

OUR BUSINESS RELIES ON DEVELOPING STRONG AND STABLE RELATIONSHIPS WITH ALL OUR STAKEHOLDERS WHICH REQUIRES US TO MANAGE OUR BUSINESS WITH INTEGRITY, MAKING SUSTAINABLE, LONG TERM DECISIONS.

STRATEGY

We believe that Corporate Responsibility ('CR') is not only about the good management of our business but also excellent and responsive long term relationships with all our stakeholders, whether customers, employees or suppliers. We have identified seven CR elements relevant to our business model: business conduct/code of ethics; employees; health & safety; environment; community; customers; and suppliers. These 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.

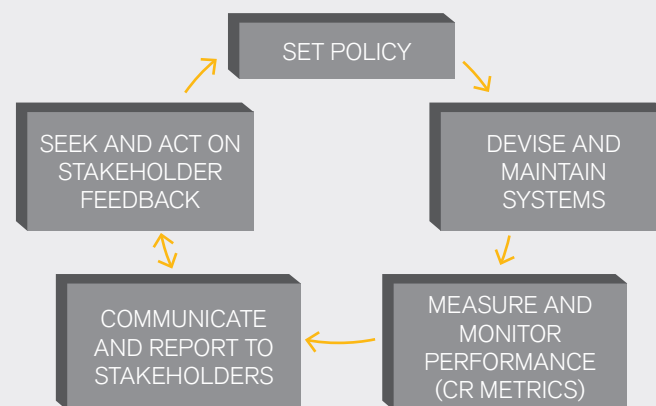
No material breaches of our business conduct/code of ethics policy were recorded in 2012. However, some minor incidents relating to employee conduct, such as theft or misuse of the Group's property, did occur and were dealt with during the normal course of business using Group human resource ('HR') policies and procedures. Seven (2011: seven) calls/letters were received through the 'Speak Up' process, none of which raised any issues of material concern.

Performance against 2012 objectives

- By April 2012 all management and sales and purchasing staff across the Group had undertaken a suite of nine tailored e-learning modules which highlight the key responsibilities of employees in relation to CR. One of the modules provides an overview of the business conduct/code of ethics policy and this is supplemented by modules relating to anti-bribery issues such as facilitation payments and gifts and entertainment. A further module details our whistle blowing process 'Speak Up'. These modules now form part of the induction process for managers and sales and purchasing staff who join the Group. From inception to date there have been at total of approximately 19,000 viewings of the modules.
- During the year our internal audit department monitored and reviewed many of the new processes and procedures introduced in 2011 as a consequence of the Bribery Act, such as the enhanced Gifts Register to ensure that both gifts received and given are recorded by employees in all companies in the Group. Any areas of non-compliance have been highlighted and the relevant processes and controls have subsequently been implemented. In addition we have strengthened our Quality Assurance and Quality Control ('QA/QC') function based in Shanghai to ensure that we are able to ensure that our suppliers in the Far East are maintaining appropriate ethical standards.

OUR APPROACH

To transform our strategy into tangible activities we undertake the following steps:



Further details of the Group's CR policies, processes and controls and how they are monitored are available in the Responsibility section of the Company's website, www.bunzl.com.

2013 objectives

- Review the CR training modules to identify any gaps and, if appropriate, add to the existing e-learning modules.
- Taking into account the results of our monitoring and reviewing of the existing policies, processes and controls, make any necessary amendments thereto as well as considering further training and/or communication requirements that may be necessary.

EMPLOYEES

Bunzl currently operates in 27 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 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.

Performance against 2012 objectives

- The 2012 Employee Survey was run which covered all employees in UK & Ireland, Continental Europe and Rest of the World which together represent two thirds of the Group's workforce. A variety of actions have subsequently been implemented in different businesses across the Group as a result of feedback from the survey, for example the introduction of more flexible working, improved communication and team briefings.
- We have also continued to monitor key HR measures:
 - voluntary turnover remains at low levels in all business areas other than Rest of the World, reflecting the current economic conditions within the countries in which we operate rather than any intrinsic reasons related to the Group; and
 - sickness absence has fallen slightly in Continental Europe, remained flat in North America and Rest of the World and slightly increased in UK & Ireland. No underlying issues of concern have been identified.

2013 objectives

- Continue to monitor key HR measures such as voluntary turnover, sickness absence, training days, workforce gender and age mix and, as appropriate, take action to address any issues that may arise.

WE WORK CONTINUOUSLY WITH OUR EMPLOYEES, SUPPLIERS AND CUSTOMERS TO IMPROVE OUR HEALTH AND SAFETY PRACTICES, AS WELL AS DECREASING ALL OF OUR STAKEHOLDERS' IMPACTS ON THE ENVIRONMENT BY EFFICIENT ROUTE PLANNING, SAFE DRIVING AND REDUCING WASTE.



11%

DECREASE IN SCOPE 1 CARBON EMISSION RATES.



12%

IMPROVEMENT IN ACCIDENT INCIDENCE RATE.



- Review and assess the benefits of the introduction into UK & Ireland in 2012 of an IT based networking tool and to consider the potential application of the tool across the Group to improve communication and share best practice.

HEALTH & SAFETY

The health and safety of our employees and other stakeholders is a priority. Although we try to minimise the risks which occur, particularly relating to the operation of our warehouses and vehicles, incidents relating to manual handling, slipping and tripping remain the highest cause of accidents. Regretfully in 2012 there was a fatality (2011: no fatalities) when a member of the public died in a road traffic accident in North America having collided with a Bunzl vehicle that was parked on the hard shoulder. This accident was fully investigated and Bunzl was found not to be at fault. A number of actions have been taken to raise awareness and continue to improve our health and safety performance.

Performance against 2012 objectives

- The 2012 target was to reduce the Group accident incidence rate by 3% and the Group accident severity rate by 5% from the 2011 accident rates:
 - for the year ended 30 September 2012 our accident incidence rate improved by 12%. This was principally due to better performance in North America, UK & Ireland and Continental Europe; and
 - for the same period our accident severity rate increased by 3%. This was principally due to a slight increase in Rest of the World and a relatively flat performance in the rest of the Group. In the previous year the accident severity rate improved by 29%.

Details of our performance from 2010 to 2012 are provided in the bar charts below. The accident data provided is for the whole Group with the exception of some of the most recent acquisitions which represent less than 1% of the total workforce.

2013 objectives

- Reduce the Group accident incidence rate by 3% from 2012.
- Reduce the Group accident severity rate by 6% from 2012.

ENVIRONMENT

We seek to prevent, mitigate and remediate the harmful effects of Bunzl's operations on the environment. To ameliorate our impact on and exposure to climate change, our facilities operate worldwide to Group standards, we promote environmental awareness throughout the business and our branch network mitigates against the effects of extreme local climate conditions. Our reported environmental data includes all businesses that are subsidiaries of the Group for financial reporting purposes, with the exception of recent acquisitions which are excluded from environmental data reporting to allow the acquired businesses sufficient time to adopt our reporting guidelines. Bunzl had no environmental incidents in 2012.

Our direct water usage and emissions are minimal. Water usage is principally confined to workplace cleaning and hygiene purposes. In 2012 we monitored water usage across a sample of our sites worldwide. This confirmed the conclusions drawn from the 2011 water audit. We will continue to monitor both usage and emissions going forward.

ISO 14001 accreditation was renewed in a number of locations. To date all sites in UK & Ireland, Australasia and many sites in Continental Europe are accredited. By revenue this represents more than 30% of the Group.

Performance against 2012 objectives

The reported environmental data has been restated as a result of the disposal of our vending business in August 2011 and double reporting of fuel from some locations in previous years and updated in accordance with the Defra carbon conversion factors published in 2012. These updated factors have been applied retrospectively to 2010 and 2011 to develop the Group Carbon Footprint given in the table below:

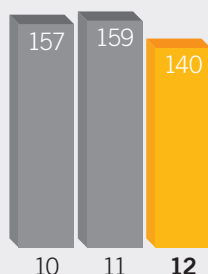
Greenhouse gas emissions data for period 1 October to 30 September

	Tonnes of CO ₂ e		
	Base year 2010	2011	2012
Scope 1	93,125	89,286	84,727
Scope 2	30,117	28,637	27,497
Total gross emissions	123,242	117,923	112,224
Total carbon emissions per £m revenue	26.1	23.6	21.2

- Our target for 2012 was to reduce our Scope 1 and Scope 2 carbon emissions relative to revenue by 13% and 14% respectively from the 2010 base year. These figures cover more than 95% of the Group by revenue as businesses recently acquired are not yet included.
- Scope 1: emission rates per £m of revenue have decreased between 2011 and 2012 by 11% (see the KPI bar chart on page 7) and from 2010, our base year, by 19%. Fuel for transportation contributes about 90% of Bunzl's Scope 1 emissions. The level of fuel consumed per £000 of revenue decreased between 2011 and 2012 by 8% (see the KPI bar chart on page 7). Fuel efficiency has increased through improved driver behaviour as a result of training and the use of telematics providing in-cab feedback on performance. In addition we regularly renew our fleet and new vehicles introduced in the UK are showing significant reductions in fuel consumption. Many of the businesses acquired since 2010 do not operate their own transport fleets and there has been some transfer from own fleet to carriers where this has been shown to be more cost effective. Natural gas consumption has been positively affected by a number of site consolidations, a focus on usage and boiler maintenance and a relatively warm winter.
- Scope 2: emission rates per £m of revenue have decreased between 2011 and 2012 by 9% (see the KPI bar chart on page 7) and from 2010, our base year, by 19%. We have continued to implement a number of measures to reduce electricity consumption including the installation of energy efficient lighting systems and voltage optimisation equipment, replacement of battery chargers with high frequency energy efficient chargers and 'Switch off' campaigns. During 2012 the Group invested more than £500,000 in a further 10 projects with payback periods of up to three years giving estimated annual savings of almost 3 million kwh.
- North America appointed waste disposal contractors who are able to provide us with data on the weight of waste collected from our sites. As data was not available for the whole of 2012 we have extrapolated the full year's data from a sample of three months. Through the year there has been an improvement in the segregation of waste, with some of our facilities achieving zero waste to landfill. Where segregation of waste for recycling is not possible we continue to seek an increase of waste to incineration in preference to landfill.

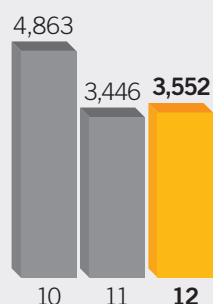
INCIDENCE RATE

AVERAGE NUMBER OF INCIDENTS PER MONTH PER 100,000 EMPLOYEES.



SEVERITY RATE

AVERAGE NUMBER OF DAYS LOST PER MONTH PER 100,000 EMPLOYEES.



WASTE TONNES PER £m REVENUE



The bar chart shows waste indexed against revenue of those businesses reporting data. The 2011 data includes UK & Ireland, parts of Continental Europe and Australasia only. The 2012 data includes these areas as well as, for the first time, North America. As a result, the waste data reported for 2012 covers 91% of the Group by revenue. Although there has been improvement in waste management in the Group, the primary driver of the reduction in the index shown in the chart is the inclusion of North America in the 2012 statistics. Obtaining accurate waste data continues to be challenging. Now we have the majority of the Group providing such data, going forward we will be better able to measure our waste streams and identify trends and opportunities to improve waste management.

2013 objectives

- Using the 2010 data as the baseline, reduce the Scope 1 and 2 carbon emissions by 22%.
- Continue to improve the accuracy of waste data and include this as Scope 3 data.
- Review current reporting practices and prepare for mandatory environmental reporting.

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 fund raising activities championed by our employees locally. This is supplemented by donations made at Group level to charities predominantly in the fields of healthcare, disability and the environment as well as benevolent societies to support projects in 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 £480,000 (2011: £444,000) to charities in 2012. This does not include in-kind donations or employee fund raising.

Performance against 2012 objectives

- We continued to support projects with a high environmental impact on the communities in which we operate. In the UK this has included donating towards the provision of outdoor play equipment for Alexander Park in Belfast; supporting a community project 'Seeds, Soups and Sarnies' being run by the Eden Project to bring communities together around the themes of 'plant', 'grow', 'share' and 'eat' and also by assisting Groundwork in Leicester to convert the EcoHouse into an Ecoactivity Centre for young people. Other larger donations were made to support healthcare initiatives, which assist both our employees and the communities in which they live, through Macmillan Cancer Support, Diabetes UK and the Alzheimer's Society.
- Group companies and employees worldwide have continued to support local charitable initiatives. In North America employees raised money for the National Multiple Sclerosis Society, while employees in Buffalo

undertook a number of activities to support St Luke's mission, which helps the Buffalo area's needy, and six Bunzl Phoenix employees participated in a five kilometre 'Race for the Cure' in support of breast cancer research. In Shanghai a number of employees undertook a sponsored run to support UNICEF. In the UK employees have raised funds through cycling from London to Paris for the Alzheimer's Society and taking part in Olympic themed activities to raise monies for PALS, a charity that provides leisure activities for children and young people with physical and or sensory disabilities.

- For the seventh consecutive year North America was honoured with a Greater St Louis Top 50 Business Shaping our Future Award from the St Louis Regional Commerce and Growth Association. Bunzl was honoured for being among the best companies in its field and for making significant contributions to the St Louis region and the future of its business community. In the UK, one of Greenham's managers was awarded the British Safety Industry Federation's first ever 'Outstanding Contribution Award' for being an outstanding contributor to improvements in Occupational Health & Safety.
- We continued to make a number of in-kind donations of goods. In the UK, the majority of such donations have been made through In-Kind Direct and Crisis at Christmas. In North America donations of sanitation and foodservice products were made to assist the families struck by the tragedy in Connecticut when 27 people were killed at Sandy Hook Elementary School in Newton.

2013 objectives

- Continue to strengthen the links of the business with the communities in which we operate, supporting employee fundraising and charitable projects in the fields of environment and healthcare.
- Improve our corporate website to communicate better Bunzl's approach to Corporate Responsibility and improve community awareness.

CUSTOMERS

As a service business, our ability both to anticipate and meet our customers' needs is key to our success. We strive to ensure that we provide high levels of service. We achieve this by building solid relationships at a local level by regularly meeting with and seeking feedback from our customers. In line with our 2012 objective we have continued to provide innovative service and product solutions to meet our customers' needs including requirements to meet sustainability goals.

Performance against 2012 objective

- In the Netherlands we introduced a new environmentally friendly laundry bag and a green carrier bag for fruit and vegetables. Our guest amenities business in Europe launched a sustainable and environmentally friendly handwash and shampoo dispenser. A number of UK businesses have been working with customers to provide a closed loop waste recycling service which supplements the work we continue to do with suppliers to reduce the amount of packaging used by them.
- The Group has received a number of awards from our customers including North America's Processor Division being the proud recipient of the Spirit of Excellence Award from Hormel Foods for the 15th year for achieving or exceeding a 92% supplier rating during a 12 month period and the R3 Safety team was named as the 2011 Distributor Partners of America (DPA) Safety Supplier of the Year. In the UK Bunzl Retail won Supplier of the Year from Boots and Bunzl Cleaning & Hygiene Supplies won Supplier of the Year from ISS.

2013 objective

- Continue to provide innovative products and improve customer service.

SUPPLIERS

Bunzl has relationships with many suppliers. We want our suppliers to meet the same CR standards we set ourselves and to that end we have set up our own QA/QC department as part of our purchasing office in Shanghai. Our QA/QC staff perform regular audits of many of our Asian suppliers and work with them to implement appropriate CR standards. During the year we have increased the staffing of this department. Although the team is based in Shanghai, they make regular trips to other parts of Asia to undertake audits as required.

Performance against 2012 objective

- During the year we have reviewed our key suppliers, i.e. those suppliers that provide us with approximately 50% of our products by value.

2013 objectives

- Contact any new key suppliers as identified to update them on our CR aspirations and to encourage them to adopt a similar approach.
- Continue to build long term sustainable relationships with our key suppliers.

RISKS AND OPPORTUNITIES

The Principal risks and uncertainties section on pages 25 and 26 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 the following CR risks which could impact the Group's business have been identified together with the steps taken by management to mitigate such risks:

Risk	Mitigating factors
<p>CR compliance failures</p> <p>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.</p>	<p>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.</p>
<p>Loss of key employees</p> <p>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.</p>	<p>The Group seeks to secure key staff with appropriate incentive packages, development opportunities and career progression. Voluntary staff turnover is measured on a monthly basis, which enables any issues to be identified and resolved.</p>
<p>Loss of operating facilities/unavailability of staff</p> <p>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.</p>	<p>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.</p>
<p>Suppliers' non-compliance with good CR practices</p> <p>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.</p>	<p>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 QA/QC department based in China audits many suppliers throughout Asia. Key suppliers are made aware of the Group's CR aspirations.</p>

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. The principal opportunities include:

Opportunity	Response
<p>Environment</p> <p>Throughout the world there is an increased awareness of the need to conserve resources and reduce carbon emissions.</p>	<p>Bunzl is not a manufacturer and therefore there is complete flexibility to offer products that meet customers' requirements. A full range of environmentally friendly products are available.</p> <p>The Group provides customers with the ability to benefit from a consolidated delivery of their consumable products. This reduces carbon emissions by eliminating the need for multiple deliveries from many different suppliers and streamlining the related administration for our customers.</p>
<p>Climate change</p> <p>Climate change may result in higher frequency of extreme weather conditions such as floods, cyclones and heavy snowfall.</p>	<p>There is likely to be an increase in demand for protective clothing to cope with climate change as well as the need for other products supplied by the Group, such as cleaning and hygiene products.</p>
<p>Employees</p> <p>Competition for good quality people continues to be strong.</p>	<p>A key element of Bunzl's strategy is the acquisition of high quality businesses. This results in a number of motivated, high performing people joining the Group each year. It also brings new ideas and fresh approaches to the business which can be utilised elsewhere in the Group.</p>
<p>Health & safety</p> <p>Throughout the world there has been an increase in health & safety legislation and an emphasis on safe working environments.</p>	<p>This leads to an increased demand from both existing and new customers for the Group's personal protection equipment as well as providing the potential to introduce new innovative products in this area.</p>