform to automate and manage our internal control and risk management processes and continue to upgrade underlying financial and operational systems to improve efficiency.

Q. How have internal controls been further integrated into Company strategy?

The programme is aligned with strategy and seeks to build on existing strengths such as our decentralised structure and the strong culture of ownership and accountability amongst Bunzl's business leaders. One of our key objectives is to ensure the programme adds value to the business, builds on existing processes and controls and provides a firm foundation for further growth. To achieve this, we are conscious of ensuring our work does not become a compliance or box-ticking exercise; the Group is composed of a range of diversified businesses so our internal control framework is designed to be risk-based and flexible such that it can be tailored for each business.

Notwithstanding, we also place great importance on aligning our work with Bunzl's broader risk management, information security and internal audit programme so that we work in an integrated and holistic manner.

Q. What level of engagement does your team have with the Audit Committee?

Monitoring the Group's internal control systems has always been a core part of the Audit Committee's remit and the Internal Control Essentials programme was established under its direction. The initiation of the programme was a key focus for the Audit Committee throughout 2022 and the Committee dedicated time at each meeting to monitor both progress and the ongoing control monitoring activities carried out by the Group. Having strong leadership and 'tone at the top' is critical for programmes like ours, so the continued strong commitment shown by the Audit Committee and wider executive team is critical for success.

Q. Looking ahead, what are some of the key areas that your team will be focusing on?

The Internal Control Essentials programme is designed to address the relevant requirements of the UK government's proposed reforms to the audit and corporate governance regime. While we await final details on the requirements, our work to date has focused on 'no regret' actions. The pace of activity will increase further in 2023 and 2024 as we work with management across our businesses to embed risk and control enhancements into our business and IT processes. We also intend to progress work to develop the scope and content of the Group's Audit and Assurance Policy and will continue to monitor developments from the FRC and the government.

work performed, the remedial actions and the completion timeframes proposed.

Having reviewed the process by which management assessed the control environment, in accordance with the requirements of the Guidance on Risk Management, Internal Control and related Financial and Business Reporting published by the FRC, the Committee confirms that the system of internal control operated effectively for the 2022 financial year. Where specific areas for improvement were identified, mitigating alternative controls and processes were in place. This allows us to provide positive assurance to the Board to help fulfil its obligations under the FRC's UK Corporate Governance Code.

Further information on internal controls and risk management is included in the Corporate governance report on pages 111 and 112 and in the Q&A with the Head of Internal Controls which is included on page 126. Additional information concerning the Group's approach to risk management and the principal risks and uncertainties that it faces can also be found on pages 74 to 82.

Audit and governance reforms

The table below provides an overview of some of the audit and corporate governance reforms announced by the government and how we anticipate addressing these within Bunzl. The Committee's terms of reference will be updated as appropriate to reflect the new responsibilities placed on audit committees by the reforms.

Meetings and activities

Committee meetings are generally scheduled close to Board meetings in order to facilitate an effective and timely reporting process.

The Committee has a structured, rolling, forward-looking planner which is developed with the Company Secretary and is designed to both ensure that the Committee's responsibilities are discharged in full during the year, and to facilitate more in-depth reviews of those topics which are of particular importance or pertinence. Items on the agenda are set with consideration of regulatory requirements, the Company's reporting timetable and after considering key issues identified by the CFO, management, the Head of Internal Audit and Risk and the external auditors. The forward agenda planner is reviewed regularly and adapted, where necessary, to ensure that it meets the changing needs of the business.

The Chair of the Committee holds preparatory discussions with the Company's senior management, the Head of Internal Audit and Risk and the external auditors prior to Committee meetings to discuss the items to be considered at the meetings. The Committee Chair also meets individually throughout the year with Committee members to obtain their feedback on the areas of Committee focus. Separate discussions are held periodically during Committee meetings between the Committee and the Head of Internal Audit and Risk and the external auditors without management present.

Following each Committee meeting, any significant findings are reported to the Board and copies of the minutes of the Committee meetings are circulated to all directors and to the external auditors.

The Committee Chair attends the AGM to respond to any shareholder questions that might be raised concerning the Committee's activities.

A summary of the Committee's key activities in 2022 and its priorities for 2023 can be found on page 128 and page 121 respectively. The Committee will continue to keep its activities under review and adapt them wherever necessary in anticipation of, and in response to, developments within the business and changes in the financial reporting, regulatory and governance landscape.

Audit and governance reforms – proposed actions

Internal controls systems and fraud statement	As part of the Internal Control Essentials programme, a project plan has been developed to assist the Company to comply with the new reforms, as they are currently understood.
Audit and assurance policy	In preparation for the introduction of an Audit and Assurance Policy, management has completed an exercise to map important risks and disclosures to the different types of assurance in place currently across the Group.
Resilience statement	A 'resilience statement' will be included in future annual reports, in compliance with prevailing regulation/legislation and governance requirements. In the meantime, we will continue to further our understanding of the government's resilience reporting requirements and how best to meet them.
Dividends and capital maintenance	It is our present intention to widen our disclosures in respect of distributable reserves in our future financial reporting.
New sanctions for director wrongdoing	The Remuneration Committee will consider the inclusion of additional conditions to its malus and clawback provisions ahead of the Company's 2024 AGM, at which the directors' remuneration policy will be put to a shareholder vote.

Audit Committee meetings and activities

Financial reporting

- Receiving and, where appropriate, challenging reports from management and the external auditors in relation to the half yearly financial report and the annual financial statements
- Reviewing the half yearly financial report and the annual financial statements and the formal announcements relating thereto
- Reviewing the amendments made by management to the definitions of APMs and considering the appropriateness of disclosures made in the half yearly financial report and annual financial statements
- Considering thematic reviews and guidance from the FRC concerning annual report disclosures

Risk management and internal controls

- Reviewing the effectiveness of the Company's internal financial controls and the assurance procedures relating to risk management systems, including receiving and considering a Risk and Assurance Map
- Reviewing the Company's annual controls self-assessment and fraud processes and related controls framework
- Reviewing the effectiveness of the Company's risk management processes, including considering a paper from a professional services firm on the results of its assessment of Buznl's risk management processes and procedures and debating management's proposed actions in response thereto
- Reviewing the Company's principal tax risks and the steps taken to manage such risks
- Considering updates from the Head of Internal Controls on the Internal Control Essentials programme
- Receiving updates on the Group's Information Security Policy and activities in 2022, including incidents encountered, the results of reviews by external professional services firms of the Group's approach to information security, the work undertaken as part of the Information Security Governance and Operational Plans Review, and the opportunities identified as part of an in-house 'continuous improvement' session
- Undergoing training from a third party provider on the current state of cyber risk
- Receiving updates from the Head of Internal Audit and Risk on the Information Security Assurance Audit Plan and associated audit results, including progress on GDPR and data privacy, and the Group's risk-based security framework

Audit matters

- Reviewing the effectiveness of both the external auditors and the internal audit function following completion of detailed questionnaires by both the Board and senior management within the Company
- Approving the engagement of a professional services firm to undertake an external review of the Group's risk management
- Making recommendations to the Board concerning the re-appointment of the external auditors and approving the remuneration and terms of engagement of the auditors, including the audit strategy
- Reviewing and approving the policy for the provision of non-audit services by the external auditors
- Reviewing and approving the level and nature of non-audit work which the external auditors performed during the year, including the fees paid for such work, and planning process for the current financial year
- Considering a paper on the proposed strategy for the tender of the external audit contract
- Reviewing and approving the internal audit work programme for the coming year
- Considering a paper concerning the initiatives undertaken by the internal audit function to further develop the team and increase collaboration across the Group's businesses
- Receiving and considering reports from the Head of Internal Audit and Risk concerning the work undertaken by the internal audit function, including in relation to the function's ongoing quality assurance and improvement programme
- Reviewing and approving the Company's internal audit charter
- Receiving and considering the results of the 2022 anti-bribery and corruption audit

Governance and other

- Reviewing the Committee's effectiveness following an externally facilitated performance evaluation
- Reviewing the Committee's terms of reference
- Reviewing and approving the Group's Tax Strategy for the 2022 financial year
- Considering a paper on the reforms identified by the government in its response to the BEIS consultation 'Restoring trust in audit and corporate governance'
- Considering a letter from the FRC's Conduct Committee relating to its limited scope review of the Company's Annual Report 2021

Internal audit

The work of the internal audit function provides the Committee with a further means of monitoring the processes and actions to manage and mitigate those risks identified as posing the greatest threat to the Company.

The scope of work covers all systems and activities of the Group and work is prioritised according to the Company's risk profile. The internal audit plan is approved by the Committee annually and is reviewed regularly thereafter to ensure that it continues to be fit for purpose and to enable the Committee to assess how internal audit is delivering against the plan.

The quality and effectiveness of the internal audit function's work is monitored continually using a variety of formal and informal inputs, including discussions with management, reviews and assessments of the quality of testing results and reporting, questionnaires, and feedback from the external auditors. Periodically, the quality and effectiveness of the internal audit function is also assessed externally, with the most recent review being undertaken in 2019.

The Head of Internal Audit and Risk has direct access to the Committee Chair, with whom a number of meetings were held during the year outside formal Committee meetings. The Chair of the Committee also liaises with the CFO as necessary to ensure robust oversight and challenge in relation to financial control and risk management and to ensure that the Committee is kept informed of any changes in response to new issues or changing circumstances.

The external audit partner and the Head of Internal Audit and Risk attend and table reports at each scheduled Audit Committee meeting, which ensures that the Committee members have the opportunity to provide real-time feedback and, where appropriate, challenge in relation to all audit related matters. The internal audit reports include details of the audit findings, the relevant management actions required in order to address any issues arising, as well as updates on management's progress in addressing any outstanding recommendations from previously reported findings. The reports also highlight any significant issues relating to the processes for controlling the activities of the Group and the adequacy and effectiveness of such processes.

A detailed questionnaire is circulated annually to gather feedback from a broad range of internal stakeholders, including directors and senior management at Group and business area levels who have regular contact with the internal audit function. In 2022, the questionnaire covered a total of 36 different aspects of the internal audit function, including: purpose, authority and responsibility; independence, objectivity and proficiency; quality assurance processes; adequacy of resources; auditors' skills and capabilities; and the quality of reporting. Taking all of these elements into account, the Committee concluded that the internal audit function continued to be effective, efficient and appropriately resourced. The Committee will carry out a similar effectiveness review in 2023.

External auditors

An important part of the Committee's work consists of overseeing the Group's relationship with the external auditors. The Committee is responsible for ensuring that the three-way relationship between the Committee, the external auditors and the Company's management is appropriate and that the independence, quality, rigour, and challenge of the external audit process is maintained.

As part of its decision making process concerning whether to tender, offer, or continue an audit engagement, there are a number of key considerations that the Committee takes into account, the principal elements of which are set out below and on page 130.

Conflicts of interest

In assessing the independence of the auditors from the Company, the Committee takes into account the information and assurances provided by the auditors confirming that all its partners and staff involved with the audit are independent of any links to the Company.

PwC confirmed during the year that all its partners and staff complied with its ethics and independence policies and procedures which are consistent with the FRC's Revised Ethical Standard (2019) and other relevant regulatory and professional requirements, including that none of its employees working on Bunzl's audit hold any shares in Bunzl plc. PwC is required to provide an independence confirmation letter at the planning stage of the audit, including any relationships that may reasonably be thought to have an impact on its independence and the integrity and objectivity of the audit engagement partner and the audit staff.

Non-audit services

Bunzl has a detailed policy relating to the provision of non-audit services by the external auditors which is overseen by the Committee. It is the Company's policy to assess the non-audit services to be performed by the Company's auditors on a case-by-case basis to ensure adherence to the prevailing ethical standards and regulations.

In the main, Bunzl uses other firms to provide non-audit services. However, if the provision of a service by the Company's auditors is permitted and adequate safeguards are in place, it is sometimes appropriate for this additional work to be carried out by the Company's auditors.

Details of the fees paid to the external auditors in 2022 in respect of the audit and for non-audit services are set out in Note 5 to the consolidated financial statements. The fees relating to non-audit services work in 2022 equated to 8.0% of the fees relating to audit services.

Tenure and effectiveness

The Committee takes into account the tenure of the auditors in addition to the results of its review of the effectiveness of the external auditors and considers whether there should be a full tender process, either as a result of that review or as may be required by the relevant regulations. There are no contractual obligations restricting the Committee's choice of external auditors.

As reported last year, PwC has been Bunzl's external auditors since its appointment in 2014 following a competitive tender process. In accordance with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the 'CMA Order'), the Company is required to put the external audit contract out to tender every 10 years and it is the Committee's intention to conduct a formal competitive tender process in 2023. Should the Company decide to change auditors, this will allow sufficient time for the chosen auditors to meet the requirements for independence and develop their audit plan in advance of the 2024 financial year.

Extensive preparatory work has already been undertaken by the CFO and management, with the Committee being briefed fully on the proposed timetable and process for the tender. As part of this work, particular attention has been paid to The Statutory Auditors and Third Country Auditors Regulations 2016 legislation, which contains specific requirements for audit committees of Public Interest Entities ('PIEs') in respect of tender processes. Full details of Bunzl's tender process and the Group's ultimate decision will be provided in next year's Annual Report.

Given the continuing effectiveness of PwC in its role as external auditors, the Committee believes it is in the best interests of shareholders for PwC to remain in the role for the next year pending the outcome of the tender process. The current audit partner, Neil Grimes, took over the position as audit partner with effect from 1 January 2019. Accordingly, the Company confirms that it has complied with the provisions of the CMA Order for the 2022 financial year.

As a consequence of its satisfaction with the results of its review of the external auditors' activities during the year, the Committee has again recommended to the Board that a resolution proposing the re-appointment of PwC as external auditors for the year ending 31 December 2023 be put to shareholders at the forthcoming AGM.

Effectiveness of the statutory audit process

