

**FINANCIAL REVIEW** continued**Capital management**

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Group funds its operations through a mixture of shareholders' equity and bank and capital market borrowings. The Group's funding strategy is to maintain an investment grade credit rating and the Company's current credit rating with Standard & Poor's is BBB+. All borrowings are managed by a central treasury function and funds raised are lent onward to operating subsidiaries as required. The overall objective is to manage the funding to ensure the borrowings have a range of maturities, are competitively priced and meet the demands of the business over time. There were no changes to the Group's approach to capital management during the year and the Group is not subject to any externally imposed capital requirements.

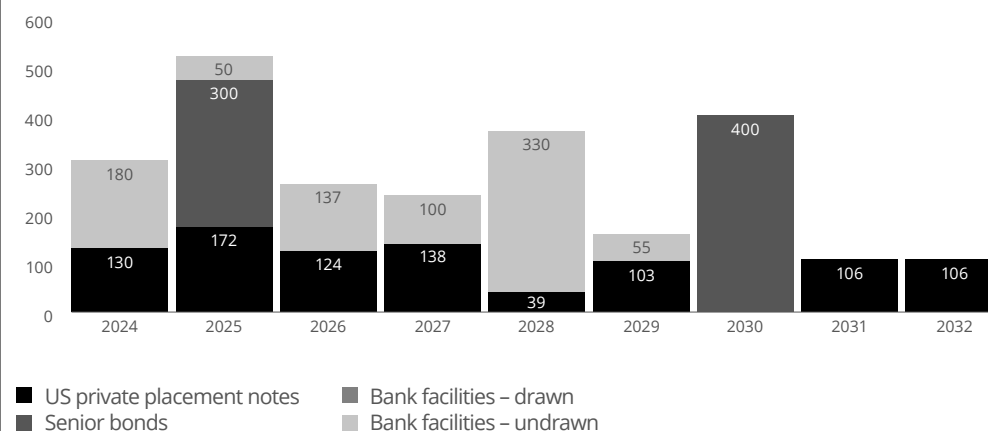
**Treasury policies and controls**

The Group has a centralised treasury department to control external borrowings and manage liquidity, interest rate, foreign currency and credit risks. Treasury policies have been approved by the Board and cover the nature of the exposure to be hedged, the types of financial instruments that may be employed and the criteria for investing and borrowing cash. The Group uses derivatives to manage its foreign currency and interest rate risks arising from underlying business activities. No transactions of a speculative nature are undertaken. The treasury department is subject to periodic independent review by the internal audit department. Underlying policy assumptions and activities are periodically reviewed by the Board. Controls over exposure changes and transaction authenticity are in place.

During the year, the Group's USD interest rate swaps and committed USD bank facility, which previously referenced the discontinued USD LIBOR, have been renegotiated to reference SOFR, the new USD benchmark. This has not had an impact on the financial results for the year ended 31 December 2023.

The Group continually monitors net debt and forecast cash flows to ensure that sufficient facilities are in place to meet the Group's requirements in the short, medium and long term and, in order to do so, arranges borrowings from a variety of sources. Additionally, compliance with the Group's biannual debt covenants is monitored on a monthly basis and formally tested at 30 June and 31 December. The principal financial covenant limits are net debt, calculated at average exchange rates, to EBITDA of no more than 3.5 times and interest cover of no less than 3.0 times. Sensitivity analyses using various scenarios are applied to forecasts to assess their impact on covenants and net debt. During the year ended 31 December 2023 all covenants were complied with and based on current forecasts it is expected that such covenants will continue to be complied with for the foreseeable future. Debt covenants are based on historical accounting standards. The US private placement notes ('USPPs') issued in March 2022 contain a clause whereby upon maturity of the previously issued USPPs, the latest maturity being in 2028, the principal financial covenants referred to above will no longer apply. In addition, the principle financial covenants were removed from the Group's committed bank facilities in 2022.

The Group has substantial funding available comprising multi-currency credit facilities from the Group's banks, US private placement notes and senior bonds. At 31 December 2023 the nominal value of US private placement notes outstanding was £917.5 million (2022: £1,126.4 million) with maturities ranging from 2024 to 2032. At 31 December 2023 the available committed bank facilities totalled £852.6 million (2022: £963.6 million) of which none (2022: none) was drawn down, providing headroom of £852.6 million (2022: £963.6 million). During 2023, £365 million of bank facilities were signed with maturities between 2026 to 2028. The Group expects to make repayments in the 18 month period from the date of these financial statements to the end of 30 June 2025 of approximately £302 million relating to maturing USPPs. In addition, the current intention is that the £300 million Senior Bond maturing in 2025 will be refinanced in the capital markets before maturity.

**Committed facilities maturity profile by year (£m)**

Further details of the Group's capital management and treasury policies and controls are set out in Note 18 on pages 174 to 179.

**Going concern**

The directors, having reassessed the principal risks and uncertainties, consider it appropriate to adopt the going concern basis of accounting in the preparation of the financial statements. In reaching this conclusion, the directors noted the Group's strong cash performance in the year, the substantial funding available to the Group as described above and the resilience of the Group to a range of severe but plausible downside scenarios. Further details are set out in Note 1 on page 154.

**Richard Howes**

Chief Financial Officer

26 February 2024

## NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

In accordance with sections 414CA and 414CB of the Companies Act 2006, including the amendments made by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, the information below sets out how we comply with each reporting requirement and where further information can be found.

A description of our business model can be found on pages 24 to 25.

Where principal risks have been identified in relation to any of the matters listed, these can be found on pages 68 to 76.

Our non-financial key performance indicators are set out on page 41.

Find out more in our policy hub on our website, [www.bunzl.com](http://www.bunzl.com).

Reporting requirement	Description	Relevant policies and standards	Further information
Social matters	<b>Developing responsible supply chains</b>	Our Supplier Code of Conduct, Global Supply Chain Solutions team and partnership with leading NGO, Stop the Traffik, are some of the measures we take to ensure that products are sourced responsibly and that adequate standards are maintained throughout our supply chains.	Read more on pages 58 to 59
	<b>Promoting a healthy corporate culture</b>	Our values underly the way we conduct our business and ensure that all of our colleagues are working towards the common goal of creating long term sustainable value for the benefit of all stakeholders.	Read more on page 100
	<b>Business standards of behaviour</b>	Our Business Code of Conduct and Code of Conduct Policy ensure that all business is conducted according to rigorous ethical, professional and legal standards.	Read more on page 218
Employees	<b>Encouraging employees to raise matters of concern</b>	Where employees have concerns relating to failures to adhere to standards, they can report such concerns on a confidential and anonymous basis using our 'Speak Up' Policy.	Read more on page 218
	<b>Investing in our people and a diverse workforce</b>	Our Equality and Diversity Policy was reviewed in 2023 and ensures that employees are treated fairly and equally and that diversity is embraced. We also offer extensive learning and development opportunities to equip employees with the skills and experience they need to succeed and grow in their roles.	Read more on pages 60 to 61
	<b>Providing our employees with a safe working environment</b>	The Bunzl Health & Safety Policy ensures that high standards of health & safety are maintained throughout the business. Incidents are monitored and reported to the Board periodically, which enables the Board to take action when necessary.	Read more on page 217
Human rights, anti-corruption and anti-bribery	<b>Prevention of bribery, corruption and fraud</b>	Our Anti-Bribery and Corruption Policy outlines the behaviour and principles required of employees to prevent any form of bribery or corruption. Additionally, we have a Fraud Policy in place, we conduct a rigorous Fraud Risk Assessment annually and the Board regularly receives and considers whistle blowing updates.	Read more on page 104
	<b>Promoting ethical supply chains</b>	Our Supplier Code of Conduct defines the principles and standards that we expect suppliers to understand and adhere to. This is supported by our industry-leading sourcing and auditing operation in Shanghai, which works in partnership with suppliers in high risk regions to ensure the highest standards of product quality and respect for human rights in our supply chain.	Read more on pages 58 to 59
	<b>Approach to human rights and modern slavery</b>	Revised by the Board this year, our Modern Slavery Statement sets out the steps that we take to ensure, as far as possible, that slavery and human trafficking do not exist in our supply chain or any part of our business.	Read more on page 210
Environmental matters	<b>Taking action on climate change</b>	We are supporting the recommendations made by the Task Force on Climate-related Financial Disclosures and have joined the UN Race to Zero campaign by formally committing to the Business Ambition for 1.5°C.	Read more on pages 48 to 55
	<b>Reducing our impact on the environment</b>	Our Environment Policy promotes the efficient use of resources and energy in our supply chain and ensures a Group wide commitment to continual improvement and compliance with environmental legislation and regulations.	Read more on pages 48 to 55
	<b>Providing sustainable solutions</b>	Our material footprint tools help customers understand the carbon impact of the products they source, helping us to work with them to find sustainable solutions that are better suited to a more circular economy.	Read more on pages 56 to 57
	<b>Environmental risks and opportunities</b>	Our sustainability governance structure enables the Company to identify, assess and manage climate-related risks and opportunities, and to disclose against the TCFD recommendations.	Read more on page 63

## CHAIRMAN'S INTRODUCTION

**Peter Ventress**  
Chairman

**The Board welcomes developments in corporate governance practice, which aim to enhance trust and transparency in our disclosures."**

On behalf of the Board, I am pleased to present the Corporate governance report for the year ended 31 December 2023. This report, in conjunction with the Nomination, Board Sustainability, Audit and Remuneration Committee reports, outlines Bunzl's approach to governance: prudent risk management, transparency, open engagement with stakeholders and compliance with the principles and provisions of the 2018 UK Corporate Governance Code (the 'Code').

I am delighted to welcome Jacky Simmonds, who joined the Board on 1 March 2023, as a non-executive director. Through her executive and non-executive roles, she brings a wealth of international and listed company experience, which, coupled with Jacky's extensive HR expertise, will enhance and strengthen the capabilities of the Board further. Following Jacky's appointment, the proportion of female directors on the Board is 44%, exceeding the Financial Conduct Authority's new 40% board gender diversity target. More information on Jacky's experience and induction process can be found on pages 91 and 99, respectively.

As announced on 26 February 2024, Vanda Murray, Senior Independent Director and Chair of the Remuneration Committee, has informed the Board of her intention to step down as a director at the conclusion of the Company's Annual General Meeting ('AGM') on 24 April 2024. Her independent advice and valued contribution to the Board's deliberations over the years have been greatly appreciated and she leaves with the Company's thanks and best wishes. A robust recruitment process for a new non-executive director is now underway and an announcement will be released in due course, once a suitable candidate has been identified. Full details of the recruitment process will also be included in next year's Annual Report.

Vanda will be succeeded as Chair of the Remuneration Committee by Jacky and Pam Kirby will succeed her as the Board's new Senior Independent Director. The timing of the changes allows for a meaningful handover period with Vanda as part of a planned succession. Further information concerning the Board and Committee changes, and succession planning more generally, can be found in our Nomination Committee report on pages 106 to 109.

In line with recognised best practice, Bunzl undertakes Board reviews on an annual basis to further increase Board effectiveness and to identify areas for improvement. Bunzl engaged Lintstock Ltd in 2023 to conduct an external review of the performance of the Board and its Committees. Additional evaluations of my performance as Chairman, as well as the performance of each individual director, were also undertaken. A wide variety of performance areas were assessed, with key strengths and potential priorities for 2024 identified to drive future discussions. The results of the evaluation were positive and identified that the Board demonstrates an appropriate mix of cohesion and challenge, has a transparent relationship with management, strong clarity of Bunzl's operating model and of the Board's role in driving the Group's strategic outcomes. For additional information on the Board evaluation process and outcomes, see page 103.

Sustainability was highlighted as one of the 2023 priority areas for the Board. Direct oversight of sustainability-related risks and opportunities is key to the continued strengthening of Bunzl's sustainability strategy. In 2022, the Board established a new Board Sustainability Committee ('BSC'), reflecting the importance Bunzl places on the consideration of Environmental, Social and Governance ('ESG') matters. The BSC comprises all of the non-executive directors and invitations to attend the meetings are regularly extended to the Chief Executive Officer ('CEO'), Chief Financial Officer ('CFO'), Director of Group HR and Head of Sustainability. More information about the work undertaken by the BSC during the year, as well as its priorities for 2024, can be found in the BSC report on pages 110 to 111.

## CHAIRMAN'S INTRODUCTION continued

Acquisition growth is a key pillar of Bunzl's compounding growth strategy and remained an area of focus for the Board in 2023. During the year, the Board maintained close oversight of the acquisition pipeline and received regular presentations from senior managers, covering financial, operational and ESG factors, including cultural fit. The Board is mindful of the need to consider the interests of the Company's stakeholders when making decisions, and a case study demonstrating how the Board has had regard to stakeholder interests during the acquisition process can be found on page 67.

The Board welcomes developments in corporate governance practice, which aim to enhance trust and transparency in our disclosures. We are aware that revisions to the Code were published by the Financial Reporting Council ('FRC') in January 2024 and the Board will be giving further consideration to these during the year. We will report formally against the new Code in the Company's future Annual Reports, as the requirements come into effect in 2025 and 2026.

I am pleased to report that, for the year ended 31 December 2023, the Company has complied in full with the provisions of the 2018 version of the Code that is currently in force.

As a Board, we are committed to ensuring that Bunzl's robust governance structure enables sustainable and resilient growth, for the benefit of all of our stakeholders. We hope that you find the following report to be a useful overview of Bunzl's approach to governance and look forward to welcoming you at the Company's forthcoming AGM.

**Peter Ventress**  
Chairman

26 February 2024

## On the Board's mind in 2023

### Focusing on management succession planning and enhancing the Group's organisational structure, talent management, and diversity and inclusion processes

The Board is committed to ensuring that it is balanced, diverse and representative of the markets in which it operates. During the year, Jacky Simmonds was appointed to the Board and brings with her valuable knowledge and experience, particularly in people-related matters.

Succession planning for executives remained high on the agenda and formal Board sessions were held to focus on the topic of talent and leadership succession. These sessions involved the review of succession plans for the senior leadership team, leadership talent within the business areas and young talent initiatives, in the context of fostering diversity. Examples of the diversity and inclusion initiatives that are in place include reverse mentoring, annual leadership conferences and the Bunzl Women in Leadership engagement programmes, which are now present in all business areas.

More information on succession planning, talent management and diversity and inclusion can be found in the Nomination committee report.

More on page 109

### Continuing Bunzl's focus on sustainability and building this into customer relationships

The Board continued to develop the Company's sustainability strategy and oversee its implementation throughout the year. The establishment of the Board Sustainability Committee in 2022 has allowed for more detailed consideration of sustainability-related risks and opportunities, with one of the focal

points of Bunzl's 2023 sustainability objectives being products and packaging. Approaching this objective with a focus on responsible sourcing has enabled the Group to develop deep and meaningful customer relationships whereby customers are supported with tailored solutions and innovative products better suited to a circular economy.

Further information on Bunzl's tailored solutions can be found in the Sustainability report.

More on page 56

### Supporting management in acquisition and organic growth strategies

In line with the Company's acquisition growth strategy, the Board approved the acquisition of 19 businesses in 2023. The Board drives and monitors the success of acquisitions through:

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

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

More on page 29

### Continued Board oversight of strategic priorities and the execution of Bunzl's strategic plans

During the year, the Board continued to focus on Bunzl's strategic pillars of profitable organic growth, operating model improvements and acquisition growth. The Board received frequent updates on business area performance, acquisition reviews and supplier performance, which enhanced its ability to oversee Bunzl's strategic priorities and have meaningful discussions with regard to future plans.

Further information regarding Bunzl's strategic priorities can be found in the Strategic report.

More on page 26

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

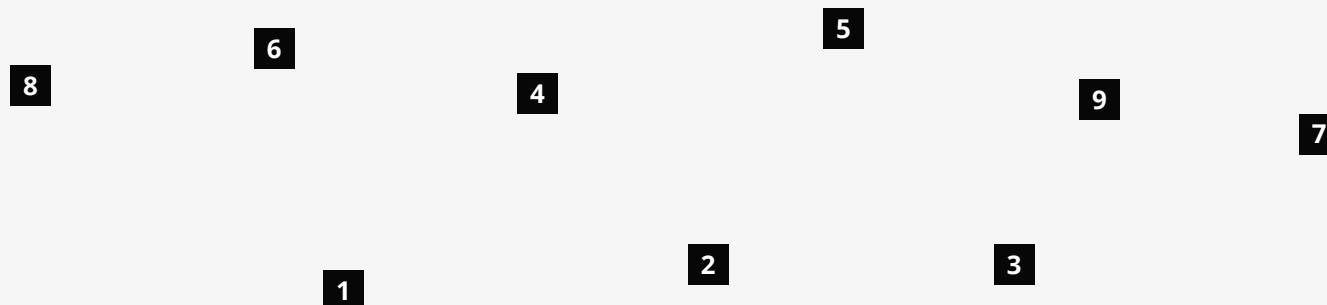
Growth	See page 22
ESG success	See page 213
Technology	See page 26
Financial performance	See page 150
People and talent	See page 34

## BOARD OF DIRECTORS

# The right balance of skills and experience

Our experienced Board is committed to leading by example to demonstrate Bunzl's strong corporate values and culture, and to promoting the long term sustainable success of the Company for the benefit of all of its stakeholders.

For Committee membership key, see next page.



## 1. Peter Ventress Chairman

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

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

**Skills and contribution to the Board:** Peter has a strong track record as both an executive and non-executive director of numerous international distribution businesses, bringing valuable knowledge and experience to the Board. His leadership ability, gained through previous experience as the Chairman of other similarly complex businesses, cultivates a culture of constructive debate and challenge on the Board.

**Committees:** ○ ○

## 2. Frank van Zanten Chief Executive Officer

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

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

**Skills and contribution to the Board:** Frank has extensive knowledge and experience of our business, acquired over years of dedicated commitment to the Company. He has an outstanding track record of implementing the Company's purpose-led strategy, fostering growth by developing and expanding the Group, both organically and through acquisitions.

**Committees:** None

## BOARD OF DIRECTORS continued

**3. Richard Howes**  
Chief Financial Officer

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

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

**Skills and contribution to the Board:** Richard brings a wealth of experience to the Board, gained across several sectors, having led finance functions at a number of international public companies and having worked for multi-site businesses with substantial global footprints. He brings broad financial expertise and commercial skills which are invaluable to his role on the Board and in leading Bunzl's Finance, Tax, and Treasury functions.

**Committees:** None

**4. Vanda Murray OBE**  
Senior Independent Director

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

**Experience:** Formerly Chief Executive Officer of Blick plc from 2001 to 2004, she subsequently became UK Managing Director of Ultraframe plc from 2004 to 2006 and was appointed OBE in 2002 for Services to Industry and Export. She is currently Chair of Marshalls plc and a non-executive director of Howden Joinery Group plc.

**Skills and contribution to the Board:** Vanda brings over 25 years of senior management experience to the Board, across a range of industrial, manufacturing and support services sectors in Europe, the US and Asia. Her experience as a Chief Executive Officer and Chair makes her well suited to the role of Senior Independent Director and Chair of the Remuneration Committee.

**Committees:** ● ○ ● ● ●

**5. Lloyd Pitchford**  
Non-executive director

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

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

**Skills and contribution to the Board:** Lloyd has extensive financial experience gained from his roles in listed companies, including his current role as Chief Financial Officer of Experian plc. His significant financial expertise has contributed greatly to the Board's and the Committees' discussions and makes him well suited for the Audit Committee Chair role.

**Committees:** ○ ● ● ● ●

**6. Stephan Nanninga**  
Non-executive director

**Appointment:** Non-executive director since May 2017.

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

**Skills and contribution to the Board:** The Board benefits from Stephan's extensive international experience, which he has gained across a range of businesses operating in the distribution and service sectors. He has solid executive experience which informs his contributions to the Remuneration, Audit and Nomination Committees.

**Committees:** ● ● ● ● ●

**7. Vin Murria OBE**  
Non-executive director

**Appointment:** Non-executive director since June 2020.

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

**Skills and contribution to the Board:** Vin has over 25 years of experience working in the digital and technology sectors, which is valuable given the Company is continually expanding and developing its digital and technological capabilities. Vin's background of developing highly successful growth strategies is especially pertinent to the Board.

**Committees:** ● ● ● ● ●

**8. Pam Kirby**  
Non-executive director

**Appointment:** Non-executive director since August 2022.

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

**Skills and contribution to the Board:** Pam has significant knowledge and expertise in global businesses, having worked in several international roles for over 30 years. Through her executive and non-executive roles, she brings a wealth of international distribution, strategic and UK listed company experience to the Board.

**Committees:** ● ● ● ● ●

**9. Jacky Simmonds**  
Non-executive director

**Appointment:** Non-executive director since March 2023.

**Experience:** She was formerly Chief People Officer at VEON Ltd (a Nasdaq listed digital services company), prior to which she held a number of senior positions, including Group Director of People at easyJet plc and Chief Human Resources Officer of TUI Group, where she sat on the Supervisory Board of TUI Deutschland, GmbH. She was also a non-executive director of Ferguson plc from 2014 until 2022 and is presently Chief People Officer of Experian plc.

**Skills and contribution to the Board:** The Board benefits from Jacky's extensive knowledge and experience in human capital management, including employee engagement, transformational change, board and leadership succession planning, employee relations and talent management. Her international and listed company experience, coupled with her extensive HR acumen, enhances the capabilities of the Board and its Committees.

**Committees:** ● ● ● ● ●

**Committee membership**

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

## CORPORATE GOVERNANCE REPORT

# Governance overview

## Board

### Meetings

The table below sets out directors' attendance at the scheduled Board and Committee meetings held during 2023. Additional meetings of the Board were also held as and when circumstances required it to meet at short notice.

	Board (7)	Audit (4)	Nomination (4)	Remuneration (3)	Board Sustainability (3)
<b>Chairman</b>					
Peter Ventress	7		4		3
<b>Executive directors</b>					
Frank van Zanten	7				
Richard Howes	7				
<b>Independent non-executive directors</b>					
Vanda Murray OBE	7	4	4	3	3
Lloyd Pitchford	7	4	4	3	3
Stephan Nanninga	7	4	4	3	3
Vin Murria OBE	7	4	4	3	3
Pam Kirby	7	4	4	3	3
Jacky Simmonds*	5	3	2	2	3

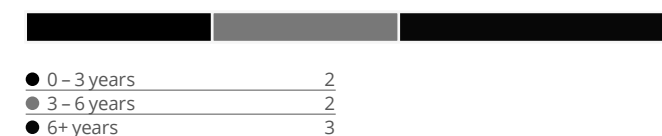
\* Jacky Simmonds was appointed as a director on 1 March 2023 and attended all Board and Committee meetings held between that date and the end of the year.

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

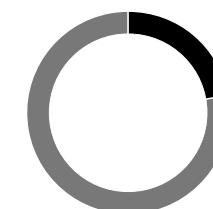
Legal: The Board has access to the services of the General Counsel and Company Secretary, who is a qualified solicitor.

## Our Board by numbers

**Tenure (non-executive directors, incl. Chairman)**  
(year ended 31 December 2023)

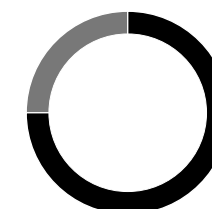


**Executive and non-executive directors**  
(year ended 31 December 2023)



● Executive 2  
● Non-executive (incl. Chairman) 7

**Independent directors (excl. Chairman)**  
(year ended 31 December 2023)



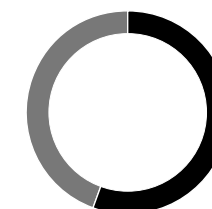
● Independent 6  
● Other 2

**Ethnic diversity**  
(year ended 31 December 2023)



● Director from minority ethnic group 1  
● Other 8

**Board gender**  
(year ended 31 December 2023)



● Male 5  
● Female 4

More on page 109

**CORPORATE GOVERNANCE REPORT** continued**Matters reserved for the Board**

The topics outlined below include some of the matters which are required to be brought to the Board for consideration:

**Shareholders**

- Matters requiring shareholder approval
- Circulars and significant shareholder communications

**Capital allocation and structure**

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

**Policies and statements**

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

**People and leadership**

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

**Strategy and management**

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

**Financial reporting, risk and controls**

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

**The Board**



**CORPORATE GOVERNANCE REPORT** continued

Q1

Q2


Q3

Q4

## CORPORATE GOVERNANCE REPORT continued

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

For the year ended 31 December 2023, the Company has complied in full with the requirements of the Code.

Pursuant to DTR 7.2.6, information required to be disclosed on the Company's securities structure can be found on page 180. Information on our Board and Committee Diversity Policy, required to be disclosed pursuant to DTR 7.2.8A, can be found on pages 109 to 110. The full Board and Committee Diversity Policy can be found on the Company's website, [www.bunzl.com](http://www.bunzl.com) .

Board leadership and company purpose	Relevant section of the Annual Report	Page(s)
Effective Board	Biographies of the Board of directors	90
Purpose, values and strategy	Our purpose, values and strategy	26 to 31
Culture	How the Board monitors culture	100
Prudent and effective controls	Risk management and internal controls	116 to 117
Engagement with shareholders	Section 172 statement	64 to 67
S.172 statement and engagement with other stakeholders	Section 172 statement	64 to 67
Engagement with employees	Employee engagement statement	101
Workforce policies and practices	Other statutory information	148
Division of responsibilities	Relevant section of the Annual Report	Page(s)
Division of responsibilities	Board roles and responsibilities	98
Board independence	Nomination Committee report	107 to 109
Board attendance and time commitments	Board attendance table	92
Composition, succession and evaluation	Relevant section of the Annual Report	Page(s)
Appointment procedure	Nomination Committee report	108
Succession plans	Nomination Committee report	108
Composition of the Board and its Committees	Biographies of the Board of directors	90 to 91
Tenure of directors	Board tenure chart	92
Evaluation	Board evaluation and priorities identified	103
Audit, risk and internal controls	Relevant section of the Annual Report	Page(s)
Audit Committee role	Audit Committee report	114
External audit	Audit Committee report	119 to 121
Fair, balanced, understandable report	Fair, balanced and understandable statement	195
Internal controls framework	Audit Committee report	117
Principal and emerging risks	Principal risks and uncertainties	68 to 76
Remuneration	Relevant section of the Annual Report	Page(s)
Remuneration policy and practices	Remuneration Committee report	122 to 146
Development of executive remuneration policy	Remuneration Committee report	122 to 146
Independent judgement and discretion	Remuneration Committee report	122 to 146

**CORPORATE GOVERNANCE REPORT** continued

Nomination  
Committee

Audit  
Committee

Remuneration  
Committee

**Board Sustainability  
Committee**

**CORPORATE GOVERNANCE REPORT** continued**Board composition**

As at 31 December 2023, the Board was made up of nine members comprising a Chairman, a CEO, a CFO and six non-executive directors, including a Senior Independent Director.

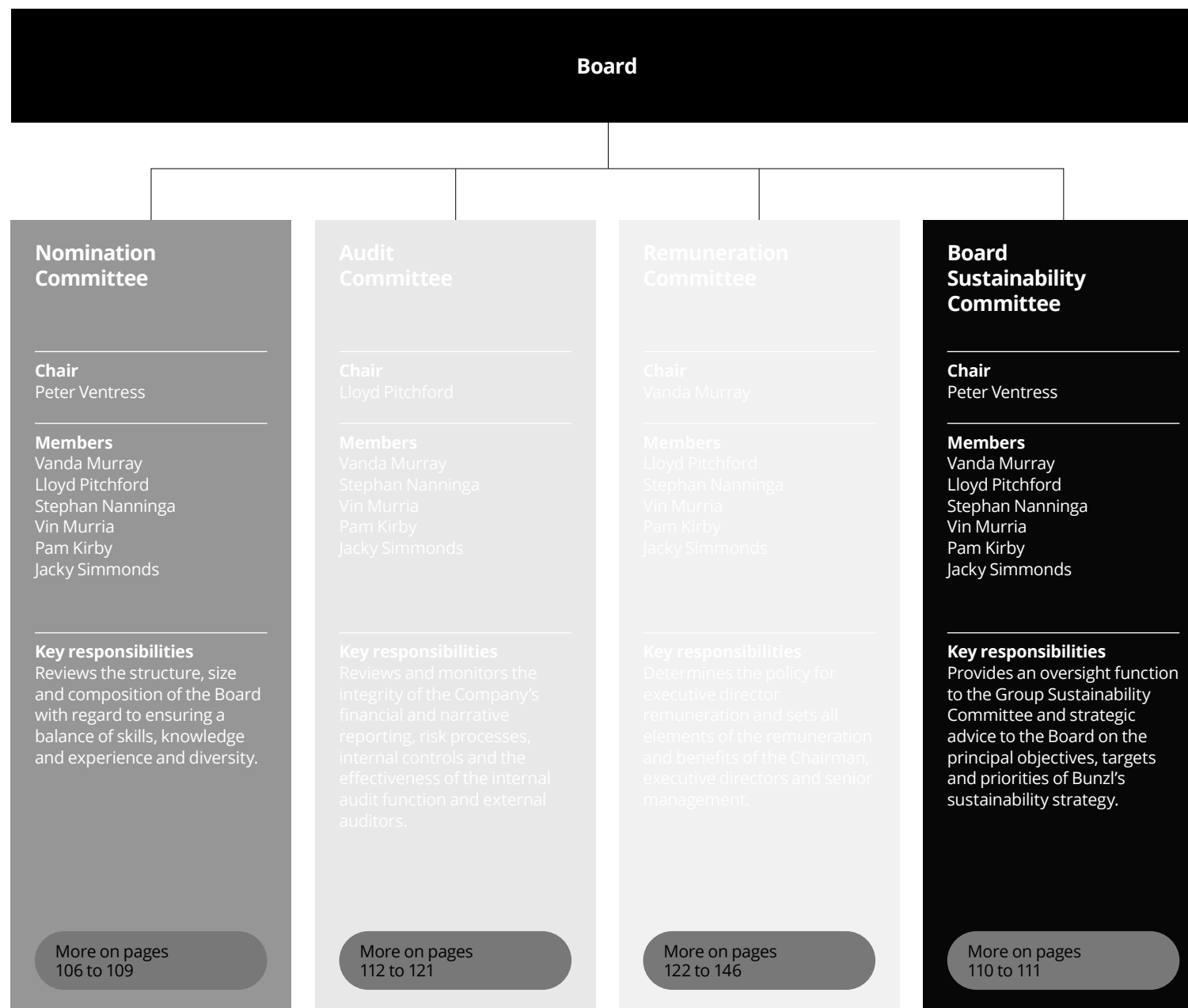
Brief biographical details of the directors in office at the date of this report are given on pages 90 to 91 and further information on the Nomination Committee's approach to succession planning can be found in its report on page 108.

None of the Company's non-executive directors had any previous connection with the Company or its executive directors on appointment to the Board, with the exception of Jacky Simmonds, who is presently Chief People Officer at Experian plc. Lloyd Pitchford, another non-executive director at Bunzl, is the CFO of Experian plc. Notwithstanding this connection, all of Bunzl's non-executive directors, including Jacky, are considered by both the Board and the criteria set out in the Code to be independent. Further details concerning the determination of director independence can be found in the Nomination Committee report on pages 107 to 108.

Each of the non-executive directors is considered to have a breadth of strategic, management and financial experience gained in each of their own fields in a range of multinational businesses, further details of which can be found in the director skills matrix on page 92.

The Board is satisfied that each non-executive director dedicates appropriate time to their role, continues to contribute effectively to Board decision making and executes their responsibilities to challenge, monitor, advise and guide the Company to a high standard for the benefit of Bunzl's stakeholders as a whole. Further details relating to the time commitments of the directors can be found on page 99.

In accordance with the terms of the Code and Bunzl's Articles of Association, with the exception of Vanda Murray, each of the directors in office at the date of this Annual Report will be subject to re-election at the 2024 AGM and the reasons for each director's re-election will be set out in the forthcoming Notice of Meeting.



**CORPORATE GOVERNANCE REPORT** continued**Board roles and responsibilities**

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

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

**Board activity**

The Board meets formally at least seven times a year, with two Board meetings held at or near Group locations around the world. During 2023, the Board held meetings in Spain and in Canada, which gave the directors the opportunity to meet with local employees and assess the culture of the Company.

At each Board meeting, Bunzl's operational and financial performance is discussed and presentations are made by the CEO and the CFO. The Business Area Heads attend certain meetings by invitation to present on key topics within their remit. The importance of bringing management into meetings to present on their respective area of expertise, share knowledge and provide updates on the performance of the business is well recognised by the Board. The Director of Corporate Development frequently presents to the Board on potential acquisitions and the Board receives regular updates from management on risk, health & safety, digital strategy, information security, environment, sustainability, governance and people matters.

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

Each Board meeting is structured to accommodate sufficient challenge and contribution by all participants. The Board is supplied with full and timely information to enable informed decision making. All directors have access to the advice and services of the Company Secretary who ensures that Board procedures are complied with, and the Board is fully briefed on relevant legislative, regulatory and corporate governance developments. Directors may also take independent professional advice at the Company's expense where they judge this to be necessary in the furtherance of their duties to discharge their responsibilities as directors.

## CORPORATE GOVERNANCE REPORT continued

**Conflicts of interest**

The directors are required to avoid situations in which they have, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. In accordance with the Companies Act 2006, the Company's Articles of Association allow the Board to authorise potential conflicts of interest that may arise and to impose such limits or conditions as it thinks fit.

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

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

**External appointments and time commitment of directors**

The Board takes the time commitment of directors seriously and the time expected of directors is set out in their letters of appointment. Each director must notify the Chairman prior to accepting a new appointment, and the Chairman must notify the Board. During the year, the Board considered the external appointment of Vanda Murray as a non-executive director of Howden Joinery Group plc with effect from 1 February 2024. Additional information on how the Board assessed this external appointment is available on pages 107 to 108 of the Nomination Committee report.

The Board recognises the benefits in terms of director knowledge and experience that external appointments can bring to Board deliberations. In 2023, when considering Vanda's new appointment, the Board considered whether it would impact the time required for her to prepare

for and attend meetings of the Company, engage with stakeholders, undertake any training or personal development and execute her duties to the Company effectively. In addition, the Board considered her current portfolio, whether there were any conflicts or potential conflicts, the time commitment required with the new appointment and whether the appointment would cause the number of directorships she held to exceed those set out in the Code or institutional investor and proxy adviser guidance.

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

**Induction**

The Company Secretary assists the Chairman in designing and delivering a tailored induction programme for each new member of the Board. This takes into account each director's individual needs, aims to outline their roles, responsibilities and duties as a director of the Company and facilitate their understanding of the Group's business, people, processes, purpose, values and culture.

A typical induction programme normally includes:

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

**INDUCTION:  
Jacky Simmonds**

Meeting with members of senior management and employees in Bunzl's business areas has provided me with an understanding of the culture within the Company and an awareness of the views and priorities of employees throughout the Group. This knowledge allows me to consider the employee perspective in Board deliberations and is something that I look forward to developing further in 2024 and beyond."

**June 2023 Canada tour**

- Presentation on Bunzl's operations in Canada
- Site visit to Bunzl Canada
- Meeting with young talent group
- Bunzl Canada facility tour

**October 2023 Barcelona tour**

- Update on business performance in Continental Europe
- Presentation on growth in Southern Europe, the Middle East, and Central and Eastern Europe
- Site visit to Bunzl Distribution Spain
- Presentation on Spanish businesses
- Presentation on Bunzl's online business in Continental Europe

**Training and development**

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

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

**2023 training and development activities**

- External adviser training on anti-bribery and corruption, including:
  - an overview of the offences under the UK Bribery Act 2010, the adequate procedures defence, the key risk areas for the Company; and
  - an update on the Economic Crime and Transparency Act 2023 and the forthcoming reforms.
- Internal sustainability updates, including on:
  - sustainability objectives for 2023 and net zero transition plan and targets;
  - KPIs and focus areas for business areas;
  - supplier engagement programme; and
  - UK sustainability reporting standards and preparations for the proposed EU mandatory sustainability reporting, including our proposed double materiality assessment.

**CORPORATE GOVERNANCE REPORT** continued**Purpose, values and how we monitor culture**

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

Our championed values are at the centre of our corporate culture and underly the way we conduct our business. Bunzl's strong culture is a key source of competitive advantage and helps the Group to attract and retain the best talent.

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

Bunzl's network, digital capabilities, and sustainable products, enable us to become a reliable partner to our customers, driving long term customer relationships.

Read about our successful retender outcome with ISS on page 27.

**Humility in action**

Bunzl's corporate charity programme supports environmental projects related to recycling, litter prevention, clean-up and waste management infrastructure.

Read about our charitable initiatives on page 220.

**Transparency in action**

Bunzl's honest culture engenders confidence in the Company and Bunzl aims to be as transparent as possible in its reporting.

Read about our assurance framework on page 105.

**Responsiveness in action**

Bunzl's own and exclusive brand offering, expertise, and close customer relationships allow the Company to respond to specific customer needs.

Read about an example of our own and exclusive brand offering on pages 20 to 21.

**Our values guide our culture and impact Company decision making:****Nomination Committee**

Actively manages the composition of the Board and the pipeline of diverse talent, embracing a representative Board and inclusive culture for all employees to thrive. See pages 106 to 109.

**Audit Committee**

Ensures the integrity and transparency of the Group's financial and narrative reporting and promotes the transparent risk-focused culture within which the Company operates. See pages 112 to 121.

**Board Sustainability Committee**

Provides recommendations to the Board on the Group's sustainability strategy, endorsing a culture of continuous improvement. See pages 110 to 111.

**Remuneration Committee**

Monitors executive remuneration, the gender pay gap and CEO pay ratio, to ensure that remuneration aligns with Bunzl's values and culture, and encourages the Company's desired behaviours. See pages 122 to 146.

**Human Resources team**

Implements programmes to promote our values and monitors employee sentiment via surveys. Introduces compulsory training to upskill employees and reviews policies to protect Bunzl's culture. See pages 34 to 39.

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

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

**...embedded through:**

- Annual conferences and learning sessions
- Quarterly distribution of the Group Employee Magazine, which celebrates success stories, shares case studies and highlights mentoring initiatives
- Objective setting and development plans
- Group policies to guide employee behaviour
- Employee equity participation
- An acquisition strategy that retains former business owners, fostering an entrepreneurial mindset

**...measured through our culture metrics:**

- Employee voluntary turnover rate: 15.3%
- Great Place to Work Overall Perception score: 70%
- Non-executive director engagement meetings held: 5
- Number of material breaches of Code of Conduct: 4
- Accident/incident severity rate: 4% improvement versus 2022

**...monitored through:**

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

## CORPORATE GOVERNANCE REPORT continued

**Employee engagement statement**

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

Some of the mechanisms used to engage with employees during the year are described in the following section. Employees are also encouraged to get involved with the Company's performance through a variety of different means, including the operation of all employee share plans, bonus and commission schemes and other incentive arrangements. Our employee engagement mechanisms are discussed at Board meetings and kept under review to ensure that they remain appropriate and effective.

**Site visits**

In 2023, visits to operational sites gave the Board a chance to hear views from employees at all levels, providing a platform for meaningful engagement while enhancing their understanding of Bunzl's operations and culture. Additional information on the Board's site visits can be found on page 99.

Bunzl's CEO, Frank van Zanten, carried out additional site visits during the year including a five day trip to Latin America, where he met employees within the teams of 17 Bunzl businesses. This has bolstered his ability as an executive director to bring the employee voice into Board deliberations.

**CEO listening session**

In 2023, the CEO, alongside the Director of Group HR, held a third annual listening session with female employees, and employees from ethnically diverse backgrounds, across the Group. Bunzl's CEO listening sessions enable direct engagement between the CEO and employees, which is used to review progress against the Company's diversity objectives, inform future Board decisions and gain further insight into the results of the employee pulse survey.

Key themes were identified from the employee feedback provided in the 2023 CEO listening session, which have been compiled and used to inform decision making around Bunzl's diversity and inclusion initiatives in 2024.

Theme	Key point(s) raised
<b>Role models</b>	<ul style="list-style-type: none"> <li>The creation of strong role models is critical, as employees can find it motivating to see people from similar backgrounds in senior positions throughout the organisation</li> <li>Success stories covering role models should be more widely publicised through internal communications channels</li> </ul>
<b>Targets</b>	<ul style="list-style-type: none"> <li>Employees were pleased to see progress towards diversity targets in 2023 and appreciated the ambitious targets set for 2024</li> <li>Targets were considered crucial in demonstrating clear measures of success, ensuring that progress is not left to chance</li> </ul>
<b>Communications</b>	<ul style="list-style-type: none"> <li>Different cultures, including faiths and nationalities, should continue to be celebrated through effective communications</li> </ul>

Bunzl's CEO listening sessions have been a valuable engagement mechanism, facilitating the provision of feedback from employees of diverse backgrounds direct to Board level. Further information on our diversity and inclusion initiatives can be found on page 36.

**Non-executive director listening sessions**

To gain insight into the 2023 employee experience, Lloyd Pitchford and Vanda Murray held several non-executive director listening sessions, speaking directly with employees from the Continental Europe, North America and Asia Pacific business areas. These sessions are held to facilitate direct engagement between the non-executive directors and Bunzl employees across all levels of the Group, on topics such as the effectiveness of communications, the quality of IT resources, and the alignment of executive remuneration with wider company pay policy. The matters raised by employees are fed back to the Board and the Board uses this feedback to inform its decisions.

Theme	Key point(s) raised
<b>Communications</b>	<ul style="list-style-type: none"> <li>Employees considered that internal communications had improved, resulting in a greater feeling of connectedness</li> <li>Increased communication around Group strategy was identified as being something that employees would welcome</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>Employees were supportive of improvements to IT resources and systems in 2023 and encouraged continued investment</li> </ul>
<b>Surveys</b>	<ul style="list-style-type: none"> <li>The Great Place to Work survey had been expanded to cover all regions in 2023 and this was positively received as an additional way for employees to have their voices heard across the Group</li> </ul>
<b>Reward</b>	<ul style="list-style-type: none"> <li>The basis of reward for frontline staff, when compared with that of management, was considered to be consistent</li> </ul>

**DIVERSITY: READ MORE ABOUT OUR DIVERSITY TARGETS ON PAGE 109**

**MONITORING EMPLOYEE SENTIMENT: SEE THE RESULTS OF THE GREAT PLACE TO WORK SURVEY ON PAGE 35**



CORPORATE GOVERNANCE REPORT continued

Engagement with customers, suppliers and other stakeholders

Understanding the views of the Company's stakeholders is a key priority for the Board and Bunzl as a whole. It helps to focus the Company's resources, engagement and reporting activities by addressing those issues that matter most to the Group's businesses and to the Company's wider stakeholders. Fostering strong business relationships is an intrinsic part of the Company's long established and successful compounding strategy and a key consideration in all decision making. More information about Bunzl's engagement with its suppliers, customers and wider stakeholder groups can be found on pages 64 to 67 and in the Sustainability report on pages 54 to 62.

Bunzl Insight series

In 2022, Bunzl began hosting Insight events, designed to enhance communication and engagement with key stakeholders by providing more detailed and comprehensive information regarding the Group's international business operations. Given the intricate and expansive nature of Bunzl's decentralised operations, providing additional detail beyond that outlined in Bunzl's Annual Report, Capital Markets Days and other engagement activities allows stakeholders to gain a better insight into the Group's culture and operational activities.

With a focus on Bunzl's Continental Europe businesses in 2022, and North America in 2023, the Insight events were hosted by local senior leadership and focused on a wide variety of topics, including value-added solutions for customers, an overview of Bunzl's expanding acquisition model and highlights of our established platform for future growth. The Group aims to enhance its engagement with stakeholders by actively fostering interaction through discussion and feedback.

The Group's Insight events have been well received by stakeholders, with additional Insight events having been requested covering specific areas of the business.

Shareholder meetings

The Board is committed to maintaining strong communications with our shareholders. Committee Chairs seek engagement with major shareholders on pertinent matters within their responsibility and, in 2023, the Chair of the Remuneration Committee sought engagement with major shareholders, regarding Bunzl's proposed 2024 director's remuneration policy, details of which can be found on pages 122 to 146.

Additionally, major shareholders are routinely invited to meet with the Chairman, Chair of the Audit Committee and Company Secretary to discuss governance at Bunzl. Some of the topics that were discussed during our 2023 shareholder meetings are outlined below. The outcomes of all of the meetings were positive, with no specific matters of concern being raised. The Board looks forward to continuing its engagement activity in the coming year.

Topics discussed in 2023 meetings	Outcome of meetings
<ul style="list-style-type: none"> <li>Outcomes of the 2023 Board evaluation and the Board's mechanism for tracking progress against those outcomes</li> <li>Succession planning, skills on the Board and priorities for the recruitment of new directors</li> <li>Talent management priorities and the Board's involvement in relation to talent management below Board level</li> <li>The strategic oversight role of the Board with regard to capital allocation and the acquisition pipeline</li> <li>Diversity of directors on the Board</li> </ul>	<p>The outcomes of all of the meetings were positive, and the Board will continue its engagement activity in the coming year.</p>

More information on how we work with our customers and suppliers can be found in the Sustainability section of our website, [www.bunzl.com](http://www.bunzl.com)



Scan the QR code to find out more about bunzl's insight events, including links to our slides and webcast recordings

## CORPORATE GOVERNANCE REPORT continued

**Board performance review**

The Board believes that maintaining a trajectory of continual improvement of its performance is pivotal to its success. A formal and rigorous Board performance review, evaluating the Board, its Committees, the Chairman and each individual director is carried out annually and externally facilitated every three years, with a comprehensive external review having taken place during 2023. The process and outcomes of the 2023 performance review, along with actions taken to address the findings of the 2022 review, are outlined below.

<b>1. Selection</b>	The review was undertaken by Lintstock, an independent advisory firm that does not provide any other services to, or have any connection with, the Company. The Board, following the recommendation of the Nomination Committee, felt that engaging Lintstock was appropriate given their in-depth understanding of the Company. Such appointment would also ensure consistency and continuity in the presentation of results from year to year, allowing progress to be tracked effectively.
<b>2. Planning</b>	The objectives, scope and areas of focus of the review were agreed between the Chairman and the Company Secretary and discussed with Lintstock. It was agreed that the performance of the Board, its Committees, the Board Chairman, Committee Chairs and each individual director would be reviewed and that it would cover core aspects of governance such as information, composition and dynamics, as well as people, strategy and risk areas relevant to the performance of Bunzl.
<b>3. Surveys and Questionnaires</b>	With the agreed scope and objectives in mind, Lintstock invited each director to complete a survey, following which Lintstock held in-depth one-to-one interviews with each of them. The Company Secretary coordinated the process and provided Lintstock with the necessary support throughout.
<b>4. Findings</b>	Reports on the results of the reviews were presented to the Chairman and Company Secretary and subsequently discussed by the Board and its Committees. Reports on individual director performance were presented to the Chairman and a report on the Chairman was provided to the Senior Independent Director, who discussed the findings with the other non-executive directors. The contributions, independence and time commitment of each director were found to be effective.
<b>5. Next steps</b>	Having considered the findings of the review, the Board agreed on key priorities to further improve performance in 2024 and the follow up actions in relation thereto. These actions, further details of which are detailed below, have been built into the Board's agenda and activities for 2024.

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

Details of progress made in respect of the key priorities identified in 2022, are set out below.

Key priorities identified during 2022	Progress made	Key priorities identified during 2023	Outcome of evaluation
<b>1. Focusing on management succession planning and enhancing the Group's organisational structure, talent management, and diversity and inclusion processes.</b> <b>2. Continuing Bunzl's focus on sustainability and building this into customer relationships.</b> <b>3. Supporting management in acquisition and organic growth strategies.</b> <b>4. Continued Board oversight of strategic priorities and the execution of Bunzl's strategic plans.</b>	<p>The Board is satisfied that the priorities identified following the evaluation carried out in 2022 have been adequately addressed during 2023.</p> <p>See page 89 for further information.</p>	<b>1. Supporting the continuing evolution of the Board's composition.</b> <b>2. Deepening the Board's understanding of key stakeholder developments, including customers.</b> <b>3. Monitoring management succession and development plans to build the long term talent pipeline.</b> <b>4. Continuing to monitor the external context, particularly in areas such as sustainability and technology.</b>	<p>As a result of the external evaluation process carried out in 2023, the Board concluded that both it and its Committees are operating effectively.</p>

## CORPORATE GOVERNANCE REPORT continued

## Risk management and internal controls overview

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

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

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

- central management holds regular meetings with business area management to discuss strategic, operational and financial issues, including a review of the principal risks affecting each of the business areas and the policies and procedures by which these risks are managed;
- the Executive Committee reviews the outcome of the discussions held at business area meetings on internal controls and risk management issues;
- the Board in turn reviews the outcome of the Executive Committee discussions on internal controls and risk management issues, which ensures a documented and auditable trail of accountability;
- each business area, the Executive Committee and the Board carry out an annual fraud risk assessment. Reporting protocols are in place to identify, analyse and respond to actual or potential fraud incidents;
- an annual self-assessment of the status of internal controls measured against a prescribed list of minimum standards is performed by every business and action plans are agreed where remedial action is required;
- actual results are reviewed monthly against budget, forecasts and the previous year and explanations are obtained for all significant variances;
- all treasury activities, including in relation to the management of foreign exchange exposures and Group borrowings, are reported and reviewed monthly. The Group's bank balances around the world are monitored on a weekly basis and significant movements are reviewed centrally;
- developments in tax, treasury and accounting are continually monitored by Group management in association with external advisers;
- regular meetings are held with insurance and risk advisers to assess the risks throughout the Group;
- systems are in place to monitor IT security incidents, analyse and remediate any identified weaknesses. Findings are used to continually improve defences across all Group companies;

- the Internal Audit function periodically performs business and risk-themed audit work, makes recommendations to improve processes and controls and follows up to ensure that management implements the recommendations made. The Internal Audit function's work is determined on a risk assessment basis and its findings are reported to Group and business area management as well as to the Audit Committee and the external auditors;
- the Audit Committee, which comprises all of the independent non-executive directors of the Company, meets regularly throughout the year. Further details of the work of the Committee, which includes a review of the effectiveness of the Company's internal financial controls and the assurance procedures relating to the Company's risk management system, are set out in the Audit Committee report on pages 112 to 121;
- management committees (known as the Group Sustainability Committee, the Environment & Climate Change Committee, the Health & Safety Committee, and the Supply Chain Committee) which oversee issues relating principally to environment, health & safety and business continuity planning matters, set relevant policies and practices and monitor their implementation; and
- health & safety risk assessments, safety audits and a regular review of progress against objectives established by each business area are periodically carried out.

**CORPORATE GOVERNANCE REPORT** continued**Risk management and internal controls**

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

In accordance with the Code and the related guidance, the Company has established the procedures necessary to ensure that there is an ongoing process for identifying, evaluating, managing and mitigating the principal risks faced by the Group and for determining the nature and extent of the principal risks it is willing to take to achieve its strategic objectives (its 'risk appetite'). The directors confirm that such procedures have been in place for the year ended 31 December 2023 and, up to the date of approval of these financial statements, that the Group's risk management and internal controls systems have been monitored during the year.

Further information about the Group's approach to risk management and the principal risks and uncertainties facing the Group can be found on pages 68 to 76.

**Financial and business reporting**

The responsibilities of the directors in respect of the preparation of the Group and parent company financial statements are set out on page 195 and the auditors' report on pages 196 to 201 includes a statement by the external auditors about their reporting responsibilities. In accordance with provision 30 of the Code and as set out on page 154, the directors are of the opinion that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

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

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

**Fair, balanced and understandable – Bunzl's assurance framework**

In accordance with provision 27 of the Code, the Board confirms that taken as a whole, the 2023 Annual Report is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy. Considerations of the Board when reviewing whether the 2023 Annual Report, taken as a whole, is fair, balanced and understandable and provides sufficient information to enable the reader to assess the Group's position and performance, business model and strategy, are shown below:

**1.****Independent review process**

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

**2.****Senior executive management team**

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

**3.****Internal audit**

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

**4.****External audit**

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

**5.****Audit Committee**

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

**Assessment of the prospects of the Company and its viability statement**

In accordance with provision 31 of the Code, details of how the directors have assessed the prospects of the Company, over what period the prospects have been assessed and the Company's formal viability statement are included in the Strategic report on page 77.

By order of the Board

**Suzanne Jefferies**  
Secretary

26 February 2024

## NOMINATION COMMITTEE REPORT

**Peter Ventress**  
Chairman and Chair of the  
Nomination Committee



**I am delighted to welcome Jacky Simmonds as a member of the Committee, following her appointment as a non-executive director.”**

**Introduction from Peter Ventress**

On behalf of the Board, I am pleased to present the Nomination Committee's report for the financial year ended 31 December 2023, which outlines the Committee's role and responsibilities, as well as our activities and areas of focus during the year.

I am delighted to welcome Jacky Simmonds as a member of the Committee, following her appointment as a non-executive director on 1 March 2023. Jacky was appointed after an extensive search and selection process, considered in the context of the existing balance of skills and diversity on the Board. She has significant knowledge and experience across all aspects of HR, with particular expertise in employee engagement, transformational change, board and leadership succession planning, employee relations, and talent management. Additional information concerning the search and selection process for Jacky is included in the report that follows, and information concerning her skills and experience is set out on page 91. An overview of Jacky's induction process can be found on page 99.

As I mentioned in my introduction to the Corporate governance report, Vanda Murray, Senior Independent Director and Chair of the Remuneration Committee, has served as a director for over nine years and will therefore, in accordance with best practice and the Code, step down from the Board at the conclusion of the AGM on 24 April 2024. A recruitment process for a new non-executive director is now underway and an announcement will be released in due course, once a suitable candidate has been identified.

The Nomination Committee dedicated time during the year to succession planning for the roles of Senior Independent Director and Remuneration Committee Chair and an overview of the matters considered by the Committee as part of its deliberations can be found later in this report.

In 2023, the Committee has focused on the key priorities identified during the 2022 Board evaluation, which included management succession planning, enhancing the Group's organisational structure, talent management, and the diversity and inclusion process. Information on the Committee's progress in respect of these priorities can be found on pages 107 to 109.

The 2023 Board evaluation was externally facilitated and concluded that the Committee continues to operate effectively and benefits from strong internal and external support. Recommended areas of focus for 2024 included executive succession and talent development, as well as ongoing monitoring of the director skills matrix in the wider context of the Group's business and strategic needs. For a comprehensive summary of the Board evaluation process and outcomes, see page 103. An overview of the Committee's priorities for 2024 can be found on the following page.

The Board's composition is fully compliant with the requirements of the Parker Review on ethnic diversity and the gender diversity targets outlined in the Hampton-Alexander Review. I am also pleased to confirm that, following the appointment of Jacky, we exceed the Financial Conduct Authority's new board diversity targets implemented under Listing Rule 9.8.6. Further information concerning our performance against these targets can be found on page 109.

The Committee will continue to champion an inclusive and diverse approach to talent management and closely monitor Board and Committee performance against best practice.

**Peter Ventress**  
Chairman and Chair of the  
Nomination Committee

26 February 2024








**NOMINATION COMMITTEE REPORT** continued**Composition**

During 2023, the Nomination Committee comprised the Chairman of the Company, who chairs the Committee (unless the Committee is dealing with the matter of succession of the Chairman of the Company) and all of the independent non-executive directors. In accordance with the provisions of the UK Corporate Governance Code, all of the members are independent non-executive directors. The Secretary to the Committee is the Company Secretary.

**Nomination Committee meetings**

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

The table below sets out directors' attendance at the four scheduled Committee meetings held during 2023.

	Meetings attended
Peter Ventress	 4/4
Vanda Murray	 4/4
Lloyd Pitchford	 4/4
Stephan Nanninga	 4/4
Vin Murria	 4/4
Pam Kirby	 4/4
Jacky Simmonds*	 2/2

\* Jacky Simmonds was appointed as a director on 1 March 2023 and attended all Committee meetings held between that date and the end of the year.

**Key areas of focus in 2024**

- Long term succession planning, with a particular focus on the skills matrix for the Board and senior executives
- Executive succession and talent development
- The balance of internal experience and external fresh perspectives on the Board
- Consideration of the Company's profile from a talent management perspective

**Role and support**

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

It is the Committee's role to ensure that the Board and its Committees maintain the appropriate balance of skills, knowledge, experience and diversity to ensure their continued effectiveness. Information concerning the training and development activities undertaken by the directors during the year can be found on page 99.

The Committee meets as necessary throughout the year to discharge its responsibilities. The Committee's terms of reference are available on the Company's website, [www.bunzl.com](http://www.bunzl.com).

**Performance evaluation**

The Committee's performance and effectiveness are reviewed annually by both the Committee and as part of the Board performance evaluation. The Chair of the Committee also meets with each Committee member independently to ensure that their individual views about the operation of the Committee are taken into account. This year, the Board evaluation was externally facilitated by Lintstock. Additional information concerning the results of the 2023 performance evaluation is set out on page 103.

**Principal responsibilities of the Committee****Board structure**

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

**Succession**

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

**Appointments**

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

**Evaluation**

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

**Activities****Evaluation and independence**

When determining whether to recommend that the directors be reappointed at the 2024 AGM, the Committee considered a number of factors, including the output of the 2023 external Board evaluation. These factors were also considered, in 2023, when recommending that the Board approve additional three-year terms for Lloyd Pitchford, Stephan Nanninga and Vin Murria. Having served on the Board for more than six years, Lloyd Pitchford and Stephan Nanninga's continued objectivity and independence were subject to particularly rigorous review.

Further details concerning the Board evaluation process that was carried out during 2023, which identified that the Committee continues to operate effectively, can be found in the Corporate governance report on page 103. Examples of the priorities identified as part of the Committee's 2023 evaluation can be found under the Key areas of focus in 2024 section on this page.

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

Jacky Simmonds is currently Chief People Officer at Experian plc and Lloyd Pitchford, another of Bunzl's non-executive directors is the Chief Financial Officer of Experian plc. The Board is mindful that the Code states that where a non-executive director holds cross-directorships or has significant links with other directors through involvement in other companies or bodies, this is likely to impair, or could appear to impair, a non-executive director's independence.

Prior to Jacky Simmonds' appointment to Bunzl, the Nomination Committee and the Board considered whether the appointment would impair the independence of either director.

NOMINATION COMMITTEE REPORT continued

The Committee and the Board were satisfied that there were no business conflicts between the two companies and both directors demonstrate independence of thought and will offer challenge, including of each other's views. Further, the Committee and the Board were satisfied that Jacky Simmonds has sufficient time to discharge her duties to the Board and Committees of Bunzl and that there were no other factors, which would impair either director's independence. Accordingly, the Board does not consider that Jacky Simmonds' and Lloyd Pitchford's positions as independent non-executive directors of the Company are adversely impacted by their roles at Experian plc and are satisfied that, notwithstanding these roles, they are to be regarded as independent.

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

Succession planning

As previously mentioned, Vanda Murray will retire from the Board and its Committees at the conclusion of the Company's upcoming AGM in April 2024. Having served on the Board for over nine years, Vanda's departure had been factored into the Committee's director succession plans.

Pam Kirby and Jacky Simmonds will be appointed to succeed Vanda in the Senior Independent Director and Remuneration Committee Chair roles, respectively. Pam is a seasoned director with extensive executive and non-executive experience in large, listed companies, and was a clear candidate for the Senior Independent Director role. Jacky has a strong background across all aspects of HR, including remuneration,

and has previously served as Chair of the Remuneration Committee of Ferguson plc. She has also served as a member of Bunzl's Remuneration Committee since her appointment. She was therefore considered to be ideally suited to the role of Remuneration Committee Chair at Bunzl. The need to refresh the Board but at the same time maintain a knowledgeable and experienced team of non-executive directors is something that the Committee continued to address in succession planning discussions during 2023.

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

Enhancing the Committee's oversight of executive succession planning continued to be a key priority for the Committee in 2023 and one which will continue to be an area of focus in 2024. The Committee also plans to deepen its discussions concerning the Board skills matrix, and executive succession requirements in the context of longer term strategic business requirements.

Recruitment

Appointments to the Board are subject to rigorous and transparent procedures, and the Committee plays a key role in these. The Committee oversees and makes recommendations to the Board in respect of the identification, assessment and selection of candidates for appointment.

The Committee seeks to follow best practice in all the appointments it recommends, agreeing the criteria for each role and the most appropriate interview panel, before considering a comprehensive and diverse list of candidates. Shortlisted candidates are interviewed and

assessed against the chosen criteria and due diligence is then undertaken before the Committee makes its final recommendation. Executive search firms are appointed based on their expertise relative to each role, with Russell Reynolds Associates being engaged in 2023. Russell Reynolds Associates do not provide any other services to, or have any connection with, the Company or its individual directors. Russell Reynolds Associates are a signatory to the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice. An overview of the search and selection process undertaken in respect of the appointment of Jacky Simmonds can be found below.

Recruitment of Jacky Simmonds

Role specification	The Committee developed a role specification and list of preferred skills, experience and characteristics for the new non-executive director.
Election of external search firm	Following a final review of the role specification, Russell Reynolds Associates was engaged as the external search firm.
Collation of candidate list	Following consultation with the Chairman and the CEO, Russell Reynolds Associates prepared a longlist of potential candidates, which was subsequently reviewed by the Committee and a shortlist agreed.
Candidate interviews	Preliminary interviews with each of the shortlisted candidates were held by the Committee, following which the Committee agreed on the candidates that best met the role specification.
Final stage interviews	The preferred candidates attended additional meetings with the executive directors and members of the Executive Committee.
Candidate references	The Committee sought references for the preferred candidates and held virtual meetings with the associated referees.
Committee recommendation	The Committee held a debrief following the conclusion of all of the interviews and referee meetings and made a recommendation to the Board that Jacky Simmonds be appointed to the Board and its Committees with effect from 1 March 2023.
Board decision and announcement	The Board accepted the recommendation of the Committee and approved Jacky Simmonds' appointment, following which an announcement was made via the London Stock Exchange.

**NOMINATION COMMITTEE REPORT** continued**Talent**

The Committee takes an active interest in the quality and development of the talent and capabilities within Bunzl, ensuring that appropriate opportunities are in place to develop high-performing individuals. As part of its remit, during 2023, the Committee continued to monitor the development of Bunzl's Executive Committee, which sits below the Board, to ensure that there is a diverse supply of senior executives and potential future Board members with appropriate skills and experience.

During the year, the Company completed annual talent and succession planning reviews with the Business Area Heads and HR Directors, a summary of which was discussed by the Committee. Additionally, the CEO presented his annual management succession plan to the Committee for its consideration. This included information on people review processes, functional talent development, specific emerging talent pipelines, diversity, equity and inclusion, and learning and development initiatives. This process ensures that high performing individuals within senior management can be developed and nurtured in order to strengthen the succession pipeline further, while at the same time increasing diversity in senior roles across the Group. The Committee also maintained regular interaction with senior management across the Group and within each business area. Such interaction enables the Committee to familiarise itself with the teams, thereby facilitating the identification of high performing talent and informing succession planning.

**Inclusion and diversity**

Boards with an appropriate mix of experience, backgrounds and perspectives are widely acknowledged to foster robust dialogue of differing views and be less susceptible to groupthink. The Committee strives to embed inclusion in everything that it does, and succession planning and the appointment process are key in promoting diversity in a way that is consistent with Bunzl's long term strategy.

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

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

The Board and the Committee's approach to inclusion and diversity in respect of the Board and senior management is set out in the Board and Committee Diversity Policy, which is reviewed regularly and can be found on the Company's website at [www.bunzl.com](http://www.bunzl.com). The Board Sustainability Committee refreshed the Board and Committee Diversity Policy in 2023, increasing the explicitly mentioned diversity characteristics and adding tangible targets that the Board will seek to continue to meet in future. Additional information concerning diversity and inclusion in Bunzl can be found in the Sustainability report on pages 44 to 62 and in the Our People section on page 36.

**Performance against targets under LR 9.8.6**

The Company is pleased to announce that it already meets the following diversity targets, at the reference date of 31 December 2023:

- I. at least 40% of the individuals on the Board of directors are women;
- II. at least one of the following senior positions on the Board of directors is held by a woman:
  - A. the Chair;
  - B. the Chief Executive;
  - C. the Senior Independent Director; or
  - D. the Chief Financial Officer; and
- III. at least one individual on the Board of directors is from a minority ethnic background.

There have been no changes to Board directorships that have affected attainment of the above targets between 31 December 2023 and 26 February 2024.

As at the reference date of 31 December 2023, the composition of the Board and Executive Management was as follows:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management <sup>1</sup>	Percentage of Executive Management <sup>1</sup>
<b>Gender (sex)</b>					
Men	5	56%	3	3	60%
Women	4	44%	1	2	40%
Not specified/prefer not to say					
<b>Ethnic background</b>					
White British or other White (including minority-white groups)	8	89%	4	5	100%
Mixed/Multiple Ethnic Groups					
Asian/Asian British	1	11%			
Black/African/Caribbean/Black British					
Other ethnic group, including Arab					
Not specified/prefer not to say					

1. Under the definition provided by the Listing Rules, for the purposes of this disclosure, the definition of Bunzl's Executive Management comprises members of the Company's Executive Committee, including the Company Secretary.



## BOARD SUSTAINABILITY COMMITTEE REPORT

**Peter Ventress**Chairman and Chair of the Board  
Sustainability Committee

**Our commitment to sustainability is a source of competitive advantage, encouraging innovation and long term decision making, aligned with our purpose-led strategy."**

**Introduction from Peter Ventress**

I am pleased to present the first report of the Board Sustainability Committee (the 'BSC') for the financial year ended 31 December 2023. This report provides an overview of the Committee's responsibilities and activities throughout the year, and demonstrates how our work contributes to sustainable value creation for the Company and its stakeholders.

Bunzl is on a journey with respect to sustainability, an area of critical strategic importance in which the Company aims to be an industry leader. Established in 2022, the Committee acts as an oversight function for the Group Sustainability Committee and provides strategic advice to the Board on the objectives, targets and priorities of the Group's sustainability strategy. While principal responsibility for determining the sustainability strategy and its implementation remain decisions for the Board, the Committee supplements its work in this area to allow for more detailed consideration of sustainability-related risks and opportunities. This reflects the centrality of sustainability to Bunzl's strategy and the Company's recognition of the increasing importance of sustainability matters globally.

This year, the Committee met three times and discussed a range of matters, details of which are set out later in this report. Our meetings are regularly attended by Bunzl's Head of Sustainability and Director of Group HR who, throughout the year have provided valuable insights into ESG-related matters, including deep dives on the Company's net zero transition plan, responsible sourcing at Bunzl, and the Company's double materiality assessment in 2023 and beyond. These sessions have bolstered the Committee's understanding of key sustainability issues at play within the Company, enabling the Committee to leverage its experience and expertise to have meaningful discussions and provide informed recommendations to the Board.

Bunzl's commitment to sustainability is a source of competitive advantage, encouraging innovation and long term decision making, aligned with our purpose-led strategy. During the year, the Committee helped the Company to deliver on this commitment by reviewing workstreams such as the proposed approach for Bunzl's supplier engagement programme, considering an update on the Science Based Target initiative's ('SBTi's') Net Zero Standard (which has formed the basis of the Company's net zero transition plan) and assessing performance against the Group's carbon reduction and other sustainability targets. The Committee recognises that accountability and transparency are key to building trust in the Company's sustainability efforts and endeavours to report effectively against sustainability-related targets. These disclosures and further information regarding Bunzl's approach to sustainability can be found in the Sustainability report on pages 44 to 62.

During the year, the Committee also reviewed and updated the Board and Committee Diversity Policy to widen the diversity characteristics explicitly outlined for consideration and to incorporate the Company's diversity targets, in relation to both Board and Committee appointments. A link to the Board and Committee Diversity Policy can be found on the Company's website, [www.bunzl.com](http://www.bunzl.com).

The 2023 Board evaluation concluded that the Committee has come together well since its formation and I look forward to sustainability becoming even further embedded in our governance framework going forward.

**Peter Ventress**

Chairman and Chair of the BSC

26 February 2024








**BOARD SUSTAINABILITY COMMITTEE REPORT** continued**Composition**

During 2023, the BSC comprised the Chairman of the Company, who chairs the Committee, and all of the independent non-executive directors. The Secretary to the Committee is the Company Secretary. The CEO, CFO, Director of Group HR and Head of Sustainability are also usually invited to attend Committee meetings and other senior executives are invited to attend meetings as required.

**BSC meetings**

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

The table below sets out directors' attendance at the three scheduled Committee meetings held during 2023.

	Meetings attended
Peter Ventress	 3/3
Vanda Murray	 3/3
Lloyd Pitchford	 3/3
Stephan Nanninga	 3/3
Vin Murria	 3/3
Pam Kirby	 3/3
Jacky Simmonds*	 3/3

\* Jacky Simmonds was appointed as a director on 1 March 2023 and attended all Committee meetings held between that date and the end of the year.

**Principal responsibilities of the Committee**

- Assist the Board in overseeing policies and programmes to ensure that the Company meets objectives, targets and priorities set out in the sustainability strategy
- Ensure that the Board is kept updated on key sustainability matters
- Provide recommendations to the Board on changes to Bunzl's governance framework and the sustainability strategy
- Make recommendations to the Board to mitigate any sustainability related risks identified by management

- Review the work of other Board level Committees to ensure that adequate consideration is afforded to sustainability objectives
- Provide recommendations to the Board on approval of any corporate communications with material sustainability content
- Assist the Board in its oversight of Bunzl's conduct with regard to its obligations as a corporate citizen

**Activities of the Committee during 2023**

- Received an update on Bunzl's 2023 double materiality assessment and discussed next steps
- Reviewed reports on Bunzl's Supplier Engagement Programme
- Received updates on Bunzl's net zero transition plan and the SBTi Net Zero Standard
- Reviewed the Company's sustainability objectives for 2023, with a focus on products and packaging, climate change and diversity and inclusion
- Discussed changes to the Group Diversity, Equity and Inclusion policy and recommended the reviewed policy to the Board for approval
- Participated in a deep dive into responsible sourcing at Bunzl, with a focus on standards and governance, risks, auditing and recent workstreams
- Recommended the 2023 Modern Slavery Statement to the Board for approval
- Submitted the Board and Committee Diversity Policy to the Board for approval

**Q&A:****with James Pitcher, Group Head of Sustainability**

**Q. How has the formation of the BSC influenced Bunzl's governance of sustainability related issues?**

Sustainability has always been a regular agenda item at Bunzl's Board meetings, but the creation of the BSC has allowed for more time to be dedicated to discussion of sustainability-related matters and more frequent updates to be provided to the Board on the progress of our key initiatives. This allows Board members to consider sustainability-related issues in more detail and ask more questions on particular topics, for example the development of our net zero transition plan.

The formation of the BSC has also facilitated deeper Board-level consideration of emerging issues, such as new sustainability reporting standards. The Committee's oversight of this area ensures that Bunzl delivers on its commitment to clear and transparent disclosures and enhances the Group's contribution to a more sustainable future.

**Q. What level of engagement does your team have with the BSC?**

As Group Head of Sustainability, I attend and present to the Board at Committee meetings, supported by other members of the team as necessary.

I then provide updates from meetings to our regional sustainability teams so they can understand and act on the Committee's feedback as appropriate.

**Q. How does the BSC include stakeholder considerations in its discussions?**

At Bunzl one of our key strengths is being able to offer our customers a tailored approach based on their individual needs. The local expertise and supply flexibility that our decentralised structure offers means we are perfectly placed

to solve the individual problems our customers face rather than taking a 'one size fits all' approach to their sustainability challenges. For example, we can provide solutions to suit different types of regional or local packaging legislation that a customer with a national presence needs, and can tailor our deliveries to a customer's network of sites to reduce carbon emissions.

Since the formation of the BSC, we have been able to share feedback and examples from our customer's perspectives with the Board and, in doing so, give Board members a greater appreciation of the sustainability-related priorities of our customers and how any issues are addressed across Bunzl's decentralised business. The Board is then able to take these priorities and issues into consideration and make well-informed decisions with the interests of Bunzl's key stakeholders in mind.

## AUDIT COMMITTEE REPORT

**Lloyd Pitchford**  
Chair of the Audit Committee



**Assuring the reliability of our reporting is critical to the Group's long term success and to building trust with our stakeholders."**

### Introduction from Lloyd Pitchford

I am pleased to present our Audit Committee report for the year ended 31 December 2023 and welcome Jacky Simmonds, who was appointed on 1 March 2023, as a Committee member. The report provides an overview of the Committee's role and demonstrates how our work contributes to the achievement of the Group's purpose-led strategy, further information of which can be found on page 26.

Assuring the reliability of our reporting is critical to the Group's long term success and to building trust with our stakeholders. The Committee assists the Board in fulfilling its responsibilities in this regard by monitoring areas such as the integrity of financial and non-financial reporting and the effectiveness of the risk management framework and system of internal controls.

During 2023, the Committee made good progress on the key areas of focus that were identified as part of its 2022 evaluation, further details of which are set out in the report that follows. The Committee continues to keep its activities under review to ensure they remain appropriate, and insights into the Committee's priorities for the forthcoming year can be found on page 113.

### External audit tender

In accordance with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the 'CMA Order'), the Company is required to put its external audit contract out to tender every 10 years. As PricewaterhouseCoopers LLP ('PwC') were appointed as Bunzl's external auditors in 2014, it was decided that a formal and competitive tender process, overseen by the Committee, would be carried out in 2023.

The tender concluded with the Board accepting the Committee's recommendation that, subject to shareholder approval at the Company's 2024 AGM, PwC be reappointed as the Company's statutory auditors for the 2024 financial year. An overview of the tender process can be found on page 120.

### Audit and corporate governance reforms

During 2023, the Committee monitored the draft Companies (Strategic Report and Directors' Report) (Amendment) Regulations 2023 and undertook preparatory work to ensure that the Company would be well positioned to implement the new requirements. While the statutory instrument has been withdrawn, the principle of increasing the effectiveness of the Company's risk management and internal controls systems remains a priority for the Committee.

In addition, the Audit Committees and the External Audit: Minimum Standard (the 'Minimum Standard') was issued by the Financial Reporting Council (the 'FRC') in 2023. Prior to its implementation, a gap analysis was undertaken to ensure that the Company's current practices are in line with the requirements set out therein. Although the Minimum Standard is not currently mandated, I am pleased to share that the Company complies with its provisions.

The Committee is also aware of the amendments to the UK Corporate Governance Code, which were published by the FRC in January 2024. As mentioned in the Corporate governance report, a full review of the new requirements will be undertaken in 2024 and the Committee will report formally against the relevant provisions as they are brought into effect in 2025 and 2026.

### Risk management, internal controls, and fraud risk

Bunzl's internal controls environment is designed to protect the business from any material risks it faces. Overseen by the Committee, Bunzl's Internal Controls Essentials programme was implemented in 2022 to address the UK government's proposed reforms to the audit and corporate governance regime. Although some of the proposed reforms were withdrawn in October 2023, the programme was implemented with a 'no-regrets' approach and designed to support Bunzl's growing businesses with a clear global framework and guidance but localised design and implementation. As such, core programme

objectives around financial controls remain and implementation work continues. Progress in respect of the work carried out under the programme was considered at each Committee meeting during 2023 and the Committee is pleased with the positive impact that the programme has had on the Group's risk and control environment. The Committee will review the Internal Controls Essentials programme approach and alignment with the relevant provisions of the revised Code in 2024, with a particular focus on non-financial controls.

The Internal Controls Essentials programme has also brought about more extensive and frequent reporting of fraud risk and, in 2023, the Committee evaluated a new cross-functional Fraud Response and Investigation Standard, developed in conjunction with a third party security firm. The standard was designed to supplement the Group Fraud Policy, which itself was refreshed in 2022, with the aim of advancing minimum standards and providing best practice guidelines on investigation activity. The impact of the new standard will be kept under review and risk management and internal controls will remain an area of focus for the Committee throughout 2024.

Additional information on our governance of risk management and internal controls can be found later in this report and in the Corporate governance report on pages 116 to 117.

### Information and cyber security

Bunzl's information and cyber security programmes are vital to the sustainable success of the Group's operations. Ensuring that robust and adaptable governance processes are in place to detect and respond to ever-evolving cyber security risks remained a key focus of the Committee in 2023. During the year, the Committee received regular updates on the Group's information security internal controls framework from both the Group Chief Information Officer ('Group CIO') and the Group Chief Information Security Officer ('Group CISO'), including the output from an externally facilitated cyber incident simulation.

**AUDIT COMMITTEE REPORT** continued

Additional information on the Group's approach to information and cyber security is outlined later in this report on page 116.

**Financial and non-financial reporting**

During the year, the Finance function's remit was expanded to include responsibility for the Internal Controls team, as well as ESG and non-financial reporting. This is a welcome development, which I believe will streamline the Group's reporting processes and further enhance the quality of Bunzl's disclosures.

Monitoring the integrity of the Group's financial and narrative reporting and the significant judgements contained therein continued to be a key priority in 2023. The Committee received regular updates on legal and regulatory developments relating to ESG and non-financial reporting and considered existing processes in the context of these new requirements and emerging best practice. The Committee is aware of incoming legislation, such as the Corporate Sustainability Reporting Directive, and will monitor developments in this area closely to ensure that it is well positioned to oversee and, where necessary, challenge, the Company's plans and actions to comply therewith.

During the year, a letter was received from the Conduct Committee of the FRC relating to its limited scope review of the Company's Annual Report for the year ended 31 December 2022. Further information was requested in relation to two principal areas. However, following our letter of response, no substantive changes were required to the Company's disclosures.<sup>1</sup>

<sup>1</sup> The FRC makes suggestions, where it believes the users of the accounts would benefit from improvements to the Company's existing disclosures. Each year, the Company considers any suggestions made by the FRC in preparing the Company's Annual Report. The Company recognises that the FRC's review was based on a review of its Annual Report for the year ended 31 December 2022 and did not benefit from detailed knowledge of the Company's business or an understanding of the underlying transactions entered into. The FRC's review provides no assurance that the Company's Annual Report is correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

**Internal Audit function**

In accordance with the internal audit charter, the Company's Internal Audit function was subject to a rigorous external quality assessment ('EQA') process in 2023, facilitated by an independent third party. The Committee considered and discussed the results of the assessment and I am pleased to report that, since the previous EQA, all actions identified to mature the approach and role of the function have been taken. Further details concerning the 2023 EQA process can be found on page 119.

**Performance evaluation**

I am pleased to report that the 2023 Board evaluation demonstrated that we are performing our duties effectively and providing robust challenge and support to management. Further information concerning the evaluation can be found in the Corporate governance report on page 103.

Additional disclosures on the Committee's activities in 2023, and planned areas of focus in 2024, can be found later in this report. I hope that this report and the insights it provides on the Committee's activities assures you that we continue to approach our duties with rigour, integrity and transparency.

**Lloyd Pitchford**  
**Chair of the Audit Committee**

26 February 2024

**Composition and experience**







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

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

As the serving Chief Financial Officer of Experian plc, the Chair of the Committee, Lloyd Pitchford, is considered by the Board to have recent and relevant financial experience. The Committee members are of an independent mindset and bring a diversity of perspectives, knowledge and experience to the Committee's deliberations, which in turn ensures that the Committee is able to provide an appropriate amount of scrutiny, challenge and support to management. Independent thinking is an essential aspect of the Committee's role and is crucial in assessing the work of management and the assurance provided by the internal and external audit functions. Further information concerning the directors' skills and experience can be found in the Corporate governance report on pages 90 to 92.

**Audit Committee meetings**

The table below sets out the Committee's composition and its members' attendance at the four scheduled Committee meetings held during 2023.

	Meetings attended*
Lloyd Pitchford	 4/4
Vanda Murray	 4/4
Stephan Nanninga	 4/4
Vin Murria	 4/4
Pam Kirby	 4/4
Jacky Simmonds**	 3/3

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

\*\* Jacky Simmonds was appointed as a director on 1 March 2023 and attended all Committee meetings held between that date and the end of the year.

**Key areas of focus in 2024**

- Continuing to monitor financial reporting, the embedding of new control systems, the development of risk management as well as artificial intelligence and data protection
- Continuing to monitor and develop a response to proposed reforms to the UK governance and audit framework, including progress made to comply with relevant Code requirements relating to audit, risk and internal controls
- Reviewing progression of the Internal Controls Essentials programme
- Considering non-financial and ESG reporting and assurance
- Regular updates on Information Security, including progress implementing the agreed multi-year plan, and deep dive training sessions covering key risks and the Company's actions in response thereto

**AUDIT COMMITTEE REPORT** continued**Role and support**

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

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

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

The Committee's terms of reference, which were reviewed by both the Committee and the Board in 2023, are available on the Company's website, [www.bunzl.com](http://www.bunzl.com).

**Training and briefings**

Throughout 2023, the Committee considered market updates and developments to ensure that it was fully cognisant of matters that may affect the Group and its operations. This included:

- Internal Controls Essentials programme and fraud updates at every Committee meeting;
- review of non-financial reporting and assurance;
- updates on the proposed UK corporate governance and audit reforms;

- information security updates;
- PwC Audit Committee training, including:
  - accounting update;
  - corporate reporting & governance update; and
  - regulatory and public policy matters.

**Stakeholder engagement**

Our relationship with our stakeholders is a fundamental driver of value creation and we place considerable importance on ensuring that we are aware of and understand their views and sentiments. The Committee Chair avails himself of all opportunities to engage with Bunzl's stakeholders when appropriate in order to obtain their feedback and discuss any concerns that they may have concerning the Committee's operations and oversight. In 2023, members of the Committee, including the Chair, proactively reached out to various institutional shareholders to solicit meetings to discuss the work of the Committee and to answer any questions that the shareholders may have concerning matters within the Committee's remit. Additional information on this engagement can be found on page 102.

While the results of the Company's proactive engagement with stakeholders during the year did not identify any concerns relating to the Group's risk profile and management thereof, or the Committee's discharge of its responsibilities, this is not taken for granted and the Committee will continue to monitor stakeholder sentiment closely and ensure that engagement is sought whenever it is needed. The Chair of the Committee will also be attending the Company's forthcoming AGM to answer any questions that shareholders may have. Further information concerning stakeholder engagement can be found on pages 64 to 67.

**Principal responsibilities of the Committee****Financial and narrative reporting**

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

**Risk management and internal controls**

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

**Internal audit**

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

**External audit**

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

**Financial statements and significant accounting matters**

During the year and prior to the publication of the Group's results for 2023, the Committee spent considerable time reviewing and scrutinising the 2023 half year financial report and related news release, the 2023 Annual Report (including the financial statements), the 2023 annual results news release and the reports from the external auditors on the outcomes of their half year review and their audit relating to 2023. Management was challenged, where appropriate, on matters such as the appropriateness of accounting policies, critical accounting judgements and key accounting estimates. The appropriateness of the Group's external reporting framework and use of alternative performance measures ('APMs') were also assessed, with the Committee concluding that it is satisfied that the APMs reviewed are consistent with market practice, and that disclosure and reconciliation to statutory measures is appropriate. In conjunction with the Board, the Committee reviewed the financial modelling and stress testing conducted for the going concern assessment, as well as the viability assessment process undertaken in support of the long term viability statement. The Committee also challenged the assumptions and scenarios, noting the effect they would have during the viability period, further details of which can be found on page 77.

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

## AUDIT COMMITTEE REPORT continued

## Significant matters considered in relation to the financial statements

Matter	Review and conclusion
<b>Accounting for business combinations</b>	For business combinations, the Group has a long-standing process for the identification of the fair values of the assets acquired and liabilities assumed, including separate identification of intangible assets using external valuation specialists where required. The Committee reviewed this process and discussed with management and the external auditors the methodology and assumptions used to value the assets and liabilities of the acquisitions completed in 2023. The Committee concluded that it was satisfied with management's valuations of these assets and liabilities, including the degree to which such valuations are supported by professional advice from external advisers. For business combinations where less than 100% of the issued share capital of a subsidiary is acquired and the acquisition includes put and call options over the remaining share capital of the subsidiary, the Group has an established process to assess whether a non-controlling interest should be recognised. There were six such business combinations during the year. The Committee reviewed the Group's assessment of these six business combinations, noting that no non-controlling interest had been recognised. The Committee concurred with management's conclusion that the risks and rewards associated with the options to purchase the remaining shares had transferred to the Group on each acquisition. Details of the Company's approach to accounting for acquisitions are set out in Note 9 to the consolidated financial statements.
<b>The carrying value of goodwill, customer relationships and brands intangible assets</b>	Goodwill is allocated to cash generating units ('CGUs') and is tested annually for impairment. The Committee critically reviewed and discussed management's report on the impairment testing of the carrying value of goodwill of each of the Group's CGUs. The Committee also critically reviewed and discussed management's consideration of the impairment risk relating to customer relationships, brands and technology intangible assets. In both regards, the Committee considered the sensitivity of the outcome of impairment testing to the use of different assumptions and considered the external auditors' testing thereof.  After due challenge and debate, the Committee concluded that it was satisfied with the assumptions and judgements applied in relation to the impairment testing and agreed that there was no impairment of goodwill or customer relationships, brands and technology intangible assets. Details of the key assumptions and judgements used are set out in Note 13 to the consolidated financial statements.
<b>Defined benefit pension schemes</b>	The Committee considered reports from management and the external auditors in relation to the valuation of the defined benefit pension schemes and reviewed the key actuarial assumptions used in calculating the defined benefit pension liabilities, especially in relation to discount rates, inflation rates and mortality/life expectancy. The Committee discussed the reasons for the movement in the net pension surplus and was satisfied that the assumptions used were appropriate and were supported by independent actuarial experts.
<b>Inventory and receivable provisions</b>	The Committee considered the analysis from management detailing the provision percentages and reconciliation of the provision balance from 31 December 2022 to 31 December 2023 and noted that, during the year, the Group had a net utilisation of approximately £25 million in trade receivables and slow-moving inventory provisions, with usage of these provisions exceeding net charges to increase the provisions.  The Committee also noted that the Group had some utilisation of the additional provisions set up in the prior year as a result of market price movements on certain Covid-19 products.

**AUDIT COMMITTEE REPORT** continued

Financial reporting

Risk management, internal  
controls and fraud risk

Audit matters

Governance and other

**AUDIT COMMITTEE REPORT** continued**Internal audit**

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

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

The quality and effectiveness of the internal audit function's work is monitored continually using a variety of formal and informal inputs, including discussions with management, reviews and assessments of the quality of testing results and reporting, questionnaires, and feedback from the external auditors. This year, an externally facilitated evaluation of the effectiveness of the internal audit function was undertaken by a third party.

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

A detailed questionnaire is circulated annually to gather feedback from a broad range of internal stakeholders, including directors and senior management at Group and business area levels who have regular contact with the internal audit function. In 2023, the questionnaire covered a

total of 35 different aspects of the internal audit function, including: purpose, authority and responsibility; independence, objectivity and proficiency; quality assurance processes; adequacy of resources; auditors' skills and capabilities; and the quality of reporting. Taking all of these elements into account, the Committee concluded that the Internal Audit function continued to be effective, efficient and appropriately resourced.

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

In 2023, the Committee considered an external quality assessment report on the Internal Audit function. The findings of the report were positive, revealing that the function benefitted from support from the Board, had embedded quality assurance processes, and engaged effectively with the business while maintaining independence and objectivity. The report outlined actions to further strengthen and mature the Internal Audit function, all of which will be addressed as part of the function's future work programme. The Committee will carry out an internal effectiveness review of the Internal Audit function in 2024.

**External auditors**

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

As part of its decision making process concerning whether to tender, offer, or continue an audit engagement, there are a number of key considerations that the Committee takes into account, the principal elements of which are set out below and on pages 120 to 121.

**Conflicts of interest**

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

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

**Non-audit services**

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

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

Details of the fees paid to the external auditors in 2023 in respect of the audit and for non-audit services are set out in Note 5 to the consolidated financial statements. The fees relating to non-audit services work in 2023 equated to 7.2% of the fees relating to audit services.

**Tenure and effectiveness**

The Committee takes into account the tenure of the auditors in addition to the results of its review of the effectiveness of the external auditors and considers whether there should be a full tender process, either as a result of that review or as may be required by the relevant regulations. As previously mentioned, a tender process for the external audit was undertaken in 2023 and an overview of this process can be found on the following page. There are no contractual obligations restricting the Committee's choice of external auditors. The Company confirms that it has complied with the provisions of the CMA Order for the 2023 financial year.

Given the continuing effectiveness of PwC in its role as external auditors, the Committee believes it is in the best interests of shareholders for PwC to remain in the role for the next year. Neil Grimes took over the position as audit partner with effect from 1 January 2019 and remained the audit partner throughout 2023. Having acted as audit partner to the Company for five years, Neil Grimes will rotate off as audit partner in 2024, being replaced by Simon Morley, in line with the Auditing Practices Board's Ethical Standards.

The Committee was satisfied with the results of its review of the external auditors' activities, and performance throughout the tender process, during the year. The Committee has therefore recommended to the Board, that a resolution proposing the reappointment of PwC as external auditors for the year ending 31 December 2024 be put to shareholders at the forthcoming AGM. Additional information on the 2023 external auditor effectiveness review can be found on page 121.



**AUDIT COMMITTEE REPORT** continued

A Selection Panel comprising the individuals listed below was established to facilitate the tender process:

**Members**

Lloyd Pitchford	Chair of the Audit Committee
Peter Ventress	Chairman of the Board
Vin Murria OBE	Non-executive director
Pam Kirby	Non-executive director
Richard Howes	Chief Financial Officer
Ian Burrows	Group Financial Controller

The Selection Panel evaluated the proposals according to five non-financial criteria:

- audit firm capability and service delivery;
- audit team capability;
- understanding our business;
- audit approach and materiality; and
- audit quality.

Key factors in the decision to recommend the reappointment of PwC included:

- strong performance against the evaluation criteria;
- continuity in the audit approach and experience of working with Bunzl;
- understanding of Bunzl's culture and decentralised business;
- a demonstrable desire to evolve and improve the existing audit approach; and
- detailed improvement proposals and recommendations to the non-financial audit approach.

**AUDIT COMMITTEE REPORT** continued

## DIRECTORS' REMUNERATION REPORT

**Vanda Murray OBE**  
Chair of the Remuneration  
Committee



**Bunzl delivered a strong performance against a backdrop of ongoing post-Covid adjustments in the market. The 2023 outturns reflect this, and the proposed adjustments to our Policy support our continuing strategy of growth."**

**Introduction from Vanda Murray**

I am pleased to present the Directors' remuneration report for the year ended 31 December 2023. As we are seeking shareholder approval of our directors' remuneration policy ('Policy') at the forthcoming AGM, it has been a particularly busy year for the Committee; we have undertaken an extensive and very helpful shareholder consultation exercise in addition to the usual business of setting pay and assessing performance. It has also been my last full year as chair of the Committee and I will be handing over Chair responsibilities to Jacky Simmonds following the 2024 AGM.

**Context of remuneration**

2023 continued to provide a challenging performance context for Bunzl. The Group has faced the dual headwinds of ongoing post-pandemic product deflation in some parts of the world and continuing high cost inflation in others. We have also been managing the impact of a continuing tight labour market and the pressures of a cost of living crisis which has impacted consumer demand for some products and therefore customer behaviour.

Amidst all these challenges Bunzl's business performance was strong. Although the pressure of deflation and the continuation of post-Covid normalisation meant that revenues were slightly down, disciplined cost management coupled with a strong focus on margin and working capital meant that we improved our adjusted operating profit by 6.2% at constant exchange.

We were also able to make significant progress with our strategic objectives. 19 acquisitions were completed during the year, and with the acquisition of Pamark in January 2024 we have added two more countries to our global presence. We continued our progress against our sustainability goals, including the expansion of our audit programme in high risk countries, the engagement of our key suppliers on the measurement of scope 3 carbon emissions, and the increase in leadership roles occupied by females.

In summary, the Group has delivered another strong set of all-round business results, and this has been reflected in the outturns for both the annual bonus, the final performance shares granted in 2020, and the first cycle of the Restricted Share Awards granted in April 2021.

**Performance and reward for 2023****Annual bonus**

Annual bonus payments were based on a combination of key financial measures (70%) comprising adjusted earnings per share ('eps'), return on average operating capital ('RAOC') and operating cash flow, with 20% based on personal objectives and 10% on ESG objectives. In setting our incentive targets, we have regard to the performance potential of the different parts of the business and of the whole Group. The on-target performance level for the financial elements of the bonus for 2023 was set at, or close to, the budgeted level of performance. The personal and ESG objectives selected are closely aligned to the strategic priorities for the business and are clearly measurable.

The Committee's evaluation of the annual bonus targets resulted in a payment of 89.8% of maximum for Frank van Zanten and 89.8% of maximum for Richard Howes. As outlined above, this was a strong all-round performance from the business and the leadership team and the Committee is confident that the variable pay awarded has been aligned with this performance. On the financial elements, no discretion was applied by the Committee to adjust the bonus outcomes, as overall payments reflected business performance. The Committee conducted a detailed review of the evidence to support the evaluation of the personal and ESG objectives. In line with the Policy, 50% of the annual bonuses will be delivered in shares, subject to a three year deferral period.

**Long Term Incentive Plans ('LTIPs')**

Under the previous 2020 Policy, our practice was to grant both market value share options (LTIP A) and performance shares (LTIP B). Performance shares were granted biannually with half the award subject to eps growth and half to relative Total Shareholder Return. The eps element of the awards granted in April and October 2020 concluded on 31 December 2022 and was reported in last year's report. The TSR element concluded in the 2023 financial year based on performance to 31 March and 30 September 2023. Bunzl's TSR of 68.7% and 30.2% respectively resulted in vestings of 100% (April 2020 award and 75.19% (October 2020 award). As noted last year, the Committee was also satisfied that there had been no 'windfall' gain in these awards as the original grants were made in both the spring and the autumn and the average grant prices during 2020 were less than 10% below 2019 prices.

The first Restricted Share Awards ('RSAs') were granted in 2021 and will vest in April 2024 based on satisfaction of the performance underpin (as worded in the 2021 policy) relating to the period 1 January 2021 to 31 December 2023. Having reviewed the wide range of financial and non-financial metrics in the underpin and having identified no material underperformance, risk issues or regulatory failures, I can confirm that the Committee has determined that these shares should vest in full. Specific factors considered in assessing the underpin for this award included:

- Financial health of the business (revenue, profitability, cashflow, returns)
- Delivery of strategic priorities
- Stakeholder experience
- Progress towards ESG goals

More detail can be found on page 140

Shareholders should note that reporting requirements mean that both the 2020 LTIP B awards and the 2021 restricted share awards are included in the Single Figure table for 2023 in this report. This means that the total remuneration shown for both directors is artificially high this year. This will be normalised in 2024's report.

## DIRECTORS' REMUNERATION REPORT continued

**Review of the directors' remuneration policy****Background**

Frank van Zanten was appointed as CEO in 2016 and, under his tenure, he has built a very capable leadership team containing broad experience and significant market and sector expertise. The consistent and proven compounding strategy based on growing organically (by expanding and developing business with existing customers and gaining new revenue with additional ones), continuously making operating model improvements and applying strong discipline in selecting the right acquisitions has driven geographic and market expansion and significantly increased the size and scale of the Group. Specifically:

- Bunzl now has a presence in 33 countries, in six core market sectors with approximately 150 operating companies and thousands of suppliers globally. Almost 60% of revenue is generated in North America.
- The Group has made over 200 acquisitions since 2004 with the annual spend reaching £468m in 2023. There have been 114 high quality acquisitions and a total committed acquisition spend of over £3.1bn since 2015. The pipeline remains active and the consistent quality of our cash generation and our strong balance sheet provide us with headroom for further acquisitions and wider capital allocation options.
- Since 2015, revenue and adjusted operating profit increased by more than 80% and annual dividend growth has been maintained for 31 years. Market value has increased by over 70% and shareholder return by almost 80%
- The Group has also made significant progress towards its objectives on sustainability, centred around some clear public commitments. This includes diversity and inclusion, with a significant improvement in the proportion of leadership roles occupied by females, which is now over 22%.

**Changes to Policy proposed for 2024**

The Committee has reviewed directors' remuneration ahead of the binding shareholder vote at the 2024 AGM. We sought views from our largest shareholders and the major proxy agencies and are grateful for the feedback received which has helped revise and shape our proposals.

In overall terms, the Committee has concluded that the policy framework introduced in 2021 remains appropriate, and specifically that Restricted Share Awards, which were first introduced then, continue to be instrumental in ensuring that the leaders of the business focus on actions that deliver long-term growth in an unpredictable market context. They have created greater simplicity, clarity and predictability of outcome and, importantly, they help to discourage any actions which unduly focus on short-term impacts but instead encourage a mindset which is aligned to the longer-term shareholder experience through value creation.

The Committee also concluded that the triennial Policy review should provide the opportunity to assess whether the quantum remains sufficiently competitive against the market, particularly given the requirement to attract and retain first class talent in a global context. We have proposed changes in quantum for the annual bonus and Restricted Share Award levels for both the Chief Executive Officer and Chief Financial Officer in order to reflect the increasing scale, complexity and performance of the business, and to align them with the market. Alongside this, a more robust underpin for the RSAs will apply from 2024 so that it is clearer how the awards have been assessed.

The policy review was concluded at a time when there has been much discussion regarding whether the current state of executive remuneration for UK-listed companies, and in particular, those with significant US influence and exposure such as ours, needs a reset. This includes various calls from stakeholders for UK pay to become more flexible in terms of both quantum and structure. In this regard, a number

of our investors raised with us whether a hybrid structure (granting both performance shares and restricted shares) had been considered. While a hybrid structure provides the benefits of both performance assessment and stewardship, it adds complexity and, at the current time, remains rare in the UK. After some consideration, the Committee decided that such an approach was not preferred for Bunzl at this time but we will continue to monitor progress and market practice in this area with interest.

I set out below more detail on the proposed changes alongside views received from shareholders during the consultation exercise.

**1. Incentive quantum increases**

The Committee considered the strong performance of the business as set out above, the individual performance of members of the leadership team, the pipeline of succession talent and Bunzl's ability to recruit in a highly competitive international labour market when undertaking the current review.

Our review showed that a significant gap had developed between the Company and the wider market with regards to total remuneration. In particular, the value of the key elements of variable pay are seen as trailing the market. As such, the Committee proposes the following policy adjustments:

	Current Annual Bonus maximum	Proposed Annual Bonus maximum	Current RSA maximum	Proposed RSA maximum
CEO	180%	<b>200%</b>	125%	<b>175%</b>
CFO	160%	<b>175%</b>	100%	<b>125%</b>

External benchmarking data was used to help provide various reference points to assist the Committee with determining the competitiveness of the current packages of the executive directors. Despite being a truly global business with the majority of our revenue and profit coming from the US and the need to compete for US talent at all levels (where incentive quantum is significantly higher than in the UK), the Board recognises that Bunzl is headquartered and listed in the UK and therefore comparison with other global FTSE

companies remains appropriate. In this context, the Committee considered other FTSE 11-100 companies (excluding financial services) with significant international and US presence (i.e. based on those companies with more than 20% of revenue generated from North America). At the time of the review Bunzl was ranked at c.40 in the FTSE 100 and has circa 60% of revenue coming from North America. The proposed incentive levels are in line with the median of our chosen benchmarking peer group.

The gap in incentive quantum currently partly reflects the increased size and scale of Bunzl since the last Policy was approved but also the approach to setting quantum when RSAs were first introduced in 2021. At the time, Restricted Shares replaced dual grants of performance shares and share options and a conservative approach was taken which resulted in a relatively modest restricted share award exchange. For the CEO, this involved replacing share options (175% of salary) and performance shares (225% of salary) with a single 125% of salary restricted share grant. Since 2017, the performance shares have on average vested at 62% and share options at 99%. The Committee is satisfied that the proposed Policy incentive levels reflect a more appropriate exchange and are in line with market norms.

While Restricted Shares provide greater certainty, we consider them to be variable rather than fixed in nature as quantum can be scaled back either at grant or at vesting (including to zero) through testing of the underpin. Furthermore, Restricted Shares are long term in nature (value delivered after five years) and their value mirrors the rise and fall in share price, thereby providing long-term shareholder alignment.

Reflecting the comments received from a small minority of shareholders, the Committee has decided, for 2024, not to operate at the proposed Policy levels in respect of the Annual Bonus, but to instead retain the bonus maxima at 180% of salary for the Chief Executive Officer and 160% of salary for the Chief Financial Officer, with an increase to the maxima expected to apply from 2025.

**DIRECTORS' REMUNERATION REPORT** continued**2. A more robust performance underpin**

For the first awards to be granted under the 2024 Policy, the performance underpin will be reorganised so that a formal framework is established upfront which will set out clearly for each award the key elements which will need to be assessed for the award to vest. As is current policy, the Committee will review specific indicators to help form a view of 'in the round' performance. In addition, the Committee has the discretion to scale back awards (including to zero) if it concludes there is material underperformance over the course of the vesting period.

	Factors to be considered (not limited to)
Financial health of the business, considering key financial indicators	<ul style="list-style-type: none"> <li>• Revenue growth</li> <li>• Operating margin</li> <li>• Adjusted earnings per share</li> <li>• Return on capital (RAOC/ROIC)</li> <li>• Cash conversion</li> <li>• Balance sheet strength</li> </ul>
Strategic priorities	Delivery of key strategic objectives over the vesting period including operational and individual performance
Stakeholder experience	Consideration of our key stakeholders including employees, customers, suppliers and shareholders
ESG progress	Progress towards key achievement of ESG objectives including climate change ambitions, ethical supply, investing in our people and diversity

The new framework provides the Committee with a better defined and more rigorous process when assessing vesting levels, and more clarity to participants and investors. The framework provides the same broad focus on overarching performance but now focuses more explicitly on the key indicators reflecting financial health (including return on capital), strategic priorities, stakeholder experience and ESG progress.

In assessing the stakeholder experience, the Committee will also consider the return to shareholders in the form of the dividend policy for a particular year.

**3. Higher shareholding guidelines**

Reflecting on the proposed increase to the RSA grant level, the Committee has agreed to increase the in-employment shareholding guideline from 300% to 350% of salary for the Chief Executive Officer and from 200% to 250% of salary for the Chief Financial Officer. The new guidelines are double the proposed restricted share award grant levels. This will provide further alignment between executives and shareholders. The post-cessation guideline of 300% and 200% of salary shall remain unchanged.

**Employee Pay**

The Committee always considers the broader context of employee pay across the Group when reviewing and implementing the policy for directors. It closely monitors base pay increases, bonus awards and other pay elements, including "one off" awards such as the cost of living payments made in 2022. In the broader context, it is worth noting that almost 8,500 employees across the Group will receive a bonus for 2023. In addition, some of the increases in quantum proposed for the Executive Directors in the new policy will also apply to other members of the senior leadership team. As required by the Regulations we have again disclosed in this year's Directors' remuneration report the ratio between the Chief Executive Officer's remuneration and the median, lower quartile and upper quartile of UK employees.

**Implementing the policy for the 2024 financial year****Base salary**

The base salaries for the executive directors, Frank van Zanten and Richard Howes, have been increased by 4%, effective from 1 January 2024. Both these increases are lower than those budgeted for the Bunzl plc head office and UK leadership team which were 5%. The average pay awards for the Group leadership team ranged from 3.5% to 5.7% excluding market adjustments.

**Annual bonus**

For the 2024 financial year, as stated above, the Committee has elected not to implement the policy maximum awards, and the maximum annual bonus opportunity will remain unchanged at 180% of base salary for the Chief Executive Officer and 160% for the Chief Financial Officer, with on-target bonus at 50% of the maximum.

The annual bonus performance measures continue to be a balanced scorecard of key financial metrics – adjusted eps, RAOC and operating cash flow. For 2024, following shareholder feedback, the Committee has slightly increased the weighting given to RAOC. 20% of the bonus opportunity will be dependent on

personal performance linked to certain specified strategic non-financial goals and again, 10% of the opportunity for both directors will be dependent on the achievement of specific ESG objectives, based on the four key pillars of the transition to Alternative Products, Climate Change, Ethical Sourcing, and Diversity. The objectives agreed for 2024 are a clear build on those used for the 2023 targets and reflect the long-term nature of the roadmap.

50% of any bonus awarded will be deferred into shares for a period of three years.

**LTIP**

Subject to the approval of the Policy, the Committee expects to make further grants of Restricted Shares to the executive directors and other participants. These will vest in 2027, subject to continued employment and the assessment of the underpin. Vested awards will be subject to a two-year holding period. The Committee may scale back the awards (including to zero) if it is not satisfied that the underpin has been met.

**Priorities for 2024**

I am confident that if the proposed revisions to our Policy are approved, then the right reward framework will be in place to support the next phase of growth for Bunzl, delivered by a motivated and incentivised leadership team which is focused on taking the right longer-term decisions. Whilst the geo-political and economic outlook is still uncertain, Bunzl is well positioned to take advantage of growth opportunities as they arise, across the full range of our geographies and market sectors. The Committee will also continue to monitor external market trends and developments in executive pay with interest.

**Conclusions**

Despite the market headwinds, this has been another strong year of performance and we see significant opportunities for further growth moving forward. The Committee's focus has been to incentivise leadership appropriately to recognise significant performance and growth of the business but also focus them on long term

DIRECTORS' REMUNERATION REPORT continued

value creation for shareholders. In my last year as committee chair I look forward to handing over to Jacky Simmonds at a point where the reward framework and strategy is in good health. I would like to thank shareholders for all their support and feedback on this and previous policy reviews; it has been very much appreciated.

In the following pages you will find details of:

- The proposed directors’ remuneration policy for 2024
- the ‘at a glance’ guide to executive directors’ remuneration for 2023; and
- the annual report on directors’ remuneration for 2023, including our approach to the application of the remuneration policy in 2024.

I hope that you will find this report to be clear and helpful in understanding our remuneration policy and practices.

**Vanda Murray OBE**  
Chair of the Remuneration Committee  
26 February 2024

The responsibilities and operation of the Committee

**Committee membership role and remit**  
The Committee comprises all of the independent non-executive directors of the Company. While neither the Chairman nor the Chief Executive Officer are members of the Committee, they attend meetings by invitation. The Director of Group Human Resources also attends meetings. The Committee’s terms of reference, which were reviewed by both the Committee and the Board in 2023, but remain unchanged, are available on the Company’s website, [www.bunzl.com](http://www.bunzl.com).

No director plays any part in determining his or her remuneration. During the year ended 31 December 2023, both the Chief Executive Officer and the Chairman were consulted and invited to attend meetings of the Committee but were not present during any part of the meeting when their own remuneration was under consideration.

The independent non-executive directors who were members of the Committee during 2023 are listed opposite.

The primary role of the Committee is to determine the framework and broad policy for the remuneration of the Chairman, the executive directors of the Board and the senior management group directly below Board level. The Committee proposes the directors’ remuneration policy for shareholder approval at least every three years. It also governs the implementation of the policy, ensuring that the remuneration of the executive directors and senior management supports the sustainable performance of the business and that it is aligned with the Company’s shareholders’ interests. The Committee considers market practice, shareholders’ views and the Group’s broader remuneration arrangements when setting the Group’s performance-related incentives and ensures compliance with UK corporate governance good practice.

The key responsibilities of the Committee include:

- ensuring that executive directors and senior executives are properly incentivised to attract, retain and fairly reward them for their individual contribution to the Company, having due regard to the policies and practices applied to the rest of the employees within the Group;
- determining the framework and broad policy for the remuneration of the Chairman and the executive directors of the Board;
- ensuring that remuneration is aligned with and supports the Company’s strategy and performance, having due regard to the interests of the shareholders and to the financial and commercial health of the Company, while at the same time not encouraging undue risk taking;
- communicating and discussing any remuneration issues with the Company’s stakeholders as and when appropriate;
- setting and reviewing the executive directors’ remuneration and benefits including, but not limited to, base salary, bonus, long term incentive plans and retirement benefits;
- ensuring that all remuneration paid to the executive directors is in accordance with the Company’s previously approved remuneration policy;
- ensuring all contractual terms on termination, and any payments made, are fair to the individual and the Company;
- monitoring the policies and practices applied in respect of the remuneration of senior executives directly below Board level and making recommendations as appropriate;
- overseeing the Company’s long term incentive plans for all employees; and
- ensuring that provisions relating to disclosure of remuneration as set out in the relevant legislation, the Financial Conduct Authority’s Listing Rules and the Code are fulfilled.

Committee membership	
	Date of appointment to the Committee
Vanda Murray	1 February 2015
Lloyd Pitchford	1 March 2017
Stephan Nanninga	1 May 2017
Vin Murria	1 June 2020
Pam Kirby	1 August 2022
Jacky Simmonds	1 March 2023

Meetings		
	Meetings eligible to attend	Meetings attended
Vanda Murray	4	4/4
Lloyd Pitchford	4	4/4
Stephan Nanninga	4	4/4
Vin Murria	4	4/4
Pam Kirby	4	4/4
Jacky Simmonds*	3	3/3

\* Jacky Simmonds was appointed to the Board on 1 March 2023.

**Compliance statement**  
This report has been prepared on behalf of, and has been approved by the Board. It complies with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (the ‘Regulations’), the Code and the Financial Conduct Authority’s Listing Rules and takes into account the accompanying Directors’ Remuneration Reporting Guidance and the relevant policies of shareholder representative bodies.

In accordance with the Regulations, at the 2024 AGM the Company will be asking shareholders to put forward an advisory vote on the Directors’ remuneration report and a binding vote on the directors’ remuneration policy, as set out on pages 126 to 134.

DIRECTORS' REMUNERATION REPORT continued

Directors' remuneration policy

The 2021 shareholder-approved policy requires renewal at the 2024 AGM. A new Policy will be put to a binding vote at the 2024 meeting and will be effective from the date of approval. It is expected to remain in place until its normal renewal which will be the 2027 AGM at the latest.

Objectives of the Policy

The objectives of the new proposed Policy remain unchanged from the current one and are as follows:

- Clarity: maintain transparency, clear alignment with shareholder value and promotion of longer term, sustained performance. For example, the restricted share plan encourages a focus on the longer term success of the business;
- Predictability: continue to ensure that targets are stretching (but realistic), the quantum of reward reflects both Company and individual performance and there are appropriate award caps and Committee discretions in place. For example, the underpin is broad and encourages the Committee to focus on 'in the round' performance;
- Support for the Company's business strategy: for example, aligning the executive directors' and management's incentives with the Company's growth objectives;
- Simplicity: ensure that the remuneration structures avoid unnecessary complexity. For example, the restricted share plan has only a single annual grant of shares;
- Risk is appropriately managed: variable pay should drive performance within the Company's risk appetite and encourage a prudent and balanced approach to the business;
- Alignment to culture: the remuneration principles encourage the behaviour from the executive directors that the Committee expects to see throughout the business; and
- Proportionality: the link between individual awards, the delivery of strategy and long term performance of the Group is clear.

In setting the remuneration policy for the executive directors, the Committee also takes into consideration a number of different factors:

- The Committee applies the principles set out in the Code and also takes into account best practice guidance issued by the major UK institutional investor bodies, the Financial Conduct Authority (including the provisions of any applicable remuneration codes) and other relevant organisations;
- The Committee has overall responsibility for the remuneration policies and structures for employees of the Group as a whole and it reviews remuneration policy on a Group wide basis. When the Committee determines and reviews the remuneration policy for the executive directors it considers and compares it against the pay, policy and employment conditions of the rest of the Group to ensure that there is alignment between the two; and
- The Committee considers the external market in which the Group operates and uses comparator remuneration data from time to time to inform its decisions. However, the Committee recognises that such data should be used as a guide only (data can be volatile and may not be directly relevant) and that there is often a need to phase-in changes over a period of time. The Committee has reviewed a range of relevant benchmarking data to guide the 2024 review.

- Specifically, it has looked at FTSE 11-100 companies with greater than 20% of revenue generated from the United States. The peer group comprises RS Group, Convatec, Melrose Industries, Smiths Group, Pearson, Intertek, Smurfit Kappa, Halma, Spirax-Sarco, Burberry, Rolls-Royce, Informa, Intercontinental Hotels, Croda, WPP, Smith & Nephew, Rentokil, Imperial Brands, Flutter, Ashtead, Experian, BAE Systems, CRH, Haleon, Compass, National Grid, Reckitt Benckiser and RELX.

The Committee's overall policy, having had due regard to the factors above, continues to be for a proportion of total remuneration to be based on variable pay. This is achieved by setting base pay and benefits by reference to mid-market levels, with annual bonus linked to the achievement of demanding performance targets and long term incentives which vest over the medium term and are designed to align the interests of the directors with those of shareholders and the long term sustainable success of the business.

Changes to Policy proposed for 2024

The Committee is proposing to make some revisions to the policy, within the current overall framework, which can be summarised as follows:

1. An increase to the quantum of Annual Bonus and Restricted Share Award levels for both the Chief Executive Officer and Chief Financial Officer in order to align them with the market and to reflect the increasing scale, complexity and performance of the business. For the Chief Executive Officer the Annual Bonus potential increases to 200% of salary (although remains at 180% of salary for 2024) and the Restricted Share Award increases to 175% of salary. For the Chief Financial Officer the Annual Bonus potential increases to 175% of salary (although remains at 160% of salary for 2024) and the Restricted Share Award increases to 125% of salary.
2. A revision to the "underpin" attached to Restricted Share Awards so that it is clearer how that element of the award will be assessed. See page 146 for more detail.
3. An increase to the in-employment shareholding requirement for both the Chief Executive Officer and the Chief Financial Officer to 350% and 250% of salary respectively.
4. A minor revision to the process for reviewing the Chairman's fee whereby the Committee proposes to create alignment with the process for other non-executive Directors and review the fee annually rather than biennially. More detail on these proposals is contained in the table below.

The Committee conducted a thorough consultation on the proposals with the Group's key shareholders. It is very grateful for the positive support received, and for the constructive feedback which was carefully considered and input into the final proposals outlined below.

**DIRECTORS' REMUNERATION REPORT** continued**Remuneration policy for executive directors**

The following table summarises each element of the remuneration policy for the executive directors, explaining how each element operates and links to the corporate strategy.

Base salary	
Purpose	<ul style="list-style-type: none"> <li>Recognise knowledge, skills and experience as well as reflect the scope and size of the role</li> <li>Reward individual performance without encouraging undue risk</li> </ul>
Operation	<ul style="list-style-type: none"> <li>Paid in 12 equal monthly instalments during the year</li> <li>Normally reviewed annually in December (with any changes usually effective from January). An out-of-cycle review may be conducted if the Committee determines that it is appropriate</li> <li>Takes into consideration a number of factors including (but not limited to) individual and Group performance, the size and scope of the individual's responsibilities, salary increases across the Group, typical salary levels for comparable roles using appropriate comparator groups, for example similarly sized companies with a large international presence</li> <li>Pensionable</li> </ul>
Maximum potential value	<ul style="list-style-type: none"> <li>While there is no maximum salary level, salary increases are normally considered in relation to the salary increases of other employees in the Group and performance of the individual. Higher salary increases may be made under certain circumstances, such as when there has been a change in role or responsibility, a major market movement or when a director has been appointed to the Board at a lower than typical salary initially</li> </ul>
Performance metrics	<ul style="list-style-type: none"> <li>While there are no performance conditions attached to the payment of base salary, individual performance in the role, as well as the performance of the Group and achievements related to environmental, social and governance issues, are all taken into consideration</li> </ul>

**Annual bonus**

Purpose	<ul style="list-style-type: none"> <li>Incentivise the attainment of annual corporate targets</li> <li>Retain and reward high performing employees</li> <li>Align with shareholders' and wider stakeholders' interests</li> </ul>
Operation	<ul style="list-style-type: none"> <li>Bonus awards are based on performance targets and objectives set by the Committee for the financial year</li> <li>At the end of the performance period, the Committee assesses the extent to which the performance measures have been achieved. The level of bonus for each measure is determined by reference to the actual performance against the relevant performance targets</li> <li>Up to half the bonus is paid in cash and the remainder in shares (with the shares normally deferred for three years under the Deferred Annual Share Bonus Scheme ('DASBS')) in respect of which dividend equivalents may apply to the extent that such deferred awards vest. If a director resigns during the period of deferral any outstanding DASBS awards would normally lapse</li> <li>Malus and clawback provisions apply and are set out in more detail below,</li> <li>Bonus awards are non-pensionable and are payable at the Committee's discretion</li> </ul>
Maximum potential value	<ul style="list-style-type: none"> <li>The annual bonus policy maximum is 200% of base salary (175% for the Chief Financial Officer)</li> <li>For 2024, the maximum bonus opportunity will be 180% for the Chief Executive Officer and 160% for the Chief Financial Officer</li> <li>The annual target bonus opportunity is normally set at 50% of the maximum</li> <li>The level of annual bonus for threshold performance is up to 25% of the maximum</li> </ul>



**DIRECTORS' REMUNERATION REPORT** continued

Annual bonus		Long term incentives	
<b>Performance metrics</b>	<p>Metrics will be set each year by the Committee taking into account the Company's key strategic objectives for the year.</p> <p>For example, bonus metrics may include:</p> <ul style="list-style-type: none"> <li>Financial measures chosen to align bonus outcomes with the underlying financial performance of the business, such as profit, return on average operating capital ('RAOC') and cash flow;</li> <li>Non-financial measures are linked to the achievement of personal goals or certain specified strategic goals, including environmental, social and governance matters;</li> <li>The performance metrics and targets are reviewed each year to ensure that they remain appropriate. The Committee retains the discretion to set alternative metrics as appropriate; and</li> <li>The specific targets will be disclosed on a retrospective basis following the end of the financial year unless they are deemed to be commercially sensitive.</li> </ul> <p>The Committee sets targets that are appropriately stretching in the context of the business outlook and taking into account internal and external factors. The achievement of quantifiable financial targets will always drive the majority of the bonus outturn. Targets are set to ensure that there is appropriate alignment between stakeholder outcomes and to ensure that they do not drive unacceptable levels of risk taking.</p>	<b>Maximum potential value</b>	<ul style="list-style-type: none"> <li>The individual restricted share limit per financial year is 175% of base salary</li> <li>The Chief Executive Officer may receive restricted shares per financial year with a face value of up to 175% of salary</li> <li>The Chief Financial Officer may receive restricted shares per financial year with a face value of up to 125% of salary</li> </ul>
<b>Long term incentives</b>		<b>Performance metrics</b>	<ul style="list-style-type: none"> <li>Restricted share awards are not subject to performance measures but vesting is subject to the achievement of an underpin normally reviewed over the three financial years commencing with the financial year in which awards are granted</li> <li>In assessing the underpin, in normal circumstances the Committee may consider the Group's overall performance, including financial and non-financial performance over the course of the vesting period and any material risk/regulatory failures identified. Specifically, it will seek evidence of positive progress against the Group's financial and strategic objectives as follows: <ul style="list-style-type: none"> <li>Financial health of the business, considering financial indicators</li> <li>Strategic priorities</li> <li>Stakeholder experience</li> <li>ESG progress</li> </ul> </li> <li>In considering these factors, the Committee will assess performance in the round, with the expectation of full vesting unless there has been a lack of material progress towards a stated objective, or it has identified material underperformance over the period. The Committee may scale back the awards (including to zero) if it is not satisfied the underpin has been met, and there is no threshold level of vesting.</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Incentivise long term decision making as the basis for sustainable growth</li> <li>Align with shareholders' interests</li> <li>Recruit and retain senior employees across the Group</li> </ul>		
<b>Operation</b>	<p>Executive directors receive restricted share awards as the long term variable element of remuneration:</p> <ul style="list-style-type: none"> <li>Restricted share awards are discretionary and will normally vest subject to continued employment and the satisfaction of the underpin after no less than three years;</li> <li>A holding period will apply which means that restricted shares may not ordinarily be sold until at least five years after the grant date (other than to pay relevant taxes due on vested awards);</li> <li>Malus and clawback provisions apply and are set out in more detail below.</li> <li>Dividend equivalents shall accrue in respect of restricted share awards to the extent that they vest, including in relation to any holding periods; and</li> <li>All awards are subject to the discretions contained in the relevant plan rules.</li> </ul>		

**DIRECTORS' REMUNERATION REPORT** continued**Long term incentives – previous policy applied for awards up to and including December 2020**

<b>Purpose</b>	<ul style="list-style-type: none"> <li>Awards issued under the previous policy with respect to long term incentives continued to vest until October 2023, and therefore the policy described below applied for the final time to outturns reported in this report.</li> </ul>
<b>Operation</b>	<ul style="list-style-type: none"> <li>Discretionary biannual grants of executive share option awards and performance share awards which vest subject to performance conditions measured over three years and subject to continuous service.</li> <li>A malus and clawback facility is in operation under which part or the full amount of a vested award may be recovered, by a reduction in the amount of any future bonus, subsisting award, the vesting of any subsisting award or future share awards and/or a requirement to make a cash payment, for a period of three years from the relevant performance year, to the extent that the value of a vested award is subsequently found to have been overstated as a result of a material misstatement of performance or there has been a significant failure of risk control or serious misconduct</li> <li>Two year post-vesting holding requirement for shares that vest, net of sales to settle tax or other withholding due on vesting or exercise of awards</li> <li>If any executive resigns during the period before vesting, awards would normally lapse</li> <li>All awards are subject to the discretions contained in the relevant plan rules</li> </ul>
<b>Maximum potential value</b>	<p><b>Executive share options</b></p> <ul style="list-style-type: none"> <li>Maximum annual award of 225% of base salary</li> <li>Annual grant levels for executive directors will not normally exceed 200% of base salary</li> <li>For 2020, grants did not exceed 200% of base salary for the incumbent executive directors</li> </ul> <p><b>Performance shares</b></p> <ul style="list-style-type: none"> <li>Maximum annual award of 175% of base salary</li> <li>For 2020, awards did not exceed 150% of base salary for the Chief Executive Officer and 120% for the Chief Financial Officer</li> </ul>

**Long term incentives – previous policy applied for awards up to and including December 2020**

<b>Performance metrics</b>	<ul style="list-style-type: none"> <li>Performance and service conditions must be met over a three year performance period. Metrics and targets are set each year by the Committee. The current metrics are as follows:</li> </ul> <p><b>Executive share options</b></p> <ul style="list-style-type: none"> <li>The eps performance measure relates to the absolute growth in the Company's eps against the targets set for the performance period</li> <li>The vesting is scaled as follows: <ul style="list-style-type: none"> <li>no vesting for performance below the threshold target;</li> <li>25% of an award will vest for achieving the threshold target;</li> <li>100% of an award will vest for achieving or exceeding the maximum target; and</li> <li>for performance between these targets, the level of vesting will vary on a straight line sliding scale.</li> </ul> </li> <li>The Committee annually reviews the performance conditions outlined above and, in line with the rules of the LTIP, reserves the right to set different targets for forthcoming annual grants provided it is deemed that the relevant performance conditions remain appropriately challenging in the prevailing economic environment</li> </ul> <p><b>Performance shares</b></p> <ul style="list-style-type: none"> <li>The TSR performance measure (50% of the total award) compares a combination of both the Company's share price and dividend performance during the performance period against a comparator group of the constituents of the FTSE 11–100. It aligns the rewards received by executives with the returns received by shareholders</li> <li>The other 50% of the award is subject to an eps performance measure which relates to the absolute growth in the Company's eps against the targets set for the performance period</li> <li>The vesting for both performance measures is scaled as follows: <ul style="list-style-type: none"> <li>no vesting for performance below median performance (TSR) or below the threshold target (eps);</li> <li>25% of an award will vest for achieving median performance (TSR) or the threshold target (eps);</li> <li>100% of an award will vest for achieving or exceeding upper quartile performance (TSR) or the maximum target (eps); and</li> <li>for performance between these targets, the level of vesting will vary on a straight line sliding scale.</li> </ul> </li> <li>The Committee annually reviews the performance conditions outlined above and, in line with the rules of the LTIP, reserves the right to set different targets for forthcoming annual grants provided it is deemed that the relevant performance conditions remain appropriately challenging in the prevailing economic environment</li> </ul>
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**DIRECTORS' REMUNERATION REPORT** continued**All employee share plans**

<b>Purpose</b>	<ul style="list-style-type: none"> <li>Encourage employees, including the executive directors, to build a shareholding through the operation of all employee share plans such as the HM Revenue &amp; Customs ('HMRC') tax advantaged Sharesave Scheme and the Internal Revenue Service ('IRS') approved Employee Stock Purchase Plan (US) ('ESPP') in the US</li> </ul>
<b>Operation</b>	<ul style="list-style-type: none"> <li>Executive directors may participate in all employee schemes on the same basis as other eligible employees</li> <li>The Sharesave Scheme has standard terms under which participants can normally enter into a savings contract, over a period of either three or five years, in return for which they are granted options to acquire shares at a discount of up to 20% of the market price prevailing on the day immediately preceding the date of invitation to apply for the option. Options are normally exercisable either three or five years after they have been granted</li> </ul>
<b>Maximum potential value</b>	<ul style="list-style-type: none"> <li>In the UK, the Sharesave Scheme is linked to a contract for monthly savings within the HMRC limits over a period of either three or five years (currently £500 per month)</li> </ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"> <li>Service conditions apply</li> </ul>

**Retirement benefits**

<b>Purpose</b>	<ul style="list-style-type: none"> <li>Provision of retirement benefits</li> <li>Retain executive directors</li> </ul>
<b>Operation</b>	<ul style="list-style-type: none"> <li>All defined benefit pension plans in the Group have been closed to new entrants since 2003 with any new recruits being offered defined contribution retirement arrangements and/or a pension allowance.</li> <li>Pension contributions and allowances are normally paid monthly</li> </ul>
<b>Maximum potential value</b>	<ul style="list-style-type: none"> <li>Company pension contributions to defined contribution retirement arrangements or cash allowances are capped at 5% of base salary for current and new executive directors</li> </ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

**Other benefits**

<b>Purpose</b>	<ul style="list-style-type: none"> <li>Provision of competitive benefits which helps to recruit and retain executive directors</li> </ul>
<b>Operation</b>	<ul style="list-style-type: none"> <li>Benefits may include a car allowance or a car which may be fully expensed, various insurances such as life, disability and medical and, in some jurisdictions, club expenses and other benefits provided from time to time.</li> <li>Some benefits may only be provided to reflect hybrid working and/or overseas relocation, such as removal expenses, and in the case of an international relocation might also include fees for accommodation, children's schooling, home leave, tax equalisation and professional advice etc.</li> </ul>
<b>Maximum potential value</b>	<ul style="list-style-type: none"> <li>The value of benefits is based on the cost to the Company and varies according to individual circumstances. For example, the cost of medical insurance varies according to family circumstances and the jurisdiction in which the family is based</li> </ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

**Shareholding requirement**

<b>Purpose</b>	<ul style="list-style-type: none"> <li>Strengthen the alignment between the interests of the executive directors and those of shareholders</li> </ul>
<b>Operation</b>	<ul style="list-style-type: none"> <li>In employment guideline: executive directors will normally be expected to retain shares, net of sales to settle tax, through the exercise of awards under the DASBS and the LTIP until they attain the required holding. Three years is the typical expectation for executives who are promoted from within the Company to achieve the required shareholding. It is recognised that a longer time period may be required for externally recruited executives to achieve the expected shareholding. Unvested deferred shares held under the DASBS will count towards the guideline (net of the expected sales for tax that would apply on vesting)</li> <li>Post-cessation guideline: Upon cessation of employment, executive directors should maintain a shareholding for two years thereafter at a level equal to the lower of the in-employment guideline and the number of shares vested as at cessation (net of tax) under restricted share awards granted.</li> <li>Shares held by or to the benefit of an executive director's spouse, civil partner or children (or with them as relevant) may count for the purposes of the guidelines.</li> </ul>
<b>Maximum potential value</b>	<ul style="list-style-type: none"> <li>The Chief Executive Officer's in-employment shareholding requirement is 350% of base salary. The in-employment requirement for other executive directors is 250% of base salary</li> <li>The Chief Executive Officer's post-employment shareholding requirement is 300% of salary. The post-employment shareholding requirement for other executive directors is 200%.</li> </ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

**DIRECTORS' REMUNERATION REPORT** continued**Fees policy for Chairman and non-executive directors (the 'NEDS')**

The following table summarises the fees policy for the Chairman and the NEDs.

Fees	
Purpose	<ul style="list-style-type: none"> <li>Provision of a competitive fee to attract NEDs who have a broad range of experience and skills to oversee the implementation of the Company's strategy</li> </ul>
Operation	<ul style="list-style-type: none"> <li>Determined in light of market practice and with reference to time commitment and responsibilities associated with the roles</li> <li>Annual fees are paid in 12 equal monthly instalments during the year</li> <li>The Senior Independent Director and Chairs of the Audit and Remuneration Committees are paid an extra fee to reflect their additional responsibilities</li> <li>The NEDs and the Chairs are not eligible to receive benefits and do not participate in pension or incentive plans. Expenses incurred in respect of their duties as directors of the Company are reimbursed</li> <li>The NEDs' and Chairman's fees are reviewed annually in January each year, the latest review being with effect from January 2024 for NED fees and the Chairman's fees</li> <li>The Board as a whole considers the policy and structure for the NEDs' fees on the recommendation of the Chairman and the Chief Executive Officer. The NEDs do not participate in discussions on their specific levels of remuneration; the Chairman's fees are set by the Committee</li> </ul>
Maximum potential value	<ul style="list-style-type: none"> <li>Determined within the overall aggregate annual limit of £1,500,000 authorised by shareholders with reference to the Company's Articles of Association approved at the 2021 AGM</li> </ul>
Performance metrics	<ul style="list-style-type: none"> <li>Not eligible to participate in any performance related elements of remuneration</li> </ul>
Taxable benefits and expenses	<ul style="list-style-type: none"> <li>Taxable expenses incurred in the course of carrying out NED duties are reimbursed and grossed up to include tax payable</li> </ul>

**Notes to the Policy Table****Malus and Clawback Provisions**

Malus and clawback provisions apply to the cash and deferred elements of the bonus and the RSA awards. The malus and clawback provisions may be enforced in the event of material misstatement, errors in assessment of conditions, significant failure of risk control, serious misconduct, corporate failure (entailing the appointment of an administrator or liquidator) and serious reputational damage or where there has been a material failure in the management of the company to which the relevant individual has made a direct contribution. Malus or clawback as relevant may be affected by a reduction in the amount of any future bonus or subsisting award, the vesting of any subsisting award or future share award and/or a requirement to make a cash payment. In respect of bonus or deferred bonus the relevant discovery period expires three years after the end of the relevant performance period. In respect of RSA awards (and legacy performance shares and options) the relevant discovery period expires on the third anniversary of the vesting of the awards.

**Selection of performance measures and targets**

The Committee determines the performance measures, and the weighting of each, applying to the annual bonus based on the strategic priorities of the Group at the time. The bonus measures in place normally include the use of profit, RAOC and cash flow measures, but the precise metrics and their weightings may change from year to year. Each of these measures is aligned with the Group's key performance indicators ('KPIs') and has been chosen as, alongside growing profitability, a focus on cash and effective investment of capital are particularly important. The management of capital employed together with profitability and cash flow ensures the focus on cash generation, enabling the Group to pay dividends and to support the growth strategy by making acquisitions and reinvesting in the underlying business. Strategic non-financial goals reward individual contribution to the success of the Group and allow a focus each year on important operational goals and strategic milestones, with a focus on the Environmental, Social and Governance agenda. This combination of performance measures provides a balance relevant to the Group's business and market conditions as well as providing a common goal for the executive directors, senior managers and shareholders.

**Statement of consideration of shareholder views**

The Committee considers shareholder feedback received in relation to the AGM each year and guidance from shareholder representatives more generally. In addition, the Committee consults proactively with its major shareholders prior to making significant changes to its policy, as it did this year when a comprehensive shareholder consultation was undertaken. This was conducted through meetings, calls and correspondence and the views received helped to shape the policy proposals.

**DIRECTORS' REMUNERATION REPORT** continued**All employee share schemes**

The table below shows the number of share options granted to the executive directors under the Sharesave Schemes. Details of the Sharesave Schemes are set out on page 130.

**Sharesave Schemes**

	Options at 1 January 2023	Grant date	Exercise price p	Options exercisable between	Options at 31 December 2023
Frank van Zanten	959	27.03.18	1,564	01.05.23–31.10.23	–
	504	31.03.21	1,781	01.05.24–31.10.24	<b>504</b>
	–	03.04.23	2,343	01.05.26–31.10.26	<b>368</b>
Richard Howes	1,010	31.03.21	1,781	01.05.24–31.10.24	<b>1,010</b>

**Interests in shares and share options (audited disclosure)**

The interests of the directors, and their connected persons, in the Company's ordinary shares and share options at 31 December 2023 were:

	Shares (DASBS, LTIP B and RSA)				Options (LTIP Part A and Sharesave)			Total interests held
	Owned outright	Unvested (DASBS)	Unvested and subject to performance conditions (LTIP Part B)	Unvested and subject to underpin (RSA)	Unvested and subject to performance conditions	Unvested subject to continued employment	Vested but not exercised	
Frank van Zanten	<b>225,612</b>	91,750	–	130,234	–	872	272,464	720,932
Richard Howes	<b>76,333</b>	53,324	–	68,140	–	1,010	–	198,807
Peter Ventress	<b>2,608</b>	–	–	–	–	–	–	2,608
Vin Murria	–	–	–	–	–	–	–	–
Vanda Murray	<b>3,000</b>	–	–	–	–	–	–	3,000
Lloyd Pitchford	<b>4,000</b>	–	–	–	–	–	–	4,000
Stephan Nanninga	–	–	–	–	–	–	–	–
Pam Kirby	<b>1,800</b>	–	–	–	–	–	–	1,800
Jacky Simmonds	–	–	–	–	–	–	–	–

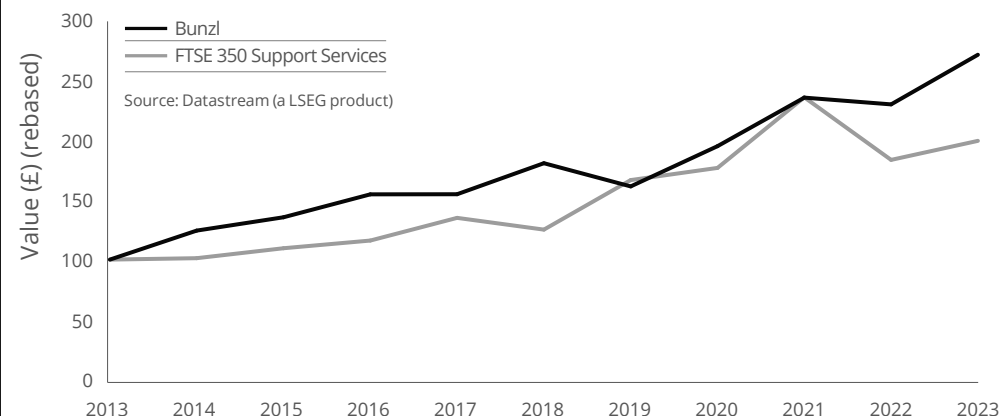
## Notes

a) No changes to the directors' ordinary share interests shown in this remuneration report have taken place between 31 December 2023 and 26 February 2024.

b) LTIP A share options are structured as market value options and LTIP B performance shares and Restricted Share Awards are structured as nil-cost options.

**Performance graph and table**

Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 requires that the Company must provide a graph comparing the TSR performance of a hypothetical holding of shares in the Company with a broad equity market index over a 10 year period. The Company's TSR performance against the FTSE 350 Support Services Sector, considered to be the most appropriate comparator group, over a 10-year period to 31 December 2023 is shown below.



**DIRECTORS' REMUNERATION REPORT** continued**Chief Executive Officer's single figure history**

The table below summarises the Chief Executive Officer's single total figure of remuneration, annual bonus and long term incentive payout as a percentage of maximum opportunity for 2023 and the previous nine years. The total remuneration figure for 2023 includes both the 2020 LTIP B awards and the 2021 Restricted Share Award due to reporting requirements. This means the total remuneration is artificially high and will normalise in 2024.

	2014	2015	2016 MR	2016 FvZ	2017	2018	2019	2020	2021	2022	2023
Single total figure of remuneration £000	4,766.8	3,937.9	2,353.3	1,492.0	2,812.0	2,828.8	2,769.4	3,490.3	4,225.4	4,505.1	<b>6,284.9</b>
Annual bonus payment as a percentage of maximum	85%	64%	0%	67%	73%	70%	60%	100%	98%	98%	<b>90%</b>
Long term incentive vesting as a percentage of maximum											
LTIP Part A (options)	100%	100%	100%	0%	100%	100%	100%	100%	96%	100%	–
LTIP Part B (performance shares)	89%	69%	82%	0%	69%	54%	63%	45%	81%	60%	<b>88%</b>
LTIP Part B (Restricted Share Awards)	–	–	–	–	–	–	–	–	–	–	<b>100%</b>

## Notes

- a) The data for 2016 includes the amounts relating to Michael Roney ('MR') from 1 January 2016 to 19 April 2016 and also includes the LTIP awards made to him that vested in the period from 20 April to 31 December 2016. There was no bonus award for Michael Roney in relation to 2016.
- b) The data for 2016 also includes the amounts relating to Frank van Zanten ('FvZ') from 20 April to 31 December 2016 including the bonus award for that period and the international relocation package with accommodation benefit support, but excludes the LTIP awards made to him in his previous role that vested during the period from 20 April to 31 December 2016.
- c) All years prior to 2016 relate to the former CEO Michael Roney.
- d) The single total figure of remuneration in relation to 2022 has been restated from the figure shown in the 2022 Annual Report to reflect the difference between the grant price and the estimated value of vesting using the three month average share price to 31 December 2022 and the value of the relevant LTIP awards on the actual date of vesting as detailed in Note (f) to the table of the single total figure of remuneration 2023 on page 136.

**Percentage change in each director's remuneration**

The table below sets out the annual changes from the prior year, for the years 2020 through to 2023, in the salary, benefits, and bonus values of all directors and employees of the legal entity which employs the Chief Executive Officer, Bunzl plc. Where it is not possible to compare employees from Bunzl plc between years due to employees joining or leaving the Company or moving role, these employees have been removed from the data to prevent distortion.

	Salary/Fees				Benefits				Bonus			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Chief Executive Officer – Frank van Zanten	3.0%	2.9%	2.9%	<b>5.9%</b>	(42.0%)	(14.1%)	57.2%	<b>15.0%</b>	73.0%	0.8%	2.9%	<b>(2.9%)</b>
Chief Financial Officer – Richard Howes	3.0%	2.9%	2.9%	<b>5.0%</b>	n/a	1.2%	2.5%	<b>(0.6%)</b>	n/a	(0.2%)	4.0%	<b>(3.7%)</b>
Chairman – Peter Ventress	3.1%	0.0%	4.9%	<b>0.0%</b>	n/a	100.0%	(100.0%)	<b>0.0%</b>	n/a	n/a	n/a	<b>n/a</b>
Non-executive director – Vanda Murray	0.9%	2.2%	3.4%	<b>4.7%</b>	(100.0%)	100.0%	104.0%	<b>69.4%</b>	n/a	n/a	n/a	<b>n/a</b>
Non-executive director – Lloyd Pitchford	1.1%	1.6%	3.0%	<b>4.7%</b>	(100.0%)	0.0%	0.0%	<b>100.0%</b>	n/a	n/a	n/a	<b>n/a</b>
Non-executive director – Stephan Nanninga	n/a	2.0%	2.5%	<b>4.7%</b>	(64.0%)	(100.0%)	100.0%	<b>(0.9%)</b>	n/a	n/a	n/a	<b>n/a</b>
Non-executive director – Vin Murria	n/a	2.0%	2.5%	<b>4.7%</b>	n/a	0.0%	100.0%	<b>(2.0%)</b>	n/a	n/a	n/a	<b>n/a</b>
Non-executive director – Pam Kirby	n/a	n/a	n/a	<b>4.7%</b>	n/a	n/a	n/a	<b>0.0%</b>	n/a	n/a	n/a	<b>n/a</b>
Non-executive director – Jacky Simmonds	n/a	n/a	n/a	<b>n/a</b>	n/a	n/a	n/a	<b>n/a</b>	n/a	n/a	n/a	<b>n/a</b>
Average of employees in Bunzl plc	3.2%	3.1%	4.7%	<b>6.7%</b>	(3.3%)	5.8%	3.8%	<b>3.1%</b>	162.0%	(15.9%)	(23.2%)	<b>(17.1%)</b>

## Notes

- a) Benefits are annualised. See footnote (c) under the table on page 136 for explanation of increase to Frank van Zanten's benefits.
- b) Bunzl plc employees exclude any increases due to a change of role that occurred during either year.
- c) Benefits for Bunzl plc employees have been restated for all years to include both health insurance cover and car allowances. Bonus for 2021-2022 has been restated with actual bonus outturn numbers.
- d) Benefits for the non-executive directors are costs incurred for travel and accommodation in order to attend Board meetings in London.

**DIRECTORS' REMUNERATION REPORT** continued**Chief Executive Officer pay ratio**

The table below sets out the comparisons between the 25th, median, and 75th percentile employees in the UK, with reference to 31 December 2023, and the Chief Executive Officer's salary and total remuneration as detailed in the single figure table. To calculate these ratios, the Company has used Option A and determined full time equivalent total remuneration as this is the most statistically robust method. This includes scaling up salary for part time employees. Each employee's pay and benefits are calculated using each element of employee remuneration consistent with the Chief Executive Officer and no element of pay has been omitted.

	CEO single figure	Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Salary	£995,050	2023	Option A	41:1	36:1	26:1
Total remuneration	£6,285,028	2023	Option A	248:1	213:1	146:1
Salary	£939,600	2022	Option A	41:1	35:1	25:1
Total remuneration	£4,505,124	2022	Option A	193:1	163:1	108:1
Salary	£913,078	2021	Option A	43:1	37:1	26:1
Total remuneration	£4,225,361	2021	Option A	196:1	164:1	106:1

	Salary	Total remuneration
Chief Executive Officer	£995,050	£6,285,028
25th percentile employee	£24,316	£25,339
Median employee	£27,706	£29,468
75th percentile employee	£37,875	£43,030

The total remuneration ratios for 2023 are higher due to the inclusion of both the LTIP B vests and RSA vest in the single figure table for the Chief Executive Officer's remuneration. The median salary ratio remains broadly consistent as the Chief Executive Officer's salary increase was in line with the wider UK workforce.

**Note**

The single total figure of remuneration in relation to 2022 has been recalculated to reflect the difference between the grant price and the estimated value of vesting of the relevant LTIP awards on the actual date of vesting as detailed in Note (f) to the table of the single figure of remuneration 2023 on page 136. The 2022 salary ratio has not been restated because there was no difference to report.

**Relative importance of spend on pay**

The table below shows a comparison between the overall expenditure on pay and dividends paid to shareholders as well as adjusted earnings per share for 2022 and 2023 (as stated in Note 26, Note 22 and Note 3 to the consolidated financial statements on pages 185, 182 and 161 respectively).

£m	2023	2022	Percentage change
Overall expenditure on pay	<b>1,039.5</b>	984.5	5.6%
Dividends paid in the year	<b>209.7</b>	190.5	10.1%
Adjusted earnings per share (p)	<b>191.1</b>	184.3	3.7%

**Notes**

a) Overall expenditure on pay excludes employer's social security costs.

b) Adjusted earnings per share is used as a comparator as it is a key financial indicator.

**Remuneration arrangements for 2024****Salary**

The salary increases for the executive directors for 2024, which are lower than the increase that has been implemented for the wider leadership team (c. 5%), are as follows:

	Salary from 1 January 2024	Salary from 1 January 2023	Increase in salary 2023 to 2024
Frank van Zanten	£1,034,850	£995,050	4.0%
Richard Howes	£673,000	£647,000	4.0%

**2024 bonus measures**

The structure for Frank van Zanten's and Richard Howes' annual bonus for 2024 is a balanced scorecard of performance measures, based on adjusted eps, RAOC, operating cash flow and specified strategic goals. The weighting of these measures remains 70% financial measures and 30% non-financial measures (20% strategic goals and 10% ESG goals).

	Weightings
EPS	30%
ROAC	15%
Operating cash flow	25%
Individual strategic objectives	20%
ESG / Sustainability	10%
	<b>100%</b>

Following feedback from shareholders, the weighting of RAOC will increase by 5% to 15% and the weighting of eps will decrease by 5% to 30%. The relevant performance points are: threshold, target, and maximum (the level at which the bonus for that measure is capped). These performance points are determined at the start of the year and no elements of the bonus are guaranteed. As in previous years, the performance measures, including the financial targets, are commercially sensitive and therefore are not disclosed until the following year.

DIRECTORS' REMUNERATION REPORT continued

Underpin and pricing basis for long term incentives to be awarded in 2024

For the first awards to be granted under the 2024 Policy, the performance underpin will be reorganised so that a formal framework is established upfront which will set out clearly for each award the key elements which will need to be assessed for the award to vest. As is current policy, the Committee will review specific indicators to help form a view of ‘in the round’ performance. In addition, the Committee has the discretion to scale back awards (including to zero) if it concludes there is material underperformance over the course of the vesting period.

Performance underpin framework	Factors to be considered (not limited to)
Financial health of the business, considering key financial indicators	<ul style="list-style-type: none"> <li>Revenue growth</li> <li>Operating margin</li> <li>Adjusted earnings per share</li> <li>Return on average operating capital (RAOC/ROIC)</li> <li>Cash conversion</li> <li>Balance sheet strength</li> </ul>
Strategic priorities	Delivery of key strategic objectives over the vesting period including operational and individual performance
Stakeholder experience	Consideration of our key stakeholders including employees, customers, suppliers and shareholders
ESG progress	Progress towards key achievement of ESG objectives including climate change ambitions, ethical supply, investing in our people and diversity

The Committee conducts an annual review of the underpin and overall performance to determine if the shares should vest in full at the end of three years. Under the proposed new policy there will be an increase to quantum of restricted shares granted. In 2024 Frank van Zanten, subject to shareholder approval, will be granted a restricted share award to the value of 175% of his salary and Richard Howes will be granted a restricted share award to the value of 125% of his salary. In respect of determining the number of awards to be granted in 2024, the 60-day average share price preceding the first grant date will be used.

Chairman’s and non-executive directors’ fees for 2024

The Chairman’s fee is reviewed every two years and the non-executive directors’ fees are reviewed annually with the most recent reviews for both taking effect from 1 January 2024. The current fee structure for the Chairman and the non-executive directors is shown below:

	With effect from 1 January 2024	Fees paid in 2023	Increase in fees 2023 to 2024
Chairman’s fee	£419,000	£386,000	8.5%
Non-executive director fee	£81,500	£78,500	3.8%
Supplements:			
Senior Independent Director	£21,800	£21,000	3.8%
Audit Committee Chair	£23,000	£22,000	4.5%
Remuneration Committee Chair	£23,000	£22,000	4.5%

The 8.5% increase to the Chairman’s fee reflects the time commitment related to the role and the biannual approach to increases.

Advisers to the Remuneration Committee

In carrying out their responsibilities, the Committee seeks external remuneration advice as necessary. During the year the Committee received advice from Willis Towers Watson (‘WTW’) and FIT Remuneration Consultants LLP (‘FIT’). WTW provided external survey data on directors’ remuneration and benefit levels and FIT advised the Remuneration Committee on senior executive pay.

The fees payable to each adviser, based on hourly rates, were: £18,090 (WTW), and £72,421 (FIT) respectively for such work undertaken in 2023. Advisers are appointed by the Committee and reviewed periodically. A tender exercise was conducted in 2020 and FIT were selected to provide independent advice to the Remuneration Committee on senior executive pay matters. The Committee conducts regular reviews of the effectiveness of the advisers and is satisfied that they remain objective and independent.

Statement of voting at the 2023 AGM for the remuneration report

The remuneration report and remuneration policy respectively received the following shareholder votes at the 2023 AGM held on 26 April 2023 and the 2021 AGM held on 20 April 2021 these being the years they were last voted on by shareholders:

	Votes cast	Votes for	% of shares voted for	Votes against	% of shares voted against	Votes withheld
Remuneration report (2023)	280,620,548	267,969,829	95.49%	12,650,719	4.51%	941,363
Remuneration policy (2021)	273,777,510	258,507,726	94.42%	15,269,784	5.58%	3,880,511

Notes  
a) The votes ‘For’ include votes given at the Company Chairman’s discretion.  
b) A vote ‘Withheld’ is not a vote in law and is not counted in the calculation of the votes ‘For’ or ‘Against’ the resolution. Votes ‘For’ and ‘Against’ are expressed as a percentage of the votes cast.

Vanda Murray OBE  
Chair of the Remuneration Committee  
26 February 2024



## OTHER STATUTORY INFORMATION

### Annual General Meeting

The Notice convening the Company's Annual General Meeting ('AGM'), to be held at 60 Victoria Embankment, London, EC4Y 0JP on Wednesday 24 April 2024 at 11.00 am, is set out in a separate letter from the Chairman to shareholders.

### Dividends

An interim dividend of 18.2p was paid on 3 January 2024 in respect of 2023 and the directors are recommending a final dividend of 50.1p, making a total for the year of 68.3p per share (2022: 62.7p). Dividend details are given in Note 22 to the consolidated financial statements. Subject to shareholder approval at the 2024 AGM, the final dividend will be paid on 2 July 2024 to those shareholders on the register at the close of business on 17 May 2024.

### Share capital

The Company has a single class of share capital which is divided into ordinary shares of 32<sup>1</sup>/<sub>7</sub>p each which rank pari passu in respect of participation and voting rights. The shares are in registered form, are fully paid up and are quoted on the London Stock Exchange. In addition, the Company operates a Level 1 American Depositary Receipt programme with Citibank N.A. under which the Company's shares are traded on the over-the-counter market in the form of American Depositary Receipts.

Details of changes to the issued share capital during the year are set out in Note 21 to the consolidated financial statements.

### Bunzl Group General Employee Benefit Trust

The trustee of the Bunzl Group General Employee Benefit Trust (the 'EBT') holds shares in respect of employee share options and awards that have not been exercised or vested. The EBT abstains from voting in respect of these shares. The trustee has agreed to waive the right to dividend payments on shares held within the EBT. Details of the shares so held are set out in Note 21 to the consolidated financial statements.

### Rights and obligations attaching to shares

Subject to the provisions of the Companies Act 2006 and without prejudice to any rights attached to any existing shares, the Company may resolve by ordinary resolution to issue shares with such rights and restrictions as set out in such resolution or (if there is no such resolution or so far as it does not make specific provision) as the Board may decide. Subject to the provisions of the Companies Act 2006 and of any resolution of the Company passed pursuant thereto and without prejudice to any rights attached to existing shares, the Board is duly authorised to issue and allot, grant options over or otherwise dispose of the Company's shares on such terms and conditions and at such times as it thinks fit. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated by special resolution passed at a separate general meeting of such holders. Subject to the rights attached to any existing shares, rights attached to shares will be deemed to be varied by the reduction of capital paid up on the shares and by the allotment of further shares ranking in priority in respect of dividend or capital or which confer on the holders more favourable voting rights than the first-mentioned shares, but will not otherwise be deemed to be varied by the creation or issue of further shares.

### Power to issue and allot shares

The directors are generally and unconditionally authorised under the authorities granted at the 2023 AGM to allot shares in the Company up to approximately one third of the Company's issued share capital or two thirds in respect of a rights issue. The directors were also given the power to allot ordinary shares for cash up to a limit representing approximately 10% of the Company's issued share capital as at 9 March 2023, without regard to the pre-emption provisions of the Companies Act 2006 (however, more than 5% can only be used in connection with an acquisition or specified capital investment). No such shares were issued or

allotted under these authorities in 2023, nor is there any current intention to do so, other than to satisfy share options under the Company's share option schemes and, if necessary, to satisfy the consideration payable for businesses to be acquired.

These authorities are valid until the conclusion of the forthcoming AGM and the directors again propose to seek equivalent authorities at such AGM.

### Restrictions on transfer of shares

Dealings in the Company's ordinary shares by its directors, persons discharging managerial responsibilities, certain employees of the Company and, in each case, any persons closely associated with them, are subject to the Company's Share Dealing Code.

Certain restrictions, which are customary for a listed company, apply to transfers of shares in the Company. The Board may refuse to register an instrument of transfer of any share which is not a fully paid share and of a certificated share at its discretion unless it is:

- lodged, duly stamped or duly certified, at the offices of the Company's registrar or such other place as the Board may specify and is accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- in respect of only one class of share; and
- in favour of not more than four transferees.

Registration of a transfer of an uncertificated share may be refused in the circumstances set out in the uncertificated securities rules, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

In addition, no instrument of transfer for certificated shares shall be registered if the transferor has been served with a restriction notice as defined in the Company's Articles of Association (the 'Articles') after failure to provide

the Company with information concerning certain interests in the Company's shares required to be provided under the Companies Act 2006, unless the transfer is shown to the Board to be pursuant to an arm's length sale. The Board has the power to procure that uncertificated shares are converted into certificated shares and kept in certificated form for as long as the Board requires.

The Company is not aware of any agreements between shareholders that may result in any restriction of the transfer of shares or voting rights.

### Restrictions on voting rights

A member shall not be entitled to vote, unless the Board otherwise decides, at any general meeting or class meeting in respect of any shares held by them if any call or other sums payable remain unpaid. Currently, all issued shares are fully paid. In addition, no member shall be entitled to vote if they have been served with a restriction notice after failing to provide the Company with information concerning certain interests in the Company's shares required to be provided under the Companies Act 2006. Votes may be exercised in person or by proxy. The Articles currently provide a deadline for submission of proxy forms of 48 hours before the relevant meeting, 24 hours before a poll is taken if such poll is taken more than 48 hours after it was demanded or during the meeting at which the poll was demanded if the poll is not taken straight away but is taken not more than 48 hours after it was demanded.

### Purchase of own shares

At the 2023 AGM, shareholders gave the Company authority to purchase up to a maximum amount equivalent to approximately 10% of its issued share capital. During the year ended 31 December 2023, the Company did not purchase any of its own shares pursuant to this authority or the authority granted at the 2022 AGM and no shares have been purchased between 31 December 2023 and 26 February 2024. As a result, directors again propose to seek the equivalent authority at the 2024 AGM.

**OTHER STATUTORY INFORMATION** continued**Directors**

Directors may be elected by ordinary resolution at a duly convened general meeting or appointed by the Board. Under the Articles, the minimum number of directors shall be two and the maximum shall be 15. In accordance with the Articles, at every annual general meeting all the directors at the date of the notice convening the annual general meeting shall retire from office and may offer themselves for re-appointment by the members. The Board may also appoint a person willing to act as a director during the year either to fill a vacancy or as an additional director but so that the total number of directors shall not at any time exceed 15. However, such appointee shall only hold office until the next AGM of the Company.

In addition to any power to remove a director from office conferred by the Companies Act 2006, the Company may also by special resolution remove a director from office before the expiration of his or her period of office under the Articles.

The office of a director shall also be vacated pursuant to the Articles if the director:

- resigns by giving notice in writing sent to or received at the office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a meeting of the Board and that resignation becomes effective, or is asked to resign by all of the other directors who are not less than three in number; or
- is or has been suffering from mental or physical ill health and the Board resolves that his or her office be vacated; or
- is absent without permission from Board meetings for six consecutive months and the Board resolves that his or her office be vacated; or
- becomes bankrupt or compounds with his or her creditors generally; or
- is prohibited by law from being a director; or

- ceases to be a director by virtue of any provisions of the Companies Act 2006 or is removed from office pursuant to the Articles.

Biographical details of all of the current directors are set out on pages 90 and 91. Each of the directors will retire and offer themselves for re-appointment at the forthcoming AGM.

Directors' interests in the Company's ordinary shares are shown in Note 24 to the consolidated financial statements. None of the directors were materially interested in any contract of significance with the Company or any of its subsidiary undertakings during or at the end of 2023. Information relating to the directors' service agreements, their remuneration for the year and details of the directors' share options under the Company's share option schemes and awards under the Long Term Incentive Plan and Deferred Annual Share Bonus Scheme are set out in the Directors' remuneration report on pages 122 to 146.

**Powers of the directors**

Subject to the Articles, the Companies Act 2006 and any directions given by the Company by special resolution, the business of the Company is managed by the Board who may exercise all powers of the Company. The Board may, by power of attorney or otherwise, appoint any person or persons to be the agent or agents of the Company for such purposes and on such conditions as the Board determines.

**Directors' indemnities**

Indemnities were in force throughout 2023 and remain in force as at the date of this report under which the Company has agreed to indemnify the directors and the Company Secretary, in addition to other senior executives who are directors of subsidiaries of the Company, to the extent permitted by law and the Articles in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as a director or officer of the Company or any of its subsidiaries.

**Amendment of articles**

Any amendments to the Articles may be made in accordance with the provisions of the Companies Act 2006 by way of a special resolution of the Company's shareholders at a general meeting.

**Environmental and social responsibility**

The directors recognise that the Company is part of a wider community and that it has a responsibility to act in a way that respects the environment and social and community issues. Further information relating to the Company's approach to these matters is set out in the Sustainability report on pages 44 to 62.

**Greenhouse gas emissions**

Information relating to greenhouse gas emissions has been set out in the ESG appendix on pages 211 to 220.

**Employment policies**

The employment policies of the Group have been developed to meet the needs of its different business areas and the locations in which they operate worldwide, embodying the principles of equal opportunity. The Group has standards of business conduct with which it expects all its employees to comply. Bunzl encourages the involvement of its employees in the performance of the business in which they are employed and aims to achieve a sense of shared commitment. In addition to a regular magazine, which provides a variety of information on activities and developments within the Group and incorporates half year and annual financial reports, announcements are periodically circulated to give details of corporate and employee matters, together with a number of subsidiary or business area publications dealing with activities in specific parts of the Group.

It is the Group's policy that applicants with a disability should be considered for employment and career development on the basis of their aptitudes and abilities. Employees who develop a disability during their working life will be retained in employment wherever possible and given help with rehabilitation and training.

Further information relating to the Group's employees can be found in the Our people section on pages 34 to 39.

**Significant agreements**

The Company's wholly owned subsidiary, Bunzl Finance plc, has a number of bilateral loan facilities with a range of different counterparties, all of which are guaranteed by the Company, are in substantially the same form and are repayable at the option of the lender in the event of a change of control of the Company. Similar change of control provisions in relation to the Company are included in the US dollar, sterling and euro US private placement notes and the senior unsecured bonds (which are listed on the Main Market and International Securities Market of the London Stock Exchange), all of which have been entered into by Bunzl Finance plc and the Company and are also guaranteed by the Company.

**Political donations**

During 2023, no contributions were made for political purposes.

**Use of financial instruments**

Information on the use of financial instruments can be found in the Financial review on pages 80 to 86 and in the Notes to the financial statements on pages 154 to 188.