

**In good
hands
with
B&S**

UN Global Compact

Communication on Progress

B&S

Period: February 2017- February 2018

Contents

1.	Statement of continued support from the CEO	3
2.	Introduction and scope of COP	4
3.	Corporate profile	5
3.1.	Corporate structure.....	5
3.2.	Our strategy	5
3.3.	Our business model	5
3.4.	Markets we serve.....	6
3.5.	Our assortment.....	7
3.6.	DNA	7
3.7.	Financial highlights.....	8
3.8.	Directors and Management	9
4.	Sustainable business.....	10
4.1.	Environmental responsibility	10
4.2.	Social engagement.....	10
4.3.	Economic enhancement	11
5.	Human Rights principles	14
5.1.	Overview	14
5.2.	Assessment, policy and goals	14
5.3.	Implementation in 2017	15
5.4.	Measurement of outcomes	18
6.	Labour principles	20
6.1.	Overview	20
6.2.	Assessment, policy and goals	20
6.3.	Implementation in 2017	21
6.4.	Measurement of outcomes	27
7.	Environmental principles	30
7.1.	Overview	30
7.2.	Assessment policy and goals	30
7.3.	Implementation in 2017	31
7.4.	Measurement of outcomes	35
8.	Anticorruption	37
8.1.	Overview	37
8.2.	Assessment, policy and goals	37
8.3.	Implementation in 2017	38
8.4.	Measurement of outcomes	39

1. Statement of continued support from the CEO

(On behalf of B&S Group S.A.)



United Nations
Secretary General
NY 10017 NEW YORK
United States

Mail address
P.O. Box 3119
3301 DC Dordrecht

Office
Rijksstraatweg 7
3316 EE Dordrecht

Warehouse Dordrecht
Snelliusstraat 12
3316 GV Dordrecht
The Netherlands

Phone: +31 (0)78 653 4100
Fax: +31 (0)78 653 4101
Website: www.bs-gg.com
Email: info@bs-gg.com

B&S B.V.
Commercial Register No.
24225407

UN Global Compact COP

Dordrecht, the Netherlands, May 2018

Contact person:
Bert Meulman
Phone: +31 (0) 78 653 4112
bmeulman@bs-gg.com

Dear Mr Secretary-General and other stakeholders,

B&S is a value adding distribution partner of Consumer Goods in specialised niche markets worldwide. We provide capillary distribution services for hard to reach locations including Maritime, Remote and specific Retail (B2B) markets in over 100 countries.

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. Being part of the UN Global Compact highlights our commitment to the ten universally accepted principles in the areas of human rights, labor rights, the 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

BANK : Deutsche Bank Nederland
BIC : DEUTNL2N
IBAN : NL15DEUT0629010684
V.A.T. No. : NL0012.24.438B01

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 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 value adding distribution partner of Consumer Goods in specialised niche markets worldwide. We provide capillary distribution services for hard to reach locations including Maritime, Remote and specific Retail (B2B) markets in over 100 countries.

We continuously strive to be an entrepreneurial, 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 to Human Rights and Labour conditions.

In accordance with legal regulations, it is the responsibility of our company to strive continually to apply sustainable practices in order to rank among the leading enterprises in our industry.

In this Communication on Progress, we provide an update of our activities and measurement of outcomes in respect of the 10 UN principles by reflecting on the reporting period February 2017 to February 2018.

This report also contains information about our corporate profile, including our corporate structure, strategy, business model, the markets we serve, our assortment, our DNA, and financial highlights.

We have also included our Corporate Social Responsibility policy where we show our commitment to the ten universally accepted principles in the areas of human rights, labour rights, the environment and anti-corruption by incorporating these principles in our own policy and encourage our stakeholders to embrace them as well.

3. Corporate profile

3.1. Corporate structure

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

B&S B.V. has a registered address at Rijkssstraatweg 7, Dordrecht, the Netherlands. The Company is registered with the Chamber of Commerce in Rotterdam, the Netherlands under number 24225407.

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 Group S.A. in Larochette, in the Grand-Duchy of Luxembourg. Further information about the corporate structure of B&S Group can be found in the B&S Group S.A. Annual Report 2017 and on the company's website, www.bs-group-sa.com.

3.2. Our strategy

The Company's strategy is based on adding value for both its clients and its suppliers by making their interests converge. We connect, optimise and simplify the supply chain.



We act as a one-stop-shop with over 30,000 products available. We buy Consumer Goods directly from premium brand owners with whom we maintain close relationships. We source hard-to-find products and are able to track and ensure to our customers that they adhere to strict food safety guidelines or fit specific and national preferences or requirements. Additionally, we work with many manufacturers that produce dry and canned food products for our private label GoodBurry, ensuring a value for money alternative in our product assortment.

3.3. Our business model

Our business model, based on adding value to both our suppliers and customers, has led to strong growth in our selected markets and channels and allows us to continuously develop new business opportunities.



WE SOURCE



WE SERVE



WE SUPPLY

WE SOURCE:

- We buy Consumer Goods directly from premium brands owners with whom we maintain close relationships.
- We source hard-to-find products and are able to track and ensure to our customers that they adhere to strict food safety guidelines or fit specific cultural and national preferences or requirements.
- Additionally, we work with manufacturers that produce dry and canned food products for our private label GoodBurry, ensuring a value for money alternative in our product assortment

WE SERVE:

- We provide capillary distribution services for hard to reach places including maritime, remote and specific Retail (B2B) markets, acting as a one-stop shop with over 30,000 products available in the Food & Beverages, Liquor and Health & Beauty product categories.
- In some of these markets we add additional value by supporting our suppliers with brands development and marketing, and we always work in close partnership with our customers to tailor our service to their specific logistical complexities.

WE SUPPLY:

- Our warehouse locations enable us to deliver within tight time frames and to supply perishable and other goods to complex markets.
- Our customs certificates allow us to store products that will not or have not yet been imported into the EU and to store non-EU destined veterinary products. We have extensive knowledge in customs compliance regulation and our AEO status allows us to clear goods through customs in an expedited manner.
- Our knowledge in logistics facilitates setting up complex logistics routes to remote areas with our logistic partners.

3.4. Markets we serve

Our operations have a global reach, combining our activities in developed markets with strong positions in emerging markets. We supply a wide range of consumer goods, including liquors, perfumes, cosmetics, food and beverages and electronics to retailers, the maritime sector, remote markets and retail consumers.



RETAIL B2B

We serve

Duty-free and underserved markets worldwide.



MARITIME

We serve

Cruise lines, ferries and ship supply services mainly in Europe.



REMOTE

We serve

Catering service providers for government and defence operations, peacekeeping missions and industrial sites in remote areas worldwide.

3.5. Our assortment

Acting as a single source supplier, we offer our clients a wide selection of more than 30,000 products. By offering a broad variety of products, from A-brands through to our own value brand GoodBurry, and from catering sizes through to ready-to-eat meals, we give clients the option to choose the products that best fit their needs. Whether it's food, bonded, non-food, luxury, or electronic items, our clients are free to select what they want, when they want it.

3.6. DNA

Our well-trained and experienced workforce is a key component of our business. The quality and expertise of our employees is critical to building long-term relationships with our suppliers and customers.

We have developed an entrepreneurial and highly motivating culture throughout our organisation, based on the characteristics that form our DNA. These elements are corporate characteristics that differentiates us from any other company.

OUR DNA



Reliable

Serving our customers with a consistent high level of quality and service that meets their expectations.



Successful

Building on a strong and healthy financial foundation with a long and proven track record in innovative supply-chain management.



Professional

Selecting prospective employees based on professional characteristics, their potential for development and their ambition to get the job done.



Flexible

Showcasing customer-driven flexibility, dealing creatively and effectively with unusual challenges and opportunities.



Ambitious

Fostering entrepreneurship and co-ownership in every level of the company to keep up with our increasing scale of markets and customers.



Unique

Focusing on business diversification and creating synergies between our segments while combining their volume to strengthen our purchasing power.



Efficient

Upholding a goal-oriented approach with constant business process innovation that is supported by state-of-the-art technology.



Personal

Concentrating on long term relationships with suppliers, customers and employees that are based on trust, transparency and understanding.

3.7. Financial highlights

(in € 1,000 unless indicated otherwise)

	2017	2016
Turnover	426,158	424,530
Gross profit	63,822	65,978
Gross margin	15.0%	15.5%
EBITDA	29,663	30,221
EBITDA margin	7.0%	7.1%

3.8. Directors and Management

Executive Board

(on behalf of B&S Group)

J.B. Meulman C.E.O.



G. van Laar. C.F.O.



Management Team B&S B.V.

C.E. van Esch; Managing Director Sales

J. Smit; Managing Director Logistics

A.R. van der Ster; Managing Director Sales

M.R. Riegel; Managing Director

R. van Aken; Managing Director Purchase

M. Faasse; Finance Director

Offices and employees

The Company operates from the headquarters in Dordrecht, The Netherlands. B&S also has offices and warehouses in other countries located in Europe, and the Middle East. The average number of staff (FTE and temporary) employed by the Company during 2017 was 519 (2016: 497).

4. Sustainable business

Sustainability is a vital part of our corporate culture, which is necessary to continue to increase our long-term success and to minimise our future development risks. Our CSR policy is based on three pillars: Environmental Responsibility, Social Engagement and Economic Enhancement.

4.1. Environmental responsibility

Our environmental performance is constantly improved by applying sustainable principles along our entire value chain. We strive to reduce and mitigate adverse effects from our activities while ensuring health and safety for our employees.

Logistics

We operate sophisticated warehouses, in which we use modern technology to help us efficiently loading and unloading trucks, reducing fuel and resource requirements.

Architecture

We use automated systems in our main warehouses that ensure we can operate as effectively and efficiently as possible. Additionally, we invest in modern IT across our offices and facilities, boosting efficiency and cutting energy use. We use the warmth of the earth as a significant heating source in our offices and in 2018 we will start the installation of solar panels on the roofs of our warehouses.

Waste Management

Whenever possible, we reduce, reuse, recycle and improve materials to utilise resources in the most environmentally prudent manner. In our offices, we raise awareness of waste disposal and waste reduction and we recycle waste paper. We invest in digital administrations systems that make us work more efficient and reduce our paper use.

Procurement

We actively promote transparency on product information. We comply with the most stringent regulations. Our warehouses are ISO 22000 and HACCP certified, and operate a high-level processing risk management system. All products that enter our facilities are subject to comprehensive quality controls, handled with the utmost care, and stored in climate-controlled environments.

4.2. Social engagement

We pursue meaningful social initiatives that improve people's lives by enabling local community and societal participation.

Human rights

Our human rights procedures are firmly embedded in our Code of Conduct, which is applicable to all staff members working within B&S. Being part of the UN Global Compact highlights our commitment to the ten universally accepted principles in the areas of human rights, labour rights, the environment and anti-corruption.

Employee empowerment

We provide a workplace that is free from discrimination harassment and victimisation, where everyone received equal treatment. Our people are given autonomy in performing their tasks, and we encourage them to act as pioneers and entrepreneurs. We invest in sophisticated equipment and warehouses to create a safe workplace. Keeping a positive working atmosphere is also about creating a healthy workplace, giving people energy and self-confidence. To that end, we provide free access to a gym, encouraging employees to exercise during working hours.

Talent development

We maintain close relationships with (applied) universities to spot talent early on and provide students with internships in various disciplines. Once on board, we offer young graduated trainee programs in our B&S academy, preparing them to become experts in their field.

Local development

Our focus lies on improving people's lives through community and societal participation. For example, we provide employees who are disabled or have a distance to the labour market with appropriate functions. We also work with general food associations or food banks to ensure that surplus food, which is too close to its expiration date to be sold, is distributed to those in need. In the event of a major catastrophe or crisis, we help facilitate the transportation of aid to the region in which it has occurred to help alleviate suffering, which we believe is a worthwhile contribution to social development.

4.3. Economic enhancement

We follow strict customer and supplier acceptance procedures, and set quality standards that suppliers and customers need to comply with. Implementing these procedures enables us to ensure that compliance is safeguarded along our entire supply chain.

Credit Risk

The aim of our corporate policy is to safeguard our continuity, while maintaining a balance between risk and financial returns. Our strong balance sheet enables us to remain independent and ensure sustainable growth.

Currency

We source and distribute large quantities of goods globally. To reduce risk from currency transactions, we match incoming and outgoing cash flows as closely as possible in the same currency. To safeguard our stability, our treasury department uses hedging instruments.

Long term relationships

We strive for long-term relationships built on expertise and involvement to understand our stakeholders' needs. We have relationships with a variety of customers and suppliers in many countries and are committed to understand and respect these relationships by maintaining an open dialogue.

Know your relation

Before taking on a new customer or supplier, we apply our Know Your Relation procedure, gathering all relevant data. Creditworthiness of new relations is checked upfront to avoid corruption, bribery, fraud and other unethical behaviour. Customer relationships are checked with the OFAC and EU Sanctions list.

**In good
hands
with
B&S**

United Nations Global Compact

Human rights

5. Human Rights principles

- **Principle 1:** Business 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.

5.1. Overview

B&S is based in the Netherlands where the majority of our business is directed and where the key office and staff are situated. We are also active in sizeable operations in Afghanistan and Mali.

B&S 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.

Our stakeholders respect us because we keep our promises, and act with honesty and integrity by conducting ethical and professional business at all times. We have operations in many countries and goods are transported worldwide and therefore respecting human rights is a core part of how we conduct our daily business. We are convinced that the human rights of every individual should be respected, no matter where we do business.

In Afghanistan, where we also operate a warehouse, the national human rights conditions are different from what we are used to in Europe. In order to make sure our principles are implemented in all our undertakings we strive to implement the same human rights principles in Afghanistan as those implemented in our offices in The Netherlands. This is applicable for all our internal and external stakeholders.

5.2. 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.

Our human rights procedures are firmly embedded in our Code of Conduct, which is applicable to all our staff members. This includes ensuring that we are never involved in child labour, nor forced labour. 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.

Being part of the UN Global Compact highlights our commitment to the ten universally accepted principles in the areas of human rights, labour rights, the environment and anti-corruption.

5.3. Implementation in 2017

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

The company reviews procedures yearly and has discussions between the Executive Board and senior managers on the effectiveness and completeness of these procedures, breaches, and incidents.

Topic 2. 'Local first' policy in Mali

Last year, we have promoted our first Malian National as Manager of our PX shop in Mopti. His expertise and know-how contributed to the highest monthly sales in over 2,5 years of operation!



Topic 3. Serving MINUSMA by expanding our position

After showing a successful operation of five retail outlets in Mali, we have extended our number of shops in 2017. By working together with colleagues from different divisions we've opened our very first Superstore in Bamako, the capital of Mali. The multi-assortment shop has a shopping area of over 300 m2 and is part of our B&S Central Store shop concept which focuses on enabling the end consumer to enjoy items from home.

We also effectively moved the location of our PX in Gao, to a permanent and bigger location in Gao' Super camp.

Another great result is the rebuild of our PX Express location in Bamako. For this special project, only our - newly trained - Malian National staff members were deployed. Because of their support, we've emptied the shop completely, replaced the floor and rebuild all product showcases within 72 hours.

Topic 4. Solid partnerships with (applied) universities

We strongly believe that our responsibility to communities in which we are active goes beyond only doing business, it is also about giving back to the communities in which we work and live. To attract talented people, we frequently organise educational events mainly in the Netherlands.

UN Global Compact - Communication on Progress

Our educational activities include guest lectures, career days, and internship events. Moreover, we organise dedicated learning projects in cooperation with various (applied) universities.

Career Days

Each year, we organise Career Days to meet talented graduates, from various disciplines such as commerce, finance or logistics, who have just graduated from (applied) universities in the region. The Career Days are events where starters and graduates get acquainted with the career opportunities within B&S. Throughout this day, experts explain more about their business activities, challenges and experiences. Their personal stories are meant to provide these young professionals with a better understanding of our day to day operations. Furthermore, conversations with recruiters are held and the graduates get a tour through our offices and logistics facilities.



Internship events

B&S is present at different internship events from the (applied) universities in our region to attract students for practical internships or graduation assignments.



Guest lectures

We give several guests lectures each year, and try to add value to the academic programmes of the (applied) universities with whom we hold close relationships. Our employees conduct guest lectures about their area of expertise on a regular basis. This point of view from practice,

UN Global Compact - Communication on Progress

combined with the existing academic content of the lectures, give students real-life insights into specific business cases.



5.4. Measurement of outcomes

Human Rights		
Company relevance	Fairly limited, main attention to operations in Afghanistan and Mali	
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.	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No Human Rights violations, abuses, breaches or complaints in or before the reporting period.
"Local first" policy in Mali	<ul style="list-style-type: none"> • Promotion of our first Malian National. 	<ul style="list-style-type: none"> • Creation of numerous jobs for locals.
Serving MINUSMA by expanding our position	<ul style="list-style-type: none"> • (Re)opening of three new multi-assortment shops in Mali. 	<ul style="list-style-type: none"> • Supporting MINUSMA.
Solid partnerships with (applied) universities	<ul style="list-style-type: none"> • Career Days • Internship events • Guest Lectures 	<ul style="list-style-type: none"> • Increased brand awareness amongst students and graduates. • Communicating opportunities for future internships and/or career opportunities.

**In good
hands
with
B&S**

B&S

United Nations Global Compact

Labour rights

6. 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.

6.1. Overview

Our people make the difference when it comes to serving our stakeholders, human resources are considered a strategic factor in our day to day activities.

Human resources management is primarily focused on supporting the sustainable growth of the company through an operational staff of talented people.

It is the responsibility of the human resources department to ensure the quality of our human capital, and support shaping the company's future by focusing on career development, employee retention, work safety and the well-being of our staff members.

The company offers an international in which performance and world-class leadership are promoted.

6.2. 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.

Our people have the right to a healthy and safe workplace. Good working conditions and a positive working environment help contribute to a lower absenteeism rate. Our people are given autonomy in performing their tasks, and we encourage them to act as pioneers and entrepreneurs. This has led to the exploration of new markets, the sale of new products, and the opening of new regions. We provide a workplace that is free from discrimination, harassment and victimisation, where everyone receives equal treatment regardless of their gender, colour, nationality, disability, age, marital status, sexual orientation or religion.

We are composed of a diverse group of people who are passionate about making a difference and inspiring other people. Their innovative solutions, enthusiasm and self-confidence help us to move forward and achieve our annual objectives.

6.3. Implementation in 2017

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

The company reviews procedures yearly and has discussions between the Executive Board and senior managers on the effectiveness and completeness of these procedures, breaches, and incidents.

Topic 2. Labour conditions B&S Cruise Shops

We recognise 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



Topic 3. Labour conditions of shop employees in Afghanistan and Mali

By adhering to our own policies and the ILO (International Labour Organization) conventions and rights as a minimum, we strive to upgrade the labour rights of local staff in Afghanistan and Mali.

The personnel policy in Afghanistan and Mali is basically the same as our personnel policy in the Netherlands, and only partly modified to the local conditions and circumstances. The main topics of our Human Resources policy include:

- 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 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 depend on 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 in Afghanistan

The security of the offices and warehouses in Afghanistan is an important aspect. As we store consumer goods in warehouses, the premises need to be protected in relation to potential security threats, 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. In addition, the visitors are registered and searched before entering.

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 courses are provided in terms of workshops, presentations or training-on-the-job. Examples of training that are given:

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

Topic 5. Training for employees at B&S Dordrecht

Security is also an important aspect in our warehouses in the Netherlands, albeit in a different capacity. We use equipment such as forklifts, electric pallet trucks, pallet jacks and electric wrapping machines. The staff is well trained to use this equipment safely. Furthermore, warehouses are well organized and clean which also contributes to the safety of our staff. The training of staff is an on-going process.

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

It is crucial for us that employees are properly trained. First of all, it ensures their own safety and security, and second, all our processes are strictly followed.

In the past years, we have implemented the following training sessions:

- **HACCP & ISO22000 training:**
internal training about our quality management systems, HACCP and ISO22000.
- **Air – freight Security:**
awareness training about how to recognize, prevent and handle any possible danger (terrorism) during airfreight.
- **Air- freight Security Controller:**
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:**
training is meant 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 (IATA Category 6):**
this course will improve the awareness of the legal requirements, operational restrictions, packaging instructions, marking, labelling 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 Good (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:**
how to apply appropriate safety precautions, and understand the legal requirements and operational restrictions involved in dangerous goods by road.
- **Awareness dangerous goods:**
general introduction course of working with dangerous goods.
- **Gas measurements (2 employees):**
skill training for employees who work with import cargo, risks of importing gas and releasing containers.

Topic 6: B&S as knowledge centre

Our people have autonomy in performing their tasks, and we encourage them to act as pioneers and entrepreneurs. This has led to the exploration of new markets, the sale of new products and the opening of new regions.

We consider education to be an important factor for personal development. We develop our management team by focusing on our internal talent, and believe that the growth of our company means there is enough potential for everyone within the company to follow their own career path.

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.

B&S Academy

In our internal training program, the B&S Academy, new recruits are trained to become experts in their field. Through this academy, we provide a path to management positions for employees with high potential. We train our employees to identify unique sourcing opportunities and help structure tailor-made solutions to deliver to our customers within the complex environment in which we operate.

The trainee programme consists of certain modules which cover subjects such as the company's history, its corporate strategy and main policies. Practical subjects related to commercial aspects, logistics, customs affairs, IT solutions and finance are also included. Experienced employees are actively involved in giving on-the-job training. Trainings have been professionalized even further by combining theory and daily practice on a higher level, providing practical cases and interactive assignments.



Internships

We maintain close relationships with (applied) universities, high schools and teachers in the areas in which we are active, with the intention of contributing to the education of the community and sharing knowledge. Every semester a number of students participate in our internship program or undertake graduation assignments in our organisation.



Topic 7: Creating synergies within our Retail business concept

Teamwork and synergies between all our employees are of utmost importance. To further grow as an organisation, we need a rock-solid base. In the past year, we've worked closely together with our colleagues from our sister company Capi-Lux. They have become an integral part of our B&S Retail team, sharing their knowledge and supporting us on improving our Retail concept. Together, we've written the foundation of our Retail business concept in a strategic report. We highly value our partnership with Capi-Lux and are looking forward to working together on future projects.



Topic 8: Promoting a healthy lifestyle amongst employees

A healthy lifestyle leads to better workplace performance. At B&S, we actively support employees' goals of staying fit and healthy. We provide free access to a gym, and promote a range of healthy foods in our lunchrooms, including a salad bar, fresh fruit juices, fresh soups and sandwiches. Studies have shown that not only does engaging in regular physical activity raise energy levels, it also increases mental alertness and reduces workplace stress, which enhance productivity. And we believe this is a win-win situation.



6.4. Measurement of outcomes

Labour rights		
Company relevance	Relevant for all B&S staff.	
Risk level	Low in the Netherlands, elevated in Afghanistan and Mali, slightly elevated for Cruise shops.	
Related UN principles	3,4,5 and 6.	
Goal	Freedom of association and the effective recognition of the right of collective bargaining. Elimination of forced and compulsory labour. Abolition of child labour. Elimination of discrimination in respect of employment and occupation.	
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	<ul style="list-style-type: none"> The company has firm policies and procedures in place, which are regularly reviewed, discussed, and updated. 	<ul style="list-style-type: none"> No relevant breaches to report for the reporting period. Active dialogue with local legislators in Afghanistan and adjustments to local circumstances and conditions.
Labour conditions B&S Cruise Shops	<ul style="list-style-type: none"> Contracts strictly following MLC 2006 ILO. 	<ul style="list-style-type: none"> Fair working conditions for employees.
Labour conditions of shop employees in Afghanistan and Mali	<ul style="list-style-type: none"> Continue to offer fair conditions, such as a fair and competitive salary payment 	<ul style="list-style-type: none"> 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. Salaries for employees of the B&S operation in Afghanistan receive competitive wages, including food and transport allowances, overtime payments and bonuses.
Secure working conditions Afghanistan subsidiary.	<ul style="list-style-type: none"> Continuing to safeguard the working space. 	<ul style="list-style-type: none"> The B&S compound in Afghanistan is thoroughly protected, based on strict safety plan that is regularly updated. No incidents to report.
Training for employees at B&S' headquarters in Dordrecht, The Netherlands	<ul style="list-style-type: none"> Intensive trainings. New trainings have been added such as dangerous goods handling. 	<ul style="list-style-type: none"> Training courses are scheduled regularly, leading to a better knowledge on Food safety, personal health and hygiene. Training courses support the HACCP guidelines relevant for the organisation. Trainings create awareness regarding the importance of strictly following all procedures, and increases the education level of our employees

UN Global Compact - Communication on Progress

B&S as knowledge centre	<ul style="list-style-type: none"> • Active investment in the knowledge of staff. Informing all employees regarding the company strategy, financial situation and future vision. • B&S Academy. • Internships. 	<ul style="list-style-type: none"> • Career development, knowledge enhancement, higher company motivation, improved efficiency. • On-going process.
Creating synergies within our Retail business concept	<ul style="list-style-type: none"> • Sharing knowledge within all business segments 	<ul style="list-style-type: none"> • Knowledge enhancement, higher company motivation.
Promoting a healthy lifestyle amongst employees	<ul style="list-style-type: none"> • Provide free access to a gym • Promote a healthy lifestyle 	<ul style="list-style-type: none"> • Employees are making use of the sports facilities after work or during their break, which improves their health conditions. • We promote a range of healthy foods in our lunchrooms, including a salad bar, fruit juices, fresh soups and sandwiches

**In good
hands
with
B&S**

United Nations Global Compact
Environment

B&S

7. 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

7.1. Overview

Generating less waste, is one of our CSR priorities. We recognise that certain resources are finite and must be used in an efficient, sustainable and responsible manner. Whenever possible, we reduce, reuse, recycle and recover to utilize resources in the most environmentally prudent manner.

We continually improve our environmental performance by applying sustainable principles along our entire value chain. We recognise the importance of protecting the natural environment, and work to reduce our CO₂ emissions and mitigate any negative effects from our activities, while ensuring the health and safety of our people.

7.2. Assessment policy and goals

We look for ways to be energy efficient by sustainably managing our procurement activities. While most of our goods are distributed by road, we continually look for the most CO₂-efficient transportation method. Optimizing transportation and minimizing fuel consumption are areas that we strive to improve in.

We optimise the use of technology within our warehouses, which helps us improve efficiency and lower our energy and other resource requirements, reducing our overall environmental impact.

We use a range of technologies within our buildings to help cut emissions, including motion-detecting lights and energy-saving bulbs in our offices. When we make investments in our warehouses, offices and shops, we incorporate the most up-to-date standards, including looking for ways to save energy and use recycled material.

7.3. Implementation in 2017

Topic 1. Procedure review

The company reviews procedures yearly and has discussions between the Executive Board and senior managers on the effectiveness and completeness of these procedures, breaches, and incidents.

Topic 2. Reducing our footprint

Our company reduces its CO₂ emissions, with the goal of enhancing its environmental and economic performance:

- In the course of 2017 we have been gradually replacing conventional light fixtures with LED fixtures in our current premises. In our new premises (due to be operational in Q3 of 2018) only LED fixtures are used, which consume 40% less energy.
- All offices and warehouse areas are equipped with light and motion sensors which automatically turn the lights on and off depending on the amount of light or movement within each section of the premises.
- Our energy-efficient ventilation and climate control system which stores residual heat, reduces the need for additional heating or air-conditioning systems.
- Our rooftops are fixed with a light and heat reflecting top-layer, providing the ideal temperature within our offices and warehouses.

AutoStore

In our warehouses in the North of the Netherlands, we expanded the automated storage system for an affiliated company. The system AutoStore is completely automated and allows us to store our products more efficiently and with reduced consumption of power and maintenance costs. Space requirements are also up to 60 percent lower and we are able to prepare orders four times faster. 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.



Optimising warehouse capacity in Dordrecht

Over the years we have made various investments aiming to optimise our warehousing operations. To facilitate further growth, we have invested in a new partly automated warehouse next to our current facility in Dordrecht, The Netherlands. Equipped with the most up-to-date storage systems and state-of-the-art equipment, the warehouse reduces warehouse space requirements and allows for faster order picking and delivery compared to conventional warehouses, resulting in us being able to maintain higher sales volumes per square meter compared with conventional storage systems.



Investing in information and communications technology (ICT)

Focusing on the future, we are currently implementing our corporate digitisation program BiT ERP (expected to be fully operational in Q4, 2018). The system includes software systems for procurement, sales & marketing and warehousing to streamline internal operations. The system enables us to track and manage inventory levels across our platforms. Integration into the systems of our customers and suppliers offers them the possibility to track our inventory, supporting them in optimising their own inventory management by making their order placements more organised and cost-efficient.

Adding to this, we are implementing our Product Information Management system (PIM), which allows us to enhance compliance with food safety and customs requirements in an online environment and anticipates the increasing demand of our customers for high-quality and up-to-date product information. With the implementation of PIM, we can provide our customers 24/7 access to our product assortment – readily available to order in any desired quantity – and benefit from the cross-selling of products in this online order setting.

B&S Shop Fly: engagement with Eindhoven Airport

Eindhoven Airport wants to be a CO₂ neutral airport. The Airport Carbon Accreditation programme connects all partners of Eindhoven Airport to jointly reduce carbon emissions. Over the past years, we have initiated several activities regarding corporate social responsibility.

1. The management needs to make sure that the Airport Carbon Accreditation programme is an ongoing focus. Therefore, it is important to create awareness among the employees. This is done by using posters about waste separation, energy consumption and printing.
2. B&S Shop Fly works with food banks to ensure that surplus food, which is too close to its expiration date to be sold, is distributed to those in need.
3. The amount of freight movements has been reduced from twice a week to once a week.

Topic 3. Waste management

We raise awareness of waste disposal and reduction among our people, and embed this in our company culture. For example, waste paper is collected in special bins and then recycled. We also invest in digital administration systems, reducing our paper use.

Adding to this, B&S works together with food banks to ensure that food items which can no longer be sold to our clients are distributed to those in need. When food items are too close to its expiration date or consists of incorrect labels, we contact the food banks, present the food items and schedule a pick-up date.

Removing plastic completely in Mali

Our PX shops in Mali succeeded in the implementation of a policy in MINUSMA which forbids the use of plastic bags and other non-biodegradable bags. In order to reduce the consumption of plastic, B&S Central Store removed the option of providing plastic completely in the shops. All plastic bags are replaced with re-usable woven bags, made of natural and replenishable materials.

This resulted to a reduced global logistical footprint.



Procuring beverages and soft-drinks locally in Mali

In order to utilize resources in the most environmentally friendly way possible, we are procuring more products locally. Whilst reviewing and forecasting the overall logistics footprint we also decided to shift the source of some beverages and soft-drinks to local companies. Products from Coca-Cola, Bavaria beer and non-alcoholic beers are now locally sourced. As a result, we've balanced the procurement volumes of full containers in Europe and provided additional sourcing in Mali.

Our goal is to maintain and promote local businesses in Mali. We contribute to the local economy and provide support to local companies during the period of civil unrest.

Topic 4. Food safety and procurement

ISO 22000 & HACCP

To ensure the safety of the food supply chains of our customers, we adhere to strict food safety standards. Our ISO 22000 certification and implementation of the Hazard Analysis and Critical Control Point System (HACCP) allow us to demonstrate to our customers around the world that we meet internationally accepted food safety standards.

For product recalls, we have a strict HACCP compliant procedure in place ensuring that we are, at all times, able to trace where products have been supplied in order to be able to adequately respond to any recall request.



NVWA

We are subject to the supervision of the Netherlands Food and Consumer Product Safety Authority (NVWA) which performs audits of our compliance with the HACCP system. In order to comply with food safety and transparency requirements, we check our compliance and safety procedures on an ongoing basis with special attention being paid to high-risk products, such as meat and poultry. The food products that enter our warehouses are subject to comprehensive quality controls and are stored in climate-controlled environments.



Nederlandse Voedsel- en
Warenautoriteit
Ministerie van Economische Zaken,
Landbouw en Innovatie

U.S. Army Public Health Center

In addition, we are approved by the U.S. Army Public Health Command which allows us to supply U.S. Army caterers. The United States Army performs an annual sanitation audit to check compliance with the HACCP and checks the required food defence policy aimed at protecting food supply against intentional adulteration, among other things.



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 1169-2011 EU regulations and UN requirements.

Addition of nutritional values;

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

7.4. Measurement of outcomes

Environment		
Company relevance:	Mainly related to 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	<ul style="list-style-type: none"> Regular review and discussion with key managers related to procedures, necessary updates, audits etc. 	<ul style="list-style-type: none"> Procedures are effectively in place. Prolongation of certifications in 2017. Adjustments and updates in procedures implemented.
Reducing our footprint	<ul style="list-style-type: none"> Active participation in Airport Carbon Accreditation program. Optimising warehouse capacity in Dordrecht AutoStore Investing in ICT 	<ul style="list-style-type: none"> Higher awareness among employees regarding recycling, and avoiding waste of energy. Operate and store our products more efficiently and with reduced consumption of power and maintenance costs. Process automatization.
Waste management	<ul style="list-style-type: none"> Outsourced waste processing. Continuous instructions and raising awareness related to garbage handling. 	<ul style="list-style-type: none"> Professional handling and reduction of waste. Awareness on garbage handling. On-going process. Investment in new technologies using less packaging materials.
Food safety and transparency	<ul style="list-style-type: none"> Thorough quality controls on food products. Compliance and safety procedure rigorously checked. 	<ul style="list-style-type: none"> Prolongation of certifications in 2017. On-going process.

A photograph of two men in dark suits shaking hands. In the background, a large sign with the letters 'B&S' is visible. The scene is set in a modern, brightly lit interior space with large windows and architectural details.

**In good
hands
with
B&S**

United Nations Global Compact

Anti-corruption

8. Anticorruption

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

8.1. Overview

B&S has a long history with diverse activities dating back for more than a century. We are proud of our background. It has evolved over time and determines the professional organisation 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 consider 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.

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

8.2. 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 based on honesty and ethical management, trust and integrity and 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.

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 Executive Board, followed by appropriate sanctions, if necessary.

8.3. Implementation in 2017

Topic 1. Procedure review

The company reviews procedures yearly and has discussions between the Executive Board and senior managers on the effectiveness and completeness of these procedures, breaches, and incidents.

Topic 2. Know Your Relations principle

We comply with all relevant legislation, but we are also aware that this can change abruptly and affect our business. When such cases occur, we strive to adjust to the new rules and regulations in the best way and as far as possible while at the same time considering our own long-term interests and objectives. We select our business partners carefully and they are only accepted after extensive screening to ensure ourselves that our supply chain is transparent and not in breach with any regulations and we are not infringing any intellectual property or trademarks. If deemed necessary we rely on the services of local professional experts for designated compliance areas. Strict internal policies and guidelines have been drawn-up

regarding business agreements with new suppliers and customers by means of a Know Your Relation (KYR) procedure. In order to avoid corruption, bribery, fraud and other unethical behaviour, the new relations and their Ultimate Beneficiary Owner(s) are checked with the OFAC and the EU Sanctions list. Throughout the company there is extensive knowledge of the content and impact of the Foreign Corrupt Practices Act (FCPA).

Topic 3. External recruitment agency in Mali

We work together with a recruitment agency in Mali to hire new talented people. Using their knowledge and experience we make sure that we are compliant with all local regulations and hire employees who fit our desired profile.

All our employees are sub contracted to this agency to make sure that everything is in line with local laws in Mali.

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

8.4. 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	<ul style="list-style-type: none"> • The company has firm policies and procedures in place, which are regularly reviewed, discussed, updated, promoted within the Group. • The company has a long track record with high ethical standards, resulting in the long-term trust of many stakeholders. 	<ul style="list-style-type: none"> • No relevant breaches to report for the reporting period.
Know Your Relation principle	<ul style="list-style-type: none"> • Improvements on the Know Your Relation procedure. 	<ul style="list-style-type: none"> • Working with reliable companies and avoiding fraud. • Improved information regarding suppliers allows B&S to choose more reliable partners.
External recruitment agency in Mali	<ul style="list-style-type: none"> • Collaboration with an external recruitment agency in Mali. 	<ul style="list-style-type: none"> • Comply to all local regulations.

Publication date: May 2018

Texts and illustrations of this document and all its individual items are subject to copyright of its respective owners. All information and data are provided for informational purposes only, B&S has strived to provide information in this brochure that is fully accurate and up-to-date. However, no legal rights can be derived from its content. Neither B&S nor any of the content providers of this brochure shall be liable for any errors in the content - including typographical errors - nor for any actions taken in reliance thereon.

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.