



## **Slavery and Human Trafficking Statement for the 2016 financial year**

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

### **About us, our operations and our supply chain**

Bunzl is an international distribution and outsourcing Group with revenue in 2016 of £7.4 billion. We operate across 30 countries and are divided geographically into Business Areas covering North America, Continental Europe, UK & Ireland and the Rest of the World. Day to day management of the business, including procurement, is devolved to Business Area Heads in each of our operational geographies who are responsible, through the Chief Executive, to the Board of Bunzl plc. Although we are a decentralised Group which gives management autonomy to take decisions relating to our operations locally, our governance framework allows the Board to lead the Company in the right direction as we develop and pursue our future strategy, while ensuring that the tone of the Group's culture and values is set from the top and that the standards established by the Board are maintained throughout the Group.

Bunzl employs c. 16,000 people in sourcing, consolidating and delivering a wide range of non-food consumable products across a variety of markets. We do not manufacture any of the products we supply and our supply chain is both extensive, numbering thousands of suppliers, and dynamic as we respond to expanding customer requirements.

### **Our commitment**

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

### **Bunzl's slavery and human trafficking risks**

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

The majority of our suppliers are based close to our selling companies, although we do import some products from lower cost areas, primarily south-east Asia, where we consider the potential risks of forced labour to be higher. In 2016 the Bunzl Risk Management Committee, chaired by the Director of Group HR, worked with consultants to complete a third party risk assessment to establish direct and indirect social risks, including modern slavery risks in our supply chain to allow us to focus our attention and resources on the areas of greatest exposure to risk. Geographically those areas that were identified as having the highest potential direct risk were India and Indonesia whilst China, Mexico and Turkey also showed elevated potential risk. Products with the highest potential risk were those made from rubber, plastics, textiles, pulp and paper.

As a follow up to this work, we have initiated the following actions:

- We are strengthening our approach to communicate and enforce our Corporate Responsibility ('CR') policies in our supply chain by writing out to our suppliers, prioritising those in countries with elevated social risks, reminding them of our requirement that at least internationally recognised minimum requirements for workers' welfare and conditions of employment are met both by them and in their own supply chains (including any sub-contractors).

- We have set up a global sourcing working group with representatives from all of our business areas to provide greater transparency of social risks in our global supply chain and to coordinate and oversee actions planned and taken to mitigate those risks.

### **Policies in relation to slavery and human trafficking**

For over ten years, Bunzl has adhered to a comprehensive suite of corporate responsibility policies that cover key impacts to our business. Our Employees policy requires all businesses to develop policies which reflect the UN Universal Declaration of Human Rights and local legislative requirements together with other Group standards. Our Suppliers policy also requires compliance with internationally recognised minimum requirements for workers' welfare and conditions of employment as defined by the International Labour Organization or the Ethical Trading Initiative, which specifically prohibit forced labour i.e. slavery and human trafficking. Full details of our policies can be found in the [Responsibility section](#) of the Bunzl plc website.

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

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

The sustainability of our business is based on building long term partnerships with our suppliers. We have on a number of occasions written to the top 50% of suppliers by value to share policies on corporate responsibility to ensure their policies are compatible with those of Bunzl, including no forced labour within their operations or within their own supply chains.

In 2008 Bunzl established its Global Sourcing team, comprising a procurement office and a quality assurance and quality control team based in Shanghai, who perform regular audits of our suppliers in Asia with a view to ensuring that they meet international standards. In 2016 the Global Sourcing team completed 449 supplier audits covering more than 90% of our spend in Asia. The team in Shanghai and the relevant Bunzl procurement professionals will work with suppliers to achieve acceptable standards in all areas of the audit, and where breaches are identified appropriate action is taken to address such breaches, in accordance with the Company's policy. Bunzl reserves the right to cease a relationship with a supplier if it is found that unacceptable practices are being employed at any sites used for producing or sourcing Bunzl products and those suppliers fail to make improvements over an agreed timeframe or make no commitment to making the improvements required. Regular reports are submitted to the Bunzl plc Board of Directors summarising the audits that have been carried out and the material issues that have been identified from such audits and the follow up actions taken to address such issues.

### **Effectiveness and performance review**

In 2016:

- 16 calls were received through our "Speak Up" line. None of these related to modern slavery.
- The Global Sourcing team performed 449 supplier audits covering suppliers in Asia. As a result of these audits, our Global Sourcing team has worked with 39 suppliers to improve their employment practices.

### **Staff training**

- All of our senior staff, including managers and procurement and sales executives, are required to complete the corporate responsibility e-learning modules that have been developed. These include information on our policies regarding corporate responsibility. Compliance is monitored by our HR departments.
- Our Global Sourcing team comprises professional auditors who are trained in identifying and reporting social risks.

## **Looking ahead**

Our objectives for 2017 are the following:

- Launch a corporate responsibility training module which specifically covers social risks, including modern slavery.
- Continue to ensure that our CR policies, including our requirements relating to social risks, are communicated and enforced adequately in our supply chain through communications with our suppliers and by expansion of our audit programme.

**Approved by the Board of Bunzl plc on 21 June 2017 and signed on its behalf by Frank van Zanten, Chief Executive.**