UN GLOBAL COMPACT Communication on Progress

Reporting period: April 2019 - April 2020

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1. STATEMENT OF CONTINUED SUPPORT FROM THE CEO

On behalf of B&S Group S.A.

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United Nations Secretary General NY 10017 NEW YORK United States

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UN Global Compact COP

Dordrecht, the Netherlands, May 2020

Dear Mr. Secretary-General and other stakeholders,

Currently the company - like many others around the globe - is going through unprecedented times, as we are amidst the COVID-19 pandemic. We follow the guidelines of local governments in the countries we operate strictly and have taken the necessary measures to keep our employees and external stakeholders safe.

B&S highly values the engagement with its various stakeholders. The partnerships we form with our suppliers and customers are essential to our successful long-term growth. In delivering our products, we adhere to strict standards regarding food safety and customs compliance and seek to minimise the impact we have on our environment.

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.

Our overall focus lies on long-term value creation by pursuing sustainable and profitable growth. In 2019 we initiated a review of our multiple year strategy to keep in tune with market developments and capture growth opportunities both organically and through strategic M&A. This resulted in four strategic focus areas with corresponding direction for the coming years: centralisation of our operations, digital transformation, focus on growth markets and organic expansion of our business.

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.

On behalf of B&S Group

J.B. Meulman CEO

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UNITED NATIONS GLOBAL COMPACT Introduction and scope of COP

2. INTRODUCTION AND SCOPE OF COP

B&S B.V. (B&S) is a value adding distribution partner for consumer goods in attractive channels and across specialised markets globally. With a well-trained and experienced workforce, B&S serves as a trusted and reliable partner in selected channels and markets, providing essential distribution services, solving supply chain complexities and offering compelling value along the value chain.

We continuously strive to be an entrepreneurial, well-respected and trustworthy organisation that makes a sustainable contribution towards the societies in which we operate. In the interests of our stakeholders and ourselves 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 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 April 2019 to April 2020.

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 of B&S.

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.

UNITED NATIONS GLOBAL COMPACT Corporate Profile

3. CORPORATE PROFILE

3.1. Corporate structure

B&S is one of the three main business segments of B&S Group S.A. (B&S Group, The Group). The HTG Segment is a global distributor of Liquors and Health & Beauty products to specialty channels. The B&S Segment specialises in capillary distribution services and single source supply of consumer goods. The Retail Segments specialises in operating retail shops at local and international airports and away from home locations.

Further information about the corporate structure of B&S Group can be found in the <u>B&S Group S.A. Annual Report 2019</u> and on the company's website<u>www.bs-group-sa.com</u>.

B&S has a registered address at Rijksstraatweg 7, Dordrecht, the Netherlands. The Company is registered with the Chamber of Commerce in Rotterdam, the Netherlands under number 24225407. B&S consists of specialised business units, each focussing on specific market segments; namely Maritime, Remote and Global Distribution.

3.2. Who we are and what we do

B&S is a value adding distribution partner for consumer goods in attractive channels and across specialised markets globally. With a well-trained and experienced workforce of over 2500 employees, we serve as a trusted and reliable partner in selected channels and markets, providing essential distribution services, solving supply chain complexities and offering compelling value along the value chain.

B&S operates a flexible, well-invested and highly efficient distribution platform. Powered by high capacity warehouses and expertise in customs and compliance, B&S offers a wide and relevant assortment to its customers in more than 100 countries. B&S focuses on continued growth in all product categories, on expanding to new geographies and on value chain integration.

We add value to both customers and suppliers by making their interests converge.

We focus on serving distinct niche markets worldwide that are generally difficult to serve efficiently due to their specific demands and characteristics. We provide tailored solutions throughout the supply chain, linking suppliers and customers who would otherwise find it difficult to connect.

We engage in mutually beneficial relationships with our suppliers, seeking to simplify the supply chain while enabling them to expand their business by giving them access to niche markets, market intelligence, customer expertise and marketing support. And with an automated procurement platform, we can connect a broad supplier base directly to our customers. Our suppliers include brand owners, producers, wholesalers and distributors and international retail chains.

We offer our B2B customers a portfolio of over 30,000 products at competitive prices, while adhering to strict compliance standards and arranging customs handling and transportation to locations that are often hard to reach. Our B2B customers include value retailers and e-commerce platforms, maritime operators and remote operations.

For our B2C customers, in both specialty retail markets and e-commerce, we add a powerful focus on marketing to our procurement and logistics skills, delivering value immediately to the end-customer. Combining this with our scale and sourcing expertise as specialty distributor, we distinguish ourselves from competition by providing end-customers with a relevant assortment that is available on demand and at attractive prices.

3.3. Our strategy

Our strategy is based on adding value for both our customers and Our strategy is based on adding value for both our customers and suppliers by making their interests converge. We strive for continuous improvement in efficiency and economies of scale. We invest in logistics concepts and IT solutions, realising a modern and innovative supply chain and efficient central information management. We realise economies of scale by combining segmental purchase activities to facilitate bulk purchasing, and our sourcing activities anticipate regional cost imbalances. We focus on proving value-adding services to and forging long-term partnerships with both suppliers and customers, both based on



expertise and engagement. We provide our customers with a total service that includes client support, customs handling and transportation.

We fulfil multiple roles in the supply chain for diverse markets and regions and serve a wide client portfolio with diverse product categories. Our diverse product assortment enables us to act as a one-stop-shop for our clients, while our diversity in market regions and client portfolios enables our suppliers to launch their products in markets that would otherwise be difficult to reach.

Strategic focus areas

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.

Our overall focus lies on long-term value creation by pursuing sustainable and profitable growth. In 2019 we initiated a review of our multiple year strategy to keep in tune with market developments and capture growth opportunities both organically and through strategic M&A. This resulted in four strategic focus areas with corresponding direction for the coming years.

Centralisation of operations

- With close commercial involvement further centralise IT and Logistics towards creating a more lean and focused organisation
- Cluster overlapping segmental business activities to simplify the supply chain and optimise inventory management
- Intensify segmental collaboration by optimising internal processes

Digital transformation

- Use data driven insights to optimise internal processes and identify commercial opportunities
- Digitise the supply chain with commercial tools that support centralised operations
- Continued innovation by embedding digital capabilities in our organisation

Focus on growth markets

- Focus on niche markets driven by mega trends (digitisation, globalisation, market disruption)
- Invest in unique positions with compelling advantage
- Complemented by selective M&A to strengthen niche positions

Organic expansion

- Capture opportunities for geographical expansion in all business segments
- Explore new PMCs in adjacent channels or product / category per segment
- Drive organic growth through data driven customer services

We aim to create long-term value for our stakeholders by pursuing sustainable and profitable growth. With roots going back to the year 1872, when one of our anchor companies was founded in the Nether¬lands, we have built a strong track record. We are well positioned to capture growth opportunities organically and through strategic mergers and acquisitions.

3.4. 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.

Our proposition distinguishes itself in its high level of complexity, and we are recognised for consistently delivering to the right place, at the right time. Our flexible, well-invested and highly efficient distribution platform comes with strong barriers to entry:

- Our differentiated sourcing mechanism enables us to act quickly and benefit from sourcing opportunities whenever and wherever they arise. We have full internal price transparency and closely compare sourcing prices, trends, and opportunities across our segments.
- Our extensive customs knowledge and regulatory expertise allows for a smooth international supply chain across borders with all relevant paperwork in order, from product sourcing to supplying to the end-customer
- Our global scale gives access to a vast range of suppliers and products while our balance sheet allows us to take-in and supply large quantities at favorable prices. This enables us to serve our customers with a large in-stock assortment on demand.
- We operate a fully bonded supply chain with warehouses that have a registered status with the Dutch government to store goods under bond. This allows us to distribute our product assortment internationally without having to pay import duties, VAT or excise duties anywhere other than in the end-market.
- Our differentiated sourcing mechanism enables us to act quickly and benefit from sourcing opportunities whenever and wherever they arise. We have full internal price transparency and closely compare sourcing prices, trends, and opportunities across our segments.
- Our focus on building **long-term business relations** fosters trusted partnerships aimed at mutual growth.

3.5. Markets we serve

Our operations have a global reach, combining our activities in d 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.

The markets in which B&S operates, are generally difficult to serve due to their specific demands and characteristics. Our

diversification in specialised markets worldwide limits the impact of local exposure as well as dependency on a single market.

Geopolitical factors such as the persistent division within the European Union, amply demonstrated by Brexit, but also the trade war between the US and China, the worldwide outbreak of COVID-19, do have a noticeable impact on a macroeconomic level. B&S is a distributor with a diversified client base located in more than 100 countries worldwide. This allows us to absorb the risks associated with geo-political or other market imbalances with limited impact on our operations and results. Furthermore, our robust and global product categories, with exposure to defensive products such as liquor and perfumes, tend to outperform in times of economic hardship.

With wealth increasing on a global scale, there is a growing demand for Fast Moving Consumer Goods (FMCG) and A-branded products worldwide. B&S is perfectly positioned to take advantage of this underlying market growth in the long-term.



GLOBAL DISTRIBUTION

Duty-free and underserved markets worldwide.



MARITIME

We serve

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.

In the selected markets we serve, the requirement for specialty distribution models is driven by a several long-term macroeconomic trends:

- Outsourcing and reducing the complexity of distribution by suppliers and manufacturers;
- Ongoing demand for compliance in food safety and customs regulations;
- Continuing growth of the online retail channel;
- Increasing demands of end-customers in online retail.

In the selected markets we serve, the requirement for specialty distribution models is driven by a number of long-term macroeconomic trends:

- Outsourcing and reducing the complexity of distribution by suppliers and manufacturers;
- Ongoing demand for compliance in food safety and customs regulations;
- Continuing growth of the online retail channel;
- Increasing demands of end-customers in online retail.

3.6. 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 to our own value brand GoodBurry, and from catering sizes to ready-to-eat meals, we give clients the option to choose the products that fits their needs. Whether it's food, bonded, non-food, luxury, medical or electronic items, our clients are free to select what they want, and when they want it. Our diverse product assortment enables us to act as a one-stopshop for our clients, while our diversity in market regions and client portfolios enables our suppliers to launch their products in markets that would otherwise be difficult to reach.

Our global scale gives us access to a vast range of suppliers and products. Combining this with our deep understanding of what drives regional cost imbalances results in continuous assortment and price improvements for our customers. Our focus on digitisation enhances our offering even further and unlocks our assortment to customers in any location, while at the same time enables product showcasing for suppliers on an even larger scale. Our global customer base serves our suppliers in growing their business and developing their brands in non-core markets.

3.7. DNA

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.

Reliable

Serving our customers with a consistently high level of quality and service that meets and exceeds their expectations

Ambitious

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



Successful

Unique

Building on a strong and healthy financial foundation with a long and proven track record in innovative value adding distribution

Focusing on business

market combinations

while creating opera-

between our segments

diversification in

tional synergies

selected product-

Professional

Efficient

Upholding a goal-

constant business

oriented approach with

process innovation that

is supported by state-

of-the art technology

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



Flexible

Showcasing customerdriven flexibility, dealing creatively and effectively with unusual challenges and opportunities



Personal

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

3.8. Financial highlights B&S B.V.

(in \in 1,000 unless indicated otherwise)		
	2019	2018
Turnover	497,8	445,60
Gross profit	60,5	59.3
EBITDA	19,3	21,4
EBITDA margin	3.9%	4.8%

3.9. 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.



M.R. Riegel Managing Director



A.R. van der Ster Managing Director Remote Sales



E. Kroken Managing Director Maritime Sales



R. van Duin Managing Director Medical



R. van Aken Managing Director Purchase



S.P.A. van Houten Managing Director Purchase

J. Haas Managing Director Operations

3.10. 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 2019 was 2500.

UNITED NATIONS GLOBAL COMPACT Sustainable business

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.

Developing and maintaining sustainable relationships with our stakeholders along the value chain is key to our success. The partnerships we form with our suppliers and customers are essential to our successful long-term growth, which is why we are committed to be a responsible, well-respected and reliable organisation, maintaining high ethical standards in all aspects of our business. Our employees are key to maintaining these partnerships, which is why significant attention is paid to providing a safe and secure working environment. In 2019, specific focus areas included corporate Safety & Security and Food safety & compliance.

In 2018, B&S Group installed a Corporate Safety & Security department on a centralised level to support and advise on Safety & Security matters at segmental level, while maintaining focus on the specific characteristics of each of the business segments and operations. The main focus on the department is the wellbeing of employees and protection of information and property. The overarching principle is: preventing, limiting and controlling unwanted events. It is important to be "in control" based on all available safety, security and integrity risks. To achieve this, an integrated approach in collaboration with various departments such as logistics, human resources, finance, ICT and facilities is crucial.

> We've created a specific house style and internal campaign to emphasize the importance of safety and security within our organisation.



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.

We strive to reduce and mitigate any adverse effects from our activities, seeking to limit our energy use and CO2 emissions. We operate efficient warehouses and use modern technology to make the logistics process as efficient as possible. This allows us to minimise our footprint, reduce fuel and cut energy consumption. For example, we use the geothermal energy as a heating source wherever we can. We also seek to generate less waste, reducing, reusing, recycling and improving materials, and we carry out energy audits in order to assess and reduce impact on our environment.



TopDesk

In 2020 we implemented TopDesk. A self-service portal through which employees can submit requests for support or report issues concerning IT, safety and security or facilities.

We want to give employees an easy way of making reports, which resulted in a portal where employees can send in a ticket and manage their report in one place. Complaints, malfunctions, wishes and requests for information can now be reported via Topdesk's Self Service Portal.

When an employee reports an issue, the report will also immediately enter the system of the relevant department. Automating this process allows us to cut-short the lead time of the handling of an issue. The employee will also automatically receive updates about their report and see if the issue has been resolved.

This helps the company to better map all reports, keep employees up to date faster and provide them with the right information. Together we ensure a clean, whole and safe B&S where everyone gets the opportunity to be part of the solution.

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 worldwide. 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.

Our aim is to provide employees with the best possible working conditions. We invest in sophisticated equipment and warehouses to create a safe workplace for our employees, as well as for the partners we work with. We do not tolerate any violation of human rights, and our human rights principles are firmly embedded in our daily operations in every location where we undertake business.our daily operations in every location where we undertake business.

Employee empowerment

We provide a workplace that is free from discrimination harassment and victimisation, where everyone receives equal treatment. Our people are given autonomy in performing their tasks, and we encourage them to act as pioneers and entrepreneurs. 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 and organize several sport events each year, encouraging employees to exercise during and after working hours.





Intranet

We improved our intranet with new additions such as an ideabox and 'TopDesk', but we also created departments pages where every department can share their activities and latest updates. With this initiative we enabled our employees to feel more involved in each other's business and facilitated more possibilities to connect with colleagues working abroad and in remote awayfrom-home locations. Elements that contribute to this are:

- The personalisation options
- Option to create your own content
- Essential tools at your fingertips
- Personal workspace
- Chance to interact socially with co-workers
- Company updates in an overview
- Easy navigation and user-friendly interface

Talent development

We maintain close relationships with (applied) universities to spot talent early on and provide students with internships in various disciplines. Furthermore, we organise special Talents Days and other In-house Events to give young professionals the change to meet with B&S. Once on board, we offer young graduated trainee programs in our B&S academy, preparing them to become experts in their field and stimulate their personal growth.

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 suitable functions that fit their needs. 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 donate money, food and non-food items and help facilitate the transportation of aid to the affected region to help alleviate suffering, which we believe is a worthwhile contribution to social development.

For example, during the outbreak of COVID-19, the food banks were running out of stock as the need for supplies became greater than ever before. To aid the people in need, we decided to expedite our delivery to offer extra support to food banks, and in turn help the families in need. B&S donated all kinds of food, such as: cheeses, cornflakes, different kinds of sauces and chocolates. From both premium brands as well as our own private label GoodBurry. Our sister company Topbrands contributed as well, by donating Personal Care and Home Care products.

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. B&S applies strict internal policies and guidelines regarding credit risk management. All transactions must be secured, either by credit insurance, payment up front or by a secured payment instrument (guarantee or letter of credit).

Currency

B&S deals with risks from transactions in non-Euro currencies by matching incoming and outgoing cash flows as closely as possible in the same currency. Extraordinary currency positions and risks are dealt with at company level by a dedicated treasury department, which uses hedging instruments when appropriate and on a case-by-case basis to mitigate currency transaction risks.



Derivative transactions are subject to continuous risk management procedures. Derivative financial contracts are only entered into with banks that have a good credit rating. In addition, B&S is advised by external parties before entering into a derivative financial contract.

Most of our turnover is in Euros, which is our functional currency. Following the international nature of our business, significant portions of our turnover and expenses are however denominated in currencies other than the Euro. Other currencies used for trading are mainly the US Dollar (USD) and, to a significantly lesser extent, the British Pound (GBP) and the Japanese Yen (JPY). Consequently, our results of operations are affected by translational foreign exchange risk. This affects the comparability of our consolidated financial results.

We also use XOF . XOF is considered to be a restricted currency, which implies an inherent limitation to the tradability of this currency. In this way we accept the local currency, which benefits the local economy from reduced risk, and USD fluctuations. Fund transfers in XOF currency are not allowed outside of the West African States. Concerned countries are: Benin, Burkina Faso, Guinea-Bissau, Ivory Coast, Mali, Niger, Senegal and Togo.

Long term relationships

B&S's strategy is focused on creating long-term value for stakeholders, by pursuing sustainable and profitable growth, both organic and from acquisitions. We firmly believe that the commitment, involvement and quality of the Executive Board and all B&S employees are decisive factors in the success of B&S, and its ability to maintain its solid position and to continue its strategy. B&S is optimally positioned for further growth as a unique distributor of consumer goods and further expansion of its leading position internationally with many customers and suppliers. We have those 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

We apply a strict Know Your Relations (KYR) procedure for the acceptance of new customers, suppliers and other business relations and continuously monitor established relationships on compliance standards by an automated check that is performed on all business relations every two weeks.

We have anti-bribery, anti-corruption and anti-money laundering (ALM) policies in place that apply to all our staff, and we expect our suppliers, customers and business partners to adhere to the same standards. Creditworthiness of new relations is checked upfront and their Ultimate Beneficial Owner(s) are checked against the OFAC and the EU Sanctions list. Extensive knowledge of the substance and impact of the Foreign Corrupt Practices Act (FCPA) and UK Bribery Act is embedded at every level of the Company.

Tax Policy

B&S operates in various countries with different tax systems and therefore has regular meetings with tax authorities and consults professional tax experts within different tax disciplines. In 2018, the Group entered into a new transfer pricing agreement with the Dutch tax authorities. This agreement reflects the changed proportions of our business.

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. Besides our Dutch headquarter we are also doing business from our office in Dubai and are 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. 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.

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. The Code is applicable to all employees; they should understand the principles, procedures and guidelines as laid down in the Code. Employees are expected to work in the spirit of these principles and to actively propagate them to protect and maintain the company's integrity and reputation, regardless of the location in which we operate. 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. In some countries (e.g. Afghanistan where we operate a warehouse), where human rights conditions deviate from those in Europe, we ensure that the same principles are adhered to as to those applicable in the Netherlands.

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 2019 - 2020

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

Employees have the possibility to discuss breaches during their performance evaluation. During this evaluation, employees will be asked about different subjects such as the experiences of the cooperation with their supervisors or if there are any improvements they would like to see.

Topic 2. 'Local first' policy in Mali / Afghanistan

Our first Malian National as Manager of our PX shop in Mopti is raising the bar. His expertise and know-how contribute to high monthly sales figures for over 5,5 years of operation. We give him training on the job to maintain this growth and expertise. We did the same in Afghanistan. We have hired an Afghan National as QA manager of our local operation, and with his input we have been able to reduce food wastage by an additional 5%. We also hire national staff for our operation, and train them on the job. We really appreciate that national staff members fulfil these positions in our organization.

We have further identified as part of our succession planning from within our 35 National staff, six staff members that will be selected to move on to other missions should we be successful with current bids in place, and they will become our next supervisors working as expatriates outside of Mali.

Topic 3. Serving MINUSMA in the most efficient way

MINUSMA is one of our most important contracts. We do our best every day to provide our services in the best way possible. Our PX Express locations in Bamako, Timbuktu, Gao, Kidal and Mopti are a huge success and MINUSMA is satisfied with our services, assortment and expertise. We've deployed Malian national staff members in our shops. Their expertise and support has enabled us to bring our shop experience to a whole new level.

Topic 4. Moving on from PX Express

On top of our PX's, B&S has worked very closely with MINUSMA Management and Welfare, in order to take on and operate

"Lounge" facilities for the additional welfare services and benefit of the client outside of their working hours. The Lounge is used rather than bar in order to protect sensitivities over alcohol in Mali.

Topic 5. Local first policy in Dordrecht with the "The Coffee Offer"

In November 2019 we introduced locals in Dordrecht to our new concept: 'The Coffee Offer'. This initiative offers locals a job opportunity by getting to know B&S in an easy and accessible way. Once a week we open our doors for people who are interested in getting to know B&S as an employer, while enjoying a cup of coffee. The Coffee Offer is a good chance for potential employees to gather information and get a good impression whether the company is a match for them.

To promote 'The Coffee Offer' we advertised in local newspapers and created a special local audience for social media advertising. After potential employees have gathered enough information and asked their questions, they can hand in their curriculum vitae. If there is a match, we might offer them a job right away.

Next to our main activities in the field of employer recruitment, we decided that this new concept mainly focuses on the employer recruitment of local people. 'The Coffee Offer' invests in building local relationships as well as contributing to increasing local employment. Also giving locals priority in applying first, we help support the communities from where we operate.



Local newspaper Dordrecht

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.

Торіс	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.
"Local first" policy in Mali / Afghanistan	 Focus on hiring locals Hiring Afghan National QA-manager On the job training of local staff members. 	 Creation of numerous jobs for locals.
Serving MINUSMA by expanding our position	 Improving the experience and assortment in our shops. 	 Supporting MINUSMA.
The coffee offer at B&S Dordrecht	 Opening doors once a week and inform people that are interested in B&S as em- ployee about the career opportunities. 	 Building local relationships as well as contributing to increasing local employment in Dordrecht.

UNITED NATIONS GLOBAL COMPACT Labour rights

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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.

B&S installed a Safety & Security department on a centralised level to support and advise on Safety & Security matters at segmental level, while maintaining focus on the specific characteristics of each of our business segments and operations. The main focus of the department is the well-being of employees and protection of information and property. In the year under review, the Safety & Security department put priority on Health & Safety act, Risk Assessment & Evaluation (RI&E), in-house emergency and first-aid service and a revised emergency plan, all in close cooperation with HR, Facility and Logistics. To further underline the importance of employee integrity and a safe and secure environment in all aspects of the company, the launch of a 'Clean, Sound and Safe' campaign throughout the organisation has been planned in the course of 2019.

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 work in 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, race, 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. Impementation in 2019 - 2020

Topic 1. Review of performance and appraisal interviews

The performance and appraisal interviews take place every year in May and November. The company has adjusted the procedure this year, which focusses on the competences of every individual. Through this new procedure, the talents of each individual are better reflected in their work.

Topic 2. Introduction and implementation of Lean Management

We implemented Lean Management within our company to optimize our operation process. This contributes to quality improvement and eventually results in increased customer satisfaction. Employees are an essential part in the improvements and solutions to our working process. In addition: the involvement of employees is central to this working method. Lean Management is an iterative process and since this is done from the work floor, there is a high level of involvement. To centralize this thought and working method, we introduced Lean Management and have pointed out Lean Experts. Their team all got their Lean certificate and are now working together on the base of the Lean Methodology.

Project management department

Besides the B&S Lean experts, we introduced a "Project Management" department within our logistics. Here they are working on the current challenges and the challenges that might arise within the process.



First Time Right Principle

With the 'First Time Right' principle we can focus on the quality of the business processes. We strive to increase the customer satisfaction by reducing the steps within the process. From a logistic perspective this results in improved, maybe even optimal, turnaround times. Achieving this requires a great deal of insight into the delay points in our process and the ultimate approach for this.

Topic 3: Employees Council

As organisation with more than 50 employees, you are obliged to appoint an Employees Council in The Netherlands. This council is composed of a diverse group of employees representing our commercial, logistics, financial and IT department. This ensures that all our employee's interests are well represented within the Council. In April 2019 a new council has been installed after we held company wide elections in our Dutch office and warehouse locations. Within the Employees Council we have various committees for important topics. Every member of the council is responsible for a certain topic and follows trainings and courses to expand their knowledge within their specialisation; Quality, Social Affairs, Finance and Communication. The whole council meets every month and four times a year they organise a meeting with the Management Board of B&S. Besides that the Board meetings, they meet two times a year with the Supervisory Board.

From the start of the new Employees Council the group followed various courses and trainings in order to gain knowledge regarding pensions, legislative change and working conditions.

Topic 4: GTC 2021 project

Our logistics operations, the Global Transit Center (GTC) with all its staff is one of the most important parts of B&S and the beating heart of our organisation. Through an ongoing improvement project, B&S streamlines and improves all GTC related processes. This improvement program consists of various parts, each of which is dealt with in a specific manner. This approach will leads to significant improvements within all levels of the GTC. The effects of which shall are noticeable from management to workplace employee level. B&S started the implementation at the beginning of 2019. One of the most notable changes are the revised working hours for the staff within the Global Transit Centre. From 2019 they started working in two shifts. This new way of working has led to a decrease of 60% of overtime hours in 2019, in contrast to 2018. This ensures healthy work conditions and provides a better balance between work and private lives. It allows our employees to have for example more free time with their families. Secondly, we offered permanent employment contracts to a substantial part of our temporary staff. Lastly, we are continuously improving the safety situation by implementing walkaways, collision protection, toolbox meetings, SCC training

for supervisors. This resulted in zero accidents with serious injuries in 2019.

Topic 5. 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 the same as our personnel policy in the Netherlands, and only partly modified to the local laws, regulations and other conditions or 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 members receive a monthly food and commuting 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 15 days paid leave for every six months worked.

The working hours are based on the Labour and Employee Law of the both the Islamic Republic of Afghanistan and the Government of the Republic of Mali, and take into consideration Labour law and the contractual requirements and timings as dictated by both NATO and United Nations, alongside also the security situation on the ground. They depend on the season:

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

* Expatriate staff work longer to cover and replace National staff to enable staff to break fasting together with their families

With the outbreak of COVID-19 the schedules are regularly updated to include COVID-19 Prevention training and certification.

Adoption of HR & Health & Safety (HS) Principles

We have added the adoption of HR and HS principles to support management and their teams in the design and delivery or roles



and functions. This process continues through 2020 with the aim to improve access and multi-lingual transparency.

Additional learning

Additional learning has been made regarding international transport law, customs law and bonds to aid our understanding and to ease movement frustrations. The understanding and application of perishable cargo standards and how we secure such cargos, removing waste and adding value back to the end consumer.

Topic 6. Secure working conditions in Afghanistan and Mali

The security of the offices and warehouses in Afghanistan and Mali is paramount to the safety and wellbeing of our employees and the protection of our material assets. 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 in Afghanistan 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. Visitors must announce their visit at least 24 hours in advance, all vehicles entering the compound are thoroughly inspected. In addition, the visitors are registered and searched before entering.

As the security situation in Kabul change continuously, the security measures taken by B&S are constantly developing with the threats and tested to assure the safest possible work environment for all the staff members on site.

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

- Introduction training
- HACCP Awareness
- Food Safety
- Personal Hygiene
- Manual Handling
- Fork-lift safety
- Fire safety
- First aid
- PPE

Topic 7. Training for employees at B&S HQ in Dordrecht

Security is also an important aspect in our warehouses in the Netherlands, although 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. It ensures their own safety and security, and safeguards all processes and procedures..

In the past years, we have implemented the following courses:

ISO22000 training:

internal training regarding our quality management systems ISO22000 based on food safety including the HACCP principals.

Safety training:

Internal training based on our quality systems ISO45001, ISO14001 and ISO9001

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.

SCC Safety 1&2 (7 employees)

The VCA is intended for executives without a leading role. They will be familiar with the Working Conditions Act and regulations, the recognition of unsafe situations and actions and accidents at work. The SCC Basic diploma is requested by employers or principals when undergoing risky undergoing.

SCC Safety 1 (20 employees)

Pest control training (20 employees)

This course (tailor-made) has been developed to help our staff develop an effective pest control policy. The following topics are discussed: the importance of hygiene, the closing of food supplies, the identification of vermin and what to do at the first signs of a plague.

GoodHabitz

GoodHabitz is an external e-learning platform for the entire organisation which helps employees develop their personal and professional skills and talents. The initiative was created to give employees control over their own development: a platform with a wide range of online training courses, which employees can use to update their professional skills. They have a free hand in following the training courses, so they can also pick up more than just a specific training or course. In addition, it meets the learning demand of our time: any time, anywhere.

Topic 8: B&S as knowledge centre

Our people have autonomy in performing their tasks, and we encourage them to act as pioneers and encourage their entrepreneurial spirit. Investing in our employees is key to their development and the growth of our company. 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.

Onboarding Programme

The onboarding programme within B&S aims to make new employees feel welcome, give them the opportunity to build valuable relationships, provide them with the right knowledge & skills and a company structure and culture with which they can identify. With the onboarding programme, we break down barriers between departments and inspire, motivate and enthuse starters. In addition, we provide the necessary knowledge of the various departments within B&S and answer questions such as: 'What can I expect?' Or 'Where do I need to go for what causes?' The more qualitative the onboarding, the better our employees are integrated within B&S, the faster they are productive and the higher the enthusiasm will be in their work.

The current onboarding is mostly done in class and face-to-face situations. We still value physical meetings, but the big change in the new programme is that a part of the onboarding will take place on a digital platform. The new onboarding programme is based on the so called '4 C's':

Compliance

Including employees in the basic rules such as personnel and facilities matters, safety rules and statutory regulations.

Clarification

Ensure that the employee understands his/her role and knows what is expected of him/her.

Culture

Introducing employees to the culture and organizational norms such as the vision, mission and values of B&S

Connection

The ability for new employees to build interpersonal relationships and understand B&S's social structure.

Focus 2020

These developments took place in 2019 and are ongoing in 2020. We recently set up the video's for presentation and the new onboarding platform will go live later this year.

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 9: GAP-analysis

In January 2019 we started with the GAP-analysis to determine the gap between the current situation and the desirable situation. Based on the outcomes of this analysis we have made a plan to start the implementation. This ongoing implementation occurred during the whole year of 2019. In this case we could consequently implement. As a result of adequate cooperation between; Safety & Security, Facility, QESH, HR and Logistics we received a positive review during the management review. In January and February 2020, we started the first and second phase audits through certification institution TÜV Rheinland. The audit was completed successfully, whereby B&S B.V. is now officially certificated for ISO 9001, ISO 45001 and ISO 14001.

Topic 10: Promoting a healthy lifestyle amongst employees with B&S Vitality

A healthy lifestyle leads to better workplace performance. At B&S, we actively support employees' goals of staying fit and healthy. We find it our responsibility to provide employees with a number of tools which they can use to influence and improve their overall situation.

In 2019 the theme 'Sustainable Deployment' became a permanent topic in the company's employer operations. We set up a programme where we focus on the sustainable deployment of our employees by improving their vitality, so their employment and the workplace is safe, healthy and enjoyable, now as and in the future.

Vitality Scan

In 2019 the pilots have started and based on these outcomes we will announce the further follow-up actions of the programme. First, we started with a baseline measurement using a Vitality Scan in which we worked together with AON (business advisor in the field of health solutions).

The scan gives us an insight into the health of the employees, so we can improve this where possible. The programme covers topics such as: nutrition, guidance on quitting smoking, exercise, mental development and support, and how to work longer in good health (due to the increase in the retirement age). In 2020 we started with refining the programme by monitoring the results. Later this year we will focus on the further implementation of the initiative throughout the company.

Vitality healthy exercise initiatives

We think it's important to stimulate sports and exercise and this is an excellent event to improve our team spirit. To stimulate our employees to be more active we introduced the B&S bicycle, which they can book in advance. We also have multiple umbrellas ready, so employees could always go for a walk with their colleagues during the work break, even on the rainy days.

There is a gym available, free of charge - for all employees where they could also make use of our in-house physical therapists.

Just like last year, we made it again possible to participate in the Marathon of Rotterdam 2020. With more than 80 employee registrations it was going to be a true B&S spectacle. Unfortunately the event has been postponed until further notice due to the COVID-19 outbreak.

Food

It is important to fuel yourself with the right nutrition. We have changed the menu of our cafeteria to offer more healthy alternatives to our employees. This resulted in a wide range of fresh food according to the Five Food Groups, which is available every day.

Lifestyle tips

People can only choose for themselves what they eat to supports a healthy lifestyle. Those choices can be based on impulses or on knowledge. In our cafeteria, our employees can find cards with information and fun facts about food and healthy food and beverage choices. This also promotes a healthy lifestyle, since they inspire and remind employees to live healthy and provide them with knowledge to help them make better food choices.



Ergonomic posture

With the renovation of the office we also made sure every workstation had an ergonomically correct set up. This step was necessary to meet workplace and health and safety requirements. By having ergonomic workstations in your office, staff are far less likely to experience work related injuries or health issues such as headaches, eye strains, neck pain and back pain.

Topic 11. COVID-19 Policy

Measures in HQ Dordrecht

COVID-19 has been acknowledged as a pandemic in the Netherlands, since the 11th of March 2020. B&S' approach in the Netherlands is based on recommendations made by the government, including the Dutch National Institute for Public Health and the Environment and the Dutch Ministry of Foreign Affairs, as well as the local Public Health Service. For employees working at airports we are following airport policy and recommendations of the local government.

From the 11th of March, parts of our offices were closed. This was shortly followed by stricter rules, whereby all the office staff were required to work from home.

In May 2020 the Dutch government softend the COVID-19 measures. In the meantime B&S has been working on rearanging our office and warehouses workspaces to allign with the 1.5m social distancing norm in the Netherlands. To offer a safe and healthy workspace we have implemented physical measures and rules. Therefore we appointed a special taskforce, that among other things made a special corona handout, where colleagues can read all the rules that are applicable on location. In this way we can slowly and safely return back to the office.

Measures at the shops in Afghanistan/Mali

All shops are normally open for 7 days a week, from 09.00 till 20.00pm. Although the opening hours remained the same as from the beginning of the COVID-19 outbreak, the new situation asks for a lot of extra precautionary measures from our colleagues. Both the teams in Afghanistan and Mali have completed the COVID-19 prevention online training with Highfields online training with a certificate to confirm.

At the shops, we follow almost the same social distancing rules applicable in regular stores in many parts of the world, such as:

- Limiting the number of customers to a maximum of 4 persons at one time
- Mandatory facemasks when entering the shop
- Continuous disinfection of door knobs, shopping baskets, the areas around cash registers, etc.
- Makeshift Handwashing and sanitizing at the entrance

All these measures require extra manpower. Only in that way are they able to constantly control people when entering the shop and keep the shops safe for both clients and our own staff. Our staff is handling the situation very well and with the utmost care.





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.
Goals	Freedom of association and the effective recogni- tion 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.

Торіс	Action	Outcome
Procedure review	 The company has firm policies and procedures in place, which are regularly reviewed, discussed, and updated. 	 No relevant breaches to report for the reporting period. Active dialogue with local legislators in Afghanistan and adjustments to local circumstances and conditions.
Introduction and implementa- tion of Lean Management	 We implemented Lean Management into our organisation to opti- mize our operational process. First Time Right Principle Project Management department 	 Quality improvement and increased customer satisfaction. Quality improvement Dedicated Lean Experts (with a lean certificate)
GTC 2020 improvement project	 More job certainty for employees B&S Two shift workdays Continuous improvement of the safety bottlenecks by implementing walk-aways, collision protection, toolbox meetings, SCC training for supervisors. 	 B&S offers more job stabil- ity to the employees. An increased number of em- ployees have a permanent em- ployment contract at B&S. The employees within the GTC work in shifts (during the week). 60% decrease in overtime Zero accidents with serious in- juries over 2019-2020
Employees Council	 Represent the interests of employees Follow training and courses for relevant topics 	 An active Employees Council that meets every month. Four times a year they organise a meeting with the Board of B&S.

Торіс	Action	Outcome
Secure working conditions Afghanistan/Mali 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 for employees at B&S' head- quarters in Dordrecht, The Netherlands	 Intensive trainings. New trainings have been added such as SCC training and Pest Training. 	 Training courses are sched- uled regularly, leading to a better knowledge on Food safety, per- sonal 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.
B&S as knowledge centre	 Active investment in the knowledge of staff. Informing all employees regarding the company strategy, financial situation and future vision. B&S Academy Internships. 	 Career development, knowledge enhancement, higher company motivation, improved efficiency. On-going process.
GAP-analysis	 Analyse gap between current and desirable situation. Plan for implementation followed First and second phase audits to certification institution TÜV Rheinland 	 Completely succeeded audits B&S B.V. officially certificated for ISO 9001, ISO 45001 and ISO 14001
Promoting a healthy lifestyle amongst employees	 We set up a programme where we focus on sustainable deployment by improving the vitality of our employees. This ensures a safe, healthy and enjoyable, workplace. Provide free access to a gym Vitality Scan Promote a healthy lifestyle Provide sport outfits and marathon participation tickets 	 Employees can make 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 The B&S bicycle to bike around or do your groceries instead of using the car leads to extra exercise. We sponsor and support our employees to participate in the Rotterdam marathon and other sporting events like the Kika Run of Rotterdam which supports treatment for Childhood Cancer.
COVID-19 Policy	 Following recommenda- tions of local government Special Taskforce Team for implement- ing and safeguarding taken measures Customised shopping policy 	 Safe environment for em- ployees and customers

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Environment

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 light sensors and energy-saving light 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 2019 - 2020

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

We strive to reduce and mitigate any adverse effects from our activities, seeking to limit our energy use and CO₂ emissions. Our company reduces its CO₂ emissions, with the goal of enhancing its environmental and economic performance.

AutoStore

In our warehouses in the North of the Netherlands, we expanded the automated storage system for an affiliated company. The AutoStore warehousing system 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.



Operating from inland Port Moerdijk

Our logistic department is always seeking for new opportunities to reduce CO₂ emissions along the supply chain. In January 2020 we teamed up with our long-time partner Mearsk to use the inland Port Moerdijk in the Netherlands. With the operation from inland Port Moerdijk we;

- Reduce the amount of truck kilometers –approximately 80KM per container
- Have a back-up depot for empty pick up in Moerdijk
- Have more flexibility with deliveries on the inland terminal
- Reduction of 50% CO2 emissions



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.



Warehouse Optimisation in Afghanistan

Where applicable within the Afghan warehouse operation we have changed gasses used within the cold store to the least harmful we can procure locally and without having to re-engineer the existing equipment. Through local engineering colleagues researching and relating power generation to power consumption we have saved approximately 20% on fuel use within the sites prime power generation. Through team focus on spill management and fuel delivery and storage standards, we also protect our local water table and working environment.

The disposal of dry, wet and engineering waste is now in-line with Afghan Environmental Legislation. Dry Waste segregation has seen our disposal rates drop 15%. Working with our service partners, waste licences are in place, with an end-to-end tracking of waste collection to safe disposal on official waste management sites. The collection and treatment of used oil and engineering materials is done in-line with legislation to avoid local market re-working of hazardous materials by vulnerable people.

Digital Seasonal Card Initiative

In our aim to decrease our carbon footprint, even the smallest steps matter. We choose to send our customers and suppliers a digital Holiday card with season's greetings and a happy new year. We didn't only save paper with this action, but also avoid the use of road and air transport to the far reaches of the globe. We donated the saved budget of 10.000 euros to the local Food Bank, and to the World Wide Fund for Nature.

Investing in information and communications technology (ICT)

Implementation BiT

We've implemented our corporate ERP program BiT ERP. The tailor-made ERP 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.

Architecture

We use the geothermal sources as a significant heating source in our offices and in 2020 we will start the installation of solar panels on the roofs of our warehouses. We are continuously investing in ways to reduce our carbon footprint. Our new warehouse is already provided with LED-lighting. We're also planning to install LED-lighting in our other warehouses. This will reduce our energy requirement for lighting with 50 percent, thus further reducing our total CO2 emissions. We are also planning to replace our old dock shelters to further reduce our energy consumption caused by loss of hot and cold air at our loading docks. This loss of energy currently accounts for two thirds of our energy consumption within our warehouses.

Eco-friendly coffee corners

In July2019 we installed new coffee corners throughout the building. These corners are sustainable in different ways, starting with the machines. The coffee machines are built of aluminium, which extend the lifetime compared to conventional machines. De machines are very eco-friendly and are marked with an A++ energy label. The coffee machines are easily and every part can be reused. All parts of the machine can be reused again for more than 95%.

We use coffee beans from the 'Redbeans' brand, which is the first climate neutral coffee brand in the Netherlands. This means that they reduce the CO₂ emissions from bean to consumer, by buying organic and reduce the use of energy and water during the production. The last piece of CO₂ emissions is compensated by financing Gold Standard certified projects.

The paper cups that are used for coffee and tea are FSC certified and are produced in a CO2 neutral way. We also use organic Fairtrade tea.



Procurement

To make our procurement as smart and sustainable as possible, we maintain several requirements in our procedures. We achieve this by for example, using our selection and assessment model. We only want to collaborate with the best suppliers, who can guarantee a certain quality and professionalism. To achieve procurement synergy for all sales departments, we have a dedicated centralised procurement department for the entire organisation, so that we achieve synergy. This focus will, among other things, ensure that our write-downs on inventories has been more than halved. Compliance is an important aspect for both our suppliers and customers. It sets us apart from our competitors. Within procurement we've focused even more on auditing suppliers; sampling, product specifications, 100% correction and product information. All our suppliers must meet certain requirements,

to ensure we have the most trustworthy suppliers in our global network.

Furthermore, we pay attention to the way in which our shipments are done. Our shipments are treated in the eco-friendliest way as possible. We are always seeking for the possibility to consolidate our goods into one shipment.

Moreover, we are constantly discussing the possibilities with our suppliers to map environmentally friendly packaging. We focus on different manners to reduce our co2 emission such as lighter packaging; which leads to less energy for transporting all the goods and smart packaging to reduce space requirements.

Furthermore, we actively promote transparency on product information. We comply with the most stringent regulations. Our warehouses are ISO 22000, HACCP and USPHC 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.

Other implementation

Next to the implementation of these major projects, several smart adjustments have been made to reduce the global footprint.

- We purchased 4 special B&S bicycles for our employees who normally did errands by car during their lunch brake, but are now able to use our CO2 friendly bicycles to do it.
- We have extra charging stations on our parking lot for visitors and employees with an electric or hybrid car.
- We placed new pipeline connected water coolers throughout the building to eliminate the use of large plastic water bottles and the transport thereof. .
- In the course of 2019, we have been gradually replacing conventional light fixtures with LED fixtures in our current premises. In our new premises 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.
- We carry out energy audits in order to assess and reduce impact on our environment.

Topic 3. 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 wastepaper.

We want to minimise our use of plastic in our offices, by replacing it by environmentally friendly alternatives such as carton. For example, by replacing our plastic cups by recyclable alternatives and by using special bins to collect wastepaper to recycle.

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.



Topic 4. Food safety, procurement and customs compliance

We adhere to strict guidelines from local and international governments to ensure food safety and customs compliance. As an Authorised Economic Operator, (AEO) our partners can rest assured that we comply with all relevant customs requirements. We are subject to the Union Customs Code, the EU regulation that provides rules and procedures for products that are brought into or are taken out of the customs territory of the European Union.

To ensure the safety of the food supply chains we are active in, we adhere to the strictest food safety standards. We actively promote transparency on product information and comply with the most stringent international regulations. Our warehouses are ISO 22000 and HACCP certified, and apply a high-level processing risk management system. These certifications allow us to demonstrate to our stakeholders that we comply with international food safety standards.





In the Netherlands, we are subject to the supervision of the Netherlands Food and Consumer Product Safety Authority (NVWA), which performs audits of our compliance with food safety regulations in force. To comply with food safety and transparency requirements, we monitor our compliance and safety procedures constantly, devoting extra attention to high-risk products, such as poultry and meat. Food products received at 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

We are approved by the US Army Public Health Command, which enables us to supply US Army caterers. Finally, we are an officially registered supplier to the United Nations Global Marketplace, the common procurement portal of the United Nations system of organisations. This enables us to participate in tender processes for United Nations contracts.



To improve transparency related to our own GoodBurry products we continuously adapt our product information according to the most stringent food packaging information regulations, such as the most current 1169-2011 EU regulations and UN requirements. We pay extra attention to;

- Clear declaration of ingredients;
- Clear declaration of the country of origin;
- 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.

Topic 5; Dedicated Quality Team

In Q1 of 2019 B&S created a dedicated team to retain the quality within the organization on all fronts. The team consists of three people, which form the backbone of Quality Assurance within B&S. The team holds monthly meetings with participants from different divisions to create greater support for the various key topics.

The Quality Assurance team is responsible for among others:

- Supervision of audits, clients and suppliers
- HCCP and ISO22000 audits
- Establishing audit calendar
- Policy development
- Pest control
- Hygiene standard in the warehouses
- Recall operations
- Intervention in emergency situations
- Training staff

They have direct access to the various competent authorities which see B&S as one of the most complex, versatile and highly specialized companies in the European Union.

Recently we added the following ISO's to our list a well:

- ISO 9001:2015 (Quality): management, maintenance and security of buildings and company areas;
- ISO 45001:2018 (Health & Safety): purchase, sales and storage of food and non-food goods;
- ISO 14001:2015 (Environment): purchase, sales and storage of food and non-food goods;



The team meets on structural basis, to discuss the plans between the departments Safety & Security, Facility, QUESH, HR and Logistics. Topics regarding the certificates are high on the list of priorities. Via special checks, we can determine defects, malfunctions, unsafe and unsanitary situations in an early stage to secure safe & healthy work conditions.

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.	

Торіс	Action	Outcome
Procedure review	 Regular review and discussion with key managers related to procedures, necessary updates, audits etc. 	 Procedures are effectively in place. Prolongation of certifications in 2020 Adjustments and updates in procedures implemented.
Reducing our footprint	 Active participation in Airport Carbon Accreditation program. Optimising warehouse ca- pacity in Dordrecht Digital Seasonal Card Initiative Implementation of inland Port Moerdijk Warehouse optimisation Kabul AutoStore Investing in ICT Making smart and sustainable ad- justments throughout the offices and Global Transit Centre. 	 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. Energy reduction of more than 40% via Led Lighting Using eco-friendly coffee corners Using the geothermal energy as a heating source wherever we can as ongoing process.

Торіс	Action	Outcome
Waste management	 Outsourced waste processing. Continuous instructions and raising awareness related to garbage handling. 	 Professional handling and reduction of waste. B&S works together with food banks to ensure that food items which can no longer be sold are distributed to those in need. Awareness on garbage handling. On-going process. Investment in new technologies using fewer packaging materials.
Food safety and transparency	 Thorough quality con- trols on food products. Compliance and safety proce- dure rigorously checked. 	 Prolongation of certifications in 2017. On-going process.
Dedicated Quality Team	 A dedicated team has been installed to maintain the quality of all pro- cesses within the organisation. 	 A range of tasks on several levels to maintain the quality assurance of the whole organization Monthly meetings to discuss the progress Three new ISO certificates

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

 $\mathsf{B}\mathcal{B}\mathsf{S}$ 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.

Our Corporate Code of Conduct has evolved alongside the way we do business. It is a sustainable and strong pillar on which the company has earned the trust of its stakeholders.

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 does and 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 2019 - 2020 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. Service Level Agreement within daily operations in Kabul

Within the Kabul Service Level Agreement (SLA) there are multiple Standard Operating Procedures (SOP's) that sit behind the bought in services. Teams with highly specific knowledge are overseeing these procedures, within both parties. The SLA is specific in naming who acts and is responsible within each action and outcome, attached to measurable audit loops and weekly reports, the relationships are built on facts, not subjective emotions. This has reduced the unnecessary waste burden across all departments in both B&S and the Service Provider, it has allowed to build better knowledge, resilience and services that continuously improve across all platforms for the ultimate benefit of our clients.

Topic 4. 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 subcontracted through 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 modified to the local conditions and circumstances. The main topics within our Human Resources policy are:

- 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 receives in-company trainings 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.	

Торіс	Action	Outcome
Procedure review	 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. 	 No relevant breaches to report for the reporting period.
Know Your Relation principle	 Improvements on the Know Your Relation procedure. 	 Working with reliable companies and avoiding fraud. Improved information regarding suppliers allows B&S to choose more reliable partners.
Service Level Agreement within daily operations in Kabul	 Teams with highly specific knowl- edge oversee the Standard Operating Procedure with measurable audit loops in line with SLA 	 Reduced unnecessary waste burden across all departments Improved services across all plat- forms for the benefit of our clients
External recruitment agency in Mali	 Collaboration with an external recruitment agency in Mali. 	 Comply to all local regulations.

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