

Taskforce on Climate related Financial Disclosures (TCFD)

TCFD INDEX

The Taskforce on Climate related Financial Disclosures (TCFD) has developed a voluntary climate related financial risk disclosure framework for companies to provide information to investors, lenders, insurers and other stakeholders. We support the TCFD recommendation and will follow the guidance on how to provide appropriate transparency of our most material climate related risks and opportunities, the potential impacts on our business and our strategy for assessing and managing these impacts. The table below provides a reference to where these key disclosures can be found.






Our first full TCFD statement can be found on our website www.bunzl.com/sustainability.

Topic	Disclosure summary	Disclosure	Bunzl response
Governance	Disclose the organisation's governance around climate related risks and opportunities.	a) Describe the Board's oversight of climate related risks and opportunities.	Sustainability: page 58. Principal risks: pages 65-67. TCFD statement.
		b) Describe management's role in assessing and managing climate related risks and opportunities.	Sustainability: page 58 Principal risks: pages 65-67. TCFD statement.
Strategy	Disclose the actual and potential impacts of climate related risks and opportunities on the organisation's businesses, strategy and financial planning.	a) Describe the climate related risks and opportunities the organisation has identified over the short, medium and long term.	Sustainability: page 49. TCFD statement.
		b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Principal risks: page 67. TCFD statement.
		c) Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios including a 2°C or lower temperature scenario.	Sustainability: pages 48-49. Principal risks: page 67. TCFD statement.
Risk management	Disclose how the organisation identifies, assesses and manages climate related risks.	a) Describe the organisation's processes for identifying and assessing climate related risks.	Principal risks: pages 64-67. TCFD statement.
		b) Describe the organisation's processes for managing climate related risks.	Principal risks: page 67. TCFD statement.
		c) Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management.	Principal risks: pages 65-67. TCFD statement.
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities.	a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	ESG appendix: pages 86-88. TCFD statement.
		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	ESG appendix: pages 86-88. TCFD statement.
		c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.	ESG appendix: pages 86-87. Sustainability: page 49. TCFD statement.

Non-financial information

ESG APPENDIX

Material ESG issues mapped to our business model

Business model pillar	Source	Consolidate	Deliver
Sustainability framework pillar	Our suppliers	Our business	Our customers
<p>The ESG issues relevant to Bunzl.</p> <p>Identified by aligning the issues and disclosure topics in the SASB materiality map to our business model.</p>	<ul style="list-style-type: none"> Managing environmental risks in supply chain. Sustainable raw material sourcing. Certification to relevant environmental standards. Ethical supply chain practices. Working to respect human rights and prevent incidences of modern slavery. Supporting the safety and wellbeing of workers in our supply chain. 	<ul style="list-style-type: none"> Equal opportunities. Gender, ethnic, LGBTQIA and disability diversity. Employee health and well-being and occupational health & safety. Attraction and retention of talent and learning and development programmes. Reward and recognition and work life flexibility. Long term targets for carbon reduction. Renewable energy sourcing, energy efficiency and renewable energy projects. Low and zero carbon logistics. Good practices of corporate governance. Compliance with laws and regulations. Implementing appropriate company standards and policies. Donations to local and international charities. Supporting local communities where we operate. Employee fundraising and volunteering. Public policy and lobbying. Partnerships with sustainability advocacy groups. Trade association memberships. 	<ul style="list-style-type: none"> Products made from recycled content or renewable materials. Reusable products. Products that are recyclable or compostable. Working to reduce environmental impacts of products through their lifecycle. Developing circular systems for products supplied (back haul solutions). Partnerships with waste management to offer onsite circular solutions for customers. Transparent, independent expert product advice. Product claims in accordance with legislation. Avoiding misleading claims related to products.
<p>Our most material ESG topics.</p> <p>Identified by assessing the significance to Bunzl. These formed the basis of our materiality assessment.</p>	<ol style="list-style-type: none"> Supply chain management and stewardship. Human rights and fair and safe labour. 	<ol style="list-style-type: none"> Diversity and inclusion. Employee safety, health and wellness. Talent and development. Climate change and GHG emissions. Ethics and integrity. Supporting charities and local communities. Dialogue, transparency and partnerships. 	<ol style="list-style-type: none"> Availability of products and services with sustainable attributes. Supporting a circular economy. Responsible marketing and product labelling.
<p>Bunzl's material ESG themes.</p> <p>Identified by our materiality assessment.</p>	<ul style="list-style-type: none"> Protecting human rights and driving broad based growth through responsible supply chains (see pages 44 and 45). 	<ul style="list-style-type: none"> Investing in a diverse workforce and thriving communities (see pages 46 and 47). Taking action on climate change by reducing emissions (see pages 48 and 49). 	<ul style="list-style-type: none"> Providing sustainable solutions and supporting circular economy techniques that keep waste out of nature (see pages 50 to 53).
<p>Our priority UN SDGs.</p> <p>Identified by aligning our material ESG themes to the UN SDGs.</p>		  	

Non-financial information continued

Key performance indicators

Code of conduct

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

	2018	2019	2020	Comment
Material breaches of code of conduct	0	0	0	No material breaches of our code of conduct were recorded in 2020.
Speak up	10	8	43	In 2020, 43 calls or letters were received through our confidential whistle blowing process, 'Speak Up', none of which related to any issues of material concern. At the end of 2019 we introduced a new way to report concerns confidentially. This enabled employees to raise issues online or via a local telephone service and in their native language. We believe the increase in the number of cases in 2020 is positive, as previously we would not have known about these cases. Usually, the issues were easily resolved at a local level.

Suppliers

Bunzl's industry-leading sourcing and auditing function based in Shanghai works in partnership with our Asian suppliers to ensure the highest standards of product quality and to respect human rights and driving broad-based growth through responsible supply chains. Our Group Modern Slavery Statement gives further details on our approach which can be found on the Bunzl plc website.

	2018	2019	2020	Comment
Number of supplier audits and assessments covering environmental and social standards	539	707	680	The number of audits decreased due to travel restrictions in Asia. We have ceased our relationship with 15 suppliers that did not make sufficient progress to resolve non-acceptable non-conformities.

Greenhouse gas emissions data (Group)

Data for the period 1 October to 30 September	Base year 2010	2018	2019	2020
Scope 1				
Total emissions (tonnes of CO ₂ e)	95,249	99,848	99,193	90,568 [†]
Emission intensity (tonnes of CO ₂ e/£m revenue)	20.2	11.4	10.7	9.5 [†]
Natural gas usage (m ³)	6,243,763	8,927,790	8,912,413	8,082,813
Fuel usage (ltr)	34,256,823	31,140,025	31,523,097	29,306,537
Scope 2				
Emissions (tonnes of CO ₂ e)	28,757	31,615	29,594	27,421 [†]
Emission intensity (tonnes of CO ₂ e/£m revenue)	6.1	3.6	3.2	2.9 [†]
Electricity usage (MWh)	58,875	83,423	83,062	80,276
Total gross emissions				
Emissions (tonnes of CO ₂ e)	124,006	131,463	128,787	117,989 [†]
Emission intensity (tonnes of CO ₂ e/£m revenue)	26.3	15.0	13.9	12.4 [†]
Total energy (MWh)	485,995	515,183	516,775	480,711

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

Scope 1

Target for 2020: Reduce emission intensity by 1% against 2019 (target excludes any foreign exchange translation effect on revenue numbers).

The 2020 Scope 1 carbon emission intensity of 9.5 tonnes of CO₂e/£m revenue represents an 11% decrease versus 2019, including the effect of foreign exchange rate fluctuations. At constant exchange rates the emissions reduced by 12%.

Reduction of these emissions has been impacted by the unusual business circumstances due to the Covid-19 pandemic. The fuel consumption associated with company cars decreased sharply due to travel restrictions and the requirement for employees to work from home. Fuel for transportation remains our highest source of CO₂e emissions, contributing 81% of Scope 1. Of those emissions relating to transportation, 81% are generated by our fleet of commercial vehicles.

Natural gas is principally used for the heating of buildings. This depends strongly on weather conditions and therefore varies strongly by business area.

Target for 2021: Reduce emission intensity by 6% against 2019 (target excludes any foreign exchange translation effect on revenue).

Scope 2

Target for 2020: Reduce emission intensity by 2% against 2019 (target excludes any foreign exchange translation effect on revenue numbers).

The 2020 Scope 2 carbon emission intensity of 2.9 tonnes of CO₂e/£m revenue represents a 10% reduction versus 2019, including the effect of foreign exchange rate fluctuations. At constant exchange rates the reduction in emissions is 11%.

Our Scope 2 emission take into account changes to the average country specific emission factors but do not take into account low carbon electricity purchases (representing approximately 15% of electricity purchased). The remaining improvement in the Scope 2 emissions has been driven by the continued implementation of energy efficiency improvements such as low energy lighting.

Target for 2021: Reduce emission intensity by 10% against 2019 (target excludes any foreign exchange translation effect on revenue).

Scope 1 and 2

Target for 2020: Reduce emission intensity by 2% against 2019 (target excludes any foreign exchange translation effect on revenue).

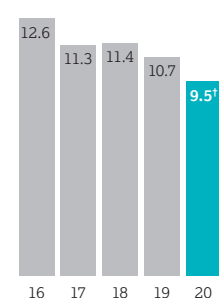
The 2020 combined Scope 1 and 2 carbon emission intensity of 12.4 tonnes of CO₂e/£m revenue represents an 11% reduction versus 2019, including the effect of foreign exchange rate fluctuations. At constant exchange rates the reduction in emissions is 12%.

Target for 2021: Reduce emission intensity by 6% against 2019 (target excludes any foreign exchange translation effect on revenue numbers).

Scope 1 carbon emissions

(tonnes of CO₂ per £m revenue)

Measured in accordance with the Greenhouse Gas Protocol applying DEFRA conversion factors



Scope 2 carbon emissions

(tonnes of CO₂ per £m revenue)

Measured in accordance with the Greenhouse Gas Protocol applying DEFRA UK conversion factors & IEA factors for overseas electricity



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

Greenhouse gas emissions data (UK) *

Data for the period 1 October to 30 September	2018	2019	2020
Scope 1			
Total emissions (tonnes of CO ₂ e)	17,606	17,211	15,261
Natural gas usage (m ³)	617,969	469,573	486,661
Fuel usage (ltr)	6,224,877	6,271,182	5,606,760
Scope 2			
Emissions (tonnes of CO ₂ e)	3,263	2,660	2,847
Electricity usage (MWh)	11,527	10,405	11,140
Total gross emissions			
Emissions (tonnes of CO ₂ e)	20,869	19,871	18,108
Total energy consumption (MWh)	84,415	82,084	75,812
Emission intensity (tonnes of CO ₂ e/£m revenue)	17.5	17.0	14.9

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

Non-financial information continued

Our reported environmental data includes all businesses that are subsidiaries of the Group for financial reporting purposes, except for recent acquisitions where there has been insufficient opportunity for the businesses to adopt our reporting guidelines. The revenue from these businesses is not included when calculating the indexed emissions. The reported data covers around 98% of the Group by revenue.

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

Scope 3

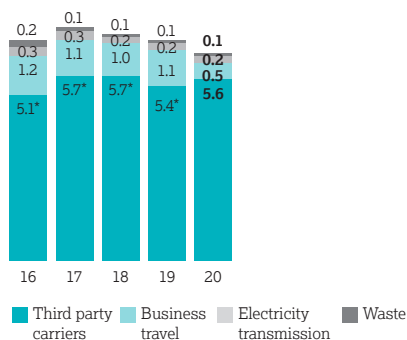
Our reporting comprises emissions from third party carriers, business flights, waste and electricity transmission losses.

The bar graph shows that third party carriers produce the largest proportion of our reported Scope 3 emissions.

These emissions arise due to some of our businesses not having their own fleet and, in addition, all our businesses, irrespective of whether they have their own fleet, will distribute a proportion of goods by third party carriers where it is more efficient and cost-effective to do so.

Scope 3 carbon emissions

(tonnes of CO₂ per £m revenue)



12 months to 30 September

* In 2020 we have improved our methodology to calculate third party carrier emissions. Previous years data have therefore been recalculated.

Waste

In 2020 we have continued our work to improve consistency and accuracy of waste measurement and reporting. We have introduced an internal waste reporting tool and implemented consistent waste conversion factors across the Group. Accurate waste measurement remains challenging in geographies with less advanced waste management infrastructures.

The amount of waste generated in our facilities in 2020 is approximately 22,900 tonnes which is similar to the amount of waste generated in previous years. The recycling rates strongly depend on the locally available waste recycling options. In 2020, approximately 50% of the generated waste was recycled, which is 13% lower than last year's recycling rate. This excludes any post-disposal waste treatment and recycling carried out by waste handlers. The decrease in the reported recycling rate in 2020 is a result of the improved waste measurement methods that we implemented in 2020.

The reported waste data covers approximately 94% of the Group by revenue.

Water

Direct water usage is not a significant environmental impact for our business as it is principally confined to staff hygiene and workplace cleaning. Our estimated water usage is 160,000m³ of water per year. The usage is slightly lower than last year due to reduced operational hours at some of our sites due to Covid-19. As we do not manufacture any of the goods we sell, water discharges, apart from internal sanitation, are limited to rainwater run-off from the yards of our locations.

Environmental management system certification

A number of locations in UK & Ireland, Asia Pacific and Continental Europe have ISO 14001 certification. Approximately 24% of the Group's operations are certified to ISO 14001 (measured by revenue). Certification is based on processes and practices which are implemented Group wide through our EHS management programme. Some parts of the business have not elected to become formally certified.

Health & safety

Health & safety indicators	2016	2017	2018	2019	2020
Average number of incidents per month per 100,000 employees	101	81	95	96	85 [†]
Average number of days lost per month per 100,000 employees	2,409	1,890	2,370	3,110	3,040 [†]
Fatalities	1	0	1	0	0

12 months to 30 September

[†] Included in the external auditors' limited assurance scope. See Data Assurance statement which is available on our website, www.bunzl.com.

The data for previous years was also assured as detailed in the respective Annual Reports.

Targets for 2020: Reduce the Group accident incidence rate by 5% from 2019. Reduce the Group accident severity rate by 5% from 2019.

The 2020 Group accident incidence rate of 85 represents an 11% improvement versus 2019. The 2020 Group accident severity rate of 3,040 represents a 2% improvement versus 2019.

The safety rates this year have been clearly impacted by the Covid-19 pandemic. The implementation of social distancing protocols has reduced the likelihood of incidents. Another impact was the lower business activity in some parts of our business.

Despite the challenging conditions due to the Covid-19 pandemic, we have continued the work to minimise our health & safety risks, particularly relating to the operation of our warehouses and vehicles, such as manual handling, falling, slipping and tripping and impact with equipment which remain the highest causes of accidents.

We have taken steps to embed a more proactive safety culture in Bunzl. In France, where we have the highest incidence and severity rates in the Group, we have completed the roll out of a comprehensive training programme for middle management. The training is aimed to help create a more proactive safety culture by developing the skills required to conduct effective safety observations and enabling discussions with employees about safe and unsafe work practices.

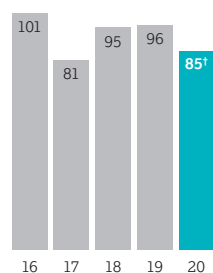
Across the Group we are working on the introduction of leading indicators such as near misses, safety meetings, safety observations and inspections. Consistent focus on, and reporting of, those indicators will prevent issues from becoming more serious and will engage the employees in building a proactive safety culture across the Group.

All our businesses are required to comply with local legislation and Group safety policies. The compliance with these regulations and policies is audited by a team of safety professionals.

Target for 2021: Reduce the Group accident incidence rate by 5% from 2019. Reduce the Group accident severity rate by 5% from 2019.

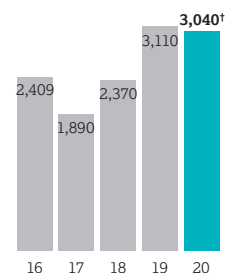
Incidence rate

Average number of incidents per month per 100,000 employees



Severity rate

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



12 months to 30 September

[†] Included in the external auditors' limited assurance scope. See Data Assurance statement which is available on our website, www.bunzl.com.

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People

Key performance indicators

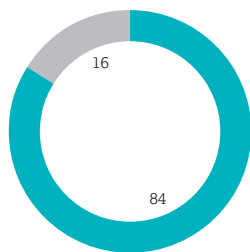
Employees

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

	Performance			What we said we would do in 2020	What we did	What we plan to do in 2021
	2018	2019	2020			
Employee turnover: Voluntary	14.6%	15.4%	12.2%	Continue to conduct exit interviews and monitor voluntary turnover	Focussed on ensuring safe places of work during the Covid-19 period as well as continuing with exit interviews and understand reasons for turnover.	Reviewed quarterly at the Executive Committee to ensure we understand and where appropriate address reasons for unintended voluntary turnover.
Gender diversity: Women at senior management level	13%	14%	16%	Broaden networks for women in Bunzl. Provide focused development interventions for high potential women.	The networks for women for Bunzl grew in 2020 and links between regional networks were established including access to on-line development.	Monitor progress of high potential females in network groups to track career development.
Employee engagement index score	82%*	-	88%	Relaunch our employee engagement survey in 2020.	Ran a Pulse survey for all our employees to measure engagement and to understand the impact of working for Bunzl during Covid-19	Run a Global engagement survey and where necessary local surveys to better understand trends and drivers of engagement

* this figure has been recalculated from 74% as previously stated to be in line with the new methodology of measuring engagement through a new survey provider.

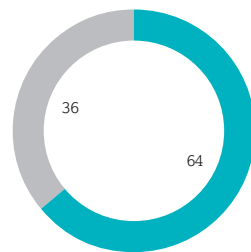
Senior management (%)



■ Males
■ Females

Source: HR from September 2020 (those employees eligible to receive grants of executive share options)

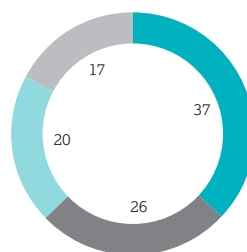
Total workforce (%)



■ Males
■ Females

Source: HR from BRMS

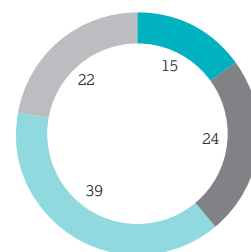
Average number of employees (%)



■ North America
■ Continental Europe
■ UK & Ireland
■ Rest of the World

Source: Note 23 on page 187

Total workforce age profile (%)



■ Under 30
■ 30-39
■ 40-54
■ Over 55

Source: HR from BRMS

Charitable contributions

	2018	2019	2020
Charity donations (£000s)	607	669	2,271

Bunzl's operations are international but our strength lies in the local nature of our businesses. We support the communities where our employees live and work and encourage fundraising activities championed by our businesses and their employees locally. During the Covid-19 pandemic, many of our businesses supported initiatives in our local communities when it mattered most, meaning our charitable donations were higher in 2020 when compared to previous years. See page 46 for examples from across the Group.

In 2019 we realigned our corporate charity programme to focus on environmental projects related to recycling, litter prevention, clean-up and waste management infrastructure. During 2020 we supported activities in three key areas:

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

In addition to some of the projects referenced throughout this report (see pages 51 and 53) we have funded a number of other environmental initiatives:

- in January 2020, together with the UK-based charity Sea-Changers, Bunzl launched a new 'coastal fountain' fund for the provision of water bottle refill fountains at some of the UK's busiest beaches. Six fountains are currently being installed across the country;
- we have also worked with The 2 Minute Foundation who launched their #2minutebeachclean campaign in 2013 which encouraged people to make a difference by spending two minutes collecting litter from their local area. During 2020 Bunzl funded 14 litter collection boards that have been given to community groups and schools who would not otherwise be able to afford one; and
- lastly, we have supported the Marine Conservation Society's ('MCS') 2020 Beachwatch programme, a national beach cleaning and litter survey programme where people all around the UK can care for their coastline. We also funded MCS Cool Seas initiative, a virtual classroom project that has been teaching children about the marine environment and pollution issues across the UK.

Group wide, Bunzl donated a total of £2,271,000 to charitable causes during 2020. This does not include amounts donated by Bunzl in matching funds raised by employees for local charities.