



Slavery and Human Trafficking Statement for the 2017 financial year

This statement is made in accordance with Section 54, Part 6 of the Modern Slavery Act 2015 and sets out the steps that Bunzl plc, its subsidiaries and operating divisions (together "Bunzl") are taking with a view to ensuring that slavery and human trafficking is not taking place in Bunzl's supply chain or in any part of its business.

About us, our operations and our supply chain

Bunzl is an international distribution and outsourcing Group with revenue in 2017 of £8.6 billion. We operate across 30 countries and are divided geographically into Business Areas covering North America, Continental Europe, UK & Ireland and the Rest of the World. Day to day management of the business, including procurement, is devolved to Business Area Heads in each of our operational geographies who are responsible, through the Chief Executive, to the Board of Bunzl plc. Although we are a decentralised Group which gives management autonomy to take decisions relating to our operations locally, our governance framework allows the Board to lead the Company in the right direction as we develop and pursue our future strategy, while ensuring that the tone of the Group's culture and values is set from the top and that the standards established by the Board are maintained throughout the Group.

Bunzl employs c.19,000 people in sourcing, consolidating and delivering a wide range of non-food consumable products across a variety of markets. We do not manufacture any of the products we supply and our supply chain is both extensive, numbering thousands of suppliers, and dynamic as we respond to expanding customer requirements.

Our commitment

Bunzl is wholly committed to respecting human rights across both our own operations and our supply chain. We also take appropriate action to ensure that all our employees understand our policy of eliminating forced labour, child labour and human trafficking and aim to ensure that our suppliers apply this standard within their operations and their own supply chains.

Bunzl's slavery and human trafficking risks

The majority of our businesses are based in North America, Europe and Australasia and are involved solely in the procurement, consolidation and supply of manufactured goods. In our view, the profile of our operations in terms of locations and roles therefore means that the risks of modern slavery are low.

The majority of our suppliers are based close to our selling companies, although we do import some products from lower cost areas, primarily south-east Asia, where we consider the potential risks of forced or child labour to be higher. The Bunzl Corporate Responsibility and Sustainability Committee ("CRSC") periodically completes an external risk assessment of our supplier base to establish direct and indirect social risks, including modern slavery risks in our supply chain. This allows us to focus our attention and resources on the areas of greatest exposure to risk. Geographically those areas that were identified as having the highest potential direct risk were India and Indonesia whilst China, Mexico and Turkey also showed elevated potential risk. Products with the highest potential risk were those made from rubber, plastics, textiles, pulp and paper. As part of the last risk assessment we undertook a number of actions which are referred to in the due diligence process section of this statement. We will be updating the risk assessment in 2018.

Policies in relation to slavery and human trafficking

For over ten years, Bunzl has adhered to a comprehensive suite of corporate responsibility policies that cover key impacts to our business. Our Employees policy requires all businesses to

develop policies which reflect the UN Universal Declaration of Human Rights and local legislative requirements together with other Group standards. Our Suppliers policy and Supplier code of conduct also require compliance with internationally recognised minimum requirements for workers' welfare and conditions of employment as defined by the International Labour Organization or the Ethical Trading Initiative, which specifically prohibit forced labour i.e. slavery and human trafficking.

Our Employees policy is implemented and monitored by a team of human resource professionals and is reviewed by our internal auditors who periodically visit Bunzl locations and audit the operations to ensure that they meet the relevant standards. In addition we have a "Speak Up" policy providing a dedicated confidential reporting mechanism where employees can raise issues of concern.

Further details of our policies can be found in the [Responsibility section](#) of the Bunzl plc website.

Due diligence processes in relation to slavery and human trafficking in supply chains

Governance

The CRSC, chaired by the Director of Group HR who is a member of the Executive Committee, sets and oversees implementation of the Corporate Responsibility policies and programmes in the whole value chain (sourcing – operations – customers), including those for social risk matters related to our operations and our supply chain. The CRSC is supported by the CR supply chain subcommittee. This subcommittee is responsible for providing transparency of social risks in our global supply chain and to coordinate and oversee actions planned and taken to mitigate those risks. Further supply chain monitoring is undertaken by our local procurement professionals and our Quality Control/Quality Assurance department based in Shanghai.

Communication with suppliers

The sustainability of our business is based on building long term partnerships with our suppliers. We continue to ensure that our CR policies, including our requirements relating to modern slavery risks, are communicated and enforced adequately in our supply chain through communication with our suppliers. In the past we have written to our top suppliers by value. In 2017 we refined this approach and started the process of writing to all suppliers in countries with medium or high social risks and to our main suppliers by value in countries with relatively low direct social risks. For this purpose, we have developed a Supplier code of conduct that defines the principles and standards that Bunzl expects suppliers of goods and services to adhere to, both within their operations and their supply chains. In particular, we expect our suppliers to meet or exceed local legislative requirements and applicable international requirements for workers' welfare and conditions of employment, such as those set by the International Labour Organisation (ILO) and the Ethical Trading Initiative (ETI).

Auditing

In 2008 Bunzl established its Global Sourcing team, comprising a procurement office and a quality assurance and quality control team based in Shanghai, who perform regular audits of our suppliers in Asia with a view to ensuring that they meet international standards. In 2017 the Global Sourcing team completed 503 supplier audits covering approximately 90% of our spend in Asia. The team in Shanghai and the relevant Bunzl procurement professionals will work with suppliers to achieve acceptable standards in all areas of the audit, and where breaches are identified appropriate action is taken to address such breaches, in accordance with the Company's policy. Bunzl reserves the right to cease a relationship with a supplier if it is found that unacceptable practices are being employed at any sites used for producing or sourcing Bunzl products and those suppliers fail to make improvements over an agreed timeframe or make no commitment to making the improvements required. Regular reports are submitted to the Bunzl plc Board of Directors summarising the audits that have been carried out and the material issues that have been identified from such audits and the follow up actions taken to address such issues.

The CR audit process overseen by our Global Sourcing team has historically covered the geographies with high levels of social risks, which are predominantly countries in Asia. During 2017 we started to expand our CR audits into geographies with medium levels of social risks by carrying out audits outside of Asia, namely in Mexico, Brazil, Romania and Turkey.

Capacity building and training

In 2017 we continued to expand our approach from audit and monitoring to collaborative solutions. To this end, we organised a supplier conference in Shanghai to showcase examples of good practice and build awareness of social compliance issues. The training included increasing awareness of modern slavery issues and other social risks and how to identify and remedy them if found and enabled the sharing of good practice and learning with other suppliers.

Effectiveness and performance review

In 2017:

- 13 calls were received through our “Speak Up” line. None of these related to modern slavery.
- The Global Sourcing team performed 503 supplier audits covering suppliers in Asia. In addition, 8 supplier audits were carried out in medium risk countries outside of Asia. As a result of these audits, our Global Sourcing team has worked with 43 suppliers to improve their employment practices. We have stopped trading with four suppliers.

Staff training

All of our senior staff, including managers and procurement and sales executives, are required to complete the corporate responsibility e-learning modules that have been developed. One of these training modules specifically covers social risks, including modern slavery. The training helps our employees to understand and recognise social risk issues that might occur in our supply chain and informs them of the appropriate actions that should be taken if such issues are found. Completion of the training modules is monitored by our HR departments.

Our Global Sourcing team comprises professional auditors who are trained in identifying and reporting social risks.

Looking ahead

Our main objectives for 2018 are the following:

- Continue to refine our global risk assessment process to establish direct and indirect social risks, including modern slavery risks in our supply chain. This includes a review of our global supplier base, taking into account geography and product category.
- Further expand our social risk audit programme into geographies with medium levels of social risks.
- Complete the process of writing to all suppliers in countries with medium or high social risks and our main suppliers by value in other countries with relatively low direct social risks.
- Further expand capacity building and training of our suppliers in Asia.

Approved by the Board of Bunzl plc on 18 April 2018 and signed on its behalf by Frank van Zanten, Chief Executive.