

The Bunzl Pension Plan ('the Plan')

Statement of Investment Principles – March 2025

1. Introduction

The Trustee has adopted this Statement of Investment Principles ('the Statement') to comply with the requirements of the 1995 Pensions Act ('the Act'), as amended, the Occupational Pension Schemes (Investment) Regulations 2005 and any subsequent legislation and to fulfil the spirit of the Code of Best Practice ('the Code') published in 2001. As required under the Act, the Trustee has consulted a suitably qualified person in obtaining advice from Mercer Limited ('Mercer'). The Trustee in preparing this Statement has also consulted Bunzl plc ('the Company') as sponsor of the Plan.

This Statement provides the Trustee's investment beliefs, views on expected risk and policies on responsible investing in accordance with Regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005 as modified by subsequent Regulations and section 35 of the 1995 Act.

This Statement will be reviewed at least every three years or more frequently as required by the Regulations.

The Trustee publish the Statement of Investment Principles online. The Trustee prepares an annual Engagement Policy Implementation Statement, describing how the policies and practices described in the Statement have been implemented during the last year.

2. Overall Policy

Overall, the Plan's investment policy falls into two parts. The strategic management of the assets, which is fundamentally the responsibility of the Trustee acting on advice from their investment consultant, Mercer, and is driven by their investment objective as set out in Section 2.1 below.

The remaining elements of policy are reflected in the agreements that have been put in place with the insurer of the buy-in policy and the investment manager. The day to day management of the assets is delegated and is described in Section 3.

2.1 Investment Objectives

The Trustee's overall investment policy is guided by the following objective:

- The Trustee believes its prime duty is to endeavour to ensure that Plan members receive their promised benefits.

As a key step to achieving this, the Trustee, following consultation with the Company, entered into a bulk annuity contract issued by Pension Insurance Company ("PIC"). PIC is authorised by the Prudential Regulation Authority to write contracts of long-term life insurance of this nature in the UK. All future benefits payable from the Plan will be funded by the bulk annuity policy.

2.2 ESG, Stewardship, and Climate Change

The Trustee believes that environmental, social, and corporate governance (ESG) factors have a material impact on investment risk and return outcomes, and that good stewardship, exercised through voting and engagement, can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities. The Trustee has taken into

account the expected time horizon of the Plan when considering how to integrate these issues into the investment decision making process.

The Plan's assets are invested predominantly in an annuity contract with PIC. The Trustee is reliant on the policies of PIC on responsible investment and corporate governance and may review these policies from time to time as appropriate. To the extent that it is applicable, the Trustee has delegated consideration of ESG issues, engagement and stewardship obligations (including the exercising of voting rights) attached to the investments to PIC. Given the investment arrangements, the Trustee recognises that it has low exposure to risks arising from long-term sustainability issues, including climate change.

The Trustees do not consider the ESG policies of the investment manager of the cash fund or the AVC provider and associated investment funds as these are a small proportion of total assets.

2.3 Member views

Member views are not taken into account in the selection, retention and realisation of investments.

2.4 Risks

All UK pension schemes face a variety of different risks. These include:

- i. The risk that the ongoing funding position will be unduly volatile.
- ii. The risk that there would be insufficient assets to meet a scheme's accrued liabilities in the event a scheme was discontinued.

The Trustee has considered these risks in relation to the Plan and the investment strategy outlined below has been designed to meet the Trustee's main objectives and to control the risks identified above.

The Trustee recognises that:

- i. The consideration of financially material considerations, including ESG factors and climate risk, are relevant over the appropriate time horizon for the DB Section; and
- ii. The financial materiality of any factor, including ESG factors and climate risk, may be relevant to different degrees according to type of investment the Plan invests in.

The Trustee will consider financially material considerations, including ESG factors and climate risk in the development and implementation of the Plan's investment arrangements for the purposes of determining the selection, retention and realisation of investments where there is sufficient data or evidence to allow them to systematically do so. The Trustee may also seek to engage with the investment manager to ensure they take such considerations into account within their decision making, and challenge where appropriate.

2.5 Investment Strategy

The Trustee's long-term objective is to meet its pension obligations by the use of a bulk annuity contract. To this end the Trustee has purchased a bulk annuity policy with PIC. All pension liabilities are expected to be met by the annuity policy.

3. Day-to-Day Management of the Assets

The Trustee has appointed PIC as its annuity provider, having obtained and considered the written advice from their risk transfer advisor, Mercer, who the Trustee considers to be suitably qualified to provide such advice, and their legal advisor.

The Trustee also holds cash within the Trustee Bank Account and the Legal and General Investment Management Sterling Liquidity Fund to meet ongoing expenses.

In this context, relevant investment advice relates to that provided in accordance with the requirements of Section 36 of the Pensions Act 1995 (as amended).

3.1 Legal & General Investment Management ('LGIM')

LGIM manages 100% of the non-insured assets, comprising of the LGIM Sterling Liquidity Fund.

3.2 Monitoring the Manager

The objective of the LGIM Sterling Liquidity Fund is to provide capital stability, liquidity and income.

The Trustee retains the assistance of Mercer as investment adviser to provide further help in monitoring the investment manager. The Trustee receives quarterly written reports from the investment manager. The Trustee meets the manager to discuss their performance as deemed appropriate.

3.3 Realisation of Investments/Liquidity

The Plan's principal asset is the bulk annuity policy with PIC. As a result, all of the Plan's assets are represented by this policy, with the exception of the residual cash held with LGIM and the cash held in the Trustees Bank Account.

The residual cash is being held in order to aid the Trustee in meeting imminent cash outgo in connection with ongoing expenses that are to be met by the Plan.

4. Investment Manager Appointment, Engagement and Monitoring

4.1 Aligning Investment Manager Appointments with Investment Strategy

The majority of Plan assets are invested through the purchase of the bulk annuity policy with PIC, the Trustee is unable to incentivise the insurer, remunerate or monitor portfolio turnover costs as these are not applicable to the bulk annuities.

With regards to LGIM, the Trustee recognises that there is limited ability to engage with LGIM in the management of a pooled cash fund.

Incentivising Medium and Long-Term Investment Manager Performance

The Trustee aims to meet with the investment manager as deemed appropriate, to discuss performance and other investment related matters (including integration of ESG and climate change into the investment process and engagement activities). As part of this, the Trustee will challenge decisions that appear out of line with the Plan's stated objectives and/or policies.

4.2 Evaluating Investment Manager Performance and Remuneration

As part of the regular reporting, the Trustee receives investment manager performance reports on a quarterly basis. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and against the investment manager's stated target performance (over the relevant time period). The Trustee's focus is on long term performance but will review the investment manager if there are short term performance or operational concerns.

If the investment manager is not meeting its performance objective, or the investment objectives for the mandate change, the Trustee will review the appointment to ensure it remains appropriate and consistent with the Trustee's investment objectives and may ask the manager to review their fees.

The Trustee considers the method of remunerating the investment manager to be consistent with incentivising it to make decisions based on assessments of medium to long-term financial and non-financial performance. By encouraging a medium to long-term investment time horizon, it will in turn encourage the investment manager to engage with issuers of debt in order to improve their performance in the medium to long-term.

4.3 Evaluating Portfolio Turnover costs

The Trustee does not monitor the portfolio turnover costs due to the nature of the buy-in contract with PIC.

4.4 Investment Manager Arrangement duration

The Trustee is a long-term investor and is not looking to change the investment arrangements on a frequent basis.

There is no set duration for the investment manager appointment. The Trustee will retain the investment manager unless there is a strategic change to the overall strategy or the investment manager appointment has been reviewed and the Trustee has decided to terminate the mandate.

5. Other Investments

The Trustee has in the past secured pensions through the purchase of annuities and currently holds annuity policies with a number of different insurance companies.

5.1 Additional Voluntary Contributions ('AVCs')

The Trustee also makes available to members a range of options with LGIM for the investment of AVCs. Various legacy arrangements also exist.

5.2 Cash Balances

The Trustee holds small cash balances in separate bank accounts.

6. Role of Investment Consultant

Mercer is employed as investment consultant to the Plan and its position is reviewed periodically by the Trustee. The consultant provides advice to the Trustee but does not have responsibility for decision-making in any area. The role encompasses, but is not limited to, the following areas:

- Assistance in helping the Trustee formulate investment objectives.
- Advice on investment strategy and investment options.
- Advice on devising an appropriate investment manager structure.
- Assistance in selecting, implementing and monitoring of investment managers.

7. Preparation of this Statement

The Trustee obtains and considers proper advice from suitably experienced and qualified persons when choosing investments and preparing the Statement of Investment Principles.

8. Compliance with the Review of this Statement

The Trustee will monitor compliance with this Statement on a regular basis. As a matter of good practice, the Trustee will review this Statement at least every three years.

The Trustee will also review this Statement in response to any material changes to any aspect of the Plan's liabilities, finances and the attitudes to risk of the Trustee and the Sponsoring Company, which it judges to have a bearing on the stated investment policy. Any such review will again be based on expert investment advice and the Trustee will consult the Company.