Towards autonomous and accountable segments

B&S

Annual Report 2023

Towards autonomous and accountable segments

B&S will focus the coming years on transforming towards autonomous and accountable segments.

Autonomous, because we want decentralised companies that operate close to their markets.

Accountable, because we want to maximise value creation by focusing on entrepeneurship, our value drivers and risk management.

Contents

Statement – This copy of the B&S Group S.A. Annual Report 2023 is not in the ESEF format as specified by the European Commission in the Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The official ESEF reporting package is available on our website at: [http:// B&S Group S.A. Annual Report 2023 iXBRL pack](http://).
In any case of discrepancies between this PDF version and the ESEF reporting package, the latter prevails.

Introduction

Financial highlights 2023

Turnover (in million)

€2,219.8

2022: € 2,148.2

↑ 3.3%

Gross profit (in million)

€ 343.6

2022: € 303.9

↑ 13.1%

EBITDA (in million)

€ 110.9 [margin 5.0%]

2022: € 90.9 [margin 4,2%]

↑ 22.0%

Return on Invested Working Capital

23.9%

2022: 19.9%

Net debt / EBITDA per year end

2.8

2022: 3.7

Dividend pay-out

€ 0.16 per share

2022: €0.12 per share

Non-financial highlights 2023

- Energy consumption: 19,288 MWH
- Scope 1 and 2 GHG emissions: 3,727 tonnes
- Scope 3 GHG emissions: 1,153,657 tonnes
- Waste: 1,365 tonnes
- Recycled waste: 67%
- Packaging logistics: 1,152 tonnes

- Headcount: 2268
- Turnover: 237
- Male / Female ratio: 52% / 48 %
- Covarage Health & Safety management systems 72.7%

- AEOS & AEOC status
- ISO 22000, ISO 9001, ISO 27001, ISO 22301, ISO 14001, ISO 45001 certified*
- USAPHC approved
- Signatory of UN Global Compact and officially registered supplier to UN global market place

* For an overview of all certifications, please refer to appendix.

Commercial key events 2023

Personal Care participates at the Spielwarenmesse in Nurnberg and successfully launches the new Deedoo collection.

Signature Beauty starts distribution of the Tommy Hilfiger brand in addition to the Benelux, also in the DACH region and Eastern Europe.

Signature Beauty starts the distribution for the Benelux for the Dolce & Gabbana brand. This as a local partner for the company Give Back Beauty.

B&S Travel Retail opens at the Airport of Barcelona

January ↑

February ↓

Travel Retail opens landside arrival shop at the Airport of Munich.

Food participates at the Gulfood 2023 in Dubai.

March ↓

Travel Retail opens at the Airport of Brussels, Oslo and a third shop at Vienna Airport.

Personal Care participates at the Internationale Süsswaren messe (ISM) in Cologne.

Personal Care participates at the Cosmoprof in Bologna and successfully launches the new Sence collection.

Personal Care participates at the Goodies Fair in Ankum.

April ↓

Food signs exclusive distribution contract for Global Travel Retail with Mark Anthony Brands International.

Topdrinks starts its first global collaboration with Jägermeister, using Topdrinks as a research platform to identify the most effective campaign.

May →

August →

Liquors starts a cooperation with Breitling.

July ↑

Food launches on Kingofreach.com its Sustainable Choice label within their assortment.

August ↑

Beauty opens a warehouse and office in Fort Lauderdale for B2B.

September ↑

Health gets a NATO tender awarded for 3 years (+potential 2 years extra) for the delivery of vaccines.

Travel Retail introduces Shark haircare into International Airports.

Personal Care participates at the Internationale Aktionswaren- und Importmesse in Cologne.

Personal Care participates at the Goodies Fair in Ankum.

October ↑

Travel Retail participates at the TFWA trade show in Cannes.

Food participates at the TFWA trade show in Cannes.

Health contracts two new major dermo cosmetic brand into their portfolio.

November ↓

Health delivers an alternative of the Tetanus vaccine to all major hospitals in The Netherlands working together with the Dutch government.

Travel Retail opens at Hamad International Airport (South Node), Qatar.

Message from the Executive Board

Introduction
As Executive Boards* *(B&S Group S.A. and B&S Investments B.V., the "Boards")* in our current setting we started at the end of May 2023. Given the circumstances, a special start focused on performance, transparency and good governance.

We are pleased with the performance of the B&S Group S.A. *(the "Company")* over 2023: reporting a EBITDA just below EUR 111 million and yet with ample room for further improvement in different parts of the business. Additionally, there has been positive development of other material financial indicators, such as leverage and dividend payout in the range of 20% - 25%.

It must be noticed that especially the segment Personal Care outperformed in 2023 whereas Beauty, Food and Health showed solid results. Liquors and Travel Retail struggled with the market circumstances in 2023.

I would like to thank our staff across the globe whom have been resilient throughout the year and contributed so much to the success of the Company. At the same time the Company has progressed in the field of governance, working capital management and risk management.

As a team, together with all managing directors of the segments, we have grown in our role in leading the group. B&S is a unique group of companies operating on a global level and playing an important role in the supply chain of consumer goods to the benefit of all our stakeholders.

We hope you will enjoy reading about the Company's performance in 2023.

* Peter van Mierlo, Mark Faasse and Bas Schreuders are each Executive Board members of B&S Group S.A. as well as B&S Investments B.V., Ken Lageveen is COO of B&S Investments B.V.

Looking Back
After a turbulent start of the year, the newly composed Board worked on the corporate governance procedures, updating the strategy of the Company and presenting this to the markets on Capital Markets Day, November 21st 2023.
A new strategy centered around autonomous and accountable segments, which is grounded in reality and is focused on sustainable growth and value creation.
As Board we have been working together on all of these topics with our Supervisory Board, who contributed significantly with their diligent approach. From a governance perspective it is also important to note that KPMG was appointed in their new role as our Auditor, replacing Deloitte whom had been the Company's auditor for well over 10 years.

We have been working on the onboarding procedures of new stakeholders, communicating our way of working at B&S, our related party policies on interacting with our majority shareholder and policies on incentivising our senior management. Furthermore, we have sharpened our Code of Business Ethics. We believe all these steps contribute to a healthy and responsible business environment within the group.

As per the end of 2023 as well as early 2024 we have executed on the planned buy out of minority shareholders. We have increased our direct majority shareholdings in FragranceNet (from 75% to 87.5%) in November 2023 as well as in Topbrands in the beginning of 2024 (from 70.83% to 95%).

All in all, we had a financially stable year on a consolidated level, with a turnover increase of 3.3% to € 2,2 billion and EBITDA increasing by € 20 million to € 110,9 million. Together with an improved balance sheet management, this resulted in a leverage ratio of 2.8 per year end.

A New Strategy
As Supervisory Board and Executive Boards we defined a new strategy centered around our six segments. Our segments are united in branded consumer goods and operate in different markets. They create synergies through optimization of distribution costs and solving marketing and supply chain challenges.
At the same time, to understand the potential of the Company, one has to obtain a good understanding of each segment since they are all different in growth potential, M&A potential and risk profile.

Our segments operate close to their markets, have unique global networks, and hold all together over 20 independent brands in their respective markets. The strategy is centered around building autonomous and accountable segments. To support this strategy all segments will focus on operational excellence and as such; further improve on cost control, working capital management, business control and sustainability.

Focus on digitisation remains important in all internal and external processes. All segments will be working on our corporate culture, focussing on governance and people engagement through data driven HR policies while maintaining our entrepreneurial spirit. Our values "Reliable, Eager, Agile, Curious and Human" help us to maintain our focus on these activities in order to create value.

Next to operational excellence on Company level we will remain focused on strategic options around M&A opportunities to strengthen any of the six segments and improving the logistical backbone of the Company.

Information Technology and Digitisation
We have successfully implemented and replaced ERP systems with proprietary software over the past several years, achieving a high level of standardisation. We possess the necessary resources and software to support our strategic development plans, to ensure the long-term performance of our systems by turning monolith structures into a cloud-based scalable microservices environment.

Our organisation has made significant steps in the digitalisation of our business processes. We have leveraged our digital tools to enhance our commercial activities. By integrating suitable commerce technologies into our cloud-based digital infrastructure, we have enhanced our digital sales capabilities, engaged a wider customer base, and showcased our product range on a global level in a cost-effective manner. Our composable commercial strategy aligns seamlessly with our existing IT infrastructure, offering several strategic advantages.

The digital platforms provide real-time connectivity between internal systems and software, as well as with suppliers, customers, and third-party logistics service providers. This allows us to exchange data and documents, improving efficiency and collaboration.

Our project management office, which is fully integrated with our digital team, is the foundation of our project management strategy, ensuring governance and standards, portfolio management, efficient resource allocation, and proactive stakeholder engagement. We align projects with our strategic goals, optimise resource usage and perform cost-benefit analyses, that is before, after and during projects to evaluate the financial implications and results. Data governance is a key aspect of our digital strategy and ensures that we manage our data assets in a consistent, secure, and compliant manner.

Furthermore, we are focusing on:
- Cybersecurity;
- ISO certifications;
- Full use of our IT systems in the organization; and,
- Domain Driven Approach for our development process.

Human Resources
Over summer we had the pleasure of installing our Dutch group wide Works Council as part of the implemented Dutch Large Company Regime *(in Dutch: "Structuurregime")* on the Dutch top holding level *(B&S Investments B.V.)*. This contributes to the overall governance of the Company. In 2023 we also conducted our first employee engagement review. Human resource markets have not been easy in 2023, but we do see an improvement across our markets in the last months.

We are committed to our employees, we understand that our people truly make the difference and are pivotal for the success of the Company.

We sincerely believe in the concept of measuring HR data to ensure a healthy culture, in which people can flourish and develop their talents in the best possible manner. We will continue to conduct annual employee engagement reviews and develop HR dashboards.

Sustainability
In light of our "Sustainability Strategy", upcoming new regulations and market developments, we stepped up our game to further integrate sustainability within all our corporate disciplines and segments. We extended our dedicated team and worked together with department ambassadors to reduce our negative environmental impact as a result of our business activities. Our recycling campaign for instance, resulted in better waste management practices and recycling rates (67% versus 50% in 2022).

We are also proud to have reduced our food waste with nearly 50% as a result of better stock management and intensified collaboration with the Dutch Food Banks. In addition, we set emission reduction targets and we are in process of validation thereof from the "Science Based Target" initiative. This exercise also resulted in being able to report on our scope 3 emissions for the first time and it further sharpened our decarbonization activities. Our private label suppliers from our Travel Retail and Personal Care segment are all audited against independent social compliance schemes. Furthermore, we made efforts to assess our product portfolio against sustainability criteria which include internationally recognised sustainability standards and schemes. You can learn more about our 2023 sustainability performance in our "Sustainable Value Chain Results" section.

Lastly, in preparation of compliance with the "Corporate Sustainability Reporting Directive" we trained employees across various disciplines and are in the process of formalising the governance framework around each reporting directive.
We expanded our reporting efforts by providing more details on impacts, risks and opportunities as well as quantitative data points per material topic. In 2024, we will continue upon this journey by means of a "CSRD Taskforce" and "ESG Reporting" function.

Our segments

Liquors
High interest rates and excessive supply from brand owners resulted in market disturbance. This, combined with strong fluctuations in major currencies in Asia and severe competition from local distributors led eventually to lower demand and as such to lower prices which negatively effected our results. We are seeing signs of recovery in 2024 as far as demand is concerned, but we do not expect prices to stabilise during the first half of the year. The segment will still feel the aftermath of last year's effects. An anticipated decrease in interest rates and a more controlled supply and price strategy by the brand owners make us cautiously optimistic about the second half of the year.

Turnover moved from € 649.7 million to € 587.0 million and gross profit decreased from € 62.0 million to € 40.1 million, partly influenced by one offs.

Beauty
A record-breaking year for Beauty whereby despite challenging economic circumstances the Beauty segment was able to increase turnover by 5.7% YoY up to

€ 771.3 million and gross profit increased with 1.8% up to € 128.6 million. This increase in both turnover and margin is mainly attributable to the B2C business, especially "Fragrance.com", and is fully in line with the Beauty's long-term strategy. In recent years, investments have been made resulting in a stable foundation including the expansion of warehouse capacities establishing further procurement opportunities with the Beauty brands. Due to these investments and inherent to higher operating expenses, the true potential has not yet been realised this year, but the conditions are now in place for subsequent expansion of the business whereby efficiency gains will be realised, expecting to have a positive effect on future operating results.

Personal Care

Our Personal Care segment had an exceptional strong year supported by post-COVID market circumstances in the European and global trade business, next to strong execution of their Private Label strategy.

The scarcity in the stock lot market has led to a significant increase in prices, which has also had a positive impact on margins. By focusing on certain customer segments combined with the logistics optimization around this, a better overall margin was achieved.

Turnover increased by € 91.8 million to € 394.4 million and gross profit from € 50.9 million to € 83.1 million. Approximately 50% of the growth can be allocated to our Private Label strategy.

Food

In 2023, our Food segment prioritised stability and service excellence amidst challenging market conditions, focusing on three core areas: (i) Duty-free channels, (ii) Maritime and Cruise Businesses, and (iii) Export/ Distribution into underserved markets. Embracing digital transformation, we enhanced client and supplier interactions, significantly digitising orders via the "KingofReach.com" platform and EDI integrations.

Despite significant inflation, we strategically managed costs and adjusted pricing and reviewed where needed quality of the revenue. This approach resulted in a stable normalised Gross profit, while turnover decreased from € 330 million to € 309 million.

Health

Health is a specialist in the worldwide distribution of pharmaceutical products and medical devices, with extensive experience in supplying medicals to Maritime, Offshore, NGO's and Remote locations.

During FY 2023 Health had a steady growth in both turnover and gross profit from respectively € 47.6 million to € 49.5 million and from € 8.5 million to € 9.0 million. The growth compared to FY 2022 is mainly driven by the continued recovery of the travel related vaccine and medicines business, while there continue to be shortages of supplies in the Health market.

During the year, Health increased focus to take advantages of the opportunities in the global cruise market and actively participated in Government and Defense related tenders providing vaccines to NGO's and armed forces around the globe. In 2023, the Health management team has been further strengthened, focusing on driving operational excellence in logistics and warehousing and improve further digitalisation to support the growth.

Travel Retail

Our Travel Retail segment operates over 50 Travel Retail Airport stores across Europe, the Middle East and Africa. Turnover increased in 2023 from € 90 million to € 109 million. Total number of passengers did recover to 85% towards the end of 2023 in most of the airports after Covid. Travelers from Asia as well as the business travelers are the most important clients for our segment and these groups have not recovered in full, also due the new way of working from home and the challenges that the Chinese Economy faces.

Our strategy is to further develop our retail store concept & omnichannel offer, supported by well trained staff resulting in excellent customer experience and long-term airport partnerships. We are continuously further automizing our operation including our marketing campaigns with our in-store customer touchpoints through focus on different travelers on specific airports: leisure *(family* & friends), business *(hybrid, gifting & premium)* and transit *(Asian, dwell-time & high-end)*.

In the last 24 months Travel Retail opened over 15 new stores of which all will reach mature sales levels in the next 18 months.

Outlook
For 2024 we project topline growth across our segments in line with our Financial objectives 2024-2026 albeit at the lower end of the range, resulting in a consolidated growth of approximately 5%. We expect to continue growth in our Personal Care, Beauty and Travel Retail segments. Our segment Food is expected to grow on the back of market developments. Travel Retail will grow in 2024 partly due to full year effects of new stores and the further recovery of travelers. Global liquor markets are expected to bottom out in the second half of 2024. As a result we expect continued difficult market circumstances in the first half year. We project staff cost and other operating expenses to normalize, yet inflation is expected to remain a factor. With stable gross profit margins we project EBITDA margin in the range of 5 to 6%.

Executive Boards

“A first year in a unique company. It is a privilige to work with great people towards an even more stable, sound and entrepreneurial future”

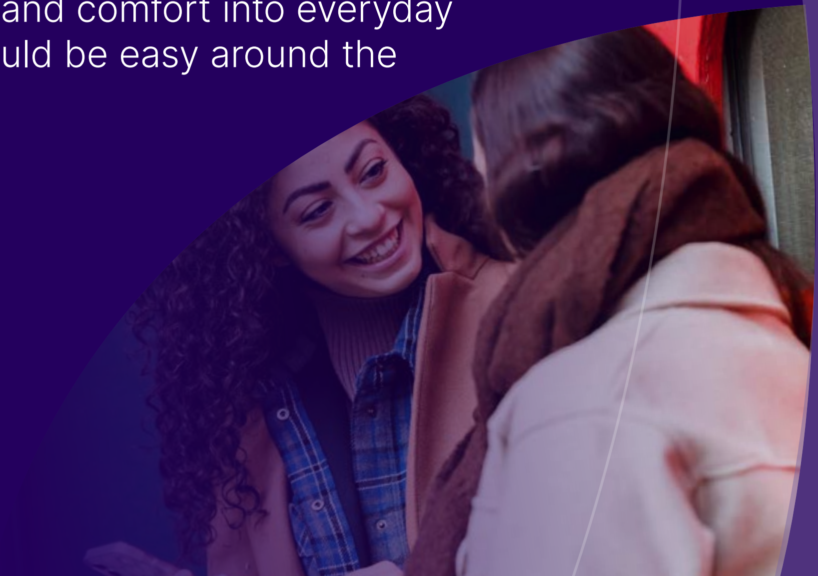
Left to right:
Ken Lageveen, Simone van den Eertwegh (Company Secretary), Peter van Mierlo, Bas Schreuders, Mark Faasse

About B&S

Our mission

Make branded consumer goods available to everyone, anywhere.

We connect brands to consumers everywhere. We believe that getting access to consumer products that bring joy and comfort into everyday lives, should be easy around the globe.



We create value through:

- Distributing branded consumer goods globally
- **Building sustainable partnerships**
- Solving complexities in the value chain
- **Providing easy access and smart delivery**
- Empowering people and partners with technology
- **Portfolio management and continuous improvement**

Our values

At B&S, we build an inclusive workplace where everyone feels safe and respected. A place where everyone lives according to our values.

Our values inform us how we work together as a team and guide our decision-making. By staying true to our values, we'll grow and prosper both as a Company and as individuals.

The decisions we make today define our tomorrow. Everyone who acts on behalf of B&S must act with integrity, be accountable and do the right thing, especially in difficult circumstances.

Reliable

We focus on long-term partnerships, delivering consistent quality and transparency in everything we do. Whatever the circumstances, we stand by our promises and commitments.

Eager

Being passionate and proud of our work is what we are known for. Each of our people has the confidence to go beyond the ordinary and grow by leaps and bounds.

Agile

We match our expertise with flexibility and resourcefulness, always with a problem solving attitude. This allows us to react quickly to the ever-changing environments in which we operate.

Curious

We are driven by our distinctive entrepreneurial spirit. We always seek new opportunities, take calculated risks and embrace continuous learning. We strive to find new ways to fulfil and contribute to sustainable growth.

Human

We believe in the power of working together. Our diversity of thought and background is what makes us the global Company we are today. We prioritise building strong relationships and teams by valuing and learning from each other.

Our strategic outlook 2024-2026

Towards autonomous and accountable segments

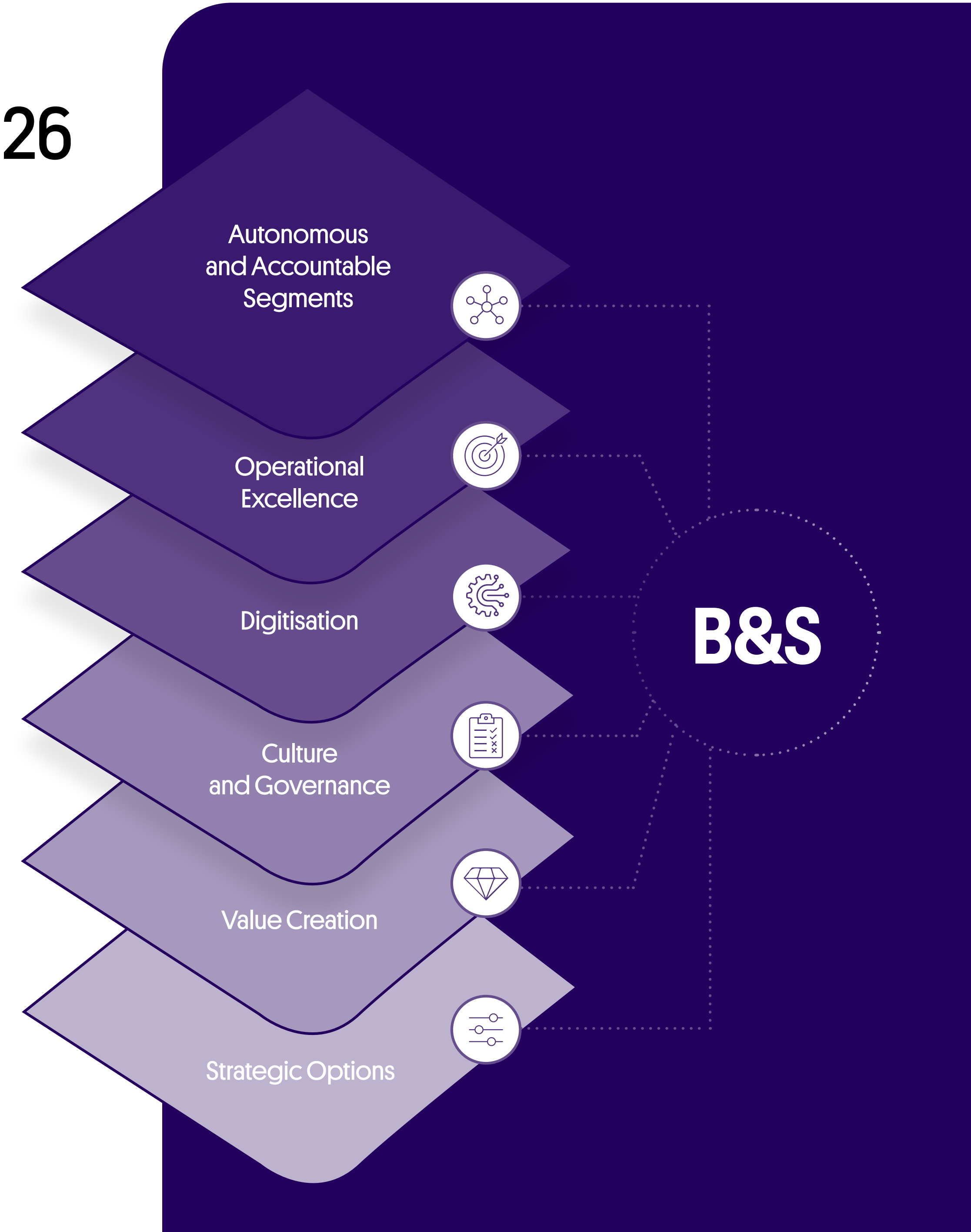
In the period 2024 – 2026 we will guide B&S through its strategic transformation towards autonomous and accountable Segments. Autonomous, because we want decentralised companies that operate close to their markets. Accountable, because we want to maximise the value we create by optimising entrepreneurship and minimising risks.

Six Segments united in consumer goods

B&S owns six different segments united in branded consumer goods, each with different risk profiles, opportunities and markets. Our segments operate close to their markets and benefit from a decentralized management approach. All are led by strong commercial teams. The networks in which they operate are segment specific which is also true for their business models.

Strategic focus points

B&S has 6 strategic focus points: **Autonomous and Accountable Segments, Operational Excellence, Digitisation, Culture and Governance, Value Creation and Strategic Options** around Government and Defense, M&A activities and the logistical back bone. The holding provides services to our segments to shape their strategy, support growth, increase profitability, improve on execution, implement best practices, deliver on sustainability and mitigate risks.



Our Business Model and Evolving Global Trends

Introduction
Our planet and all humans are facing challenges that we have not grown accustomed to in the last 50 years. Although a lot of generations have prided themselves for living in an era of unknown change it cannot be denied that today's trends are different.

Today's developments around geo political tensions, demography, globalisation and regionalisation, as well as impact of (artificial) technology, climate change, developments in healthcare, they all create new challenges and demand new business models and new leadership.

The global trends as we know them also impact the value creation opportunities of the B&S group. Unfortunately, we do not have a crystal ball predicting the future. At the same time, we are obliged towards our stakeholders to think through possible consequences and opportunities as a result of these global trends.

Our segments are not impacted by these global trends in a similar manner. Sometimes the impact is limited, sometimes positive and sometimes the opposite. Below we give you an impression of possible effects in the medium and longer term for the group.

Demography
The demographic effects in the west are centred around a limited increase in the number of people and an increasing average age effect. The growth in global population in the next decade predominantly will be found in India and Africa.

The aging population could positively impact our Beauty, Health and Personal Care segments, next to the Cruise business. Our exports to Africa as well as India will be positively impacted by the growth in population on these continents. The rise of India as a relevant global economic power does impact its relevance for our segments that operate on a global scale.

Geopolitical tensions
Tensions around the world do impact free trade around the world in a negative manner and as a result the tensions probably have a negative impact on our business model. Travel Retail is negatively influenced due to the no-fly zone above Russia and the direct decline in travellers from the regions which are impacted by the geopolitical tensions. Unfortunately, the need for peace keeping forces around the globe do not decrease. Our current global logistical backbone is well positioned to serve the peace keeping forces in EMEA.

Technology and A.I.
Digitisation is not for nothing an important part of our strategy. Examples include: stock control, time to market client, monitoring any market trends, signalling supply chain issues with our clients and our suppliers. All these matters are positively impacted by technology and the opportunities provided by A.I. solutions. Digitisation also opens up new business opportunities in our diversified markets currently mainly driven by e-commerce.

To convert these efficiencies into cost decreases will remain a challenge for the group. So far, the benefits have been more often used to strengthen relationships with clients and suppliers. One of the challenges we have is to convert all our digitisation into cost decreases in the short and medium term.

Climate Change
Climate change will impact the global stability in the medium term. As you can read in this annual report we do pay a lot of attention on the topic of sustainability, decreasing waste, bringing down logistical costs and defining our goals in this

respect towards 2030. Nonetheless we all realise that our efforts by themselves will not change the impact of climate change for the world. In general, as regards our business model, we believe climate change will increase volatility in our markets. It will increase the need for medicine and health products and there will be more demand for our capabilities to deliver large quantities of food products to distant places. Climate change might impact the ease of doing business as well as the current global logistical patterns. In our medium-term business model we have assumed rising sea levels will not impact our global logistical backbone.

Globalisation
Some people believe that the globalisation process will decline, and that the world will fall into 4 or 5 different blocks with their own view on humanity and global trade. Our business model will not benefit from such a scenario. All our segments benefit from free global trade and a minimum of trade barriers in spite of the fact that complexity of regulation around consumer goods could also be beneficial for our group since we are well positioned to solve these complexities.

Travel Retail will logically benefit from a further increase in air travellers which is positively correlated with globalisation. Globalisation is also helping the marketing efforts around the globe for branded consumer goods. We do believe that globalisation in general positively impacts the demand for branded consumer goods. The demand in underserved markets in economies that are growing does substantiate this latter view even further.

Impact on our people of these global trends
Our business models will be impacted by these global trends and probably others as well. To which extent we will be impacted is hard to imagine and also difficult to predict since these are all future events. Nonetheless these circumstances do provide guidance to act now in order to be prepared to the best we can. We have taken the following observations on board in order to adapt our behaviour and the Company's culture, including our Human Resource prerequisites.

Leadership
Leadership will be needed to recognise these market developments and to mitigate risks and to seize the opportunities at the same time. It requires leadership that excels in transparency and is open for new ideas and can cope with changing circumstances. We will need more entrepreneurs and coaches than managers. We will need people who are prepared to work in teams, think together and will be able to understand the bigger picture.

Technology skilled
Our people will need to become more Technology Savvy and be able to act on intuition and give real meaning to our value 'Human'.

Understanding the world and being a strategist
To recognize the opportunities our people will need to better understand the world and think strategically about opportunities and risks.

Entrepreneurs that reflect
With all the trends and everything happening in the world change is the constant factor. Our people will need to ask for help more often. Self confidence is needed and at the same time, our people need to be curious and open to engage in new endeavours.

Our Autonomous & Accountable segments providing services

Our segments operating in different global markets , all providing supply chain services

Our services are driven by our people, technology and our logistical backbone. They are delivered cross-sector and underpin our ability to handle a high level of supply chain complexity around the globe.
It allows us to consistently connect our partners throughout the value chain at the right place and at the right time.

Our markets

We distribute branded consumer goods for the benefits of our partners in the following markets:

Global B2C

Global B2R

European Retail

Global Duty Free & Travel Retail

Global Trade

Government & Defense

Cruises, Maritime and Remote

Our segments

B&S owns six different segments united in consumer goods, each with different risk profiles, opportunities and markets.

Liquors

Branded premium liquors for wholesalers, e-commerce platforms and consumers.

Geographic profile: Europe, Middle East, Asia

Owned labels in our portfolio:

Anker Spirits, Square, CVF, Alcodis, Hellwege Spirituosen

Beauty

Building, sourcing, and distributing the best beauty brands in the world: Branded, premium fragrances and cosmetics for consumers, wholesalers and e-commerce platforms.

Geographic profile: USA, Europe, Australia, Asia, Middle East

Owned labels in our portfolio:

JTG, Parfum.nl, Signature Beauty, Checkpoint, Fragrance.com

Personal Care

One-stop partner for premium and private label personal care, cosmetics and home essentials: Branded premium personal and home care products for value retailers.

Geographic profile: Europe

Owned labels in our portfolio:

Topbrands, sence

Food

Bringing the best food and beverage brands to distinctive markets globally: Branded premium food and beverages for duty-free, remote, retail and marine markets

Geographic profile: Europe, Africa, Middle East

Owned label in our portfolio:

KingofReach.com

Health

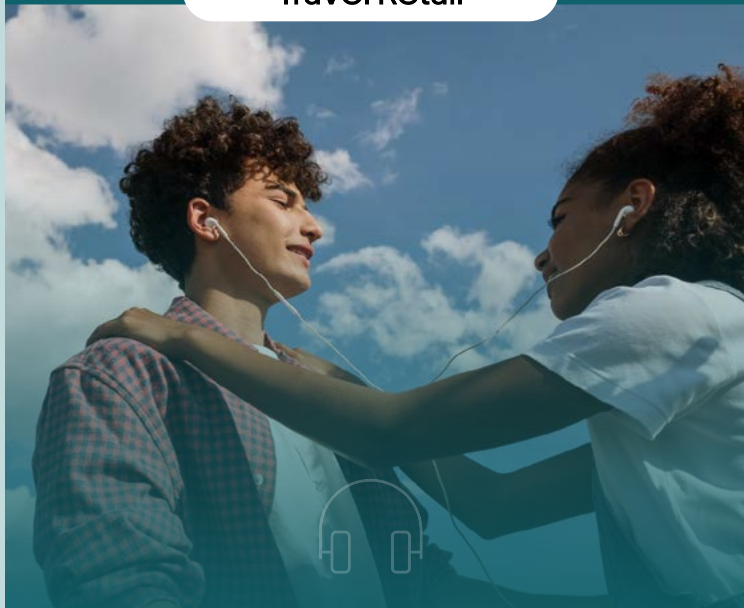
Supplying quality medical supplies, pharmaceuticals, and vaccines: Branded premium medical products and equipment for remote markets, pharmacies and travel clinics.

Geographic profile: Europe

Owned labels in our portfolio:

europortpharmaceuticals ROTTERDAM · Dutch Care Supplies ROTTERDAM · LAGAAY MEDICAL WORLDWIDE MEDICAL SUPPLIER SINCE 1879

Travel Retail



Travel Retail operates stores at around 20 airports mostly in Europe and the Middle East. The Retail segment distinguishes 3 concepts; airport electronics, regional airport multi category and military multi category. These concepts are specific for travellers and military staff with focused assortments, innovative and unique shopping experiences. Travel Retail is an impulse driven business with a competitive pricing model compared to down town and online.

Geographic profile: Europe and Middle East

Owned label in our portfolio:

CAPI

Our locations

B&S has strong positions in distinct markets and selected channels in Europe, MEA and the US.

Our solutions

Sourcing

Our global scale gives access to a vast range of brands and products while our balance sheet allows us to take-in and supply large quantities at favourable prices. This enables us to serve our customers with a large in-stock assortment on demand being +100.000 SKUs combined.

Logistics & Warehousing

Our digitised and automated warehousing solutions speed up operations and resourcefully match demand with efficiently procured supply based on data intelligence. This is all facilitated and supported by our proprietary ERP system.

Distribution

We operate a fully bonded supply chain with warehouses that are licensed to store goods under bond. This allows us to distribute our product range internationally without having to pay import duties, VAT or excise duties anywhere other than in the end-market.

Digital commerce

Through our digital commerce solutions we connect brands and customers cross-border with e-commerce, technology, operations and data.

Marketing and brand development

We help our customers plan and execute B2C and B2B marketing campaigns to grow their business and connect brands to new and / or non-conventional markets.

Our solutions connect our partners in the right place, at the right time.

How we add value

Input

1 Human

- Employees and contractors
- Training and programmes
- Core values

2 Social

- Customers & suppliers
- Investors & authorities
- Communities

3 Natural

- Energy usage
- Natural resources used for product production
- Packaging materials

4 Financial

- Equity
- Debt

5 Manufactured

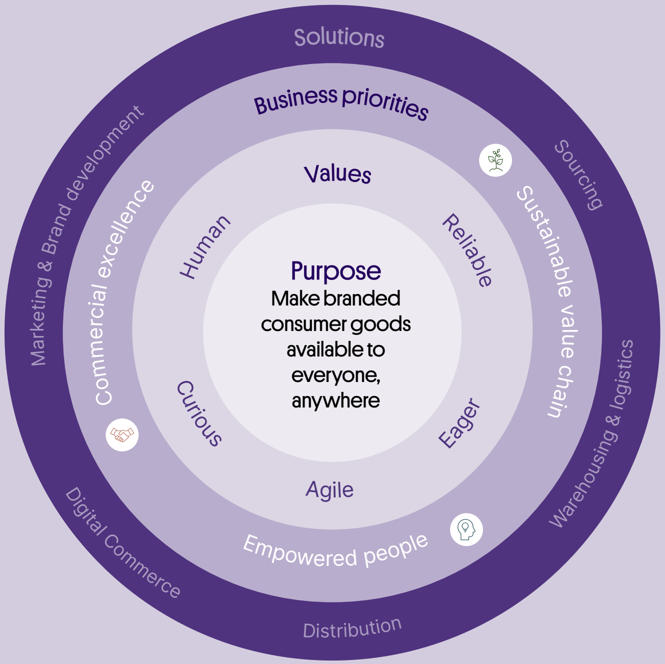
- Stock Keeping Units (SKUs)
- Warehousing & distribution innovations
- Digital orderflows

Value Creation

We deliver value through six autonomous and accountable segments

Market developments

Risk management



Stakeholder engagement

Governance

2024 - 2026 strategy:
'Towards autonomous and accountable segments'

- Operational Excellence
- Digitisation
- Culture and Governance
- Value Creation

Output

Empowered people

- New hires and turnover
- Training of employees
- Accidents and incidents
- Donations and volunteering

Sustainable Value Chain

- CO_2 emissions
- Self-generated electricity
- Waste and recycling
- Sustainable product range
- Supplier screening

Commercial Excellence

- Turnover
- Tax paid
- Products sold
- Recalls
- Non compliance incidents

Outcome

- Employee engagement score
- Retention rate
- People impacted

- Energy and CO2 efficiency
- Waste and packaging reduction
- Sustainable product sales

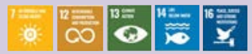
- Organic growth
- Acquisitive growth
- EBITDA margin
- ROIWC
- Net debt/EBITDA
- Dividend paid

Impact

Having an entrepreneurial, safe and inclusive work environment

Retention of workforce with the right capabilities to support our growth strategy

Empowerment and emergency relief of communities in need



Lower environmental footprint of our own operations

More sustainable products available to everyone, anywhere

Maintaining high ethical standards with all our stakeholders

Long term business relations and profitable growth

Unique positions in 7 key markets via our solutions

Responsible, well-respected and reliable organisation.

Our role in the value chain

1 **Suppliers and Manufacturers**
B&S sources her products on a global level from different players in the different applicable industries. We select our suppliers based on quality, price, sustainability and availability. The brands we own and partner with have direct connections with suppliers and manufacturers (including raw material producers).

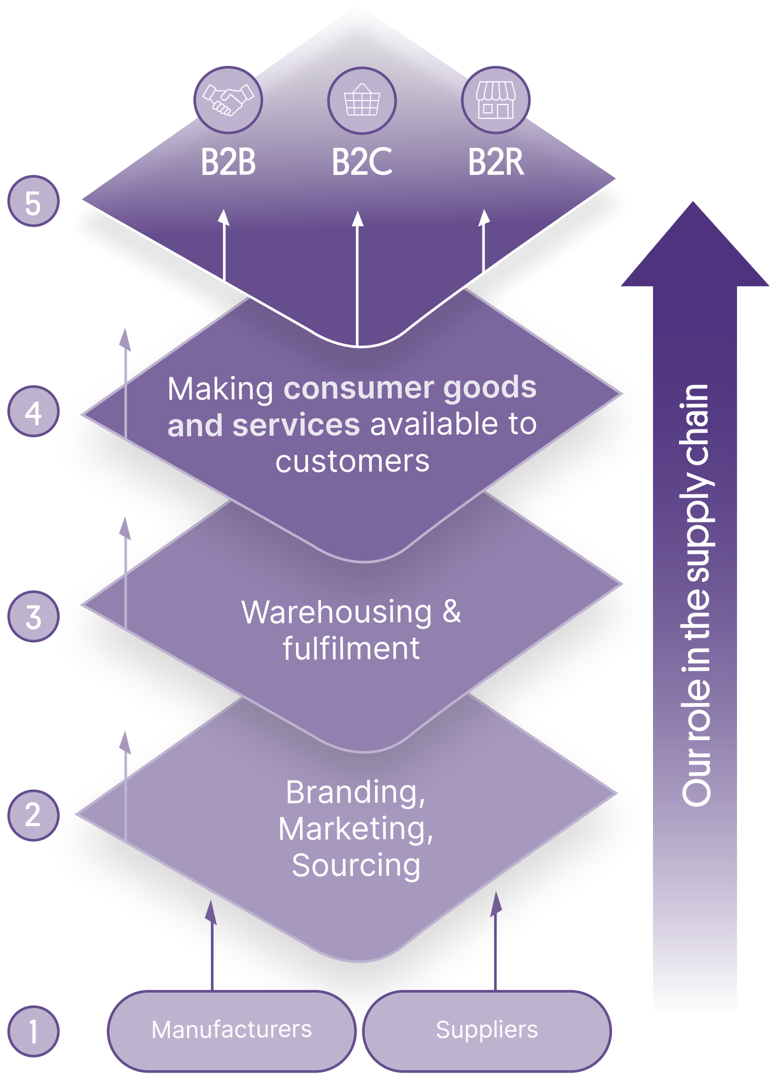
2 **Branding, Marketing and Sourcing**
For our own brands we work directly with product manufacturers. They are certified and screened to ensure best quality and responsible social practice. We have private labels in Personal Care, Food and Consumer Electronics. The assortments provide value at sharp price points. Products are developed with manufacturing partners, while branding and marketing is developed in-house.

We have licensing agreements with various A-brands to develop branded product ranges. We work closely with manufacturers and licensors to create these exclusive ranges, from product to packaging.

We provide services to develop established brands in new categories or help new brands develop from the start. Our services range from product design & development with established industry partners to marketing, sales and distribution.

As B&S we provide marketing services to brand owners for specific products and/ or for specified Regions.

B&S sources her products on a global level from different players in the industry. The way we want to we interact with our suppliers is defined in our Supplier Code. As said we focus on price, availability, sustainability and overall quality level.



3 **Warehousing and Fulfillment**
Various suppliers and brand owners manufacture branded products that are delivered to our warehouses and distribution centers. Brands can benefit from our global network and local expertise to distribute their products in (selected) non-conventional markets and reach a wider audience.

We provide the necessary fulfillment services in order to comply with local rules and regulations. Products are delivered to our (robotised) warehouses where proprietary algorithms automate our picking, transportation, storage, retrieval, and replenishment processes. This allows us to deliver fast, cost efficient and sustainable services to our customers' operations, stores and homes.

4 **Making Consumer Goods available to our customers**
We deliver our product range to our customers' location through our external network of transport partners. This network is carefully selected, screened on compliance criteria and equipped to access even the most complex markets and locations. For platform resellers we provide e-fulfilment and drop shipping services with external partners to deliver orders to their customers' homes. For customers in our owned retail we deliver to their homes with parcel services.

5 **Customers**
We serve three main customers both offline and online, and from bulk loads to a single item.

- Business-to-Business (B2B)
- Business-to-Reseller (B2R)
- Business-to-Consumer (B2C)

What matters to our stakeholders

Creating value for our key stakeholders is core to our strategy and long-term growth path.
We define stakeholders as individuals, groups or organisations that can be affected or influenced as a result of our business activities. Our key stakeholders are customers, suppliers, employees, authorities, investors and societal organisations as we enable them all to become connected through our unique value chain solutions. Our engagement approach is based upon developing meaningful relationships with them through incorporating their perspectives, concerns and other inputs into our growth strategy.

Considering the varying levels of interest and impact of each stakeholder group, we established engagement strategies based on the results of a stakeholder analysis in order to ensure effective relationship management. Our engagement approach takes into account the level of impact we have on a respective stakeholder group – being it either negative or positive – as well as their involvement and interest in certain issues. Our engagement strategy is therefore focused upon three approaches:

- Monitor regularly and anticipate on needs
- Engage regularly in order to ensure satisfied stakeholders
- Inform completely and monitor closely

We also engage with our stakeholders to gather input and feedback for our double materiality assessment. Through this exercise, stakeholders pointed out which topics, risks and opportunities are most important to them and where we as B&S can make a difference. Outcomes of the assessment and views per stakeholder group where discussed and reflected upon with management. Subsequently, the results formed the backbone of our corporate strategy as well as defined which topics to disclose upon as part of our annual reporting efforts.

Stakeholder group	Why they are important to us	Stakeholder engagement strategy	How we engage	Most important topics
Customers	Our global customer base is widely spread, and includes wholesalers, resellers and consumers. In order to align interests, we foster a climate of mutual awareness and understanding.	**Monitor regularly and anticipate on needs** We focus on long-term partnerships based on expertise and engagement, which enables us to embed sustainable practices that meet diverse needs of all our customers.	• Trade shows • Client visits • Emails and calls • Digital platforms	• Long term business relations • Business growth & profitability • Customs compliance • Sustainable distribution • Responsible product portfolio
Investors	Our financial stakeholders play an important role in our long-term strategy to create value.	**Monitor regularly and anticipate on needs** We strive to inform our investors as completely and transparently as possible on our strategy and financial performance.	• AGMs and EGMs • Investor conferences and roadshows • Press releases • Site visits • Emails and calls	• Sustainable distribution • Business growth & profitability • Employee health, safety & wellbeing • Governance & accountability

Stakeholder group	Why they are important to us	Stakeholder engagement strategy	How we engage	Most important topics
Employees	Our people are our most important asset. Our experienced and highly-qualified employees are making the difference when it comes to serving our stakeholders. Providing an inspiring work environment and offering professional development to our people is essential in fostering future business growth.	**Engage regularly to keep satisfied** We encourage employees to speak their minds and we inform and consult them on key developments regularly.	• Works councils (NL only) • Employee Satisfaction Survey (NL only) • Intranet • Dialog performance reviews • Annual town halls • Regular team meetings	• Employee health, safety and well-being • Business growth & profitability • People & talent development • Long term business relations • Product safety & quality
Suppliers	Our global partnerships with premium brands and service providers are established to foster mutually benefits and secure the supply of the products we supply.	**Engage regularly to keep satisfied** We maintain transparent and regular communication with suppliers, and provide digitalization service to improve efficiency.	• Trade shows • Supplier visits • Emails and calls • Digital platforms	• Long term business relations • Business growth & profitability • Circular economy • Sustainable distribution • Responsible & ethical business conduct
Authorities	Ensuring customs compliance, food and product safety, and adherence to local rules and regulations in all our international (logistics) operations are the foundations of our business practices. That is why we emphasize on upholding good relations with authorities and governmental bodies throughout our value chain.	**Engage regularly to keep satisfied** We continue to collaborate closely with authorities to ensure compliance and build positive relations, enhancing our business practices.	• Information sessions with financial authorities • Audits related to our bonded warehouse status and food safety requirements • Roundtables and memberships at Netherlands Food and Consumer Product • Safety Authority	• Long term business relations • Sustainable distribution • Innovative value adding services • Climate action • Business growth & profitability
Society	We care about the communities we operate in and are keen to address global concerns such as climate change, circular economy and human rights.	**Inform completely and monitor closely** We are involved in numerous partnerships and collaborations with educational institutions, human rights organisations and sector associations to exchange knowledge and know-how.	• Membership of United Nations Global Compact and participation in various peer learning groups • Roundtables and memberships at association (e.g. Evofenedex) • Educational programmes and lectures at universities and colleges • Donations to NGOs both monetary and in-kind	• Responsible & ethical business conduct • Community engagement • Circular economy • Employee health, safety & wellbeing • Innovative value adding services

Double materiality assessment

As part of our new strategic outlook for 2024-2026 and to reflect upon the upcoming regulatory changes in the space of Sustainability Reporting, we further refined our materiality assessment.

Step 1 Identification of list of potential issues

We validated the landscape of potential environmental, social, governance and economical topics by distilling a long list of 100 potential topics. This list of topics is based upon

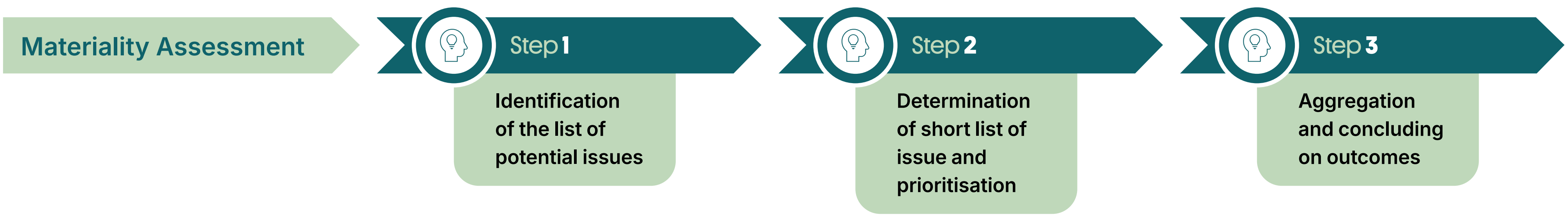
1. Stakeholder and business context of B&S
2. Emerging trends and market developments
3. Regulatory developments and international reporting standards
4. Sustainability frameworks and benchmarks
5. Conversations with employees, senior and executive management within B&S

Step 2 Determination of short list of issue and prioritisation

Through industry-specific benchmarking from Sustainability Accounting Standards Board (SASB), peer reviews, past assessments and external expert judgments, we arrived to a short list of 16 relevant matters. In addition, we identified 7 subtopics related to 'responsible product portfolio' in order to allow for business-segment specific insights from our stakeholders. Each topic received a definition to provide perspective and clarify to stakeholders what is meant by the topic. In addition, we defined which impacts, risks and opportunities would occur as a result of certain issues as well as where in the value chain they would occur. The topics were discussed and validated with the Executive Boards and Managing Directors of the segments.

The short list of matters were subjected to a double materiality assessment, considering both the impact of B&S on the economy, environment and society and the financial consequences of the respective impact of the matters on B&S's business success.

- Impact materiality: through an online survey conducted with assistance from a third party sustainability consultant the level of importance of the issues to each stakeholder was determined. Respondents were asked to select five topics that are of highest importance to them and ranking their selected topics in a top-five (number 1 being the most impactful (i.e. important, significant,



- relevant) and number 5 being the least impactful). The likelihood of occurrence of the impacts was assessed by the sustainability department.
- Financial materiality: through internal discussions regarding the severity of financial impacts and likelihood of occurring associated with each topic, the sustainability department established the foundation for consultation with the Executive Boards.

Step 3 Aggregation and concluding on outcomes

The insights from the double materiality assessments were integrated into a matrix and the outcome was approved by the Executive Boards. Subsequently, the assessment was used as input to determine our strategic outlook 2024-2026.

The double materiality exercise confirmed the set of material topics that are an integral part of our "Reach with Impact" sustainability strategy. It also defined which topics should be used for disclosure purposes in our Annual Report in order to effectively communicate about our sustainability priorities and results to stakeholders and the public.

Lastly, we mapped the issues and impacts along the principle risks as reported in our risk management section and updated them accordingly so as to reflect upon segment specific situations.

The materiality assessment formed the basis of our "Reach with Impact" sustainability strategy.

Materiality matrix

Empowered people

5 People development
6 Employee health, safety & well-being
7 Diversity & inclusion
8 Community engagement

Sustainable value chain

11 Responsible & ethical business conduct
13 Climate action
14 Sustainable distribution
15 Circular economy
16 Responsible product portfolio

Commercial excellence

1 Business growth & profitability
2 Long term business relations
3 Governance & accountability
4 Innovative value adding services
9 Customs & compliance
10 Security & data privacy
12 Product quality & safety

List of Company-wide sustainability matters, including boundary and key impacts

#	Material topic	Upstream	Own operations	Downstream	Definition	Key impact
1	**Business growth & profitability**		●		Further expanding our business through investing in organic growth and acquisitions whilst remaining long term profitable.	• Financial health • Employee retention • Tax payments • Relationship with business partners
2	**Long term business relations**	●	●	●	Upholding a good reputation with business partners and focusing on adding value to our partners' businesses to support their growth and our own.	• Financial health • Relationship with business partner
3	**Governance & accountability**		●		Implementing policies and practices to ensure accountability, compliance with reporting requirements and robust risk management execution to meet stakeholders' expectations.	• Financial health • Relationship with business partners • Compliance with rules and regulations
4	**Innovative value adding services**		●	●	Promoting innovative and digital technologies to enable efficient ways of working and to create new ways of conducting business such as digital commerce, marketing, and brand development.	• Financial health • Relationship with business partners • New business
5	**People development**		●		Committing to hiring, training, and retaining talented employees in order to bring out the best in them and to ensure a workforce that matches our growth objectives.	• Financial health • Agile to market changes • Productivity • Employee engagement • Employee retention • Attractive employer
6	**Employee health, safety & well-being**		●		Promoting and protecting the mental and physical well-being of employees by encouraging safe behaviours, implementing health & safety measures, and enabling employees to make informed decisions to achieve and maintain a healthy lifestyle.	• Reduced absenteeism • Employee engagement • Employee retention
7	**Diversity & inclusion**		●		Ensuring equal opportunities and fair treatment among our employees and promoting an inclusive work culture that fosters diversity and aims to attract people from the broadest talent pool.	• Productivity • Motivated staff • Attractive employer
8	**Community engagement**			●	Contributing to communities and supporting those in need through volunteering, donations and initiating social impact projects.	• Employee engagement • Employer attractiveness • Addressing negative environment and social impacts in supply chain

#	Material topic	Upstream	Own operations	Downstream	Definition	Key impact
9	Customs compliance	●	●	●	Ensuring compliance with all relevant rules and regulations to uphold our relationship and status with authorities, suppliers, and customers.	• Relationship with business partners • Compliance with rules and regulations
10	Security & data privacy	●	●	●	Setting up and adhering to the right policies and control framework to keep business, customers, and employees' data safe as well as to ensure restricted access to our sites.	• Relationship with business partners • Compliance with rules and regulations • Protection of data, products, business relations and staff
11	Responsible & ethical business conduct	●	●		Upholding ethical principles in selecting our business relationships and activities by adhering to strict policies and guidelines to avoid corruption, bribery, fraud, financial risks, human rights violations, and negative environmental impacts.	• Addressing climate change, biodiversity loss, animal welfare, human rights, water stewardship, pollution and resource scarcity • Compliance with rules and regulations • Relationship with business partners
12	Product quality & safety	●	●	●	Ensuring high-quality products and preventing health risks arising from sale, use, consumption, handling, preparation, and storage throughout the value chain.	• Consumer health • Compliance with rules and regulations • Financial health • Relationship with business partners
13	Climate action	●	●		Implementing energy-efficient ways of working and using renewable energy sources at our own operations in order to reduce carbon emissions.	• CO_2 emissions • Air quality • Financial health: costs
14	Sustainable distribution	●	●	●	Collaborating with our business partners along the value chain to realise efficiency gains and a reduction of carbon emissions when transporting consumer goods.	• CO_2 emissions • Air quality • Financial health: costs
15	Circular economy	●	●		Contributing to the transition towards a circular economy by using sustainable packaging materials as well as reducing waste by optimising opportunities to reuse and recycle materials.	• Resource use and availability • Waste • Pollution • Financial health
16	Responsible product portfolio	●	●	●	Making sustainable products available to everyone, anywhere.	• Addressing climate change, biodiversity loss, animal welfare, human rights, water stewardship, pollution and resource scarcity • Relationship with business partners • New business • Consumer health

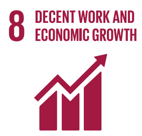
List of business segment specific sustainability matters related to # 16 sustainable product portfolio

#	Topic	Segments: Food	Liquors	Personal Care	Travel Retail	Health	Beauty	Definition	Key impact
16.1	Healthy products	●	●					Offering healthy products to positively influence the world's food and nutrient security as well as informing consumers about nutrient intake.	• Consumer health • New business • Relationship with business partners • Compliance with rules and regulations
16.2	Biodiversity	●		●	●	●		Contributing to the protection of biodiversity and ecosystems (including preventing deforestation) by implementing measures such as using responsible palm oil, ASC/MSC certified fish and FSC paper/cardboard.	• Natural resource availability • Compliance with rules and regulations
16.3	Water stewardship	●	●	●	●	●		Preserving the health of water bodies by contributing to the preservation of the marine environment, reducing water usage & limiting the impact of water pollution, including contaminations of emerging concerns such as pharmaceuticals, microplastics, and chemicals.	• Natural resource availability • Pollution • Health • Compliance with rules and regulations
16.4	Responsible consumption		●		●			Promoting responsible product use among consumers by providing them with tools and information that help them gain a better understanding of the consequences of irresponsible consumption for their health and wellbeing.	• Consumer health • New business • Relationship with business partners • Compliance with rules and regulations
16.5	Animal welfare	●		●	●	●		Safeguarding fair treatment and well-being of animals in our supply chain by keeping animal welfare policies in place related to topics such as living conditions, animal testing and the use of antibiotics.	• Animal welfare • New business • Compliance with rules and regulations
16.6	Access & pricing to medicine					●		Ensuring access to affordable medicines for everyone, anywhere.	• Consumer health
16.7	Human rights	●	●	●	●	●	●	Safeguarding human rights in our supply chain by prohibiting the use of child labor, forced labor, modern slavery and harsh or inhumane treatment of workers whilst promoting fair wages and stimulating freedom of association.	• Human trauma • Poverty • Inequality • Compliance with rules and regulations

Sustainable Development Goals

We support the Sustainable Development Goals (SDGs) that are directed at fostering sustainable development around the world as defined by the United Nations in 2015. We contribute to the SDGs through our main business activities and business priorities.

The circle diagram represents our contribution per SDG based on the SDG impact assessment that was performed in 2022. The SDGs to which we contribute most via our business activities are SDG 8 and 12.



Our business supports and contributes to the livelihoods of thousands of people. We want to ensure rewarding work opportunities, create optimal working conditions, and contribute to economic growth in the communities we operate in.

We aim to improve our product offerings by procuring responsibly and actively promoting more sustainable alternatives. We furthermore focus on being resource conscious by integrating the concepts from the circular economy into our day-to-day operations. Examples include halving our food waste, maximising recycling potential, and reducing our packaging materials.

Throughout this report we highlight to which SDGs we contribute specifically per business priority and material sustainability topic.

Outcome

Empowered people

Great companies are built by great people.

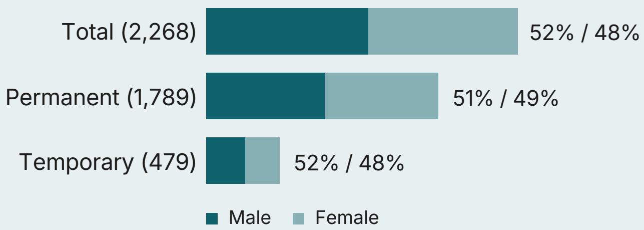
Our ambitions for 2030

- Provide an entrepreneurial, safe, and inclusive environment
- Attract, retain, and develop a workforce with the capabilities to support our growth strategy
- Proactively give back to the community

Applicable SDGs

Our people in 2023

Total number of employees by employment contract*

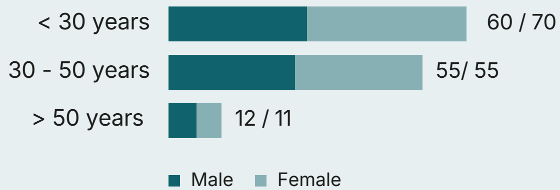


Female to male ratio in senior management

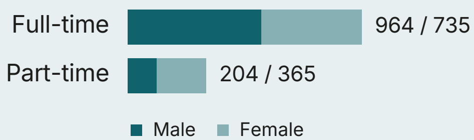
Employees

2,268**

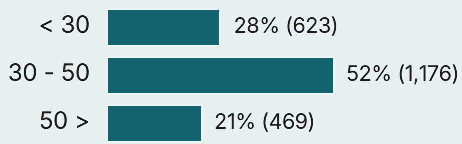
New hires



Total number of employees by employment type



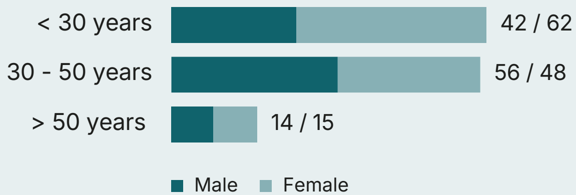
Age distribution



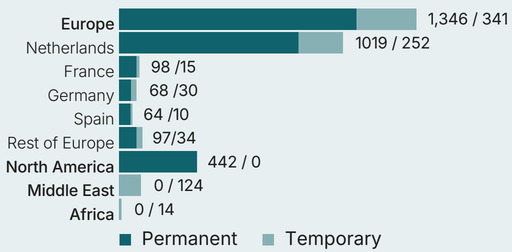
Average age

37.4

Turnover



Total number of employees by employment contract, by region



Certified since 2020

ISO 45001

Committed to

UNGC

since 2010

Nationalities

96***

* Permanent versus Temporary defines as employment contracts with no end date versus contracts with end date.

** The data points and disclosure requirements are aligned with the European sustainability reporting standards: ESRS S1 Own workforce. As a result, the number of employees 2022 has been restated (excluding 65 interns)

*** Excluding US locations.

Employee health, safety, wellbeing and working conditions

This section covers material topic 6

Employability goes beyond skills and expertise, it's also about health, creating a safe work environment and ensuring good working conditions in which our employees can reach their full potential. Maintaining a healthy lifestyle is becoming increasingly important; to prevent illness, reduce absenteeism, and reduce health care costs. Being healthy, focused, and energised makes work much more enjoyable and increases employee motivation. Furthermore, having a safe work environment is a license to operate.

Material impacts, opportunities and risks

Prioritising employee welfare contributes to enhanced productivity and organisational resilience. A healthy workforce positively affects absenteeism rates, turnover and associated recruitment costs. B&S currently faces a though labour market.

Embracing a proactive approach to employee health and safety presents significant opportunities. A positive reputation for prioritising employee well-being not only enhances B&S' brand image as an employer but also fosters customer loyalty and stakeholder trust.

Our policy

Commitment

We will ensure good working conditions for our employees.

Approach

We will achieve this by encouraging and ensuring safe behaviour, implementing additional health and safety measures, helping employees make informed decisions to achieve and maintain a healthy lifestyle and assuring their working conditions are at a right level.

Targets

- A fully operating Health and Safety Management System for all our warehouse employees by the end of 2026.
- Zero accidents, cases of work-related ill-health and days lost to work-related injuries.

Focus areas and principles for our plan of action

- **Fit for work** – We promote the vitality of our employees and give them tools for having a healthy lifestyle.
- **Safe working conditions** – We ensure and encourage safe working conditions and a healthy work-life balance.
- **Engaged** – We stimulate connection with the Company to retain staff and increase business growth and ensure market level working conditions.

Activities and achievements

Fit for work

- To support the continued employability of our staff as well as their mental, physical and social health we started a collaboration with mental well-being service OpenUp in 2022. We started collaborating with OpenUp as a result of the 2021 health survey conducted amongst our Dutch employees. The service provides, amongst others, employees easy and quick access to psychologists via phone, chat or video consultation – all based on their own initiative. In 2024, OpenUp will also offer our employees access to support on how to maintain a healthy lifestyle.
- In addition to our existing Alcohol, Drugs and Medication policy in the Netherlands, 2023 has marked the start of our collaboration with Anonymous Care, part of our partner 'Be-Responsible', allowing employees to find support in case of personal dependency issues. Anonymous Care offers employees help when suffering from or suspecting a dependency issue and offers our employees support and guidance when they suspect a colleague is suffering from dependency issues.

Safe working conditions

- In order to ensure safe and healthy work environments at our B&S locations, we redefined the definition of a functioning Health & Safety Management System during the course of 2023. The system contains the following components, in line with Health & Safety Management system ISO 45001:
  1. An up-to-date Risk Assessment and the accompanying Plan of Action;
  2. An operational Safety team, consisting at least of representatives of Safety & Security (S&S), HR, Facility departments, Logistics and QSHE;
  3. An active Safety & Security portal where accidents, near misses and other health & safety incidents can be reported;
  4. Structural follow-up of the Plan of Action resulting from the Risk Assessment within the safety team;
  5. Structural analysis of the S&S portal reports and absenteeism figures within the safety team.

We took the following steps in 2023:

- Due to an expiring ISO 45001 certificate (valid for 3 years), the Dordrecht location has been completely re-audited in 2023. This resulted in the ISO certificate being obtained again for another 3 years. Both our B&S locations in Delfzijl and Veendam are now eligible for ISO 45001 certification.
- Within Travel Retail, a Risk Assessment has been carried out at all shop locations in Europe. The Risk assessment showed that there are still steps to be taken towards a better working environment in the areas of psychosocial workload, emergency facilities and office furnishings. The results of this assessments will be addressed within the recently established Travel Retail Safety Team.
- For locations that do not have a fully functional Health & Safety Management System yet, currently local measures are being taken when it comes to maintaining a safe work environment. Local offices, such as our Spanish offices, periodically conduct risk assessments or work with external partners to do so.
- During the course of 2023, we have provided our Dutch employees with information, tools and guidance to collectively contribute to a safe working environment. Our onboarding programme explains our safety rules to each new team member and during the course of the year, our policies focused on

creating a safe working environment, such as our policy on Unwanted Manners has been redistributed.
- We have provided a number of trainings to managers and supervisors in our logistics departments in the Netherland aimed at preventing absence and increasing productivity by increasing knowledge levels.

Engagement surveys
- Two engagement surveys were carried out in the Netherlands in 2023. One in Q1, providing a general baseline measurement on a number of themes. A second one taking a deep dive into the subjects of Management & Health was executed in Q2, giving us further insight in areas of attention.

  The segment HR teams are following up on local results. Overarching programmes following the engagement surveys will come from the HR expertise of Employability, Learning & Development and Compensation and Benefits.

To follow up on findings of the survey we executed several initiatives:
- Introduced a new platform, the Learning Hub, which gives us one central place of quality training, in every field and at every level.
- Launched a pilot for a training programme for our management. In 2024 this programme will be available to all supervisors.
- We continue to use OpenUp next year, with an extra module in addition to the mental help offer.
- Pension sessions have been organised for our 55+ colleagues.
- We offer discounts to our employees via the website Benefits at Work.

We will continue organising engagement surveys on different topics across all segments.

Social dialog
Effective social dialogue with workers or their representatives, fosters a collaborative environment, ensuring that employees' perspectives and concerns are heard and addressed and their human rights are respected. By involving workers in decision-making processes, B&S can tap into valuable insights, enhance workplace morale, and build a culture of trust and cooperation.

A new Joint Works Council in the Netherlands has been established. In 2023 they were involved in, amongst others, the following topics:
- The relocation of our Travel Retail head office
- The implementation of our new Learning Platform in the Netherlands
- The implementation of a new time & attendance system in the Netherlands

Furthermore, the Executive Boards met with the Joint Works Council several times to discuss a wide variety of subjects.

Social Protection
We follow local legislation and socioeconomic systems when it comes to social security measures. Additionally, we offer specific populations additional insurances when it comes to losing your job after sickness and the B&S pension scheme offers an at-risk insurance for surviving relatives in the unfortunate event of an employee passing during service (Netherlands, B&S package), we have additional compensation for work-stoppages (Liquors France) and we have additional or more extensive health insurance options available (Personal Care Scandinavia, Beauty USA, Personal Care Spain).

Develop our people

This section covers material topic 5

Companies that prioritise employee growth foster a culture of continuous improvement, attracting top-tier talent. A skilled and motivated workforce becomes a strategic asset, capable of driving innovation, improving customer satisfaction, and expanding market reach. Furthermore, organisations that invest in learning and development often find themselves better positioned to adapt to market shifts and capitalize on new opportunities.

Material impacts, opportunities and risks

Learning and development stand as pillars in B&S' organisational success, wielding material impacts, risks, and opportunities that directly shape a company's trajectory in today's dynamic business landscape.

Investing in learning and development initiatives cultivates a skilled and adaptable workforce. A well-trained team is not only more proficient in their current roles but also better equipped to navigate evolving industry trends and technological advancements. This fosters innovation and agility, key factors in staying competitive and aligning with B&S' cultural values. The direct correlation between employee development and enhanced performance underscores the material benefits of a workforce that is continually expanding its skill set.

Risks associated with neglecting learning and development are multifaceted. In a rapidly changing business environment, failure to invest in employee growth can result in skill gaps, rendering the workforce ill-equipped for emerging challenges. This not only hampers productivity but can lead to employee disengagement and, ultimately, attrition. Additionally, organisations that lag in developing their talent pool risk falling behind in innovation and market responsiveness.

Our people are the most important asset to ensure business continuity. Our business thrives on our talented employees. A balance between developing the right set of skills and personal and professional growth, enables our organisation to grow. Attracting, retaining, and developing a workforce with the right set of skills and capabilities supports our strategy. Nurturing talent and attracting digital savvy talent enables us to be a high-tech business partner and employer. Providing our people with access to quality learning is crucial in order to perform in their current role and prepare them for future roles.

Our policy

Commitment

We will attract and retain talent to develop an engaged workforce that matches our growth strategy.

Approach

We will achieve this by, amongst other, offering development programmes matched to specific needs of the employee or teams.

Target

- Learning is available to everyone.
- All employees receive a regular performance and career development review.

Focus areas and principles for our plan of action

- **Welcome to B&S!** – We give new employees a warm welcome and introduce B&S, culture, norms, values, and way of working.
- **Learning** – We ensure necessary learning is available to all employees across all B&S locations and allow people to submit initiatives for their personal development.
- **Development** – We focus on further developing our workforce with targeted development opportunities.

Activities and achievements

Welcome to B&S!

- This year we launched our new communications platform Hub open to all employees within B&S. Our existing onboarding track for our Dutch colleagues has been moved to the Learning & Development section of this platform.
- Specific B&S segments started working on segment specific onboarding during the course of 2023.

Learning

- We launched a new Learning Hub. The platform allows for a centralised registration of all education booked and approved through the platform. These can be mandatory trainings, such as forklift and first aid-trainings, individual development opportunities, such as postgraduates degrees as well as internal programmes and training courses.

The full platform is available for all Dutch locations, whereas the free e-learnings in English are available for our non-Dutch locations, with the exception of the USA and Europe Beauty Group.

By launching the platform, B&S responds to the needs of our employees expressed in the 2021 as well as the Q1 2023 engagement surveys, where learning opportunities where mentioned as material topics.

Development

In 2023, we focused on the topics of leadership development, talent management and performance management.

- **Leadership development**
  Mid-2023, two pilot groups consisting of Dutch middle managers have started a three day leadership programme in collaboration with an external party. These days, mainly focused at leadership styles, behaviours and techniques, offer our colleagues practical and easy to use tools to improve as leaders within the organisation. Positive feedback has led to the further extension of this programme for our Dutch locations (with the exception of Personal Care) as per 2024, distinguishing three different training lines: Leadership development, Leadership programme team leads and a 'Start to Lead' programme.

- **Talent Management:**
  In order to ensure organisational continuity as well as retain talent within the organisation, the first steps in the area of talent management have been made at the end of 2023, using a 9-grid. During the course of 2024, more specific programmes, focused on retaining and developing our top talent will be set up.

- **Performance Management**
  B&S aims for each employee to have an annual performance review in 2025. In 2022, Dialog, a performance management tool has been launched at B&S. With the exception of Personal Care, Europe Beauty Group and the USA, all of our colleagues are currently using Dialog to set their annual targets, register progression and administer their performance reviews.

Be diverse and inclusive

This section covers material topic 7

Companies thrive when its employees thrive. This requires a working environment in which people feel a sense of belonging and purpose. B&S believes in the power of diversity and inclusion to enrich our workplace and grow our business. Each of us matters in spurring innovation and creativity. Having diverse teams with various backgrounds and cultures is important to who we are and how we operate.

Material impacts, opportunities and risks

A diverse and inclusive workforce drives innovation and creativity. Teams comprising individuals with varied backgrounds, perspectives, and experiences are better equipped to solve complex problems and generate groundbreaking ideas. This diversity of thought fosters adaptability and resilience, essential qualities in navigating today's dynamic business landscape. Moreover, companies that champion D&I often enjoy improved employee morale and engagement, leading to increased productivity and a positive corporate culture.

If you fail as a company to embrace diversity and inclusion, you risk losing customers and employees, resulting in a tarnished brand image, decreased market share and legal repercussions. Beyond these external risks, internally this can result in talent attrition, lower employee satisfaction and a lack of diverse perspectives hindering problem-solving.

Moreover, the embrace of diversity and inclusion presents opportunities. Diverse teams are better equipped to understand and serve a broad customer base, enhancing market penetration and customer loyalty. Companies that actively promote D&I also attract a wider pool of top talent, fostering a competitive edge in recruitment.

D&I are not just ethical imperatives; they are strategic necessities. The material impacts, risks, and opportunities associated with these initiatives underscore their critical role in shaping B&S' competitiveness, innovation, and overall success.

Our policy

Commitment

We will cultivate an inclusive work environment that fosters and is respectful of different ideas, perspectives, and beliefs. We believe that every B&S employee deserves to feel welcome, valued and safe.

Approach

We will achieve this by ensuring equal opportunities and fair treatment for all employees in order to attract people from the broadest talent pool.

Target

- 30% female in senior management.
- Zero complaints on discrimination, including harassment.
- Zero complaints filed through internal grievance mechanisms.
- Zero material fines, penalties and compensation for damages as a result of the incidents and complaints disclosed above.

"Through facilitated performance analysis, capacity building workshops, peer-to-peer learning and multi-stakeholder dialogue at the country-level, Target Gender Equality will support companies engaged with the UN Global Compact in setting and reaching ambitious corporate targets for women's representation and ensure equal pay for work of equal value".

UN Global Compact, 2023

Focus areas and principles for our plan of action

Talent retention, development and acquisition	We provide equal opportunities and pay from the start. We recruit objectively and underline this with our equal employment opportunities statement.
Inclusive working conditions and environment	We cultivate a work environment in which an employee's identity in no way influences their career path and opportunities. Employees feel safe to voice any concern. We create an objective career progression system. We aim for our working conditions and employment terms to be inclusive.
Awareness and communication	We remove bias and believe people excel and stay when they feel a sense of belonging.

Activities and achievements

Talent retention, development and acquisition

- During the course of 2023, two female Supervisory Board Members were appointed, leading to a 40% female representation in the Supervisory Board.

Inclusive working conditions and environment

- We started creating a company-wide approach on actively promoting diversity and inclusion within the organisation. Starting in the Netherlands, and together with a committee of employee Ambassadors, the organisation will, amongst others, look at:
  - The recruitment and promotion process: further ensuring and being able to show objective qualification criteria for roles.
  - Underrepresented groups: allow for (internal) programmes to support underrepresented groups to reach their full potential.
  - Policies, procedures and grievance mechanisms: update and communicate our expected norms of behaviour and ensure a safe haven for complaints.
- B&S joined the UN Global Compact Target Gender Equality Programme – Netherlands Track, in which company representatives from multiple (multinational) companies come together to learn about improving gender equality in the workplace;
- We started measuring our Gender Pay Gap, as well as our remuneration ratio in preparation of the corporate sustainability reporting directive requirements. The gender pay gap refers to the difference in average earnings between men and women in the workforce. The remuneration ratio takes into account the total annual compensation of the highest paid individual to the median annual total compensation for all employees. In 2024, the pay gap will be examined in more depth and targets will be set accordingly.

Our plan of action is further described in our Empowered People policy.

Performance

	2023	2022	Target
% male / female all employees	**52% / 48%**	51% / 49%	
% male / female in senior management	**72 % / 28%**	80% / 20%	30% female
Gender pay gap	**24%**	-	
Annual total remuneration ratio	**27**	-	

Engage with our community

This section covers material topic 8

We make consumer goods available all over the world, often in even the most remote areas. In doing so, we become part of local communities comprising diverse backgrounds that make us aware of the inequality and needs that can arise among them. Certain regions and communities in the world are unfortunately unable to support themselves due to poverty locks or government failure. Proactively giving back to those in need is something we see as a moral obligation.

Material impacts, opportunities and risks

Driven by our people-oriented values and the responsibility we have as a global group, we strive to deploy our capabilities and resources to actively engage for the benefit of the communities in which we operate.

Four areas where we can make most impact:

1. Operational efficiency & reach: making sure nothing goes to waste, using our core capabilities and experience to those in need.
2. Employee involvement: ensuring our employees are able and willing to actively participate in giving back.
3. Operating segments: reducing the negative environmental impact of our business operations and fostering positive outcomes.
4. Social issues: addressing particular local sustainability concerns.

Our policy

Commitment

We will improve our contribution to the communities we operate in.

Approach

We are committed to making a difference on matters closely related to our business operations and skillsets. We will achieve this by actively seeking out and promoting volunteering opportunities, by making in-kind and monetary donations to social organisations, and by supporting local impact projects.

Targets

5 NGO collaborations per year.
8 hours annual volunteering budget per employee.
3 social impact projects per year.

Focus areas and principles for our plan of action

- **Donations** – we provide in-kind and monetary donations to those in need by collaborating with various social organisations.
- **Volunteering** – we encourage our employees to make a valuable contribution to those in need by facilitating them to participate in volunteering projects.
- **Local impact projects** – we work with long-term partners to ensure respect for human rights, safe working conditions and environmental protection.

The complete overview of our Community Engagement Policy can be found here.

Activities and achievements

Donations

- We do not want anything to go to waste. This means that when we have products we can no longer sell, we look for ways to donate them rather than having it destructed. Through our partnership with the Dutch Food Banks we donate food and non-food items to those in need. In 2023, 29.4% of our unsold food was donated (2022: 5,4%). Our Medical division donated 8,494 products to local elderly care homes and our Travel Retail segment donated over 4,564 non-food products such as scarfs, sunglasses and watches to a division of the Dutch Salvation Army and the Linda Foundation.
- We continued to support the Kemi Malaiki Foundation with storage and shipping services for a school project in Senegal.
- We collaborate with Trees for All a not for profit organisation focusing on reforestation projects across the globe.
- Our Personal Care segment contributes to Stichting Jenga, a not for profit organisation focusing on providing better health and education for children and their communities in Africa. In 2023, € 17,750 was donated.
- We continued providing guided work placements for people with a distance to the labour market in our Dutch logistics operations of Care.
- Our Beauty and Liquor segments donated € 43,970 to the Michael Josephson MBE Charity Balls. The money raised is used by beneficiary charities to make a difference to the lives of young people and their families in the UK. Our USA division donated a total of € 11,100 to seven social organisations which focus on community welfare topics.

Volunteering

In order to roll out volunteering opportunities for our staff, we established a working group. This group developed a project plan with objectives and requirements.

Objectives	Requirements
• Reducing negative environmental impact of our segment business operations • Using our core capabilities and experience for emergency relief and those in need • Addressing particular local societal issues and sustainability concerns within the communities we operate • Create easy access for groups of employees to actively participate in volunteering projects • Inclusive participation; everyone at B&S has the opportunity to contribute to society.	• Budget of 8 hours per employee per year • Team based • Alignment with national volunteering events • Focus on the Netherlands first, then international locations • Collaboration with selected partner NGO • Alignment with relevant Sustainable Development Goals (SDGs) • Encourage employees to submit their own volunteer project ideas. • Facilitation of events through the HUB

- The development of an online volunteering platform was initiated in 2023 and we had planned to perform a pilot of the said platform. However due to the limited suitable projects available, we decided to not further engage with an external online platform.
- We will continue our efforts in finding suitable projects and initiatives in 2024.

Local impact projects

- We have yet to define the local impact projects to which we want to contribute. These projects will be formalised as a result of our endeavours on our due diligence approach and responsible sourcing practices. We envision to focus upon projects in collaboration with strategic suppliers and other partners in order to address potential negative impacts in the value chain.

Performance

	2023	2022	Target
Collaboration with NGOs	18	5	5
Monetary donations	102,067	120,450	
In-kind donations of products in pieces*	13,058	84,997	
In-kind donations of products in tonnes**	61.9	16.8	
Hours of volunteering spend	-	-	8
Social impact projects	0	0	5

* Excluding product donations made to the food bank

** Product donations made to the food bank

In 2023, we extended our reporting scope to reflect upon all monetary donations made by B&S entities. This results in a substantial increase of collaborations with NGO's.

Outlook Empowered People

In 2023 we established a clear set of ambitions to work towards 2030. At the same time, we will continue to refine our plan of action per material topic for year-on-year progress, and progress our reporting on key performance indicators as introduced in 2024.

Key projects for 2024

- Leadership development
- Talent management and succession planning
- Diversity & Inclusion initiatives
- Implementing volunteering programme

Sustainable value chain

Enjoying our products today, whilst safeguarding tomorrow's planet

Creating a sustainable value chain involves making all activities through which we deliver value to our customers more sustainable. This requires changes to our own operations, increased awareness amongst employees and collaboration with our partners throughout the value chain.

Our ambitions for 2030

- Decrease the environmental footprint of our own operations
- Create business opportunities for a sustainable and future-proof value chain
- Maintaining high ethical standards with all our stakeholders

Applicable SDGs

Our sustainability roadmap covers

B&S excels at connecting supply and demand. As a global player, the decisions we make impact businesses and communities in every corner of the world. That comes with great responsibility, but also provides opportunities such as:

- Optimising a good's journey by efficiently connecting different markets
- Carefully matching supply to demand, preventing consumer goods from going to waste
- Providing communities in remote, hard-to-reach areas with access to the products they need
- Making sustainable products available everywhere

It's everybody's responsibility

At B&S, we recognise that sustainable decision-making is the right way to do business, it is vital to safeguarding a healthy future for generations to come and strengthen business continuity. We all have a role to play in making B&S a more sustainable company and to contribute to a more sustainable future.

Sales
Make sustainable deals

Logistics
navigate climate-friendly paths

Facility
embrace sustainable changes

Finance
collecting sustainability data

Purchase
engage with suppliers

Warehouse
prioritise a green warehouse

Marketing & Communications
share our sustainability

IT
pioneer sustainability through digital innovation

"We believe **ISO is a strong vehicle for change, for making sustainable practices integrated into our daily operations, throughout all segments and corporate disciplines.** We currently have a ISO 14001 certification for our warehouse in Dordrecht and are in the process of obtaining such certifications also for our warehouses in Amsterdam, Delfzijl and Veendam. For our other key warehouse locations we aim to have it up and running in 2025"

Ken Lageveen,
COO

Take climate action

This section covers material topics 13 and 14

Climate change is one of the biggest challenges we face today. Greenhouse gas emissions are the main driver for both climate change and air pollution. Scientists are clear: the world is dangerously close to reaching the threshold of a global temperature increase of 1.5 °C and we must all act now to avert the most damaging impacts of climate change. This means that as society we have to cut our emissions in half by 2030 (compared to 2010) and reach to a net-zero before 2050. When not taking action, climate change will threaten the liveability of our planet and affect continuity of business activities.

Our contribution to greenhouse gas (GHG) emissions are predominately caused by our energy consumption as a result of warehousing operating activities. As we do not own any trucks of our own, our distribution solutions contribute to emissions in an indirect manner. Other main indirect emissions are linked to the products and services we procure and sell, employee commuting, waste and business travel. Reducing GHG emissions contributes to a decrease of our environmental footprint, enables us to be prepared when new regulations will be enforced as well as allows us to answer to requirements from suppliers and customers.
In 2024, we will perform a detailed climate risk assessment however, a first initial analysis of flooding risks did not result in a re-evaluation of our assets. To date certain key customers and suppliers have engaged with us regarding climate change. This has not yet resulted in loss of business nor adjusted requests for products. The outcomes of our initial risk assessment are summarised below.

Material impacts, opportunities and risks

Segment	Risks	Level	Mitigation measures	Expected remaining risks
Food	Higher energy consumption due to extreme weather events lead to more cooling requirements, earlier need of replacing system and limiting potential of reducing emissions	Low	• Solar panels • Renewable electricity	Low
Beauty, Travel Retail	Low energy efficiency at the distribution sites Deerpark USA, Hoofddorp and Delfzijl in NL due to state of building in combination with limited cost effective energy saving measurements lead to high energy consumption and limited potential of reducing emissions	High	• Relocation of prime warehouse location to new built Atlanta and implementation of efficient energy saving measures for our Deerpark location • Consolidation of Hoofddorp warehouse to Amsterdam • Renovation Delfzijl as per BREEAM (Building Research Establishment's Environmental Assessment Method) principles and better compart-mentalisation of spaces	Low
All	Limited cost effective measures are available for ensuring more sustainable distribution solutions	Moderate	• Local sourcing, however this puts pressure on our competitive advantages and does not always reduce emissions. • Maximising barge however regulatory requirements for food might limit reduction potential • Working with transport partners that have set SBT	Moderate
Travel Retail	Locked-in emissions due to limited control / possibility to switch to renewable electricity use for shops	Moderate	• Starting dialog with airports for renewable electricity	Low

Our Policy

Commitment

We committed to set near- and long-term company-wide emission reductions in line with science-based net-zero with the SBTi.

Approach

We will achieve our emission reductions by implementing energy-efficient ways of working and using renewable energy sources for our own operations. In addition, we will collaborate with our business partners along the value chain in order to transport goods in a more environmentally friendly manner.

Targets

Scope 1 and 2 – emissions from own operations i.e. gas, lease cars, refrigerants and electricity

- 42% absolute emission reduction in 2030
- 90% absolute emission reduction in 2050

Scope 3 – value chain emissions

- 25% absolute emission reduction for employee commuting, business travel and waste in 2030
- 90% absolute emission reduction for employee commuting, business travel and waste in 2050
- Request suppliers of purchased goods and services and upstream transportation partners representing 67% of our total scope 3 emissions to set reduction targets.

- 100% renewable electricity
- 100% electric lease
- 100% natural refrigerants

Focus areas and principles for our plan of action

- **Reduce energy and fuel consumption** - we reduce our energy consumption by implementing energy-saving measures, combining product shipments, using less carbon-intensive modes of transport such as barge transport when possible, and carefully selecting our hub locations.
- **Use renewable energy and fuels** - we maximise the use of renewable energy sources and partner along the value chain to promote and invest in alternative fuel options.
- **Be climate proof** - we add more greenery to our premises, compensate remaining unavoidable CO_2 emissions through our eco-restoration and reforestation fund as well as ensure our emission reduction targets are in line with science based targets.

The complete overview of our Climate Action Policy can be found here.

Activities and achievements

Reduce energy and fuel consumption

- To increase our energy efficiency, we continued the replacement of our lighting systems with LED alternatives. We take into account the natural replacement cycle so as to be cost effective. In 2023, our Amsterdam and Dordrecht locations spend combined almost € 82,000 resulting in saving nearly 500,000 KwH in electricity consumption.
- Our warehouse location in Hoofddorp where our Travel Retail office and warehouse is situated will be consolidated with our Amsterdam facility. We expect the transition will be completed in the first half of 2024. This will considerably save on energy consumption (estimated 475 MWh).
- Maximisation of loading capacity through manual stacking of container transport, optimising height space in trucks, consolidating orders onto one pallet instead of multiple when it's a different product, and encouragement by our sales department for customers to consolidate orders as much as possible.

- Held a pilot together with two key brand suppliers of using Long Heavy Vehicles (LHV) for distribution to our Dordrecht facility. One of the findings of this pilot was that in certain cases the infrastructure i.e. space for turning circles of trucks need to be sufficient. Requirements for this differ per transport partner. In addition, not all roads allow such larger trucks. We perceive this transport mode to be ideal for specific domestic movements of bulk volumes.
- As our Dordrecht, Farmsum and Veendam warehouses are closely located to barge terminals, we use this mode of transport as a sustainable alternative as it significantly emits less emissions. Due to regulatory changes regarding food inspection points and availability of reefers we were limited in further increasing barge transportation for our Dordrecht warehouse. In 2023, 28% of the full container loads were transported via barge resulting in 432,860 km transport avoided by road. Barge transport from our Farmsum and Veendam warehouses especially improved; from 38% to 55% and 40% to 45% respectively which was the result of continued close collaboration between our logistic and commerce teams. Consolidated, 1,381 containers out of the 4.987 for barge feasible container movements were transported via barge.

Use renewable energy and fuels

- Since January 2022, all but one of our Dutch office and warehouse locations use renewable electricity being derived from Dutch wind. 58% of our total electricity consumption originates from renewable electricity (65% in 2022).
- Gas usage in the Netherlands is being compensated equalling to 496 tonnes (524 tonnes in 2022).
- Personal Care had 160 solar panels installed on their office location resulting our solar park in the Netherlands now to consist out of nearly 10,000 panels. In 2023, we generated 3,793 MWh (3,890 MWh in 2022). Our investments in solar saves on energy costs, makes us less vulnerable for price fluctuations and foresees in the securing of supply of our energy needs.
- We revised our lease mobility contract in the Netherlands and included in the terms of conditions that electric lease is going to be mandatory in due time. We have extended the choice options of electrical cars, ensuring alternatives are available for more lease categories. We remain in close alignment with our lease car provider to further improve availability of affordable options. In 2023, our fleet consisted out of 14% electric and 11% hybrid vehicles.

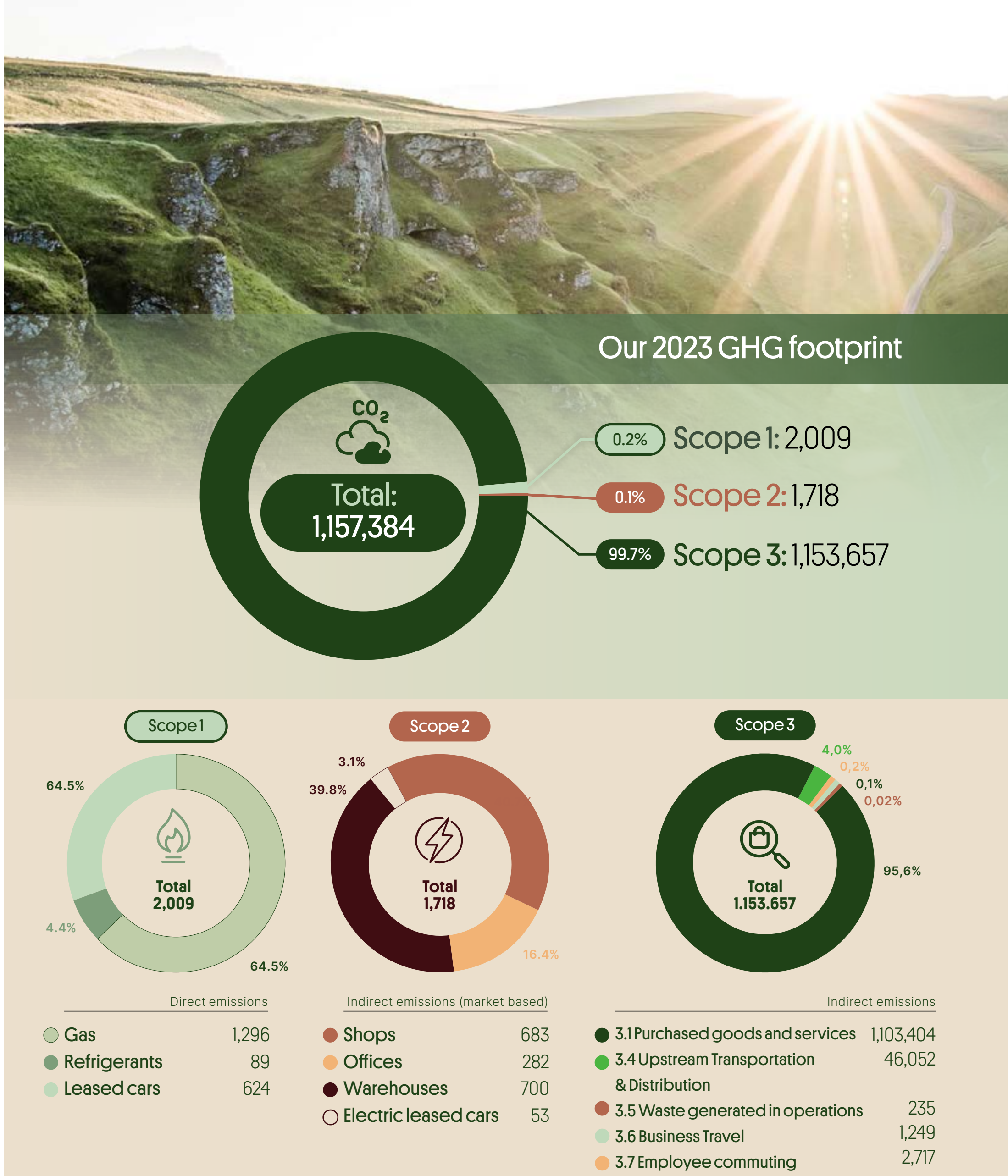
Be climate proof

- In 2022, we committed ourselves to setting science based emission reduction targets through the Science Based Targets Initiative (SBTi). In 2023, we finetuned our scope 1 and 2 emission reporting and calculated our 3 emissions with help of our external consultancy firm.
- As a result of this exercise we were able to extend our data coverage and finetuned our reporting scope and methodology. It helped us furthermore in analysing and identifying our key impact areas, updating our decarbonisation levers and underlying action plans. We estimated the carbon reduction potential per initiative as well as the investment requirement and complexity of implementation thereof. This climate transition plan was discussed with and approved by the Executive Boards.

Extract of our climate transition plan

Scope 1	Decarbonisation levels: key emission reduction initiatives
Scope 1 and 2 Gas, refrigerants, lease cars and electricity	• Energy saving measures • Alternative heating sources • 100% Renewable electricity • 100% Natural refrigerants • 100% Electric lease
Scope 3.1 Purchased goods and services	• Request suppliers to set reduction targets
Scope 3.4 Upstream transport and distribution	• Request transport partners to set reduction targets • Maximise barge • Alternative fuels • Long heavy vehicles • Maximising loading capacity • Local sourcing for recuring bulk purchases
Scope 3.5 Waste generated in operations	• Reduce waste • Maximise recycling
Scope 3.6 Business travel	• Reducing flights from most frequent flyers • Leverage train travel < 500 km
Scope 3.7 Employee commuting	• Increase working from home • Reassess and consolidation of locations • Public transport

* These categories make up 95% our emissions.



Performance

As a result of our efforts to increase data quality and extension of reporting scope, our in 2022 reported energy consumption and emmissions were udated accordingly.

Energy consumption and mix (MWh)	2023	2022
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	0	0
Fuel consumption from natural gas	6,978	6,904
Fuel consumption from other fossil sources	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	5,125	4,700
Total fossil energy consumption	12,103	11,602
Share of fossil sources in total energy consumption (%)	63%	60%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	5,607	5,901
The consumption of self-generated non-fuel renewable energy	1,578	1,745
Total renewable energy consumption	7,185	7,647
Share of renewable sources in total energy consumption (%)	37%	40%
Total energy consumption	19,288	19,249

GHG emissions (tonnes CO_2-eq)	2023	2022	Target 2030
Gross Scope 1 GHG emissions	2,009	1,817	-42%
Natural gas	1,296	1,285	
Refrigerants	89	3	
Leased cars	624	529	
Gross Scope 2 GHG emissions – location based	1,718	1,496	-42%
Gross Scope 2 GHG emissions – market based	3,904	3,953	-42%
Electricity - location-based approach	3,851	3,916	
Electricity - market-based approach	1,665	1,459	
Leased cars	53	37	
Gross Scope 3 (priorities) GHG emissions	1,153,657	1,108,339	
Scope 3.1 Purchased goods and services	1,103,404	998,774	
Purchased goods	1,082,571	977,571	
Purchased services	20,833	21,203	
Scope 3.4 Upstream transport and distribution	46,052	105,271	
Scope 3.5 Waste generated in operations	235	303	-25%
Scope 3.6 Business travel	1,249	1,356	-25%
Scope 3.7 Employee commuting	2,717	2,634	-25%
Total GHG emission			
Location based	1,159,570	1,114,108	
Market based	1,157,384	1,111,652	

	2023	2022	Target 2030
GHG emissions intensity (total GHG emissions market based per net revenue)	0.52	0.52	
Energy intensity (KWh/M2)	92.3	93.3	
Share electric lease cars	14%	18%	
Share natural refrigerants	61%	99%	100%
Share renewable electricity	58%	62%	100%

Outlook climate action activities 2024

Reduce energy and fuel consumption through energy efficiency improvements

- Replacement / fixing heating system Dordrecht
- Remaining LED implementation in the Netherlands
- Assessing potential of energy saving measures for our USA warehouses
- Investigation consolidation options transport Delfzijl to increase loading capacity

Use renewable energy and fuels

- Renewable electricity Veendam location
- Renewable electricity USA locations
- Opening discussion about renewable energy possibilities at airport shops
- Pilot alternative fuels for our distribution solutions
- Discussions with prime logistics partners on greenhouse gas emissions reduction potential, including setting targets

Climate proof

- Submit our science base reduction targets to the Science Based Targets Initiative (SBTi)
  - Liaising with or critical suppliers and logistics partners to set science based emission reduction targets
  - Translating climate transition plan into segment specific actions including a deep dive on product portfolio aspects

Reporting

- Continuous data improvement for scope 3 emissions
- Finalising climate risk assessment and resilience analyses

Be resource conscious

This section covers material topic 15

Global consumption of raw materials such as biomass, fossil fuels, metals and minerals is expected to double in the next forty years, while annual waste generation is projected to increase by 70% by 2050. This linear take, make, use, waste process is not sustainable and in the long run we will run out of natural resources. Moving towards a circular economy is a given; by not taking more than what our earth can replenish and by reusing, repurposing, and recycling products as much as possible.

In a circular economy, resources are not wasted but recovered in a system that is continuous and long-lasting, with the goal of keeping them functioning at their highest potential and retaining their value as resources. We need to see waste as a valuable resource. This requires innovative product design and the need to develop new business models.

Material impacts, opportunities and risks

We predominantly trade in branded products and do not have manufacturing facilities of our own. We have private label products within certain segments for which we have a direct influence in product and packaging design.

- Liquors (14 SKUs)
- Beauty (37 SKUs)
- Personal Care (1243 SKUs)
- Food (124 SKUs)
- Travel Retail (125 SKUs)

In certain warehouses we repack items as a result of our business activity of consolidating customer orders. Packaging materials used for our private label products, licensed brands and in logistical processes contribute to waste and pollution further down our value chain when it cannot be recycled.

Our key business activities consist of buying, storing, repacking and distributing consumer products. As a result of these activities food, paper/cardboard, generic and plastic waste is being generated. When not properly segregated on our premises or if lack of required country infrastructure, waste cannot be recycled which leads to loss of resources.

The majority of our warehouses and offices are rented spaces. Within our own asset portfolio management, sustainable building principles can be followed such as BREEAM (Building Research Establishment's Environmental Assessment Method) in order to reduce the environmental impact of our built environment. Besides office and warehouse spaces, we have shops in which furniture is installed by ourselves. Through modular, re-usability design for furniture as well as using recycled, renewable the efficient resource use can be obtained. Yet, our airport shops – where the majority of our shops are located – are subject to stringent fire safety requirements which can limit options in material selection.

When striving for resource efficiency and taking the principles of a circular economy into account efficiency gains in the operating processes as well as reduction of costs can be realised. For example optimised forecasting processes leading to less food waste, higher sales and subsequently lower waste management costs. Paper and cardboard and plastic waste is revenue stream rather than a cost.

Segment	Risk Statement	Risk level	Mitigating measures	Expected remaining risks
All	More stringent packaging regulations as a result of the Single Use Plastics (SUP) Directive and the proposal for Packaging and Packaging Waste Regulation (PPWR) leads to • an increased administrative burden and risk of fines, penalties, or overpaying taxes as a result of missing product packaging data (all) • increased costs when packaging levies are not factored into customer prices (all) • questions from customers for alternative product packaging • and increased need to change packaging of private label products (Food, Personal Care) • consequences of availability of products on the stock lot market as a result of dispenser technology driven by packaging reduction targets from A brands (Personal Care) • limitations on free movement of goods as a result from deposit schemes (Food) • disbalance between packaging materials with limited recyclability or recycled content potential i.e. regulatory limitations for food and health product packaging and protection of goods against theft The size and variety of our portfolio as well as dependency on suppliers for providing the information poses risks to adequately execute our mitigation measures.	Moderate	• Development packaging registration system and data collection • Deployment of sustainable packaging policy for private label products	Moderate
Travel Retail	Regulatory changes promoting consumer right-to-repair including secondhand market developments may lead to reduced sales of new products as customers opt to use their products longer by going to repair services or purchase secondhand items rather than new.	Moderate	• Assess electronics products for repairability potential	Low

Segment	Risk Statement	Risk level	Mitigating measures	Expected remaining risks
Food	Generation of food waste leads loss of profitability due to missed revenue streams and high costs for waste disposal.	High	• Food reduction programme • Increase accuracy of forecasting models and prevention of aging stock • Increased focus on FIFO delivery • Maximising donating of products • Prevention of damages in warehouse operations • Cost compensation measures and conversation with suppliers on quality packaging	Low
All	Not well segregated waste streams leads to increased costs and missed revenue.	Moderate	• Sufficient separate waste bins • Clear signage • Training staff	Low
Travel Retail	The challenge of reusing shop furniture may lead to an increase in furniture waste, cost to dispose of the waste and opportunity cost in not reusing furniture systems that still are of good quality. Yet simultaneously, managing costs of circular design and upkeeping stringent fire requirements at airports limit the potential to make big changes.	Moderate	• Circular design	Moderate

Our 2030 Resource Conscious Policy

Commitment
We will send zero waste to landfill by 2030 and contribute to a circular economy.

Approach
We will achieve this by preventing (packaging) waste, optimising recycling efforts and by using sustainable materials for packaging, buildings and retail shops.

Targets

Waste	Packaging[1]
zero waste to landfill	20% less packaging materials
80% recycling of waste	95% recyclable packaging
50% less food and medical waste	100% FSC and/or recycled cardboard
	50% recycled plastic packaging

Focus areas and principles for our plan of action

Sustainable packaging materials in logistics and private label products
- **Rethink** – Designing for the purpose of circularity
- **Reduce** – Reducing the amount of packaging we use in the first place
- **Reuse** – Ensuring packaging is and can be reused in a suitable manner
- **Recycle** – Ensuring packaging can be recycled
- **Resource** – Maximising the use of recycled instead of virgin materials, and selecting materials from sustainable renewable sources

From waste to resource
- **Reduce** – Reducing the amount of waste that is generated in the first place
- **Recycle** – Seeing waste as a valuable resource and segregating optimally to enable recycling

[1] Packaging used in logistics and specialty brands being our private label brands and licensed brands.

Material use for buildings and shop furniture
- **Reduce** – Designing for circularity and reducing the amount of building and shop materials we use in the first place
- **Recycle** – Ensuring building materials and shop furnishings can be recycled
- **Resource** – Maximising the use of recycled instead of virgin materials, and selecting materials from sustainable renewable sources

The complete overview of our Resource Conscious Policy including our packaging policy can be found here.

Prevent 50%	Reuse (donate)	Recycle 80%	Energy recovery	Landfill 0%
Medical waste	Food	Paper & cardboard	Generic waste	
Food waste	Medicines	Plastic	Hazardous waste	
	Personal Care	Glass		
	Retail products	Wood		
		Metal		
		Food		
		Coffee cups		
		Coffee ground		

Activities and achievements

Sustainable packaging materials
- A key project for 2023 was to start gathering packaging data in order to arrive to a baseline. As such, packaging data requirements have been integrated into our Product Data Management system and data collecting was started. As we do not only collect packaging data for our private label products but rather for

our total product range, data collecting will follow a phased approach. Per segment focus is given to largest volumes sold. Quality controls will be performed prior entering data into our systems. Our Food, Liquors and Travel Retail suppliers have been approached to provide data. Beauty and Health will follow in 2024. Our Personal Care division developed separate tooling.

- We established Project Consumables, a working group consisting out of multiple internal stakeholders from various segments and corporate disciplines. Its purpose is to establish a standard way of working for ordering packaging materials in logistics in the Netherlands. It will enable us to leverage of our buying power, improve data availability, allow for efficient stock replenishment planning, and ensure for quality and sustainable packaging.
  We aim to achieve the following:
  - Leverage from our volumes; improved vendor management, cost savings, standardisation and negotiation power
  - Accurate data for stock management; avoid overstock, robust annual reporting & packaging tax calculation
  - Leverage from our volumes; improved vendor management, cost savings, standardisation and negotiation power

- Three pilot projects have been embarked upon to making packaging in logistics more sustainable. The outcomes of these pilots are used as input for 'Project Consumables' in order to scale up our efforts.
  - Paper tape usage in our Veendam facility
  - Thinner shrink-wrap through nano solutions in our Dordrecht facility
  - Reduction of paper labels, in size and quantity, in our Delfzijl facility
- Embarked upon phasing out carbon labels in the Netherlands and replace them with more sustainable alternatives such as paper based. Carbon labels result in hazardous waste due to the type of materials used for printing.
- Implementation of deposit scheme for the Dutch market for beverage cans.
- Development of private label gift sets from our Personal Care segment without plastic trays and plastic windows.
- We developed a packaging baseline for our private labels from Travel Retail and Personal Care. The sales of these products resulted in 8,328 tonnes of packaging (38% plastic, 33% glass, 16% paper, 13% metals).

From waste to resource

- We use the Lansink's ladder as a waste hierarchy model. Various waste streams are segregated to the extent the local waste infrastructure permits us in doing so. In the Netherlands, we have quarterly meetings with our waste contractor where we jointly analyse our waste streams to assess how much waste is generated, identify improvement potential (e.g. plastic and cardboard are still seen in our generic waste streams).

- Launch of our waste recycling campaign for our Dutch warehouse staff, explaining why recycling is important and how to best segregate our various waste streams. Team managers highlighted the need to segregate waste. In addition, at the Dordrecht facility this was also integrated into the ISO training. The waste recycling campaign also included optimising and clarifying the recycling bin locations to enable operational efficiency. Our increased efforts for reducing generic waste and increasing recycling resulted in a payout of € 26,280 for recycling streams for our Dutch warehouses.

- Previously our food waste was sent out as generic waste and incinerated; since December 2022 we started sending remaining food waste that could no longer be sold or donated due to damages or passed use by dates to a biogas installation.
- Coffee grounds are being recycled in our Delfzijl and Dordrecht facilities.
- Reducing food waste was one of our key priorities for 2023. This reduction programme consists out of three core elements; improved stock management, minimised damages and maximised donations.
  1. We continued to improve our stock management practices in order to prevent products are nearing their Best Before Dates. Actions are focused upon:
     - Better insights into our aging stock via dashboarding
     - Rotation for the purpose of First In First Out principles in collaboration between sales and purchase
     - A separate committee was formed at the end of 2023 with as task to prevent aging stock
     - Finding alternative buyers for stock that is nearing its best before date < 6 months
  2. We minimised damages in our warehouses by incorporating targets in performance dashboards, team meetings and engaged warehouse employees.
  3. We formalised our collaboration with the Dutch Food Bank through establishing standard operating procedures and appointing internal responsibles. Donations are taking place bi-weekly. We also commenced on a pilot in alignment with the tax authorities to donate goods that are in transit. We aim to further streamline this process the coming year.

Optimise material use for buildings and shop furniture

- Our sustainable building guidelines which are based on BREEAM outline how we incorporate sustainable building materials into refurbishing projects. In 2023, we did not deploy any new activities related to this.

"End of 2022, we laid the foundation for strengthening our partnership with the Dutch Food Banks. Through proactive alignment of which products can be donated and our bi-weekly donation schedule, we increased the number of products donated significantly. Through our improved efforts we increased donations from 16.8 to 61.9 tonnes", which is an increase of 269%."

Jennie Deng, Director Fulfilment at B&S B.V.

Performance

As aligned with the Sustainable Development Goals, our target for 2030 is to half our food and medical waste compared to base year 2022. In 2023, we managed to nearly hit this target by having a food waste / food sales ratio of 0.52 (reduction of 47%). We increased our food donations by 269% (45.13 tonnes), resulting in now donating 29.4% of our unsold food products (5.4% in 2022). Due to continued efforts from our warehouse team a decrease of product damages by 49% was realised. In 2024, we will further focus on upkeeping our good relationship with the food bank, product damage control at our warehouse operations as well as continued efforts from a dedicated team that will focus on implementing corrective measures that solve the root causes of food waste.

Food waste & food donations	2023	2022	Target
Food waste (tonnes)/Food sales (€ million)	0.52	0.99	0,50
Unsold food donated (%)	29.4%	5.4%	
Food donated in tonnes	61.9	16.8	

In 2023, we purchased / used 1,137 tonnes of packaging materials, of which 1,045 tonnes paper/cardboard and 103 tonnes plastic. All our paper/cardboard originated from sustainable sources being either FSC or SFI certified. As we are in the process of improving our data collection, we will use 2024 as our baseline year for measuring progress against our targets.

Packaging in tonnes	2023	2022
Total packaging	1,137	1,303
Paper/cardboard	1,045	1,187
Plastic	103	116

In 2023, 67% of our waste was being recycled (50% in 2022). The main contributor for this increase was the launch of our recycling awareness campaign, improved signage on containers and assessing the location of the recycling bins. In addition, in 2023 the majority of our organic waste was being send to a biogas installation.

We generated 1,365 tonnes of waste (1,293 in 2022). Our waste consisted predominantly out of paper/cardboard (50%), followed by generic waste (32%) and organic waste (13%). The largest percentile differences in waste streams are glass (+175%) due to better recycling hygiene and organic waste (-40%) as a result of our food waste reduction programme. Our paper and cardboard waste increased with 46% and our generic waste increased with 7%. This is as a result of including all our warehouse operations in our waste reporting wheras in 2022 this was limited to Spain and the Netherlands only. Our waste contractors in the USA, Spain and Somalia are currently still using landfilling as disposal method. Here we are dependent on local infrastructure and innovations. In 2024, we will start a dialog with our waste contractors to seek for opportunities to divert waste from going to landfill.

Waste in tonnes	Recycling (+ Biogas)		Incinerated with energy recovery		Landfilling		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Non-hazardous waste	914.78	643.98	299.16	624.90	144.54	16.34	1.358.49	1,285.22
Generic waste	-	0.42	299.16	374.44	108.35	5.20	407.52	380.06
Glass	2.26	0.82	-	-	-	-	2.26	0.82
Metal	9.04	25.00	-	-	-	-	9.04	25.00
Organic waste	171.46	86.51	-	250.46	34.66	7.76	206.16	344.73
Paper/cardboard	678.48	464.58	-	-	-	-	678.48	464.58
Plastic	53.54	65.17	-	-	1.53	3.38	55.07	68.55
Wood	-	1.48	-	-		-	-	1.48
Hazardous waste	1.63	-	4.65	7.33	-	-	6.28	7.33
Medical waste	-	-	4.65	6.11	-	-	4.65	6.11
Other	1.63	-		1.22	-	-	1.63	1.22
Total waste	916.41	643.98	303.81	632.23	144.54	16.34	1,364.77	1,292.55

Outlook resource conscious activities 2024

Packaging

- Implementation of sustainable packaging policy for private label products and packaging in logistics
- Continued efforts for packaging registration in our product data management system

Waste

- Continued Food donation programme including testing of in transit goods and realising improvement activities as identified by the aging stock prevention team
- Continued training for recycling efforts of warehouse employees
- Further consolidation of waste vendor parties in order to maximise recycling potential
- Access and upgrade recycling potential of our USA facilities

“Through our waste management programme we increased recycling from 50% to 67%.”

Ensure responsible sourcing practices and offer sustainable products

This section covers material topics 11 and 16

Today, the global community is increasingly aware of the pressing challenges such as climate change, resource depletion, inequality and extreme poverty. As society we also have a growing concern about issues like animal welfare, overfishing of the oceans, deforestation and loss of biodiversity. Due to regulatory developments such as the EU Deforestation Regulation and increased awareness amongst consumers, companies are expected to know where and how the products they sell are produced; whether human rights, the environment and animal welfare are safeguarded.

Material impacts, opportunities and risks

We want to do business with integrity and good conduct. Our license to operate not only depends on compliance with laws and regulations regarding financial and governance aspects but also on protecting the environment and safeguarding human rights. Our product portfolio is therefore an essential component within our sustainability approach. The majority of products sold are from brands and our private label products are being produced by a select group of distinct suppliers. Our impact on the environment and human rights via products is therefore indirect, especially as not all products are directly sourced via brands but rather purchased through for example stock lot solutions.

Business practices under our direct control	**Business practices outside our direct control**
• Private label suppliers • Exclusivity of brands to a certain degree • Selecting sustainable brands and products • Tier 1 suppliers; choosing with whom we do business with	• Progress made by A brands • Tier 2 suppliers and beyond

Examples of impacts, linked to our sustainability topics 16.1-16.7 as a result of products we sell.

Environment	Social	Governance
• Climate change: limiting GHG (greenhouse gas) emissions. • Biodiversity and ecosystems: protecting biodiversity and ecosystems (combatting deforestation, unsustainable fishing). • Pollution: limiting air, litter, and plastic pollution, as well as soil contamination. • Water stewardship: preserving the health of water bodies (reducing water usage and pollution). • Circular economy: using recycled content for both packaging and products to use less virgin raw materials.	• Healthy products: offering healthy products and alternatives. • Responsible consumption: promoting responsible product use among consumers. • Animal welfare: ensuring fair treatment and the well-being of animals in our supply chain (living conditions, animal testing, use of antibiotics). • Human rights, inequality, and extreme poverty: safeguarding human rights in our supply chain by prohibiting the use of child labour, forced labour, and modern slavery.	• Due diligence: establish a thorough due diligence process to screen our suppliers.

Consumers are more and more interested in where products come from, what ingredients they are made of, under what conditions they are manufactured and what their impact on the planet is. Combined with regulatory developments, companies and brands are increasingly required to provide more transparent information on these matters. Offering sustainable and responsible products can lead to new business opportunities. It can support our business growth goals, lead to higher margins, and supply new and yet unreached markets. Also it can strengthen our existing business relationships providing we manage the ESG risks properly and by having sound due diligence management practices in place.
As such, depending the market and customer base, it can become our USP and enable us to be the preferred supplier. Having ESG due diligence practices in place gives us the tools we need to answer questions from our business contacts who are also required to uphold sound due diligence procedures.

Segment	Key risks	Risk	Mitigation measures	Expected remaining risks
All	Complexity in maximizing potential of a sustainable product portfolio due to • lack of willingness to pay in certain (global) markets were competition is focused solely on lowest price • limited influential powers in trading and stock lot buying position; that what is available at a good price and which has demand we will buy • changing consumer preferences towards more sustainable, healthy and animal friendly products is still considered to be niche yet brand owners are expanding portfolio with more sustainable alternatives • limited marketing budgets to create demand • private label products • This risk may influence our long-term business relationships and lead to missed opportunities for expansion if not anticipated on in a timely manner	High	• Alignment of product offering with internationally recognised sustainability standards and making them easy to find for our customers on our sales platforms • Collaboration with supplier and customers to understand market developments	Moderate
All	• Failure to meet increased due diligence regulation requirements due to incomplete or inaccurate insights into our value chain, may lead to inability to answer customer questions as well as demonstrating compliance to authorities i.e. risk of non-compliance and penalties. • Increased admin complexity to comply with existing and upcoming regulatory requirements	High	• Due diligence approach • ESG screening as part of onboarding procedures • Implementation EUDR (European Deforestation Regulation) • Implementation CSDDD (Corporate Sustainability Due Diligence Directive) • Implementation SUP (Single Use Plastic Directive) and PPWR (Packaging and Packaging Waste Regulation)	Moderate

Our Policy

Commitment
We will make sustainable consumer goods available to everyone, anywhere.

Approach
We will achieve this by investing in responsible sourcing practices and offering sustainable brands and products.

Targets
- 100% signed Supplier Code of Conduct and 100% externally recognised sustainability management system for our private label.
- 100% of suppliers from medium and high-risk countries have signed our Supplier Code of Conduct.
- 2,000 of the products we sell are considered to be 'a more sustainable choice' by 2030.

Focus areas and principles for our plan of action

Responsible sourcing practices in our supply chain
We require our private label brand suppliers to acknowledge our Supplier Code of Conduct and to have a recognised sustainability management system in place. Further, regular suppliers from medium and high-risk countries must also acknowledge our Supplier Code of Conduct. To optimise our progress towards responsible sourcing practices, we will collaborate closely with our key strategic suppliers to identify and implement more sustainable practices.

Offer and promote sustainable choices
We offer sustainable and affordable brands and products across our focus groups of Liquors, Beauty, Personal Care, Food, Health and Travel Retail. We actively engage with our customers to promote more sustainable choices. We collaborate with various brands in different product categories that have sustainability as their core purpose.

1

Responsible sourcing practices
Requirements for our suppliers

Basic conditions
Requirements for private label and suppliers of high and medium risk countries that should be complied to.

Additonal conditions per operating segment
Additional requirements for private label producers that should be complied to.

2

Sustainable products
Requirements for Sustainable Choice.

Product certification and labelling
The ingredients and materials of a product are certified by internationally recognised and validated labeling schemes.

Responsible supplier
Supplier is certified and audited by a third-party audit scheme.

Sustainable brands
Supplier is a social enterprise

The complete overview of our Responsible Sourcing and Sustainable Products Policy can be found here.

Activities and achievements

Responsible sourcing practices in our supply chain

- Our Supplier Code of Conduct[1] describes our expectations towards our suppliers regarding good business conduct, human rights and labour conditions, health and safety, and safeguarding the environment. This code is amongst others based on the Universal Declaration of Human Rights, the fundamental Conventions of the International Labour Organization (ILO), the Rio Declaration on Environment and Development, United Nations Convention Against Corruption and the principles of United Nations Global Compact.
- We continued to further finetune our due diligence approach in which we follow amongst others the OECD Due Diligence Guidelines for Responsible Business Conduct. These guidelines help us embed responsible business practices in our policies and management systems. Our due diligence approach includes the following steps:
  - Identify and assess: prioritise suppliers on ESG risks
  - Prevent and mitigate: establish and conduct remediation measures
  - Monitor and communicate: track the implementation progress and share with stakeholders
- Through our Know Your Relation (KYR) procedure we already screen our potential new business relations on aspects such as anti-money laundering and corruption, fraud and sanctions. We are building a framework for extending the onboarding process for suppliers with sustainability related questions including acknowledgment of our Supplier Code of Conduct. The implementation of this framework is scheduled for the first half of 2024.

[1] The code is based on the OECD Due Diligence Guidelines for Responsible Business Conduct, the principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the Fundamental Conventions of the International Labour Organization (ILO), the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

- We developed our own ESG country risk framework which enables us to classify our suppliers into high, medium or low risk countries regarding environmental, social and governance aspects. The ESG risk framework is based on three recognised international frameworks being Environmental Performance Index (EPI), Global Rights Index (GRI) and Corruption Perceptions Index (CPI). 2% of our supplier spend falls under a high risk category, 10% under medium risk. In addition, we mapped based on spend which suppliers are considered to be critical to the continuation of our business activities. The results of these assessments provide a clear basis for further engagement with our key suppliers the coming years to ensure more sustainable practices.
- Our purchase agreements were revised which now also include sustainability related elements such as a reference to Sustainability Strategy Reach with Impact, our Supplier Code of Conduct and applicable sustainability regulations to which suppliers need to adhere to. The implementation of said revised versions is scheduled for 2024.
- Our purchasers in the Food segment embarked on a three day training course of sustainable procurement from Nevi, the knowledge network for procurement, contract and supply management professionals. The purpose of the training was to provide insight into the various sustainability risks at hand in the specific food product category, to provide guidance and tools on how to discuss such risks with suppliers and how to integrate sustainability into the various food category procurement plans.
- From 2022 onwards, all producers for our Mitone electronics and Personal Care private labels are audited against the social compliance scheme of BSCI/Amfori.
- To actively participate in discussions and further development of responsible sourcing practices within our industry, our sustainability director sits in the think-tank of Evofenedex (business association for trade & logistics) regarding responsible sourcing and due diligence regulations. This group of topic experts provides input to regulators as well as shares best practices and knowledge in conducting responsible international trade.

Offer and promote more sustainable choices

- We developed a 'sustainable product' scorecard which provides the basis for assessing our product portfolio against sustainability criteria. The scorecard includes sustainability parameters linked to product ingredients, (packaging) materials and supplier production methods and includes internationally recognised sustainability standards and schemes. In 2023, we conducted a pilot in gathering information from our food suppliers. Ensuring all suppliers provide input proved to be a challenge. To embark upon a consistent and complete classification approach for products we sell, we envision to utilise AI techniques through photo imagines of product packages. Next step is to register and monitor the sustainability characteristics of the products we sell within our proprietary product data management system. This projects is scheduled to start in Q1 2024.
- Regulatory developments in the space of the EU Green Deal require companies to continue to work on making products more sustainable. The European Deforestation Regulation, Carbon Border Adjustment Mechanism and the Right to Repair that came into force or were adopted this year all link to various products categories that we offer. To ensure sound implementation and compliance with these regulations, we installed various working groups or clusters of internal experts. These groups defined which procurement processes and IT adjustments are required and working on embedding the requirements accordingly to ensure compliance.
- SKAL certification for our Veendam location was obtained in 2023, our Amsterdam location obtained the SKAL certification in 2022. This enables us to officially sell organic liquor products.
- Our Personal Care private label development team is working closely with their production partners to improve formulas by using natural and more sustainable ingredients whenever possible. All glycerin in their private label products have been replaced with 100% vegan alternatives. In addition, efforts were made to transition towards 100% Responsible Mica for all private label products. The key concern of the mining activities of mica is the use of child labour. Mica is a mineral used in many applications amongst others in make-up and lotions and creates a natural shimmer and glow to the skin. Lastly, the team is conducting a baseline assessment in order to transition towards 100% responsible palm oil (segregated).

Our Sustainable Choice selection is also intended to serve as a guide to help our customers navigate the sustainability landscape and encourage them to purchase responsible products and brands. We have already implemented this on KingofReach.com

Outlook responsible sourcing and sustainable products activities 2024

Responsible sourcing
- Integration of ESG due diligence into our existing Know Your Relations procedures.
- Implementation KYR & sustainability
- Deployment of renewed
- ESG due diligence and high and medium risk supplier screening and mitigation
- Follow up findings audit reports BSCI with private label suppliers
- Providing sustainability training for purchase and sales teams

Sustainable products
- Mapping and expanding our sustainable product portfolio
- Implementing EUFR

Operational excellence

Information Security & Data Protection

This section covers material topic 10

Commitment

We are committed to fulfilling our regulatory requirements and social responsibilities towards our employees, customers and suppliers by adhering to the regulations, information security and privacy policies and best practices. B&S strives to build resilience by maintaining its cybersecurity hygiene and corporate wide security posture.

Information Security & Data Privacy

B&S business operations are substantially reliant on its data, IT infrastructure and third party service providers. Supply chain attacks, gaining unauthorized access, compromising the integrity of sensitive information, and disruption of business operations, are the critical threats on the surge that can cause severe adversities to the business. Our efforts to continuously digitalise our operations and automate our processes are facilitated by our secure and reliable IT systems and infrastructure.

Certified in ISO 27001, 22301, 20000, 38500 and PCIDSS, B&S continues to achieve a higher benchmark for its IT Governance, Cybersecurity, Data Governance and Privacy measures. We also ensure our employees are diligently trained, in proactively identifying information security risks, threats and incidents in their day to day activities via interactive means.

Technical, physical, administrative controls are implemented to ensure restricted access is provided only on a need to know basis. The infrastructure is empowered with real time monitoring, threat detection and mitigation capabilities. The periodical compliance programme includes testing of access controls, segregation of duties and vulnerabilities of our systems and infrastructure. Our information security policies are kept abreast of technology advances and threat landscapes to protect our business acumen, personal data and safeguard the use of our systems and applications by our employees.

With regard to protection of personal data, we adhere to the right policies and control framework to keep business, customers, and employees' data safe as well as to ensure restricted access to our sites.

We remained committed to our social responsibilities, compliance with the increased and regulatory framework and ensuring 'privacy by design' when offering our products and services. Our targeted action plan to take our commitment to privacy and data protection to the next level continued to be implemented, in line with ongoing developments in the privacy landscape and our internal business developments. Our focus included risk assessments, policies and procedures,

Our targeted action plan brings our privacy and data protection commitment to the next level.

transparency, accountability and awareness, training of employees, data lifecycle management and audits, third-party risk management and ensuring adequate safeguards for data leaving the EEA.

Performance

	2023	2022
Substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0

Activities and achievements in 2023

In 2023 we continued to be compliant against applicable regulations and the standards we are certified against. The highlights of the year were:

- Re-certified against ISO 27001 and 22301 for the second consecutive year
- Certified against ISO 20000 and 38500 standards
- Self-attested for PCIDSS V4.0 compliance for six topdrinks websites.
- Redesigned B&S corporate IT Governance Framework
- Conducted an organization wide Security Awareness and Training Campaign

Outlook activities for 2024

Amidst the doom and gloom of the cybersecurity attack surface realm, we are optimistic in achieving our key objectives for the year and become a business enable which helps B&S thrive

- Compliance against NIS 2 directive
- Self-attestation for CMMC Level 1.0
- Improvise the data governance framework
- Broaden the risk management approach towards cybersecurity, supply chain resilience, and data privacy
- Continue to mitigate cybersecurity risks, and review the compliance of security controls

Product quality & safety

This section covers material topic 12

Commitment

We will do our utmost to make sure that high-quality products and prevention of health risks arising from sale, use, consumption, handling, preparation and storage of these products throughout the value chain are achieved.

Activities and achievements

Storage of dangerous goods
In regard to the storage of flammable household liquids and different types of aerosols that form part of our Beauty and Personal Care segments, we adhere to Seveso-III. This is the directive that applies to establishments in the European Union where dangerous substances are used or stored in substantial volumes. This way, we mitigate risks and achieve the lowest possible number of incidents.
In distributing these goods, we adhere to The European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR). We train our staff on a regular basis in conjunct with the fire department.

In 2023, our Seveso-III compliance was reconfirmed after inspection performed by the environmental services.

Food safety
We adhere to the strictest food safety standards to ascertain the safety of the food supply chains we are active in. We actively promote transparency of product information and comply with the most stringent international regulations. Our food warehouse in Dordrecht is ISO 22000;2018 certified, and applies a high-level risk management system. This certification demonstrates to our stakeholders our dedication to complying 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 is supervising our cold store almost on a daily basis and tests us by means of regular audits. Internal audits are carried out on a periodic basis by our QHSE department, which reports directly to the Managing Director of the Food segment as well as the COO.

Over 2023, we have proactively upheld our compliance on food safety standards and regulations. These efforts include the following:
- External audit related to ISO 22000 certification with a very positive result; for the first time, no major nor minor non-conformities were reported.
- We encountered only two recalls in 2023 -all of which initiated by suppliers– that were dealt with adequately under the supervision of the NVWA;
- The annual Food safety training was provided to personnel in the Food segment.
- One of the intended improvements for 2024 is to start training personnel as well via the e-learning hub.

Customs & compliance

This section covers material topic 9

Commitment
We will ensure compliance with all relevant rules and regulations to uphold our relationship and status with authorities, suppliers, and customers.

Customs compliance
As we are a vital part of the international supply chain and are involved in customs related operations, we adhere to a range of criteria that grants us the status of Authorised Economic Operator. This allows us to work in close cooperation with customs authorities to assure the common objective of supply chain security based on the principles of mutual transparency, correctness, fairness and responsibility. We are subject to the Union Customs Code (UCC), 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 that our operations continuously meet all criteria for both customs simplification (AEOC) and security and safety (AEOS), our focus lies on complying with customs legislation and taxation rules, appropriate record keeping, financial solvency, proven practical standards of competence and appropriate security and safety measures. Procedures and controls are implemented and monitored to ensure the compliance with laws and regulations.

Know Your Relations procedures
Strict Know Your Relations (KYR) procedures are in place for the acceptance of new customers, suppliers and other business relations.

- We have anti-bribery, anti-corruption and anti-money laundering (AML) policies in place that apply to all our staff. We expect our suppliers, customers and business partners to adhere to the same standards. As part of our onboarding process, our Code of Business Ethics is sent to all our potential new customers, whereby our Supplier Code is sent to all our potential new suppliers.
- Extensive knowledge of the substance and impact of the Foreign Corrupt Practices Act (FCPA) is embedded at every level of the Company and our anti-bribery and anti-corruption policy is embedded in our Code of Business Ethics.
- Creditworthiness of new relations is checked upfront, and their Ultimate Beneficial Owner(s) data is checked against the OFAC and the EU Sanctions list. Established relationships are monitored on compliance standards by an automated check that is performed on all business relations every two weeks.

Performance

	2023	2022
Confirmed incidents of corruption and actions taken	0	0
Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	0	0
Data Breaches reported with the Data Protection data Authority	0	0

Material topics related to Financial performance

Performance and progress on the following material topics can be found in the financial performance and corporate governance sections of this report.

Business growth & profitability

Material topic 1

Commitment: We will further expand our business through investing in organic growth and acquisitions whilst remaining long-term profitable.
Read our organic and acquisitive growth strategy in the Value Creation section of this report.

Long-term business relations

Material topic 2

Commitment: We will uphold a good reputation with business partners and focus on adding value to our partners' businesses to support their growth and our own.
Read our approach to value creation in the Value Creation section of this report.

Innovative value adding services

Material topic 4

Commitment: We will promote innovative and digital technologies to enable efficient ways of working and to create new ways of conducting business such as digital commerce, marketing, and brand development.
Read our approach in the Value Creation section of this report.

Material topic related to Governance

Governance & Accountability

Material topic 3

Commitment: We will continue to implement policies and practices to ensure accountability, compliance with reporting requirements and robust risk management execution to meet stakeholders' expectations.

Financial performance

"EBITDA growth with ample room for further improvement."

Mark Faasse, CFO

Delivery on our financial targets[1]

Turnover growth
3.3%

EBITDA
€110.9 million

EBITDA margin
5.0%

Return On Invested Working Capital
23.9%

Net debt / EBITDA
2.8

Dividend pay-out
€ 0.16 per share

[1] Non-IFRS financial measures used are presented in the "Appendices" section of this report.

Profit or loss performance

€ million (unless otherwise indicated)	FY 2023 reported		FY 2022 reported		Δ (%) reported
Profit or loss account					
Turnover	2,219.8		2,148.2		3.3%
Gross profit (margin)	343.6	15.5%	303.9	14.1%	13.1%
EBITDA (margin)	110.9	5.0%	90.9	4.2%	22.0%
Depreciation & Amortisation	36.7		32.7		12.2%
(Reversal of) impairment of non-current assets	(6.1)		0.1		-
Profit before tax	63.5		47.7		33.1%
Net profit	48.0		36.1		33.0%
EPS (in euro)	0.40		0.31		29.0%
ROIWC	23.9%		19.9%		
Financial position					
Inventory in days	89		91		
Working capital	464.0		455.7		
Solvency Ratio	28.5%		32.8%		
Net Debt	306.5		334.9		
Net Debt/EBITDA	2.8		3.7		

Turnover

The 2023 turnover increased 3.3% compared to 2022 levels. Organically, turnover increased 3.0% and was mainly driven by Beauty, Personal Care, and Travel Retail. Acquired turnover contributed 0.4%, stemming from Europe Beauty Group in the Beauty segment.

€ million (unless otherwise indicated)	FY 2023 reported	FY 2022 reported	Δ (%)
Liquors	587.0	649.7	(9.7%)
Beauty	771.3	729.6	5.7%
Personal Care	394.1	301.7	30.6%
Food	308.9	329.6	(6.3%)
Health	49.5	47.6	4.0%
Travel Retail	108.9	89.9	21.1%
Holding & eliminations	0.1	0.1	0.0%
Total turnover	2,219.8	2,148.2	3.3%

Turnover split per segment

Liquors

Turnover decrease for the year (-9.7%) was mainly driven by challenging market circumstances in the (international) liquor market. Higher availability in the market, due to oversupply of goods by brand owners and competitors which also leads to high volatility of prices, largely explains the challenging market circumstances.

Beauty

The increase in turnover is mainly driven by the B2C market, which benefited from its qualitative inventory positions and overall better market circumstances.
The reported turnover was negatively impacted by FX-results. On a constant currency basis turnover grew by 7.5% compared to last year.

Personal Care

2023 has been an exceptional successful year for Personal Care, marking our best historical performance, with strong growth in both revenue and profit. This surge is primarily the result of product scarcity in the market and widespread inflation, factors that have collectively contributed to our turnover increase compared to prior year. Additionally, a strategic shift in our product portfolio in favor of our Brand & Private Label assortment has positively contributed to the increase in turnover.

Food

In 2023, our Food segment prioritized stability and service excellence amidst challenging market conditions, focusing on three core areas: Duty-free channels, Maritime and Cruise Businesses, and Export/ Distribution into underserved markets. The turnover decreased within the Export/ Distribution services due to substantial price increases not being absorbed by the end-customers. Macro economical and geo-political influences strengthened the headwind. On the other hand, turnover of the Food Service distribution remained robust, bolstered by our brand partnerships and digital innovations through our B2B platform, www.kingofreach.com.

Health

Turnover increased by 4.0% compared to 2022 mainly stemming from a higher demand for travel related vaccines and medicines business. Turnover of worldwide medical supply was lower due to one-off deals in 2022 partly related to Covid.

Travel Retail

Turnover increased by 21.1% mainly as a result of the opening of new shops both late 2022 (3 shops) and during 2023 (12 shops), and increased passenger numbers combined with increased Spend per Customer.

Gross profit

Gross profit amounted to € 343.6 million (2022: € 303.9 million). As a percentage of turnover, margins increased from 14.1% to 15.5%. This was mainly the result of turnover compilation and focus on sales margins. Lastly, as a reminder, it should be noted that the 2022 gross profit was impacted by one-off provisions in the Food segment amounting to € 15.9 million.

Operating expenses

Operating expenses increased from € 213.1 million to € 232.8 million. The increase of € 19.7 million mainly stems from increased personnel cost (+14.2 million), office and warehouse costs.

EBITDA

EBITDA increased by 22.0% to € 110.9 million (FY 2022: € 90.8 million) mainly as a result of the gross margin increase, off-set by an increase in operating expenses. EBITDA margin increased to 5.0% (FY 2022: 4.2%). Adjusted for the one-offs in 2022 and 2023, EBITDA margin stood at 5.1% in 2023 (2022: 5.0%).

Group result for the year

Depreciation of tangible fixed assets, depreciation of right-of-use assets and amortisation of intangible fixed assets amounted to € 36.7 million (2022: € 32.7 million). Additionally, a reversal of impairment loss related to the Food segment of € 6.1 million has been accounted for in 2023.

Financial expenses increased to € 17.3 million (2022: € 10.4 million) mainly as a result of increased lending rates. All in all this resulted in profit before tax of € 63.5 million (2022: € 47.7 million).

The effective tax rate stood at 24.4% compared to 24.3% FY 2022. As a result, net profit from continuing operations amounted to € 48.0 million (2022: € 36.1 million).

Net profit attributable to non-controlling interests amounted to € 14.3 million (2022: € 10.0 million). The increase is mainly the result of increased net results of Topbrands Europe B.V. and the increased contribution of FNet acquisition Company LLC. Net profit attributable to the owners of the Company amounted to € 33.7 million (2022: € 26.1 million).

Segmental performance

Liquors

€ million (unless stated otherwise)	FY 2023 reported	FY 2022 reported	Δ (%) reported
Turnover	587.0	649.7	(9.6%)
Gross profit	40.1	62.0	(35.3%)
EBITDA	0.1	24.6	(99.6%)
EBITDA margin	0.0%	3.8%	

High interest rates and excessive supply from brand owners resulted in market disturbance. This combined with strong fluctuations in major currencies in Asia and severe competition from local distributors led eventually to lower demand and as such to lower prices which negatively affected our results.
Turnover moved from € 649.7 million to € 587.0 million and gross margin decreased from € 62.0 million to € 40.1 million, partly influenced by one offs amounting to € 4.2 million recognized and reported in the second quarter.

Staff costs slightly increased due to additional FTE, leading to decreased EBITDA and EBITDA margin.

"Interest rates and excessive supply from brand owners resulted in market disturbance."

Arben Hajrullahu
Managing Director Liquors

Beauty

€ million (unless stated otherwise)	FY 2023 reported	FY 2022 reported	Δ (%) reported
Turnover	**771.3**	729.6	5.7%
Gross profit	**129.3**	126.3	2.4%
EBITDA	**39.9**	46.9	(14.9%)
EBITDA margin	**5.2%**	6.4%	

A record breaking year for Beauty whereby despite challenging economic circumstances the Beauty segment was able to increase turnover by 5.7% YoY up to € 771.3 million and gross profit increased with 2.4% up to € 129.3 million.

This increase in both turnover and margin is mainly attributable to the B2C business, especially "Fragrance.com", and is fully in line the Beauty's long-term strategy. It is worth to mention that the categories Haircare and Skincare have shown significant growth within the total turnover portfolio as part of the strategy of Beauty on further diversification of revenue.

In recent years, investments have been made resulting in a stable foundation including the expansion of warehouse capacities and establishing procurement opportunities with the Beauty brands directly. Due to these investments and inherent higher operating expenses, the true potential is not yet realized this year, but the conditions are now in place for subsequent expansion of the business whereby efficiency gains will be realized, expecting to have a positive effect on future operating results.

Staff costs and operating expenses increased due higher FTE and other costs, resulting from the opening of a new logistic center in Atlanta, which is opened to further expand the B2C-business in the US.

"The figures substantiate that Beauty is on the right track regarding its strategy with a strong focus on B2C. While noting that this is only the beginning for a promising future, where a solid foundation has been laid for future growth."

Willem Tuk
Managing Director Beauty

Personal Care

€ million (unless stated otherwise)	FY 2023 reported	FY 2022 reported	Δ (%) reported
Turnover	394.1	301.7	30.6%
Gross profit	83.2	50.5	64.8%
EBITDA	53.8	25.7	109.3%
EBITDA margin	13.7%	8.5%	

The scarcity in the stock lot market has led to a significant increase in prices for Personal Care, which has also had a positive impact on margins. By focusing on certain customer segments combined with the logistics optimization around this, a better overall margin was achieved.

Turnover increased by € 92.4 million to € 394.1 million and gross margin from € 50.5 million to € 83.2 million. Approximately 50% of the growth can be allocated to our Private Label strategy.

The diminished availability of premium brands in 2023, prompted customers to seek affordable yet high-quality alternatives. This trend significantly benefited our Branded Private Label sub-segment, in which we also enhanced Personal Care's sales with new labels substituting the unavailable premium brands.

In addition, decreasing transport costs for the Far East, favorable exchange rates and a well-curated inventory position, contributed to higher margin compared to same period prior year.

The increased turnover levels were accomplished at stable operational cost levels, as such leveraging our EBITDA performance.

"Post-COVID market circumstances and well managed stock positions boosted performance."

Bert Boersema
Managing Director Personal Care

Food

€ million (unless stated otherwise)	FY 2023 reported	FY 2022 reported	Δ (%) reported
Turnover	309.0	329.6	(6.3%)
Gross profit	53.3	33.2	60.5%
EBITDA	20.0	(2.2)	1009.1%
EBITDA margin	6.5%	(0.7%)	

In 2023, our Food segment prioritized stability and service excellence amidst challenging market conditions, focusing on three core areas: Duty-free channels, Maritime and Cruise Businesses, and Export/ Distribution into underserved markets. In general, high inflation rates are affecting the company's turnover growth, resulting in lower spent by the end-consumers.

Embracing digital transformation, we enhanced client and supplier interactions, significantly digitizing orders via the "KingofReach.com" platform and EDI integrations. Despite significant inflation, we strategically managed costs and adjusted pricing and reviewed where needed the quality of the revenue.

Furthermore is China's economy going through a period of slow growth and customers are not very acceptive of the higher prices due to inflation. On the other hand, turnover of Maritime & IC is significantly higher compared to last year. This is mainly driven by the Cruise business which is benefiting from the post-covid recovered tourism industry and strong performance resulting in high consumer satisfaction.

Gross profit increased in absolute numbers and as a percentage of turnover, whereas the gross margin in 2023 was positively impacted by the release of provisions of € 4.3 million. Excluding the movement of these provisions, normalized gross profit percentage increased as a result of the strong focus on sustainable margin business amplified by the King of Reach platform approach.

Normalized EBITDA stood at € 15.7 million (5.1%) (2022: € 13.7 million (4.2%)).

"Despite 2023's challenges, our digital transformation and market adaptability led to increased Gross Margin, showcasing our resilience and growth potential in the food segment."

Maurice Riegel
Managing Director Food

Health

€ million (unless stated otherwise)	FY 2023 reported	FY 2022 reported	Δ (%) reported
Turnover	**49.5**	47.6	4.0%
Gross profit	**9.0**	8.5	5.9%
EBITDA	**2.1**	1.7	23.5%
EBITDA margin	**4.2%**	3.5%	

During FY 2023 Health had a steady growth in both turnover and gross margin from respectively € 47.6 million to € 49.5 million and from € 8.5 million to € 9.0 million. The growth compared to FY 2022 is mainly driven by the continued recovery of the travel related vaccine and medicines business, while there continue to be shortages of supplies in the Health market.

EBITDA margin increased because of increased gross profit margin as well as staff costs and operating expenses in line with last year.

"Continued recovery of the travel related vaccine and medicines business, along with shortages of supplies in the Health market impacted market circumstances throughout 2023."

Rogier van Duin
Managing Director Health

Travel Retail

€ million (unless stated otherwise)	FY 2023 reported	FY 2022 reported	Δ (%) reported
Turnover	**108.9**	89.9	21.1%
Gross profit	**25.1**	23.4	7.3%
EBITDA	**(2.1)**	2.8	(175%)
EBITDA margin	**(1.9%)**	3.2%	

Turnover increased by 21.1% mainly as a result of the opening of new shops both late 2022 (3 shops) and during 2023 (12 shops), and increased passenger numbers combined with increased Spend per Customer.

Within Travel Retail the airport shops in Oslo, Brussels, Barcelona, Mallorca and also Abu Dhabi were the main contributors to the reported increase in turnover. All of these airport shops, except for Abu Dhabi, opened in the fourth quarter of last year and the first quarter of this year. The Abu Dhabi airport shops opened during Q4 2023.

The gross profit did only slightly benefit for the development of the turnover, due to relatively higher concession fees towards the airports. Higher personnel costs, due to higher FTE, and higher operating expenses resulted in a negative EBITDA-margin of (-) 1.9%.

"The opening of 10+ new stores in different markets while building up at the same time a new organization has been challenging. Our multi category stores reached pre-Corona turnover levels, while the spend per passenger for our electronics business has been under pressure due to a changed customer profile and limited product innovation."

Guus Jonge Poerink
Managing Director Travel Retail

Balance sheet

€ million (unless stated otherwise)	31.12.2023	31.12.2022	Change
Intangible fixed assets	114.9	128.1	(10.3%)
Tangible fixed assets	51.8	50.0	3.6%
Right-of-use assets	71.1	77.9	(8.7%)
Financial fixed assets	13.1	7.9	65.8%
Non-current assets	250.9	263.9	(4.9%)
Inventory	419.2	416.9	(0.6%)
Trade receivables	179.4	176.3	1.8%
Other current assets	43.1	40.0	7.8%
Cash and cash equivalents	28.6	38.7	(26.1%)
Assets held for sale	1.4	-	100.0%
Current assets	671.7	671.9	(0.0%)
Total assets	922.6	935.8	(1.4%)
Equity	260.4	306.9	(15.2%)
Non-current liabilities	333.3	312.6	6.6%
Current liabilities	328.9	316.3	4.0%
Total equity and liabilities	922.6	935.8	(1.4%)

Non-current assets

Non-current assets decreased to € 250.9 million at year-end 2023, compared to € 263.9 million at the end of 2022. The decrease mainly relates to amortisation of intangible fixed assets and depreciation of right-of-use assets. The investments in tangible fixed assets – equipment and other relates to additions in equipment, furniture and new shops and renovations of buildings. The increase in financial fixed assets is mainly related to an increase in deferred tax assets of € 4.9 million compared to 2022.

Current assets

Current assets stood at € 671.7 million at year-end 2023, compared to € 671.9 million at year-end 2022.

The notable decrease in our current assets, in addition to cash at hand, relate to a decreased inventory position. Inventories have been lowered, partly as a result of the challenging market circumstances.

Group equity

The Group's equity decreased to € 260.4 million at year-end 2023, compared to € 306.9 million at the end of 2022. During 2023, the Group paid € 10.1 million dividend to owners of the Company (2022: € 15.2 million) and paid € 12.7 million dividend to non-controlling interests (2022: € 10.8 million). Group equity was further impacted for purchase of shares of FNet acquisition Company LLC and FNC International B.V. Furthermore Group equity was impacted by changes in deferred payments with three minority shareholders for written put options.

Non-current liabilities

Non-current liabilities stood at € 333.3 million at the end of 2023, compared to € 312.6 million at year-end 2022. The increase of the non-current liabilities is mainly the result increased deferred payments, party off-set by a decrease in lease liabilities as a result of repayments on lease liabilities.

Current liabilities

Current liabilities increased to € 328.9 million at year-end 2023, compared to € 316.3 million at the end of 2022, mainly the result of the increase deferred payments, off-set by lower current liabilities on bank debt, and less trade payables.

Financing

B&S is financed through a multiple, bilateral term loans and revolving credit facility both on a committed and an uncommitted basis. Reference is also made to note 27 of this annual report.

Net debt decreased from € 334.9 million as per year-end 2022 to € 305.5 million as per year-end 2023. The Leverage Ratio stood at 2.8 (FY 2022: 3.7). The Interest Coverage Ratio (ICR) stood at 4.7 (FY 2022: 5.8).
The Leverage Ratio and ICR, calculated in accordance with the definition used by the banks for the determination of the covenant stood at 2.6 respectively 5.0, and are within covenant <3.75 for Leverage Ratio and >4.25 for ICR.

Cash Flow

€ million (unless stated otherwise)	2023	2022
Net cash from operations	79.5	98.8
Net cash from investing activities	(27.9)	(77.7)
Net cash from financing activities	(61.7)	5.1
	(10.1)	26.2

Investing activities mainly related to the payment of the purchase of shares of FNet acquisition Company LLC and FNC International B.V., the received cash for the sale of shares in Top Care Distribution S.L.U. and the investments additions in furniture and other equipment for new shops and renovations of buildings.

Financing activities mainly related dividend payments to both the shareholders of the Company and the minority shareholders, off-set by changes in credit facilities and new loans received from banks.

Divided proposal

At the Annual General Meeting to be held on May 24, 2024, B&S will propose the payment of € 0.16 per share, in cash (subject to withholding tax if applicable). This translates into a pay-out ratio of 40% of the annual results attributable to the owners of the Company.

Governance

Corporate Governance

B&S Group S.A. has a two-tier board structure, managed by an Executive Board and supervised by a Supervisory Board. The Executive Board of B&S Group S.A. comprises three members and the Supervisory Board comprises five members. The Executive Board and Supervisory Board are responsible for the Company's corporate governance structure. The corporate governance of B&S is determined by Luxembourg Law, the Articles of Association and the Dutch Corporate Governance Code (the 'Code').

In 2023 the Company further strengthened B&S policies and practices. In 2023, the following measures have been taken:

- the Company has established new onboarding procedures for all employees on the Company's Code of Business Ethics;
- the Company has put strict safeguards in place to ensure adherence to the Company's related party transaction procedures and controls;
- the Executive Board has entered into a separate agreement with the majority shareholder confirming that the majority shareholder will not directly or indirectly enter into any contract with any key management member or legal entity of B&S or any of the B&S subsidiaries without the prior written approval of the Executive Board of B&S;
- Policy on related party transactions has been further updated and strengthened;
- all Executive Board members, Supervisory Board members, Managing Directors and minority shareholders confirming twice a year in writing that no financial and/or other agreements with B&S' majority shareholder directly or indirectly have been entered into;
- Governance around rental contracts has been further improved.

Composition of the Boards

Changes in 2023

On February 19, 2023, CEO and Chair of the Executive Board Tako de Haan and Vice-Chair of the Supervisory Board Willem Blijdorp resigned.

Peter van Mierlo was appointed by the Annual General Meeting of the Company as Executive Board member, serving as Chief Executive Officer ('CEO') as of May 22, 2023 for a period of four years. In addition, Mark Faasse was appointed by the AGM of the Company as Executive Board member, serving as Chief Financial Officer ('CFO') as of May 22, 2023 for a period of four years.

On May 22, 2023 the AGM confirmed the appointment of Derk Doijer as Supervisory Board member as of December 19, 2022 for a term expiring at the end of the AGM in 2026. In addition, on May 22, 2023 the AGM confirmed the appointment of Bert Tjeenk Willink as Supervisory Board member as of December 30, 2022 for a term expiring at the end of the AGM in 2025. Furthermore, on May 22, 2023 the AGM appointed Kim Smit as Supervisory Board member as of May 22, 2023 for a term expiring at the end of the AGM in 2027.

On June 4, 2023 Niels Groen, member of the Executive Board since 2017 and Managing Director, has announced that he will step down from his Board positions. Per July 1st, 2023, Niels has left the Company.

During the Extraordinary General Meeting of the Company on August 18, 2023 the EGM appointed Erna Versteegden as Supervisory Board member for a term expiring at the end of the AGM in 2027.

Composition of the Executive Boards

B&S Investments B.V.

B&S Group S.A.

Peter van Mierlo

CEO

Mark Faasse

CFO

Bas Schreuders

Senior Counsel

Ken Lageveen

COO

Peter van Mierlo, M (1963)

Position: Member of the Executive Board and CEO since May, 2023.Responsible for corporate strategy, business development, sustainability and human resources.
End of current term: 2027
Nationality: Dutch
Other positions: Supervisory Board member 'Stichting NL in business'.
Previous positions held:
Partner at PwC from 1996, leading Transactions pratice 2000-2009.
CEO Assurance practice 2009-2013.
CEO PwC Netherlands 2013-2018.
CEO Dutch Entrepeneurial Development Bank 2018-2020,
CFO CubicPV Inc. 2021-May, 2023.

Mark Faasse, M (1981)

Position: CFO since November 2022 and member of the Executive Board since May, 2023. Responsible for finance, tax, internal audit, treasury and risk management.
End of current term: 2027
Nationality: Dutch
Other positions: not applicable
Previous positions held:
Finance Director and member of management team B&S since 2014.
Before B&S he was an external auditor at Deloitte.

Bas Schreuders, M (1954)

Position: Member of the Executive Board since 2012 (re-appointed in 2020) and Senior Counsel. Responsible for legal affairs.
End of current term: 2024
Nationality: Dutch
Other position: board member at Paladin European Cyber Holdings S.à r.l.
Previous positions held:
CEO of Intertrust Group until 2010, several senior management positions at BNP and MeesPierson Bank & Trust.

Ken Lageveen, M (1977)

Position: COO and member of the Executive Board. Responsible for IT, sustainability, logistics and operations.
End of current term: 2027
Nationality: Dutch
Other positions: not applicable
Previous positions held:
COO of Liquors, Beauty segments and Managing Director of the Beauty segment of B&S.

Composition of the Supervisory Board

Derk Doijer, M (1949), Chair

First appointed: December, 2022
(confirmed in the AGM 2023)
End of current term: 2026
Nationality: Dutch
Committees: Audit and Risk Committee (member)
Last position held: member of the Executive Board of SHV Holdings until 2004
Other positions: Chair of the Supervisory Board of Lucas Bols until 2020, member of the Supervisory Board of Ahold until 2016, and Chair of the Supervisory Board of Corio until 2015.
Type of Supervisory Board member: independent

Bert Tjeenk Willink, M (1960), Vice Chair

First appointed: December, 2022
(confirmed in the AGM 2023)
End of current term: 2025
Nationality: Dutch
Committees: Selection, Appointment and Remuneration Committee (chair)
Last position held: CEO of Stada Arzneimittel GmbH until 2017
Other positions: Chair of Non-Executive Board of Allecra Therapeutics GmbH, Chair of the Board of BioSana Pharma B.V., Non-Executive Board Member of JoyDew LLC, Advisory Board position for a health care focused private equity fund.
Type of Supervisory Board member: independent

Erna Versteegden, F (1967)

First appointed: August, 2023
End of current term: 2027
Nationality: Dutch
Committees: Selection, Appointment and Remuneration Committee (member)
Last position held: Associate Partner Changery
Other Positions: numbers of additional positions among which member of the supervisory board of Mazars, member of the supervisory board of Sioux Technologies,
Type of Supervisory Board member: independent

Composition of the Supervisory Board

Leendert Blijdorp, M (1988)

First appointed: 2021
End of current term: 2025
Nationality: Dutch
Committees: Audit & Risk committee (member)
Other positions: several board and committee member positions in companies related to Sarabel Invest S.à r.l.
Type of Supervisory Board member: non-independent

Kim Smit, F (1970)

First appointed: 2023
End of current term: 2027
Nationality: Dutch
Committees: Audit & Risk committee (chair)
Last position held: member of the executive Board and CFO of Leiden University Medical Center
Other positions: A number of additional positions among which member of the supervisory board of Hub Organoids, member of the supervisory board, chair of the audit committee, member of the remuneration and appointment committee of NRG/ Pallas, member of the supervisory board and audit committee of Pantein Zorggroep.
Type of Supervisory Board member: independent

Executive Board

The Executive Board is responsible for day-to-day management, strategy and advocacy of general stakeholders' interests. The Executive Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except those expressly attributed to the General Meeting or Supervisory Board under Luxembourg legislation or the Articles of Association.

Composition, appointment and dismissal

The Articles of Association provide that the Executive Board must consist of at least two members.

The composition of the Executive Board and information about its members is provided on page 94.

Members of the Executive Board are appointed for a maximum period of four years and may be reappointed for an unlimited amount of times, each time for a maximum of four years.

A member of the Executive Board may be removed or replaced with or without cause, at any time, by a resolution adopted by the Supervisory Board or by the General Meeting.

No member can simultaneously be a member of the Executive Board and the Supervisory Board. However, in the event of any vacancy at the Executive Board, the Supervisory Board may appoint one of its members to act on the Executive Boards until the following General Meeting. During that period, the duties of this person within the Supervisory Board will be suspended.

Meetings and decision-making

In the financial year under review, the Executive Board had 18 formal meetings. The functioning of and decision-making within the Executive Board are governed by the Executive Board Rules, which can be found on the corporate website.

The Company has an IT steering committee in place that assists the Executive Board in its oversight of the Company's IT function and prepares recommendations for the Company's IT policy.

Supervisory Board

The Supervisory Board is responsible for supervising and providing advice to the Executive Board, next to the role of employer of the Executive Board. The Supervisory Board regularly discusses, amongst others, the strategy, the implementation of the strategy and the principal risks associated with it. The Supervisory Report can be found on page 115.

Composition, appointment and dismissal

The Articles of Association provide that the Supervisory Board must consist of at least three members. The composition of the Supervisory Board and information about its members is provided on page 96.

Members of the Supervisory Board are appointed for a maximum period of four years and may be reappointed for a maximum period of four years. A Supervisory Board member may then subsequently be reappointed for a period of two years. For reappointment after an eight-year period, reasons must be provided in the report of the Supervisory Board.

A member of the Supervisory Board may be removed or replaced with or without cause, at any time, by a resolution adopted by the General Meeting.

In the event of one or more vacancies in the Supervisory Board because of death, resignation, or otherwise, the remaining members of the Supervisory Board may appoint one or more members of the Supervisory Board, as the case may be, to temporarily fill any such vacancy until the next Annual General Meeting where a new member of the Supervisory Board will be appointed upon proposal by the Supervisory Board, subject to compliance with any applicable nomination rights as set out in the Articles of Association.

Meetings and decision-making

The Supervisory Board shall meet as often as the business and interests of the Company require. Unless the Chair decides otherwise, Supervisory Board meetings shall be attended by all members of the Executive Board. The Supervisory Board held 13 meetings in the financial year under review.

In accordance with the Articles of Association, the functioning of and decision-making within the Supervisory Board are governed by the Supervisory Board Rules that can be found on the corporate website.
The Supervisory Board can only validly adopt resolutions if at least two of its members are present or represented at a meeting duly convened in accordance with the Articles of Association and Luxembourg Law.

Resolutions of the Supervisory Board may also be adopted outside of a meeting, provided that such resolutions are adopted in writing and signed by each member of the Supervisory Board.

Pursuant to the Articles of Association, certain specified resolutions of the Supervisory Board require the affirmative vote of majority shareholder Sarabel as long as it holds at least 30% of the ordinary shares.

Committees

The Supervisory Board has established two committees from its members: the Audit and Risk Committee (ARC) and the Selection, Appointment and Remuneration Committee (SARCo, together 'Committees'). Their task is to assist and advise the Supervisory Board in fulfilling its responsibilities. These committees are governed by charters drawn up in line with the Code and can be found on the corporate website. The present composition of the committees is provided in this Annual Report under 'Supervisory Board report'.

Remuneration

The remuneration of the Supervisory Board members is determined by the Annual General Meeting. The Annual General Meeting may grant a fixed remuneration to members of the Supervisory Board which is not dependent on the results of the Company and may grant an additional fixed remuneration to the Chair and the Vice-chair.

Diversity

In the composition of the Boards, B&S strives for complementarity, pluralism and diversity regarding age, gender and background. The main aim is to create a balanced and diverse mix of knowledge, skills, expertise and personal characters.

The Company views diversity as a relevant mix of required elements that evolves with time, based on business objectives and future needs of the Company. B&S treats diversity of the Boards as means for improvement and development, and commits to the objectives of the relevant best practice provisions of the Code (2.1.5 and 2.1.6). The Company aims for 20% female in the Executive Board, and 30% female for the sub top in 2026.
In the formation of the new Executive Board and in the recruitment of new Supervisory Board members these views were taken into account. The CFO role has been filled with an internal candidate. A new CEO has been appointed with over 15 years of board experience in various industries, which were characterised by entrepeneurial spirit and strong governance. The Executive Board will improve the overall diversity in the coming years.
During the course of 2023, two female Supervisory Board Members were appointed, leading to a 40% female representation in the Supervisory Board.

Board conflicts of interest

Conflicts of interest are handled in accordance with Art. 27 of the Articles of Association. If a member of the Executive Board or the Supervisory Board has a direct or indirect financial interest opposite to the interest of the Company in any transaction that requires approval from the Executive Board or the Supervisory Board, he or she should inform the Boards as per Art. 27.1 of the Articles of Association. The member may not take part in the deliberations relating to the transaction and may not vote on transaction related resolutions.

Herewith, the Code's best practice provisions regarding (reporting of) conflict of interests have been complied with.

Annual General Meeting

At least once a year, the Company convenes a Annual General Meeting.

The Executive Board and Supervisory Board ensure that the Annual General Meeting of Shareholders is properly informed and advised. The Company has, in accordance with best practice provision 4.2.2 of the Code, drawn up a Policy on bilateral contacts.

Shareholders who individually or jointly hold at least 5% of the issued share capital have the right to place items on the agenda and submit proposals for items included in the agenda. The Company will include the item on the agenda if it receives the substantiated proposal in writing clearly stating the item to be discussed, or a draft resolution, in writing at least 22 days prior to the meeting date.
The main powers of the Annual General Meeting relate to:

- the composition, appointment and dismissal of members of the Executive Board and the Supervisory Board;
- approval of the remuneration policy of the Executive Board and the Supervisory Board;
- the adoption of the annual financial statements and declaration of dividends on Ordinary shares;
- discharge from liability of the members of the Executive Board and the Supervisory Board;
- any transaction or measure entailing an important change of the identity or character of the Company;
- the issuance of ordinary instruments under the Ordinary Shares Authorised Capital in the excess of 10% maximum set out in Art. 6.3(i) in the Articles of Association. Since March 21, 2023, the Annual General Meeting is the only body that can approve issuance of shares;
- amendments to the Articles of Association in accordance with Art. 12.3 in the Articles of Association.

For more information about the powers of the Annual General Meeting, the Policy on bilateral contacts as well as Articles of Association, please visit our corporate website.

Share capital

The authorised share capital of the Company consists of one single category of shares: ordinary shares. All issued shares are fully paid up and each share confers the right to cast a single vote in the Annual General Meeting. At year-end 2023, the total number of issued ordinary shares was 84,177,321.

The ordinary shares are freely transferable at the stock exchange of Euronext Amsterdam.

Share ownership rights

There are no special control rights or restrictions on voting rights attached to the ordinary shares. However, shareholder Sarabel Invest S.à. r.l. ('Sarabel') has a right to nominate candidates for appointment as members of the Supervisory Board. Pursuant to Luxembourg law, if Sarabel, when making use of this nomination right, includes at least two candidates for each position in the proposal for appointment to the Supervisory Board, the General Meeting has to appoint one of the proposed candidates.

Furthermore, the Articles of Association require the affirmative vote of the current majority shareholder Sarabel in respect of reinforced approval matters of the Supervisory Board as long as it holds at least 30% of the ordinary shares.

There are no specific powers for the Executive Board and Supervisory Board to issue or buy back ordinary shares.

Preference shares

For a period of five years, starting March 22, 2018, the Executive Board, as per Article 6 of the Articles of Association, is authorised to issue preference shares to a foundation (Stichting Continuïteit B&S Company) up to a total number of voting rights, after the issue, of 33.33%. The object of the foundation is limited to the protection of the interests of (i) the Company, (ii) the business connected therewith and (iii) all involved stakeholders. Contravening influence threatening the continuity, independence, or identity shall be averted as much as possible. The Executive Board may only issue preference shares with the prior written consent of the current majority shareholder Sarabel as long as it holds at least 30% of the ordinary shares. In 2023, no preference shares were issued.

Share transactions by management

The chart of transactions by persons discharging managerial responsibilities (PDMR), which are members of the Executive Board and Supervisory Board of the Company, is available on our corporate website. This overview contains any significant direct and indirect shareholdings within the meaning of the Transparency Directive.

Major shareholdings

The Dutch Financial Supervision Act and the Luxembourg Transparency law require investors who hold a share interest or voting interest exceeding (or falling below) certain thresholds to (inter alia) notify their interest with the Authority for the Financial Markets (AFM) in the Netherlands and the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg. This information is included in this Annual Report under the section "Share Information".

Financial reporting and role of the auditor

Annual financial statements as prepared by the Executive Board must be examined by an external certified auditor before being presented to the Annual General Meeting for approval and adoption.

The Annual General Meeting has the authority to appoint the auditor.
The Supervisory Board nominates the auditor for (re-)appointment by the Annual General Meeting, taking into account the advice of the ARC. The auditor's assignment and remuneration are resolved on by the Supervisory Board, on the recommendation of the ARC.

The external auditor attends ARC meetings and meetings of the Supervisory Board in which the annual financial statements and the year-end audit report of the external auditor is discussed. Half-year results and reports are discussed with the ARC in the presence of the external auditors prior to publication.

Compliance with the Dutch Corporate Governance Code

As a public limited liability Company organised under the laws of the Grand Duchy of Luxembourg, the Company is not subject to the Code. However, we acknowledge the importance of good governance and are committed to complying with the principles as set out in the Code.

Deviation from the Code

Cancelling the binding nature of a nomination or dismissal

Pursuant to the Articles of Association, shareholder Sarabel has a right to nominate candidates for appointment as members of the Supervisory Board. Contrary to best practice principle 4.3.3., it is not possible under Luxembourg law to set aside the binding nature of this nomination right. In 2023, this right has not been exercised by the shareholder.

Sustainability Governance

B&S has a corporate sustainability team responsible for advising and coordinating on the development of the corporate sustainability strategy and target setting, and subsequently for initiating projects and updating executive committees about progress made. The Executive Board is overall responsible for the sustainability strategy.

The Supervisory Board supervises the policies carried out by the Executive Board. In so doing, the Supervisory Board focusses on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the sustainability reporting.

Relevant documents on corporate website

- Articles of Association
- Executive Board Rules
- Supervisory Board Rules
- Charters of Committees
- Profile Supervisory Board
- Remuneration Policy
- Rotation schedule
- Bilateral Contacts policy
- Code of Business Ethics
- Whistleblower Policy

go to documents

Risk Management

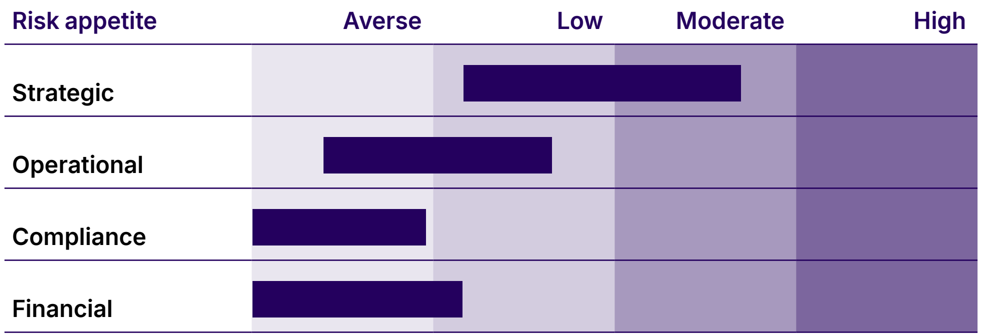
Our Enterprise Risk Management (ERM) assessment is designed to identify, assess and take action on risks and opportunities in line with our strategic, operational, financial and compliance business objectives.

Our enterprise risk register is reviewed twice a year with the involvement of the business, including senior management, with the aim of verifying and updating the risks to ensure the register reflects the most recent and emerging risks and opportunities. The identified risk are grouped into 4 risk categories. Each category is assessed, and the results are shown in the risk matrix (impact and likelihood). The position indicates the residual risk reflecting the effectiveness of the mitigating actions, changes since 2022 are shown. The overall consolidated risk profile is discussed twice a year by the Executive Board and with the ARC. In 2023, a risk appetite assessment dialogue was initiated for the Supervisory and Executive Board to reaffirm the Board members' risk appetite.

The Company also carefully reviews its control framework and governance practices including avoiding conflict of interest.

Risk appetite

The risk appetite differs per risk category and is defined as follows:



- To achieve **strategic** objectives, the Company accepts associated risks up to a moderate level
- The Company seeks to minimise the risks of **operational** failures within its business processes
- With respect to **compliance** risks, the Company takes a risk averse stance
- **Financial** risks are mitigated through a cautious financing structure and stringent cash management policy

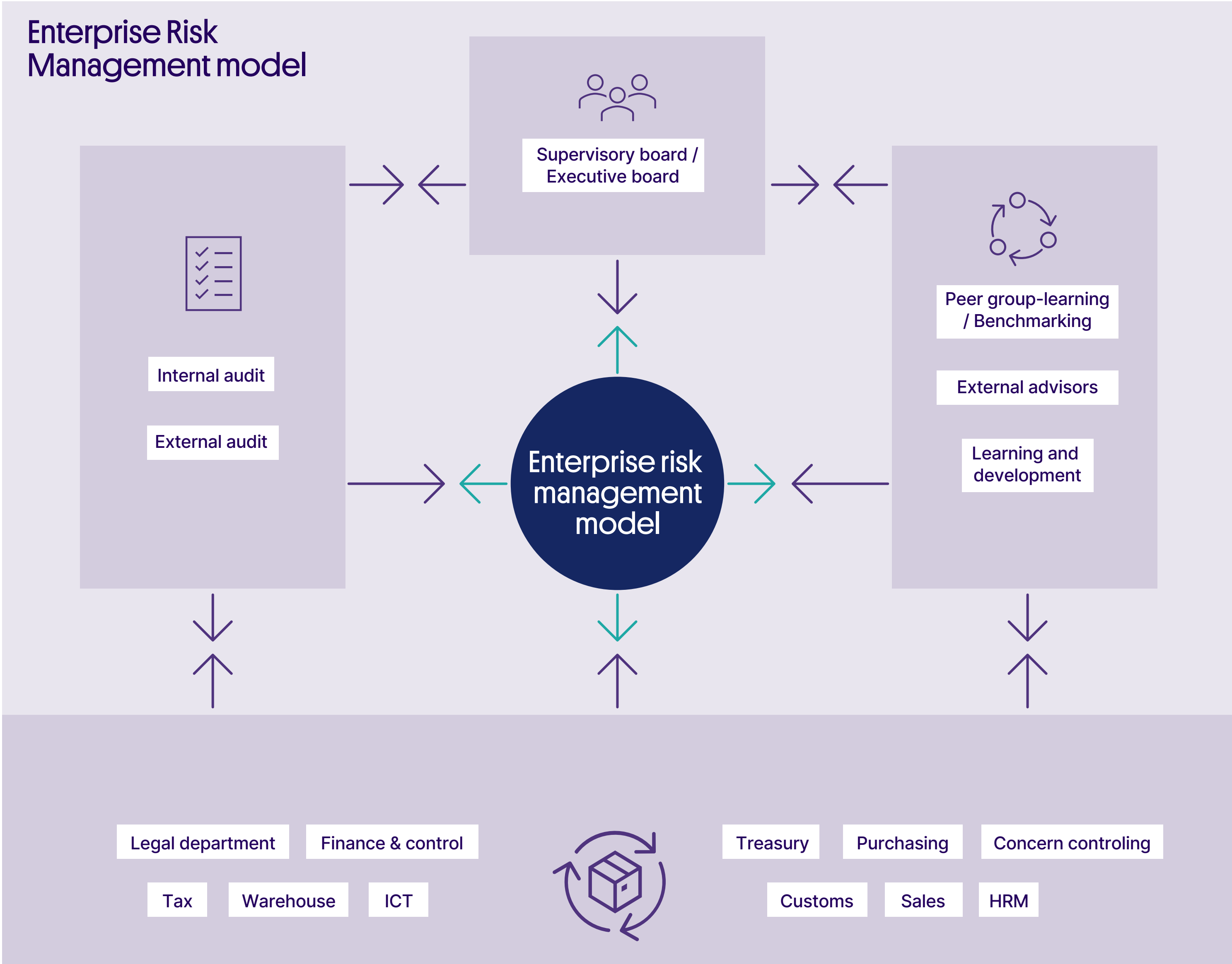
There may be risks or risk categories currently identified as not having a significant impact on the business but could develop into main risks in the future. The objective of the Company's Enterprise Risk Management model ('ERM model') is to timely identify changes in risk profiles so that appropriate measures can be taken.
The main risks per category are described below.

Risk	Description	Risk appetite			
Strategic					
International nature	The risk that trade protection measures, changes in taxation policies, or other regulations will negatively impact revenues			✓	
Managing growth	The risk that the Company is unable to manage sustainable organic and acquisitive growth		✓		
Reputation	The risk of an incident occurring that will harm the B&S Company brand			✓	
Sustainability performance	Risks related to environmental, social and governance matters. This includes risks related to climate change, human rights and the impact of societal expectations on integrating sustainability into our business strategy and performance		✓		
Operational					
IT & Cybersecurity	The risk of critical IT systems being unavailable or not well maintained and of the Company being exposed to cyber crime	✓			
Staff	The risk of not finding or retaining qualified people to support our strategy and the business not achieving its full potential		✓		
Inventory	The risk of being unable to manage inventory successfully, leading to tied up capital and / or eroding margins The risk of scarcity or unavailability of goods impacting lead times and business continuity			✓	
Compliance					
Compliance standards	The risk of non-compliance with laws and regulations in applicable jurisdictions or with internal policies and procedures, including avoiding conflict of interest, adherence to our code of business ethics and legislation related to the environment and human rights	✓			
Customs & Certifications	The risk of losing any of our authorisations or certifications for our bonded warehouses could have negative impact on revenues	✓			
Financial					
Currency	The risk of inadequately monitoring exchange rate risk that leads to exchange rate losses	✓			
Credit	The risk of delayed or failed payment by customers	✓			
Liquidity & Working Capital Management	The risk that the business has insufficient free cash flow to fund its operations and stay within acceptable debt ratios	✓			

Enterprise Risk Management model

The Executive Board is responsible for establishing and maintaining adequate internal risk management and control systems. Risk identification is performed both top-down and bottom-up, based on the Company's strategy and the environment in which we operate.

The Company has developed an ERM model which is continuously monitored by the Supervisory Board, Executive Board, Finance & Reporting, Internal Audit and the Managing Directors of the six segments.
We involve various internal and external stakeholders in the identification, assessment and monitoring of risks, which fits the Company's entrepreneurial and hands-on mentality. The risk management model is updated when required in order to reflect changes in either internal or external conditions.



Main risks and control measures

The main risks and control measures are presented below.

Risk type	Description	How we manage this risk and risk trend
Strategic		
S1: International nature of our business	The international scope of our operations, particularly in certain emerging markets, exposes the Company to risks related to trade protection measures, closure of borders and restriction of travel in case of a global pandemic, changes to taxation policies, changes in regulation, import/export licensing requirements, quotas or wage and price controls.	Diversifying in markets, product groups, regions, and client portfolios mitigate these risks. The Company has spread its risk over various niche markets all over the world, making it less vulnerable to decline in specific market segments and / or to geographical risks. Although geographical economic recessions can have some effect, the risk of a disproportionally adverse impact will be limited because of the indicated market diversification and regional spread.
S2: Managing growth	Quality of the Company's growth should always remain sustainable, manageable and well under control. However, the Company may fail to meet these standards by inefficient or inadequate controlled organisational aspects, challenging economic market conditions, or adverse global events.	The Company invests substantially in optimisation and digitisation of business processes and compliance procedures, and in expansion of warehousing and storage facilities. The diversification in markets, product groups, regions and client portfolios makes the business less cyclical and less vulnerable to changing market conditions. Furthermore, the Company is continuously improving, digitising and controlling its processes in order to be able to adapt quickly to changing circumstances. Acquisitions are preceded by due diligence processes carried out by experts to ascertain that an acquisition will provide adequate financial returns.
S3: Reputation	The Company's reputation and relationship with our stakeholders could be harmed by performance failures and incidents occurred by internal or external parties, such as fraud, corruption, non-compliance with laws and regulations, cyber incidents, human rights violations and environmental damages. These reputational risks could result in a loss of sales or other financial impact caused by a harmed reputation.	The Company is focused on adding value to its partners' businesses that provides long-term mutual growth, which results in trustworthy relationships. The focus on maintaining long-term partnerships with customers and suppliers makes the Company less vulnerable to reputational damage. The Company applies extensive Know Your Relation (KYR) procedure. Also, internal policies and guidelines regarding agreements with stakeholders mitigate our risk profile. Furthermore, internal and external procedures and policies are in place to avoid incidents, such as fraud, corruption, non-compliance with laws and regulations and cyber incidents.

Risk type	Description	How we manage this risk and risk trend
S4: ESG performance	Developments in relation to sustainability laws and regulations result in increased requests for information on our sustainable initiatives and performance metrics from investors and other key stakeholders such as suppliers and customers. Subsequently, measuring success as per traditional financial performance is no longer a sufficient method to reflect upon how we mitigate negative impacts and how we add and create value for the long term, not only for shareholders but society at large. Furthermore, increased consumer demand for more sustainable, healthy and responsible products, as well as understanding the origin and how they are produced, requires different purchase strategies, sales tactics. Also, it might open new markets for growth.	Our corporate Sustainability Strategy 2030 defines our roadmap for embedding sustainability into our daily operations. For the various material topics, policy papers are developed, describing the issues at hand, our vision and commitment, targets and KPI’s as well as plans for action to mitigate adverse impacts, foster the positive ones and seize business opportunities for growth. These policies function as foundation for the development of annual plans per segment and corresponding projects whilst ensuring alignment with regulatory developments. In addition, through various training and presentations, awareness and availability of tools to act amongst staff is increased. The sustainability department engaged in discussion with the Executive Board and Managing Directors on a regular basis for example on the implementation of the CSRD, EUDR, CBAM, PPWR and CSDDD. Lastly, IT adjustments in our proprietary product data management system are being made to enable registration of additional specification accordingly.

Risk type	Description	How we manage this risk and risk trend
Operational		
O1: IT and cybersecurity	The Company relies significantly on the integrity, reliability and efficiency of IT systems and on the services of its third-party IT and payment service providers. Inability to find qualified service providers or the failure of service providers to perform their obligations could have a material adverse effect on the business, financial condition and results of operations. With increased digitisation of Company processes and business models and cyber criminals becoming increasingly active and sophisticated, the Company considers cybercrime a significant IT threat.	The Company has established partnerships with carefully selected IT providers acquainted with our business activities and associated needs, and pro-actively implement and continuously optimise the IT systems. The Company maintains and develops a wide range of security measures including access and authorisation controls and back-up and recovery procedures. Compliance with these policies is monitored and controlled. Additionally, the IT systems and procedures are checked regularly by external experts while potential cyber-attacks on the Company's systems are externally monitored and internally mitigated by various protective and detective measures. Internal and external cyber specialists are also assigned to further develop the security policies and controls in line with the CMMC rules.
O2: Dependency on key staff	The Company relies significantly on the skills and experience of the managerial staff as well as technical, sourcing and sales personnel. A loss of any key individuals or the failure to recruit suitable managers and other key staff, both for expanding operations and for replacing people who leave the Company, could result in an inability to meet customer demand resulting in a loss of customers.	This risk is mitigated by recruiting employees to cover both business growth and fluctuations in employee composition. In order to attract and retain staff, the Company offers a balanced remuneration package, development programmes and a stimulating workplace offering attractive career opportunities.
O3: Inventory risk	The Company holds sizeable inventory levels with a certain volatility throughout the year. The Company may be unable to manage its inventory successfully, resulting in additional tied-up capital, eroding margins or unavailability of goods.	The Company closely monitors inventory through dedicated inventory management departments which are divided into product categories. Critical stress tests are regularly carried out on the theoretical financial boundaries of inventory positions and inventory returns versus equity, covenants and financing. Specific working capital management are included in the goalsetting. The financial boundaries itself are continuously assessed to safeguard the Company's ability quickly respond to changing market circumstances.

Risk type	Description	How we manage this risk and risk trend
Compliance		
C1: Non-compliance with laws and regulations	The Company is subject to various laws and regulations in the jurisdictions in which it operates. Changing laws might interfere with the Company's competitive advantage resulting in a loss of business. Litigation or investigations involving the Company, including those related to the infringement of intellectual property rights of third parties and/or food safety, could result in material settlements, fines, penalties or reputational damage. The business is subject to anti-money laundering, sanctions and anti-bribery laws and regulation and related compliance costs and third-party risks. Breaching these laws and regulations might result in the loss of contracts in our government and defense distribution operations.	Business partners are selected carefully and are only accepted after screening (KYR procedures) that ensures that the Company's supply chain is transparent, not in breach with any regulations and that the Company is not infringing any intellectual property or trademarks. If deemed necessary, the Company relies on the services of local professional experts for designated compliance areas. Strict internal policies and guidelines regarding business agreements with new suppliers and customers are applied through an extensive 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. The Company Code of Business Ethics contains standards for avoiding conflicts of interest or any appearances of conflict of interest.
C2: Customs and certifications	The Company has its own warehouses for storing both bonded and duty exempt goods, which requires extensive licensing and certification as an Authorised Economic Operator (AEO) by the customs authorities. Loss of any of the authorisations or certifications could impact the Company's ability to operate its business, fulfil our obligations towards customers or attract new customers. This may result in a loss of turnover or not realising the growth ambition. Also non-compliance with customs and excise laws and regulations may lead to fines and penalties.	In order to mitigate the risks from customs activities, the Company has its customs departments staffed by well-trained experts who are in close contact with customs authorities, which is overseen by the Company Tax Department. Staff follows ongoing training courses to keep up to date with customs legislation and related developments. The Company is insured against the risks related to its customs activities and adequate customs guarantees have been issued for its activities. The financial consequences of customs related calamities are, therefore, covered to the extent possible. Each year, the processes related to our AEO status are audited internally and periodically audited externally. The Company follows strict policies and performs crosschecks on compliance.

Risk type	Description	How we manage this risk and risk trend
Financial		
F1: Currency risks	The Company is exposed to currency exchange rate risk in the conduct of our business and our foreign subsidiaries. Inadequate monitoring of our positions might lead to exchange rate losses.	The Company 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 corporate 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.
F2: Credit risks	Delayed payment or failure to pay by our customers could have an adverse effect on our business resulting in the Company not being able to grow at the desired pace.	The Company applies strict internal policies and guidelines regarding credit risk management. All transactions must be secured, either by credit insurance, payment upfront, or by a secured payment instrument (guarantee or letter of credit). A centralised credit control department is in place to mitigate credit risks and to monitor compliance with internal credit management policies.
F3: Liquidity & Working Capital	Any inability to raise capital or to continue the existing finance arrangements could have a material adverse effect on the business, financial condition and results of operations.	The Company's activities are mainly financed on the basis of medium and short-term credit facilities. The Company has adequate financing available which will mature in 2026. Both committed and uncommited financing arrangements are discussed and negotiated exclusively at Company level by the Executive Board. The internal reporting allows for close monitoring of the operating segments on profitability and compliance with the financing arrangements. This also ensures that the companies within the Company are in a position to generate sufficient cash flows for upward dividend streams.

For more details about financial risk management, see note 35 in the consolidated financial statements. These notes are considered to be part of this report.

Internal Audit

Throughout the year, certain selected aspects of the execution, follow up and quality of the design and effectiveness of controls are reviewed by the Company's internal audit function. Priorities for internal audit are defined in dialogue with both the Executive Board and the Audit and Risk Committee of the Supervisory Board. The internal audit function has direct access to both the Executive Board and the ARC and presents the results of the internal audit activities during the meetings of the ARC.

ERP migrations

To support the enhancements of review activities and monitoring controls as set out above, we proceeded with further improving our ERP- and other financial IT-systems within the group. As part of that, during 2023 we have successfully migrated data on behalf of our product data management platform within the current ERP system, by which we can further improve our monitoring on product standards. Also, we have successfully onboarded Europe Beauty Group into the Company's inhouse developed and maintained ERP system BiT.

We further enhanced our security controls to mitigate potential cyber security risks.

Statement of the Executive Board

The Executive Board has made a systematic assessment of the effectiveness of the design and operation of the internal control and risk management systems. On the basis of this assessment and in accordance with best practice 1.4.3 of the 2022 Dutch Corporate Governance Code, article 68 of the Luxembourg RCS Law[1] and article 3 of the Luxembourg Transparency Law[2], the aforementioned assessment and the current state of affairs, to the best of its knowledge and belief, the Executive Board confirms that:

- the internal risk management and control systems of the Company provide reasonable assurance that financial reporting does not contain any material inaccuracies;
- there have been no material failings in the effectiveness of the internal risk management and control systems of the Company;
- there are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of the Company's operations in the coming twelve months after drawing up the report, and;
- drawing up the financial reporting on a going concern basis is justified based on the current state of affairs.

It should be noted that the this does not imply that these systems and procedures provide absolute assurance as to the realisation of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations. Nor can they provide certainty that we will achieve our objectives.

In view of all of the above, the Executive Board declares that, to the best of its knowledge and belief, the financial statements presented in this annual report and prepared in accordance with IFRS standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and of the undertakings audited in the consolidation taken as a whole; and that the management report includes a fair review of the position at the balance sheet date and the development and performance of the business during the financial year and of the undertakings audited in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Company faces.

Mensdorf, G.D. Luxembourg, April 15, 2024

Executive Board
Peter van Mierlo, CEO
Mark Faasse, CFO
Bas Schreuders, Senior Counsel

1 Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, as amended.
2 Law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, as amended.

Share information

B&S Group S.A. shares have been listed on Euronext Amsterdam since March 23, 2018 and have been included in the Smallcap Index (AScX) since June 19, 2018. The issued share capital as at December 31, 2023 amounts to € 5,050,639.26. This is divided into 84,177,321 issued Ordinary Shares each with a nominal value of € 0.06.

Key share information	
ISIN	LU1789205884
Euronext ticker	BSGR
Number of shares outstanding	84,177,321
Free float	32.7%

Key figures per share	
EPS	€ 0.40
Highest price	€ 5.36
Lowest price	€ 3.26
Year-end share price	€ 3.70

Dividend policy

Barring exceptional circumstances, B&S aims to distribute a dividend of around 40% of annual results attributable to the owners of the Company, if and when leverage ratio is <3.0. If leverage ratio is >3.0 pay-out ratios will be below 40%.

The current dividend policy is to pay out annually, in the second quarter of the following year, following shareholder approval of the full-year financial statements.

Dividend proposal 2023

At the Annual General Meeting, to be held on May 24, 2024, the Company will propose to distribute a dividend of € 0.16 per share, in cash (subject to withholding tax if applicable).

Notification of capital interests

On December 31, 2023, the following major shareholders with a substantial participating interest (>5%) were known by the Company based on a former notification by them in accordance with the Transparency Law[1].

Sarabel Invest S.à r.l	67.26%
JNE Partners LLP	5.45%

[1] Law of January 11, 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

Investor relations policy

The Company provides shareholders and other parties in the financial markets with information on matters that may influence the Company's share price via an annual report and an interim report, Q1 and Q3 trading updates and press releases. These documents are published on the B&S corporate website and submitted to the AFM (the Netherlands) and CSSF (Luxembourg).

The Company's Compliance Officer monitors and enforces strict compliance with any and all relevant laws and regulations. Together with the Executive Board and the Compliance Officer assesses whether and when information is price-sensitive and whether a disclosure obligation applies to said information. These regulations apply to both the Supervisory Board and the Executive Board, but also to the management layer below the Executive Board and all head office staff who come into contact with price-sensitive information.
Investor contact B&S communicates with its investors and analysts throughout the year via meetings such as AGMs, roadshows, organised site visits and broker conferences. The Company holds regular investor calls and meetings to provide the investment community with a well-balanced and complete picture of the performance, opportunities and challenges the Company faces while taking into account insider trading and the equal treatment of shareholders.

General Meeting

General Meetings of Shareholders are convened in accordance with the provisions of the Luxembourg law of May 24, 2011 on the exercise of certain rights of shareholders in general meetings of listed companies and the Articles of Association. The Annual General Meeting of Shareholders will be held on May 24, 2024 in Luxembourg.

Contacts with the capital markets are dealt with by the members of the Executive Board and by Investor Relations.

Financial Calendar	
May 14, 2024	Q1 2024 trading update (07:00 CET)
May 24, 2024	Annual General Meeting
August 19, 2024	Half Year 2024 results (07:00 CET)
November 11, 2024	9M 2024 trading update (07:00 CET)

Independent analyst reports

The following analysts covered B&S in the course of 2023:

ABN AMRO – ODDO BHF	Robert Jan Vos
ING	Tijs Hollestelle
Kepler Cheuvreux	Patrick Roquas

Supervisory Board report

Message from the chair

We are satisfied with the progress made by the Company in 2023. Within a period of around 6 months a totally new Executive Board and Supervisory Board were up and running. Initially, a lot of attention has gone to set up proper procedures and enhance adherence to those. With the appointments of Kim Smit and Erna Versteegden, the Supervisory Board now has the right composition, experience and degree of diversity; a robust governance structure is in place. The communication between the Supervisory and Executive Boards is open and constructive.

During the second half of 2023 the focus of the Executive Board has been, in close cooperation with the segment management teams, on developing the strategy to Autonomous and Accountable segments as presented to the market by the end of the year. In particular, we are pleased with the constructive way this process has been handled and supported by the new Executive Board together with the Segment Managing Directors.
We fully support this strategic direction in which segments will get more room to explore their commercial creativity, and decision making will be closer to the market. As such, we are convinced that our segments will be better prepared for the increasing external volatility and rapid changes.

However, this will only work when we have excellent segment teams in place, potentials developed to guarantee management continuity, a strong operational discipline and above all a healthy corporate culture in place. These will be our main challenges and priorities for the coming period.

Our main conclusions after this first year are: First steps and overall financial performance positive and more predictable, a lot still ‘work in progress’, great potential and people.

On behalf of the Supervisory Board
Derk Doijer
Chair

“We fully support the new strategic direction in which segments get more room to exploring their commercial creativity.”

Meetings

In 2023 the Supervisory Board (SB) held 13 meetings in the presence of the Executive Board (EB). The SB met face-to-face in its full composition 11 times during the financial year. All remaining regular meetings were held with some of the members attending in person and other members attending via videoconferencing. During the meetings the SB and EB ensure that decisions are made in a balanced and effective manner, while taking into account of the interests of stakeholders. The EB ensures that information is provided in a timely and sound manner. The SB ensured that they had the information that is required for effective decision-making.

The Chair met with (members of) the EB on multiple occasions, amongst others, pre-scheduled in preparation for meetings between the SB and the EB.

The SB held 3 pre-planned closed sessions without EB members attending. Discussions in these meetings focused on topics such as the functioning of the EB and remuneration in 2022 and 2023 and the appointment of the members of the committees.

Main topics

In exercising its tasks in 2023, the SB, after consultation with the EB, identified a number of topics which would be SB priorities for the year. Regular topics on the agenda were the development of results and financial position, sustainability reporting, (potential) acquisitions and reports on legal and compliance matters.

On various occasions, the EB and the SB discussed the Company's strategy, as presented during the Capital Markets Day, for sustainable long term value creation and the implementation thereof.

The commercial strategy and sustainable operational performance was part of the discussions in multiple meetings. Considerable time was spent on targets, priorities and the internal organisation for updates and approval for the Company's sustainable strategy, working capital and investments of the Company. Furthermore, the SB closely followed the progress of the six segments.

The SB discussed the resignation and related conditions of the former CEO, the proposed nomination of new members of the EB and SB and their onboarding.

One of the other key topics in 2023 was engaging a new auditor for financial year 2023. The SB discussed the available options, the set up and results of the tender and the nomination of the new auditor at several meetings during the year.

Related Party Transactions

On every Supervisory Board agenda the topic of related party transactions has been put on the agenda. All related party transactions are subject to our Related Party Transaction Approval procedure based on which the arm's length principle of each transactions is being safeguarded upfront.

Depending on the amount and type of transaction, the transactions are approved by the Managing Directors and/or the Executive Board and Supervisory Board after the business rationale and the arm's length principle have been substantiated. Twice a year the Related Party Transaction Approval procedure is being reperformed to conclude on the compliance with the procedure. The outcome of this review including an overview of all underlying transactions are being presented to the Audit Committee. In financial statements under note 36 the related party transactions have been disclosed.

Functioning of the Supervisory Board and Executive Board

The SB conducted its annual assessment of the SB and EB that addresses the performance of itself, the committees and individual members.

Composition of the Board

The SB strives for a variation in nationality, age, gender and expertise taking the required qualifications of the Supervisory Board as a whole into account.
In addition, the SB strives for a balance in the experience and affinity with the nature and culture of the business of the Company.

At the same time, the required knowledge of the Company with regard to its key markets is still a key appointment criterium. The composition of the SB is such that its members are able to provide the EB with optimum support in any particular field of interest. Each member of the SB has their own field of expertise, including expertise in retail markets, international trade, IT, general management, finance and law. For the current composition of the EB and the SB and its committees, please refer to the Governance report.

Committees

The SB has installed two committees, an Audit and Risk Committee (ARC) and a Selection, Appointment and Remuneration Committee (SARCo). These committees are also subject to the regulations that are available on the corporate website.
The task of these committees is to support and assist the SB in the performance of its designated tasks and to prepare the ground for the SB's supervision of the EB. The SB as a whole remains responsible for how it exercises its tasks, including the preparatory activities carried out by the ARC and the SARCo.

Independence of the Supervisory Board members / Dutch Corporate Governance Code

In the course of 2023, the SB met the requirements of the Dutch Corporate Governance Code with regards to independence of the Chair. One out of five members of the SB did not qualify as independent member of the SB within the meaning of the Dutch Corporate Governance Code, it concerned Leendert Blijdorp.

In the chapter Governance, any deviation of the Dutch Corporate Governance Code is described, as well as the overall governance structure.

Annual accounts 2023 and dividend

The 2023 financial statements were prepared by the Executive Board. In its April 15, 2024 meeting, the ARC discussed the audit of the financial statements with the external auditor, and discussed the annual accounts in detail with the Executive Board, and subsequently with the Supervisory Board in the presence of the External Auditor.

The Executive and Supervisory Board members have signed the annual accounts 2023. The External Auditor has issued an unqualified auditors' opinion on the annual accounts, which is included. The Supervisory Board recommends that the Annual General Meeting to be held on May 24, 2024, approves and adopts the annual accounts. The Supervisory Board also recommends that the Annual General Meeting discharges the members of the Executive Board for their management of the Company and the members of the Supervisory Board for their supervision of said management for the financial year 2023.

The distribution of dividend over 2023 was discussed in the Supervisory Board meeting of April 15, 2024. At the Annual General Meeting to be held on May 24, 2024, B&S will propose the payment of € 0.16 per share, in cash (subject to withholding tax if applicable). This translates into a pay-out ratio of 40 % of the annual results attributable to the owners of the Company.

Profile and Configuration Supervisory Board

Composition

Name	Gender	Year of Birth	Age	Independent	Dependent	Position	1st appointment	Upcoming reappointment
D.C. Doijer	M	1949	74	X		Chair	2022	2026
E.C. Tjeenk Willink	M	1960	63	X		Chair SARCo*	2022	2025
L.D.H. Blijdorp	M	1988	35		X		2021	2025
K. Smit	F	1970	53	X		Chair ARC	2023	2027
E.C.J. Versteegden	F	1967	57	X		Chair SARCo**	2023	2027

* up to 08/02/2024
** as from 08/02/2024

Profile

	Experience					Core competences				
Name	**General management**	**International**	**Strategy**	**Industry knowledge**	**Online Digital**	**Human Resources**	**Marketing**	**Finance M&A**	**IT**	**Corporate responsibility**
D.C. Doijer	X	X	X	X		X		X		X
E.C. Tjeenk Willink	X	X	X	X		X	X			
L.D.H. Blijdorp	X	X	X	X						
K. Smit	X	X	X		X			X	X	X
E.C.J. Versteegden	X	X	X			X	X			X

Corporate responsibility includes corporate governance and sustainability

Audit and Risk Committee Report

Role of the Audit and Risk Committee

The Audit and Risk Committee (ARC) advises the Supervisory Board and prepares its decision-making concerning the supervision of the integrity and quality of the Company's financial and sustainability reporting, and the effectiveness of the Company's internal risk management and control systems. The ARC oversees the funding of the Company and the company's tax fee and financial policy.

Furthermore, it holds responsibility for recommendations to the Supervisory Board of the external auditor for nomination for appointment and its compensation, or dismissal by the General Meeting. In addition, the ARC assists the Supervisory Board in making recommendations to the General Meeting for the retention, oversight and termination of the external auditor.

The chair of the ARC is Kim Smit since May, 2023. Furthermore, Leendert Blijdorp (chair until May, 2023) and Derk Doijer are members of the ARC. For a full description of the changes in the Supervisory Board, reference is made to page 93 of this report.

Meetings

In 2023, the ARC had 8 regular scheduled meetings. The ARC convened several additional meetings with the Executive Board and/or support teams, and with the CFO individually to address specific risk developments and actions taken to mitigate these.

The Chair of the ARC also had regular meetings with the Internal Audit Manager and previous and new external auditor, to provide additional opportunity for open dialogue and feedback.

During these meetings the Company's results, as well as the annual and semi-annual reports were discussed. The external auditor presented the audit of the Financial Year 2022. The Company's new audit committee charter was brought in line with the update of Dutch Corporate Governance Code 2022 and the financing structure was discussed. Furthermore, were provided several updates on the banking covenants in Q2 and Q3, the working capital control and an analysis of the related party transactions. Updates were provided on the risk analysis, the HY1 positions papers related to IFRS and the material considerations with regard to sustainability reporting were discussed, and will be continuously monitored in further meetings.

It is customary that the ARC shares its main discussion points and findings in the Supervisory Board meeting immediately following the ARC meeting.

Risk management and control framework

During the year the Internal Audit Plan was adopted, and during the regular meetings the progress was discussed. The Internal Audit function focusses on:

- prioritizing strategically important and future-focused emerging risks;
- co-ordinating with other functions and external audit;
- the risk assessment approach utilized to develop this plan is focused on obtaining data, input and suggestions from key stakeholders and previous internal audit plans;
- growing Internal Audit Maturity and coverage of B&S's audit universe; and
- dynamic planning to be able to adapt at the same speed as the strategic risks change.

Several Internal Audit assignments were formally reported, and the findings were shared with the auditees, the Executive Board and the ARC. In addition, periodic feedback is provided regarding follow-up in relation to the findings identified in previous reports. During the year, the Internal Auditor held regular discussions with the external auditor.

External auditor

For the Financial Year 2023 the Company appointed a new external auditor. As from March and until June 2023 the ARC conducted an auditor tender and selection procedure for the appointment of the new auditor based on a couple selection criteria. On the basis of the outcome of the procedure, the ARC proposed to nominate KPMG as they scored better or equal against the selection criteria. In the EGM of August 2023, the Shareholders appointed KPMG as independent auditor for a duration of the engagement of five (5) years. After a thorough on-boarding process, the ARC discussed and assessed progress with external auditor KPMG on their key audit findings throughout the year. As is customary, the ARC will also evaluate the performance of the external auditor KPMG.

Remuneration report

The remuneration of the members of the Executive Board is determined by the Supervisory Board in accordance with the remuneration policy, as approved by the Annual General Meeting. The Annual General Meeting also approves the remuneration of the members of the Supervisory Board. The Selection, Appointment and Remuneration Committee (SARCo) advises the Supervisory Board regarding selection, appointment and remuneration matters of Executive Board members, senior management and/or other personnel. This report outlines the remuneration policy for the Executive Board and the Supervisory Board as applied in 2023.

Executive Board remuneration policy

The objective of the remuneration policy for members of the Executive Board is to provide a remuneration structure that will allow the Company to attract, reward and retain highly qualified members of the Executive Board and provide and motivate them with a balanced and competitive remuneration that is focused on sustainable results aligned with the long-term strategy of the Company.

The remuneration policy follows best practice provision 3.1.2 of the Dutch Corporate Governance Code. The pay ratios within the group are taken into consideration. The Supervisory Board believes that the remuneration policy expedites the short-term operational performance and the objectives for the strategy for long-term value creation within the meaning of best practice provision 1.1.1 of the Dutch Corporate Governance Code. Furthermore, the Supervisory Board believes that the value of the remuneration for the members of the Executive Board for 2023 also contributes to the aforementioned objectives and meets the remuneration policy. All substantial future changes to the remuneration policy will be submitted to the General Meeting for their advisory vote.
The remuneration policy was last approved by the Annual General Meeting on May 18, 2021. The current Remuneration Policy stimulates decision-making by the aforementioned Executive Board members that serves long-term sustainable growth in a long-term incentivised manner, which is also contributed to by the conditional award of variable remuneration and a claw back arrangement.

Employment contracts

The effective dates of employment contract for members of the Executive Board and their contract term are shown in the table below.

Effective dates of employment contracts of the members of the Executive Boards, as at December 31, 2023 and their contract term

Name	Effective date contract	Contract term
P.J. van Mierlo [1]	May 22, 2023	4 years
M. Faasse [2]	May 22, 2023	4 years
B.L.M. Schreuders [3]	May 19, 2020	4 years
K. Lageveen [4]	June 5, 2023	4 years

The terms of the agreements with the Executive Board members are in line with the Company's remuneration policy.

[1] P.J. van Mierlo was appointed to the Executive Board of B&S Group S.A. and B&S Investments B.V. on May 22, 2023.
[2] M. Faasse was appointed to the Executive Board of B&S Group S.A. and B&S Investments B.V. on May 22, 2023..L.S..
[3] B.L.M. Schreuders is an Executive Board member of B&S Group S.A. since 2012, reappointed on May 19, 2020 and B&S Investments B.V. on May 1, 2022
[4] K. Lageveen was appointed to the Executive Board of B&S Investments B.V. on June 5, 2023

Remuneration structure

The remuneration structure for the Executive Board focuses on achievement of both short-term results and long-term value creation by pursuing growth opportunities through the Company's capabilities to make branded consumer goods available to everyone.

The total remuneration and the remuneration components are based on the going rates of what the Supervisory Board considers to be in line with international trade and distribution services market and benchmarked against companies which are similar to the Company, in terms of scale and complexity.
Before the level of remuneration of individual board members is determined, scenario analyses with regards to the variable remuneration components are conducted to determine their consequences on the level of remuneration of these Executive Board members.

The level and structure of the remuneration takes into account the previously described scenario analyses and the pay differentials within the Company, as well as financial and non-financial indicators relevant to the long-term objectives of the Company.

Remuneration components

The members of the Executive Board express their views of their remuneration packages with the SARCo at least once a year. The SARCo includes all feedback when evaluating the Remuneration Policy. The remuneration package for members of the Executive Board consists of the following components:

Fixed Compensation

The annual base pay salary of the members of the Executive Board was set by the Supervisory Board, taking into account a variety of factors such as level of responsibility, experience, scarcity of talent, scale and complexity of the Company. The aggregate annual base pay in 2023 for the members of the Executive Boards was € 1,780,000.

Fringe benefits could include a company car or a commuting allowance. These benefits complement the competitive remuneration package for our Executive Board. Currently, pension is not included in the salary of all members of the Executive Board.

Termination arrangements

The management service agreements ('Agreement') with some members of the Executive Board contain termination arrangements. Payment is only provided in the event of termination on the day after which the AGM is held in the year the current term expires, or by notice for termination given by the Company before that date, other than as a result of seriously culpable or negligent behaviour or if the Executive Board member is unable to perform its duties during a period of more than four months. In all other cases of termination, e.g. in the event of termination at the Executive Board member's initiative, the Executive Board member shall not be entitled to the severance payment.

If unforeseen non compliance matters arise of which the Executive Board member could not have been aware, the agreement can be terminated by the Executive Board member with due observance of the notice period as referred to in Clause.

Performance Incentive (PI)

The PI is an annual cash bonus that is applicable to the members of the Executive Boards. The objective of the variable remuneration is to ensure that these members of the Executive Boards are well incentivised to achieve their performance targets.

Performance criteria and targets that underlie the PI, are set annually by the Supervisory Board based on the strategy aspirations and annual business plans, and reviewed annually. The performance targets are challenging, yet realistic and measure the success of the execution of the strategy of the Company.
The performance targets that have been agreed, contribute to long-term value creation and the PI is linked to measurable performance criteria.

The final assessment of the performance, based on the audited financial accounts at the end of each fiscal year, is done by the SARCo and proposed for decision making by the Supervisory Board. In preparation for that final assessment, the Supervisory Board members review the final outcomes as reported by the SARCO and the Audit and Risk Committee, to ensure complete alignment on performance by both committees.

Criteria	CEO	CFO	COO	Senior Counsel
Non-financial performance targets				
1 Setting and executing of Company strategy	✓	✓	✓	✓
2 Quality of information, administrative IT organisation, HR and Sustainability	✓	✓	✓	✓
3 Governance, Compliance and internal controls.	✓	✓		✓
Financial performance targets				
4 EBITDA & turnover	✓	✓	✓	✓
5 Working capital management	✓	✓		

For 2023, the Supervisory Board determined the PI criteria as presented. The non-financial performance target related to strategy (1), should contribute to the Company's goal of expansion of its role as value adding distribution partner whilst creating sustainable and profitable growth. This performance target supports overall focus on long-term value creation. The non-financial performance targets related to risk control and corporate governance (2 and 3) contribute to the sustained success of the Company.

The financial performance targets (4 and 5) contribute to the Company's overall focus on long term value creation by pursuing sustainable and profitable growth.

The Supervisory Board will determine suitable weightings per year, aligned with the strategic objectives. Non-financial and financial measures have a weighting of 50% each. The Supervisory Board evaluates the performance of the Executive Board at least once a year, in which they assess to which extent the performance criteria have been met. The total annual performance cash incentive shall not exceed 50% of their fixed fee for the Executive Board members. For the year 2023, the cash incentive will be guaranteed on a pro rata basis.

Share Appreciation Rights (SAR)

On May 22, 2023, the Supervisory Board granted 227,043 share appreciation rights (SARs) to the CEO, CFO and interim CEO (Senior Counsel) that entitle them to a cash payment after three years of service. The exercise price is set at € 3.80. On June 5, 2023, the Supervisory Board granted 92,355 share appreciation rights (SARs) to the COO that entitles him to a cash payment after three years of service. The exercise price is set at € 3.70. All SARs are still outstanding at December 31, 2023 and none have vested yet. The SARs can be exercised during three years after vesting (from May 22, 2026 to May 22, 2029 respectively June 5, 2026 to June 5, 2029). The SARs and the application of a vesting period encourages commitment to the Company and long-term sustainability of the business, the strategy and interests of the Company and its stakeholders. The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

	2023	Total
P.J. van Mierlo	112,486	112,486
M. Faasse	77,899	77,899
B.L.M. Schreuders	36,658	36,658
K. Lageveen	92,355	92,355
Range of exercise prices in €	€ 3.70 - € 3.80.	

Pension contribution

For the CEO and CFO of the Executive Board, no pension contribution plan is in place. For the other members of the Executive Board, the defined contribution pension expense is included in the table 'Overview remuneration Executive Board 2023'.

Overview remuneration Executive Board 2023

Remuneration of Executive Board members for 2023

€ x 1,000	Fixed Remuneration – annual base pay			Severance payments		PI – annual cash bonus plan	Pension expense	Total remu-neration	Proportion of fixed and variable remunera-tion
	Base salary	Fees	Fringe benefits	Fixed	Variable				
P.J. van Mierlo CEO as of May 22, 2023	367	-	14	-	-	220	-	601	60%
T. de Haan CEO until February 19, 2023	227	-	5	-	-	-	-	232	0%
M. Faasse CFO as of November, 2022	348	-	15	-	-	204	3	570	59%
B.L.M. Schreuders Senior Counsel as of February 15, 2013	254	-	21	-	-	144	12	431	57%
N.G.P. Groen MD until June 4, 2023	235	-	3	-	-	-	7	245	0%
K. Lageveen, COO as of June 5, 2023	288	-	10	-	-	172	-	470	60%

Loans

The Company has issued no loans or guarantees to members of the Executive Board.

Comparative information on remuneration and Company performance

According to the Supervisory Board, the remunerations of the Executive Boards is proportional and acceptable compared to the Company performance and the average remuneration of employees on a full-time equivalent basis.

Comparative table over the remuneration and Company performance over the last reported financial years after the Company's listing (RFY)

Annual Change € x 1,000	Information regarding the RFY	RFY-1	RFY-2	RFY-3	RFY-4	RFY-5
Remuneration						
J.B. Meulman	-	-	-	713	1,121	1,245
G. van Laar	-	-	-	120	467	508
P.J. van Mierlo	601	-	-	-	-	-
T. de Haan	232[1]	539	781	634	-	-
P. Kruithof	-	251[2]	588	299	-	-
M. Faasse	570	107[3]	-	-	-	-
B.L.M. Schreuders	431	289	183	160	159	131
N.G.P. Groen	245	349	306	235	151	127
K. Lageveen	470[4]	-	-	-	-	-
Company Performance						
Financial metric: Profit before tax	63.5	47.7	71.7	51.2	77.5	90.8
Average remuneration on a full-time equivalent basis of employees						
Employees of the group	69	69	63	62	58	58

[1] Remuneration up to February 19, 2023
[2] Remuneration up to October 31, 2022
[3] Remuneration as per November 1, 2022
[4] Remuneration as per June 5, 2023

Claw back

The remuneration policy of May 18, 2021 approved by the Annual General Meeting, added a claw back arrangement. The Supervisory Board has the authority to claim back variable compensation that has been paid out, to the extent such payment was based on incorrect information, including financial statements concerning the achievement of targets or the occurrence of circumstances that the bonus was dependent on.

Conditionally awarded variable remuneration

The remuneration policy of May 18, 2021 approved by the Annual General Meeting, added an arrangement for conditional award of variable remuneration. If in the opinion of the Supervisory Board, the termination of variable remuneration awarded in a previous year would produce an unfair result due to extraordinary circumstances that occurred during the period in which the predetermined performance criteria have been or should have been achieved, the Supervisory Board has the power to adjust the value of such variable remuneration that would have been payable, thereby applying principles of reasonableness and fairness.

Supervisory Board remuneration

The Annual General Meeting determines the remuneration of the Supervisory Board members, and it may be reviewed annually and thereafter proposed to the Annual General Meeting. The remuneration of the members of the Supervisory Board consists of fixed annual fees for their role as Supervisory Board member.
In addition, the Chair receives a fixed annual fee for this role. The Company does not grant variable remuneration to the members of the Supervisory Board. Members of the Supervisory Board do not receive any performance or equity-related compensation and do not accrue any pension rights with the Company.
The Company does not grant stock options, share appreciation rights or shares to the members of the Supervisory Board.

As per December 31, 2023, the members of the Supervisory Board had no loans outstanding with the Company.

Supervisory Board remuneration in 2023

The annual base pay in 2023 for every Supervisory Board member was € 60,000. The Chair of the Supervisory Board receives an additional annual fee of € 10,000.

Supervisory Board remuneration 2023

	Amount (in €)
Supervisory Board member	
D. Doijer	70,000
W. Blijdorp (Vice-chair until February 19, 2023)	8,500
L.D.H. Blijdorp	60,000
E.C. Tjeenk Willink (as of December 30, 2022, and Vice-Chair as of February 20, 2023)	60,000
K. Smit as of May 22, 2023	36,411
E.C.J. Versteegden as of August 18, 2023	25,174
Total	260,085

Segment Managing Directors remuneration

Conform the Corporate Governance Code best practice 3.1.3, the Executive Board informed the Supervisory Board about the remuneration of the segment Managing Directors.

Financial statements

Contents

Consolidated statement of profit or loss

for the year ended December 31, 2023

x € 1,000	Note	2023	2022
CONTINUING OPERATIONS			
Turnover	6	2,219,794	2,148,239
Purchase value	7	1,876,147	1,844,320
Gross profit		343,647	303,919
Personnel costs	8	161,295	147,080
Amortisation	14	13,292	13,017
Depreciation	15	11,118	8,151
Depreciation on right-of-use assets	28	12,343	11,610
(Reversal of) impairment on non-current assets	13,28	(6,116)	135
Other operating expenses	9	71,489	65,994
Total operating expenses		263,421	245,987
Operating result		80,226	57,932
Financial expenses	10	(17,285)	(10,401)
Share of profit in joint ventures	16	599	138
Result before taxation		63,540	47,669
Taxation on the result	11	(15,496)	(11,587)
Profit for the year from continuing operations		48,044	36,082
Attributable to:			
Owners of the Company		33,760	26,100
Non-controlling interests		14,284	9,982
Total		48,044	36,082
Earnings per share (basic / diluted)			
From continuing operations in euros	12	0.40	0.31

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

for the year ended December 31, 2023

x € 1,000	2023	2022
Profit for the year from continuing operations	48,044	36,082
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
• Foreign currency translation differences net of tax	(4,494)	6,426
• Effective portion of changes in fair value of cash flow hedges net of tax	(559)	1,756
Other comprehensive income for the year net of tax	(5,053)	8,182
Total comprehensive income for the year	42,991	44,264
Attributable to:		
Owners of the Company	30,101	33,726
Non-controlling interests	12,890	10,538
Total	42,991	44,264

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position

at December 31, 2023

x € 1,000	Note	31.12.2023	31.12.2022
Non-current assets			
Goodwill	13	77,908	79,470
Other intangible assets	14	37,036	48,598
Property, plant and equipment	15	51,847	50,031
Right-of-use assets	28	71,129	77,879
Investments in joint ventures	16	3,367	2,925
Receivables	17	746	889
Deferred tax assets	18	8,946	4,082
		250,979	263,874
Current assets			
Inventory	19	419,201	416,878
Trade receivables	20	179,414	176,301
Corporate income tax receivables		7,551	4,322
Other tax receivables	21	12,226	14,279
Other receivables	22	23,260	21,438
Cash and cash equivalents		28,613	38,723
Assets held for sale	23	1,376	-
		671,641	671,941
Total assets		922,620	935,815

The accompanying notes are an integral part of these consolidated financial statements.

x € 1,000	Note	31.12.2023	31.12.2022
Equity attributable to			
Owners of the Company	25,26	236,753	281,876
Non-controlling interest	26	23,645	25,121
		260,398	306,997
Non-current liabilities			
Loans and borrowings	27	178,586	182,059
Lease liabilities	28	60,677	73,804
Deferred tax liabilities	29	8,458	9,025
Employee benefit obligations	30	910	1,027
Other provisions	31	1,267	650
Other liabilities	32	83,428	45,999
		333,326	312,564
Current liabilities			
Loans and borrowings	27	82,314	105,136
Lease liabilities due within one year	28	13,561	12,716
Derivative financial instruments		-	91
Trade payables		134,583	137,519
Corporate income tax liabilities		8,348	4,432
Other tax liabilities	21	17,586	9,933
Other current liabilities	33	72,504	46,427
		328,896	316,254
Total equity and liabilities		922,620	935,815

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended at December 31, 2023

x € 1,000								2023
	Note	Paid-up share capital	Hedging reserve	Translation reserve	Retained earnings	Total attributable to Owners	Non-controlling interest	Total equity
Balance as at January 1		5,051	1,505	5,915	269,405	281,876	25,121	306,997
Total comprehensive income								
• Profit for the year from continuing operations	25	-	-	-	33,760	33,760	14,284	48,044
• Other comprehensive income for the year	25,26	-	(439)	(3,220)	-	(3,659)	(1,394)	(5,053)
		-	(439)	(3,220)	33,760	30,101	12,890	42,991
Other transactions								
• Dividend	25,26	-	-	-	(10,102)	(10,102)	(12,719)	(22,821)
• Transactions with minority shareholders	25,26,37	-	-	-	(8,560)	(8,560)	(12,792)	(21,352)
• Share-based payments	25,26	-	-	-	225	225	-	225
		-	-	-	(18,437)	(18,437)	(25,511)	(43,948)
Deferred payments	26,32							
• Reclassification to non-current liabilities		-	-	-	-	-	11,145	11,145
• Fair value adjustment non-current liabilities		-	-	-	(56,787)	(56,787)	-	(56,787)
		-	-	-	(56,787)	(56,787)	11,145	(45,642)
Balance as at December 31		5,051	1,066	2,695	227,941	236,753	23,645	260,398

The accompanying notes are an integral part of these consolidated financial statements.

x € 1,000	Note	Paid-up share capital	Hedging reserve	Translation reserve	Retained earnings	Total attributable to Owners	Non-controlling interest	Total equity 2022
Balance as at January 1		5,051	(31)	(175)	259,319	264,164	39,107	303,271
Total comprehensive income								
• Profit for the year from continuing operations	25	-	-	-	26,100	26,100	9,982	36,082
• Other comprehensive income for the year	25,26	-	1,536	6,090	-	7,626	556	8,182
		-	1,536	6,090	26,100	33,726	10,538	44,264
Other transactions								
• Dividend	25,26	-	-	-	(15,152)	(15,152)	(10,815)	(25,967)
• Transactions with minority shareholders	25,26	-	-	-	(2,696)	(2,696)	(1,147)	(3,843)
• Acquired in business combination	26	-	-	-	-	-	2,460	2,460
• Share-based payments	26	-	-	-	900	900	-	900
		-	-	-	(16,948)	(16,948)	(9,502)	(26,450)
Deferred payments	26,32							
• Reclassification to non-current liabilities		-	-	-	-	-	(15,022)	(15,022)
• Fair value adjustment non-current liabilities		-	-	-	934	934	-	934
		-	-	-	934	934	(15,022)	(14,088)
Balance as at December 31		5,051	1,505	5,915	269,405	281,876	25,121	306,997

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

for the year ended December 31, 2023

x € 1,000	Note	2023	2022
Profit for the year from continuing operations		48,044	36,082
Adjustments for:			
Taxation on the result	11	15,496	11,587
Share of profit in joint ventures	16	(599)	(138)
Financial expenses	10	17,285	10,401
Amortisation on other intangible assets	13,14	13,292	13,017
Depreciation on property, plant and equipment	15	11,118	7,759
Depreciation on right-of-use assets	28	12,343	11,610
(Reversal of) impairment losses on property, plant and equipment	15	(1,261)	-
(Reversal of) impairment losses on right-of-use assets	28	(4,855)	135
Provisions		500	(684)
Non-cash share-based payment expense	24	225	825
Other non-cash movements		(3,914)	2,575
Operating cash flows before movements in working capital		107,674	93,169
Decrease / (increase) in inventory		(2,323)	(27,457)
Decrease / (increase) in trade receivables		(3,113)	21,881
Decrease / (increase) in other tax receivables		2,053	2,744
Decrease / (increase) in other receivables		(1,822)	2,721
Increase / (decrease) in trade payables		(2,936)	22,487
Increase / (decrease) in other taxes and social security charges		7,653	142
Increase / (decrease) in other current liabilities		8,345	10,903
Cash generated by operations		115,531	126,590
Income taxes paid		(20,001)	(18,579)
Interest paid		(16,010)	(9,203)
Net cash from operations		79,520	98,808

The accompanying notes are an integral part of these consolidated financial statements.

x € 1,000	Note	2023	2022
Acquisition of subsidiaries, net of cash acquired	37	-	(17,372)
Acquisition/sale of non-controlling interest	37	(12,020)	(39,884)
Acquisition of other investments	17	-	(500)
Payment for property, plant and equipment	15	(13,428)	(19,185)
Payment for intangible assets	14	(3,359)	(1,142)
Proceeds from disposals		925	349
Net cash from investing activities		(27,882)	(77,734)
Repayments on loans from banks	17,27	(1,276)	(2,762)
Receipts on loans to shareholders	17	-	878
Repayments on loans to third parties	27	(1,499)	-
Repayments on lease liabilities	28	(13,032)	(11,774)
Transaction costs related to loans and borrowings	27	(125)	(50)
Dividend paid to owners of the Company	25	(10,102)	(15,152)
Dividend paid to non-controlling interests	25	(12,719)	(10,815)
Changes in credit facilities	27	(22,995)	44,777
Net cash from financing activities		(61,748)	5,102
Balance January 1,		38,723	12,547
Net movement in cash and cash equivalents		(9,644)	26,013
Net foreign exchange difference		(466)	163
Balance December 31,		28,613	38,723

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General

B&S Group S.A. (the "Company") has its registered office at 14 Rue Strachen, Mensdorf, G.D. Luxembourg. B&S Group S.A. is a holding Company of an international conglomerate of companies (together referred to as the "Group"). A detailed list of the Group's main subsidiaries is enclosed in the appendix on page 115.

The consolidated financial statements of the Group for 2023 include the accounts of B&S Group S.A. and its subsidiaries, as well as the Company's joint ventures.

The official version of the Annual Report B&S Group S.A., which includes the consolidated financial statements is the European Single Electronic Format (ESEF) version available with the Officially Appointed Mechanism (OAM) tool.

These consolidated financial statements are prepared in Euros, being the Company's functional and reporting currency. All financial information in Euros is rounded to the nearest thousand, unless otherwise stated. Foreign operations are included in accordance with the policies set out in note 3.

2 Adoption of new and revised International Financial Reporting Standards ("IFRS Accounting Standards")

On January 1, 2023 several new and amended standards and interpretations became effective for annual periods beginning on or after January 1, 2023. The impact of these changes on the Group's consolidated financial statements is described in this note.

2.1 New and amended IFRS Accounting Standards that are effective for the current year

Amendments to IFRS Accounting Standards applicable to the Group

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 (Disclosure of Accounting policies)	The Group has adopted the amendments to IAS 1, Presentation of Financial Statements and IFRS Practice Statement 2, for the first time in the current year. The Group takes into account which material accounting policy information should be included in the financial statements and considered the material accounting policy information again in a more detailed level and included this in the financial statement.
Amendments to IAS 8 (Definition of Accounting Estimates)	The Group has adopted the amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors, for the first time in the current year. The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates including clarifications on the definition of accounting estimates. Management reviewed the accounting policies and made updates to the information disclosed in heading 3 Material accounting policies.

Amendments to IAS 12 (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	The Group has adopted the amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction for the first time in the current year. The amendments to IAS 12 Income Taxes requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. In line with IAS 8, the Group recognizes the cumulative effect of initially applying the amendments to IAS 12 as an adjustment to the opening balance. The Group presents a separate deferred tax liability of € 21.9 million and a deferred tax asset of € 21.0 million based on the leases as per January 1, 2022. These balances qualify for offsetting and therefore there was no impact on the statement of financial position. There is no material impact on retained earnings as at January 1, 2022 as a result of this change.
Amendments to IAS 12 (International Tax Reform – Pillar Two Model Rules)	The Group has adopted the amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules as from their release on 23 May 2023. The purpose of this amendment is to give more guidance on the income taxes arising from 'Pillar Two legislation' and 'Pillar Two income taxes'. The amendments also includes a temporary mandatory exception from deferred tax accounting for the top-up tax. The Group applies the mandatory exception retrospectively for the deferred tax accounting for the top-up tax and has no impact on the financial statements. The Group is subject to the top-up tax in relation to its operations in Dubai. Refer to note 11.
IFRS 17 Insurance contracts	The Group assessed the definition of insurance contracts according to IFRS 17 and concluded that Group has no (material) contracts that apply to this standard.

2.2 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not applied the following relevant new and revised IFRS Accounting Standards that have been issued but are not yet effective (and, in some cases, have not yet been endorsed by the EU):

Amendments to IAS 1	Classification of liabilities as current or non-current and disclosure requirements for non-current liabilities with covenants.	Endorsed
Amendments to IAS 21	Clarification on the (lack of) exchangeability of currencies and related disclosures.	Not yet endorsed
Amendments to IAS 7 and IFRS 7	New disclosure requirements related to supplier finance arrangements.	Not yet endorsed
Amendments to IFRS 16	Clarification on subsequent measurement requirements for sellor-lessee for sale and leaseback transactions.	Endorsed

The Group does not expect that the adoption of the other Standards listed above will have a material impact on the consolidated financial statements of the Group in future periods.

3 Material accounting policies

3.1 Statement of compliance

The 2023 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU-IFRS).

The consolidated financial statements were approved by the Executive Board and authorised for issue on April 15, 2024.

3.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

3.3 Non-GAAP measures

Gross Profit is used to provide insight in the gross profit realised on the sale of products to customers and as such used to measure performance of product lines, customer groups and companies. The gross profit is calculated by deducting the purchase value of items sold from the realised turnover.

EBITDA is one of the measures that the Executive Board uses to assess the performance of the Group and its operating segments. EBITDA is defined as ‘Operating result’ adjusted for ‘Depreciation and amortisation’.

Days of Sales Outstanding is used to provide insight in the working capital tied up in trade receivables. The days of sales outstanding is calculated by trade receivables as per period end divided by the Last twelve Months (LTM) turnover times 365.

The Group has entered into multiple, bilateral term loan and revolving credit facilities with banks in which the following definitions are used in relation to certain covenants:

The following financial covenants are applicable:
- Leverage Ratio: Net Debt / Adjusted EBITDA;
- Interest Coverage Ratio: Adjusted EBIT to Net Finance Charge.

Net Debt is defined as all borrowings of members of the Group, excluding intercompany obligations, pension and post-employment liabilities/obligations, and contingent liabilities, after deducting cash and cash equivalent investments of any member of the Group. Net Debt specifies the exposure towards banks and other lenders and is also used to measure compliance with bank covenants.
Net Debt can be reconciled to the balance sheet as follows:

x € 1,000	31.12.2023	31.12.2022
Lease liabilities due within one year	13,561	12,716
Loans and borrowings, current	82,314	105,136
Lease liabilities	60,677	73,804
Borrowings from banks	178,586	182,059
Cash and cash equivalents	(28,613)	(38,723)
	306,525	334,992

Adjusted EBIT is defined as the consolidated Operating result of the Group (including the results from discontinued operations) for the last twelve months (the Relevant Period) before taking into account any exceptional items, plus or minus the Group’s share of the profits or losses of non-Group entities, before taking into account any unrealised gains or losses on any derivative instrument and before taking into account any gains or losses arising from a revaluation of any other asset, plus any amounts claimed under loss of profit, business interruption or equivalent insurances, and excluding the charge to profit represented by the expensing of stock options and similar non cash-pay management and employee incentive schemes.

Adjusted EBITDA is defined as Adjusted EBIT for the Relevant Period, after adding back any amount attributable to the amortisation or depreciation or impairment of assets of members of the Group, including (a) the operating profit before interest, tax, depreciation, amortisation and impairment charges of a member of the Group (or attributable to a business or assets) acquired during the Relevant Period as if the acquisition occurred on the first day of such Relevant Period; and (b) excluding the operating profit before interest, tax, depreciation, amortisation and impairment charges attributable to any member of the Group (or to any business or assets) disposed of during the Relevant Period for that part of the Relevant Period as if the disposal occurred on the first day of such Relevant Period.

Net Finance Charge is defined as the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges, and other finance payments paid by any member of the Group, excluding capitalized interest and any upfront fees and costs and including the interest element in financial leases and any commissions, fees, or discounts of any interest rate hedging instrument, minus any accrued interest related to changes in deferred payments or option arrangements during the Relevant Period.

Net Debt, Adjusted EBIT, Adjusted EBITDA, and Net Finance Charge are used to calculate the financial covenants in the Group.

3.4 Going concern

The Executive Board has, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries made up to December 31st each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The group companies are consolidated in full, whereby non-controlling interests are presented separately as part of total equity.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The non-controlling interests are measured initially at their proportionate share in the acquiree less the identifiable assets acquired and liabilities assumed at the date of acquisition. Changes in the share of the non-controlling interest that do not result in a loss of control are accounted for as business combination under common control.

In case of incorporation and liquidation of a Company, the consolidation of a subsidiary begins as from the date of incorporation and the Company controls the investee and the consolidation terminates as from the date of liquidation.

Intra-group balances and transactions, and any other unrealised income and expenses (except for foreign currency translation gains and losses) arising from intra-group transactions, are eliminated.

3.6 Business combinations

Acquisitions of businesses are accounted for using the acquisition method, when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. The Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.
The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, less liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the consolidated statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date.

Goodwill is measured as the fair value of the consideration transferred plus the recognised amount of any non-controlling interest in the acquiree less the net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in the consolidated statement of profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in the consolidated statement of profit or loss.
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional

amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. The accounting for business combinations realised in 2023 has been completed.

If the acquisition of an asset or a group of assets does not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed.

3.7 Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.
On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.8 Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries as included in paragraph 3.5 basis of consolidation.

Joint ventures are accounted for using the equity method from the date that joint control commences until the date that joint control ceases. Initially, investments in joint ventures are recognised at cost. Goodwill identified on the acquisition of the joint ventures is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of joint ventures' in the statement of profit or loss. When the Group's share of losses of a joint venture exceeds the Groups interests in that joint venture, the Group discontinues recognising its share of further losses.

The consolidated financial statements include the Group's share of the net profit or loss and other comprehensive income of the joint ventures, after adjustments to align the accounting policies with those of the Group.

3.9 Revenue recognition

The Group recognises revenue from the following major sources:

- Distribution of liquors, health and beauty products to wholesalers, specialty retailers and online end-customers;
- Specialty distribution of food, beverages, health and beauty products to maritime, remote and retail business to business markets;
- Specialty distribution of medical supplies to maritime and remote markets, pharmacies and travel clinics;

- Specialty retail with consumer goods at high traffic airports and remote locations.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue from the sale of goods
Revenue from the sale of goods is recognised when control of the goods has transferred, at which time all the following conditions are satisfied:
- the performance obligation has been satisfied by the Group;
- the Group has transferred physical possession/control of the goods to the customer;
- the Group has transferred the significant risks and rewards related to the ownership of the goods to the customer;
- the Group has a present right to payment for the goods delivered, whereby it should be noted that financing components are not included in the Group's sales contracts;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably (it is noted that variable considerations hardly occur within the Group);
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Right of return
Our sales to end-customers have a right of return policy which is compliant with the local laws and regulations for consumer sales. In general terms the customers have a 30 day right of return. The expected return rates are being based on the actual return rates in the (recent) past periods. Based thereon the expected sales return is being determined and a refund liability for the amounts expected to be refunded is matched and recognised in the appropriate corresponding period. The right to receive the corresponding products in return is accounted for as far as the corresponding amount is material.

Rendering of services
Revenue from a contract for providing services, comprising logistical services related to the sold goods, is recognised at the same moment when the underlying sale of goods is recognised.

3.10 Purchase value
Purchase value represents the purchase price of trade inventory, including additional costs such as incoming freight, handling and other charges directly attributable to the purchase and/or sale of the goods and write-downs of inventories. The purchase price is net of discounts and supplier bonuses.

3.11 Leases
The Group assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for the period of time in exchange for consideration. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate, as a discount rate. The incremental borrowing rate applied to the lease liabilities 2023 is between 3.55% and 5.51% (2022: 1.5%).

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- The amount expected to be payable by the lessee under residual value guarantees;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the consolidated statement of financial position.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a unilateral purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.
The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not applied this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3.12 Foreign currencies

Foreign currency transactions

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.
At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items

measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates prevailing at that date of the transaction.

Exchange differences on monetary items are recognised in the consolidated statement of profit or loss in the period in which they arise, except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Foreign operations
For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Euro using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

3.13 Assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expenses.

Criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asst is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

3.14 Employee benefits

Share-based payment arrangements
A group of managers has received a share incentive plan, which are settled in equity. Annually, an equal amount will be recognised as an expense during the vesting period. Reference is made to note 24 for more details on the share-based payment.
The fair value of the amount payable to employees in respect of share appreciation rights (SARs), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs.
Any changes in the liability are recognised in profit or loss. Reference is made to note 32 for more details on the share-based payment arrangements.

Defined contribution plans
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group operates various pension schemes. These schemes are financed through payments to insurance companies, industry branch pension funds or the collective pension funds.

The industry pension funds are treated as multi-employer pension funds as the plans are collectively negotiated by multiple employers and labour unions. Reference is made to note 30 for more details on the retirement and termination benefits.

Short-term and other long-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.15 Financial expenses

The Group's financial expenses include:
- interest expense;
- interest on lease liabilities;
- the foreign currency gain or loss on financial assets and financial liabilities;
- changes in the fair value of derivatives;
- changes in the fair value on contingent consideration classified as a financial liability;

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the liability.

3.16 Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxes.
The Group applies the mandatory exception retrospectively for the deferred tax accounting for the global minimum top-up tax as is included in the Pillar Two legislation.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year
Current and deferred tax are recognised in the consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.17 Intangible assets other than goodwill

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed in note 14. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statement of profit or loss when the asset is derecognised.

Impairment of intangible assets
At each reporting date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

Change in estimate in useful life of intangible assets
During 2022, the Group decided to start developing a new E-commerce platform and phase-out one of the existing E-commerce platforms. As a result, the expected useful life of software with a book value of € 2.3 million decreased. The effect of

the change of the expected useful life is an increase in the amortisation of € 0.5 million for 2022 and an increase of € 1.8 million in amortisation charge for 2023.

3.18 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised based on the cost or valuation of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method, on the following bases:

- Property 5% per annum
- Equipment 10% - 20% per annum
- Other 12.5% - 20% per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss.

3.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Costs of inventories are determined based on a first-in-first-out approach. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

3.20 Financial instruments

Financial assets

Financial assets are recognised when a Group entity becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets expire, or if the Group transfers the financial asset to another party in which either substantially all risks and rewards of ownership of the financial assets are transferred, or if the group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the asset. Purchases and sales of financial assets in the normal course of business are accounted for at settlement date (i.e., the date the asset is delivered).
At initial recognition, the Group measures its financial assets at fair value.
All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The Group only has financial assets classified as debt instruments measured subsequently at amortised cost (amongst others trade and other receivables) except for a few derivatives that are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the consolidated statement of profit or loss to the extent they are not part of a designated hedging relationship. Fair value is determined in the manner described in note 35.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account based on the expected lifetime losses following the simplified approach as per IFRS 9. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the consolidated statement of profit or loss.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognised when the Group's obligations specified in the contract expire or are discharged or cancelled. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Financial liabilities are initially recognised, they are measured at their fair value. All financial liabilities are measured subsequently at amortised cost using the effective interest rate method, except for derivatives and contingent considerations, which are measured at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the consolidated statement of profit or loss. Fair value is determined in the manner described in note 35.

Derivative financial instruments
The Group frequently enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks. During the year that ended December 31, 2023, no material derivative financial instruments were entered into by the Group.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in the consolidated statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the consolidated statement of profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.21 Hedge accounting
The Group designates certain financial instruments as hedging instruments in respect of foreign currency risk in cash flows. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. Fair value hedges and hedges of net investments in foreign operations are not applied by the Group.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:
- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges
The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is

recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss, and is included in the 'financial expenses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the consolidated statement of profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to the consolidated statement of profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to the consolidated statement of profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to the consolidated statement of profit or loss.

Movements in the hedging reserve in equity are detailed in note 25.

3.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4 Critical accounting judgements and key sources of uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, such as the impact of the political and economic uncertainties on the Groups' expected future cash flows and results. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ongoing bases. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment testing
Following the assessment of the recoverable amount of goodwill allocated to the operating segments, the Group considers the recoverable amount of goodwill to be most sensitive to the achievement of the budgeted future cash flows. The sensitivity analysis in respect of the recoverable amount of goodwill is presented in note 13.

Provision for obsolescence of inventory
The provision for obsolescence of inventory is based on the Group's best estimates taking into account the market conditions and expectations on these market conditions. If market conditions significantly change during the coming years this may have a material effect on the provision.

Expected credit loss allowance
The expected credit loss allowance is based on the expected lifetime losses following the simplified approach as per IFRS 9. Estimations and assumptions are applied to determine the size of the allowance. Where the actual future cash flows based on these estimations and assumptions are less than expected, a material effect on this allowance may arise.

Deferred payments
The deferred payments are valued at fair value, being the value of the expected future consideration discounted against long term government bond yields plus company specific mark-up. Estimations and assumptions are applied as the fair value measurement is derived from valuation techniques that include inputs that are not based on observable market data. If the input data for the calculation of the exercise price changes, this may have a material impact on the fair value of the deferred payments.

5 Segment reporting
The operating segments are identified and reported on the basis of internal management reporting as provided to the Executive Board and Supervisory Board (which are the Chief Operating Decision Makers) to facilitate strategic decision-making, resource allocation and to assess performance. The Group has identified the following reportable segments, that jointly form the Group's strategic divisions: Liquors, Beauty, Personal Care, Food, Health and Travel Retail.

Liquors is active as a global distributor of branded premium liquors to wholesalers, e-commerce platforms and consumers. Liquors has its headquarters in Delfzijl, the Netherlands.

Beauty mainly distributes and sells branded premium fragrances and cosmetics to consumers, wholesalers and e-commerce platforms. Beauty has its headquarters in Delfzijl, the Netherlands.

Personal Care distributes and sells branded premium personal and home care products to mainly value retailers. Personal Care has its headquarters in Oud-Beijerland, the Netherlands.

Food is active as a specialty distributor for a wide range of branded premium food and beverages to duty-free, remote, retail and maritime markets. Food has its headquarters in Dordrecht, the Netherlands.

Health distributes and sells branded premium medical products and equipment to maritime and remote markets, pharmacies and travel clinics. Health has its headquarters in Dordrecht, the Netherlands.

Travel Retail operates retail stores at international airports, regional airports and other 'away from home' locations, where it sells branded premium consumer electronics and multi-category assortments. Travel Retail has its headquarters in Hoofddorp, the Netherlands.

The activities of the holding companies are group-wide activities including finance, ICT, human resource management and marketing. Costs incurred at Group level for business units have been allocated as much as possible to the operating segments. The results of the holding activities are separately reported to the Executive Board and are present on the line 'Holding & Eliminations'.

A summary of the results of the reportable segments is provided below. The Chief Operating Decision Makers assess the performance of the operating segments on the basis of the EBITDA from ordinary activities. The accounting policies applied by the operating segments are identical to those of the Group described in note 3.

The EBITDA from ordinary activities per segment include the costs allocated at the Group level. Transactions between segments are at arm's length.

x € 1,000								2023
	Liquors	Beauty	Personal Care	Food	Health	Travel Retail	Holdings & Eliminations	Total
Turnover	587,015	771,283	394,132	308,928	49,472	108,941	23	2,219,794
Purchase value	546,954	642,014	310,917	255,661	40,437	83,861	(3,697)	1,876,147
(Reversal of) impairment on non-current assets	-	-	-	(6,116)	-	-	-	(6,116)
EBITDA	140	39,858	53,821	19,969	2,064	(2,065)	(2,924)	110,863
Financial expenses	5,117	7,871	2,539	763	153	653	189	17,285
Result before taxation	(5,928)	20,894	45,008	19,921	184	(5,344)	(11,195)	63,540
Total assets	163,184	346,432	179,284	146,923	18,504	38,651	20,964	913,942
Total liabilities	127,596	231,178	89,451	54,570	9,924	43,571	97,254	653,544
Assets held for sale	-	-	-	-	-	1,376	-	1,376
Capital Expenditures	168	2,118	2,060	1,135	85	6,002	1,860	13,428

x € 1,000								2022
	Liquors	Beauty	Personal Care	Food	Health	Travel Retail	Holdings & Eliminations	Total
Turnover	649,739	729,558	301,700	329,647	47,644	89,921	30	2,148,239
Purchase value	587,707	603,307	251,243	296,432	39,130	66,555	(54)	1,844,320
(Reversal of) impairment on non-current assets	135	-	-	-	-	-	-	135
EBITDA	24,648	46,867	25,656	(2,252)	1,674	2,845	(8,593)	90,845
Financial expenses	4,307	2,485	1,679	1,323	81	128	398	10,401
Result before taxation	19,287	34,734	17,888	(9,145)	(110)	1,435	(16,420)	47,669
Total assets	217,566	399,188	197,680	181,416	25,546	57,469	(143,050)	935,815
Total liabilities	164,375	226,015	126,143	123,792	17,115	44,397	(73,019)	628,818
Capital Expenditures	523	4,138	2,355	1,480	13	7,611	3,065	19,185

Geographic information

x € 1,000								2023
	Liquors	Beauty	Personal Care	Food	Health	Travel Retail	Holdings & Eliminations	Total
Turnover								
Europe	321,115	283,097	381,198	164,278	41,224	97,658	23	1,288,593
America	25,688	401,766	4,637	22,429	2,234	-	-	456,754
Asia	198,211	36,601	2,656	28,925	3,667	-	-	270,060
Middle East	25,024	42,462	4,274	50,158	2,210	6,640	-	130,768
Africa	11,963	63	1,191	42,551	96	4,643	-	60,507
Oceania	5,014	7,294	176	587	41	-	-	13,112
Total Turnover	587,015	771,283	394,132	308,928	49,472	108,941	23	2,219,794
Non-current assets								
Europe	8,587	21,216	55,688	27,305	6,316	19,886	24,221	163,219
America	-	84,958	-	-	-	-	-	84,958
Middle East	-	-	-	596	-	2,206	-	2,802
Total Non-current assets	8,587	106,174	55,688	27,901	6,316	22,092	24,221	250,979

x € 1,000								2022
	Liquors	Beauty	Personal Care	Food	Health	Travel Retail	Holdings & Eliminations	Total
Turnover								
Europe	317,529	275,762	292,781	136,116	39,059	77,370	30	1,138,647
America	28,835	367,349	2,481	16,554	4,049	-	-	419,268
Asia	258,758	39,573	1,016	50,448	3,330	-	-	353,125
Middle East	22,228	40,831	3,581	71,215	1,049	5,662	-	144,566
Africa	17,350	99	1,814	55,231	118	6,889	-	81,501
Oceania	5,039	5,944	27	83	39	-	-	11,132
Total Turnover	649,739	729,558	301,700	329,647	47,644	89,921	30	2,148,239
Non-current assets								
Europe	9,375	21,158	57,121	26,023	7,836	18,843	27,426	167,782
America	-	93,135	-	-	-	-	-	93,135
Middle East	68	68	-	1,145	51	1,625	-	2,957
Total Non-current assets	9,443	114,361	57,121	27,168	7,887	20,468	27,426	263,874

6 Turnover

The revenue per product group is as follows:

x € 1,000	2023	2022
Liquors	653,504	669,511
Beauty	771,035	729,558
Personal Care	397,703	301,700
Food	253,156	333,775
Health	47,792	47,644
Electronics	96,604	66,051
	2,219,794	2,148,239

The distribution of turnover over the geographical regions can be specified as follows:

x € 1,000	2023	2022
Europe	1,288,593	1,138,647
America	456,754	419,268
Asia	270,060	353,125
Middle East	130,768	144,566
Africa	60,507	81,501
Oceania	13,112	11,132
	2,219,794	2,148,239

7 Purchase value

The purchase value can be specified as follows:

x € 1,000	2023	2022
Purchase value of turnover	1,726,320	1,675,225
Other external costs and income related to turnover	148,872	167,985
Exchange rate differences	955	1,110
	1,876,147	1,844,320

8 Personnel costs

The distribution of the personnel costs can be specified as follows:

x € 1,000	2023	2022
Salary costs	117,340	107,063
Social security charges	14,566	12,879
Pension costs	5,709	5,368
Government grants	4	(122)
Equity-settled share-based payments	225	900
Cash-settled share-based payments	70	(75)
Other personnel costs	7,283	7,659
	145,197	133,672
Temporary staff	16,098	13,408
	161,295	147,080

The remuneration of the Executive Board and the Supervisory Board is disclosed in the note on related parties (refer to note 36).

The number of employees in fulltime equivalents can be specified as follows:

	2023	2022
Liquors	114	111
Beauty	638	564
Personal Care	240	219
Food	352	368
Health	83	79
Travel Retail	303	230
Holdings & Eliminations	372	364
	2,102	1,935

Please note that the fulltime equivalents for acquired companies are included on a pro rata basis as from the closing date onwards, in line with the staff costs in the consolidated statement of profit or loss.

9 Other operating expenses

The other operating expenses can be specified as follows:

x € 1,000	2023	2022
Personnel related costs	8,178	6,520
Office / warehouse costs	10,578	8,765
Marketing costs	8,265	7,556
ICT costs	17,603	19,330
Insurance costs	5,400	4,720
External advisory costs	10,159	10,372
Other expenses	11,306	8,731
	71,489	65,994

The fees of KPMG that are directly attributable to the financial year of the Group are incorporated in the 'External advisory costs' and specified as follows:

x € 1,000	KPMG Audit S.à r.l.	Other KPMG member firms	Total KPMG
Audit fees for statutory audits	523	1,804	2,327
Other non-audit services	26	47	73
	529	1,851	2,400

The fees are related to the total fees for the audit of the financial statements of the year.

10 Financial expenses

The financial expenses can be specified as follows:

x € 1,000	2023	2022
Interest related to bank facilities	15,955	8,296
Interest on lease liabilities	1,366	1,364
Currency exchange results	(4)	(279)
Credit and commitment fees	519	653
Other interest	(460)	256
Changes in the fair value of derivatives	(91)	112
Changes in the fair value of contingent considerations	-	(1)
	17,285	10,401

11 Taxation on the result

The taxation on the result can be specified as follows:

x € 1,000	2023	2022
Income tax current period	20,717	14,191
Income tax previous periods	361	(438)
Deferred taxes	(5,582)	(2,166)
	15,496	11,587

The following table shows the reconciliation between the nominal and effective corporate income tax rates for the Group:

x € 1,000		2023		2022
Result before taxation		63,540		47,669
Income tax using the applicable tax rate in Luxembourg	25.0%	15,885	25.0%	11,917
Tax effect of:				
Other applicable tax rates abroad	3.7%	2,372	0.5%	255
Share of profit in joint ventures	0.2%	155	0.1%	35
Non-deductible expenses	3.6%	2,305	4.2%	1,984
	32.6%	20,717	29.8%	14,191

New corporate tax law was enacted in which corporate tax rates will change compared to prior period. The effect of this change amount nil (2022: € nil) to the remeasurement of deferred tax assets and liabilities.

The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax as it occurred.

The Group expects to be subject to the top-up tax in relation to its operations in Dubai, where the tax rate is nil. The newly enacted tax legislation in Dubai is only effective from January 1, 2024, there is no current tax impact for the year ended December 31, 2023. If the top-up tax had applied in 2023, the average effective tax rate to the profits of Dubai is 15% percent. The profits related to these operations amounts to € 0.6 million.

12 Earnings per share

The basic earnings per share can be specified as follows:

x € 1	2023	2022
Basic earnings per share from continuing operations	0.40	0.31

The diluted earnings per share are equal to the basic earnings per share. The earnings and weighted average number of Ordinary shares used in the calculation of basic earnings per share are as follows:

x € 1,000	2023	2022
Profit for the year attributable to Owners of the Company	33,760	26,100

x € 1	2023	2022
Weighted average number of Ordinary shares	84,177,321	84,177,321

13 Goodwill

The movements can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	79,470	65,092
Acquired in business combinations	-	11,760
Foreign currency translation	(1,562)	2,618
Balance as at December 31,	77,908	79,470

The carrying amount of goodwill has been allocated to the group cash-generating units (CGUs) as follows*:

x € 1,000	31.12.2023	31.12.2022
Liquors	2,096	2,096
Beauty	55,597	57,159
Personal Care	8,680	8,680
Health	4,934	4,934
Travel Retail	6,601	6,601
	77,908	79,470

* Reference is made to note 5 segment reporting

x € 1,000	31.12.2023	31.12.2022
The Netherlands	21,277	21,277
Rest of the world	56,631	58,193
	77,908	79,470

Impairment testing

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Goodwill is allocated to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose and in all cases that is at the operating segment level, which represents the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amounts of the cash-generating units are determined based on a value in use calculation which uses cash flow projections based on financial budgets and financial long-term plans approved by the Executive Board covering a four-year period, and a CGU-specific discount rate. The Company's environmental risk assessment is included in the Company's assumptions. The financial budget includes expected costs, related to identified mitigating measures for the near term. Increases in market volume (due to increase of population and rising consumption) have been taken into consideration as well as the scarcity of products, growing market pressure on prices, government-induced or otherwise. Assumptions for average selling prices and cost of sales are based on historical experience and expectations of future changes in the market. Cash flows beyond the four-year period have been calculated using a steady 2.0 percent (2022: 2.0 percent) terminal growth rate. This growth rate does not exceed the inflation rate for markets in the territories B&S operates in. Company's assumptions used in the recoverable amount calculations, such as capital expenditure and other assumptions are inherently uncertain and may ultimately differ from actual amounts.

Discount rates and terminal growth rates applied in the calculation of the value in use:

x 1,000	Discount rate 2023	Discount rate 2022	Terminal growth rate 2023	Terminal growth rate 2022
Liquors	9.0%	9.1%	2.0%	2.0%
Beauty	8.2%	10.3%	2.0%	2.0%
Personal Care	8.1%	9.3%	2.0%	2.0%
Food	9.8%	10.8%	2.0%	2.0%
Health	7.4%	9.0%	2.0%	2.0%
Travel Retail	10.7%	9.7%	2.0%	2.0%

The discount rate represents the current market assessment of the risks specific to each cash-generating unit, taking into account the time value of money and individual risks of the underlying assets that have not been included in the cash flow estimate. The discount rate is based on the weighted average cost of capital (WACC) that is relevant to the assets of the cash-generating unit. The WACC consists of the cost of equity and the costs of debt. The beta factors are evaluated annually and are based on the publicly available market data and differ per cash-generating unit. The (interest) risk per country is taken into account based on the revenue per country, based on publicly available country risk premium.

The impairment testing for 2023 did not result in impairments (2022: nil).

Reversal of impairment loss Food

In the financial year 2021, turnover in the Food segment was subject to challenges like Covid-19, impacting the demand in its business lines Maritime & Industrial Catering and Duty Free. Although management's base case assumptions in financial year 2021 resulted in a value in use calculation exceeding the operating asset at carrying value, we also considered less likely but also less positive scenario's given the limited headroom in the base case. Based thereon the carrying amount of this CGU was determined to be higher than its scenario based weighted recoverable amount and an impairment loss of € 10.2 million was recognised in financial year 2021.

The indicated impairment loss for Food was allocated as follows in the financial statements of December 31, 2021:

x € 1,000		2021
Goodwill	13	500
Other intangible assets	14	56
Property, plant and equipment	15	1,987
Right-of-use assets	28	7,650
		10,193

As part of the value in use calculation performed per December 31, 2023 we determined that there is sufficient headroom in the Food CGU, as the market is recovering, especially when compared to the year 2021 when COVID-19 caused a lot of uncertainty in the market.

The reversal of the impairment loss for Food is allocated as follows in the line-item impairment of non-current assets.

x € 1,000		2023
Property, plant and equipment	15	1,261
Right-of-use assets	28	4,855
		6,116

Sensitivity to changes in assumptions

The Group has conducted an analysis of the sensitivity of the impairment test model to changes in the key assumptions used to determine the recoverable amount for each of the cash-generating units to which goodwill is allocated. The realisable value is influenced by factors such as projections of future economic conditions and expectations regarding market developments and operations. The estimates made for these factors may change over time, which could lead to impairment recognised as a profit or loss in the income statement. The recoverable amount also depends on the discount rate used, which is based on an estimate of the weighted average cost of capital for the unit concerned.

The following aspects provide an indication of the sensitivity of the impairment tests to changes in key assumptions used:

- If the discount rate is assumed to be 0.5% higher than applied in the separate impairment tests, no impairments would have been required for the cash-generating units.
- If future annual sales growth rate is set 5.0% lower than applied in the separate impairment tests, whilst maintaining cost levels on the original assumptions, no impairments would have been required for the cash-generating units.
- If gross margins were to show a decrease of 1.0% over the coming years, while maintaining the other assumptions applied in the separate impairment tests, no impairments would have been required for the cash-generating units.

14 Other intangible assets

The other intangible assets can be specified as follows:

x € 1,000	31.12.2023	31.12.2022
Software	6,576	8,691
Brand names	3,930	4,584
Concessions	625	958
Customer portfolios	5,480	7,260
Supplier portfolios	15,557	20,541
Private labels	4,313	5,409
Other	555	1,155
	37,036	48,598

x € 1,000	31.12.2023	31.12.2022
The Netherlands	11,353	16,626
Rest of the world	25,683	31,972
	37,036	48,598

Intangible assets are amortised over their useful economic life, defined at the moment of acquisition. These intangible assets are amortised between 10% and 33%. Similar as in the previous year, no intangible assets have been pledged as security for liabilities.

The movements can be specified as follows:

x € 1,000	Software	Brand names	Concessions	Customer portfolios	Supplier portfolios	Private labels	Other	2023 Total
At cost:								
Balance as at January 1,	27,262	7,682	6,245	12,007	42,076	9,409	5,409	110,090
Additions	3,347	12	-	-	-	-	-	3,359
Reclassification within intangibles	-	-	-	145	-	-	(145)	-
Foreign currency translation	(121)	(101)	-	-	(1,125)	(327)	(78)	(1,752)
Disposals	59	-	(576)	-	-	-	(104)	(621)
	30,547	7,593	5,669	12,152	40,951	9,082	5,082	111,076
Accumulated amortisation and impairment:								
Balance as at January 1,	(18,571)	(3,098)	(5,287)	(4,747)	(21,535)	(4,000)	(4,254)	(61,492)
Amortisation	(5,127)	(615)	(106)	(1,734)	(4,405)	(928)	(377)	(13,292)
Reclassification within intangibles	(349)	-	349	-	-	-		-
Foreign currency translation	94	50	-	-	546	159	95	944
Disposals	(18)	-	-	(191)	-	-	9	(200)
	(23,971)	(3,663)	(5,044)	(6,672)	(25,394)	(4,769)	(4,527)	(74,040)
Balance as at December 31,	6,576	3,930	625	5,480	15,557	4,313	555	37,036

x € 1,000								2022
	Software	Brand names	Concessions	Customer portfolios	Supplier portfolios	Private labels	Other	Total
At cost:								
Balance as at January 1,	25,829	5,330	6,004	9,892	40,189	8,859	5,154	101,257
Additions	1,065	77	-	-	-	-	-	1,142
Acquired in business combinations	-	2,106	665	2,412	-	-	84	5,267
Foreign currency translation	202	169	-	-	1,887	550	171	2,979
Disposals	166	-	(424)	(297)	-	-	-	(555)
	27,262	7,682	6,245	12,007	42,076	9,409	5,409	110,090
Accumulated amortisation and impairment:								
Balance as at January 1,	(13,219)	(2,377)	(5,167)	(3,432)	(16,472)	(2,880)	(3,649)	(47,196)
Amortisation	(5,080)	(670)	(124)	(1,315)	(4,450)	(995)	(383)	(13,017)
Acquired in business combinations	-	-	(421)	-	-	-	(127)	(548)
Foreign currency translation	(132)	(51)	-	-	(613)	(125)	(95)	(1,016)
Disposals	(140)	-	425	-	-	-	-	285
	(18,571)	(3,098)	(5,287)	(4,747)	(21,535)	(4,000)	(4,254)	(61,492)
Balance as at December 31,	8,691	4,584	958	7,260	20,541	5,409	1,155	48,598

15 Property, plant and equipment

Property, plant and equipment can be specified as follows:

x € 1,000	31.12.2023	31.12.2022
Land and property	13,926	16,032
Equipment	25,033	21,688
Other	12,888	12,311
	51,847	50,031

x € 1,000	31.12.2023	31.12.2022
The Netherlands	37,903	37,727
Rest of the world	13,944	12,304
	51,847	50,031

The movements can be specified as follows:

x € 1,000				2023
	Land and property	Equipment	Other	Total
At cost:				
Balance as at January 1,	50,680	56,977	39,861	147,518
Additions	1,008	8,323	4,097	13,428
Foreign currency translation	(5)	(359)	(366)	(730)
Reclassification to assets held for sale	(3,927)	-	-	(3,927)
Disposals	(705)	(527)	(883)	(2,115)
	47,051	64,414	42,709	154,174
Accumulated depreciation and impairment:				
Balance as at January 1,	(34,648)	(35,289)	(27,550)	(97,487)
Depreciation	(1,808)	(5,574)	(3,459)	(10,841)
Reversal of impairment loss	309	798	154	1,261
Foreign currency translation	5	159	252	416
Reclassification to assets held for sale	2,313	-	-	2,313
Disposals	704	525	782	2,011
	(33,125)	(39,381)	(29,821)	(102,327)
Balance as at December 31,	13,926	25,033	12,888	51,847

x € 1,000				2022
	Land and property	Equipment	Other	Total
At cost:				
Balance as at January 1,	49,212	46,349	29,679	125,240
Additions	1,662	9,940	7,583	19,185
Acquired in business combinations	-	384	2,193	2,577
Foreign currency translation	8	309	507	824
Disposals	(202)	(5)	(101)	(308)
	50,680	56,977	39,861	147,518
Accumulated depreciation and impairment:				
Balance as at January 1,	(33,028)	(31,192)	(22,942)	(87,162)
Depreciation	(1,636)	(3,625)	(2,498)	(7,759)
Acquired in business combinations	-	(342)	(1,966)	(2,308)
Foreign currency translation	(8)	(147)	(332)	(487)
Disposals	24	17	188	229
	(34,648)	(35,289)	(27,550)	(97,487)
Balance as at December 31,	16,032	21,688	12,311	50,031

Reference is made to note 23 for further details on assets held for sale.
The category other consists of furniture and other equipment. The additions of the category other consists for € 2.6 million (2022: € 4.7 million) of additions in furniture and other equipment for new shops and renovations of shops and renovations of central areas of buildings.
Similar as in the previous year, no property, plant and equipment has been pledged as security for non-current loans and borrowings and current liabilities provided by credit institutions.
The Company has entered into a capital commitment amounting to € 0.3 million (2022: nil) for property, plant and equipment.

16 Investments in joint ventures

Investments in joint ventures can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	2,925	2,783
Share of profit in joint ventures	599	138
Foreign currency translation	(157)	4
Balance as at December 31,	3,367	2,925

The principal joint ventures of the Group are as follows:

	2023	2022
Comptoir & Clos SAS, France (in liquidation)	50%	50%
Next Generation Parfums B.V., the Netherlands	50%	50%
STG Logistica Y Depositos S.L., Spain	50%	50%
Capi-Lux South Africa (PTY) Ltd., South Africa	49%	49%

The companies are joint ventures in which the Group has joint control, based on the contractual agreements, and have the above described percent ownership interest. These companies have the same principal activities as the Group. The aggregate financial data of the principal joint ventures are shown below.

Next Generation Parfums B.V.:

x € 1,000	31.12.2023	31.12.2022
Current assets including cash and cash equivalents € 0.3 million (2022: nil)	4,486	3,592
Non-current assets	3,659	3,710
Current liabilities including non-current financial liabilities excluding trade payables and other current liabilities € 0.5 million (2022: € 0.4 million)	1,754	1,253
Non-current liabilities including non-current financial liabilities excluding provisions and other liabilities nil (2022: nil)	1,989	2,769
Net assets of the joint venture (100%)	4,402	3,28
Group's share in net assets (50%)	2,200	1,691
Goodwill	-	-
Group's carrying amount of the investment (50%)	2,200	1,691
Turnover	9,348	6,948
Depreciation and amortisation	(342)	(370)
Financial expense	86	74
Taxation on result	(307)	(45)
Profit (loss) for the year	1,020	208
Group's share of profit for the year (50%)	510	104

Capi-Lux South Africa (PTY) Ltd.:

x € 1,000	31.12.2023	31.12.2022
Current assets including cash and cash equivalents € 1.6 million (2022: € 2.0 million)	2,983	2,972
Non-current assets	32	123
Current liabilities including non-current financial liabilities excluding trade payables and other current liabilities nil (2022: nil)	689	584
Net assets of the joint venture (100%)	2,326	2,511
Group's share in net assets (49%)	1,163	1,232
Goodwill	-	-
Group's carrying amount of the investment (49%)	1,163	1,232
Turnover	5,600	4,888
Depreciation and amortisation	(9)	(19)
Financial expense	126	80
Taxation on result	(46)	(115)
Profit (loss) for the year	132	118
Group's share of profit for the year (49%)	65	58

The remaining share of profit in the other joint ventures is € 24 thousands (2022: 24 thousands).
The joint ventures had no other contingent liabilities or commitments as at December 31, 2023 and 2022, except as the long-term concession agreements, for which the Group has a corresponding commitments, as disclosed in note 34.

17 Receivables

The receivables can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	889	1,234
Acquired in business combinations	-	283
New loans issued	-	500
Repayments	(143)	(1,128)
Balance as at December 31,	746	889

This item consists of the following loans as at December 31, 2023:

- In 2020 the Company granted a loan to a joint venture, STG Logistica Y Depositos S.L., for the original amount of € 150,000, no maturity date has been set. The applicable interest rate is 10%. No securities have been provided..
- In 2020 the Company granted a loan to a third party for the original amount of € 242,000, no maturity date has been set. The applicable interest rate is 10%. No securities have been provided.
- The Company acquired an 6% investment for an amount of € 500,000 in 2022.

18 Deferred tax assets

The movements in the deferred tax assets can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	25,087	23,305
Additions	6,771	-
Transfer to/from profit or loss	(3,408)	1,785
Foreign currency translation	17	(3)
	28,467	25,087
Offset deferred taxes	(19,521)	(21,005)
Balance as at December 31,	8,946	4,082

The additions in the deferred tax assets consists for € 5.3 million in tax losses carried forward.

The deferred tax assets relate to the following items:

x € 1,000	31.12.2023	31.12.2022
Property, plant and equipment	222	1,092
Other intangible assets	1,513	517
Right-of-use assets	1,029	1,978
Tax losses carried forward	5,307	-
Other	875	495
	8,946	4,082

Refer to note 2.1 for adjustment in balance as at January 1, 2022.
Deferred tax assets have not been recognised for an amount of € 3.5 million (2022: € 1.7 million), because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom. An amount of € 2.6 million relates to B&S Group S.A.

19 Inventory

The inventory can be specified as follows:

x € 1,000	31.12.2023	31.12.2022
Value of trade goods	362,777	378,538
Prepayments on trade inventory	63,464	43,524
Provision for obsolescent inventory	(7,040)	(5,184)
	419,201	416,878

The amount of the write-down during 2023 amounts to € 2.2 million (2022: € 2.2 million) and has been recognised in the purchase value as a loss. Similar as in the previous year, no inventories have been pledged as a security for non-current loans and borrowings and current liabilities provided by credit institutions. The cost of inventories recognised as an expense during the year was € 1,726 million (2022: € 1,675 million).

20 Trade receivables

The trade receivables can be specified as follows:

x € 1,000	31.12.2023	31.12.2022
Trade receivables	192,862	195,276
Expected credit loss allowance	(13,448)	(18,975)
	179,414	176,301

The expected credit loss allowance provides a fair reflection of the risk of none or late payments at the balance sheet date. Accordingly the carrying amount of the trade receivables is approximately equal to its fair value. The provision has been recognised at nominal value, given its current nature. An expected credit loss allowance was formed during the financial year amounting to € 5.9 million (2022: € 17.0 million) and a release of € 3.2 million which were charged to the profit or loss. Trade receivables are written off when there is no reasonable expectation of recovering the contractual cash flows. An amounts of € 8.2 million is written off as uncollectable in segment Food. No interest is charged on past due trade receivables.

The movement in the expected credit loss allowance can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	18,975	2,307
Transfer from profit or loss	2,685	17,040
Amounts written off as uncollectable	(8,212)	(372)
Balance as at December 31,	13,448	18,975

The working capital tied up in trade receivables is expressed in Days of Sales Outstanding (DSO). The average DSO for 2023 was 30 days (2022: 31).
The expected credit loss allowance, taking into account the expected lifetime losses following the simplified approach as per IFRS 9, relates entirely to trade receivables past the contractually agreed due date for payment. Items that are considered doubtful have been fully provided for. Estimations and assumptions are applied to determine the size of the provision. Those estimates and assumptions are based on age analysis and specific developments in terms of market conditions and credit risks. In the judgement of the Group, the credit quality for receivables past due at the balance sheet date but not provided for is sufficient.

The age of the receivables that are past due but not impaired are as follows:

x € 1,000	31.12.2023	31.12.2022
Trade receivables less than 30 days due	16,240	17,162
Trade receivables between 30 and 60 days due	6,707	8,285
Trade receivables more than 60 days due	16,548	13,776
	39,495	39,223

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has not recognised an expected credit loss allowance because there has not been a significant change in credit quality and the amounts are still considered recoverable. Based on an individual assessment of all the due receivables it was concluded that impairment was not required for these receivables due to the credit quality not being significantly changed.

21 Other tax receivables and other tax liabilities

The other tax receivables relates for an amount of € 8.9 million to VAT receivables (December 31, 2022: € 11.8 million) and € 3.3 million to duties (December 31, 2022: € 2.5 million). The VAT receivables include an amount of € 1.4 million (December 31, 2022: € 1.4 million) with a possible long-term nature. The maturity period of all other receivables is less than one year.

The other tax liabilities relates for an amount of € 8.5 million to VAT liabilities (December 31, 2022: € 3.4 million), € 3.2 million to social securities (December 31, 2022: € 2.4 million), € 2.7 million to duties (December 31, 2022: € 1.4 million), and € 3.2 million to other taxes (December 31, 2022: € 2.7 million). The other taxes includes sales taxes related to sales to consumers performed by foreign Group companies amounting to € 3.1 million as at December 31, 2023. The maturity period for the other tax liabilities is less than one year.

22 Other receivables

The other receivables includes an accrual for rebates for an amount of € 10.1 million (December 31, 2022: € 3.0 million) and prepayments of € 2.0 million (December 31, 2022: € 1.5 million).

23 Assets held for sale

On October 9, 2023 the Travel Retail managing director communicated the decision of the Board of Directors to sell the building in Hoofddorp and move to a building which is already rented by the Liquors segment. The sale of the building in Hoofddorp has been completed in March 2024 and the building will be transferred in Q2 2024. At December 31, 2023 the property, plant and equipment related to this building was classified as assets held for sale for an amount of € 1.4 million.

24 Share capital

Refer to the consolidated statement of changes in equity for information on the composition, amount and changes of equity. Details of the share capital are set out below. Information on other elements of equity (reserves) is set out in the next note.

Issued share capital

The issued share capital as at December 31, 2023 amounted to € 5,050,639.26 and consists of 84,177,321 Ordinary shares with a nominal value of € 0.06 each. Since March 23, 2018 the Company is listed on the Amsterdam Stock Exchange. There have been no movements in the share capital in both 2023 and 2022.

Share-based payment

As per March 23, 2018, a group of managers received a share incentive amounting to € 4.5 million from the pre-IPO shareholders of B&S Group S.A., Sarabel Invest S.à r.l. and Lebaras Belgium BVBA. A number of existing Ordinary shares (310,345) representing a total amount of € 4.5 million as per March 23, 2018, have been provided to Stichting Administratiekantoor B&S Participations (STAK).

On March 23, 2023, the managers were entitled to acquire the underlying Ordinary shares from the STAK for no consideration. During the vesting period the € 4.5 million was charged to the consolidated statement of profit or loss.

25 Reserves

Direct changes in equity are recognised net of tax effects. The following elements of reserves can be specified as follows:

Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment). The movement can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	1,505	(31)
Effective portion of changes in fair value of cash flow hedges	(439)	1,536
Balance as at December 31,	1,066	1,505

Reserve for translation differences

The reserve for translation differences comprises all cumulative translation differences arising from the translation of the financial statements of activities in currencies other than the euro. The reserve is not freely distributable.
The movement can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	5,915	(175)
Foreign currency translation through OCI	(3,220)	6,090
Balance as at December 31,	2,695	5,915

Retained earnings

The retained earnings comprise all cumulative profit or loss movements less cumulative changes. The movement can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	269,405	259,319
Profit for the period	33,760	26,100
Dividend to the owners of the Company	(10,102)	(15,152)
Transactions with minority shareholders (note 37)	(8,560)	(2,696)
Share-based payments (note 24)	225	900
	284,728	268,471
Fair value adjustment non-current liabilities	(56,787)	934
Balance as at December 31,	227,941	269,405

Proposed appropriation of the result for 2023

The Executive Board proposes to pay a dividend of € 13.8 million and to add € 20.0 million to the reserves.
This proposed appropriation has not been accounted for in the consolidated financial statements.

Profit appropriation 2022

The 2022 consolidated financial statements were approved during the General Meeting on May 22, 2023. The General Meeting approved the proposed profit appropriation. The paid dividend per share was € 0.12.

26 Non-controlling interest

The non-controlling interest consist of the third-party share in the following companies:

	31.12.2023	31.12.2022
J.T.G. WWL S.à r.l., Mensdorf, G.D. Luxembourg	8.21%	8.21%
Topbrands Europe B.V., Oud-Beijerland, the Netherlands	29.17%	29.17%
FNet Acquisition Company LLC, Delaware, United States	12.5%	25.0%
FNC International B.V., Dordrecht, the Netherlands	25.0%	25.0%
B&S HTG B.V., Delfzijl, the Netherlands	5.0%	5.0%
Lagaay Medical Group B.V., Rotterdam, the Netherlands	30.0%	30.0%
Europort Groep B.V., Rotterdam, the Netherlands	20.0%	20.0%
J.T.G. Distribution HK Ltd, Hong Kong, Hong Kong	22.5%	22.5%
B&S Beauty B.V., Delfzijl, the Netherlands	5.0%	5.0%
Europe Beauty Group S.A.S., Autun, France	30.0%	30.0%
Top Care Distribution S.L.U., Valencia, Spain	49.0%	24.5%
Profit Rights:		
B&S Investments B.V., Delfzijl, the Netherlands	100%	100%

The movement in the non-controlling interest can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	25,121	39,107
Share of profit for the period	14,284	9,982
Foreign currency translation	(1,274)	336
Effective portion of changes in fair value of cash flow hedges	(120)	220
Acquired in business combinations	-	2,460
Transactions with minority shareholders	(12,792)	(1,147)
Dividend paid to non-controlling interest	(12,719)	(10,815)
	12,500	40,143
Reclassification to 'Other non-current liabilities'	11,145	(15,022)
Balance as at December 31,	23,645	25,121

The reclassification to 'Other non-current liabilities' relates to the non-controlling interest for which the Group has deferred payments. Reference is made to note 32 for further details on this reclassification.

27 Loans and borrowings

The loans and borrowings can be specified as follows:

x € 1,000	31.12.2023	31.12.2022
Borrowings from banks	177,228	179,059
Borrowings from third parties	1,358	3,000
Non-current liabilities	178,586	182,059
Unsecured borrowings from banks	81,056	103,896
Borrowings from banks due within one year	1,258	1,240
Current liabilities	82,314	105,136

The movements in the loans and borrowings can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	287,195	240,881
Acquired through business combinations	-	4,253
Repayments on borrowings from banks	(1,276)	(3,012)
Repayments on borrowings from third parties	(1,642)	-
Changes on unsecured borrowings from banks	(22,995)	44,777
Transaction costs related to loans and borrowings	(900)	(205)
Amortisation transaction costs	518	501
	260,900	287,195
Reclassification to 'current liabilities'	(82,314)	(105,136)
Balance as at December 31,	178,586	182,059

x € 1,000				31.12.2023			31.12.2022		
	Interest	Year of maturity	% Nominal interest rate	Maximum amount	Nominal value	Carrying amount	Maximum amount	Nominal value	Carrying amount
Unsecured, committed bank loans	variable [1,2]	2026	5.1%	175,000	175,000	173,756	175,000	175,000	174,311
Unsecured, committed revolving credit facilities	variable [1,2]	2024 - 2026	5.4%	170,000	65,276	65,276	145,000	60,802	60,455
Uncommitted bilateral credit lines	variable [1,2]	Until further notice	5.2%	190,000	12,856	12,856	290,000	39,169	39,169
Other bank loans	fixed	2026-2027	1.5%	4,730	4,730	4,730	5,987	5,987	5,987
Other revolving credit facilities	variable [2]	2024-2026	3.8%	2,924	2,924	2,924	10,650	4,273	4,273
Borrowings from third party	when conditions are met		0%	1,358	1,358	1,358	3,000	3,000	3,000
Total loans and borrowings				544,012	262,144	260,900	629,637	288,231	287,195
Lease liabilities		2024-2037	1.5%-5.5%			60,677			73,804
Lease liabilities due within one year			1.5%-4.1%			13,561			12,716
Total interest bearing loans and borrowings				544,012		335,138	629,637		373,715

1 Based on covenants with financial institutions and the Group's leverage ratioo

2 Reference rate depending on the currency drawn: EURIBOR, SOFR, SONIA, TONAR, EIBOR

Borrowings from banks

The Group has entered into multiple, bilateral term loans and revolving credit facilities to provide surety and maturity to its financing portfolio while providing the necessary safeguard against working capital volatility. The bilateral agreements are entered into with five major European banks and are provided on equal terms and conditions. No assets have been pledged as security for the loans and borrowings provided. Instead, guarantees of companies within the Group are provided.

The unsecured, committed bank loans of € 175 million, originally maturing in 2024, and consisting of three fully drawn term loans, have been extended and are to be fully repaid at maturity in 2026.

The original, unsecured, committed revolving credit facilities of € 145 million were entered into for three years until the end of 2024 with two extension options for one year each. The Group has exercised both extension options for € 125 million until 2026, while one of the revolving facilities has been increased with € 25 million, also until 2026. The total amount available under the revolving credit facilities is € 170 million of which € 20 million has a maturity in 2024 and € 150 million a maturity in 2026. The revolving credit facilities are drawn on demand utilising multicurrency ancillary facilities.

In addition to the committed facilities, the Group has also entered into various uncommitted, bilateral credit lines for a total of € 190 million for working capital and cash management purposes. Similar to the revolving credit facilities, these facilities are drawn on demand using ancillary facilities. At December 31, 2023 and December 31, 2022, € 12.8 million and € 39.6 million respectively was outstanding under these bilateral short-term credit lines.

Furthermore, the Group has agreed upon an uncommitted accordion option with four of the five banks for a total amount of € 75 million, which can be used as surge capacity for general corporate and working capital purposes. When exercised, this accordion option will be included, as applicable, in the unsecured, committed revolving credit facilities until 2026.

The quarterly tested financial covenants under the financing arrangements with the Group's financial institutions are:

- A maximum Leverage Ratio of 4.0x at the end of Q1 and Q2, of 4.25x at the end of Q3, and of 3.75x at the end of Q4 to accommodate the seasonal working capital pattern of the Group
- A minimum Interest Coverage Ratio of 4.0x at the end of Q1 and Q2, of 3.75x at the end of Q3, and of 4.25x at the end of Q4.

The other bank loans and other revolving credit facilities relate to Spanish and French facilities with a maximum amount of € 4.7 million (2022: € 16.6 million) and will mature between 2025 and 2027.

For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 35.

Borrowings from third parties

Borrowings from third parties exists of two loans of € 1.5 million each.
The applicable interest rate for both loans is 2.5%, but will only become applicable after fulfilment of certain conditions. No securities are provided. An amount of € 1.6 million has been repaid in 2023, the repayment of the remaining amount is dependent on the fulfilment of beforementioned conditions.

28 Leases

The leases can be specified as follows:

x € 1,000	31.12.2023	31.12.2022
Property	68,118	75,414
Vehicles	3,011	2,465
	71,129	77,879

The movements in the Group's right-of-use assets can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	77,879	60,680
Additions	6,425	25,115
Remeasurement and lease modifications	(5,339)	-
Acquired in business combinations	-	2,832
Reversal of impairment loss	4,855	(135)
Depreciation right-of-use assets	(12,343)	(11,610)
Foreign currency translation	(348)	997
Balance as at December 31,	71,129	77,879

x € 1,000	31.12.2023	31.12.2022
The Netherlands	55,708	59,675
Rest of the world	15,421	18,204
	71,129	77,879

The Group leases several assets including buildings and vehicles. The average remaining lease term is four years. During 2023 several new lease contracts have been entered into for movements to other locations and as a consequence some lease contracts ended. Furthermore for some locations the lease contract duration has been extended. The total cash outflow for leases amounts to € 15.1 million.

The movements in the lease liabilities can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	86,520	69,379
Additions	6,253	25,115
Remeasurement and lease modifications	(4,777)	-
Acquired in business combinations	-	2,832
Repayments on lease liabilities	(13,032)	(11,774)
Foreign currency translation	(726)	968
	74,238	86,520
Reclassification to 'Current liabilities'	(13,561)	(12,716)
Balance as at December 31,	60,677	73,804

The maturity and related value of lease liabilities can be specified as follows:

x € 1,000				31.12.2023
	< 1 year	1 <> 5 years	> 5 years	Total
Lease liabilities	13,561	39,829	20,848	74,238
	13,561	39,829	20,848	74,238

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The amounts recognised in the profit or loss can be specified as follows:

x € 1,000	2023	2022
Depreciation expenses on right-of-use assets (Property)	11,162	10,673
Depreciation expenses on right-of-use assets (Vehicles)	1,181	937
Reversal of impairment loss on right-of-use assets	(4,855)	135
Interest expense on lease liabilities	1,366	1,364
Expenses relating to short-term leases and leases of low value assets	1,994	2,033
	10,848	15,142

29 Deferred tax liabilities

The movement in deferred tax liabilities can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	30,030	31,971
Acquired in business combinations	-	1,130
Additions	1,776	-
Transfer to profit or loss	(3,700)	(3,218)
Foreign currency translation	(127)	147
	27,979	30,030
Offset deferred taxes	(19,521)	(21,005)
Balance as at December 31,	8,458	9,025

Refer to note 2.1 for adjustment in balance as at January 1, 2022.

The maturity and related value of the deferred tax liabilities can be specified as follows:

x € 1,000				31.12.2023
	< 1 year	1 <> 5 years	> 5 years	Total
Deferred tax liabilities	1,729	5,569	1,160	8,458
	1,729	5,569	1,160	8,458

The deferred tax liabilities relate to the following items:

x € 1,000	31.12.2023	31.12.2022
Other intangible assets	6,409	8,378
Property, plant and equipment	1,674	150
Other	375	497
	8,458	9,025

30 Retirement and other employee benefit obligations

The movements for the provision can be summarised as follows:

x € 1,000	2023	2022
Balance as at January 1,	1,027	1,359
Paid during the financial year	(175)	(682)
Transfer to/from profit or loss	58	350
Balance as at December 31,	910	1,027

The provision for pension obligations consists of a provision for pensions of former personnel that have taken effect and are valued at fair value. The maturity of these obligations is less than five years.

This provision also includes an end-of-service indemnity payable to employees at the reporting date in accordance with the U.A.E. labour laws, and is based on current remuneration and cumulative years of service at the reporting date. This provision is considered as a defined benefit plan. Total amount of end-of-service indemnity provision as per 2023 was € 0.7 million (2022: € 0.7 million).

Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees. When employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total expense recognised in the profit or loss of € 5.7 million (2022: € 5.4 million) represents contributions paid or payable by the Group at rates specified in the rules of the plans. As at December 31, 2023, contributions of € 0.3 million (2022: € 0.7 million) due in respect of the 2023, (2022) reporting period had not been paid over to the plans and hence were included in the short-term liabilities. These amounts were paid after the end of the reporting period.

Pension plan pension fund "Stichting Het nederlandse pensioenfonds (HNPF)"

As per January 1, 2023, the Group entered in a new defined contribution plan (Pension Plan) with the pension fund 'Stichting Het Nederlandse Pensioenfonds (HNPF)". The prior pension plan for these employees was already with pension fund 'Stichting Het Nederlandse Pensioenfonds (HNPF)". On January 1, 2023 the pension entitlements of all participants are transferred to the new pension fund.

According to the pension plan the employer has the obligation to pay a fixed annual premium to the pension fund of two-third of 22% of the pension base (2022: two-third of 22% of the pension base), the remaining one-third is paid by the employee. The return on the contribution payments has not been guaranteed.
The only liability for the employer is to pay the annual premium as the employer has no obligation to pay additional contributions, neither to compensate for inflation nor to supplement in case the fund does not hold sufficient assets to fund the pension obligations. In the last case, the fund would need to take other measures to restore its solvency, such as reductions of the entitlements of the plan members.

The pensionable salary accommodated by HNPF is limited to € 0.1 million (2022: € 0.1 million). The pension base is the difference between the pensionable (current) salary of the employee and the state retirement benefit. HNPF has stated that the funding ratio is 108.9% at December 31, 2023 (2022: 111.6%).

Based on IAS 19, the Pension Plan as such is accounted for as a defined contribution plan. The Group presents the employer contribution in the profit or loss item "Personnel costs".

Industry pension schemes 'Bedrijfstakpensioenfonds voor de Detailhandel'

Pursuant to the Dutch pension system this plan is financed by contributions to an industry pension fund. Participation in the industry pension fund is required by the collective labour agreement applicable to Capi-Lux Holding B.V., Anker Amsterdam Spirits B.V. and Square Dranken Nederland B.V.

The related accrued entitlements are always fully financed in the related calendar year through – at least – cost effective contribution payments. The pension plan is a career average plan including – for both active and inactive participants (former employees not yet retired and retired persons) – conditional granting of supplements. The granting of supplements depends on its investment return.

The annual accrual of the pension entitlements amounts to 1.6% (2022: 1.4%) of the pensionable salary that is based on the gross wage net of a deductible (of € 14,720; 2022: € 14,720). The pensionable salary is capped (at € 59,706; 2022: € 59,706). The annual employer-paid contribution is 24.76% (2022: 24.75%) of which 6.1% (2022: 6.1%) is contributed by the employee. Based on the funding ratio and expected returns the board of the industry pension fund sets the contribution on a yearly basis.

The related industry pension fund has stated that the funding ratio is 118.3% at the end of 2023 (2022: 117.3%). Based on the administrative regulations the group has

no obligation to make additional contributions in the event of a deficit other than through higher future contributions.
Based on IAS 19, the Pension Plan as such is accounted for as a defined contribution plan. The Group presents the employer contribution in the profit or loss item “Personnel costs”.

Other defined benefit plans

In several countries, defined benefit plans are in place. However due to the limited number of employees and limited financial risk these plans are accounted for as defined contribution plans. Pension plans for which the pension fund cannot provide data on an individual company basis are, in line with IAS19, accounted for as a defined contribution plans. In 2023 the premium related to these plans charged to the consolidated statement of profit or loss amounts to € 0.5 million (2022: € 0.5 million).

31 Other provisions

The movements in the ‘Other provisions’ can be specified as follows:

x € 1,000	2023	2022
Balance as at 1 January	650	1,002
Transferred to/from profit or loss	617	(352)
Balance as at 31 December	1,267	650

This item comprises mainly of provisions for two onerous concession contracts within the Travel Retail segment. Based on the contractual minimum guaranteed rental amounts combined with the passenger expectations during the remaining contracted years, management does expect a loss of € 0.9 million resulting from operating under the terms of these concession contracts. The provision will be released to the profit or loss gradually over the remaining years of the contract.

32 Other liabilities

The other liabilities can be specified as follows:

x € 1,000	2023	2022
Deferred payments	74,627	45,360
Deferred payment minority shareholders	8,145	-
Subsidy (IPR)	582	617
Share appreciation rights	74	-
Other non-current liabilities	-	22
	83,428	45,999

Deferred payments

The movements in ‘Deferred payments’ can be specified as follows:

x € 1,000	2023	2022
Balance as at January 1,	52,437	38,349
Reclassification to/from 'Non-controlling interest'	(11,146)	15,022
	41,291	53,371
Fair value adjustment	56,788	(934)
	98,079	52,437
Reclassification to 'Current liabilities'	(23,452)	(7,077)
Balance as at December 31,	74,627	45,360

The Group has three deferred payments with three minority shareholders for written put options. The exercise prices are dependent on the agreed terms with the minority shareholders. The non-controlling interest is reclassified to other liabilities (long-term) at the end of each reporting period and valued at fair value, being the value of the expected future consideration discounted against long term government bond yields plus a company specific mark-up. As such, apart from the discount rate, the fair value measurement is derived from valuation techniques that include inputs that are not based on observable market data. The fair value adjustments are recognised in retained earnings.

	Deferred payment 1	Deferred payment 2	Deferred payment 3
Closing date	October 2018	May 2022	September 2022
Percentage of shares	12.50%	15.00%	29.17%
Exercise date	Second tranche: ten years after closing date (effectively October 29, 2028).	Three years after closing date (effectively May 12, 2025), during a three-year period. The seller may exercise the put option between January 1 and June 30 of each year of the put option period. The purchaser may exercise the call option between July 1 and December 31 of each year of the call option period.	One year and three months after closing date (effectively January 1, 2024), during a four-year period. At exercise date 50% will be paid, the remaining amount will be paid after one year.
Calculation method of the exercise price	EBITDA realised in the 12 months preceding the exercise date and a multiple that is dependent on the EBITDA growth rate in the years prior to the exercise date.	The higher price of (a) € 3,7 million (15% of the purchase price at acquisition date) or (b) multiple that is dependent on the EBITDA of the company of the year prior to execution of the option minus net financial debt as per financial year end prior to executing the option x 15%.	The higher price of (a) the minimum price of € 34,056,019.40 for 525 shares including a correction for the solvability ratio or (b) the weighted average of the profit before tax for the last three years prior to exercise period times 5.9 after dividend payment.
Discount rate	US government bond yields plus a company specific mark-up	German bond yields plus a company specific mark-up	German bond yields plus a company specific mark-up
Fair value	€ 37.2 million	€ 3.4 million	€ 57.4 million

We refer to note 38 subsequent events for the acquisition of shares in Topbrands Europe B.V. in 2024.

Deferred payment minority shareholders

The Group has a deferred payment with minority shareholders for the payment of acquisition of additional shares of FNet Acquisition Company LCC, as agreed on November 22, 2023, for an amount of € 9.6 million of which € 1.4 million is repayable within one year.

Share appreciation rights (cash-settled)

On May 22, 2023, the Group granted 227,043 share appreciation rights (SARs) to the CEO, CFO
and Senior Counsel that entitle them to a cash payment after three years of service. On June 5, 2023, the Group granted 92,355 share appreciation rights (SARs) to the COO that entitles him to a cash payment after three years of service.
All SARs are still outstanding at December 31, 2023 and none have vested yet.
The SARs can be exercised during three years after vesting (from May 22, 2026 to May 22, 2029 respectively June 5, 2026 to June 5, 2029). The amount of the cash payment is determined based on the increase in the share price of the Group between grant date and the time of exercise. Total carrying amount of liabilities for SARs as per December 31, 2023 is € 74 thousand. An amount of € 74 thousand related to the cash-settled share-based payments (SARs) has been recognised in the employee benefit expenses.

The fair value of the SARs at grant date is determined using the Black-Scholes model. The fair value of the liability, classified as an employee benefit liability, is remeasured at each reporting date and at settlement date.

The inputs used in the measurement of the fair values at grant date and measurement date of the SARs were as follows:

	2023	Grant date 22.05.2023
Fair value	€ 1.13	€1.31
Share price	€ 3.70	€3.80
Exercise price	€ 3.80	€3.80
Expected volatility (weighted-average)	46.21%	49.06%
Expected life (weighted-average)	3.91 years	4.15 years
Expected dividends	2.50%	2.50%
Risk-free interest rate (based on government bonds)	2.021%	2.468%

	2023	Grant date 05.06.2023
Fair value	€ 1.16	€1.29
Share price	€ 3.70	€3.70
Exercise price	€ 3.70	€3.70
Expected volatility (weighted-average)	46.21%	46.21%
Expected life (weighted-average)	3.93 years	4.50 years
Expected dividends	2.50%	2.50%
Risk-free interest rate (based on government bonds)	2.021%	2.418%

Expected volatility has been based on an evaluation of the historical volatility of the Company’s share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

33 Other current liabilities

The other current liabilities can be specified as follows:

x € 1,000	2023	2022
Current part of deferred payments	23,452	7,077
Current part of deferred payment minority shareholders	1,357	-
Other current liabilities	47,699	39,350
	72,508	46,427

The other current liabilities include personnel related liabilities of € 17.3 million (December 31, 2022: € 13.2 million), accrued interest for € 1.7 million (December 31, 2022: € 3.4 million), and concession fees of € 4.0 million (December 31, 2022: € 2.3 million).

34 Contingent liabilities and contingent assets

Concession fee

The Group has entered into long-term concession agreements. The maturity of these agreements varies up to 8 years. The amounts involved are based on the turnover of the particular agreement.

Guarantees

The Group has issued guarantees. These guarantees can be specified as follows:

x € 1,000	31.12.2023	31.12.2022
Total maximum level of guarantees facility granted to the Group	22,500	22,500
Issued guarantees in relation to import duties	4,465	4,152
Issued guarantees in relation to rental agreements	5,317	4,691
Other issued guarantees	99	769
	9,881	9,612

35 Risk management and financial instruments

Financial instruments by category

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

x € 1,000	Amortised cost	FVTPL	FVTOCI	Total			31.12.2023
					Level 1	Level 2	Level 3
Financial assets not measured at fair value							
Receivables, non-current assets	746	-	-	746			
Trade receivables	179,414	-	-	179,414			
Cash and cash equivalents	28,613	-	-	28,613			
	208,773	-	-	208,773			
Financial liability measured at fair value							
Deferred payments	-	-	98,079	98,079	-	-	98,079
Share appreciation rights	-	74	-	74	-	-	74
	-	74	98,079	98,153	-	-	98,153
Financial liabilities not measured at fair value							
Borrowings, non-current liabilities	178,586	-	-	178,586			
Lease liabilities	74,238	-	-	74,238			
Unsecured borrowings from banks	81,056	-	-	81,056			
Borrowings from banks due within one year	1,258	-	-	1,258			
Trade payables	134,583	-	-	134,583			
	469,721	-	-	469,721			

x € 1,000	Amortised cost	FVTPL	FVTOCI	Total			31.12.2022
					Level 1	Level 2	Level 3
Financial assets not measured at fair value							
Receivables, non-current assets	889	-	-	889			
Trade receivables	176,301	-	-	176,301			
Cash and cash equivalents	38,723	-	-	38,723			
	215,913	-	-	215,913			
Financial liability measured at fair value							
Deferred payments	-	-	52,437	52,437	-	-	52,437
Deriviate financial instruments	-	-	91	91	-	-	91
	-	-	52,528	52,528	-	-	52,528
Financial liabilities not measured at fair value							
Borrowings, non-current liabilities	182,059	-	-	182,059			
Lease liabilities	86,520	-	-	86,520			
Unsecured borrowings from banks	103,896	-	-	103,896			
Borrowings from banks due within one year	1,240	-	-	1,240			
Trade payables	137,519	-	-	137,519			
	511,234	-	-	511,234			

Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Deferred Payment 1	**EBITDA multiplier:** The valuation model is based on the EBITDA realized in the 12 months preceding the exercise date and a multiple that is dependent on the EBITDA growth rate in the years prior to the exercise date. The expected future consideration is discounted against long term US government bond yields plus a company specific mark-up.	Realized EBITDA 12 months preceding the exercise (December 31, 2023: € 37.2 million) Expected EBITDA growth (December 31, 2023: 12.0%) Discount rate (December 31, 2023: 5.4%)	The estimated fair value would increase (decrease) if: • The EBITDA realized 12 months preceding the exercise were higher (lower); or • The EBITDA growth rate in the years prior to the exercise date were higher (lower); or • The discount rate were lower (higher).
Deferred Payment 2	**EBITDA multiplier:** The valuation model is based on the EBITDA of the Beauty company of the year prior to execution of the option minus net financial debt as per financial year end prior to executing the option x 15%. The expected future consideration is discounted against long term German bond yields plus a company specific mark-up.	EBITDA of the year prior to execution of the option (December 31, 2023: € 3.4 million) Discount rate (December 31, 2023: 3.8%)	The estimated fair value would increase (decrease) if: • The EBITDA of the year prior to execution of the option were higher (lower); or • The discount rate were lower (higher).
Deferred Payment 3	**Profit before tax multiplier:** The valuation model is based on the weighted average of the profit before tax for the last three years prior to exercise period times 5.9 after dividend payment. The expected future consideration is discounted against long term German bond yields plus a company specific mark-up.	Profit before tax of the three years prior to execution of the option (December 31, 2023: € 57.4 million) Discount rate (December 31, 2023) for the current portion nil, for the non-current portion 3.8%	The estimated fair value would increase (decrease) if: • The profit before tax of the three years prior to execution of the option were higher (lower); or • The discount rate were lower (higher).

Financial risk management objectives

As a result of its activities, the Company is exposed to various financial risks. The Company applies a Group-wide treasury policy for the adequate management of cash flows and financing flows as well as of the management of related financial risks.

A summary of the Company's management of its main financial risks is provided below. The risks are linked to the Company's core objectives and categorised as currency risks, interest rate risks, credit risks, liquidity risks, and capital risk.

Foreign currency risk

The Group has assets and operations around the world as a result of which it is exposed to currency exchange rate fluctuations. Changes in exchange rates between the Euro and other foreign currencies, particularly the US Dollar, UK Pound Sterling and Japanese Yen, affect the company's revenues, expenses, and results and have an impact on the value of its assets and liabilities denominated in currencies other than Euro. The Group's policy requires all transactional currency exposures, such as purchase and sales obligations (recorded purchase and sales orders) and forecasted sales (inventory planned to be invoiced in a non-functional currency) in non-functional currencies to be hedged on a daily basis. The Group uses primarily spot and some forward derivative instruments to hedge these exposures.

Foreign currency sensitivity analysis

The Group is mainly exposed to the US Dollar as indicated in the next table. Assuming the Euro had strengthened (weakened) 3% against the US Dollar compared to the actual 2023 rate with all other variables held constant the hypothetical result on income before taxes would have been a change of € 1.8 million if no cash flow hedge accounting has been applied. A 3% increase or decrease of the other currencies the Group is trading in would not have a significant impact on both the income before taxes and the equity of the Group.

x 1,000 Foreign currency	31.12.2023		31.12.2022	
	Assets	Liabilities	Assets	Liabilities
USD	265,524	327,786	480,688	370,304
GBP	5,483	8,730	11,175	11,397
JPY	151,999	494,531	905,551	1,198,306

Interest rate risk

The Group is exposed to interest rate risk due to changes in interest rates, including inflationary pressures. The Group uses floating rate debt instruments as its debt is primarily used to fund the Group's working capital needs.

On the basis of the financing position as at year-end 2023, the Group estimates that an increase of 1 percentage point in the applicable reference rates, such as ESTR, SOFR, and EURIBOR, would have a negative effect of approximately € 3.0 million (2022: € 3.7 million)on net finance costs and thus the result before taxes and a negative effect of € 2.2 million (2022: € 2.9 million) on equity.
Some of the Group's variable rate debt is denominated in US dollar, as such, the hypothetical 1 percentage point change in interest rate ignores the potential impact of any currency movements.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty in a financial instrument fails to meet its contractual obligations. The risk for B&S Group S.A. arises mainly from trade receivables, for which credit concentration is limited.

Trade receivable credit risk refers to the potential financial loss that a company may face due to the failure of its customers to pay their outstanding invoices or debts. In business transactions, especially in B2B (business-to-business) relationships, it is common for goods or services to be delivered before payment is received. When a company extends credit to its customers, it essentially creates trade receivable,

which represents the money owed to the company by its customers.
The concentration risk for B&S Group S.A. from trade receivables is limited because of dealing with a significant number of customers.

As the Group trades with a large number of clients around the world, strict internal policies and guidelines have been drawn-up regarding business agreements with new clients as well as the setting of payment terms and credit risk management.
The Group rule requires trade transactions to be secured, either by payment upfront, insurance or by a secured payment instrument (guarantee, letter of credit or any other form of collateral) to avoid any form of credit risk. Exceptions to this rule shall only be accepted after approval of an internal limit by the Executive Board. Before doing business with new clients their creditworthiness as well as background of the relation by means of a “Know Your Relation process” is checked by the credit risk department.

The activities of the Travel Retail segment consist mainly of retail activities in exchange for direct cash and as such without any form of credit risk.

The credit risk department also monitors outstanding payments on a daily basis, using an automated and sophisticated credit risk monitoring system. This process meets the requirements in accordance with all credit insurance institutions is working with. As a result of the rigid handling of new client acceptance and payment control the Company’s debtor risk is limited and well under control. The average outstanding debt period is less than 30 days, which is within the limits as set by Company’s management and acceptable for global trading.

Group’s management is aware of the deteriorating creditworthiness of clients in several countries due to political and economic instability. Given the outstanding relationship with their credit insurers the Group was able to remain in a good dialogue with their clients and maintain the required credit insurance lines in place.

The Group held cash and cash equivalents of € 28.6 million (2022: € 38.7 million). The cash and cash equivalents are held with banks with an investment grade (IG) rating.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as these fall due. Liquidity is maintained in the form of cash and cash equivalents and the availability under credit facilities, sufficient to meet the obligations in both ordinary and exceptional (e.g., seasonality) circumstances. Cash flows are forecasted within the Group on a regular basis to determine to which extent the Group has sufficient liquidity for the operating activities while maintaining adequate headroom under its credit facilities.

The loans and borrowings (note 27) provided, excluding lease liabilities, amounted to € 262.1 million as at December 31, 2023, meaning a headroom of € 356.9 million under the existing facilities. The available headroom is not subject to borrowing base restrictions. Therefore, the Group has credit facilities that are sufficient for the existing and expected liquidity needs of the Group.

Adherence to the covenants agreed with the Group’s financial institutions is tested and reported on a regular basis. These covenants include a Leverage Ratio, defined as Adjusted Net Debt to Adjusted EBITDA, and an Interest Coverage Ratio, defined as Adjusted EBIT to Net Finance Charges. The Group has adhered to these covenants in 2023. These covenants are the same for all debt reported in Borrowings from banks excluding Other bank loans and other revolving credit facilities, and not including Borrowings from third parties.

A 10% decrease in the Group’s operating result, defined for this purpose as (adjusted) earnings before interest, taxes, depreciation of property, plant and equipment and amortisation of intangible assets and impairments (Adjusted EBITDA), would increase the Leverage Ratio by 0.3 points, at unchanged Net Debt. The Leverage Ratio agreed with financial institutions is set at a maximum of 3.75x at year-end. This covenant would only be breached if Adjusted EBITDA decreases by more than 30%, at unchanged Net Debt, whereas the Adjusted EBITDA is capped for exceptional items.

A 10% decrease in the Group's (adjusted) earnings before interest and taxes (Adjusted EBIT) would reduce the Interest Coverage Ratio (ICR) by 0.5 points, at unchanged Net Finance Charge. The ICR covenant agreed with the financial institutions is set at a minimum of 4.25x at year-end. This covenant would be breached if the Group's Adjusted EBIT decreases by more than 15%, at unchanged Net Finance Charges, whereas the Adjusted EBIT is capped for exceptional items.

The following tables represent the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables contain the non-discounted cash-flows as per the first date the Group can be required to pay.

x € 1,000							31.12.2023
	Interest	0 <> 1 month	1 <> 3 months	3 months <> 1 year	1 <> 5 years	> 5 years	Total
Non-interest bearing		134,583	-	-	-	-	134,583
Lease liabilities	1.8%	1,130	2,260	10,171	39,829	20,848	74,238
Variable interest rate instruments	5.09%	12,885	-	69,429	177,228	-	259,542
Fixed interest rate instruments	3.8%	-	-	-	1,358	-	1,358
Closing balance as at December 31, 2023		148,598	2,260	79,600	218,415	20,848	469,721

x € 1,000							31.12.2022
	Interest	0 <> 1 month	1 <> 3 months	3 months <> 1 year	1 <> 5 years	> 5 years	Total
Non-interest bearing		137,519	-	-	-	-	137,519
Lease liabilities	1.5%	1,060	2,119	9,537	41,537	32,267	86,520
Variable interest rate instruments	2.04%	39,225	-	65,911	179,059	-	284,195
Fixed interest rate instruments	2.5%	-	-	-	3,000	-	3,000
Closing balance as at December 31, 2022		177,804	2,119	75,448	223,596	32,267	511,234

The following tables detail the Group's expected maturity for its non-derivative financial assets.

x € 1,000					31.12.2023
	Interest	< 1 year	1 <> 5 years	> 5 years	Total
Non-interest bearing		179,414	-	-	179,414
Fixed interest rate instruments	10.0%	-	246	500	746
Cash and cash equivalents		28,613	-	-	28,613
Closing balance as at December 31, 2023		208,027	246	500	208,773

x € 1,000					31.12.2022
	Interest	< 1 year	1 <> 5 years	> 5 years	Total
Non-interest bearing		176,301	-	-	176,301
Fixed interest rate instruments	4.0%	-	389	500	889
Cash and cash equivalents		38,723	-	-	38,723
Closing balance as at December 31, 2022		215,024	389	500	215,913

In 2023 nor in 2022, there was no covenant breach related to the applicable covenants which belong to the prior loans and borrowings.

Capital risk

The main financial objectives of the Group are to prudently manage financial risks, ensure consistent access to liquidity and minimize cost of capital in order to efficiently finance its business and maintain balance sheet strength. The company commonly finances its ongoing operations with cash flows generated from operations and borrowings under various bilateral term loans, revolving credit facilities, and overdraft facilities. In general, the Group's policy is to preserve a strong capital structure by ensuring a healthy balance between adequate solvency and the availability of sufficient liquidity and funding to meet the working capital demands of the business throughout the year as well as to support any further capital allocation needs. The Company's balance sheet structure, cash flow generation and available funding headroom remain strong.

36 Related party transactions

The members of the Executive Board and the members of the Supervisory Board together are the key management of the Group.

Remuneration of members of the Executive Board

During 2023 the Executive Board consisted of the following members:
- P.J. van Mierlo (as of May 22, 2023)
- T. de Haan (until February 19, 2023)
- M. Faasse (as of May 22, 2023)
- B.L.M. Schreuders
- N.G.P. Groen (until June 4, 2023)
- K. Lageveen (as of June 5, 2023)

The table below sets out the remuneration of the Executive Board:

x € 1,000	2023	2022
Gross salary	1,780	1,228
Social security charges	40	54
Pension charges	22	32
Cash-settled share-based payments	74	(75)
Variable short-term remuneration	747	275
	2,663	1,514

Remuneration of members of the Supervisory Board

During 2023 the Supervisory Board consisted of the following members:
- W.A. Blijdorp (until February 19, 2023)
- L.D.H. Blijdorp
- D.C. Doijer
- E.C. Tjeenk Willink
- K. Smit (as of May 22, 2023)
- E.C.J. Versteegden (as of August 18, 2023)

The table below sets out the remuneration of the Supervisory Board:

x € 1,000	2023	2022
Annual fee	260	290
	260	290

Entities with joint control or significant influence over the entity

The table below sets out the transactions with entities where the majority shareholders and/or one or more Executive Board members have joint control or significant influence over the entity. The majority shareholder and the Executive Board and the Supervisory Board members as well as the entities they control that are not part of the Group, are considered to be related parties:

x € 1,000	31.12.2023		31.12.2022	
	Transaction value	Balance outstanding	Transaction value	Balance outstanding
Sales of products and services	10,724	368	32,382	136
Purchase of products and services	3,592	39	24,924	1,151
Non-recourse sale of assets	-	-	25,126	305
Premises rented	5,686	44	5,671	-
Other receivables	-	-	-	46
Tangible fixed assets	-	-	-	550
Loans received	-	679	-	1,500
Operating expenses	107	-	654	-
Charged costs	145	127	(1,208)	462

Related party transactions are transfers of resources, services or obligations between the reporting entity and a related party. Related party transactions are conducted at arm's length.

Sales of products and services and/or purchase of products and services mainly consist of the sales and purchases of goods which vary year on year as a result on product and sourcing availability. For the year 2023 these mainly concern purchase and sales for the Liquor segment.

Investments in joint ventures

The joint ventures consist of the following entities:

- Comptoir & Clos SAS, France (in liquidation)
- Capi-Lux South Africa (PTY) Ltd., South Africa
- STG Logistica Y Depositos S.L., Spain
- Next Generation Parfums B.V., the Netherlands

The table below sets out the transactions with these companies:

x € 1,000	31.12.2023		31.12.2022	
	Transaction value	Balance outstanding	Transaction value	Balance outstanding
Sales of products and services	2,001	531	1,340	439
Purchase of products and services	911	703	1,330	613
Interest received on loans issued	43	-	32	-
Loans issued	-	150	-	150

37 Acquisitions and disposals

Transaction with minority shareholders

On September 20, 2023 the Group sold 24.5% of the shares of Top Care Distribution S.L.U. for an amount of € 0.4 million. Following this transaction, the stake in Top Care decreased from 75.5% to 51.0%. The difference between the sale price and book value of sold interest in the assets and liabilities is accounted for in retained earnings and amounts to € 0.5 million.

At November 22, 2023 the Group acquired an additional 12.5% of the shares of FNet Acquisition Company LLC and FNC International B.V. for an amount of € 21.9 million of which € 9.6 million is deferred over a period of seven years in equal instalments. Following this transaction, the stake in FNet Acquisition Company LLC and FNC

International B.V. increased from 75% to 87.5%. The difference between the acquisition price and book value of purchased interest in the assets and liabilities is accounted for in retained earnings and amounts to € 6.8 million.

38 Subsequent events

On January 11, 2024, B&S Group S.A. announced that it will acquire an additional 24.17% of the shares in Topbrands Europe B.V. On January 10, 2024, the minority shareholder of Topbrands Europe B.V. has indicated to exercise his put option, for 24.17% of the shares of Topbrands Europe B.V. The transaction took place on January 23, 2024. The draft exercise price is € 46.9 million of which 50% has been paid on January 23, 2024. The remaining amount will be paid one year after closing. After the transaction B&S Group S.A. holds 95.00% of the shares in Topbrands Europe B.V.

There were no other material events after December 31, 2023 that would have changed the judgement and analysis by Management of the financial condition as at December 31, 2023 or the result for the year of the Group.

Other information

Independent auditor's report

To the Shareholders of B&S Group S.A.
14, rue Strassen
L-6933 Mensdorf
Luxembourg

Report of the reviseur d'entreprises agree

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of B&S Group S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of cash generating units – Refer to Notes 3.7, 4 and 13 to the consolidated financial statements.

a. Why the matter was considered to be one of most significance in our audit of the consolidated financial statements of the current period.

As per note 13, the Group's goodwill balance amounts to € 77.9 million as at 31 December 2023. In accordance with IAS 36 Impairment of Assets, management is required to perform an annual impairment test to ensure that the Group's goodwill included in the carrying value of the underlying cash generating units ("CGUs") is not carried at a value exceeding its recoverable amount.

The impairment assessment is subject to significant management judgement and estimation in the following areas:

- Assessment and determination of the expected future cash flows from the underlying CGUs;
- Calculation of the appropriate discount rate;
- Selection of the appropriate terminal growth rate.

The above matters and the related disclosure were of particular significance to our audit as the valuation of CGUs is susceptible to management judgement, estimation and is based on assumptions that are affected by future market and economic conditions as well as management's ability to deliver on their business plan.

b. How the matter was addressed during the audit:

Our procedures over the impairment of goodwill include, but are not limited to:

- Obtaining and understanding of management's process for the preparation of the impairment test and evaluating the design and implementation of relevant controls in relation thereto;
- Assessing the appropriateness of the identification of the CGUs and allocation of goodwill to those CGUs;
- Involving valuation specialists to assess the reasonableness of the valuation methodology and discount rates used by management;
- Verifying the mathematical accuracy of the impairment model;
- Reconciling the forecasted cash flows with the approved budgets and other supportive (external) information as well as our understanding of the economic environment, historical data and performance as well as challenging the reasonability thereof;
- Assessing the reasonableness of the terminal growth rate percentages included in the model;
- Performing a retrospective analysis on the impairment calculation and financial projections of prior periods;
- Assessing the sensitivity in the available headroom of CGUs where a possible change in the underlying assumptions could cause the carrying amount to exceed its recoverable amount;
- Considering the adequacy and appropriateness of the disclosures provided on CGUs' impairment.

Transactions with related parties - Refer to Note 36 to the consolidated financial statements.

a. Why the matter was considered to be one of most significance in our audit of the consolidated financial statements of the current period.

The Group has multiple transactions with related parties, not limited to purchases of products and services and rent of premises. These transactions are entered into with entities that one or more Board members have (joint) control or significant influence over, or other entities of the majority shareholders. The Supervisory Board and Executive Board members, as well as entities they control not being part of the Group, are considered to be related parties. There is an inherent risk that transactions with these related parties may not comply with the arm's length principle. Given the number and size of the Group's transactions with these related parties, and the potential magnitude of the risk of non-compliance with the arm's length principle, we have identified this area as a key audit matter.

b. How the matter was addressed during the audit

Our procedures over the related party transactions include, but are not limited to:

- Obtaining an understanding of the Group's related party relationships and transactions as well as the design & implementation of related relevant controls;

- Discussing with the Supervisory Board, Executive Board and Audit & Risk Committee and other executive management representatives the business rationale and status of significant related party transactions;
- Obtaining from the Group's management the list of related parties and performing procedures over the completeness of the related party list such as comparison to information in the related party confirmations and to information based on open-source cross-checks;
- Analysing the documentation prepared by management for ensuring that transactions with related parties are complete and at arm's length;
- Involving specialists (forensic, IT, valuation and tax) in respect to the identification and arm's length nature of related party transactions;
- Obtaining and evaluating investigation reports, whistleblowing procedures, incidents register and correspondence with supervisory authorities and regulators as well as legal confirmation letters when relevant to assess the completeness of the related parties' transactions;
- Considering the adequacy and appropriateness of the disclosures provided on related party transactions.

Other matter relating to comparative information
The consolidated financial statements of the Group as at and for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 14 April 2023.

Other information

The Executive Board is responsible for the other information. The other information comprises the information stated in the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Executive Board and Those Charged with Governance for the consolidated financial statements

The Executive Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
The Executive Board is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").
In preparing the consolidated financial statements, the Executive Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation

N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Our responsibility is to assess whether the consolidated financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.
- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Shareholders on 18 August 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- Consolidated financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation as described in Note 1].

In our opinion, the consolidated financial statements of B&S Group S.A. as at 31 December 2023, identified as BSGROUPSA-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the consolidated financial statements of B&S Group S.A. as at 31 December 2023, identified as BSGROUPSA-2023-12-31-en.zip, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 15 April 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

Thierry Ravasio
Partner

List of subsidiaries

Set out below are B&S Group S.A.'s significant subsidiaries at December 31, 2023. The disclosed significant subsidiaries represent the largest subsidiaries and represent approximate 90% of the total result before taxation of the Group. All subsidiaries are 100% owned unless stated otherwise.

Anker Amsterdam Spirits B.V., the Netherlands
B&S B.V., the Netherlands
B&S Beauty B.V., the Netherlands (95%)
B&S Beauty Holding B.V., the Netherlands
New World Distribution Europe B.V. (formerly known as B&S Brand Distribution B.V.)
B&S Foodservice B.V., the Netherlands
B&S HTG B.V., the Netherlands (95%)
B&S International B.V., the Netherlands
B&S Investments B.V., the Netherlands
B&S New Horizons B.V., the Netherlands
B&S Retail Holding B.V., the Netherlands
B&S World Supply DMCC, U.A.E.
Capi-Lux Holding B.V., the Netherlands
Capi-Lux Netherlands B.V., the Netherlands
Capi-Lux Services B.V., the Netherlands
Checkpoint Distribution B.V., the Netherlands
Checkpoint Trading B.V., the Netherlands
FragranceNet.com Inc., U.S.A.
HTG Liquors B.V., the Netherlands
JTG B.V., the Netherlands
JTG Holding B.V., the Netherlands
Lagaay Medical Group B.V., the Netherlands (70%)
New World Distribution DMCC, U.A.E.
Signature Beauty B.V., the Netherlands
Square Dranken Nederland B.V., the Netherlands
Topbrands Europe B.V., the Netherlands (70.83%)
Union Commerciale Des Vins De France SASU, France
Worldbrands Europe B.V., the Netherlands

Contact

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Appendices

EU taxonomy

The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. It could play an important role in helping the EU scale up sustainable investment and implement the European green deal. The EU taxonomy would provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. In this way, it should create security for investors, protect private investors from greenwashing, help companies to become more climate-friendly, mitigate market fragmentation and help shift investments where they are most needed.

The Taxonomy Regulation establishes six environmental objectives:

1. Climate Change Mitigation (CCM);
2. Climate Change Adaptation (CCA);
3. The sustainable use and protection of water and marine resources (Water);
4. The transition to a circular economy (Circularity);
5. Pollution prevention and control (Pollution);
6. The protection and restoration of biodiversity and ecosystems (Biodiversity).

In June 2023, the European Commission issued a new environmental regulation that delegates technical screening criteria for economic activities related to four non-climate environmental objectives: sustainable use and protection of water and marine resources (Water), transition to a circular economy (Circularity), pollution prevention and control (Pollution), and protection and restoration of biodiversity and ecosystems (Biodiversity) and also new economic activities for the two climate environmental objectives, climate change mitigation (CCM) and climate change adaptation (CCA) have been introduced.

For 2023, CCM and CCA remain relevant for the initial list of economic activities, and therefor, both eligibility and alignment should be reported. Companies are only required to report on eligible economic activities under the four non-climate environmental objectives and eligible new economic activities as per the Amended Climate Delegated Act.
For an economic activity to be aligned, it should make a substantial contribution to one or more of the EU's environmental objectives, providing it does not do significant harm ('DNSH') to the other objectives, and that the company as a whole complies with the minimum safeguards.

Eligibility analysis: economic activities that are eligible

To assess whether our economic activities are eligible or not, we performed an analysis of the extent to which our economic activities are currently included under the six adopted environmental objectives. We have used the EU Taxonomy Compass, the European Taxonomy Regulation documents, the Climate Delegated Act including the amendments, and the Environmental Delegated Act., to ensure our analysis was performed in accordance with regulatory requirements under the EU Taxonomy.
We have re-assessed our approach during 2022 and as a result we updated our 2022 percentages.

1. Key economic activities
   B&S's key economic activities fall under wholesaler and retail trade. These activities do not match any eligible economic activities outlined in the Climate Delegated Act and the Environmental Delegated Act. As such, our key activities are out of scope.
2. Supporting economic activities
   The following activities have been identified as supporting economic activities in which B&S is participating.

Activity number	Activity name	Descriptions of activities by B&S that can be classified as potentially eligible activities
CCM 6.5	Transport by motorbikes, passenger cars and light commercial vehicles.	B&S's economic activities relating to leasing cars (when entering to new lease agreements through right-of-use assets) fall under this economic activity code.
CCM 7.3	Installation, maintenance and repair of energy efficiency equipment.	This activity includes B&S's building and store remodeling activities focused on energy saving measures. Examples include but are not limited to installation and replacement of energy efficient light sources (LED), and insulation.
CCM 7.6	Installation, maintenance and repair of renewable energy technologies.	The economic activity includes Installation, maintenance and repair of solar photovoltaic systems and heat exchanger/recovery systems.
CCM 7.7	Acquisition and ownership of buildings.	Acquiring and owning real estate properties are part of B&S's economic activities. When entering into new lease agreements for real estate (additions to right-of-use assets), although it may not technically be considered acquiring or owning a building, B&S utilizes this economic activity for CapEx reporting, following the broader definition of CapEx under the EU Taxonomy.

The distribution of our products is outsourced to various transport partners, resulting in no capital expenditure in 2023.

KPI's under the EU Taxonomy

The EU Taxonomy requires companies to report proportions of KPIs that are taxonomy aligned for the six environmental objectives. The relevant KPIs are turnover, CapEx and OpEx.

For 2023, CCM and CCA remain relevant for the initial list of economic activities, and therefor, both eligibility and alignment should be reported. Companies are only required to report on eligible economic activities under the four non-climate environmental objectives and eligible new economic activities as per the Amended Climate Delegated Act.

Reporting summary of financial KPIs under the EU Taxonomy

x € 1,000	Total	Taxonomy non-eligible activities	Taxonomy-eligible activities
	2023	2023	2023
Turnover	2,219,794	2,219,794	-
OpEx	3,648	3,648	-
CapEx	23,212	19,036	4,176
Of which			
Taxonomy eligible and aligned			- (0%)
Taxonomy eligible but not aligned			4,176 (18%)

Assumptions and accounting policies applied in our eligibility analysis for the key performance indicators under the EU Taxonomy

Turnover
Total turnover under the EU taxonomy is equal to turnover as reported under IFRS in the consolidated financial statements (see note 6 in the consolidated financial statements) and B&S's accounting policies (see note 3 – material accounting policies in the consolidated financial statements). Total turnover for 2023 is € 2,219.8 million, of which zero percent is eligible and aligned under the EU Taxonomy. See also the EU Taxonomy disclosure table for Turnover on the following pages.

Capital Expenditure (CapEx)
Total CapEx includes additions to intangible assets, additions to PP&E and additions to ROU assets as reported in the consolidated financial statements. In the table below we have included the total CapEx as included in the denominator of the CapEx KPI, including references to the consolidated financial statements.

Reconciliation of the alternative financial performance measure: CapEx:

x € 1,000	2023	2023	Reference to consolidated Financial statements
Additions to Intangible Assets	3,359	1,142	Note 14
Additions to PP&E	13,428	19,185	Note 15
Additions to ROU Assets	6,425	25,115	Note 28
Total CapEx	23,212	45,442	

Total CapEx is € 23.2 million, of which 0% percent is eligible and aligned and 18% is eligible but not aligned under the EU Taxonomy. See also the EU Taxonomy disclosure table for CapEx on the following pages.

Operating Expenditure (OpEx)
The legislation considers the spend on operational expenditure (OpEx) directly attributed to CapEx needed for the transition to more sustainable operations to be eligible in accordance with the EU Taxonomy. Total OpEx includes direct non-capitalized costs incurred for the day-to-day servicing of assets, direct non-capitalised costs that relate to research and development and building renovation, for B&S consisting primarily of repair and maintenance costs and short-term and low value lease expenses. This definition is narrower than the accounting definition of operating expenses as used in our consolidated financial statements.

Similar to last year, B&S's eligible operating expenses (as defined by the EU Taxonomy regulation) represent an insignificant portion of the Group's total OpEx. Therefor we have concluded that his indicator is still irrelevant to the Group's activities, so it is not assessed for taxonomy eligibility and alignment. Thus, we use the exemption for the calculation of OpEx in accordance with the legislation. Therefore, we report 0% eligible (and aligned) OpEx based on our materiality assessment for the six environmental objectives. Total OpEx for 2023 is € 3.6 million, of which zero percent is eligible and aligned under the EU Taxonomy.

The outcome of this exercise is depicted in more detail on the following pages as per required reporting template under Annex II of the EU Taxonomy.

Note: we would like to emphasis that the outcome of the EU Taxonomy does not provide information of all of B&S' sustainability efforts and results. For an overview of our sustainability ambitions, activities undertaken, and progress made in 2023, please refer to the Results and Governance sections in this report.

Turnover (x € 1,000)				Substantial contribution criteria						DNSH criteria									
Economic activities (1)	Code(s) (2)	Absolute Turnover (3)	Proportion of Turnover (4)	Climate change and mitigation (5)	Climate change and adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change and mitigation (11)	Climate change and adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of Turnover, year 2022 (18)	Category (enabling activity) or (19)	Category '(transitioning activity)' (20)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	0%	0%													0%		
of which Enabling		0	0%	0%													0%		
of which Transitional		0	0%	0%													0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	0%	0%													0%		
Total (A.1 + A.2)		0	0%	0%													0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**2,219,794**	**100%**														100%		
Total (A + B)		**2,219,794**	**100%**														100%		

CapEX (x € 1,000)				Substantial contribution criteria						DNSH criteria									
Economic activities (1)	Code(s) (2)	Absolute CapEX (3)	Proportion of CapEX (4)	Climate change and mitigation (5)	Climate change and adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change and mitigation (11)	Climate change and adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEX, year 2022 (18)	Category (enabling activity) or (19)	Category '(transitioning activity)' (20)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T

See on next page for: A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

CapEX (x € 1,000)				Substantial contribution criteria						DNSH criteria									
Economic activities (1)	Code(s) (2)	Absolute CapEX (3)	Proportion of CapEX (4)	Climate change and mitigation (5)	Climate change and adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change and mitigation (11)	Climate change and adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEX, year 2022 (18)	Category (enabling activity) or (19)	Category '(transitioning activity)' (20)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1,825	7.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.9%		
Installation, maintenance and repair of energy-efficiency equipment	CCM 7.3	847	3.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	185	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.2%		
Acquisition and ownership of buildings	CCM 7.7	1,319	5.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								52.3%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**4,176**	18.0%	18.0%													57.7%		
Total (A.1 + A.2)		4,176	18.0%	18.0%													57.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**19,036**	**82.0%**														42.3%		
Total (A + B)		23,212	100.0%														100.0%		

See on previous page for: A.1 Environmentally sustainable activities (Taxonomy-aligned)

OpEX (x € 1,000)				Substantial contribution criteria						DNSH criteria									
Economic activities (1)	Code(s) (2)	Absolute OpEX (3)	Proportion of OpEX (4)	Climate change and mitigation (5)	Climate change and adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change and mitigation (11)	Climate change and adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OpEX, year 2022 (18)	Category (enabling activity) or (19)	Category '(transitioning activity)' 20)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N/a													0%		
of which Enabling		0	0%	N/a													0%		
of which Transitional		0	0%	N/a													0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	N/a													0%		
Total (A.1 + A.2)		0	0%	N/a													0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEX of Taxonomy-non-eligible activities (B)		**3,648**	**100%**														100%		
Total (A + B)		**3,648**	**100%**														100%		

Reporting principles non-financial indicators

We are in the transition to include more quantitative information in our Annual Report regarding our sustainability performance in order to address stakeholder needs, comply with regulatory requirements as well as to better measure our Company's success. In this section, we provide an overview of the reporting framework we apply for the selected non-financial indicators and the activities that fall within its scope.

We selected indicators to measure and monitor our progress made for the topics included in the Materiality Matrix. These performance indicators are selected based on relevance to our business and aligned with external standards and principles regarding non-financial reporting. Examples being the Global Reporting Initiative (GRI), Sustainable Development Goals (SDGs) and GreenhouseGas (GHG) Protocol For some topics, we selected an own performance indicator as an external standard was not (yet) available or was perceived to be unsuitable to manage our progress made.

Due to the phase of our sustainability strategy, we were not yet able to report in a quantitative manner on all material topics. In addition, for some topics related to commercial excellence we are still in the process of defining a suitable quantitative performance indicator. All specific instances are indicated accordingly in the GRI Content Index table. For this annual report, we report with reference to the GRI Standards.

Scope

From an operational scope perspective, the data includes the following parts of the business, unless specifically noted otherwise:

- Indicators linked to empowered people: all entities
- Indicators linked to scope 1 and 2 emissions: all entity locations in our own operational control, lease cars of all entities
- Indicators linked to scope 3 emissions: all entities
- Indicators linked to waste and packaging logistics: warehouses that are under our own operational control
- Indicators linked to commercial excellence: all entities

In case we did not yet achieve full coverage in reporting on an indicator in reporting year 2023, we clarified it accordingly in below reporting methodology paragraph.

Internal reviews and consolidation

The various locations reported to corporate office by means of data reporting templates. Source data and supporting documentation received from third parties such as invoices and vendor's dashboards were subsequently validated. In addition, sensitivity checks were performed and discussion with internal stakeholders were conducted in order to understand the trends detected.

Methodology and data collection Empowered People

Generic HR data indicators

Headcount

Employees registered on our payroll in our HR systems based on average during reporting period

- Regions: America, Europe, Middle east and Africa

- Type of contract: permanent and temporary
- Per employee type: fulltime (maximum contractual hours that can be worked at the business unit) or parttime contract
- Age: <30 – 30-50 – >50
- Gender: male or female
- New hires: first time contract with us. Renewed annual contracts or employees that changed entity are not considered to be new hires.
- Turnover: resignation date that the employee left the company voluntarily or due to dismissal, retirement, or death in service. Employees that changed entity are not considered to have left the company.

Applicable GRI indicators:

102-8	Information on employees and other workers
401-1	New employee hires and employee turnover

Material topic: Employee health, safety & well-being
Workers covered by an occupational health and safety management system are considered to be those locations with a ISO 45001 certification or the locations where the following occurs:

1. An up-to-date Risk Assessment and the accompanying Plan of Action;
2. An operational Safety team;
3. An active Topdesk incident management system where accidents, near misses and other health & safety incidents;
4. Structural follow-up of the Plan of Action resulting from the Risk Assessment within the safety team;
5. Structural analysis of the S&S Topdesk reports and absenteeism figures within the safety team.

We report safety incidents in our Topdesk incident management system.
The coming year we will be further improving upon registration and monitoring.

Applicable GRI indicator:

403-8	Workers covered by an occupational health and safety management system

Applicable SDG targets:
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Material topic: People & talent development
Programmes in place that contribute to improving skills and the development of our employees.

Applicable GRI indicator:

404-2	Programmes for upgrading employee skills and transition assistance programmes

Applicable SDG targets:
4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

Material topic: Diversity & inclusion
Diversity ratio in senior management
Diversity ration (m/f) in senior management: senior management is defined as maximum 2 layers below the level of CEO. In the Netherlands this means from salary scale K and up.

Applicable GRI indicator:

405-1	Diversity of governance bodies and employees

Applicable SDG targets:
5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

Material topic: Community engagement

Monetary donations are registered in our financial reporting system. We only include those organisations that are considered to be a non-governmental organisation (NGO) and use ANBI status as a reference. This means that support to for example sport clubs are not included. Each different NGO donated to – either monetary or in-kind – was counted as one separate organisation with whom we collaborate with in order to give back to the communities we serve.

Own indicators:

- Number of NGO's supported
- Monetary donations
- In-kind product donations

Methodology and data collection Sustainable Value Chain

Material topic: Climate action

Boundary: scope 1 and 2 CO_2 emissions as a result of own operations that are under our direct operational control being offices, shops and warehouses.

Energy consumption

1. The amount of energy purchased from our energy provider derived from non-renewable sources i.e. non-renewable or renewables in MWh. Data is based on:
   - Smart / remote meter readings which is accessible through our energy management dashboard portal
   - Consumption usage as stated on the received invoices from our energy providers
   - If data is not available we use estimate based on an average m^2 usage which is based on locations that are comparable in size and type of activities
2. The amount of electricity consumed generated from our own solar panel park in MWh. Data is based on:
   - The amount of energy generated by our own solar panels is derived from smart meter readings and which is accessible through our energy management dashboard.
   - Only applicable for our sites in Dordrecht and Amsterdam

Refrigerants

The use of refrigerants classified per type in KG as a result of leakage of refrigerant substances. Data is based on consumption data received from our refrigerant maintenance suppliers per location.

Energy and GHG emissions intensity

- Energy consumption in KwH per m^2
- GHG emissions (per m^2

GHG emissions

We report our scope 1 and 2 carbon emissions data according to the GHG Protocol Corporate Standard for our electricity, gas and refrigerant consumption. CO_2-eq emissions are calculated by multiplying the source data (under energy consumption) with the relevant conversion factors. We use the latest available emission factors to calculate our CO_2 emissions.

For scope 3 emissions we included the following categories:
3.1 Purchased goods and services: spend based method
3.4 Upstream transport and distribution: spend based method
3.5 Waste generated in operations: waste quantities reported multiplied by the conversion factor per type of destination of waste
3.6 Business travel: overviews of flights received from travel booking agency or invoices received of plane tickets booked
3.7 Employee commuting: commuting distance of employees to work location multiplied by number of days worked in the office or total amount of kilometer allowance paid. Both multiplied by conversion factor.

Applicable GRI indicators:

302-1	Energy consumption within the organization
302-3	Energy intensity
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-3	Energy indirect (Scope 3) GHG emissions
305-4	GHG emissions intensity

Own indictors:
- Number of solar panels: only applicable for our warehouse location in Amsterdam and Dordrecht.
- MHw renewables self-generated: total of electricity generated by our solar panels. Data based on electric meter readings.
- % of electric leased cars: share of electric leased cars on total leased cars.
- % barge: share of containers moved by barge from inbound and outbound container loads which are planned by ourselves. Only applicable for the Netherlands.

Applicable SDG targets:
7.2: By 2030, increase substantially the share of renewable energy in the global energy mix
7.3: By 2030, double the global rate of improvement in energy efficiency

Material topic: Circular economy (be resource conscious)

Waste
- Our waste is segregated into various streams such as cardboard/paper, plastic, organic, metal, generic, glass, hazardous and wood from our warehouses and offices for all our Dutch locations. Data is based on reports provided by our external waste contractors whom measures waste that leaves our premises. Our waste contractors provide the type of waste, the weight in KG – either weighed or estimated based on volume collected - and its destination.
- Food loss or waste are products that were originally meant for human consumption but for various reasons are removed from the human food chain. We consider food waste to be food products that we did not sell but sent to our waste contractors for destruction. Products that have been donated to Dutch Food Banks are not considered to be food waste as these products are still consumed. We excluded the tobacco and non-food product category. All data used to calculate the annual food waste in kilograms is obtained from B&S' proprietary ERP system ('BiT'). This data consists of product master data, as well as all processed stock adjustments on a product batch level. All stock adjustments are registered with a stock adjustment category, the original unit of measure (UOM) and the monetary stock adjustment value in EUR. The net weight (excluding packaging) for every stock adjustment is calculated and verified by combining product master data with stock adjustment data. Stock adjustment reasons include but are not limited to products nearing or having passed the best-before-date; or products which have become damaged by accident. We included both our Dutch and Dubai operations for this indictor.

Packaging
- Packaging in logistics: secondary and tertiary packaging materials added in our own operations for the purpose of warehousing, repacking, and shipping activities. Examples are shrink wrap, boxes, tapes and filling material. Pallets are

considered to be re-used to a large extend which are therefore also out of scope. For the Netherlands and Spain, data is provided by our packaging suppliers by type of packaging, materials used, weight and quantities purchased during the reporting year. Our USA data is based on quantities used throughout the reporting period. We are in the process of optimising our registration system in BiT to ensure we can provide packaging materials used during a reporting year instead of materials purchased.

- Packaging in specialty brands products: due to data limitations we are not yet able to report on all packaging materials used for our private labels and licensed products. For our private label products in our personal care and retail segment, we relied on actual weighted packaging components and supplier input.

Applicable GRI indicators:

306-3	Waste generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal
301-1	Materials used by weight or volume

Own indicators:

- Tonnes of food waste per € million food sale
- % unsold food donated to the Food Banks (number of donated food products / number of unsold food products)

Applicable SDG targets:

12.2: By 2030, achieve the sustainable management and efficient use of natural resources

12.3: By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

12.5: By 2030 substantially reduce waste generation through prevention, reduction, recycling and reuse'

Methodology and data collection Commercial Excellence

Material topic: Business growth & profitability

Business growth and profitability contains numerous financial indicators which are integrated in the financial report and statements. Refer to Financial Performance.

Applicable SDG targets:

16.5 Substantially reduce corruption and bribery in all their forms

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

Material topic: Customs & compliance

The number of confirmed incidents of corruption are based on:

- Total number and nature of confirmed incidents of corruption
- Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.

The number of legal actions for anti-competitive behavior, anti-trust and monopoly practices are based on:

- Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

Applicable GRI indicators:

205-3	Confirmed incidents of corruption and actions taken
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices

Applicable SDG targets:

16.5 Substantially reduce corruption and bribery in all their forms

Material topic: Security & data privacy

The number of breaches of customer privacy and losses of customer data is based on:

- Total number of incidents/ Data Breaches that have been reported with the Data Protection data Authority, in line with Article 33 GDPR (General Data Protection Regulation EU 2016/679)

Applicable GRI indicator:

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Material topic: Product quality & safety

Own indicators:

- Number of recalls throughout the reporting year either initiated by suppliers, ourselves or other stakeholders as registered and handled by our QHSE department.

GRI Content Index B&S

Statement of use	B&S has reported the information cited in this GRI content index for the period 1-1-2023 and 31-12 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Location
GRI 2: General Disclosures 2021	2-1	Organizational details	About B&S
	2-2	Entities included in the organization's sustainability reporting	Reporting principles non-financial indicators, List of subsidiaries
	2-3	Reporting period, frequency and contact point	Cover of annual report, Contact
	2-4	Restatements of information	No restatements made
	2-5	External assurance	We do not have external assurance on sustainability information
	2-6	Activities, value chain and other business relationships	About B&S
	2-7	Employees	Empowered People
	2-8	Workers who are not employees	Empowered People
	2-9	Governance structure and composition	Composition of the boards
	2-10	Nomination and selection of the highest governance body	Governance - Composition, appointment and dismissal
	2-11	Chair of the highest governance body	Composition of the boards
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance
	2-13	Delegation of responsibility for managing impacts	Governance
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance
	2-15	Conflicts of interest	Board conflicts of interest
	2-16	Communication of critical concerns	Board conflicts of interest
	2-17	Collective knowledge of the highest governance body	Governance
	2-18	Evaluation of the performance of the highest governance body	Governance
	2-19	Remuneration policies	Remuneration report
	2-20	Process to determine remuneration	Remuneration report
	2-21	Annual total compensation ratio	Remuneration report
	2-22	Statement on sustainable development strategy	Non-financial highlights 2023, Message from the Executive Board, Sustainable development goals, Empowered people, Sustainable value chain

GRI Standard	Disclosure		Location
GRI 2: General Disclosures 2021	2-23	Policy commitments	Empowered People, Sustainable value chain
	2-24	Embedding policy commitments	Empowered People, Sustainable value chain, Sustainability Governance
	2-25	Processes to remediate negative impacts	Risk management
	2-26	Mechanisms for seeking advice and raising concerns	Whistleblower Policy
	2-27	Compliance with laws and regulations	Customs & compliance
	2-28	Membership associations	Evofenedex, Dutch Association of Ship Suppliers, Agrarisch Import Platform, Gemzu, OCEAN
	2-29	Approach to stakeholder engagement	What matters to our stakeholders
	2-30	Collective bargaining agreements	Employee health, safety, wellbeing and working conditions - social protection
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Double materiality assessment, Materiality matrix
	3-2	List of material topics	Double materiality assessment, Materiality matrix

Material topic: Customs & Compliance

GRI 205: Anti-corruption 2016	3-3	Management of material topics	Customs & compliance
	205-3	Confirmed incidents of corruption and actions taken	Customs & compliance
GRI 206: Anti-competitive Behavior 2016	3-3	Management of material topics	Customs & compliance
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Customs & compliance

Material topics: Climate action and Sustainable distribution

GRI 302: Energy 2016	3-3	Management of material topics	Take climate action
	302-1	Energy consumption within the organization	Take climate action
	302-3	Energy intensity	Take climate action
GRI 305: Emissions 2016	3-3	Management of material topics	Take climate action
	305-1	Direct (Scope 1) GHG emissions	Take climate action
	305-2	Energy indirect (Scope 2) GHG emissions	Take climate action
	305-3	Other indirect (Scope 3) GHG emissions	Take climate action
	305-4	GHG emissions intensity	Take climate action

GRI Standard	Disclosure		Location
Material topic: Circular economy			
GRI 301: Materials 2016	3-3	Management of material topics	Be resource conscious
	301-1	Materials used by weight or volume	Be resource conscious
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Be resource conscious
	306-2	Management of significant waste-related impacts	Be resource conscious
	306-3	Waste generated	Be resource conscious
	306-4	Waste diverted from disposal	Be resource conscious
	306-5	Waste directed to disposal	Be resource conscious
Material topic: Responsible & ethical business conduct			
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	Ensure responsible sourcing practices and offer sustainable products
	308-1	New suppliers that were screened using environmental criteria	We integrated environmental and social criteria into our Know Your Relation system and procedures in order to screen new suppliers. The module is scheduled to go live in Q1 2024.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	
Material topic: Employee health, safety & wellbeing			
GRI 401: Employment 2016	3-3	Management of material topics	Empowered People
	401-1	New employee hires and employee turnover	Our people in 2023
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Employee health, safety, wellbeing and working conditions
	403-2	Hazard identification, risk assessment, and incident investigation	Employee health, safety, wellbeing and working conditions
	403-3	Occupational health services	Employee health, safety, wellbeing and working conditions
	403-4	Worker participation, consultation, and communication on occupational health and safety	Employee health, safety, wellbeing and working conditions
	403-5	Worker training on occupational health and safety	Employee health, safety, wellbeing and working conditions
	403-6	Promotion of worker health	Employee health, safety, wellbeing and working conditions
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee health, safety, wellbeing and working conditions
	403-8	Workers covered by an occupational health and safety management system	Employee health, safety, wellbeing and working conditions

GRI Standard	Disclosure		Location
Material topic: People development			
GRI 404: Training and Education 2016	3-3	Management of material topics	Develop our people
	404-3	Percentage of employees receiving regular performance and career development reviews	Develop our people
Material topic: Diversity & inclusion			
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	Be diverse and inclusive
	405-1	Diversity of governance bodies and employees	Be diverse and inclusive, Composition of the Boards, Governance-Diversity
	405-2	Ratio of basic salary and remuneration of women to men	Be diverse and inclusive
Material topic: Community engagement			
GRI 413: Local Communities 2016	3-3	Management of material topics	Engage with our community
	413-1	Operations with local community engagement, impact assessments, and development programs	Engage with our community
Material topic: Product quality & safety			
GRI 416: Customer Health and Safety 2016	3-3	Management of material topics	Product quality & safety
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product quality & safety
Material topic: Security & data privacy			
GRI 418: Customer Privacy 2016	3-3	Management of material topics	Security & data privacy
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Security & data privacy

Forward looking statements

This report includes forward-looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and management plans and objectives for future operations, are, or may be deemed to be, forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms ''believes'', ''estimates'', ''plans'', ''projects'', ''anticipates'', ''expects'', ''intends'', ''may'', ''will'' or ''should'' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions.

These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond B&S ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants and the actions of governmental regulators.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.

Non-IFRS financial measures

The table below presents an explanation on non-IFRS financial measures used. These measures are not recognised measures of financial performance, financial condition or liquidity under IFRS. We present these non-IFRS financial measures because we consider them an important supplemental measure of our performance and believe that they and similar measures are widely used in the industry in which we operate as a means of evaluating a company's operating performance, financial condition and liquidity. The measures are used by management to monitor the underlying performance of our business and operations..

Gross profit margin	Gross profit margin is defined as realized turnover minus purchase value of items sold
EBITDA	EBITDA is defined as earnings before interest, taxes, depreciation and amortisation
EBITDA Margin	EBITDA Margin is defined as EBITDA as a percentage of turnover
Inventory in days	Inventory in days is defined as inventory as per period end divided by the Last Twelve Months (LTM) purchase value of turnover times 365
Solvency	Solvency is defined as group equity as a percentage of total assets
Working capital	Working capital is defined as Inventory plus Trade receivables minus Trade payables
Net Debt	Net debt is defined as interest bearing liabilities minus cash and cash equivalents
ROIWC	Return on invested working capital defined as the LTM EBITDA divided by Working Capital

Certifications and licenses

Dangerous goods

- PGS-15 (PGS/BRZO): Topbrands, Kolham

Food and food safety

- ISO 22000 – B&S GTC Customs Dordrecht
- USAPHC approved
- Officially registered supplier to UN global marketplace - B&S B.V. Dordrecht
- VETCOM - B&S B.V. Dordrecht
- FDA registration - B&S GTC Customs B.V. Dordrecht
- Approved Warehouse as per Article 23 of EU Regulation 2019/2124 for the storage of Non-EU approved products - B&S GTC Customs B.V. Dordrecht

IT

- ISO 27001:2022 Information Security Management System
  - F.C.T. B.V.
  - JTG B.V.
  - Anker Amsterdam Spirits B.V.
  - B&S Brand Distribution B.V.
  - B&S Foodservice B.V.
  - B&S GTC Customs B.V.
  - B&S International B.V.
  - B&S Purchase B.V.
  - B&S Retail Distribution B.V.
  - Capi-Lux Distribution B.V.
  - Checkpoint Distribution B.V.
  - Checkpoint Trading B.V.
  - Class Hair Care B.V.
  - Global Forwarding B.V.
  - HTG Liquors B.V.
  - P.H.I. Logistics B.V.
  - P.H.I. Logistics II B.V.
  - Signature Beauty B.V.
  - Square Dranken Nederland B.V.
  - B&S World Supply DMCC
  - New World Distribution DMCC
  - New World FZE

- ISO 22301:2019 Security and Resilience
  - F.C.T. B.V.
  - JTG B.V.
  - Anker Amsterdam Spirits B.V.
  - B&S Brand Distribution B.V.
  - B&S Foodservice B.V.
  - B&S GTC Customs B.V.
  - B&S International B.V.
  - B&S Purchase B.V. > 301
  - B&S Retail Distribution B.V.
  - Capi-Lux Distribution B.V.
  - Checkpoint Distribution B.V.
  - Checkpoint Trading B.V.
  - Class Hair Care B.V.
  - Global Forwarding B.V.
  - HTG Liquors B.V.
  - P.H.I. Logistics B.V.
  - P.H.I. Logistics II B.V.
  - Signature Beauty B.V.
  - Square Dranken Nederland B.V.
  - B&S World Supply DMCC

    - New World Distribution DMCC
    - New World FZE

- ISO 38500:2015 Information Technology - Governance of IT for the organization
    - B&S International B.V.

- ISO 20000:2018 Information Technology: Service Management
    - B&S International B.V.

Medical

- Pharmacy License – Lagaay Medical B.V.
- Opium waiver for trade-related purposes – Lagaay Medical B.V.
- Good Distribution Practice (GDP) compliant – Europort Pharmaceuticals B.V.

Sustainability

- ISO 14001 – B&S B.V. Dordrecht
- ISO 45001 – B&S B.V. Dordrecht
- MSC chain of custody sustainable fish – B&S GTC Customs BV Dordrecht
- ASC chain of custody fish – B&S GTC Customs B.V. Dordrecht
- SKAL chain of custody organic produce – Anker Amsterdam Spirits B.V., P.H.I. Logistics B.V. Muntendam
- UN Global Compact Signatory since 2010 – B&S Group S.A

Quality and customs

- ISO 9001 - B&S B.V. Dordrecht, Lagaay Medical B.V.
- Authorised Economic Operator: AEOS & AEOC status
- Excise & customs warehouse: B&S B.V. Dordrecht, P.H.I. Logistics B.V., Lagaay Medical B.V. Rotterdam, Topbrands Europe B.V. Kolham

Various operating licenses in UAE

- General trading license
- Alcohol trading license
- Tabacco & Cigarettes trading license
- FreeZone license
- Beauty and personal care trading license

Other certifications, licenses or status

- Regulated Agent Airfreight - B&S B.V. Dordrecht, B&S Retail Holding B.V., P.H.I. Logistics B.V.