

**In good
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B&S**

UN Global Compact

Communication in Progress

B&S

Period: February 2014-February 2015

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1. Statement of continued support from the CEO



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UN Global Compact COP

Dordrecht, the Netherlands, 27 February 2015

Dear Mr Secretary-General and other stakeholders,

B&S is a leading partner in wholesale and distribution of fast moving consumer goods. Our Company operates in several niche markets including ship suppliers, duty free shops, peace keeping forces, and air and cruise lines.

B&S is highly committed to maintain high ethical, social, environmental and governance standards and creating sustainable value for all our stakeholders. In order to advance our commitment to sustainability and corporate citizenship, we signed up as a member of the United Nations Global Compact in September 2010. By becoming a member of the UN Global Compact, we wanted to express our commitment to aligning our operations, policies and strategies with UN Global Compact's ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

With this letter I am pleased to reiterate our continued support for the principles of United Nations Global compact (UNGC). We intend to continue to embrace, support and implement these principles within our sphere of influence. We remain committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our Company. We support accountability and transparency. Our Company continues to make a clear statement of its commitment to our stakeholders and the general public.

J.B. Meulman
CEO
B&S

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To all agreements whereby we act as seller our general terms and conditions of sale, delivery and payment apply, and to all agreements whereby we act as buyer our general terms and conditions of purchase apply, which you have received from us, and which are also deposited at the commercial register and published at www.bs-gg.com. We expressly reject the applicability of your terms and conditions.

2. Introduction and scope of COP

B&S is a modern and professional organisation with a long and strong track record. The Company is a leading partner in the wholesale and distribution of Fast Moving Consumer Goods, active in various nice markets with the head offices in the Netherlands near the harbour of Rotterdam.

With our background in the Netherlands and being used to professional business conduct, the areas of Human Rights and Labour Rights are well regarded. In this respect we mainly focus on our location in Afghanistan, where the impact of our actions regarding Labour Rights is of higher relevancy.

We maintain a high responsibility to the community. We further continuously strive to be an enterprising, well-respected and trustworthy organisation that makes a sustainable contribution towards society. In the interests of our stakeholders we further maintain the highest ethical standards in all aspects of our business with high respect for Human Rights and Labour conditions.

In accordance with legal regulations and vis-à-vis all its stakeholders it is the responsibility of our Company to strive continuously to apply sustainable practices in order to rank among the leading enterprises in our industry.

In October 2014 entrepreneurs Willem Blijdorp and Bert Meulman were elected 'EY Entrepreneur Of The Year' in the 'Master' category for the Netherlands. This is one of the most prestigious award in the world for successful entrepreneurship. It recognizes professional entrepreneurship and aims to inspire and motivate others with their vision and excellent leadership. The jury specially recognizes the importance given to the staff of B&S International and stated that "these entrepreneurs take good care of their employees and have an outstanding way of working, without losing the free spirit of entrepreneurship."

In this Communication on Progress, we provide an update of the Company's activities in respect of the 10 UN principles by reflecting on the reporting period February 2014 to January 2015.

This report also includes "Context of Operation and verification" which discloses the Company's profile, mission, vision, DNA, corporate structure, key financial data and other Company data. It gives a broader picture of the B&S Group and its activities. Additionally we incorporated information on Corporate governance and Corporate Social Responsibility as well as the Company's Risk management. These are all standard elements in our day-to-day business, being regularly reviewed and updated. They are stated in our Annual Reports and based on Company policies, guidelines and procedures.

3. B&S' strategy

During the year 2014 the B&S division remained very committed to investing in clients, personnel, suppliers and sustainable business.

The importance of operating a sustainable business lies in the unique concept of our Company, which is down to the drive and spirit of our people, the Company structure, and the relationship we have with our clients.

For us, sustainable business means putting long-term vision ahead of short-term profits.

That long-term vision goes further than our bottom line result; it means adding value in everything we do. It is about our relationship with clients, suppliers, the wellbeing and development of our employees, as well as our relationship with the environment. Developing sustainable relationships with our employees and our clients is already part of our core values, but the role of sustainability will take on even greater importance within the business as we go forward. This is one of the reasons why we support the UN Global Compact.

As a leading organisation we show our commitment to the ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. When we develop our business, we look for sustainable solutions.

One good example of sustainability in action is our **engagement with Eindhoven Airport in the Airport Carbon Accreditation program**, where we carry out actions in order to reduce the airport carbon footprint. During 2014, we were specially involved in promoting awareness amongst our employees regarding recycling and saving energy.

In our warehouses in the North of Holland, we invested in a fully **automated storage system** for an affiliated company. It has brought us new clients, who now benefit from a more advanced and reliable picking process and shorter lead times in the ordering process. At the same time, it has resulted in lower energy use and less maintenance costs.

Another vital form of sustainability within the Company is full **compliance at all stages of the business process**. Our stakeholders expect and demand the toughest criteria to be applied across all compliance issues, from food safety and transparency through to customs clearance and legal compliance.

Internally, we invest a great deal of time and resources into ensuring compliance is top-of-mind and managed to the highest standards. For that reason, sustainability and risk management have been recurring topics on our management agenda. In this report we elaborate further on how we view risks and how we mitigate these risks. It highlights our strong belief in operating a Company that greatly values social responsibility and is risk adverse.

Strategy

The Company's strategy is based on adding value for both its clients and its suppliers by making their interests converge. We deliver a wide assortment of goods to our clients in markets in which our suppliers are unable to deliver.



These niche markets are often remote and difficult to reach, which means clients' demands cannot easily be met. By balancing the needs of both parties we add value to the chain.

Our current position in the market is unique. We combine wholesale activities with the role of a distributor and retailer. This puts us in a perfect position to oversee the entire consumer goods supply chain, from producer to end-consumer. Thanks to our position we are able to make the supply chain more transparent and more efficient. Our main focus is playing an active role in the convergence of the supply chain between wholesalers and retailers, where making use of modern online tools and innovative investments is a key aspect.

Our balanced growth strategy is based on three basic aspects, the pillars of our organisation.

Balanced growth:

Growth is the lifeblood of B&S and the main pillar of its strategy. We firmly believe that growth is based on innovation and quality, fuelled by entering into new markets and by continuously making use of new business opportunities. Growth certainly leads the Company further and energizes the organisation. Balanced growth means the following for B&S:

- Organic growth and growth through acquisitions
- Innovation
- Quality growth
- Diversified growth
- Profitable growth
- Sustainable growth

BALANCED GROWTH – THREE PILLAR STRATEGY		
Innovation and quality		
<p>Cost leadership</p> <ul style="list-style-type: none"> ■ Economies of scale ■ Increasing efficiency ■ Innovative logistics concepts ■ Smart ICT solutions ■ Synergies across segments 	<p>Client centricity</p> <ul style="list-style-type: none"> ■ Highest client service level ■ Anticipating clients' needs ■ Tailor made solutions ■ A flexible client approach ■ Long-term partnerships ■ Mutual trust 	<p>Diversification</p> <ul style="list-style-type: none"> ■ Different markets ■ Different regions in the world ■ Different product groups ■ Clients in different sectors
<p>B&S International aims to sustain its outstanding competitive and leading position in its markets.</p> <p>The Group strives continuously for further improvements in efficiency and economies of scale in order to lower corporate expenditure in relation to turnover.</p> <p>This is being achieved through bulk purchasing and investments in ultra-modern and innovative logistic concepts and ICT solutions and through synergy advantages achieved through the active cooperation of the various business units within the Group.</p>	<p>Excellent added-value and service during and between business activities makes B&S International a unique business partner. Added-value forms the bond between clients and suppliers and creates long-term relationships built on expertise and involvement. Sales activities are always combined with a complete service that includes client support, customs handling and transportation. The Company strives for partnerships and long-term relationships with its clients. The organisational model is designed to be as flexible, efficient and responsive as possible.</p>	<p>B&S International supplies and sources products at a global level in different niche markets. This means the Company is well diversified in markets, products and regions and also has a wide client portfolio.</p> <p>One of B&S International's strengths is its expertise in accessing remote areas and markets at an early stage.</p> <p>This enables our suppliers to launch products in these markets, which is considered a strong competitive advantage.</p>

4. Context of operation and verification

Corporate profile

B&S B.V. is a leading partner in the wholesale and distribution of fast moving consumer goods. B&S operates in several niche markets including ship suppliers, duty-free shops, peace-keeping forces and air and cruise lines. This often means thinking globally but acting locally.

B&S B.V. was incorporated on December 6, 1972, with a registered address at Rijksweg 7, Dordrecht, the Netherlands. The Company is registered with the Chamber of Commerce in Rotterdam, the Netherlands under number 24225407.

In accordance with its Articles of Association, the object of the Company is international (wholesale) trading in consumer goods and food.

Mission

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

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.

DNA

At the heart of our organisational culture is the passion for international trade. This is coupled with a structural willingness to invest and innovate. Common values within our Company are cost-effectiveness, self-development, informal contact, state-of-the-art infrastructure, extensive staff facilities and practicing corporate social responsibility.

The Company's DNA can be described as "Reliable", "Successful", "Professional", "Unique", "Flexible", "Efficient", "Ambitious" and "Personal". Our understanding of the characteristics is presented in this Code at various places. These are corporate characteristics that move the Company and make it different from any other company.

Corporate structure

B&S B.V., the Netherlands, is a holding company with various participations in Group companies in the Netherlands and other countries.

B&S B.V. is a direct subsidiary of B&S International B.V. in Delfzijl, the Netherlands.

The ultimate parent company is B&S Holding S.à.r.l. in Larochette, in the Grand-Duchy of Luxembourg.

Further information about corporate structure can be found in the B&S International B.V. Annual Report 2014, signed 6 February 2015.

B&S offers a complete service to its clients: an extensive product portfolio, excellent supply chain management, full customs handling and marketing support.

B&S' history can be traced back over 140 years. In 2000 four separate organisations were integrated and the division comprises several specialists in a variety of niche markets.

These specialists are:



Financial highlights

In millions of €	2014	2013	2012	2011	2010
Turnover	350.6	335.3	338.9	322.2	294.1
Gross margin	49.4	48.1	51	43.8	41
EBITDA	16.5	14.4	16.2	12.7	12.6
Result of legal entity	9.6	8.1	8.5	5.4	6.2
Group equity	45.8	41.3	37.5	31.9	26.5
Total assets	129.4	114.2	119.9	119.8	100.9

Business segments

B&S operates in more than 100 countries worldwide. The nature of our clients is 'out of home' or 'duty-free' clients, such as airline catering or cruise lines. Below you can find which business unit serves these diverse and special niche markets.

B&S Bosman Global

The business unit B&S Bosman Global supplies food, beverages, spirits, cabin and non-food products around the globe. The segment delivers to various markets, such as:

- ship chandlers;
- airlines and airline caterers;
- wholesale and retail companies.



B&S Köpcke Global

B&S Köpcke Global is another business unit within the B&S division that operates as a global supplier in remote areas. The segment serves its clients in several markets, such as:

- peacekeeping forces and military catering;
- oil, gas, mining and industrial catering;
- humanitarian emergency relief;



B&S Paul Global

The B&S Paul Global business unit is a wholesale partner and distributor of A-brand consumer goods. The business unit interacts with the travel retail industry all over the world.

B&S Paul Global supplies duty free goods to:

- airport shops and border stores;
- on-board shops on airplanes and cruise liners;
- embassies, diplomatic corps and military shops.



B&S Global Cruise Supply

B&S Global Cruise Supply has more than 25 years' experience in supplying cruise ships worldwide. As the largest food and beverages cruise supplier in Europe, it focuses on offering a complete service, including efficient logistical solutions and a wide portfolio of products.



Product groups

With over 40,000 different products in its assortment, B&S offers its clients the widest selection of choices available.

As an independent wholesaler B&S offers an extensive range of sizes and brands, including nearly all the premium brands in the fast-moving consumer goods industry.

Key partnerships with world-renowned companies, plus the flexibility of having its own private and competitively priced GoodBurry label, mean that B&S can always meet client's expectations regarding choice, brand recognition, quality and price.



Food and Beverages

In the food segment B&S offers clients frozen, chilled and dry goods, comprising groceries, dairy, poultry, meat, seafood, fruit & vegetables, confectionery and non-alcoholic beverages. The assortment includes an extremely wide selection of the most popular premium brands as well as non-branded goods. Specialised items, such as halal and kosher food, are also provided.

Bonded

The bonded product category includes beverages (beer, wine and spirits) and tobacco.

Non-food

The Company supplies a wide range of non-food items, such as toiletries and disposables.

Luxury items and Electronics

B&S clients can choose from a wide selection of luxury items, including perfumes and other personal care products, as well as electronic items and other goods designed for personal use.

Directors and management

Board of Directors.

on behalf of B&S International B.V.

J.B. Bert Meulman . CEO

G. van Laar. CFO

Management B&S

Bert Meulman C.E.O.



Gert van Laar. C.F.O.



Management Team

C.E. van Esch; Managing Director, B&S Bosman Global

J. Smit; Managing Director, B&S Global Transit Center

A.R. van der Ster; Managing Director, B&S Köpcke Global

M.R. Riegel; Managing Director, B&S Paul Global

P. Kruithof; Finance Director, B&S

Offices and employees

The Company operates from the headquarters in Dordrecht, the Netherlands that comprises 30,000 m² of logistics facilities. The Company operates another warehouse in Spijkenisse, the Netherlands with 10,000 m² warehouses. B&S also operates a logistics centre and offices in Kabul, Afghanistan. B&S has always invested in state-of-the-art equipment and materials. The average number of staff employed by the Company during 2014 was 293 (2013:266). In 2014 the Company employed 106 employees outside of the Netherlands, mainly in Dubai and Afghanistan.

5. Corporate governance

B&S B.V. is a private limited liability company established under the laws of the Netherlands. The Company considers the interests of all its stakeholders, from clients and suppliers to staff and shareholders and from financiers to governmental institutions, to be important.

The desire to pursue best practices is embedded in the Company's corporate philosophy and policies. The Company's governing bodies are aware that the environment is constantly changing as well as of the necessity of having consistent Corporate Governance guidelines that assist them in carrying out their responsibilities.

The Board of Directors is responsible for the Company's day-to-day affairs, its strategy and the advocacy of the general stakeholders' interests and is based on the creation of an optimum span of control.

A number of centralised corporate departments, (legal affairs, HRM, M&A, marketing, logistics, ICT and Finance & Control), assist the management at the helm of the Group in making effective steering decisions.

As much authority as possible is delegated to the divisions and their business units. Within agreed guidelines the Group's staff, especially its senior managers, enjoy a high degree of autonomy and responsibility. This philosophy encourages staff to develop as experts in their business while, at the same time, functioning as co-entrepreneurs.

The composition of the Board of Directors does not reflect a situation as described in article 276 Book 2 Dutch Civil Code. Control over the Company through the Board of Directors is to a large extent influenced by the ultimate shareholders. A balanced situation as outlined in the above mentioned articles would only be realised if and when vacancies may become available and only to the extent that compliant candidates are of equal quality.

6. Corporate Social Responsibility

The B&S Group's stability is based on profitable growth. The Company strives continuously to act as an enterprising, well-respected and trustworthy organisation that makes a sustainable contribution towards society and sees global citizenship as the seamless merging of profit and purpose. We believe it is possible to strive for a profitable business while serving a greater good. In fact, we view the two as inextricably linked.

The aim of our Corporate Social Responsibility (CSR) policy is to promote the Company's long-term viability by balancing the needs of its stakeholders and delivering sustainable returns to its shareholders, while simultaneously introducing initiatives to reduce its environmental footprint and contribute towards the community.

As a support to long-term growth, the Company constantly invests in the most up-to-date logistic facilities and innovative logistic concepts and ICT solutions and seeks improvements to its entrepreneurial policies, working methods and best practices so as to enhance its leading positions in its respective markets.

This is why we are committed to our strategic approach of mutual trust between our Company, our clients and our suppliers and, above all, operating in accordance with a sustainable business model.

The Company's commitment to sustainability is embedded in its promise to its clients and embodied by its employees, who continuously deliver excellence in all its services.

We recognise our responsibility to make a positive difference related to a host of sustainability issues in order to drive the growth of the Company while creating social value.

B&S CSR policy covers the following aspects:

- Integrity and legal compliance;
- Assets, data handling and information;
- Working conditions and working environment;
- Environment;
- Community.

The complete CSR policy is incorporated in the Company's Annual Report 2014.

7. Risk management and internal control

Risk management and internal control form an integral part of the Company's day-to-day business operations. The corporate strategy is focussed on seizing entrepreneurial opportunities while, at the same time, managing risks effectively.

The corporate policy is to safeguard the Company's continuity while maintaining a balance between risk appetite and financial returns.

The Board of Directors, supported by senior managers within the organisation, is responsible for identifying, prioritising and mitigating risk and maintaining a robust risk management system and internal control mechanisms

The Company's risk profile is regularly reviewed by the Board of Directors and is discussed with the Supervisory Board. Although the Company's risk profile did not change fundamentally, the risk review in 2014 led to adjustments to the risk management framework, which is now classified in accordance with the COSO Enterprise Risk Management Framework.

As a result the Company's risk profile has been divided into the following risk categories:

- Strategic risks
- Operational risks
- Legal compliance risks
- Financial and reporting risks

Strategic risks are the risks that can prevent the Company from achieving its strategic ambition. **Operational risks** are closely related to the business operations. **Legal compliance risks** relate to risks arising from changes in regulations and applicable laws. The **Financial and reporting risks** are limited to financial matters and transparent reporting, both internally and externally. Particular risks can fall into more than one category or have overlapping determinants.

This risk management framework is firmly embedded in the Company guidelines and policies and supports the achievement of the Company's strategic, operational and financial targets while complying with legislation and regulations.

The Company's risk opinion is determined by the likelihood of the risk occurring and its potential impact on the achievement of the Company's strategy.

The following table shows a brief summary of the main risks that the Board of Directors has identified. These risks and the measures that have been taken to mitigate these risks are described in more detail on the subsequent pages.

Although the Board of Directors believes that the risks and uncertainties described in the next few pages are the most material risks, other risks might be present. All of these factors are contingencies, which may or may not occur. Potential other risks and uncertainties that have not yet been identified or that are currently deemed immaterial may also have an adverse effect on the Company's business, operations and financial performance.

Sensitivity analysis and benchmarking

Throughout the year the Board of Directors, senior managers, financial controllers, internal compliance officers and risk officers carry out self-assessment tests. These are combined with various external audits in relation to the defined key risk areas. For several risks the Company is used to go through various sorts of sensitivity analysis.

Carrying out a sensitivity analysis of key risk areas enables the approximate exposure in the event that certain specified parameters were to be met under a specific set of assumptions to be estimated. The range of changes chosen reflects the changes which, in the Company's view, are reasonably possible during a one-year period.

The scenarios that are tested relate to, but are not limited to, changes in market conditions, changes in gross margin, increases in interest rate and currency fluctuations. The effects on the Company's net result, cash flow and equity are analysed. These scenarios do not reflect any action the Board of Directors could take which might mitigate the effects.

In 2014, although the outcome of these tests revealed some negative effects on the Company's overall financial standing, they also showed that the Company remains within its long-term targets and financial guidance. This demonstrates that the Company has adequate buffers for dealing with substantial effects of potential risks.

As a Company that holds sizeable levels of inventory with a certain volatility during the year, we also carry out critical stress tests on the theoretical financial boundaries of inventory positions versus equity, covenants and working capital financing.

In addition to the sensitive analysis the Company also applies benchmark assignments within the organisation. A benchmark analysis involves comparing various metrics with the averages of peer organisations and best practices for individual business segments within the Group. These benchmark analyses are supporting strategic decisions, but also provide forward-looking insight.

The results of control self-assessments, audits, scenarios and benchmarks are reported frequently and discussed with and between the Board of Directors and the Supervisory Board.

The outcome is further used for internal staff training and for improving the risk awareness within the organization amongst staff members.

Risk type:	Possible risk:	Likelihood	Impact	Mitigation by:
Strategic risks				
Balanced growth	Imbalance in growth and organisation demands	●	●	Defined priorities.
	Changes in economic market conditions	●	●	Diversification across markets, products, regions and clients.
Cost leadership	Erosion of gross margin due to competition	●	●	Economies of scale, innovation and synergies
Client centricity	Loss of clients	●	●	Service excellence, flexibility, reliability and trust, combined with long-term partnerships and contracts.
	Dependency on clients	●	●	Wide client portfolio. Dependence on largest client is low.
Diversification	Turnover volatility	●	●	Diversification across markets, products, regions and clients.
	Seasonality effects	●	●	Diversification across markets, products, regions and clients.
	Local competition	●	●	Group purchasing power.
	Market risks	●	●	Diversification across markets.
	Product group risk	●	●	Diversification across product groups.
	Economical downturn	●	●	Diversification across regions.
Operational risks				
Staff shortage/surplus	Difficulty in attracting and retaining staff	●	●	Balanced remuneration package, stimulating workplace and excellent development opportunities.
	Surplus of staff due to market conditions	●	●	Downsizing of temporary staff.
Product risks	Quality risks, loss of quality certificates	●	●	Strict control and regulations combined with external audits.
	Reputation risk	●	●	Strict control and regulations combined with external audits.
	Product life-cycles	●	●	Keeping inventory levels low and a keen pricing strategy.
Customs risks	Claims and fines	●	●	AEO status with long professional track record. Annual audits.
ICT security risks	Failures and breaches	●	●	Strict procedures and annual EDP auditing.
Insurance	Claims	●	●	Limited due to Group coverage for indemnity and liability.
Legal compliance risks				
Changing legislation	Operational and financial effects	●	●	Active dialogue with legislators and support from local experts.
Financial and reporting risks				
Investment risks	Financial return and functionality	●	●	Strict procedures.
	Loss of value	●	●	Regular Impairment tests, strategy to add value.
Merger and acquisition risks	Financial and integration risks.	●	●	Careful due diligence and checks on synergy and integration.
Inventory risks	Overdue inventory, write-offs	●	●	Quality control and inventory rotation.
Credit risks	Non or late payment	●	●	Debtor risk procedure and external insurance.
Financing risks	Dependency on banks	●	●	Financing by different financial institutions and maintaining excellent relationships with financiers.
Currency risks	Transaction and translation effects.	●	●	The main currency is the Euro. Natural hedging for other currencies.
Interest risks	Increased interest costs	●	●	Floating interest or use of financial instruments.
Financial instruments	Speculation and financial effects	●	●	Strict procedures and professional external advice.
Tax risks	Non-compliance	●	●	A strong track record, timely and adequate reporting, effective tax framework, policies and systems in place, combined with professional advice from external experts.
Internal control and reporting	Control deficiencies	●	●	Strict procedures and compliance.

Risk profile:

● Low ● Medium low ● Medium high ● High

A man with short dark hair, wearing a dark green zip-up jacket, stands in a warehouse with his arms crossed. He is looking directly at the camera. The background shows tall blue metal shelving units filled with cardboard boxes. A blue vertical beam is visible behind him. The lighting is bright, coming from overhead industrial lights.

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United Nations Global Compact

Human Rights

8. Human Rights principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Overview

The B&S organisation is mainly based in the Netherlands and the majority of the business is directed from the Netherlands, where the key offices and staff are situated. The Group further operates a sizeable warehouse in Afghanistan.

B&S is a modern and professional company that adheres to national laws, rules and regulations in the countries in which it is active. All employees are offered the best possible conditions. As a minimum these conditions exceed the ILO labour conventions.

Our Company respects human rights and always treats people with respect and dignity. B&S has never been and never will be involved in any child labour or forced labour.

There is no discrimination of gender, age, race and religion in employment of B&S staff. As the Company mainly operates from the Netherlands and adheres to local laws, the Human Rights principles are well taken care of.

In Afghanistan where we also operate a warehouse, the national Human Rights conditions may be found different from what we are used to in Europe. With the standard Human Rights conditions that the Company is accustomed to and following our own beliefs and standards, we apply Human Rights similarly in Afghanistan. This is applicable for our own staff as well as for all other stakeholders in and around the Company.

In the next paragraphs, we will provide further details of the progress that was made in relation to our Afghan offices and warehouses during the last year.

Assessment, policy and goals

We emphasize our support to the Universal Declaration of Human Rights. The protection of the Human Rights is derived from group ethics, rules and policies and further based on applicable policies from the ILO and UN conventions, all as far as relevant for the activities of our Company and our industry.

The relevant procedures are firmly embedded in the Company's Code of Conduct, which is applicable for all staff members working within our Company. The Code of Conduct includes policies on respecting and supporting Human rights. It also includes a non-discrimination clause.

All staff members should understand the principles, procedures and guidelines stated in this Corporate Code of Conduct. It is expected that staff members work in the spirit of those principles and actively propagate them in order to protect or to improve the Company's integrity and reputation.

Company managers are expected to lead according to our standards of ethical conduct, in both words and actions. Managers are responsible for promoting open and honest two-way communications. Managers must be positive activists and role models and must be diligent in reporting unethical or illegal conduct.

Implementation (actions) 2014

Topic 1. Procedure review and discussion with senior management on breaches

On a yearly base the Company reviews procedures and has discussions between the Board of Directors and senior managers on the effectiveness and completeness of the procedures, breaches, and incidents.

Topic 2: Success story: financing social entrepreneurship in Ghana

We take high interest in social entrepreneurship, enhancing quality of life around the globe. Therefore we have invested in an initiative to improve hygiene services in several areas in Ghana. Providing clean drinking water and clean sanitation to local population improved the lives of many people and aids to their quality of life.



Measurement of outcomes

Human Rights		
Company relevance	Fairly limited, main attention to operation in Afghanistan.	
Risk level	Limited to none.	
Related UN principles	1 and 2.	
Goals	Respect Human Rights. Support the Universal Declaration of Human Rights. No complicity in Human Right abuses.	
References and policies	Annual Reports, Corporate Code of Conduct. ILO and UN Labour conventions. Universal declaration of Human Rights. Employee handbooks. Group ethics, rules and policies	
Topic	Action	Outcome
Procedure review and discussion with senior management on breaches.	Code of Conduct with strict policies in place. Active promotion by managers. Assessment of Human Rights related risks and impacts in our operations, mainly abroad.	No Human Rights violations. abuses, breaches or complaints in or before the reporting period.
Entrepreneurship in Ghana.	Financing former B&S employee to start social entrepreneurship in Ghana.	Allowing more than 100,000 people to have access to clean sanitation, and therewith avoiding possible illnesses.



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United Nations Global Compact

Labour Rights

9. Labour principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Overview

As it's our people who make the difference when it comes to serving our stakeholders, human resources are considered a strategic factor. B&S has set itself challenging but realistic goals and, as a consequence, human resources management is a decisive factor and primarily focused on supporting the sustainable growth of the Company through an operational staff of talented people.

The human resources function within B&S is set to ensure the quality of our human capital and has the opportunity to help shape the Company's future by focusing on the career development, retention, work safety and well-being of staff members.

The Company offers an international and high-quality working environment in which performance and world-class leadership are promoted.

Assessment, policy and goals

Our ambition is to be amongst the most attractive and active employers within our industry.

All employees have standard working hours, based on local regulations and industry standards and in accordance with the ILO conventions. All employees receive fair compensation for their work in line with local minimum requirements specified by the law and by the industry standards in relevant countries as well as by ILO conventions.

B&S employees have the right to a healthy and safe workplace. This is particularly important when it comes to working conditions in the Company's warehouses and for operational activities, B&S has always invested in state-of-the-art equipment and materials. At the same time we do our utmost to ensure the safety of third parties, their goods and the environment.

The good working conditions and positive working atmosphere within our organisation contribute towards the general motivation and effectiveness of the Company as well as the structurally low average absenteeism. The sickness rate in 2014 was approximately 1.7%, sharply below the 2.8% in 2012.

Implementation (actions) 2014

Topic 1. Procedure review and discussion with senior management on breaches

On a yearly base the Company reviews procedures and has discussions between the Board of Directors and senior managers on the effectiveness and completeness of the procedures, Breaches, and incidents.

Topic 2. Labour conditions B&S Cruise Shops

During 2014 B&S expanded its retail activities and started the operation of shops on board of Cruise vessels. B&S has liaised with Thomson TUI, a large UK travel operator with a fleet of five ships offering a variety of cruises and destinations. Thomson has been a wholesale client of B&S Global Cruise Supply for many years, and has now trusted B&S to initiate retail activities on board of their vessels.

We recognize the special needs of seafarers, and offer our new employees fair conditions, complying with all Maritime Labour Convention (MLC 2006) guidelines. We gave special attention to the following topics:

- Contract terms and conditions
- Working and rest hours
- Payment and wages
- Accommodation, food and catering
- Health and safety
- Complaint handling.

Employees at the shop opening on board of Thomson Majesty:



Topic 3. Labour conditions Afghanistan subsidiary

By adhering to our own Group policies and the ILO conventions and rights as a minimum we strive to upgrade the labour rights of the local staff in Afghanistan. Along with the growth of our organisation and activities in Afghanistan the number of staff increases, which is also reflected by the improving ratio local employees versus expats.

In Afghanistan we employ a total of 72 people (2013:104), from which 37 are local employees (2013:62). From those 72, 51 people work at our warehouse facilities and 21 people work at our duty-free PX shops. The activities in the Afghanistan subsidiary decreased due to the planned withdrawal of a significant segment of the NATO troops during 2013 and 2014.

The personnel policy in Afghanistan is basically the same as our personnel policy that is used in the Netherlands, only is partly modified to the local conditions and circumstances. The main points of our Human Resource policy comprise of:

- Employment is recorded by means of a contract;
- Agreements are in line with local laws and regulations;
- Salaries are competitive with ILO convention as a minimum; and
- Each employee will receive internal training and work guidance.

The fair salary payment for B&S staff in Afghanistan is reflected in competitive salary conditions offered by B&S. Besides a fair salary, staff receives a monthly food allowance and a monthly transport allowance. Working overtime is paid at a rate of 150% and working on Official Public and Religious Holidays is paid at a rate of 200%. Staff is entitled to 10 days paid leave for every six months worked.

The working hours are based on the Labour and Employee Law of the Islamic Republic of Afghanistan and differ depending of the season:

- | | |
|---|---|
| ▪ April 1 st – October 31 st | 08.00 hrs. until 17.00 hrs. (1 hour lunch break included) |
| ▪ November 1 st – March 31 st | 08.00 hrs. until 16.00 hrs. (1 hour lunch break included) |
| ▪ Ramadan hours | 08.00 hrs. until 14.00 hrs. (no lunch break included) |

Topic 4. Secure working conditions Afghanistan subsidiary

The security in Afghanistan of the Company's offices and warehouses is an important aspect. As the Company stores consumer goods in its warehouse, the premises need to be protected in relation to potential attacks, theft and other breaches.

The B&S compound is located in a relatively safe area just past the city gate of Kabul. The nearest police and military post is only 0.5 kilometre away.

The compound is secured by 34 guards on location (working in two shifts), equipped with adequate defence tools. The compound is surrounded with a high fence. There are separate guarded exit and entry gates. All vehicles entering the compound are thoroughly inspected. And also the visitors are registered and searched before entering.

Also in the warehouse safety is an important aspect, albeit in a different capacity. In the warehouse equipment such as forklifts, electric pallet trucks, pallet jacks and electric wrapping

machines are used. The staff is well trained to use this equipment safely. Furthermore the warehouse is well organized and clean which also contributes to the safety of our staff. The training of staff is an on-going process.

Topic 5. Training food safety, hygiene, personal health and hygiene in Afghanistan subsidiary

B&S has an extensive training program to ensure that employees in Afghanistan are competent to perform their jobs and to improve efficiency in relation to food safety, personal health and hygiene. Training course are provided in different ways:

- Workshops
- Presentations
- Training on the job

A logbook is kept in which all trainings are registered. The following types of training are given:

1. Introduction training
2. HACCP Awareness
3. Food Safety
4. Personal Hygiene
5. Manual Handling
6. Fork-lift safety
7. Fire safety
8. First aid
9. PPE

Example of first aid training



Topic 6. Trainings personeel logistics center the Netherlands

B&S has an extensive training program to ensure that employees in the Netherlands are competent to perform their jobs and to improve efficiency in relation to food safety and security.

In 2014 we have added new trainings such as air-freight security and regarding dangerous goods handling. It is crucial for us that employees are properly trained first of all because it ensures their own safety and security, and second of all it ensures all our processes are strictly followed. Below an overview of all the trainings given.

- **HACCP & ISO22000 training** (129 employees): internal training about our quality management systems, HACCP and ISO22000.
- **Air – freight Security** (46 employees): awareness training about how to recognize, prevent and handle any possible danger (terrorism) during airfreight.
- **Air- freight Security Controller** (12 employees): training about different kind of security inspections on deliveries for airfreight . Knowledge about possible terrorism on airfreight, methods and resources on how to perform the inspections.
- **Air- freight Security Advisor** (3 employees): training is mentioned for the person who is responsible of supervision of the security process airfreight. This is also the contact person for the Royal Marshals.
- **Air Transport of Dangerous Goods** (2 employees) IATA Category 6: this course will improve the awareness of the legal requirements, operational restrictions, packaging instructions, marking, labeling and documentation regulations related to the transport of dangerous goods. Gain the skills to accept, handle and process shipments containing dangerous goods according to the current edition of the mandatory IATA Dangerous Goods Regulations manual.
- **Sea Transport of Dangerous Goods** (4 employees)(IMDG-Code (1.3.1.5) Function 2 until 9): How to apply appropriate safety precautions, and understand the legal requirements and operational restrictions involved in shipping dangerous goods by vessel transport. Gain a detailed understanding of International Maritime Dangerous Good (IMDG) Code regulations and practical knowledge of Code requirements, in relation to classification, packaging, vehicle packing and vessel stowage.
- **Awareness ADR** (3 employees): how to apply appropriate safety precautions, and understand the legal requirements and operational restrictions involved in dangerous goods by road.
- **Awareness dangerous goods** (13 employees): general introduction course of working with dangerous goods.
- **Gas measurements** (3 employees): skill training for employees who work with import cargo, risks of importing gas and releasing containers.

Topic 6. Health checks

All people hired by B&S will get a full healthcare check. This check includes:

- Blood tests (Hepatitis A/B/C, HIV, Tuberculosis)
- X-ray of the chest
- Physical Examination
- Urine tests

Topic 7. Good working environment

B&S takes care of a good working environment. Initiatives and involvement from our employees are highly valued. Often meetings are organized whereby staff can share their ideas to improve processes and working conditions. Besides there are a lot of social area's where the staff can sit together watching movies. Also a volleyball court, pool- and table tennis tables and a gym facilities are available. On top of that, every summer a big barbeque is organized to which local staff can bring their family.

Topic 8. Employees Council Trainings and Communication

The company facilitates trainings in order to support the education of members of the works council.

The works councils objective is to inform and support employees on their labour rights. Therefore it has started sending periodical mailings informing employees about relevant topics related to legislation, and above all their rights.

Here an impression of the last mailing send to all employees:



9 oktober 2014

Beste collega,

Graag brengen wij u op de hoogte van recente ontwikkelingen binnen de Ondernemingsraad, wijzigingen binnen de organisatie en landelijke regelgeving die van toepassing kunnen zijn op uzelf en onze organisatie.

Onderstaand een update van het tweede en derde kwartaal van 2014.

Wilt u meer weten over alles wat de OR bezighoudt, achtergrondinformatie over de OR leden? Breng dan een bezoek aan de OR SharePoint pagina of stuur een mail naar or@bs-qq.com.

Met vriendelijke groet,

De Ondernemingsraad

GOED OM TE WETEN

Denkt u aan uw pensioen



In 2015 zal de jaarlijkse pensioenopbouw voor werkenden verlaagd worden en moeten de financiële buffers van de pensioenfondsen worden verhoogd. Ook is het de bedoeling dat financiële schokken meer verspreid worden in de tijd, zodat de dekkingsgraad van een pensioenfonds niet meer zo schommelt. Uiteindelijk is het doel dat een meer toekomstbestendig pensioenstelsel ontstaat waarbij alle generaties nog steeds aanspraak kunnen maken op een pensioen. Het is nu nog niet goed te zeggen of er ook een premieverlaging in zit omdat nog niet alle details bekend zijn. Meer info hierover staat in de pensioenkrant die eind oktober wordt uitgedeeld.

Daarnaast zal in oktober de jaarlijkse UPO worden verstuurd naar alle deelnemers. Hierin is te zien hoeveel pensioen is opgebouwd en hoeveel pensioen er uitgekeerd zal worden na uw pensionering. Kijk ook goed naar de website www.mijnpensioenoverzicht.nl waarin een totaaloverzicht te zien is van uw AOW en alle pensioenen opgebouwd bij alle huidige en oud-werkgevers. Hier kunt u goed zien wat er in totaal waarschijnlijk beschikbaar is na uw pensionering. U kunt dan als u denkt dat dit niet voldoende is, zelf alvast beginnen met extra bij te sparen.

Topic 9: B&S as knowledge centre

Employees are given considerable autonomy in performing their tasks. Although general guidelines are established to assist them in making decisions and taking responsibility, they are allowed to act as pioneers and individual entrepreneurs. The initiative of its staff has enabled the Company to explore new markets, sell new products and pioneer new regions. Thanks to the organisation's horizontal and cellular structure with short-lines of communication, top-talent surfaces swiftly. These are employees who stand out because of their individual success in their tasks: they are proactive, creative in searching for solutions and they think "out of the box". B&S is keen to embrace talented employees and gently guide their internal career development towards filling management positions within the organisation. Over 90% of the managers within B&S have risen through the ranks in this way.

We believe that investing in our employees encourages motivation on our employees at the same time brings the complete company to a more professional stage. It is also part of our policy that seniors are actively involved in the training of the job of the starters and juniors and in this way share their knowledge with their colleagues.

We truly believe employees need to be involved in the Company's strategy and processes in order to maintain their motivation. Every year, all members of the Management Team give a presentation to the staff of the entire Company where the following topics are updated and discussed:

- Company vision;
- Strategy;
- Information per department, indicating milestones, opportunities and threats;
- Financial situation.



Topic 10: B&S Academy

During 2013 the Company formed the set-up of its own B&S Academy. All new Company entrants participate in a traineeship by following a combination of on-line and in-class courses. The trainee programme comprises several modules covering a variety of subjects, such as the Company's history & background, its corporate strategy and objectives and its main policies and general guidelines. Practical subjects relate to commercial aspects, logistics and customs affairs, IT solutions and finance. These courses also provide new entrants with an insight into the opportunities and personal development possibilities.

The training course for new employees also helps the new recruits get to know staff members working in other company disciplines, departments and Group companies. The resulting contact networks encourage the exchange of best practices later on.

Following the success of the B&S Academy for new entrants, the Company started a training programme for the juniors in the organisation. Here the training focus is more focused on themes related to the different job positions. Apart from the training programme for new staff and the junior programme, the organisation offers a wide range of more dedicated training programmes. This varies from job training, language courses and logistics courses to external sessions for financial staff. During which employees have to work out case studies presented by entrepreneurs and specialists and learn from best practices and trends in their own field of expertise.

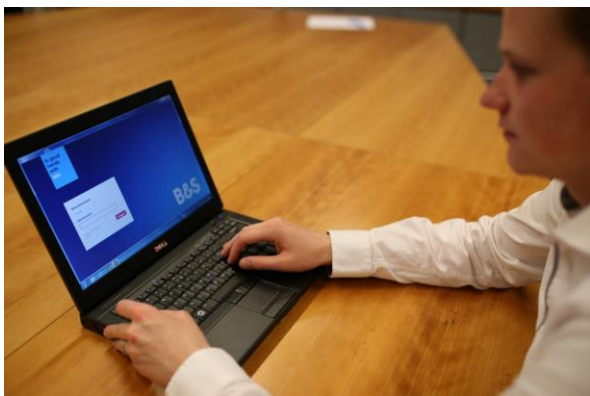
Revising the first year of B&S Academy, we are very pleased with the results. After 6 months of traineeship, trainees have a clear and in depth view of the company that supports their development on the job. Trainings have been professionalized even further by combining theory and daily practice on a higher level, providing practical cases and interactive assignments.

Learning Management System – Online follow up

In order to optimise the development, follow up and evaluation of this program the Company invested in an online Learning Management System. All users (trainees, juniors, managers and trainers) can individually log in to process training results, individual development and training evaluations. It also aids our HR department to properly follow up on the progress of trainees.

Left: trainee working on the Learning Management System

Right: presentation from Management Team member to the trainees



Trainees during group assignments



Topic 10: Promoting a sportive life among employees

B&S takes interest in providing a healthy work environment and encourages its employees to live healthier lifestyle. For this reason, our offices have a costless internal sports facility and a physiotherapist available to all employees. We also sponsor employees in sportive activities outside work. In 2014, employees were sponsored with sports clothing for sport events such as “Bruggenloop” and “Marathon Rotterdam”



Measurement of outcomes

Labour rights		
Company relevance	Relevant for all B&S staff.	
Risk level	Low in the Netherlands, elevated in Afghanistan, slightly elevated for Cruise shops.	
Related UN principles	3,4,5 and 6.	
Goal	<p>Freedom of association and the effective recognition of the right of collective bargaining.</p> <p>Elimination of forced and compulsory labour.</p> <p>Abolition of child labour.</p> <p>Elimination of discrimination in respect of employment and occupation.</p>	
References and policies	Annual Reports, Corporate Code of Conduct. Labour contracts. Safety and security procedures. HACCP. ISO 22000. Marine Labour Convention 2006	
Topic	Action	Outcome
Procedure review	The Company has firm policies and procedures in place, which are regularly reviewed, discussed, updated, promoted within the Group.	<p>No relevant breaches to report for the reporting period.</p> <p>Active dialogue with local legislators in Afghanistan and adjustments to local circumstances and conditions.</p>
Periodic review with senior management.	Periodic review with senior manager on the breach of policies.	<p>Nothing to report in the Netherlands.</p> <p>On-going improvements on labour conditions for staff in Afghanistan.</p> <p>Number of staff in Afghanistan decreasing and hired based on good labour conditions, significantly exceeding local labour conditions.</p>

Topic	Action	Outcome
Labour conditions for Cruise shops employees	Contracts strictly following MLC 2006 ILO.	Fair working conditions for employees.
Labour conditions Afghanistan subsidiary	Continue to offer fair conditions.	Staff hired receive good labour conditions based on employee policies similar to the ones in the Netherlands. Labour contracts are in line with laws and regulations, which are regularly updated and adjusted to local conditions and changes in legislation.
Labour conditions Afghanistan subsidiary	Fair and competitive salary payment	Salaries for employees of the B&S operation in Afghanistan receive competitive wages, plus food and transport allowances, overtime payments and bonuses.
Secure working conditions Afghanistan subsidiary.	Continuing to safeguard the working space.	The B&S compound in Afghanistan is thoroughly protected, based on strict safety plan that is regularly updated. No incidents to report.
Training Food safety. Hygiene, personal health and hygiene.	Intensive trainings. New trainings have been added such as dangerous goods handling.	Training courses are scheduled regularly, leading to a better knowledge on Food safety, personal health and hygiene. Training courses support the HACCP conditions relevant for the organisation. Trainings creates awareness about the importance of strictly following all procedures, and increases the education level of our employees.
Health checks.	All new employees receive a health check.	Support to overall low sickness rate.
Good working environment.	Initiatives to improve working conditions.	Support to overall low sickness rate.

Topic	Action	Outcome
Employees' council-teamwork and trainings	The Company supports work's council candidates with adequate training and help them to create teamwork.	Support leads to a motivated council that can represents the labour rights of staff. Excellent teamwork was recognized. The Council forms a professional discussion partner with Company representatives.
B&S as a knowledge centre.	Active investment in the knowledge of staff. Informing all employees regarding the company strategy, financial situation and future vision.	Career development, knowledge enhancement, higher Company motivation, improved efficiency. On-going process. Yearly presentation from Management to all employees.
B&S Academy.	B&S introduced its own Academy with the aim to create learning Management system.	Career development, knowledge enhancement, higher Company motivation, improved efficiency. On-going process.
Healthy lifestyle	Sports center and physiotherapist available. T-shirts sponsoring for running and other sport events.	Employees are making use of the sports facilities after work or during their break, which improves their health conditions. The sponsoring action motivated a team of employees to participate in a running event, having a positive effect on the team spirit.

A woman with dark hair, wearing a dark blue polo shirt, stands in a warehouse with tall metal shelving units in the background. She is smiling and gesturing with her hands. The background is slightly blurred, showing orange and yellow elements on the shelves.

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Environment

10.Environmental principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Overview

B&S takes good care of the environment by doing more than required by local environmental regulations. Whenever possible practices of reduction, reuse, recycling and recovery are implemented to ensure resources are utilised in the most environmentally prudent manner.

We have considered this 'Environment' section in a more broader sense, including our environmental responsibility towards the planet, as well as our social role towards the community. In this part, we further include and describe our responsibility as distributor within the food supply chain.

Assessment. policy and goals

B&S is concerned about the conservation of the environment in its broadest sense and recognises that certain resources are finite and must be used responsibly. We aim to limit the use of finite resources in all our business ventures and, in particular, recognise our obligation to manage responsibly the assets we use and occupy.

To this end we take the precautionary approach of avoiding the use of materials and methods that pose environmental and health risks whenever suitable alternatives are available.

When deciding on corporate investments we always seek sustainable solutions and try to maximise both financial return and social good.

Investments in warehouses and offices are executed in accordance with the most modern standards, which includes trying to save energy and use recycled material.

Continuous instructions to the Company's staff are raising awareness of good garbage handling and waste reduction and embedding it in the Company culture.

As a food distributor, B&S has a responsibility within the distribution channel. Over the last years our efforts on supply chain transparency have increased remarkably, for example establishing internal procedures in both directions of the distribution channel: towards suppliers and towards customers.

Implementation (actions) 2014

Topic 1. Procedure review

On a yearly base the Company review procedures and has discussions between the Board of Directors and senior managers on the effectiveness and completeness of the procedures, breaches and incidents.

Topic 2. Food safety and transparency

B&S purchases, stores, handles and sells large quantities of food products. Maintaining and observing food safety standards and transparency related to food products are a priority within the Company. All food products that enter the logistics centres are subject to comprehensive quality controls, are handled with the utmost care and are stored in climate-controlled environments.

The proper handling of food is a key priority within the organisation. The Company' has a risk management system for food processing in place at the highest level and its processes are ISO 22000 and HACCP (Hazard Analysis and Critical Control points) certificated.



All compliance and safety procedures are rigorously checked with a special attention to high-risk products, such as meat and poultry.

The Company's logistics centres are checked by the European Food Safety Authority on a regular basis. Documents are examined to ensure they conform to the correct standards and random product samples are taken for laboratory analysis.

Employees receive regularly courses and trainings regarding these processes (see topic 6 in Human Rights)

Topic 3. Supply chain transparency

As one of the largest food handlers in Europe in its markets. B&S is playing an active role in the trend towards improving transparency related to food products. This is evidenced by a focus on the provenance of food, which means ensuring there is a clear paper-trail from the moment a food product enters the supply chain to the moment it is delivered to the client.

To improve transparency related to our own GoodBurry products we have further improved the product information on our product packaging. The information on our product labelling fully complies with the most stringent regulations for product labelling, such as the most current EU and UN regulations.

- Addition of nutritional values;
- Clear declaration of ingredients;

- Better traceability through the addition of EU registration number. or EU Health mark. and on seafood products the FAO fishing areas;
- Better legibility through amending the label structure.

Topic 4. UN Compliant supplier

B&S is registered with the UN Global Marketplace under Registration Number 253967 (previous registration number was 189864 level 2).

B&S BV is successfully registered and incorporated with **26** Global UN organizations as shown below: UNDP, WHO, ITC, UNFPA, UNHCR, UNICEF, WFP, UNRWA, UNOPS, UNAIDS, IAEA, CTBTO, OPCW, ILO, FAO, UNESCO, ITU, WMO, WIPO, IFAD, UNIDO, UN - Secretariat, AFDB, ADB, PAHO, UN-Women.



Since end of the 80's B&S has delivered food and supplies to various appointed catering contractors for the UN Peacekeeping forces.

Since the interest regarding food safety and complete chain transparency has increased. the UN has established guidelines according to the following subjects:

- Product specifications (product quality and product information on the packaging)
- Supplier specifications (origin of the product, factory certifications, health & safety in production etc.)

Topic 5. Waste management

B&S has outsourced waste processing to a professional recycling company. The operational waste (packing, boxes, etc.) is collected from the warehouses and offices, compressed selectively in dedicated compactors for paper, foil and general (mixed) garbage and whenever possible recycled.

Waste paper is collected in special bins and recycled. Printing and copying is carefully limited. the scanning of documents and electronic document sharing is preferred.

Continuous instructions to the Company's staff are raising awareness of good garbage handling and waste reduction and embedding it in the Company culture.

Topic 6. Energy consumption and CO2 reduction

Most of the Company's offices use motion-detection lights and energy saving bulbs or led lights. When this is not the case office employees are instructed to limit the use of energy and trained to switch off lights when they are not needed. Management staff is very strict in controlling this energy-saving policy.

UN Global Compact - Communication on Progress

When commissioning investments the aim is always to reduce carbon emissions. A good example is the newly built warehouse in the North of the Netherlands for an affiliated company. This warehouse holds one of the most innovative fully-automated storage systems. Products are stored and picked in a most reliable and efficient way. This contributes towards far lower energy consumption and maintenance costs.

Another example is the investments for the B&S Shop Fly at Eindhoven Airport. developed in partnership with the airport authorities, where we have managed to reduce the carbon emission significantly. Using electric trolleys for transporting products within the centre has completely eliminated emissions.

B&S Shop Fly: engagement with Eindhoven Airport

We drive to reduce carbon emissions at our B&S Shop Fly at Eindhoven Airport, which we have been developing in partnership with the airport authorities. In 2014 the focus has been in creating awareness amongst the employees to recycle and avoid unnecessary energy waste.



Presentation to all shop employees:



UN Global Compact - Communication on Progress

Different posters have been placed in offices and warehouses to remind employees to separate the garbage for recycling purposes, and to avoid unnecessary printing.



Topic 7. Community

As one of the many players on the global playing field B&S believes in acting as a responsible corporate citizen. Our Company supports activities that improve the lives of people in the communities in which our employees live and work. These activities may include education, health care, community building, infrastructure or nature development. Employees are encouraged to participate actively in community programmes. Managers are expected to give their employees the opportunity to play an active role in society, for example through community or educational programmes, unless participation in these activities would create a conflict of interest.

Education

The Company considers education to be the important factor for personal development. B&S maintains close relationships with Universities, High schools and teachers in the areas in which it is active with the intention of contributing to the education of the community and sharing knowledge.

Our educational activities comprise training courses. Workshops, in house days and presentations. Dedicated learning projects are organised in cooperation with universities. In addition, every semester a number of students participate in our internship programme or undertake graduation assignments regarding relevant issues within our organisation.

B&S is present at different 'Internship Events', from the universities in our region.



CEO guest lecture during the 'Global Entrepreneurship Week' in Rotterdam



B&S Open day to 4th year students from 'International Business and Languages' from Rotterdam University of Applied Science



Charity

B&S is open to providing funds for charities, but has chosen to do this in a focused way by sponsoring local projects and charity initiatives.

Food and other donations

B&S trades in food and consumer products and holds sizeable levels of own stock in its warehouses. Food products that are nearing the expiry date are regularly offered to general food associations or Food Banks (i.e. The European Federation of Food Banks). Although these products have lost their commercial value they can often provide a welcome supplementary source of food for people with fewer resources. HTG, a liaised division of B&S, did a donation of perfumes in 2014 with a value of €80,000.

Memberships

B&S is closely involved with different organisations in the industry. Several of our employees are member of market and industry organisations. such as the National Association of Dutch Exporters (Fenedex). NVVS. ITCA. EVO and other leading organisations in the industry.

Measurement of outcomes

Environmental		
Company relevance:	Mainly related to liquor and tobacco products.	
Risk level:	Medium.	
Related UN principles:	7,8 and 9.	
Goals:	Precautionary approach to environmental challenges. Promote greater environmental responsibility. Encourage the development and diffusion of environmentally friendly technologies	
References and policies:	Annual Reports. Corporate Code of Conduct. HACCP regulations. ISO 22000.	
Topic	Action	Outcome
Procedure review	Regular review and discussion with key managers related to procedures, necessary updates, audits etc.	Procedures are effectively in place. Audits in 2014 lead to prolongation of certifications. Adjustments and updates in procedures implemented.
Food safety and transparency	Thorough quality controls on food products. Compliance and safety procedure rigorously checked. Regular audits performed.	Prolongation of certifications in 2014. On-going process.

UN Global Compact - Communication on Progress

Topic	Action	Outcome
Supply chain transparency	The Company plays an active role towards the improving of transparency related to food products.	Effective procedures in place ensuring a clear paper trail from supply chain entrance to delivery to client. Improvements on product information on packaging of own GoodBurry products.
UN Compliant food supplier	Establishing UN Project group. Stricter selection of suppliers. Special Quality Management procedure implemented in our warehouse for UN products.	Transparency in the supply chain from suppliers of goods that will be sold to the UN forces.
Waste management	Outsourced waste processing. Continuous instructions and raising awareness related to garbage handling.	Professional handling and reduction of waste. Awareness on garbage handling. On-going process.
Energy consumption and carbon reduction	Active participation in Airport Carbon Accreditation program. Presentation to all employees and placing posters.	Higher awareness among employees regarding recycling, and avoiding waste of energy.
Community	Active member of industry organisations.	Active support towards B&S employees to become a member of market and industry organisation. Several B&S employees are member of key organisations in the industry.
Community	Active involvement with the Universities in our region giving workshops, guest lectures and participating in events.	Bridging the gap between schools and working life. Sharing our knowledge with graduates and students

UN Global Compact - Communication on Progress

Topic	Action	Outcome
Education	<p>Active role to contribute to education.</p> <p>Regular educational activities comprising training courses, workshops and presentations.</p>	<p>Close partnerships with Universities and academies, supporting the University's objective of adapting their programs towards the Company reality.</p> <p>Students getting more insights of international Company experience.</p>
Charity	The Company sponsor mainly local projects.	Various projects sponsored.
Food donations	Food products that are nearing expiry date are regularly offered to general Food associations or Food banks.	<p>Regular donations.</p> <p>On-going process.</p>

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Anti-corruption

11.Anticorruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Overview

Our Company has a long history with diverse activities dating back for more than a century. Our Company is rightly proud on its background. It has evolved over time and determines the professional Company that we are today.

The way we do business, our Corporate Code of Conduct has evolved alongside. It is a sustainable and strong pillar on which the Company has earned the trust of its business partners.

Whereas the Corporate Code of Conduct is firstly applicable for the Company's own staff members, we considered it important that our stakeholders follow similar good governance and business ethics. We actively promote our ethical behaviour to stakeholders. even in other languages if needed for a better understanding.

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.

We expect our employees to show integrity and honesty in their mutual relationships and in relationships with stakeholders. We also expect integrity and reliability from our business partners, such as clients, suppliers and other business partners.

Our Company operates worldwide, sometimes in remote areas and in developing countries. The stance to institutions is important for the way we operate.

The Company abides by the local legislation, industry minimum standards, ILO and UN conventions and other statutory requirements.

Assessment, policy and goals

Our Company will not cooperate in illegal transactions or transactions suspected to aim on the laundry of money.

We do business on the basis of honest and ethical management, trust and integrity; We expect the same from everyone with whom we do business.

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 shall be avoided.

Gifts, favours and hospitality are to be handled with great caution. Excessive gifts and hospitality can affect our business judgment and can create expectations from third parties. As a result the Company can be embarrassed by its disclosure.

Gifts, favours and hospitality may only be accepted when they are consistent with general accepted business practices and ethical standards and do not in any way violate applicable law. In accepting gifts, favours or hospitality any attempt of bribery or kickback should be avoided.

Staff members who are engaged in procurement activities should safeguard their freedom of action to deal impartially and to avoid conflicting loyalties.

Therefore, gifts, favours and hospitality of any kind. which would obligate or tend to obligate the staff member. must not be accepted. We expect our suppliers to respect our gift policy when doing business with us, just as we will respect the similar policies of our clients.

Giving gifts, favours and hospitality to our business partners are acceptable provided they are appropriate for the business purpose and are not excessive.

Our Company maintains a zero tolerance attitude towards fraud. This is applicable for all our staff members but we also expect our business partners to refrain from fraud.

All the divisions and business units are subject to general policies. procedures and control mechanisms to prevent and detect fraud.

Reports of fraud or attempt of fraud will be seriously investigated and reported to the Board of Directors. followed by appropriate sanctions. if necessary.

The policies and procedures are reviewed and updated yearly and are further regularly discussed with senior managers.

For 2015, we continue to make improvements in this particular field.

Implementation (actions) 2014

Topic 1. Procedure review

Primary actions on Anticorruption relate to the yearly review of procedures and discussion between the Board of Directors and senior managers on the effectiveness and completeness of the procedures, breaches, and incidents.

Topic 2. KYC (Know Your Customer) procedure

During 2014 we have intensified our actions to have a better understanding of our customers. As the Company works with a large number of business to business clients there was need a to analyse the availability of complete information per client. This resulted in further improvements relating to our "Know Your Customer (KYC)" procedure during the last year.

The KYC procedure includes the data reporting of full client data (name, address, mail address, web site, VAT number, bank account number etc. The procedure is applicable for all new clients and is being updated every year.

The KYC procedure is further relevant to some of our Key suppliers, for example manufacturers that work in the Liquor and Tobacco industry. In order to avoid corruption, bribery, fraud and other unethical behaviour, these large suppliers are extremely satisfied with our initiatives to uphold professional procedures and need to be assured that the Company has an effective KYC procedure in place, also in relation to applicable legislation.

Topic 3. Suppliers form procedure

During 2014 we have also intensified our actions related to our suppliers. An extensive form has been created, together with the Dutch Food Safety Authorities (NVWA) in order to gather more information from our suppliers, and therefore to better chose the parties we work with. It increases the transparency along the food chain.

Topic 4. Staff training

Each year, the Company provides its staff with dedicated training courses in which also the risks of corruption, bribery and other unethical behaviour is dealt with based on (internal) cases and cases from the industry.

Measurement of outcomes

Anti-corruption		
Company relevance	Mainly related to liquor and tobacco products.	
Risk level	Medium.	
Related UN principles	10.	
Goal	Avoid corruption, extortion, bribery, fraud and other unethical behaviour.	
References and policies	Annual Reports. Corporate Code of Conduct. KYC procedure. Suppliers Form	
Topic	Action	Outcome
Procedure review	<p>The Company has firm policies and procedures in place, which are regularly reviewed, discussed, updated, promoted within the Group.</p> <p>The Company has a long track record with high ethical standards, resulting in the long-term trust of many stakeholders.</p>	No relevant breaches to report for the reporting period.
Periodic review with senior management.	Periodic review with senior manager on the breach of policies.	Nothing to report.
Know your customer procedure.	Improvements on KYC procedure.	Working with reliable companies and avoiding fraud.
Know your supplier.	Supplier form implementation.	Improved information regarding suppliers allows B&S to choose more reliable partners.
Staff training	Training of staff on relevant issues, based on case within the industry, for example VAT carousels, its effect and how to recognise such fraud.	Yearly action that improves the knowledge of staff.

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