



improving  
safety

...responsible  
sourcing

# Corporate responsibility

Objective performance measures and structured monitoring of environmental, health & safety and other relevant metrics continues to be a focus in order to maintain high levels of corporate responsibility within our business.



Whether in the warehouse or on the road, our commitment to safety is paramount. We are all trained to use safe working practices and to make sure we look after both ourselves and our colleagues.

**Ngoun Ngoeong**  
North America

## Business context

We are a focused and successful international distribution and outsourcing group with operations across the Americas, Europe and Australasia. By outsourcing the purchasing, consolidation and delivery of a broad range of everyday items, our customers are able to focus on their core businesses, achieve purchasing efficiencies and savings, free up working capital, improve distribution capabilities, reduce carbon emissions and simplify their internal administration.

We do not manufacture any products but as part of our business strategy we source and procure branded, own brand and unbranded products globally. These products are then consolidated into our extensive global warehouse infrastructure, giving our customers a one-stop-shop solution to help reduce or eliminate the hidden costs of self-distribution and reduce their environmental impact. We also offer several delivery options to ensure our customers receive their products when and where they are needed.

## Sourcing

We source everyday essential non-food items for a number of market sectors including foodservice, grocery, cleaning & hygiene, retail, safety and healthcare. We liaise closely with our suppliers so that we are able to offer a full range of items which satisfy our customers' demands, including offering alternative products which reduce their environmental impact and, as a result, their effect on climate change. Our quality assurance/quality control department based in Shanghai monitors and works with our key suppliers in Asia to ensure that appropriate corporate responsibility ('CR') standards are in place.

## Consolidation

We have an extensive footprint of warehouse facilities across four continents. Our broad range of products are therefore never far from where they need to be, allowing us to meet our customers' needs quickly and easily, as well as reducing the number of deliveries to our customers, thereby cutting fuel usage, carbon emissions and administration.

## Highlights

- Biennial employee survey completed with increased response rate
- Reduction targets for accident incidence and severity rates exceeded
- Analysis of social risk in worldwide supply chain completed and supplier management enhanced
- Enhanced reported Scope 3 carbon emissions

# Corporate responsibility continued

## Distribution

With our fleets of delivery vehicles and third party carriers, we are able to get products to our customers in a timely manner. Our flexible delivery service allows our customers to increase the efficiency and competitiveness of their operations.

As well as day-to-day operations, our business relies on developing strong and stable relationships with all of our stakeholders. We believe in managing our business with integrity, making sustainable, long term decisions.

## Strategy, framework and materiality

We believe that positive actions with respect to CR are not only desirable in their own right but are also of potential economic and commercial benefit to the Group. A strong reputation for CR can provide business advantage and contribute to shareholder value. Conversely, perceived weakness in CR may damage our reputation and cause risks. Bunzl's good practice in sustainability has again been recognised by its FTSE4Good listing and CDP (formerly Carbon Disclosure Project) score. Details of our strategy and framework in relation to CR can be found on the Bunzl plc website in the Responsibility section at [www.bunzl.com](http://www.bunzl.com).

## Materiality

Understanding our material issues is important to enable us to manage our CR related impacts and stakeholder relationships effectively. It also helps to focus our resources, engagement and reporting activities by addressing those issues most material to our business. Our current areas of focus are:

- business conduct/code of ethics: training to ensure everyone understands our standards;
- employees: engaging through clear communication using a variety of channels, as well as provision of training and development opportunities;
- health & safety: improving safety in our warehouses and on our vehicles and ensuring that everyone takes personal responsibility for this;
- environment/climate change: reducing our and our customers' impacts on the environment by reducing carbon emissions and promoting the reduction of waste and providing innovative products to meet our customers' needs, for example environmentally friendly packaging;

- suppliers: responsible sourcing, working as partners with our suppliers to encourage high levels of CR and ethical trading initiatives; and
- community: providing support by encouraging employee fundraising, donating to charitable projects that benefit our employees and the communities we work in and by donating stock and cash to charitable organisations and good causes.

These issues are governed by a policy framework, which is approved and monitored by the Board, with implementation at a business area level.

## Business conduct/code of ethics

The Group's business conduct/code of ethics policy is disseminated to every employee as a guide to how employees are expected to conduct themselves both from a corporate and individual perspective. The policy clearly states that employees should avoid conflicts of interest, provides guidance on the giving and receiving of gifts and entertainment, prohibits illegal payments as well as political donations and reinforces the need to comply with laws, rules and regulations, protect confidential information and company assets and maintain high standards in relationships with our customers and suppliers.

No material breaches of our business conduct/code of ethics policy were recorded in 2016. However, some minor incidents relating to employee conduct, such as theft or misuse of the Group's property, did occur and were dealt with during the normal course of business using Group human resources ('HR') policies and procedures. 16 (2015: 17) calls/letters were received through our confidential whistleblowing process, 'Speak Up', none of which related to any issues of material concern.

All directors, managers, sales representatives and purchasing staff are required to undertake all of the CR e-learning modules which have been developed and enhanced since their original launch. There are now a total of 11 modules which provide an overview of the business conduct/code of ethics policy and anti-bribery issues such as facilitation payments and gifts and entertainment. In addition, we refreshed the posters which are displayed in all our locations to advertise 'Speak Up'.



449  
Asian supplier CR audits

31%  
Reduction in accident severity rate

Key performance indicators	Performance			What we said we would do in 2016	What we did	What we plan to do in 2017
	2014	2015	2016			



## Employees

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

Employee turnover: Voluntary <small>(Data for 2014 and 2015 has been amended to reflect a modified method of calculation).</small>	10.0%	10.3%	11.7%	Monitor turnover and take action where necessary.	We are seeing an increase in voluntary employee turnover in all our business areas. The movement in the levels of voluntary employee turnover tends to reflect changing economic conditions in the countries in which we operate rather than any intrinsic reasons related to the Group. Our key employee and management populations remain stable.	Continue to monitor turnover and take action where necessary.
Gender diversity: Women at senior management level	10%	11%	10%	Extend the training network further and encourage wider participation.	We continued to promote a women's development and training network across the Group.	Focus on career development and succession plans.
Employee engagement index score	74%	-	76%	Prepare to undertake the employee engagement survey either at the end of 2016 or during the first half of 2017.	We completed a further employee survey in 2016 covering all businesses within the Group. The response rate was 82%, an increase of 10% against the previous survey in 2014 and the engagement score was 76%, an increase of 2%. Details of the outcome of the survey have been distributed to the business area heads and the HR community for discussion with management in the individual businesses.	Detailed actions plans to be devised to address any significant issues raised.



## Health & safety

Improving safety in our warehouses and on our vehicles

Reduction in accident incidence rate (% change year-on-year)	-19%	-7%	-7%	Reduce the Group accident incidence rate by 5% from 2015.	The accident incidence rate reduced by 7% and the accident severity rate reduced by 31%. The accident incidence rate improved in UK & Ireland, Continental Europe and Latin America. In North America the significant improvement made in the previous year was partially offset by the performance of some recently acquired businesses. The accident severity rate decreased in North America, Continental Europe and UK & Ireland, where our focus on behavioural safety and assisted return to work programmes appears to be improving our performance. Although Latin America saw an increase in severity rate, their performance compares favourably with other business areas. Australasia's incidence and severity rates have both increased. While their incidence rate is only slightly above the Group average, their severity rate was adversely affected by two manual handling accidents accounting for 68% of their days lost.  We continue to enhance and extend our Safety Observations Programmes. North America launched a Fleet Safety Call – Drive for World Class and branch celebrations are held on sites with a history of zero accidents. In UK & Ireland 'Fleet Elite' drivers are recognised based on a history of good safe driving scores.	Reduce the Group accident incidence rate by 5% from 2016.
Reduction in accident severity rate (% change year-on-year)	-3%	-16%	-31%	Reduce the Group accident severity rate by 5% from 2015.  Establish programmes in each business area to identify behaviours that promote safety as a value.		Reduce the Group accident severity rate by 5% from 2016.

## Corporate responsibility continued

Key performance indicators	Performance			What we said we would do in 2016	What we did	What we plan to do in 2017
	2014	2015	2016			



### Environment/climate change

Reducing our impact on the environment by reducing carbon emissions

Carbon emissions: Scope 1 (Tonnes of CO <sub>2</sub> e per £m revenue)	15.7	14.7	12.6	Reduce emissions by 29% against 2010 baseline data (reduce 3% from 2015).	The 2016 figure represents a 38% reduction in emissions versus our 2010 baseline data (decrease of 15% from 2015). Our emissions are represented as an index against revenue and in 2016 the reduction in the index was affected by the weakening of sterling against the major currencies in the last quarter of the CR reporting year. We estimate that this exchange rate effect increased the reduction by c.4%.  Fuel for transportation remains our highest source of CO <sub>2</sub> e emissions contributing c.85% of Scope 1 and 62% of combined Scope 1 and 2 emissions. Despite an increasing number of vehicles, consumption by our commercial fleet decreased by more than 2%. Much of this was due to the decision by our business in Australasia to transfer to third party carriers in order to gain additional efficiencies and flexibility but also included increased fuel efficiencies.	Reduce emissions by 1% against 2016.  (This reduction target excludes any foreign exchange translation effect on revenue numbers)
Carbon emissions: Scope 2 (Tonnes of CO <sub>2</sub> e/£m revenue)	5.2	5.4	4.5	Reduce emissions by 13% against 2010 baseline data (reduce 2% from 2015).	The 2016 figure represents a 26% reduction in emissions versus our 2010 baseline data (decrease of 16% from 2015). Our emissions are represented as an index against revenue and in 2016 the reduction in the index was affected by the weakening of sterling against the major currencies in the last quarter of the CR reporting year. We estimate that the exchange rate effect increased the reduction by c.4%.  Increases resulting from acquisitions have been more than offset by the continued implementation of low energy lighting. In particular, projects within UK & Ireland reduced overall business area consumption by 11%.	Reduce emissions by 2% against 2016.  (This reduction target excludes any foreign exchange translation effect on revenue numbers)
Total Scope 1 & 2 emissions (Tonnes of CO <sub>2</sub> e/£m revenue)	20.9	20.1	17.1	Reduce emissions by 25% against 2010 baseline data.	The 2016 figure represents a 35% reduction in emissions versus our 2010 baseline data (decrease of 15% from 2015). Our emissions are represented as an index against revenue and in 2016 the reduction in the index was affected by the weakening of sterling against the major currencies in the last quarter of the CR reporting year. We estimate that the exchange rate effect increased the reduction by c.4%.	Reduce emissions by 1% against 2016.  (This reduction target excludes any foreign exchange translation effect on revenue numbers)



### Suppliers

Responsible sourcing, working as partners with our suppliers to encourage high levels of CR and ethical trading initiatives

Asian supplier CR audits and assessments covering environmental and social standards (Number of audits/assessments carried out)	323	382	449	Undertake a supplier risk assessment in relation to enforced labour/slavery.	Our global sourcing audit team continued to refine its CR audit programme to categorise suppliers appropriately in relation to their standards and practices. The Risk Management Committee worked with consultants to complete a risk assessment of social risks in our global supply chain including forced labour/slavery.	Launch a training programme covering social risks in our global supply chain.  Refine supplier CR risk profiling.
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### Community

Providing support to our local communities through employee fundraising, matched funding and donations of stock and cash to charitable organisations

Charity donations (£000s)	572	631	712	Continue to support relevant charities.	Bunzl supported a variety of projects for charities supporting healthcare and the environment. For example, we continued to fund a mobile first aid vehicle for St John Ambulance and contributed towards the Defence and National Rehabilitation Centre in Loughborough and the Buglife Urban Buzz project at the Queen Elizabeth Hospital in Birmingham.	Continue to support relevant charities.
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## Employees

Bunzl currently operates in 30 countries worldwide. We are a service provider, not a manufacturer and, as such, our business relies heavily on the skills and experience of our employees. We pride ourselves on the fact that we run our businesses locally with local managers. We do not unfairly discriminate and we respect human rights. We seek to recruit the right people who are passionate about our business and to provide opportunities for people to progress within the organisation on the basis of their skills, experience and aptitude. We believe that to get the best from people we need to respect each other and encourage honest, straightforward communication. Our acquisition pipeline continues to be a valuable source of management talent for the Group and the completion of a number of acquisitions during the year has brought further highly skilled people into Bunzl. Details of the Group's workforce diversity at 31 December 2016 are set out in the charts on the right.

## Human rights

Bunzl adheres to the Universal Declaration of Human Rights ('UDHR') and upholds the Fundamental Principles and Rights at Work policies, defined by the International Labour Organization, as well as applicable local laws. The majority of countries in which Bunzl operates have their own laws banning child and forced labour and promoting human rights. We monitor the age of our workforce across the world to ensure compliance and identify any potential succession issues. In the US some of our operations, particularly in the north east, are represented by trade unions with which we have negotiated pay contracts. Bunzl does not restrict any of its employees in any of the countries in which it operates from joining a trade union if they wish to do so. We also work closely with our suppliers with a view to ensuring that they at least meet internationally recognised minimum requirements for workers' welfare and conditions of employment, as defined by the International Labour Organization or the Ethical Trading Initiative, and do not use any forced labour.



## Health & safety

Health and safety remains a priority for Bunzl and it is our aim that no employee or other person should be injured as a result of our operations. Regretfully in the 2016 reporting period there was one fatality (2015: two) when a motorcyclist died following a collision with a Bunzl car driver.

We continue to invest in premises and equipment to improve the safety of our employees and others. Although we aim to minimise the risks which occur, particularly relating to the operation of our warehouses and vehicles, incidents involving manual handling, slipping and tripping and impact with equipment/objects remain the highest causes of accidents and days lost. Together these three hazards represent 90% of incidents and 92% of days lost. All our businesses are required to comply with Group policies issued through the Risk Management Committee which reviews Group safety performance on a quarterly basis. Implementation of Group policies is audited by a team of safety professionals and safety standards are also reviewed as part of our internal audit process. The Head of Internal Audit has joined the Risk Management Committee to integrate CR further into our broader risk management processes.

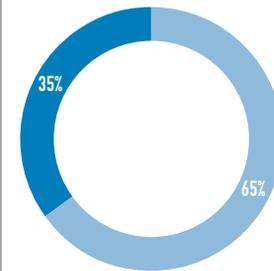
Following a successful pilot project, the use of telematics has been extended across France Hygiene's commercial fleet which is our largest fleet in Continental Europe. The majority of commercial vehicles now have on-board telematics that enable us to improve safety. UK & Ireland have completed 37% of the project to fit commercial vehicles with multiple cameras, side proximity sensors and audible left turn and reversing warnings to improve road safety both for our drivers and other road users, as well as reduce vehicle damage. They have also introduced a Safe Urban Driving course comprising practical cycling and a classroom based session designed to provide our commercial drivers with first-hand experience of being a vulnerable road user.

Our safety awareness programmes are management led within the business areas. France Hygiene, which had the highest incidence and severity rate in the Group, held a meeting of logistics directors and managers to brainstorm ways to improve safety and strengthen the focus on their

## Total workforce

Gender split at 31 December 2016

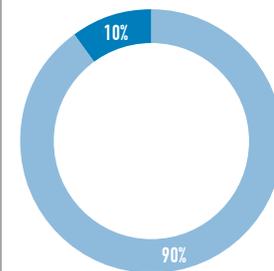
- Male (10,775)
- Female (5,802)



## Senior management

Gender split at 31 December 2016

- Male (376)
- Female (40)



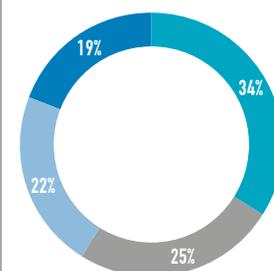
## Board composition

6 male, 2 female

## Average number of employees

By business area

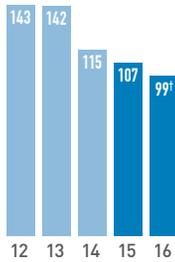
- North America (5,478)
- Continental Europe (4,029)
- UK & Ireland (3,641)
- Rest of the World (3,082)



# Corporate responsibility continued

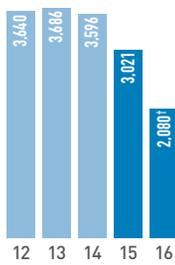
## Incidence rate

Average number of incidents per month per 100,000 employees



## Severity rate

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



† Included in the external auditors' limited assurance scope referred to on page 46. 2015 and 2014 data was also assured as detailed in the 2015 and 2014 Annual Reports respectively.

high risk groups of workers. Initiatives identified at the meeting are being implemented across the business. The root cause of many incidents is shown to be a failure to implement established safe working practices. Our Safety Observation Programme, providing ongoing feedback to our employees on both good and poor safety performance, continues to be extended across the business. In North America a number of sites are evaluating pre-shift stretching programmes as a way to reduce manual handling injuries. Investment in additional Environment, Health & Safety ('EHS') management resource has occurred in North America and Continental Europe. During the year we have implemented our upgraded web-based EHS reporting system in order to provide improved analysis and management reports. The system includes an improved audit system which enables progress on corrective actions to be tracked by the EHS managers.

Details of our performance from 2012 to 2016 are provided in the bar charts above. The accident data provided covers more than 99% of the Group by revenue as it excludes the most recent acquisitions whose employee numbers are not included when calculating the index.



## Environment/climate change

We seek to minimise the contribution of Bunzl's operations to climate change and to prevent other harmful effects of Bunzl's operations on the environment. Operational efficiency forms part of our long-established and successful strategy to develop the business and the reduction of energy consumption is an integral part of operational efficiency. Our facilities worldwide operate to Group standards and we promote environmental awareness throughout the business. Our policy of leasing premises provides flexibility in the configuration of our footprint to optimise the efficiency of our distribution. Bunzl had no significant environmental incidents in 2016.

Direct water usage is not a significant environmental impact for our business as it is principally confined to staff hygiene and workplace cleaning purposes. As we do not manufacture any of the goods we sell, water discharges, apart from internal sanitation, are limited to rainwater run-off from the yards of Group locations where the water is treated by interceptors in accordance with local legislation.

Our reported environmental data includes all businesses that are subsidiaries of the Group for financial reporting purposes, with the exception of those recent acquisitions where there has been insufficient opportunity for the businesses to adopt our reporting guidelines, in which case the revenue from the businesses is not included when calculating the indexed emissions. We integrate our environmental reporting with our financial reporting through the annual budget review. Businesses provide commentary on their environmental performance and set targets for the following year. Environmental data is reviewed and agreed by the relevant Finance Directors.

All acquisitions made prior to the 2016 reporting year are now providing environmental data. Revenue relating to more recent acquisitions which are not yet reporting emissions is excluded. The reported data covers around 99% of the Group by revenue.

The requirements of the EU Energy Efficiency Directive have been implemented in all relevant businesses across Continental Europe and UK & Ireland. A number of locations in UK & Ireland, Australasia and Continental Europe have renewed their ISO 14001 accreditation. Currently, measured by revenue, approximately 26% of the Group's operations are ISO 14001 accredited. Accreditation is based on processes and practices which are implemented Group-wide through our EHS management programme, although some parts of the business have not elected to become formally certified. In Continental Europe, France Securite has become MASE certified to reflect the requirements of its customer base. This certification encompasses continuous improvement in EHS performance and is externally assessed.

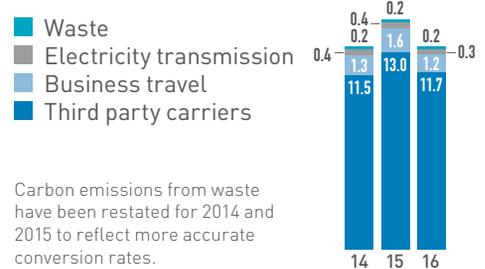
## Waste

Tonnes per £m revenue



## Scope 3 carbon emissions

Tonnes of CO<sub>2</sub> per £m revenue



Carbon emissions from waste have been restated for 2014 and 2015 to reflect more accurate conversion rates.

## Greenhouse gas emissions data for the period 1 October to 30 September

	Tonnes of CO <sub>2</sub> e		
	Base year 2010	2015	2016 <sup>†</sup>
Scope 1	95,249	92,645	<b>89,186</b>
Scope 2	28,757	33,843	<b>32,201</b>
Total gross emissions	124,006	126,488	<b>121,387</b>
Total carbon emissions per £m revenue	26.3	20.1	<b>17.1</b>

<sup>†</sup> Included in the external auditors' limited assurance scope referred to on page 46. The data for 2015 was also assured as detailed in the 2015 Annual Report.

**Scope 1:** Fuel for transportation remains our highest source of CO<sub>2</sub>e emissions contributing c. 85% of Scope 1 and 62% of combined Scope 1 and 2 emissions. Of those emissions relating to transportation, more than 75% are generated by our fleet of commercial vehicles. Fuel represents a significant cost to the business and we are focused on maximising the efficiency of our fleet through regular replacement and maintenance of vehicles, route optimisation, the use of vehicle telematics and driver training programmes. In North America, where we have our largest commercial fleet, the combination of these measures provided a 4% improvement in fuel efficiency during the year. At Group level diesel consumed by our commercial fleet decreased by more than 2%. Increases in Continental Europe and Latin America resulting from acquisitions have been offset by decreases in North America, UK & Ireland and Australasia. In Australasia the need for greater flexibility of transport methods and efficiency in distribution has resulted in the decision to transfer distribution to third party carriers. This is an ongoing process. We seek to minimise the number of miles that our vehicles travel empty on the road by backhauling, typically using empty vehicles to collect stock from suppliers. Consumption of gas during the year fell by 11% primarily as a result of the relatively mild winter.

**Scope 2:** Electricity consumption has decreased by 1% despite an increase in warehouse space due to acquisitions and organic growth of the business. Lighting is our highest category of electricity consumption and we continue to review the return on investment on low energy lighting at all our sites worldwide as the technology progresses and improves the efficiency of such lighting. We also fit voltage optimisers where this is beneficial. During the year there have been 13 projects to upgrade lighting providing annualised savings of approximately 2.1 million kWh of electricity.

In addition, as energy contracts are renewed, businesses are moving to low carbon energy where this makes commercial sense and is supported by the local infrastructure.

**Scope 3:** We are continuing to refine the data for our Scope 3 emissions. Our reporting comprises emissions from third party carriers, business flights, waste and electricity transmission losses. The majority of the businesses which have been acquired since 2010 do not have their own fleet and in addition all our businesses, irrespective of whether they have their own fleet, will distribute a proportion of goods by third party carriers where it is more efficient and cost-effective to do so. The bar graph opposite shows that third party carriers produce the largest part of our reported Scope 3 emissions. Bunzl is an international company with an active global acquisition programme and business flights are essential for the effective management and growth of our business. We increasingly use alternative means of communication such as video and telephone conferencing and flights are justified by business needs and subject to authorisation by senior management. Reduction and segregation of waste continues to be an area of focus and the data provided covers approximately 95% of the Group by revenue, although accurate waste measurement remains challenging. Despite including this in our Scope 3 calculation, we have for transparency continued to provide waste data separately as well.



## Suppliers

Price is only one factor in our purchasing decisions and matters such as quality, availability, our customers' preferences and our policies are also taken into account. The vast majority of our products are sourced locally by our businesses but many products are sourced elsewhere if it is appropriate to do so. Each business area is responsible for implementing appropriate processes to assess key suppliers' compliance with the relevant CR standards and to monitor performance and improvements against such standards. Bunzl focuses on its key suppliers to ensure that they meet the same CR standards we have set for ourselves. We periodically write to those suppliers that provide us with 50% of our products by value to ensure that our CR aspirations are compatible.

To assist the business areas, we have our own quality assurance/quality control department based in Shanghai which performs regular audits of our suppliers in Asia to ensure that they meet international standards, as well as testing the factories' production capabilities and their quality assurance and quality control systems. Employees' terms and conditions of work, customer service capabilities, hygiene management systems and their policies and practices on environmental issues are also checked. Our policy is that all our suppliers meet internationally recognised minimum requirements for workers' welfare and conditions of employment, as defined by the International Labour Organization or the Ethical Trading Initiative. During 2016 the team has continued to grow and has further refined its CR audit programme to categorise suppliers appropriately in relation to their standards and practices.

Suppliers who are unable to meet all the requirements after an initial assessment/audit are given the opportunity to comply fully within a period which is deemed appropriate for the circumstances. If a serious breach is identified following assessment, an action plan is documented and the supplier is expected to commit to addressing all the areas where discrepancies have been identified. The process of improvement via this method is principally reliant on the commitment of the supplier's management team/owner/agent to ensure that all areas are addressed.

## Corporate responsibility continued

If we have reason to believe that the supplier is not making sufficient or committed progress, this could lead to a suspension in the relationship until such time that we are confident that all areas are being satisfactorily addressed. Bunzl companies reserve the right to cease a relationship with a supplier if it is found that unacceptable practices are being employed at any sites used for producing or sourcing Bunzl products. Such practices include use of child labour, forced or bonded labour as well as physical abuse or discipline and intimidation, illegal discrimination, wages not meeting local minimum requirements and not providing adequate days of rest. Since 2015, in order to enhance the processes further, any suppliers that are being monitored and assessed due to identification of a serious breach are now reported to and reviewed by the Board. In 2016 we completed a quantitative analysis of material social risks in our worldwide supply chain. Suppliers were ranked against Human and Labour rights identified by internationally agreed standards and credible data taking account of geography and product. This is an ongoing project but we are satisfied that those suppliers assessed as high risk and who are currently supplying Bunzl are covered by our audit programme.

We work with our suppliers with the aim of ensuring the products we supply are manufactured from sustainably sourced raw materials. We also continue to refine our processes to ensure that imported paper and wood based products are manufactured from legally sourced timber.



### Community

Although Bunzl's operations are international, our strength is in the local nature of our businesses. In keeping with this ethos, we particularly support the fundraising activities championed by our employees locally. This is supplemented by donations made at Group level to charities predominantly in the fields of healthcare and the environment to support projects often in the communities where our operations are based. Where possible and appropriate, Bunzl also looks to donate stock free of charge ('in-kind'). Group wide, Bunzl donated a total of £712,000 to charitable causes during 2016 (2015: £631,000). This does not include in-kind donations or employee fundraising.

We continue to support our employees in their charitable fundraising, for example a triathlon challenge raising money for children's medical research, as well as supporting projects for healthcare and environmental charities, such as sponsoring Buglife who improve parks and green spaces within big cities to create natural habitats for invertebrate insects which play a big part in our ecosystem.

For more information on all of Bunzl's CR policies and activities please visit the Responsibility section of our website, [www.bunzl.com](http://www.bunzl.com).

### External assurance

We engaged PricewaterhouseCoopers LLP ('PwC') to undertake a limited assurance engagement, reporting to Bunzl plc only, using International Standard on Assurance Engagements ('ISAE') 3000 (Revised): 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and ISAE 3410: 'Assurance Engagements on Greenhouse Gas Statements' over the three KPIs on page 17 and the data on pages 44 and 45, in each case that has been highlighted with the symbol '†'. They have provided an unqualified opinion in relation to the relevant KPIs and data and their full assurance opinion is also available in the Responsibility section of our website, [www.bunzl.com](http://www.bunzl.com).

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. In order to reach their opinion, PwC performed a range of procedures including making enquiries of relevant Bunzl management, and evaluating the design of the key structures, systems, processes and controls for managing, recording and reporting the selected information. This included analysing and testing over a number of sites selected on the basis of their inherent risk and materiality to the Group, to understand the key processes and controls for reporting site performance data and to obtain supporting information. Finally PwC performed limited substantive testing on a selective basis of the selected information in relation to one site in UK & Ireland and multiple sites across North America and Continental Europe to check that data had been appropriately measured, included, collated and reported.

Non-financial performance information, including greenhouse gas quantification in particular, is subject to more inherent limitations than financial information. It is important to read the selected corporate responsibility information contained in this Annual Report in the context of PwC's full limited assurance opinion and the Company's Corporate Responsibility Performance Reporting Guidelines which are also available in the Responsibility section of our website.

## Risks

The Principal risks and uncertainties section on pages 35 to 37 details the principal risks and uncertainties which could have a material impact on the Group’s business, financial condition or results of operations. Although many CR risks are not seen as principal risks to the Group, as part of the Group risk analysis a number of CR risks which could impact the Group’s business have been identified and these are set out below together with the steps taken by management to mitigate such risks.

CR risks		
Risk	Description	Mitigating factors
CR compliance failures	Lack of adherence to the Group’s CR policies could result in a variety of issues including those relating to inappropriate business practices, accidents at work and increased levies due to levels of waste or carbon emissions.	The Group has comprehensive CR policies and procedures (including those relating to anti-bribery and corruption) in place throughout the business as well as an established reporting framework. Regular training in all areas of CR takes place using our suite of e-training modules.
Loss of key employees	The Group is not capital intensive but the business is based on strong customer and supplier relationships which are built up locally. Stability of key relationship roles amongst the Group’s employees is therefore important.	The Group seeks to secure key staff with appropriate incentive packages, development opportunities and career progression. Voluntary staff turnover and sickness absence is measured on a monthly basis and employee age profiles are reviewed annually. This enables any issues to be identified and resolved.
Loss of operating facilities/ unavailability of staff	Climate change may result in higher frequency of extreme weather conditions. This could result in some of the Group’s facilities being affected or employees being unable to attend for work.	The Group has multi-site facilities with products stocked in more than one location, as a result of which the Group usually has the ability to distribute products from nearby facilities. Business continuity plans are in place to minimise the impact of any such issues.
Suppliers’ non-compliance with good CR practices	The Group is not a manufacturer and has many international suppliers across the world. The failure of one of the Group’s key suppliers to adhere to recognised CR standards could affect the Group’s reputation.	The Group’s key suppliers are principally publicly owned multinational organisations with high standards of operations. Suppliers are monitored by the Group’s purchasing departments and the quality assurance/quality control department based in China audits key suppliers throughout Asia. The top 50% of suppliers by value of Bunzl spend are made aware of the Group’s CR aspirations.

These risks are seen to be outweighed by a variety of opportunities that arise as a consequence of CR and its impact on the business environment as previously outlined in this report.

Sustainability has been at the heart of our business for many years. Segregation of waste is embedded in our everyday working practices, while we work hand-in-hand with our customers on packaging reduction ideas.

