

B&S

Responsible sourcing and sustainable products



Enjoying our products today
whilst safeguarding tomorrow's planet

Introduction

Climate change, resource depletion, inequality and extreme poverty are some of the major challenges we face as a society. We are also facing growing pressure on our health system from societal factors such as increased obesity, aging populations, pollution induced respiratory problems and so on. There is also a greater awareness among the general public on related issues such as animal welfare, overfishing, and human caused environmental degradation. Consumers are increasingly demanding healthier and plant-based products, and they are starting to look more carefully at what products are made of and how and where they are sourced.

Against this backdrop, B&S is mindful of the impact of the choices we make and we are taking our responsibility. We have designed a comprehensive sustainability strategy to guide us in minimising our negative environmental and social impacts. Our strategy stipulates our actions and commitments, what we expect from our partners, and also how we will source sustainable products. We are committed to due diligence and to offering a more sustainable and healthier product portfolio.

The scope of the sustainable products and responsible sourcing framework, covers the following aspects.

Environmental

- Climate change: limiting greenhouse gas (GHG) 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.

Social

- 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.

Governance

- Establish a thorough due diligence process to screen our suppliers.

Our Supplier Code of Conduct

B&S is committed to conducting business with respect for human rights and the environment. Our responsible sourcing principles are stipulated in our Supplier Code of Conduct. This Code is based on the Universal Declaration of Human Rights adopted by the United Nations General Assembly in 1948, the fundamental Conventions of the International Labour Organization (ILO), the Rio Declaration on Environment and Development adopted in 1992, and the United Nations Convention Against Corruption.

Our Supplier Code of Conduct is structured into four pillars.

1. Conducting business with integrity and good conduct.
2. Respecting human rights and ensuring sound labour conditions.
3. Ensuring a safe and healthy working environment.
4. Safeguarding the environment.

[Read our Supplier Code of Conduct](#)



Sustainable Development Goals

The 2030 Agenda for Sustainable Development was adopted by all United Nations Member States in 2015 as a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership.

SDG 12 directly relates to our responsible sourcing approach.

SDG 12: Ensure sustainable consumption and production patterns.

- Target 12.7: Promote procurement practices that are sustainable, in accordance with national policies and priorities.
- Target 12.8: By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

By offering sustainable products, we can also contribute to the following other SDGs.

SDG 3: Good health and well-being

- Target 3.5: Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.

SDG 6: Clean Water & Sanitation

- Target: 6.3: By 2030, improve water quality by reducing pollution, eliminating, dumping, and minimising the release of hazardous chemicals and materials; halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

SDG 8: Decent Work and Economic Growth

- Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

SDG 10: Reduce inequalities

- Target 10.4: Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

SDG 14: Life Below Water

- Target 14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

SDG 15: Life On Land

- Target 15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.



Our commitments

We will make sustainable consumer goods available to everyone, anywhere. We will achieve this by offering sustainable brands and products, and by investing in responsible sourcing practices.

By 2030, 2,000 of the products we sell are considered to be 'a more sustainable choice'.



Ensuring responsible sourcing practices

We require our specialty brand producers to sign 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 sign 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.

Targets 2030

- Specialty brands:
- 100% signed Supplier Code of Conduct
 - 100% externally recognised sustainability management system
- 100% of suppliers from medium and high-risk countries have signed our Supplier Code of Conduct



Offering sustainable products

We offer sustainable and affordable brands and products across our focus groups of beauty, liquors, personal care, food, health, and consumer electronics. We actively engage with our customers to promote more sustainable choices.

Targets 2030

- 2,000 more sustainable products
- Specialty brands:
- 100% RSPO¹
 - 100% recycled and/or FSC/PEFC² paper, cardboard and wood

¹ Hereafter: specialty brands include private labels and licensed brands.
² Roundtable on Sustainable Palm Oil
³ Forest Stewardship Council and Programme for Endorsement of Forest Certification

Our principles and guiding framework

Our responsible sourcing and sustainable products approach will act as a framework to guide the choices we make, the sourcing and sales business practices activities we undertake, as well as the business partnerships we enter into. Apart from clarifying our standards and actions towards our customers, it will also clarify what we expect from our suppliers and other third parties.



Ensuring responsible sourcing practices

Identify and assess

We determine if a new supplier should undergo an ESG risk assessment and perform such assessment accordingly based on the type of product and country of origin.

Prevent and mitigate

We establish and conduct remediation measures.

Monitor & communicate

We track the implementation progress of our due diligence approach and communicate about this to our stakeholders.



Offering sustainable products

Assess

We classify sustainable brands and products according to our Scorecard 'Reach with Impact'.

Source

We expand our sustainable product portfolio by proactively sourcing more sustainable brands and products.

Promote

We empower our customers to buy more sustainable and healthier products and brands.



1

Responsible sourcing practices

Requirements for our suppliers

Basic conditions

Requirements for private label, licensed and exclusivity brand producers and suppliers of high and medium risk countries that should be complied to.

Additional conditions per operating segment

Additional requirements for private label private label, licensed and exclusivity brand producers that should be complied to.

2

Sustainable products

Requirements for receiving the label "a more sustainable choice"

Ingredients and materials

The ingredients and materials of a product are evaluated based on sustainable ingredient and material specifications.

Product certification and labelling

Each product is assessed on sustainability criteria following segment-specific internationally recognized and validated sustainability certifications.

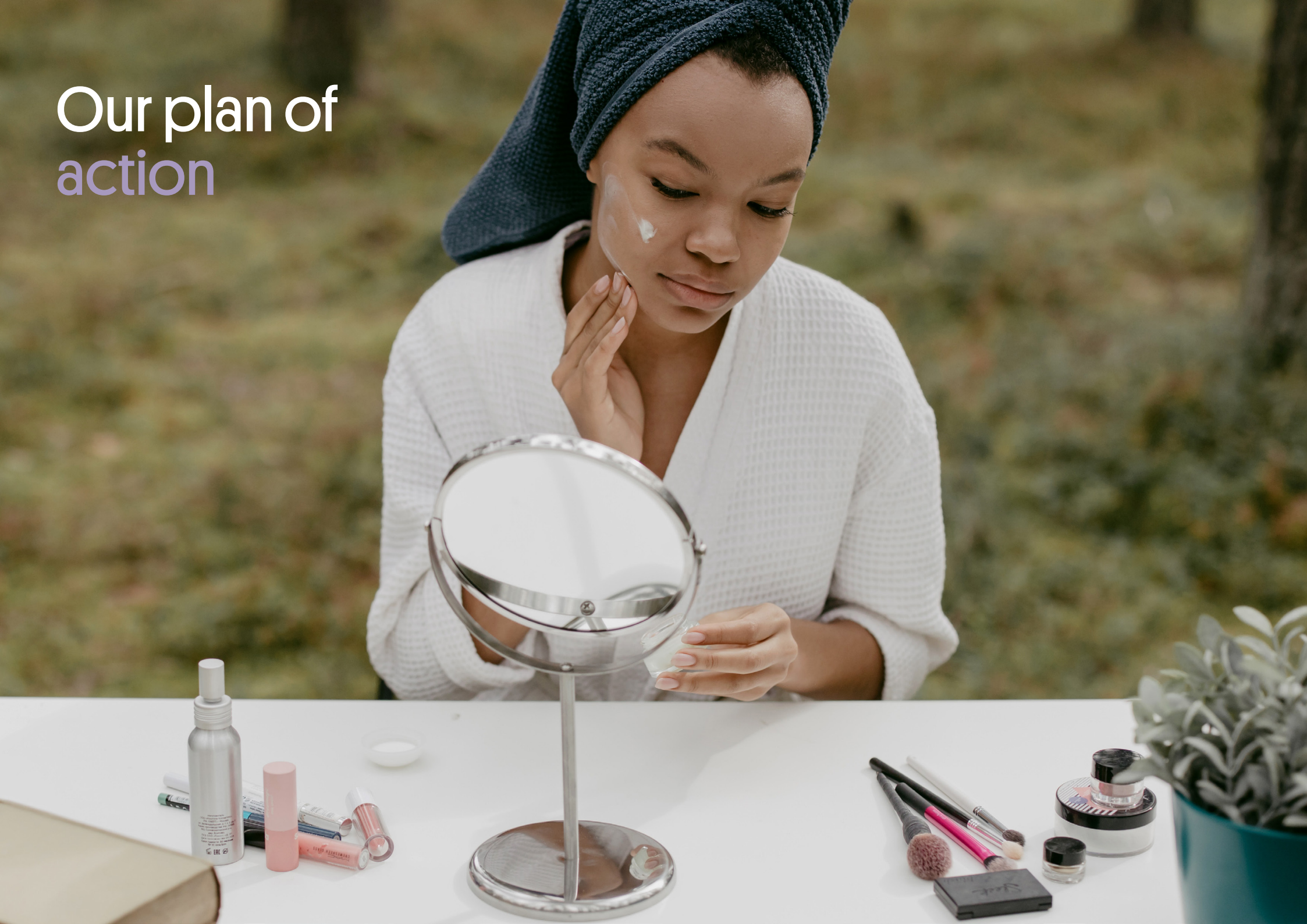
Responsible supplier

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

Sustainable brands

Supplier is a social enterprise.

Our plan of action





Ensuring responsible sourcing practices

Our responsible sourcing approach is based upon and aligned with 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

We determine if a new supplier should undergo an ESG risk assessment and perform such assessment accordingly based on the type of product and country of origin.

- We integrate a checklist in our onboarding procedures for our business relations.
- We assess our private label and licensed brands suppliers and suppliers from high or medium risk countries as defined by BSCI/Amfori.
- We determine which suppliers are our critical suppliers.
- We identify and assess actual and potential adverse ESG impacts on and in our supply chain and prioritise them based on severity (level of impact, irreversibility) and likelihood of occurrence.

Prevent and mitigate

We establish and conduct remediation measures.

- We prevent negative impacts by having requirements in place and monitor our suppliers on their performance.
- We engage in active dialogue in case negative impacts occur and require corrective action plans to be put in place that are to be executed within a specified timeline.
- We cooperate appropriately when remediation efforts are required.
- In case the supplier is not willing to address and mitigate ESG risks, we will stop our business relationship with them.



Ensuring responsible sourcing practices

Examples of requirements and remediation measures:

- We have basic requirements in place for:
 - signing the Supplier Code of Conduct for our specialty brands suppliers, and suppliers from high and medium risk countries;
 - our specialty brands suppliers need to have externally verified certifications in place. Examples include ISO, Amfori/BSCI, and SEDEX/SMETA.
- We have additional requirements for specialty brands suppliers for each operating segment.
- We conduct site visits with purchasing should it be necessary.
- We perform third party audits should it be deemed necessary.
- We put the topic of sustainability on the agenda. It is part of our ongoing dialogue with our suppliers to proactively discuss how we can work together to achieve positive impacts.
- We have a grievance mechanism in place so that suppliers and their employees can voice their concerns.

Monitor & communicate

We track the implementation progress of our due diligence approach and communicate about this to our stakeholders.

- We monitor our suppliers throughout the duration of the contract, and assess the extent to which corrective action plans are implemented.
- We perform a re-assessment within 3 years or sooner if deemed necessary.
- We track and monitor progress made. Examples include:
 - % suppliers entering the assessment tool and # of suppliers assessed
 - # suppliers with remediation approach
 - # suppliers stopped or rejected
- We share our findings and progress made in our annual report.



Ensuring responsible sourcing practices

1

Responsible sourcing practices

Requirements for our suppliers

Basic conditions

- **Supplier code of conduct** to be signed by all private label, licensed and exclusivity brand producers and suppliers of high and medium risk countries.
- Externally recognized **sustainability management system/certification scheme** should be in place for private label, licensed and exclusivity brand producers. Examples include but are not limited to BSCI/Amfori, SMETA/SEDEX, ISO14001, SA 8000.
- Sustainability will be included in ongoing **conversations** with all our suppliers.

Additional conditions per operating segment

	Liquor	Health	Food	Beauty	Personal care	Electronics
Water stewardship programme in place - reducing water usage & water pollution	x	x		x	x	
Responsible pesticide management system in place ensuring protection of employees as well as preventing severe pollution			x			
Safeguarding fair treatment and well-being of animals in our supply chain (living conditions, animal testing and the use of antibiotics)			x	x	x	
Compliance with the legislation on e.g. chemical substances and related pollution and conflict mining.		x		x	x	x
Additional conditions per specific product group						
Safeguarding the protection of biodiversity and ecosystems specifically for the following product groups:			x		x	



Offering sustainable products

Assess

We classify sustainable brands and products according to our Scorecard 'Reach with Impact'.

- Develop a sustainability product & supplier scorecard that determines what we mean by a 'more sustainable choice'. For this we take internationally recognised certification schemes into account.
- Assess our product portfolio for 'more sustainable choices'.

Source

We expand our sustainable product portfolio by proactively sourcing more sustainable brands and products.

- Train our purchasers in sourcing more sustainable products.
- Actively source more sustainable alternatives – at ingredient, product, and brand level – and sell these in parallel with our regular portfolio.
- Ensure the commodities that are drivers of deforestation and are used in our specialty products are sourced sustainably. This goes for palm oil and paper/wood.

Promote

We empower our customers to buy more sustainable and healthier products and brands.







- Be transparent towards our customers regarding sustainable choices on our digital ordering platform.
- Offer loyalty programmes and special push actions for sustainable products.
- Train our sales department in being an added value business partner. Focus on storytelling rather than only on the 'cheapest' product.
- Work with our strategic suppliers and clients to push sustainable product sales, for example through developing brand activation programmes.
- Promote the responsible use of alcohol and medical products by providing consumers tools and information that help them gain a better understanding of the consequences of irresponsible consumption on their health and well-being.
- Ensure access to affordable medicines for everyone, everywhere.
- Promote healthy products by informing customers about their nutritional value and whether the product can be classified as a healthy alternative. We use the Nutriscore for this.

Our strategy & commitments in motion

We are already taking action to build a more sustainable future and contribute to the well-being of the communities in which we operate. Join us and follow our progress at www.bs-group-sa.com/about-us/sustainability/

Principles and policies

B&S has various sets of policies in place governing the performance of its entities and ensuring implementation of action plans throughout our company. More information can be found in the following publications:

-  Climate action
-  Be resource conscious
-  Responsible products and responsible sourcing
-  Empowered people
-  Code of Business Ethics
-  Supplier Code of Conduct

[Go to documents](#)

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