



B&S

United Nations Global Compact

Communication on progress 2012



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Letter from the CEO



United Nations Global Compact

in good hands

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B&S Communication on progress 2012

Dear fellow stakeholders,

I am very pleased to present an update on the United Nations Global Compact initiative for B&S.

In September 2010, B&S joined the UN Global compact and committed itself to integrating the ten principles into its daily work. For second time, we are sharing our communication in progress. This report therefore provides an overview of the various actions that were taken by the company since the first update in November 2011.

In 2012 we have worked especially on compliance and transparency, two key characteristics on our relations with different stakeholders. First example we find it in our Annual Report, where we share more detailed corporate information and where transparency guides our financial statements.

"We strive to maintain good relationship with all our stakeholders and the community. We further continuously strive to an enterprising, well-respected and trustworthy organisation that makes a sustainable contribution towards society. In the interest of all stakeholders we try to achieve an optimum balance between our achievements in the field of long-term sustainability and our company's core objectives." This is how we described our principles for good business practice in the company's official 'Code of Conduct'.

Compliance and reliability are becoming more and more important ingredients for a successful partnership with clients and suppliers. In this respect B&S definitely lives up to its promises.

During 2012 our new logistics center in Afghanistan was fully operational. We are proud we have created over a hundred jobs in the country, in this update you can find further information in relation to the labour rights or our employees there. Overseeing the actions that were taken in the course of last year, I see the outcome of the research as an excellent foundation for the next steps on the CSR road. In this respect, I confirm our continued support to the 'Ten Principles of the United Nations Global Compact'.

Bert Meulman
CEO
B&S B.V.

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2012 update

Within the group we believe that sustainability can be both good for our business and good for society and the environment. The aim of our CSR policy is to promote the company's long term viability by balancing the needs of our stakeholders and delivering sustainable returns to our shareholders, while simultaneously introducing initiatives to reduce our environmental impact and benefit society

The Company is focused on generating added-value for all its stakeholders: clients, shareholders, suppliers and all its other business partners.



It is the responsibility of our Company to continuously apply sustainable practices in order to rank among the leading enterprises in our industry.

The company strives to maintain good relationships with both its direct stakeholders and the community in its immediate vicinity. We further continuously strive to an enterprising, well-respected and trustworthy organisation that makes a sustainable contribution towards society.

In the interest of all stakeholders we aim to achieve an optimum balance between our achievements in the field of long-term sustainability and our Company's core objectives.

Safe working environments and a professional Code of Conduct are priorities in our day to day working methods. The tight control over logistic processes, quality and safety are confirmed by having AEO (Authorised Economic Operator), HACCP (Hazard Analysis and Critical Control Points) and ISO 22000 qualifications, all benchmark quality certificates within our industry.

B&S is a dynamic company continuously in progress and development, for this reason end of 2012 we have revised our mission and vision statements which were defined in 2009. Complete management team and marketing department have developed together the new vision.

Mission

B&S is the preferred partner for niche markets around the globe, which need consumer goods delivered to the right place at the right time.

Vision

Our vision is to be the most inspiring company in the markets we serve, with pioneering and innovative solutions for our clients, enabling us to be market leader in the consumer goods wholesale industry and duty-free retail markets.

Focus on compliance and transparency with our suppliers

The company's relationship with the industry and Fast Moving Consumer Goods manufacturers is crucial for its business activities. This is manifested by having regular strategic meetings with main suppliers. Agenda topics include market developments, product transparency, trade integrity, and product quality among others.

Focus in food safety and consumer rights

As a healthy lifestyle is of ever increasing importance to many consumers, we have decided to add details of nutritional values to all the new products in our private label GoodBurry range. The nutritional values will also be gradually added to the labels of our existing GoodBurry products. Although details of nutritional values were already available on request, we want to be sure that consumers of all of our GoodBurry branded products throughout the world can have easy access to information on nutritional values.



Focus on Afghanistan facilities

B&S' headquarters are located in Dordrecht (the Netherlands). A second logistics center is located in Spijkenisse (the Netherlands), and a third logistics center is located in Kabul (Afghanistan), from where we deliver foodstuffs and beverages to catering companies. We also operate 5 duty-free military shops in different military camps from the International Security Assistance Force (ISAF). The ISAF, also known as the coalition forces, is a NATO led security mission in Afghanistan that was established by the United Nations Security Council in December 2001.

B&S has shown their long term commitment to the Afghan people by completing the new facilities in Kabul. A modern and environmentally friendly energy saving logistics platform of more than 20,000 m2 has been constructed fully compliant with international standards, creating over a hundred jobs. Within this update we explain the different progresses achieved in relation to labour rights and environment within this location.

Human Rights principles

Our company is a modern and professional company that adheres to national laws, rules and regulations in the countries that we are active in. With respect to the working conditions of all our staff members, we offer the best possible conditions, which exceed the ILO labour conventions at the minimum.

Our company respects the human rights and always treats people with respect and human dignity. Moreover our company has never been involved in any child labour, nor any forced labour. Our overall view on 'working conditions and working environment' was described in the Company's 'Code of Conduct'. We make reference to this section as well. In the past year, we continued the high values for these principles.

Labour principles

The success of the B&S organisation is based on the dedication, entrepreneurial involvement, creativity and passion of our employees.

This is why we pay considerable attention to human resource management within our Company. Career development, recruitment, retention, training, safety, quality and personal well-being of the Company's staff are considered key priorities within our firm.

Our overall view on 'working conditions and working environment' was described in the Company's 'Code of Conduct', which amongst others comprise of the following main aspects.

- The principles of equal opportunities are well embedded in our Company's approach and objectives in respect of our workforce. Recruitment of staff is done on the basis of equal opportunity, irrespective of gender, marital status, sexuality, color, sex, ethnic origin, religion or physical ability.
- Employees are entitled to become a member of a trade union or works council.
- The safety and quality of employment conditions are a high priority. Our policy is to offer our workers a healthy and safe working environment.
- All our staff members have standard working hours, based on local regulations and industry standards and are in accordance with the ILO conventions.
- All our staff members are fairly compensated for their work in line with local minimum requirements set by law and by industry standards in relevant countries as well as by ILO conventions.

For further details, we make reference to this section of the 'Code of Conduct' as well. In 2011, the company has made further progress in social reporting, comprising all sort of social developments and statistics that provide in-depth information on all the relevant Human Resource Management aspects. On these aspects will be reported in great detail, in the Company's Annual Report.

Despite the instable economic environment and the increasing unemployment rate in the country and region, we are glad to communicate the company is still growing in number of employees and being able to support the development of the region

Best practice: Afghanistan facilities

Special attention has been given to Corporate Social Responsibility and the working conditions for the employees. We highly value initiative and involvement from our employees, meetings whereby they can share ideas or give input on how to improve processes, procedures and working conditions are regularly organized.



Our training program is aimed to ensure that employees are competent in their work and equipped with skills that will enable them to perform their job effectively.

Induction training shall be performed to all new staff members. All relevant personnel shall be appropriately trained prior to commencing work and adequately supervised throughout the working period.

Several areas of special interest

Dining facility

It is of great importance to us that our employees receive healthy and nutritious meals; therefore the company's dining facility complies with the highest European standards. There is a local chef and from 7 in the morning till 8 in the evening breakfast, lunch or dinner is being served. Drinks are available throughout the day.



Sports & leisure

Both physical and mental health and well being of our employees have been taken into account:



In their spare time the staff can make use of the recreation room to play pool, table tennis, darts, table football or video games.



Outdoor facilities such as a volleyball court are also available as well as a gym.

Hygiene and safety regulations

Our head office in The Netherlands is HACCP (Hazard Analysis and Critical Control Points) certified; having in-house knowledge and expertise of HACCP principles we have decided to apply them as well in the logistic center in Afghanistan, making food safety and transparency a priority within our facilities.

Environmental principles

We take good care for the environment by exceeding the regular compliance with local environmental regulations. If possible, our company is committed to adopt practices of reduction, reuse, recycling and recovery.

Our investments in warehouses and offices are done in accordance with the most modern standards, whereby we try to save energy and use recycled material, a great example is our facility in Dordrecht, constructed with recycled concrete.

Best practice: Afghanistan facilities

Energy saving

Power usage is monitored on a daily basis and is provided from new energy efficient generators. These systems can monitor each other automatically and either provides extra power or close down if power is not being distributed efficiently or effectively. The system synchronization allows us to save on power and fuel consumption resulting in energy and cost savings and reduces emission of carbon dioxide.

Waste collection and management

There are 5 underground storage tanks located on the compound; each tank has the capacity to store around 40,000 liters of either waste water or sewage. Sewage and waste are not contained in the same storage tanks as the waste water is utilized for cleaning trucks and keeping down dust levels on the compound in the dry summer months. The sewage tanks are emptied twice a month by a registered local waste company, this company is also used on a weekly



basis to remove trash and other disposable waste from the compound. Furthermore they provide a service where traps are set to catch small rodents, snakes, etc. These traps are set around the outer walls of the main warehouse and close to other facilities on the compound that could attract vermin.

Water treatment

In order to run the water treatment system we had to drill down 48 meters into the local water supply and installed a water well and water pump. After the water is pumped from the water well it's then piped into the water purification filter system where all bacteria and other impurities are removed. Water is then stored in a clean water storage tank ready for usage on the compound by

staff when showering, cooking or doing laundry. Any waste from this is then either being disposed or used as indicated above.



Best practice; B&S Shop Fly at Eindhoven Airport

B&S Shop Fly is our travel retail flagship store at Eindhoven Airport (the Netherlands), the fastest growing airport in the country with more than 2, 7 million passengers per year.

Eindhoven Airport wishes to become one of the leading airports in Europe in the field of sustainability. This desire has led to setting the concrete target of becoming 'Airport Carbon Accredited for Carbon Neutrality' in 2015, by following Airport Carbon Accreditation, an initiative of ACI EUROPE (Airports Council International Europe) for CO2 reduction.

Airport Carbon Accreditation program is an independent label monitored by WSP Environment & Energy, an international consulting agency appointed by ACI EUROPE to ensure that airports comply annually with accreditation criteria. Recognition of these efforts is ensured through four levels of accreditation. This step-by-step process encourages airports to reduce their emissions and to achieve the ultimate goal of a CO2-neutral airport. The four levels of accreditation are:

Level 1: Mapping

Level 2: Reduction

Level 3: Optimisation

Level 4: Neutrality.



As an acknowledgement of its environmental management programme for reducing CO2 emissions in its airport activities, in end 2011 Eindhoven Airport was awarded the 'Reduction' level certificate from Airport Carbon Accreditation programme.

All partners at Eindhoven Airport have been involved in Airport Carbon Accreditation program. At B&S Shop Fly, we are convinced that as a unified team we can achieve a lot in terms of carbon reduction. B&S Shop Fly activities for reducing carbon emissions are the following:

New logistics centre reduces the number of trucks required daily

B&S Shop Fly launched a new logistics centre at Eindhoven Airport; this new warehouse has twice the capacity of the former warehouses.

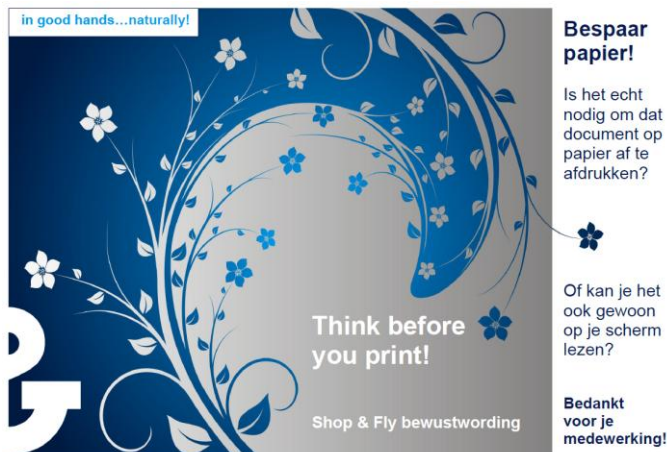
Our activities expanded significantly in the last years, just in 2011 our customer base grew from 250,000 to 300,000 customers, and our new logistics centre increased our storage capacity. Before we opened the new warehouse, we received an average of 1.5 deliveries per week from our principal supplier. This amount has now been reduced to 1 delivery per week. This translates into a reduction of 30 trucks per year; the number of deliveries by other suppliers will remain roughly the same, although our customer base has expanded from 250,000 to 300,000 customers.

Step by step working on carbon reduction and employees awareness

- Bags: we now have two different bag sizes, both of which are made from 100% recycled materials.
- Flyers and receipts: are printed on FSC paper.
- Warehouse-store transport: a new electric vehicle. Goods used to be transported from the warehouse to stores using cars. We have now decided to use an electric trolley.



- Working on the sustainability awareness of our employees is also one of the company priorities, here an example how to ask employees not to print when it is not necessary. These posters are located next to printers.



Anticorruption

Our company is used to do business on the basis of honest and ethical management, trust and integrity. We expect the same from everyone with whom we do business.

In the company's "Code of Conduct" we addressed the following main aspects:

- Our Company will not accept any influence in the decision making by people based on promises, gifts, bribes or kickbacks, or by any other measure that is unethical or that will tarnish our reputation for honesty and integrity. Even the appearance of such conduct is to be avoided.
- Our integrity should be beyond all doubt. In view of the important social role of our Company, it is imperative that all our employees comply with the legislation and regulations of the countries in which we are active and also comply with the values and standards that apply within our Company and which have been laid down in this Corporate Code of Conduct.
- Our Company will not cooperate in illegal transactions or transactions suspected to aim on the laundry of money.

For further details, we refer to the 'Code of Conduct.'

The company is focused on the wholesale of and trading in luxury and fast moving consumer goods in niche markets, such as liquors, food, cosmetics, tobacco etc. With our main clients (particularly in the field of sensitive products) we are used to comply to audits and 'know your customer' procedures in order to avoid anticorruption. Similar as in previous years audits were passed successfully.