



Environment, Health and Sales (EHS) and Sustainability sales data

Reporting criteria and performance indicators

Date: 25 February 2022

1. Purpose and scope

The purpose of the document is to provide a defined set of reporting criteria and performance indicators applicable to the Group-wide Environmental, Health and Safety (“EHS”) data and Sustainability Sales data.

2. Reporting period

The reporting period for calculating key performance indicators for environmental and health and safety is 1 October to 30 September. The calculation of the accident severity rate includes days lost up until 31 December for accidents occurring within the reporting period. Revenue and employee data used in the calculation of key performance indicators (KPI's) are calculated over this same period.

The reporting period for calculating key performance indicators for Sustainability Sales data is the 12 month period from 1 January to 31 December.

3. Reporting scope and boundaries

Our externally reported EHS performance data covers all businesses that are subsidiaries of the Group for financial reporting purposes. Information relating to acquisitions made during the year are included from the date at which they are acquired where this data is available. However, it is recognised that in certain cases, new acquisitions may not have appropriate reporting systems in place at the date of acquisition to be able to record all their EHS performance data from that point. In which case such data omissions are disclosed in the annual report and staff numbers/revenue for that acquisition are excluded when calculating the relevant indicators. The maximum time allowed for this is one month for accidents and 12 months for environmental data.

Sustainability Sales data reporting scope and boundaries are consistent with the accounting policies applied to present revenue within the Annual Report and Accounts.

4. EHS data

4.1 Environmental – total CO₂e emitted (in tonnes) is calculated by using activity data and applying the relevant conversion factors. The UK Department for Business, Energy and Industrial Strategy (BEIS) guidelines on measurement and conversion factors are followed. Overseas electricity consumption conversion factors are sourced from International Energy Agency (IEA). Activities not covered by BEIS, for example district heating, will be based on locally quoted conversion factors. The calculation of total carbon emissions will be performed with reference to the GHG Protocol guidance for applying location based and market based factors. Reported emissions from electricity are based on both market based and location based factors.

4.2 Scope 1 - direct emissions from owned or controlled sources:

- Fuel for transport - covers both fuel for commercial vehicles and for cars driven on company business. It also includes propane for materials handling equipment.

The quantities of fuel purchased with fuel cards will normally be captured from third party billing and recorded on BRMS in litres or US gallons. It is recognised that where fuel cards are used for company provided cars this may lead to an overstatement of fuel consumed as it will include an element of private mileage. However, it is considered that the effort required to quantify and deduct such private mileage is excessive when balanced against any improvement in accuracy achieved.

Fuel purchased without a fuel card is primarily used in cars and is captured by expense systems and recorded on BRMS as distance travelled. BRMS converts distance to estimated litres used for Group reporting purposes, based on BEIS conversion factors.

- Energy

Natural gas – the calculation of CO₂e is based on the total units of gas consumed, measured in cubic metres, multiplied by the relevant (BEIS) conversion factor.

Heating Oil – the calculation of CO₂e is based on the total litres of heating oil consumed multiplied by the relevant (BEIS) conversion factor.

Emissions from the operation of air conditioning equipment – very few of the products supplied by the Company are temperature sensitive and air conditioning is restricted to offices, computer rooms and small areas for specialised products. Consequently, fugitive emissions from air conditioning do not form part of the Group's CO₂e reporting. However, any failure of air conditioning equipment, leading to an uncontrolled release of refrigerants, should be reported as an Environmental Incident within BRMS.

4.3 Scope 2 – indirect emissions from the generation of purchased energy.

- Electricity – the calculation of CO₂e is based on the total units of electricity consumed in kWh and multiplied by
 - Location based emissions: the BEIS conversion factor (for UK) or IEA conversion factor (for all other countries)
 - Market based emissions; the market based emission factors, based on the guidance in the GHG reporting standard.
- District Heating – the calculation of CO₂e is based on the total units consumed in kWh. BEIS does not currently provide conversion factors for district heating and therefore conversion factors applied are will be sourced locally.

4.4 Scope 3 - upstream indirect emissions (not included in scope 2) that occur in the value chain. Bunzl has identified the following Scope 3 emissions to be reported from 2014 onwards.

- 3rd party carriers– for the purposes of Scope 3 reporting this is defined as Scope 1 CO₂e emissions from 3rd party carriers appointed by the Company for the road transportation of goods between branches or from Bunzl warehouses to customers. Estimation of the CO₂e emissions is based on the “EIO-LCA” or Economic Input Output Life Cycle Assessment, which combines sectoral information about the environmental impact of different economic activities (e.g. couriers).
- Waste - reporting is separated into landfill, incineration and recycling. Recycled waste is split into different material types e.g. paper, plastic etc. The calculation of CO₂e is based on kilograms of waste sent to the individual waste streams multiplied by the relevant BEIS conversion factor.

- Business travel

As an international business we consider our main business travel impact is air travel. BEIS provide various conversion factors based on distance and class of travel.

The aim is to capture as many business flights as possible and require Group travel agents to provide us with relevant data. We recognise that some business flights are booked directly through the internet and businesses may elect to include this. However, the effort required to gather such data must be proportionate to the materiality.

4.5 CO₂ intensity indicators

Our CO₂ emissions are represented as an index against £m revenue at actual exchange rate. In case of significant movement in the exchange rates of sterling against other currencies during a reporting year, index calculations may be carried out at constant exchanges rate so that the foreign exchange translation effect can be determined.

4.6 EHS incidents

- Accidents are reported externally as an index per 100,000 employees based on the average number of lost time incidents and days lost per month.
- Employee numbers are based on the data provided to the Group Reporting Department through the financial consolidation system. These figures represent the total full-time equivalent number of employees for each month rounded to the nearest whole number. They include employees on permanent, fixed or short-term Bunzl employment contracts but exclude all agency and temporary workers.
- Accidents cover those incidents relating to workers that work under our direct supervision. This includes both employees, agency and temporary staff. A time lost incident is defined as one where the worker is, as a result of an accident, unable to attend for work at the normal time on one or more working days after the accident has occurred.
- Lost days are calculated from the first to the last day of absence and include weekends. Lost time is reported against the month in which the incident occurred. The severity rate calculation includes any lost days arising after 30 September up until 31 December that related to an incident that occurred before 30 September.
- In principle any accident leading to working days away from work will be recorded and reported as a lost time accident in BRMS. However, there may be circumstances where the company considers a reported accident to be non-genuine and for which an adjustment of the incidence or severity may be considered. An adjustment of the incidence or severity of certain incidents can be considered when there is sufficient support to demonstrate that either:
 - 1) the incident did not occur at work, e.g. where the employee injured themselves outside of work and subsequently falsely claimed that the incident occurred at work;
 - 2) The length of the time off is clearly inconsistent with the accident and the resulting original injury that occurred. The continued time taken off is considered to be due to another matter and not due to the original injury.
 - 3) The incident and/or the resulting injury have been faked by the employee e.g. to obtain workers compensation benefits or as a result of a labour dispute (fraudulent reporting).
- Fatal accidents resulting from the Group's operations involving an employee or third party are reported separately and do not form part of the accident indices.

5. Sustainability Sales data.

Packaging categories

- Packaging refers to packaging and other products within the foodservice, grocery and retail sectors which are facing legislation or consumer pressure
- We have exercised our judgement to allocate sales to the packaging and non-packaging categories as explained below
- In future years packaging and products may move between categories and / or may be added or removed (for example, as legislation changes, recyclability improves or if a new line of products is launched)

Category detail and name applied by Bunzl	#	Description	Example products in category
<p>Category detail: Single-use plastic products facing restriction</p> <p>Bunzl name: Consumable plastics facing regulation</p>	1	<p>The single-use plastic products most commonly facing restriction - i.e. outright bans or complete restriction on placing into the market within countries in which we operate – this is the category where we expect to see some volume reduction.</p> <p>We have applied these specific regulations to all Business Areas where such products are sold. This is to provide consistency, as it can be reasonably expected that legislation will follow to those areas where it does not currently apply.</p>	<p>Including but not limited to:</p> <p>Plastic cutlery Plastic plates, bowls, platters, and lids</p>
<p>Category detail: Single-use plastic products facing regulation (not outright restriction)</p> <p>Bunzl name: Consumable plastics likely to transition</p>	2	<p>Single-use plastic products that have existing measures in place (either legislative in countries we operate or voluntarily by some brands/businesses we sell to) to control their usage.</p> <p>As the use of these products is not completely restricted (i.e. there are no large-scale outright bans as with category 1) and the products themselves serve a functional purpose, we expect customers to transition away from these products to alternatives including reusable options.</p> <p>We have applied these specific regulations to all Business Areas where such products are sold to provide consistency.</p>	<p>Including but not limited to:</p> <p>Single use plastic cups Paper cups and soup containers with plastic lining Lightweight plastic carrier bags</p>
<p>Category detail: Single-use plastic products where plastic is an appropriate material for the job, where alternatives not commercially available or where substitution could cause unintended</p>	3	<p>Single-use plastic products where plastic is an appropriate material for the job from a functional perspective, where alternatives do not currently exist at scale, or where unmitigated, careless substitution of plastic could lead to significant negative, unintended consequences such as higher carbon emissions, water use and food waste.</p>	<p>Including but not limited to:</p> <p>Plastic food containers Plastic pouches, packets, and wrappers</p>

<p>environmental consequences</p> <p>Bunzl name: Packaging and products with an important purpose</p>			
<p>Category detail: Recyclable, reusable, compostable products, and those made from renewable resources</p> <p>Bunzl name: Packaging and products made from alternative materials</p>	<p>4</p>	<p>These are products that are recyclable or compostable, made from a renewable resource, for example palm leaf or sugar cane, plastic products containing a proportion of recycled content (where these products are also recyclable) and reusable products such as 'bags for life' or refillable coffee cups that are products specifically designed to be used more than once.</p> <p>These represent the alternative solutions our customers typically transition their single-use packaging and products to.</p> <p>National guidance (where it exists) has been used to determine the recyclability of a product:</p> <p>Due to the huge variation in recycling provisions globally we have applied these criteria to all Business Areas where such products are sold to provide consistency.</p>	<p>Including but not limited to:</p> <p>PET and rPET food containers Cardboard or paperboard containers Compostable plastic cups Reusable cups Alternative materials cutlery Alternative materials plates, bowls, platters, and lids Paper pouches, packets, and wrappers Paper bags Reusable carrier bags</p>