

SUSTAINABILITY AT BUNZL: A VITAL PART OF THE EQUATION

Our goal is for Bunzl to be a responsible and resilient organisation that inspires and implements solutions that protect the environment, while being commercially successful for our stakeholders.

In early 2020 we launched our new sustainability framework which brings together all strands of our responsibilities in this area as a large international company. It is based on our business model and the major sustainability trends facing our business.

We have built on our approach this year by conducting our first materiality assessment to ensure our activities take account of the significant social and environmental topics that are of most interest to our stakeholders.

We have also aligned our approach with, and identified our contribution to, the United Nations Sustainable Development Goals ('UN SDGs'), (see page 56), developed a new climate change strategy and published our first report applying the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'), (see our index on page 84).

Our approach to sustainability is broad and our framework has been designed to cover all of our responsibilities in this area; from working with our suppliers to developing innovative new solutions and reducing our impact on the environment, to the health and safety of our teams and supporting charities. Our reporting this year focuses on our most material sustainability themes, as guided by our materiality assessment, but more detail is given on our work to contribute to the other issues covered by our framework in the ESG Appendix.

Our framework contains a number of commitments our operating businesses are working to deliver and, using the results from our materiality assessment, we will now work to set specific goals in the areas where we can make the most meaningful impact and generate the biggest results.

OUR FRAMEWORK FOR SUSTAINABILITY

Delivering
sustainable solutions



Our suppliers

- Making sustainability accessible
- **Responsible supply chains (key theme 1)**
- Working with our suppliers to deliver innovative solutions



Our business

- **Investing in a diverse workforce (key theme 2)**
- **Taking action on climate change (key theme 3)**
- Supporting charities and local communities



Our customers

- **Providing sustainable solutions (key theme 4)**
- Expert advice on emerging trends and products
- Partnerships to close the loop

Our values

Humility / Responsiveness / Creativity / Diversity /
Customer-centricity / Reliability / Transparency

‘Bunzl are more forward thinking than others in their marketplace and always demonstrate a collaborative approach to sustainability.’

[Bunzl customer, materiality assessment feedback](#)

KEY SUSTAINABILITY THEMES

To ensure we continue to prioritise and report on the environmental, social and governance topics that are most of interest to our stakeholders we conducted our first materiality assessment in 2020.

1

Respecting human rights and driving broad-based growth through responsible supply chains

[Read more page 44 →](#)

2

Investing in a diverse workforce and thriving communities

[Read more page 46 →](#)

3

Taking action on climate change by reducing emissions

[Read more page 48 →](#)

4

Providing sustainable solutions and supporting circular economy techniques that keep waste out of nature

[Read more page 50 →](#)

MATERIALITY ASSESSMENT

[Read more page 54 →](#)

UN SDGs

We have identified 5 priority SDGs:



1

RESPECTING HUMAN RIGHTS AND DRIVING BROAD-BASED GROWTH THROUGH RESPONSIBLE SUPPLY CHAINS

SDG ALIGNMENT



Read more on page 56

Why it matters

Global supply chains have expanded customer choice and lowered costs but this comes with a responsibility to ensure communities and workers' rights are respected in the process. International efforts to protect human rights and guarantee employee well-being have made significant progress but challenges persist in many parts of the world.

Our scale and industry-leading sourcing and auditing function based in Shanghai allows us to have a thorough level of oversight over our supply chain in the vital Asian sourcing market. This is a competitive advantage in our industry, with our 50-strong team regularly auditing direct suppliers in the region to ensure that the products they manufacture are of the highest quality and they are treating their employees fairly.

If we find instances of forced labour or overtime or wage violations, we quickly get them resolved through in-depth engagement with the supplier. If resolution is not possible within a reasonable time frame (usually six months) then we terminate the relationship.

We are committed to taking what we have learned and expanding our ethical sourcing principles across other sourcing areas in the Group, commissioning an independent review to benchmark our approach against best practice and extending the scope of our supplier audits to include 'downstream' environmental considerations, for example, raw material sourcing.

Our focus areas now

Auditing our supply chain – because we and our customers expect the highest quality and labour standards for the products we provide.

- 98% of our supply chain in Asia, where we have the largest proportion of suppliers situated in countries identified in international rankings (such as the Global Slavery Index) as high-risk for human rights issues is currently covered by direct auditing and assurance practices.
- During 2020, our team in Asia audited 680 suppliers; 619 had no critical issues, while 61 underwent remediation efforts to bring them up to the required standard. Following these remediation efforts, we terminated relationships with 15 suppliers who failed to make enough progress.

Product stewardship – we respect all legal requirements regarding raw materials and manufacturing processes that are relevant to our product ranges.

- We provide thousands of customers all over the world with essential hygiene and health products and renewable wood fibre materials sourced from branded suppliers make up a substantial component of these.
- We seek only to purchase responsibly sourced wood fibre products and will not knowingly accept from our supply chain any paper-based products that may contain wood fibre harvested illegally or sourced from protected forest areas.
 - 22% of our global revenue comes from paper-related products and we source a significant proportion of these from leading global suppliers who practice sustainable forestry techniques that regenerate forests and maintain productive capacity. Many of the products we source are made from post-consumer recycled (PCR) content and our largest suppliers exclusively use material from certified sources.
 - For example, all the wood fibre products we source from our largest global tissue supplier come only from sources that are certified according to FSC® or PEFC™ standards.
 - In Bunzl Australia, 85% of the paper products in our washroom category (facial tissue, hand towels etc) are FSC® accredited with full traceability back to source.

‘All wood fibre products sourced from our largest global tissue supplier come only from sources that are certified according to FSC® or PEFC™ standards.’

Next priorities for action

- Continue to focus on enhancing our leading practices relating to supply chain oversight.
- During 2021 we will commission an independent review of our approach to responsible sourcing, including a benchmarking exercise of our current approach against best practice.

680

suppliers in Asia
audited during 2020

In Australia

85%

of the paper products in
our washroom category are
FSC® accredited with full
traceability back to source



2

INVESTING IN A DIVERSE WORKFORCE AND THRIVING COMMUNITIES

SDG ALIGNMENT



Read more on page 57

Why it matters

The cohesion and inclusivity of the world's workforces and communities are under the spotlight like never before, as businesses and societies grapple with persistent gender discrimination, systemic racism and local inequalities. Companies will not grow sustainably if they are unable to attract, retain and get the best out of diverse talent. Increasingly there is a greater focus of responsibility to the communities where they operate.

Bunzl is a large family of local businesses serving multiple sectors across a wide range of geographies. The companies in our Group have a track record locally of creating an inclusive working environment where people can bring their best wherever they come from. However, we know there is more we can do to build on this diversity of talent to create opportunities for progression into leadership roles from under-represented groups.

We are committed to improving the representation of women and those from minority ethnic backgrounds, particularly in the leadership population, and taking steps to ensure that we have a truly inclusive culture.

Our focus areas now

Accelerating diversity and inclusive employer practices – because our people are fundamental to our future success.

- We have doubled the number of women in our UK & Ireland management teams over the past 18 months.
- We have created a new role in North America: Senior Director of Diversity and Inclusion.
- Starting at the top of the organisation, we have increased the number of female members of the Board (appointing both Vin Murria and Maria Fernanda Mejia in 2020), moving us from 28.5% to 37.5% women on the Board. With Suzanne Jefferies added to our Executive Committee our female representation on the Committee has increased to 40% in 2020.
- For the first time, we have run our employee survey this year with the ability to analyse the data by ethnicity. This has started in North America and where we feel understanding how our people feel in different groups will benefit our people practices. The results told us that overall we have a highly engaged workforce with no significant differences reported for under-represented employee populations. We will look to collect and review all employee survey data by ethnicity where it is permitted to do so.

Investing in local communities – because we are deeply embedded in the places where we operate.

We are very proud to have supported our local communities with tailored and relevant assistance during the Covid-19 pandemic when it mattered most. Some examples include:

- donating PPE to hospitals in Spain at the height of the Covid-19 pandemic in March;
- providing over one million masks to organisations across North America, including schools, hospitals, non-profit organisations and first responders;
- donating packaging containers to deliver 15,000 lunchboxes in the UK for school children in need;
- supporting the Red Cross in New Zealand with their delivery of hot meals to those in need;
- using our sourcing strength to provide clear masks for those who lipread in Romania;
- donating disposable products to a local foodbank in Scotia, New York;
- working with OzHarvest, a food rescue organisation in Australia which collects quality excess food from local communities and gives it to those in need; and
- donating over £200,000 to support vaccine research, social justice programmes and food banks to support local communities in North America.



Next priorities for action

- Setting thoughtful targets on diversity and put the best monitoring framework for our organisation into place.
- Continuing to balance the global and local needs of our business through measurement and action. In 2021 we will start by surveying all our employees to measure their engagement levels and gain meaningful feedback that will allow us to develop effective local action plans.

A great place to work

Developing our people continues to be important for us and this year has given some opportunities for our leaders to stretch themselves by responding to the challenges created by the Covid-19 pandemic. We have made sure we support our people through this time and recognise the new skills they have had to develop and use. This support takes many forms, but includes formal coaching in all our business areas, the launch of a mentoring programme in Australia in 2020 and a new e-learning system in North America to enable easy access to core skills development.

Formal development continues to be a high priority and in 2020 we have been able to move our core programmes to virtual classrooms, including the OverDrive Programme for Senior Leaders in North America, the Bunzl Ignite Leadership Programme in Asia Pacific with 80 participants and the Global Senior Leadership Development Programme.

Growing our talent pipelines and increasing the diversity of people we recruit and promote within the business is recognised as critical to our future success. Using only our internal talents we have developed a Global Employer Brand campaign that features Bunzl ambassadors for the values that matter to us as an organisation. This will help us attract a wider range of applicants.

For our internal talent pipeline, in 2020, we have continued the work on developing those colleagues identified with high potential. In Continental Europe, the structured programme of assessment, quarterly review and tailored development plans continue for over 100 leaders. In Latin America we have launched a new High Potential scheme, including an in depth assessment to drive their development plans. In North America we have expanded our high potential employee mentoring programme and in the UK & Ireland we have continued to develop our senior leaders with a programme focused on personal leadership development.



Excellent engagement scores

At the end of 2020 we moved to a new way of understanding the views of our people. Historically Bunzl has surveyed employees globally once every two years through a mixture of online and paper surveys. As an organisation we wanted to move to a more digital solution that could be completed quickly and easily by everyone online either through a phone or tablet. Equally important was to use a solution that enables us to analyse the data by different employee segments, such as gender, tenure or age, giving us invaluable insights into how inclusive our culture is.

We felt that during such a period of change with Covid-19, it was critical to give our employees the opportunity to share their views so we could listen to and better understand their perspectives and ideas. Our focus was to ensure that changes required to working practices were effective and that everyone felt safe while working for Bunzl during this difficult time.

In November 2020 we surveyed all our employees and we are incredibly proud of the results we received:

74%

responded during the survey period

82%

would recommend Bunzl to a friend or family member

88%

are proud of the service we give to our customers

90%

know what to do if they have a concern about health and safety

While the Board and leadership team have closely scrutinised the results, the real power of the insights is at a local level. Hundreds of conversations are taking place to ensure the results are understood, actions are identified and there is a plan in place to monitor progress. We plan to conduct a more comprehensive survey of our employees during 2021.

3

TAKING ACTION ON CLIMATE CHANGE BY REDUCING EMISSIONS

SDG ALIGNMENT



[Read more on page 57](#)

Why it matters

The next decade will be decisive in the world's ability to tackle climate change. Its impacts are already with us, as extreme weather and biodiversity loss affects the communities least able to withstand it. Without concerted and ambitious action from companies and governments, climate change will have a devastating effect on our businesses and our daily lives.

Bunzl is a one-stop-shop for many of the products our customers need, which means we are able to aggregate their orders from a range of sources into a single delivery and reduce transport miles and, as a distributor rather than a manufacturer, we do not operate energy intensive or highly polluting facilities.

However, we recognise that our direct operations, distribution network and supply chains are all part of the challenge and we applaud the ambition being shown by our customers in setting science based carbon reduction targets. We acknowledge the need for Bunzl to be part of the solution, rather than part of the problem.

This is why Bunzl supports the recommendations of the TCFD. For the first time we are summarising our most material climate-related risks and opportunities, the potential impacts on our business and our strategy for assessing and managing these impacts. The full report is published on our website and our TCFD index is shown on page 84. We also report on our climate change performance through our annual response to the Carbon Disclosure Project ('CDP'). In 2020, we received a B for our response to the CDP climate change questionnaire which represented an improvement on our B minus score achieved in 2019.

The action we take to reduce the impacts of climate change on both ourselves and our stakeholders contributes strongly to the UN SDG number 13 (see page 57).

Our focus areas now

Cutting emissions across our business – because it is critical that we play our part in the global effort to limit warming.

- Since 2010 the total carbon emitted from Bunzl's operations has remained stable despite the business growing substantially and revenue doubling over the same period.
- Our carbon efficiency (carbon emissions relative to revenue) has improved by more than 50% over the last 10 years.
- Most of our businesses in the UK & Ireland have been procuring renewable electricity for several years. Combined with our procurement activity in other countries such as the US and Switzerland, the total amount of renewable electricity we buy across the Group has increased to 15% in 2020.



Efficient lighting technologies

Lighting is our highest contributor to our electricity consumption. With today's advanced lighting technologies, the energy associated with illuminating a warehouse can be reduced by as much as 70% when compared to traditional lighting. Across the Group we have energy efficiency programmes to ensure that whenever there is an opportunity at one of our locations, we upgrade the lighting to Light Emitting Diode ('LED') fittings and implement other energy saving measures, such as occupancy sensors. In 2020 we completed another 16 LED retrofit projects in North America which will result in savings of 5.5 million kWh every year. These savings represent 7% of our Group electricity usage.

Next priorities for action

Starting to consider how we can reduce the impact of our vehicle fleet – because we recognise low-carbon transport is the future for our sales teams and distribution networks.

- Bunzl Catering Supplies in the UK has been trialling the use of biofuel in its London fleet of vehicles. HVO (Hydrotreated Vegetable Oil) fuel is a second-generation biofuel made from 100% renewable raw materials that offers net greenhouse gas ('GHG') reductions of up to 90% in comparison to standard diesel fuel. After successful trials, the project will be launched in 2021.
- We seek to minimise the number of miles that our vehicles travel on the road. Automated vehicle routing systems help our businesses to ensure deliveries are planned to limit the number of journeys made by each vehicle in order to reduce fuel usage and carbon emissions. Bunzl North America, which has the largest fleet of commercial vehicles in the Group with over 700 vehicles, has continued to implement a new dynamic routing system. The system rearranges our shipments to take place on the most optimal days, resulting in an overall mileage reduction, while retaining high customer service levels. In the 13 locations where the dynamic routing system has been implemented, we have seen an 8% reduction of miles driven in 2020.
- Bunzl Australasia has commenced transitioning their company vehicle fleet to more fuel-efficient models, including hybrids. The change will result in a 24% reduction in overall fleet carbon emissions.

- In 2021 we will work to set a new long term carbon reduction target to further reduce carbon in our operations in line with climate science.
- Working to understand and then develop an approach to address the GHG impact of our supply chain and other scope 3 emissions during 2021.
- Continuing to report on our progress in line with the TCFD framework. See our TCFD index on page 84.

Impact and assessment

Assessing climate change scenarios and their impact on our business

In 2020, we undertook the Group's first risk assessment using climate-related scenarios to better understand the long term impacts that climate change may have on Bunzl in the future. We focused our assessment on three alternative scenarios up to 2050. Two of our scenarios align with a global warming trajectory of 2°C by 2100 but differ in the speed and extent of decarbonisation over the next 30 years (orderly and disorderly scenarios). Our final scenario assessed the potential impacts of a world in which global warming exceeds 3°C by 2100 (hot-house world scenario).

In each scenario, climate change could present a risk to Bunzl's future financial performance (when assessed against Bunzl's projected future profits). However, our assessment suggests that in no scenario do the climate-related risks assessed present a significant financial risk to the business (as defined by our risk management processes) and therefore we currently believe our business to be fundamentally resilient to the potential impacts of climate change. Moreover, the transition to a net zero economy will present good opportunities to the Group, specifically through the provision of environmentally friendly products and sustainability expertise to customers.

For more details on our climate change work see www.bunzl.com/sustainability

4

PROVIDING SUSTAINABLE SOLUTIONS AND SUPPORTING CIRCULAR ECONOMY TECHNIQUES THAT KEEP WASTE OUT OF NATURE

SDG ALIGNMENT



Read more on page 57

Why it matters

Plastic pollution is one of the defining environmental challenges of our time. That is truer now than ever before, as the world steps up its use of hygiene products that keep us safe. When plastic is used only once or is not properly recycled, it damages our environment, pollutes our oceans and can enter the food chain.

The daily running of our customers' operations depends on the items we provide. In many cases no viable alternative to plastic exists today – especially when it comes to healthcare consumables like gloves and gowns and food packaging for the grocery and catering sectors.

At Bunzl we recognise our responsibility to be part of the solution on designing out waste and ensuring less plastic ends up in nature. That is why we are working with our customers and suppliers to lead the industry towards a sustainable approach to packaging and plastics.

Our scale and unique position at the centre of the distribution system means we are well placed to provide customers with trusted and objective advice on complex sustainability issues like the transition to a more circular economy, because the life of packaging does not end at the point of sale and neither does our ambition.

Our focus areas now

Providing sustainable product solutions and expert advice on emerging trends and product categories – because a number of our customers want to reduce their plastic footprint and we can make that a reality.

- We launched a Bunzl own brand range of sustainable products in Europe, Verive, for the foodservice, grocery and retail sectors. The new range not only provides solutions which comply with the EU Single Use Plastics Directive but also offers leading sustainability advice and training via a new digital web platform.
- In addition to our formal sustainability teams, we have also appointed and trained 49 sustainability ambassadors in a number of our European and North American operating businesses who will work closely with our regional customers to help them achieve the packaging targets they are setting.

Appointed and trained

49

sustainability ambassadors in a number of our European and North American operating businesses

In 2020, over

39m

Sustain products were sold into the Australia and New Zealand market



Next priorities for action

Supporting solutions across the supply chain to help close the loop – because we know that recycling systems are under strain and that it will take inventive cross-sector action to design out and better capture waste.

- Our Allshoes business in the Netherlands has created a Circular Footwear Alliance ('CFA') in collaboration with two of their competitors, a partnership designed to create a circular economy system for work and safety shoes. Used work shoes are collected and dismantled before the materials are sorted, crushed and recycled or reused in new products. Since its launch earlier this year, the CFA has collected over 3,500 pairs of shoes from customers for recycling.
- Bunzl plc is funding the development of new waste management infrastructure and the provision of improved social services for marginalised waste picker communities in Mangalore, India. We are working with Plastics for Change who have developed a franchise model to create and fortify plastics recycling businesses to pay waste pickers decent incomes, train them in techniques that boost their incomes and make investments that benefit entire communities. The project will also prevent c.200 tonnes plastic reaching the Indian coastline.
- We are accelerating our progress in providing alternative sustainable products, supported by the setting of new commitments in our larger and most relevant retail, foodservice and grocery businesses in 2021.
- We are also looking to eliminate oxo-degradable plastic products from our ranges by 2025.
- Finally we are continuing to support the development of new waste management infrastructure and supporting waste picker communities in areas of the world where it is needed most.

Bunzl's Circular Footwear Alliance has collected over

3,500

pairs of shoes from customers for recycling

SUPPORTING A MORE CIRCULAR ECONOMY

1 Raw materials

2 Design & production

SUPPORTING
CIRCULAR
ECONOMY
TECHNIQUES
THAT KEEP
WASTE OUT
OF NATURE

3 Use & reuse

4 Collection & recycling

SOME OF THE MANY CASE STUDIES FROM ACROSS THE GROUP



1

Smart material choices

Expanded polystyrene is a material that will be banned by the EU Single Use Plastics Directive in 2021. In Europe we have supported customers to meet the requirements of this future legislation by launching a new range of expanded polypropylene products which use a mono-material with a substantially lower environmental impact that has proven to be easily and commercially recyclable through several trials.

Earthwise Bag Company in North America has launched a new reusable bag that is made from ocean-bound plastic. Made with up to 90% recycled ocean-bound plastics, the materials are collected from at-risk communities where they would otherwise end up in oceans and waterways. Each bag offers From Shore to Store™ traceability and is certified by OceanCycle, a social enterprise focused on providing a chain of custody for plastics that prevent ocean plastic pollution.



2

Designing for circularity and doing more with less

Bunzl North America has an exclusive agreement to supply a new reusable and infinitely recyclable aluminium cup to the on-premise/foodservice sector. The Ball Aluminum Cup™ is a new product launched to the US market that has been recognised in Fast Company's 2020 World Changing Ideas Awards with an honourable mention in the consumer products category.

In the UK, we are launching lightweight reusable stainless-steel cutlery for the catering and foodservice sectors that is both reusable and recyclable. This bridges the gap between customers who do not want to switch to wooden disposables but need an affordable, reusable option.

Bunzl Agriculture Group in North America has introduced new washable labels for plastic clamshell packaging made from a non-toxic film that is certified recyclable by the Association of Plastics Recycling.



3

Promoting responsible usage and reusable options

We have launched a new digital, reusable foodservice solution at a UK university. The university has been using Bunzl reusable packaging onsite for the past five years and this year they trialled a new digital platform that tracks the customers and their reusable packaging and encourages them to return it using an app.

They also introduced recyclable paper cutlery bags to minimise touch points when using reusable cutlery during the Covid-19 pandemic in onsite catering environments. This gives a hygienic option to customers who do not want to move to disposables.

The East region of our Distribution Division in the US has worked to roll out a reusable bag initiative as the east coast faces stricter restrictions on single use plastic carrier bags.



4

Partnering to support closed-loop solutions

Bunzl Catering Supplies has funded the behavioural change charity Hubbub's 'In the Loop' campaign, designed to install new recycling infrastructure for on-the-go packaging in UK city centres. Since the launch of the programme, 2.1 million packaging items have been collected for recycling across Leeds, Swansea and Edinburgh.

We are working with WasteAid who share waste management and recycling skills in some of the world's poorest places to fund new waste management infrastructure in two key locations in Bali, Indonesia to enable the collection, sorting and safe recycling of plastic waste. The projects will provide employment, protect children's health and prevent plastic reaching the environment in an area that suffers greatly from marine pollution.

HOW OUR KEY THEMES WERE IDENTIFIED: MATERIALITY ASSESSMENT

Our success as a specialist distribution and services Group is influenced by a constantly changing sustainability landscape that presents both risks and opportunities. It is critical that we keep abreast of the requirements of our stakeholders as new legislation is introduced, consumer habits and perceptions change and markets evolve.

To ensure we do this effectively and continue to prioritise and report on the ESG topics that are most of interest to our stakeholders, we conducted our first materiality assessment in 2020.

The purpose of this assessment was to:

- identify new trends on the horizon, that could impact Bunzl's ability to create value in the long term;
- enable our businesses to respond to the issues that are of most interest to our customers and be ready to take advantage of opportunities to develop new products or services;
- prioritise our resources for the sustainability issues that matter most to our business and stakeholders, so we can align commitments to the most important topics; and
- enable us to report effectively on the most material issues and identify our contribution to the UN SDGs.

Step one: Identification of material topics

The first step in our materiality assessment was to identify the material ESG topics that relate to our business. We have defined material topics as those that reflect the organisations significant economic, environmental and social impacts or substantively influence the assessments and decisions of stakeholders.

We based our approach on the Bunzl business model and our existing sustainability framework. To ensure we captured all the relevant material topics, we have:

- consulted the Sustainability Accounting Standards Board ('SASB') materiality map. The materiality map does not have a sector that directly represents Bunzl's operating model, so instead we reviewed all of the general issue categories that are most relevant to our customers' market sectors and ensured these were included;
- identified the UN SDGs we contribute to the most by working with the social enterprise Support the Goals (see page 56);
- included topics of interest that have arisen during conversations with key stakeholders over the past year (e.g. our customers); and
- benchmarked our process against FTSE 100 peers.

We identified 12 material ESG topics covering 32 ESG issues that link to our business model and Group sustainability framework (see page 85).

To assess the significance of these material topics to Bunzl we rated whether the topic was:

- a focus area for investors (e.g. ESG rating agencies, proprietary ESG assessments);
- on the radar screen of governments and regulators;
- representative of emerging trends in sustainability (including those resulting from the Covid-19 pandemic);
- critical to Bunzl's commercial and social licence to operate;
- an operational or financial risk to the organisation; and
- a pressure point for civil society, NGOs and think-tanks.

Step three: Plotting our materiality matrix and identifying our material ESG topics and key sustainability themes

Step two: Stakeholders interviewed

To assess the importance of these topics to our external stakeholders, we developed a materiality survey that we took to four key groups; our customers, suppliers, investors and other external partners, for example, charities we work with.

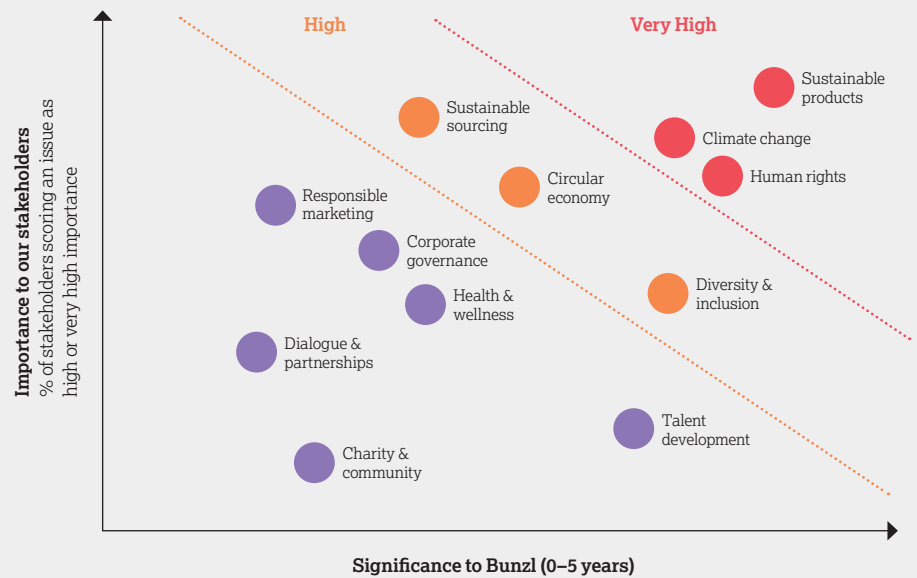
The survey introduced our sustainability framework, gave details of the material topics and their related issues and provided a quantitative scoring sheet together with some supplementary questions. For example, which of these issues do you believe are likely to emerge or increase in importance over the next few years?

We asked our stakeholders to complete the scoring sheet and rate the importance of each topic using a 1-5 (low to high) score. Their rating was based on whether they perceived the topic to be a priority for Bunzl and whether their perception of our business was significantly influenced by our performance on that issue.

In total, 54 external stakeholders contributed to our assessment, including 37 of our customers and we held an interview with the majority of these to discuss their results. To see how we have been engaging our stakeholders across Bunzl on sustainability and other topics this year, see page 60.

[Read more on page 60 →](#)

OUR MATERIALITY MATRIX



The results from the materiality survey and stakeholder interviews showed the following ESG topics to be most important to our stakeholders: providing products and services with sustainable attributes; taking further action on climate change, supporting a more circular economy; sustainable raw material sourcing, and respecting human rights in our supply chain.

When these are aligned with the ESG topics that are most significant to Bunzl, the four key themes described in section 1 of this report emerge. Identifying these themes will help us prioritise the most important sustainability issues, inform our commitments in 2021 and beyond and provide a framework for us to report on our progress in the future.

Material ESG topic (very high or high score in matrix)	Link to our business model	Alignment with our sustainability framework	Key theme for Bunzl
Sustainable sourcing	Source	Our suppliers	Respecting human rights and driving broad-based growth through responsible supply chains (see pages 44 and 45)
Human rights			
Diversity & inclusion	Consolidate	Our business	Investing in people through diverse workforces and thriving communities (see pages 46 and 47)
Climate change			Taking action on climate change by reducing emissions (see pages 48 and 49)
Sustainable products	Deliver	Our customers	Providing sustainable solutions and supporting circular economy techniques that keep waste out of nature (see pages 50 to 53)
Circular economy			

Step four: Aligning our key themes to the UN Sustainable Development Goals and identifying Bunzl's contribution

The United Nations Sustainable Development Goals (SDGs) are a blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.

We recognise our role as a responsible business to help achieve the UN SDGs and see them as a powerful tool to galvanise action for a more sustainable future. By identifying the goals we contribute to the most and working on initiatives that help to deliver their aims, we can make a positive contribution to their success.

In 2020 we became a corporate member of the social enterprise initiative Support the Goals to demonstrate how we support the world's most important action plan. Support the Goals is an initiative to rate and recognise the businesses that support the UN SDGs.

We are delighted that our work this year has been recognised with a 4-star rating and we will continue to report on our progress and identify our contribution to the SDGs in our future reports.

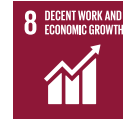
Identifying our priority goals

We have worked this year to identify the five priority SDGs that are most relevant to Bunzl and our stakeholders.

We started by linking each of the material topics that formed the basis of our materiality assessment to their most relevant SDG and held an internal cross-functional workshop with TBL Services, a certified B-Corporation who help businesses understand how to support the Global Goals, to identify the priority SDGs that Bunzl contributes to.

Finally, we have used the results of our materiality assessment to understand which SDGs are most relevant to our stakeholders.

OUR PRIORITY UN SDGs



SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

How we contribute

We expect all Bunzl suppliers to meet the same internationally recognised human rights, environmental and quality standards that we expect of our own businesses. These include meeting international requirements for workers' welfare and conditions of employment, such as those set by the International Labour Organization ('ILO') and the Ethical Trading Initiative.

Progress we have made

Through our industry-leading Asia sourcing and auditing function based in Shanghai, we have control and oversight over our supply chain in the vital Asian sourcing market. 98% of our suppliers in this region are covered by direct auditing and assurance practices and they are re-audited on a biennial basis. In 2020 we completed 680 audits.

Next steps we will take

Expanding our assessment programme into other high-risk sourcing regions outside of Asia.

'We only have 10 years left to achieve the UN's SDGs, so it's vitally important every business gets behind these. It's fantastic to see that not only has Bunzl already made significant progress towards the goals, it has a clear plan in place that considers where their business can make the greatest contribution in the future.'

Colin Curtis, Founder and Director, Support the Goals



SDG 13

Take urgent action to combat climate change and its impacts.

How we contribute

Our efficient one-stop-shop operating model allows our customers to benefit from both a lower cost and a lower environmental impact of doing business. Thanks to our extensive operations footprint, our products are never far from where they need to be, allowing us to meet our customers' needs quickly and easily, as well as reducing the number of deliveries, cutting fuel usage and carbon emissions.

Progress we have made

Operational efficiency forms part of a long-established and successful strategy to develop our business and the reduction of energy consumption is an integral part of this. These efforts mean our carbon footprint has remained stable over the last 10 years while our revenue has doubled over the same time period. See pages 86 to 88 for data on our carbon emissions and performance against our existing reduction target.

Next steps we will take

Setting a new carbon reduction target aligned to climate science for our global operations.



SDG 12

Ensure sustainable consumption and production patterns.

How we contribute

Because we are not tied to any particular raw materials, we can provide objective advice and expertise on sustainable products for our customers, work with them to find solutions for their sustainability challenges and collaborate with our suppliers and join the dots with end customer needs to bring innovative solutions to market.

Progress we have made

As well as working with customers to find sustainable solutions for the products they use, we are also supporting the creation of new waste management infrastructure. Working with a UK charity Sea-Changers, we have launched a new 'coastal fountain fund' for the provision of water bottle refill fountains at some of the UK's busiest beaches. The programme aims to tackle the increasing problem of plastic bottles left behind along the coasts as marine litter. It is anticipated that the provision of the water refill stations will significantly reduce the numbers of non-reusable plastic drinks bottles on the beaches.

Next steps we will take

Setting new sustainable packaging commitments in our most material retail, foodservice and grocery businesses.



SDG 5 and 10

Achieve gender equality and empower all women and girls, and reduce inequality within and among countries.

How we contribute

Increasing the diversity of our workforce strengthens our business and enables us to respond to changing environments. By further developing an inclusive environment that encourages new ideas and innovation, we will improve our offering to customers and enhance our processes and ways of working.

Progress we have made

We are taking action to address a common issue, the under-representation of women in senior roles. In the UK & Ireland we have created a network for a number of women with potential to advance into leadership roles within the Group. The 'Inspiring Women in Bunzl' network's goal is to create a supportive and empowering culture for women to achieve their goals. In North America we have held several listening sessions called 'Voices' with employees from under represented groups to listen and therefore understand their experiences as the first step to addressing any issues that arise as well as attracting more people from these groups to work for us.

Next steps we will take

We will replicate the Inspiring Women in Bunzl framework in other business areas through setting up their networks to achieve the same objectives. In the UK & Ireland we have turned our attention to creating a network of employees from different ethnic groups so they can inform and drive the actions to be taken to increase the numbers of employees we recruit, retain and promote from these groups. In North America we will combine our learning from the 'Voices' feedback with the results of the employee survey that can be analysed by different groups of employees to identify the key areas for focus.

HOW WE GOVERN SUSTAINABILITY

During 2020 we established a new governance structure to implement our sustainability strategy and manage the delivery of the programme across the Bunzl Group.



The Chief Executive Officer ('CEO') is the designated member of the Board of Bunzl plc responsible for sustainability matters. Our Business Area Heads are responsible for identifying key sustainability risks as part of the overall risk assessment process at Bunzl and are responsible to the CEO and the Board for the management of those risks.

Our Group Sustainability Committee is a cross-functional leadership committee that engages the management teams and operating companies across our business areas and provides oversight and strategic guidance for our programme.

Chaired by our CEO and attended by members of our executive team, the Committee meets quarterly to ensure Bunzl has an ambitious sustainability strategy, which is subject to effective governance. It will set targets and monitor progress while providing support for our business area sustainability teams.

The Environment, Health & Safety ('EHS') Committee is responsible to the Group Sustainability Committee for identifying suitable policies and procedures covering environmental and occupational health & safety management to support continuous improvement and regulatory compliance.

The Supply Chain Committee is responsible to the Group Sustainability Committee for developing processes and procedures to assess opportunities and mitigate risks within our global supply chains, ensuring regulatory compliance as a minimum.



We Believe

This year more than any other has demonstrated that the power of Bunzl is its people. We also know that even as an employer of over 19,000 people we are often not well known in the recruitment marketplace. We therefore wanted to find a way to showcase what we believe encapsulates the essence of Bunzl and we set out to create a campaign to bring this to life using our internal talents and capabilities.

Led by Jennifer Tiffin, the HR Director for the Asia Pacific region, we finessed the 'We Believe' statements based on our Bunzl Values of Transparency; Humility; Reliability; Customer-centricity; Diversity; Responsiveness and Creativity. Collaborating with regional colleagues, we identified 18 Bunzl ambassadors from 14 countries who demonstrated these values in their actions.

The video and the marketing material were created by 31 people across 18 locations. To design the creative materials, we asked our designers in

Bunzl to submit concepts and chose the winning idea from Dylan Magri. Sam Vargas, from our digital marketing team in North America, then edited the 46 hours of video footage filmed entirely on smart phones during the global pandemic and we are very proud of the results.

The 'We Believe' campaign is used in our recruitment campaigns to share success stories on social media and internally to demonstrate the value of our people in Bunzl. Over the coming year, we will be tracking the effectiveness of the new brand through the success of recruitment campaigns and visits to our social media feeds and websites.

[Read more on page 17 →](#)

[Watch our video at https://vimeo.com/467842212](https://vimeo.com/467842212)

Key sustainability topics discussed by the Board in 2020

The Board continues to provide strong, effective leadership and independent scrutiny and challenge while promoting the long term success of Bunzl for the benefit of all of its stakeholders as a whole. In 2019 sustainability was identified as an accelerating priority for the Group and the subject was discussed at four Board meetings during 2020:

Meeting date	Discussion topics
15 January 2020	<ul style="list-style-type: none"> Bunzl's new Group sustainability framework. Programme of work for 2020, including embedding our new approach to sustainability across the business. Realigning the focus of our Group charity work to support environmental activities.
17 June 2020	<ul style="list-style-type: none"> The impact of Covid-19 on sustainability. New sustainability trends emerging as a result of the pandemic.
13 October 2020	<ul style="list-style-type: none"> Virtual leadership conference session on sustainability. Materiality assessment and climate change strategy work.
8 December 2020	<ul style="list-style-type: none"> Launch of Verive, a new own brand range of sustainable products in Europe. Materiality assessment results and next steps.